

KYC/AML Requirements by Bank Type

Retail Banks, Private Banks, and Electronic Money Institutions (EMIs)

Executive Summary

Know Your Customer (KYC) and Anti-Money Laundering (AML) obligations vary depending on the type of financial institution. While all regulated financial entities must comply with FATF standards, the depth and format of due diligence differ significantly between retail banks, private banks, and Electronic Money Institutions (EMIs).

Clients applying for offshore or cross-border banking must understand these institutional differences to structure their application accordingly — especially in high-risk sectors or jurisdictions.

1. Retail Banks

Client Profile: Mass-market individuals and SMEs

Risk Appetite: Generally conservative, lower tolerance for offshore or high-risk entities

KYC/AML Requirements:

- Government-issued ID (passport, national ID)
- Proof of address (utility bill, bank statement, lease agreement)
- Source of income documentation (salary slips, tax returns)
- Purpose of account and expected transaction volume
- Sanctions/PEP screening and risk scoring

Notes:

- Retail banks rarely onboard offshore entities without local nexus
- Personal interviews and in-branch visits often required
- Strong aversion to crypto, gaming, adult, or FX-related activity

2. Private Banks

Client Profile: High-net-worth individuals (HNWIs), family offices, trusts, and investment vehicles

Risk Appetite: Higher, with tailored onboarding and due diligence flexibility

KYC/AML Requirements:

- Passport, utility bill, bank references
- Detailed Source of Wealth (SoW) and Source of Funds (SoF) narrative
- UBO declarations and supporting documentation (inheritance, business sale, etc.)
- Tax residency certificate(s), CRS/FATCA forms
- Corporate structure chart (if using a trust or holding company)
- Sanctions, PEP, and adverse media screening
- Enhanced due diligence for offshore structures or high-risk jurisdictions

Notes:

- Private banks conduct deep due diligence, including background checks and internal scoring
- Longer onboarding timelines (2–8 weeks)
- Clients often required to place a minimum AUM (Assets Under Management) deposit (e.g., \$500K+)

3. Electronic Money Institutions (EMIs)

Client Profile: Startups, digital businesses, freelancers, and offshore companies

Risk Appetite: Moderately high; sector- and jurisdiction-dependent

KYC/AML Requirements:

- Passport and proof of address for directors and UBOs
- Business incorporation documents and company registry extracts
- Company structure chart and UBO declaration
- Nature of business, website, contracts or invoices (if trading)
- Expected transaction volumes and countries
- Sector-based exclusions or limitations (e.g., crypto, gambling, adult content)

Notes:

- EMIs may allow faster onboarding than banks but are more likely to reject high-risk cases outright
- Often use automated KYC platforms (e.g., SumSub, Veriff)
- May request video verification or video KYC
- Some operate under restricted licenses, limiting cross-border payments or currency support

Comparative Summary

Requirement	Retail Bank	Private Bank	EMI (Fintech)
Client Type	Mass-market, SMEs	HNWI, Trusts, SPVs	Startups, Offshore SMEs
Risk Appetite	Low	Moderate–High	Moderate
KYC Depth	Basic	Extensive	Moderate
EDD for Offshore	Rarely onboarded	Regularly applied	Jurisdiction-dependent
Onboarding Time	3–15 days	2–8 weeks	1–7 days
Typical Rejections	Crypto, FX, Offshore	Poor SoW, opaque UBOs	Blacklisted countries, high-risk sectors

Conclusion

Each financial institution type carries different onboarding dynamics. Offshore clients and service providers must tailor their compliance documentation to the risk appetite and regulatory obligations of the bank or EMI they are applying to. A well-prepared file, complete with clean UBO documents, source of wealth transparency, and proper structure charts, dramatically increases approval rates — regardless of institution type.