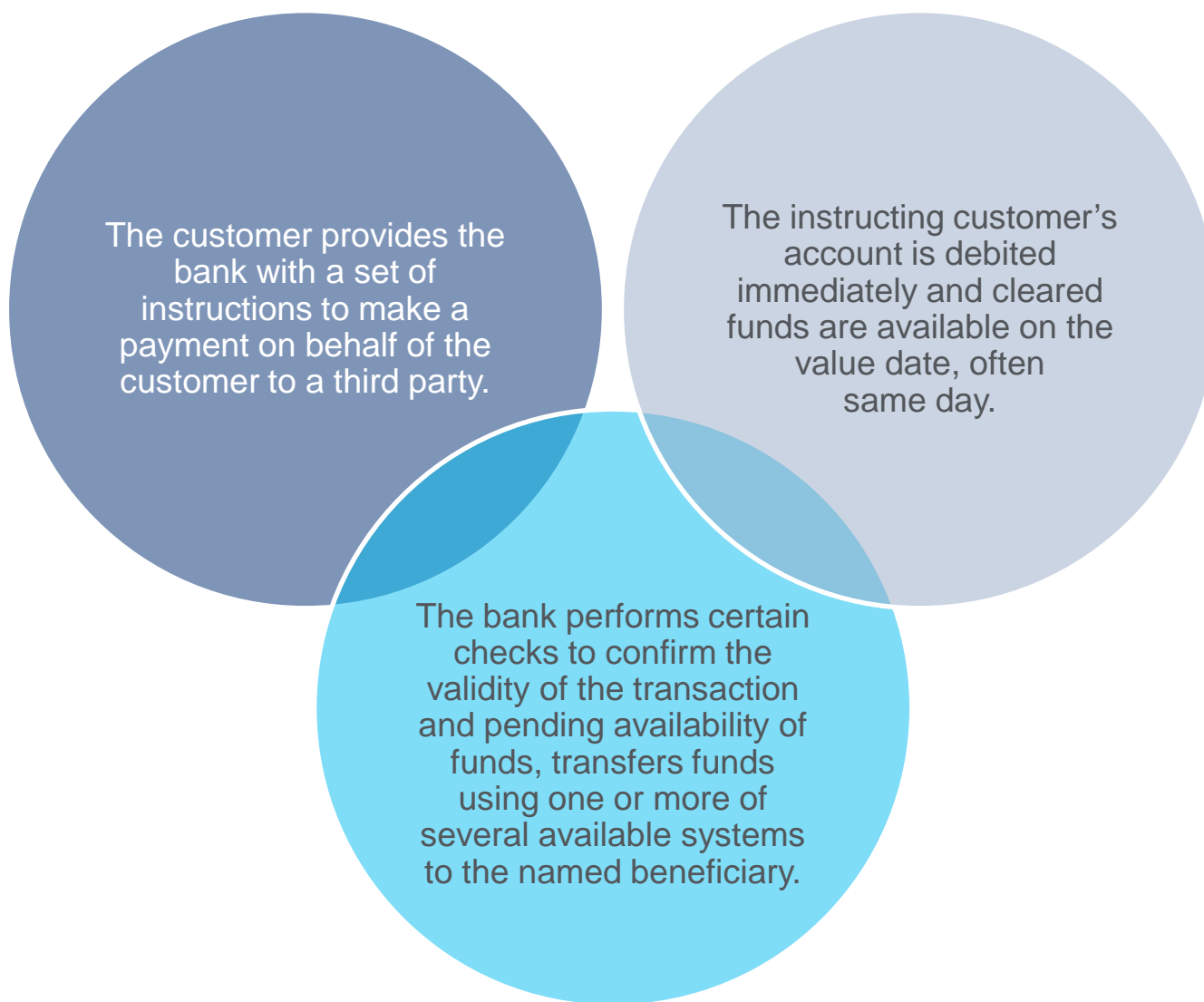


Manually Initiated Funds Transfers (MIFT)

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MIFT Fraud Risks: Client Controls

Know Your Customer/Supplier

- If you regularly deal with a counterparty and make payments to that counterparty set up a standard settlement instruction which is properly authenticated and then make payments only to that account
- Do not accept amendments without proper authentication i.e. a request to amend supplier bank account details should be governed by a call-back process using a properly authenticated and independently sourced number with a designated supplier contact
- Manual transfer requests should be executed under additional levels of approval
- Pre-established verifiable forms that are the same as prior transmissions can be used

Funds Transfer

An Alternative Solution

- Manually Initiated funds transfer carries an inherent fraud risk because of the manual intervention required to complete the transaction
- A more secure method of transacting is electronic banking, like CitiDirect, Citigroup's solution for Corporate Customers
- CitiDirect is a secure platform setting a precedent as a secure multi-currency payment system with robust login and payment authentication controls involving One Time Password (OTP) supported by further multi-level control functionality for transaction initiation and approval segregation
- It uses a one time password generated by a Safeword card which is currently considered to be one of best forms of authentication available
- No single user can capture and release or authorise a transaction, it should always require at least two persons to complete a transaction

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