

## Related Parties & Client Groups

*Quipu Core Banking allows financial institutions to identify and define groups of related parties in order to effectively manage the risks arising from the people and entities connected to clients.*

Quipu Core Banking enables financial institutions to establish mechanisms to monitor credit exposures to parties – individuals or entities – that together form a group, and to design appropriate internal procedures, policies and standards to manage the risk associated with them. Financial institutions can ensure that credit transactions involving related parties are subject to rigorous credit reviews and the overall exposure remains within acceptable levels. Financial institutions can define the types of relationships recognised by the system.

### ***Standard Features:***

- Register related parties as members of a group, making it easy to store information that is relevant to all of them.
- Define relationship types, and propose new relationship types at any time.
- Register details of the relationship between the individual members of a group at any time during the client registration and client data maintenance process.
- Register relationships between clients and non-clients, either private individuals or legal entities, during the client registration and data maintenance process.
- Register a party as a member of more than one group.
- For each relationship type, define attributes which have to be filled in when registering new relations.
- Flag a specific party as head of the group, as a risk driver (e.g. guarantor, key supplier, key buyer) or any other predefined specific role.

- Generate an automatically configured organisational chart based on the registered types of relationships and previously flagged specific roles, such as head of the group and risk driver.
- Update the composition of a group of related parties every time a group member or relationship type is added, modified or deleted.
- Regularly review the relationship between related parties: for this purpose, Quipu Core Banking stores a history of data entries and modifications for each group of related parties.
- Use system controls and validators to avoid manual errors. Two examples of Quipu Core Banking's validators:
  - only one relationship between two parties can be registered
  - only one entity can be flagged as head of the group at a time
- Connect a credit limit approval process to a whole group of related parties.