

ENHANCED KNOW YOUR CUSTOMER (KYC)

Issue Source

PJM

Issue Content

Reevaluation of the definition of Principal will allow for PJM to further standardize and continue strengthening the implementation of required KYC due diligence procedures for entities and individuals participating in the PJM Markets.

Key Work Activities and Scope

1. Provide information on the history and current KYC procedures, including a review of the current definition of Principal and other related business rules.
2. Provide information and review industry standards and best practices under FinCEN with PJM Stakeholders.
3. Discuss and develop solution options with Stakeholders to address FinCEN best practices considering those rules adopted by other ISOs/RTOs.
4. Develop solution package(s) for endorsement addressing key work activity #3.

Expected Deliverables

- 1 | Proposed solution package(s) addressing FinCEN best practices.
- 2 | Corresponding revisions to the PJM Tariff or other governing document provisions consistent with the solution proposed will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC approved solution will be brought to the appropriate Standing Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option)

Stakeholder Group Assignment

Risk Management Committee (RMC)

Expected Duration of Work Timeline

Expectation is this work will be completed through in six months.

Start Date	Priority Level	Timing	Meeting Frequency
10/24/2023	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34; Section 6