








Malaysian eKYC Guidelines for Financial Institutions

Updated eKYC policies published by Bank Negara Malaysia in June 2020 expanded upon the 2017 guidelines and set regulatory guidelines for banks, financial services and insurers. The updated policy allows financial institutions operating in Malaysia to conduct video calls or leverage technology such as artificial intelligence (AI), machine learning and biometrics for online identity verification during the new account onboarding process.

As the leading AI-powered trusted identity as a service provider, Jumio helps financial institutions around the world comply with KYC and AML regulations.

 Transparency	 Biometrics	 AI & ML	 False Acceptance Rate (FAR)	 Feedback Loop
<p>Verifications can be audited for regulatory reviews.</p>	<p>Banks can leverage face-based biometrics and liveness detection to verify digital identities.</p>	<p>Financial institutions can use AI and machine learning to automate the identity proofing and fraud detection processes.</p>	<p>Financial institutions can utilize AI and machine learning-based solutions as long as the overall FAR for the eKYC solution does not exceed 5%.</p>	<p>Financial institutions should provide regular feedback to improve the effectiveness of the underlying IDV technology and solution providers should maintain historical logs.</p>

Bank Negara Malaysia eKYC Guidelines	How Jumio Can Help
<p>The Board shall set and ensure the effective implementation of appropriate policies and procedures to address any risks associated with the implementation of eKYC, including operational, customer information, human capital, information technology (IT) and money laundering and terrorism financing (ML/TF) risks.</p>	<p>Boards and senior management require transparency and predictability of the eKYC vendor process to be confident of bearing accountability of the system. Jumio provides transparency to our banking customers on our eKYC service model, where the bank can access and audit the Jumio eKYC processes to achieve satisfactory risk oversight. Audited results can be submitted for regulatory reviews as proof of compliance.</p>

Bank Negara Malaysia eKYC Guidelines

How Jumio Can Help

A financial institution shall adopt an appropriate combination of authentication factors when establishing measures to verify the identity of a customer through eKYC. A financial institution may utilize biometric and fraud detection technology to verify a customer's identity against a government-issued ID and ensure the authenticity of the ID document used. Liveness detection technology can be used to ensure the customer is a live subject and not an impersonator (e.g., a bot, a picture of a picture or a deepfake video).

Jumio's identity verification solutions leverage AI to inspect various security features on government-issued IDs such as hologram, ghost image, data positions, security logic of data combinations and font size to detect any ID manipulations. Jumio has embedded certified liveness detection into our identity verification process to detect spoofing and ensure the person holding the ID is a live subject.

The eKYC solutions may utilize AI, machine learning or other forms of predictive algorithms to automate the decision-making process for customer identification and verification and ensure accuracy of the verification results.

The accuracy of an AI-driven outcome is dependent on the data quality and size of the dataset used to train the AI algorithms – and the skill of the data scientists developing the models. While other eKYC systems often purchase off-the-shelf datasets to create their decisioning models, Jumio trains its models on real-world production data from over 1 billion transactions. Our dataset equips Jumio with a significant head start and competitive advantage over smaller, regional players whose models lack the depth and breadth of verification history to develop highly predictive models.

Where the decision to verify a customer's identity through eKYC is automated with the use of artificial intelligence, machine learning or other forms of predictive algorithms, whether in whole or in part, a financial institution shall ensure that the overall FAR for the eKYC solution does not exceed 5%.

Jumio has built a sophisticated identity verification system based on AI, machine learning and biometrics to deliver superior accuracy rates. These technologies have translated into industry-leading False Rejection Rates (FRR) and False Acceptance Rates (FAR) that track well below the 5% stipulated threshold.

A financial institution shall regularly conduct reviews on the eKYC solution to identify and address potential vulnerabilities in the eKYC solution. The financial institution shall, where applicable, submit periodical feedback to technology providers with the aim of improving effectiveness of the underlying technology used for customer identification and verification.

Jumio encourages our customers to review the performance of our models on an ongoing basis. We conduct monthly audits of our verification transactions for the preceding month to ensure human oversight is applied at all times to comply with ongoing monitoring requirements and the applications continue to perform as intended.

In monitoring the effectiveness and accuracy of eKYC solutions utilizing artificial intelligence, machine learning or other forms of predictive algorithms, a financial institution shall maintain a monthly record of the performance of the eKYC solution.

Jumio provides standard reports in real time containing information on every verification transaction (e.g., number of verifications processed by date, number of failed verifications, number of verifications with detected manipulation). These analytics are easily generated for our customers to support their audits – greatly reducing our customers' workload and need for internal resources.

Solution: Jumio Identity Verification

Jumio's state-of-the-art identity verification technologies support Malaysia's eKYC requirements while also helping banks and financial institutions more efficiently compete in their market and around the globe.



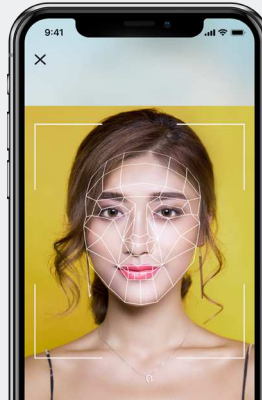
ID Proofing Check

Is the ID document authentic and valid?



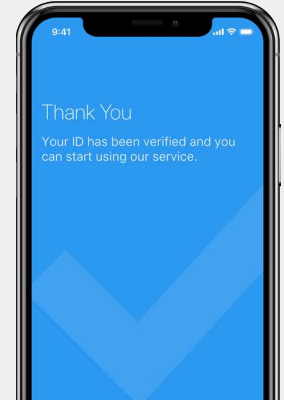
Similarity Check

Is the person holding the ID the same person shown in the ID photo?



Liveness Check

Is the person holding the ID physically present during the transaction?



Definitive Answer

Jumio Identity Verification delivers a definitive yes or no answer in seconds.



Trusted by



This content from Jumio is for general information purposes only. Please consult your legal team for advice regarding your particular situation.