



Know Your Customer (KYC)


Anita Patel

Sr. Manager – Credit, Risk &
Collateral Management

Risk Management Committee

November 14, 2023

- 2019 Financial Risk Mitigation Sr. Task Force (FRMSTF)
 - Four Work Streams
 - Market Rules
 - Credit and Risk Management
 - Membership Qualifications/Market Participation
 - Stakeholder Process / Governance



Membership Application Enhancements



Evaluation of Market Participant



Credit and Risk Due Diligence Procedures



Evolving Processes and Enhancements



Data gathered informs Membership, Credit & Risk Procedures

Pre-June 2020

- Membership Application
 - Articles of Incorporation, State Documentation, W-9, Schedule 4, PJM Tool Access/Authorization
- Affiliate Disclosure
- Sector Selection
- Credit Application & Officer Cert.

Post-June 2020 / Current

- Updated Membership Enrollment
- Membership Application with Validation
 - Articles of Incorporation, State Documentation, W-9, Schedule 4, PJM Tool Access/Authorization
- Affiliate Disclosure
 - Validating affiliate structure and/or relationships
- Sector Selection with Validation
- Updated Credit Application & Officer Cert.
- Market Participant Application
- Principal Data, Principal Bios
- Background Checks on Principals & Company
- Principal Roles & Responsibilities
- Additional Data Collection (e.g. stock symbols & exchanges, NAICS code)

"Principal" shall mean:

- i. the chief executive officer or senior manager that controls or directs strategy for the Participant,
- ii. the chief legal officer or general counsel,
- iii. the chief financial officer or senior manager that controls or directs the financial affairs and investments of the Participant,
- iv. the chief risk officer or senior manager responsible for managing commodity and derivatives market risks, and
- v. the officer or senior manager responsible for or to be responsible for transactions in the applicable PJM Markets.

PJM's definition of Principal focuses on employees and does not include any person or entity that has an ownership interest in the Participant

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malicious
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