

Sharing with counterparties

The best approach for a successful sharing experience

Avallone helps you handle KYC requests from, e.g., financial institutions much easier, faster, and more secure/compliant. Avallone is doing this by keeping the entire KYC request handling inside Avallone and by letting you easily reuse data from the platform and previous shares. This means the more you share, the faster and easier it will get.

All counterparties have their own internal rules for KYC handling, and especially financial institutions, like banks, have many internal rules and controls. Therefore, before your first share with a counterparty, you must prepare them for your new way of responding to KYC requests. Avallone will always support you in your interactions with the counterparties if needed. Below is our recommended process for KYC responding and how to handle roadblocks caused by the counterparty.

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Early notification to counterparties

You should, as early as possible, notify your counterparties that you, in the future, will use Avallone for KYC sharing. We recommend that you notify your counterparties who you are sharing KYC data with on a regular basis right away. For other counterparties, you should notify them as soon as you receive a KYC request.

The purpose of the notification is to prepare your counterparty for the new sharing process. It also allows your counterparty to come back with any concerns in advance, if any. Remember, your counterparty may reject sharing they don't understand, and especially banks can be conservative regarding changes. Therefore, an early warning can ensure there is time to get alignment between you and your counterparty.

You can use these templates for the first notification:

Notification to regular KYC counterparties

Dear ...,

We have recently implemented the Avallone KYC platform to handle our KYC requests. The Avallone platform will make our KYC process significantly more efficient and make it easier to answer KYC requests from banks and other counterparties with higher data quality.

To fully benefit from the digital process, going forward, we will deliver our KYC answers in a slightly different format than your questionnaires. However, all the data you need will be delivered, and the documents that have to be signed will be signed by the right person using DocuSign.

To ensure secure sharing, we would like you to download our KYC data directly from our system. Please make sure you whitelist this address/domain we use for it:

Email sender: no-reply@avallone.io

Avallone domain: <https://app.avallone.io>

Let me know if you have any questions or concerns.

Notification when you have received a KYC request

Dear ...,

We have recently implemented the Avallone KYC platform to handle our KYC requests. The Avallone platform will make our KYC process significantly more efficient and make it easier to answer KYC requests from banks and other counterparties with higher data quality.

To fully benefit from the digital process, we will deliver our KYC answers in a slightly different format than the questionnaires you sent us. However, all the data you have asked for will be in the attached files, and the documents are signed by the right person using DocuSign.

To ensure secure sharing, we would like you to download the KYC data directly from our system. Please make sure you whitelist this address/domain we use for it:

Email sender: no-reply@avallone.io

Avallone domain: <https://app.avallone.io>

Let me know if you have any questions or concerns. We will come back with a reply to your KYC request soon.

First sharing

When you do your first sharing with a counterparty, make sure to remind them about your new process (refer to your early notification) and ensure that your counterparty understands that you want to deliver using Avallone. Also, let them know that if they have any questions, you are ready to help them. Avallone will support you if needed.

Roadblocks

There can be different roadblocks in the sharing process, they can be both before the sharing (after your notification) and after the sharing. We have below listed what to do if you hit a roadblock.

The counterparty can't download the sharing package from Avallone (using the link)

It happens that it is not possible for counterparties to be allowed to download files from a non-approved domain and, therefore, can't download the sharing package. If that happens, you should **ask the counterparty to add the Avallone domain to their "allowed list"** so they can access Avallone. They need to whitelist the following:

Email sender: no-reply@avallone.io

Avallone domain: <https://app.avallone.io>

The counterparty can't receive the one-time password sms to download the sharing package

If the counterparty does not have a mobile phone where the one-time password can be delivered, it is also possible to **deliver the one-time password as a voicemail** to any direct phone number.

If the counterparty can't receive a one-time password, you can also send the sharing link **without the one-time password** protection. This will lower the security of the process; however, the link is a unique link, and it only works one time.

The counterparty will not download the sharing package directly from Avallone.

If the counterparty, for some reason, does not accept downloading the sharing package directly from Avallone, then you are forced to deliver the sharing package using your counterparties preferred delivery channel. This would typically be by insecure email or an upload portal.

Instead of sharing the package using link sharing, you should just **download the sharing package** from Avallone and share the content using email or other relevant delivery channels.

The counterparty will not accept the Avallone format of data.

Some counterparties will insist on getting data delivered in their format, e.g., using the pdf questionnaires that they have delivered together with the KYC request. If this happens, Avallone will move all the data to the counterparty's own format and upload the forms to Avallone. You can now share it according to the counterparty's preferences. This is to ensure that the roadblock does not cause you extra work.

Since sharing the KYC data in the Avallone format is the fastest possible way, we suggest the following initial reaction:

1. Explain to the counterparty that you have delivered all the data they have asked for and that you don't find it reasonable that you should use the extra time to put it into a specific format.
2. If not accepted, we suggest that you ask for a meeting with your Relationship Manager (RM) and the RMs manager to discuss this issue. Avallone will participate in the meeting if needed.
3. If the counterparty still refuses to accept the Avallone format, then Avallone will move all the data in the Avallone format into the counterparties format. Avallone will upload the files so you can share the data the usual way.

The counterparty does not accept signing by DocuSign.

Some counterparties do not accept digital signing. It's difficult to understand how ink on paper should be more secure than a digital signature. So we recommend that you will have a discussion with the counterparty regarding the reason and also discuss the different levels of digital signature possibilities (see below). Avallone will support you in this discussion if needed.

If a counterparty does not accept digital signing, then you will have to download the documents that need signing and get them signed. After signing, you should upload the scanning of the documents to Avallone and share them the usual way.

DocuSign methods

DocuSign provide simple electronic signatures (SES), advanced electronic signatures (AES), and qualified electronic signatures (QES).

The difference between the types of signatures is how the signer is identified.

- SES relies on email, IP address, and two-factor authentication to identify the signer, while AES and QES use encrypted digital certificates tied specifically to the signer. The signature requirements vary depending on the country and type of document. While SES may be enough in some cases (e.g., for signing an HR document), in other cases, it may not be enough to be considered a legally binding signature.
- AES (better) and QES (best) provide further levels of security and verification of the signature and signer. In the Nordics, AES is the standard market practice, with NemID, MitID, and BankID being examples of AES. In the EU, QES is rarely used outside of Germany and, to a certain degree, in

France. SES is sometimes also referred to as "electronic signature," while AES and QES are "digital signatures."

The counterparty wants me to use an online questionnaire

The best way of delivering data online is by using APIs from Avalone to the counterparties system.

Therefore, we recommend that you ask for a meeting with the counterparty where Avalone participates.

At the meeting, we will explore the possibility of using APIs for the KYC reply.

If API is not possible, you should ask the counterparties about the possibility of delivering the data in an alternative format so that you can follow your normal KYC response process. If that is not possible, you will have to fill out the only questionnaire provided.

Avalone will make it easy for you to find already existing data, and you should copy page data from Avalone to the online form.