

REGTECH100

Profiles of the **REGTECH100**, the world's most innovative RegTech companies that every leader in the regulatory industry needs to know about in 2021



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The **REGTECH100** is an annual list of 100 of the world's most innovative RegTech companies selected by a panel of industry experts and analysts. These are the companies every financial institution needs to know about as they consider and develop their mission critical RegTech and digital transformation strategies.

There's plenty of interest and hype about RegTech in the marketplace, but much of it is superficial, incoherent or self-serving and fails the needs of decision-makers in incumbent financial institutions who require independent, facts, figures and analysis.

The **REGTECH100** list will help senior management and compliance professionals evaluate which digital solutions have market potential and are most likely to succeed and have a lasting impact on the industry.

CRITERIA

A range of factors was considered by the Advisory Board and RegTech Analyst team to make the final selection including:

- Industry significance of the problem being solved;
- Growth, in terms of capital raised, revenue, customer traction;
- Innovation of technology solution offered;
- Potential cost savings, efficiency improvement, impact on the value chain and/or revenue enhancements generated for clients;
- How important is it for financial institutions to know about the company?

PROCESS



RESEARCH REGTECH UNIVERSE

Analyse universe of RegTech solution providers on RegTech Analyst database and external sources



NOMINATE COMPANIES

Shortlist candidates that meet criteria along with companies nominated via the website



CONDUCT INTERVIEWS & SURVEY

Undertake in-depth interviews or surveys with founders and CEOs of shortlisted companies



IDENTIFY REGTECH 100

Determine which companies excel in terms of the criteria and can be classified as RegTech innovation leaders



PUBLISH

Announce results to media and finalists



1 Second

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Read our in-depth interview
on pages 98-99.



-  Founded 2002
-  Employees: 501-1,000
-  Regulation/Legislation: **MiFID II, AIFMD, KYC, AML, GDPR, EMIR, Investment Advisers Act of 1940, SM&CR, MAR, CCPA**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Communications Monitoring, Transaction Monitoring, Cybersecurity/Information Security, Risk Management, Reporting, Compliance Management
-  Regions of operations: Americas, Europe






ACA Compliance Group (ACA) is a leading global provider of governance, risk, and compliance advisory services and technology solutions. ACA's ComplianceAlpha® enables financial services firms around the globe to strengthen and streamline their risk and compliance management programs from a single platform. Available on desktop and mobile devices, ComplianceAlpha helps firms to keep pace with the regulators' evolving requirements and increasing technological capabilities. Developed by ACA's team of former regulators, compliance professionals, regulatory technologists, and cybersecurity professionals, ComplianceAlpha helps firms automate manual tasks, identify risk through enhanced surveillance capabilities, derive deeper insights through connected data, increase employee compliance, and free up valuable resources. ComplianceAlpha includes functionality for employee compliance, trade surveillance, AML KYC/CIP, compliance program management, marketing reviews, third-party risk management, regulatory reporting, and cybersecurity and technology risk. Our clients include leading investment advisers, private fund managers, commodity trading advisors, investment companies, broker-dealers, and domestic and international banks.



-  Founded 1836
-  Employees: 1,001-5,000
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Identification/Background checks, Compliance Management
-  Regions of operations: Globally

Accuity powers compliant and assured client transactions to help build an interconnected and trusted financial ecosystem. Their financial crime screening, payment services, and benefits compliance solutions help enable financial inclusion while identifying criminal activity and fraudulent players. With deep expertise and industry-leading data and analytics solutions from the Fircio and Bankers Almanac brands, Accuity provides unmatched confidence, efficiency and compliance for customers around the world. Accuity has been delivering solutions to banks and businesses worldwide for 180 years. Accuity's Fircio solutions for transaction, account and trade screening enable organisations to ensure sanctions compliance, detect financial crime, and prepare for regulatory scrutiny. The Bankers Almanac suite of payment services provides accurate, up-to-date financial data to support payment routing and counterparty Know Your Customer (KYC) due diligence. The Benefits Eligibility portfolio enables U.S. federal and state government agencies to determine applicants' eligibility to receive benefits from assistance programs, quickly and accurately.



-  Founded 2018
-  Employees: 11-50
-  Regulation/Legislation: **AML**
-  Subsectors: Risk Management, Compliance Management
-  Regions of operations: EU

Acuminor is a Swedish-based RegTech founded in 2018, specialized in anti-financial crime threat intelligence. With advanced analytics tools powered by machine learning, our intelligence analysts keep you up to date with the latests financial crime trends. The analyses are always available in our SaaS Solution that contains three products: Risk Assessment Pro (for business-wide risk assessments), ThreatView (for financial crime intelligence) and Acuminor API (for integration of financial crime threats and risk indicators into your existing KYC or TM tools). Internally they use a variety of techniques to create effective, high-quality analyses - Machine learning/NLP play an important role. Our Solution is delivered as cloud SaaS.



COMPANY RESEARCH PROFILE

actico

Smarter Decisions



Founded 2015



Immenstaad, Germany



www.actico.com



info@actico.com



Employees 101-250



Regions of operation:
EMEA, Americas, APAC

PRODUCT NAME: ACTICO Decision Management Platform and Compliance Suite

KEY EMPLOYEES:



Hans Jürgen Rieder
CEO



Thomas Knöpfler
CSO & Co-Founder



Christine Moosherr
COO & Co-Founder



Volker Großmann
CTO & Co-Founder

Value Chain: **Onboarding, Monitoring, Detection, Reporting, Processing & Control**

Subsectors: **Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Risk Management, Identification/Background checks, Compliance Management, Sanctions Lists and PEP screening, Market Abuse and Insider Trading Detection, Fraud Management**

Regulation/Legislation: **MiFID II, PSD2, Basel III, KYC, AML, GDPR, Basel III**

OFFERING

Actico is an international provider of software for intelligent automation and digital decisioning. The company provides software and tools used across multiple industries enhancing day-to-day decision-making and end-to-end automation. Its ACTICO Platform is a flexible and scalable technology for digitalizing and automating high-volume, operational business decisions. It helps organizations capture decision-making logic, train and operationalize machine learning models, and apply automatic decision making to any application scenario.

Used to manage risks, fulfil regulatory compliance obligations, prevent fraud, enhance digital customer engagement and optimize operations, Actico software combines human knowledge and artificial intelligence with its automation technology. The adaptive, cloud-architected software helps companies to gain agility, achieve business excellence and attain higher customer satisfaction.

PROBLEM BEING SOLVED

The intelligent use of advanced analytics, automation and machine learning is becoming increasingly important for the financial sector. Actico enables companies to implement agile services and applications to automate decisions or improve human decision-making. Thus, financial services providers and insurance companies can manage digital transformation via technology that helps them adapt regulatory requirements and serve customers in real-time.

Actico has proven software solutions in the area of Compliance, Credit Risk Management and supports its customers with Business Rules Management technology (ACTICO Platform) for individual use cases such as fraud prevention, real-time customer communication in banking, multi-channel pricing, underwriting processes, customer engagement, and many more.

TECHNOLOGY

The compliance suite administration environment is based on the award-winning ACTICO Platform, a flexible and scalable software for digitalizing and automating high-volume, operational business decisions. It is designed for intelligent automation and digital decisioning and combines human knowledge and AI with automation technology. The unified low-code platform makes it easy to implement applications and services in order to improve market responsiveness. The Platform consists of components that support business domain experts, data scientists and IT professionals throughout the entire digital decisioning lifecycle. Business domain experts use the ACTICO Modeler to author decision models graphically and test them for quality assurance. Data scientists use ACTICO Machine Learning to train and validate machine learning models. It uniquely integrates Machine Learning to improve decision quality and increase automation rates.

PRODUCT DESCRIPTION

With its Compliance Suite, Actico offers a comprehensive solution to meeting compliance requirements and fighting financial fraud. People, business relationships, payments and securities orders are automatically monitored, and suspicious cases tracked – all within a single application.

Many banks, financial service providers and insurance companies enjoy the benefits of the Compliance Suite which include:

- Rapid adaptation to regulatory changes
- Low compliance risks through proven procedures
- Compliance with internal requirements
- One unique system for compliance and anti-financial fraud management
- Digitalized and automated testing of millions of transactions daily
- Low workload for compliance staff through modern procedures
- Low implementation costs due to distinctive standards

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The suite consists of the following modules:





- Anti-Money Laundering - Monitor transactions for money laundering, clarify abnormal transactions, classify customer risk
- Know Your Customer - Automate the Know Your Customer process, continuously update Know Your Customer profiles, integrate compliance checks into client onboarding
- Sanctions Lists and PEP screening - Screen for sanctions, embargoes, PEP status and other risks, Initial screening of potential new customers, regular screening of the customer base
- Transaction monitoring - Screen payments to prevent money laundering and terrorist financing, screen for embargoes, sanctions and more, carry out real-time checks of payments before posting
- Market abuse & insider trading detection - Monitor for market manipulation, insider trading and trade restrictions, manage insider lists, watch lists and restricted lists, clarify conspicuous securities orders

The Compliance Suite uses rules to detect unusual client behaviour and potential compliance risks. Combining rules with machine learning links the expert knowledge of compliance officers with knowledge that is automatically learned from data resulting in increased fraud detection rate and reduced financial losses.

The basis of this suite is the ACTICO Platform which helps organizations capture decision-making logic, train and operationalize machine learning models, and apply automatic decision making to any application scenario. The graphical approach of the ACTICO Platform empowers business experts to create and maintain business logic or rules, thus enabling a better alignment between technology and business departments. Its approach is to map e.g. compliance and regulatory requirements in a central repository that applications can access.

PARTNERSHIPS

Actico partners with leading organisations globally including (among others):

-  partner network – Cloud solutions partner
-  – Integration partner for Compliance solutions and DMN
-  – The Risk Management Association and ACTICO jointly offer a cloud-based dual risk rating system
-  – ACTICO cooperates with Scope Ratings, a leading European rating agency in the area of financial spreading

TRACTION/GROWTH

- Actico's technology is used by companies on almost all continents, ranging from small/mid-size to Fortune 500 companies, including (among others):



- Gartner has identified Actico as a Sample Vendor for Decision Intelligence in Hype Cycle for Data Science and Machine Learning, 2020 and Hype Cycle for Artificial Intelligence, 2020, a Sample Vendor for Composite AI in Hype Cycle for Artificial Intelligence, 2020 and Hype Cycle for Emerging Technologies, 2020.

MANAGEMENT BIO

Hans Jürgen Rieder – CEO

Hans Jürgen Rieder received his degree in business administration from the University of Mannheim, Germany. After positions at Société Générale and at PwC as a management consultant, he served in several senior roles at SAP AG before ultimately becoming the SVP Global IT – Application Services. He was since responsible for all global applications as VP – Group Head Applications at ABB Ltd, and most recently was the Group Chief Technology Officer at global Swiss bank UBS AG. He has been Chief Executive Officer of Actico GmbH since January 2020.

Why ACTICO is ready for the jump in RegTech demand

The pandemic has caused demand for RegTech solutions to jump, but ACTICO is more than ready for it.



Thomas Knöpfler, CSO, General Manager and Co-Founder at ACTICO



The RegTech sector could potentially come out stronger because of the Covid-19 crisis. It is one of the few industries that could. While the global pandemic has wreaked havoc on the world economy, it has also demonstrated the pressing need for companies to introduce reliable compliance solutions to their structures. Financial services firms now know that they must digitise their compliance structures. In short, demand for digital compliance solutions has skyrocketed.

German ACTICO is one of the RegTech companies that have noticed this shift in the market. "We have experienced that the importance of technology has been reaffirmed in the last few months," says Thomas Knöpfler, chief sales officer, general manager and co-founder at ACTICO.

It is hardly a secret why more businesses are adopting new tech solutions at this time of financial turmoil. They have realised that by building new digital structures, they are able to snap into action faster and cheaper without falling foul of regulatory demands. "Digitalisation not only reduces human dependence and increases

resilience, but is also the backbone of agile and innovative organisations," Knöpfler says. "Most of the above challenges can be addressed by rethinking the paradigms of tools and techniques in automation projects."

Of course, that doesn't mean that ACTICO has neglected to protect both the company and its employees. "At ACTICO, we had proactively prepared ourselves for the risks that the coronavirus can bring with it," says Knöpfler. "Our measures are designed to contribute to the protection of the health of people in our environment. At the same time, it is very important to us to ensure a continuous workflow. In addition to established and solid business continuity processes, which are in use, we benefit from the many years of experience of our colleagues in working remotely with international customers. Of course, our infrastructure is set up for this."

ACTICO's origins can be tracked back to the launch of Innovations Software Technology in 1997. But much has changed over the years. "Since 2015, the company has been operating as ACTICO," explains Knöpfler. "It develops and markets software solutions specifically tailored to meet the requirements of banks, insurance companies and financial service providers and other industries."

The company's success can be found at the core of ACTICO's innovative platform, which empowers its clients via intelligent automation and digital decisioning. "It combines human knowledge and artificial intelligence with automation technology," Knöpfler continues. "It is used by banks and insurance companies around the globe to implement various kinds of business applications. Among them are: compliance, credit risk management, loan origination, underwriting, claims management, multi-channel marketing and pricing."

Indeed, ACTICO already supports over 100 banks, insurance companies and financial service providers in more than 25 countries. The organisations that have tapped into the potential of using the platform include UBS Hongkong, Santander, KfW, ING, Volkswagen, LGT Group, Rand Merchant Bank (South Africa) as well as major banks in the US, Canada and Asia Pacific. "Most of them have implemented our RegTech solutions for their compliance, credit risk and loan origination management," Knöpfler says.

"The ACTICO platform is the base of these solutions. However, banks and insurance providers also use the ACTICO platform for individual applications like real-time customer communication, fraud detection, underwriting or multi-channel pricing. They have chosen this platform because it combines business rules and machine learning technology with automation software. It gives more control to business experts while leveraging AI for data-driven insights."

However, the rising demand for RegTech solutions like ACTICO's is not only due to Covid-19. Indeed, the surge can be traced back to the global financial meltdown of 2008. Following the implosion of the world economy, governments around the globe introduced new legislation to prevent the bad behaviours that triggered the crisis in the first place. While understandable, the new regulations meant more red tape for companies to cut through. Because of that, many businesses today need digital solutions to ensure they can more easily comply with the new and increasingly complex net of regulations.

One of the areas financial services firms must consider is risk management. "Changing regulatory requirements result in extremely high costs and money must be spent regularly to make adjustments," explains Knöpfler. "A lot of automation has already been implemented in this area, but the degree of automation varies from one institution to another. Many banks have hundreds or thousands of applications, all of which must be checked for changes issued by supervisory authorities."

This is hardly news to the organisations' leadership. "Most executives know that they need to realign their enterprise architecture and, above all, drive technological innovation," he continues. "But they often lack a clear strategy on how to promote comprehensive automation in the company. Many companies are still somewhat helpless when it comes to using digital technology for decision management and are too lightly relying on simple techniques such as robotic process automation (RPA). While this promises rapid effects, it ends just as quickly in chaos."

Some companies have responded to the situation by essentially throwing everything they've got at the problem. The axiom they follow seem to be that 'the more RPA tools, the better'. To Knöpfler this is not the way to go. "In our opinion, RPA creates short-term benefits, in the medium term it is questionable, in the long term it leads to high complexity," he says. "Intelligent automation is achieved through a holistic approach that takes all digital processes into account. This includes low-code platforms, possibly also an RPA tool (with all its secondary effects) and a decision management system."

And that is just what they get with ACTICO. "Our customers use decision automation when

they have to make complicated decisions, the decisions often change, IT and business have to work well together and they want to store knowledge centrally in a system that can be accessed by different applications," Knöpfler says. "Decision automation stores the knowledge of the people who have made these decisions so far. This makes the decision management system a central knowledge database and a practical basis for decision-making – the 'brain' of the company, so to speak."

He adds that in a world where regulatory requirements are constantly in flux, it would be foolish to store these rules in individual applications. "If a bank did that, it would have to make sure that every time the regulatory requirements were changed, the changes were applied to all applications and that nothing was forgotten," Knöpfler says. "Above all, this would have to be done in all applications using the same logic and the same checks. And this makes it clear that it is intelligent to store these rules centrally once. Because the bank only has to maintain them in one place and can be sure that they are applied everywhere."

Demand for RegTech solutions has jumped considerably in the last year. ACTICO's team is not resting on its laurels to meet it. For instance, it recently launched the ninth version of its platform. "This software for intelligent automation and digital decisioning combines human knowledge and AI with automation technology," Knöpfler says. "Our customers benefit from this low-code platform since it makes it easy to rapidly implement applications and services and adapt quickly in order to improve market responsiveness."

In fact, using this type of technology is something he believes will become increasingly popular in the industry. "In the area of RegTech, we sincerely believe that AI and machine learning will be new drivers in the foreseeable future," Knöpfler says. "The last few years have brought a flood of new laws and regulations for banks. There is no doubt that these developments make the work of risk and compliance functions more complicated and time-consuming. It is impossible for banks to cope with this situation using their existing procedures and staffing levels, but non-compliance with these regulations can result in heavy fines."

"Machine learning is on the way to becoming best practice in banking and insurance. It is often used for sanctions and payment monitoring. Along with analysing huge volumes of data from different sources at high speed, machine learning can draw its own conclusions. This ensures compliance with legal requirements while increasing efficiency and cutting costs. We have experienced that compliance projects with machine learning reduce effort up to between 50 and 60%."






In other words, ACTICO is ready to lead the way in the next stage of the RegTech industry's evolution. ●



-  Founded 2011
-  Employees: 1-10
-  Regulation/Legislation: **Any regulatory (or MI) reports, any jurisdiction**
-  Subsectors: Reporting, Compliance Management, Interpretation of Regulatory Reporting requirements
-  Regions of operations: Currently United Kingdom only but looking to expand





Allatus is a self funded start-up founded in 2011 and based in Edinburgh. The team each have over 25 years experience in our chosen fields predominantly in Financial Services. Allatus Unity gives Analysts a robust requirements analysis methodology to accelerate analysis whilst also building a reusable Knowledge base. Allatus Unity is like a Recipe Book for reporting, connecting all the report templates to all the detailed "ingredients" and the Recipe (Logic) that needs to be applied. Connecting Source system metadata then gives a full end to end lineage picture in a solution that opens up data knowledge to everyone in the organisation. It utilises a series of advanced search and machine learning technologies that aid the user in speeding up the analysis process as more content is ingested. The solution has a flexible deployment model, either SAAS, self hosted cloud, on premises or some form of hybrid deployment model.



-  Founded 2010
-  Employees: 51-100
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks
-  Regions of operations: EMEA, North America, APAC

Arachnys accelerates onboarding and monitoring by providing the best global KYC and AML data. Enriched, intelligent data on customers enables straight-through processing and means fewer customer touchpoints, less risk and quicker revenue. Real-time registry and adverse media connections allow you to keep regulators happy while reducing refresh costs and improving customer experience. A suite of APIs allow modular integration into customer lifecycle and case management tools, removing manual processes and reducing headcount. Founded in 2010, Arachnys has helped some of the world's biggest banks avoid regulatory fines, remediation costs and improved efficiency. Arachnys provide a single, intelligent feed for the world's KYC and AML data so you can onboard and monitor any business in the world, fast.

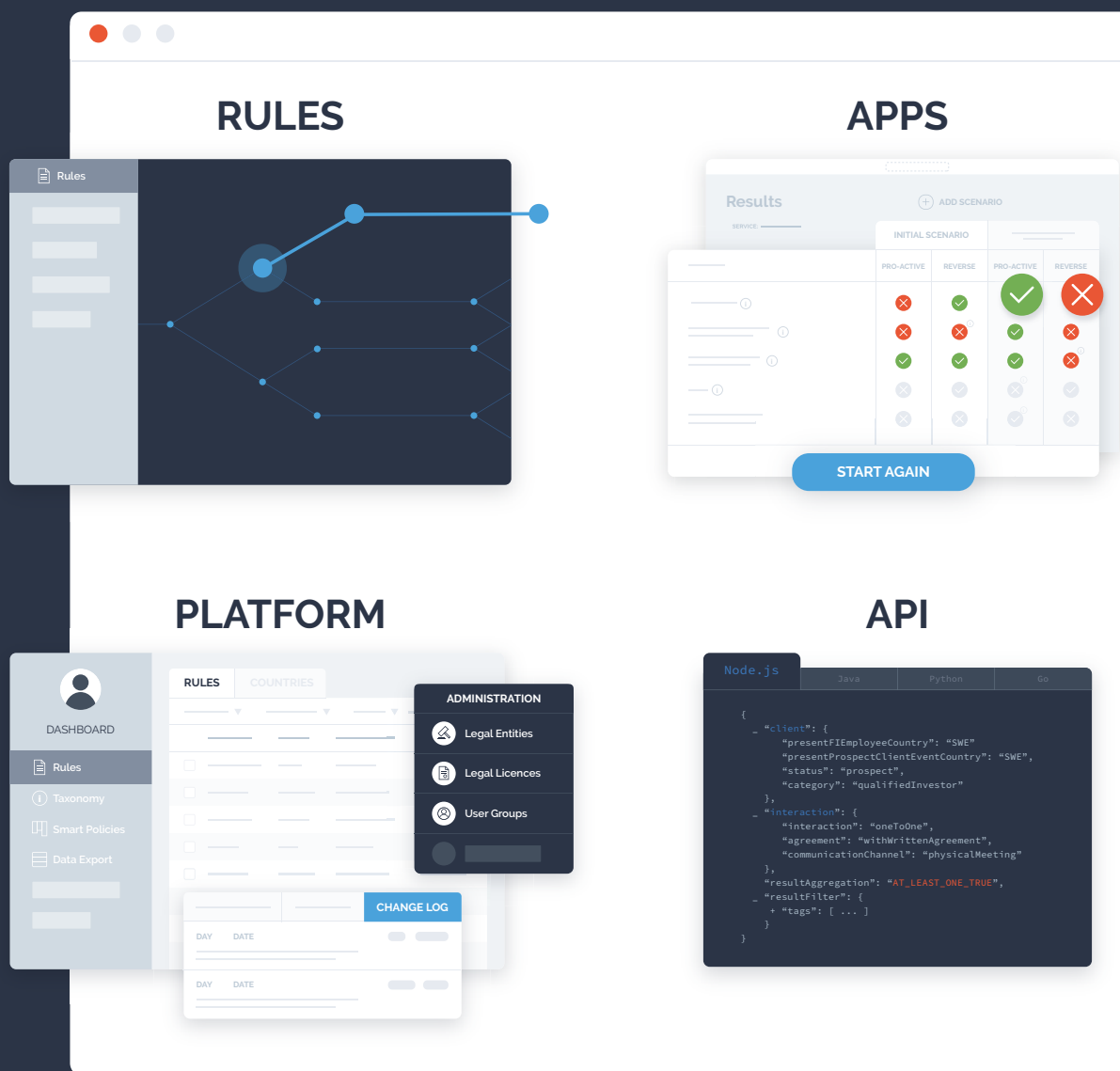


-  Founded 2013
-  Employees: 11-50
-  Regulation/Legislation: **AML**
-  Subsectors: Financial Crime Risk Governance
-  Regions of operations: Africas (South Africa), Asia Pacific (Australia, New Zealand, Hong Kong & Singapore), EMEA (United Kingdom) and Americas (Canada & United States)

Arctic Intelligence enables audit, risk and compliance 'as-a-service' through enabling technology that allows companies regardless of their size, sector or geographic location to better manage their compliance obligations related to AML/CFT, Bribery, Fraud and IT/Cyber risks.

Regulations mastered digitally

Powerful and flexible tools to master complex financial regulations. Bridging the gap between compliance, business and technology.



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COMPANY RESEARCH PROFILE

APIAX

Founded 2017
 Zurich, Switzerland
www.apiax.com
info@apiax.com

Employees 11-50
 Regions of operation: Global

KEY EMPLOYEES:



Philip Schoch
Co-founder & CEO



Nicolas Blanchard
Co-founder & CFO



Thomas Suter
Co-founder & CTO



Ralf Huber
Co-founder & General Counsel

Value Chain: **Enabling Digital Transformation, Monitoring, Processing & Controls, Detection**

Subsectors: **Regulation & RegTech, Compliance Management, Compliance Management Software, Monitoring Regulatory Changes, Legal & Compliance, Asset Management, Wealth Management, Risk Assessment**

Regulation/Legislation: **MiFID II, PSD2, AIFMD, KYC, AML, GDPR, SFTR**

OFFERING

Apiax's award-winning technology provides everyone with easy access to compliance knowledge and enables companies in an increasingly regulated economy to refocus on their core business objectives: providing their clients with high added value and unique experiences. Apiax's team comprises of legal, technology, and product veterans with offices in Zurich and Lisbon, and presence in London and Singapore.

PROBLEM BEING SOLVED

Companies around the world are faced with ever-rising amounts of laws, rules and regulations they have to comply with. Doing business legally and proving that it was done in a compliant manner is getting more and more complex and challenging. The process is barely manageable by humans and is further complicated by the fact organisations are moving towards fully digital operations which also need to be compliant.

As a result, risks and costs are incurred by the attempt to interpret rules manually within workflows. That's why Apiax aims to make it radically simple for companies to comply with global regulations and be able to focus on their clients.

TECHNOLOGY

The Apiax proprietary technology turns paper-based regulations into machine-readable knowledge and enables companies to make use of the latest digital compliance rules. An ecosystem of legal experts handles the tracking and mapping of regulatory changes, turning the regulatory monitoring and change management into continuous compliance. Apiax is lean, ready to use, and meets tailored client demand by delivering the best service package.

PRODUCT DESCRIPTION

Apiax solves bottlenecks for global financial institutions thanks to a backbone of more than 55'000 digital compliance rules, use-case friendly APIs, a growing portfolio of ready-to-use apps and access to a platform where verified regulatory knowledge is transformed and automated for all important jurisdictions.

- Harmonised legal interpretation across legal entities
- Binary answers to the most pressing compliance questions
- Easy implementation with a few lines of code
- Third-party connectivity
- Always up-to-date rules

TOTAL FUNDING – \$8.1M

Apiax is backed by leading investors and financial institutions including **e.ventures, XAnge, Diventures, and SICTIC**

PARTNERSHIPS

Apiax's ecosystem includes: **PWC, aosphere, BDO, Temenos, EY, Wealth Dynamix, Vision Compliance, and EPAM**

TRACTION/GROWTH

- Serving banks and other financial firms around the world, including **Credit Suisse, Mbaer, Swisscom, Baloise Bank SoBa, among others**
- Apiax has seen a 104% growth in employees in 2020
- The Apiax team enjoy a total of 253 years of combined experience in Finance and Banking
- Apiax recognitions and awards in 2020 so far: The FinTech50 Award, Top 100 Swiss Startups Award, Wealth Tech Award (PWM), The Europas Shortlist, Red Herring Top100 Europe Awards Winner, and others

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How Apiax is helping to bring trust into technology

Implementing technology for compliance requires high levels of trust, as someone could go to jail for any failures. The best way to ensure maximum trust is by having human experts at the centre of it, according to Apiax UK business development head Alan Blanchard.



countries. This was very time consuming and they could not find a smart solution to this in the market. After crossing paths with Ralf Huber, they decided they would make the solution and launched Apiax in Switzerland in 2017.

Alan Blanchard, UK business development head at regulatory compliance solution Apiax, said, "With all four of the founders together, they have that nice combination of content, technology, product, and business skills, that gives the company its proper foundation. I think one of them on their own would not quite have the right focus for the company, but all four together means that we are supported by all the pillars that makes the company successful."

APIAX

There are an unprecedented amount of regulations entering the market, largely due to the 2009 financial crisis, which regulators are desperate to ensure never happens again. With so many new regulations being imposed around the world, and each jurisdiction having different rules, it is easy for a firm to get lost. In 2017, RegTech was beginning to take off and firms were implementing the tools to keep on top of the changes and improve their compliance efforts. Despite this, companies still struggle to understand all of their regulatory burdens.

Prior to creating Apiax, Philip Schoch, Thomas Suter and Nicolas Blanchard were working at a FinTech platform focused on digitalisation in financial services. A major challenge they kept encountering was that when they were deploying applications into different jurisdictions around the world, they had to manually find all of the relevant regulatory requirements in the respective

Apiax designs digital solutions that enable financial institutions to be compliant with global regulations. Its tools, which are API-based, support compliance automation for data transfer, onboarding, tax impact and more. Clients can access and customise digital compliance rules, collaborate on rule creation, analyse regulatory patterns and behaviours and leverage expert legal advice. Apiax also offers cross-border compliance support, enabling teams to understand the regulatory requirements of other countries and get answers to any questions they may have.

One of the foundations of the platform was that it was not to be a Blackbox rules engine, like many other solutions in the market today. The platform differentiates itself from others in the market by letting users actually write the queries they want the answer to and this will then be placed through the rules engine to find the answer. Apiax's content is all supplied by reputable law firms, which strengthens the veracity and confidence in the answers, helping to build that trust with the solution.

Having a solution that is not a Blackbox means it is much more adaptable to the user's needs. It allows for compliance managers to improve their content management by being able to add in commentary into the rules. For example, they could add in an alert or a note telling people to do certain things before

going ahead with a task. This allows teams to be more proactive and get information at the exact time they need it and prevent any compliance breaches occurring. An example of this could be if a relationship manager is about to book a flight to Venezuela but the compliance rules brings up a red flag on this, it can prevent the person from booking the flight. The manager can then be made aware of why it is blocked, helping to build trust on the platform, rather than simply just being told no.

Without trust, firms wouldn't use the technology

Trust is the most important part of the whole process. Prior to joining Apiax, Blanchard worked at the UK's Financial Conduct Authority and whilst there he worked on getting technology to automate transformation and produce digital rules. However, during the experiments, the team found that there was only a success rate of between 60% and 70%. He said, "It meant that at least three in every ten rules wouldn't be correct. For someone relying on that content legally, this was nowhere near good enough. From a financial service compliance point of view, if you get it wrong you can potentially go to jail these days, never mind a fine for your institution, you yourself could be going to jail."

This is why the company uses digital experts at the heart of its operations, to ensure there is 100% accuracy in what is being done. By having the information come from content partners that include respected law firms and recognisable names, it ensures all information and guidance is accurate and reliable. After this, Apiax's in-house regulatory engineers, who have lots of experience working in compliance, take that content and digitally transform it. Once all of this is done, Apiax then cross checks it with what was originally written in the legal advice to ensure everything matches up. If the company wasn't able to offer 100% reliability, then Blanchard believes it would be virtually impossible to get people to use a digital solution as the stakes are too high.

He added, "RegTech looks very whizzy and everyone's super interested in it on paper. But when it actually comes down to it, you've got to have something that's trustworthy, because a company is going to really put body and soul on the line in terms of delivering the changes that that you've pitched to them." By making its content 100% reliable, the RegTech company has managed to get some of the most traditional lawyers adopt the technology to do away with their paper processes. This is allowing them to spend more time on the more critical parts of their jobs.

Blanchard offered an example of how Apiax is helping to evolve how compliance teams work. He explained that if a user is compiling highly complex instruments for investments, which matches the client's

requirements, this would then need to be given to the compliance team. They would then sift through it all, line-by-line, to ensure everything met the rules and standards. This could take weeks to complete, stalling the client. If it came back problematic, it would cause even more delay while they found a resolution. "Our revolution is in giving the client advisor who has clipped the structured products together, a button on their desktop where they can just go verify. The result is either, 'this is good carry on', or 'sorry, we've identified these problems and you need to go in and address those.' This way they can do everything by themselves." This ensures the team can work quicker and keep clients happy.

By doing it this way, it also means firms can increase their revenues as teams can handle their interactions with clients quicker and go out and win more business. "It means that compliance is no longer just costing the business money, we're actually now able to prove that we can generate revenue a little bit quicker, help move into new territories or take new client types."



"It means that compliance is no longer just costing the business money, we're actually now able to prove that we can generate revenue"

One of the things Blanchard has noticed firms have struggled with their compliance is that they just handle it with a short-term mindset rather than a long-term vision. He explained that many of them hard code it into the software as the deadline for compliance is looming and will deal with the issues that arise, as and when they do. "Every institution is repeating the same activities over and over. They are spending huge sums of money for precisely zero advantage, either zero benefit for their customers or zero benefit for their position in the market. It's really a cost that sunk somewhere, just so that they can keep their banking licence."

Apiax changes that by detaching the regulatory requirements from the processes. This means the regulatory requirements can be called upon when they are needed and can empower whatever processes that are done in the business and ensure they maintain that compliance. Teams can then focus on doing the jobs that gets them more clients, without having the hassle of checking compliance protocols around onboarding, for example. ●

Arctic Intelligence new CEO reveals what's next for the company

As an experienced compliance professional, Darren Cade knows how rigid structures and processes can help prevent financial crime and keep organisations compliant. Now, as the new CEO of Arctic Intelligence, he is on a mission to help businesses fight money laundering, terrorism financing and other types of financial crime.



[Darren Cade](#) has just stepped up as the new CEO of Arctic Intelligence, the RegTech scaleup enabling businesses and consultants to strengthen their defences against financial crime. While he has been with the company for years, he can't wait to take the next step for himself and the venture.

"When I joined, Arctic had just launched its first product and gained its first customer so it was an exciting time to join," Cade remembers. "The chance to build and grow the business was an opportunity that I couldn't pass up."

Over the past four years as chief operating officer, Cade has thrived in the role, working alongside Arctic Intelligence founder Anthony Quinn to scale the company.

The Australian venture, which provides financial crime risk assessment technology, has grown across the world. Today it has clients in Australia, Hong Kong, New Zealand, Singapore, South Africa, Brunei, Europe, the UK, the US and Canada.

Cade has enjoyed the journey so far. "Working in a startup and trying to scale can be challenging and feels like more of a rollercoaster when compared to the bigger organisations I've worked in, but I've enjoyed building the team, seeing individuals develop and grow, and helping our customers," he says.

The company has also been recognised for its efforts. It has picked up several prestigious accolades along the way including the Australian Founded RegTech of the Year 2020 and Exporter of the Year at the 2020 RegTech Association's annual awards ceremony. Arctic Intelligence was also recognised as a Rising Star in Deloitte's Technology Fast50 at the end of 2019. Now it has also claimed a spot in FinTech Global's coveted RegTech100 list of the 100 most innovative RegTech companies in the world. "I'm very proud of the team we have here at Arctic and what they have achieved to date," Cade says.

In early November, Cade stepped up to the CEO role. "I'm excited about the role, the potential ahead for the business and by the goals we're looking to accomplish," Cade says. "I feel very fortunate to have been given the responsibility and mandate to lead the team into our next phase of growth."

Cade's first priority as CEO is to focus on the continuing rollout of [AML Accelerate](#), a money laundering and terrorism financing risk assessment platform used by hundreds of customers to govern their AML programs. The company is looking to grow its financial services customer communities particularly in Australia, the UK and North America. They have seen strong engagement from mid-tier banks, credit unions and wealth management businesses, all of whom have looked for a smarter way to undertake their enterprise wide risk assessments.

Cade will also be focused on helping existing and new customers with risk assessments across broader financial crime topics, such as sanctions, bribery and corruption, fraud, tax evasion, modern day slavery, human trafficking and wildlife trafficking, via its newest technology, the [Risk Assessment Platform](#). "Risk assessments are the cornerstone of any compliance programme but present many challenges," Cade says. "We will roll out content to help our customers in 2021 and continue to enhance the technology to deliver significant efficiencies for any organisation but particularly the larger banks and consulting firms"

So, what does 2021 look like for Arctic Intelligence? "It's all about further enhancing our offering and helping more customers," Cade says. "There are a huge number of organisations globally that are regulated for financial crime and we believe we have market-leading risk assessment platforms that will continue to evolve and change the way risk assessments are conducted in the future." ●


ARIADNEXT


Founded 2010



Employees: 51-100


 Regulation/Legislation: **KYC, AML**


Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Compliance Management



Regions of operations: France, Spain, Poland, Romania

ARIADNEXT is the leading European provider of digital identification services. By providing fully automated solutions based on Artificial Intelligence, ARIADNEXT offers companies and governments the opportunity to instantly build trusting relationships with their consumers and citizens. These solutions enable them to meet regulatory challenges and anti-fraud requirements while focusing on customer experience and digital transformation.

IDCHECK.IO, instant identity verification solution, offers to companies, a fully automated solution with a real-time verdict in under 12s. IDCHECK.IO is based on Artificial Intelligence and uses advanced technologies such as deep learning for document verification and facial biometric recognition for identity verification. IDCHECK.IO KYC solution is fast, secure and simple. It takes only 3 steps: ID document and identity capture, information analysis and real-time verdict. All data is stored in an own cloud infrastructure in France, so they are totally RGPD compliant.

 **ASCENT**


Founded 2015



Employees: 11-50


 Regulation/Legislation: **U.S. Federal and State Financial Regulations, Europe & APAC Financial Regulations**


Subsectors: Regulatory Compliance, Compliance Management, Risk Management, Reporting



Regions of operations: Global

Ascent uses world-class automation to generate the regulatory obligations that apply to your business, then keeps them updated as rules change. By filtering out the 'regulatory white noise,' Ascent helps Risk and Compliance teams be 10x more efficient while ensuring their firms avoid fines and reduce reputational risk. Customers can access this targeted regulatory intelligence directly within Ascent's cloud-based platform or feed it into their GRC or other workflow systems via API.

 **AUTOREK**


Founded 1994



Employees: 51-100


 Regulation/Legislation: **MiFID II, Solvency II, CASS, CSDR, IFRS 17**


Subsectors: Reporting, Compliance Management, Reconciliations, Data Management, Wealth Management, Asset Management, Banking, Payments, Insurance



Regions of operations: North America, United Kingdom, Cyprus, South Africa, Ireland, Netherlands, Malta, Norway, Sweden

AutoRek is a global provider of financial controls, data management and regulatory reporting software. Implemented in many of the world's largest organisations, our range of deployments vary from high volume data migrations, elimination of manual processes and spreadsheets, regulatory reporting, reduction in fast close processes, to mitigation of operational and regulatory risk. AutoRek works in conjunction with existing systems to complete and perfect financial and operational control regimes. AutoRek's suite of solutions help firms overcome spreadsheet intensive data management and reporting processes, ensuring ongoing control and regulatory compliance.

380 MILLION COMPANIES. 5 BILLION INDIVIDUALS.

THE **aRMadillo**® UNIVERSE

KNOW YOUR CUSTOMER (KYC)
ANTI-MONEY LAUNDERING (AML)
PEPS & SANCTIONS
DUE DILIGENCE (DD)
ENHANCED DUE DILIGENCE (EDD)
ID VERIFICATION

REGTECH
100

We provide original registry documents, corporate reports, PEPs & Sanctions checks, and ID verification for KYC, DD and EDD on 380 million companies and 5 billion adults worldwide, sourced from 1000+ local registries in 220 countries - all can be translated, legalised & apostilled.

- ✓ Receive instant detailed reports and information for KYC
- ✓ Exactly the right corporate documents, from around the globe, delivered fast for DD
- ✓ Achieve onboarding compliance and peace of mind
- ✓ Minimise risk and avoid fines
- ✓ Protect yourself and your clients
- ✓ Ease the burden of inspections
- ✓ Avoid prosecution

For your assurance, we are ISO 9001 and ISO 27001 accredited, have our own UK SRA-regulated law firm and two other regulated companies within our group.

REGTECH FROM ANYWHERE TO ANYWHERE, ANYTIME.



www.armadillo.co.uk
+44 (0) 207 729 1234
enquiries@armadillo.co.uk





COMPANY RESEARCH PROFILE



Founded 1997
 Hitchin (HQ) & London, United Kingdom
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+44 (0)207 729 1234
 Employees: 11-50
 Regions of operation: Global

KEY EMPLOYEES:



Emmanuel Cohen
CEO & Founder



Julia Ward
Commercial Director (RegTech)



Amanda Coyle
Managing Director (Compliance)

Value Chain: **Onboarding, Detection, Monitoring**

Subsectors: **Onboarding Verification (AML/KYC/EDD), Risk Management, Identification/Background checks, Compliance Management, RPA**

Regulation/Legislation: **KYC, AML, Bribery Act, Criminal Finance Act**

OFFERING

Launched online in 1997, giving access to 380 million companies, 1,000 registries and 5 billion individuals worldwide, Armadillo was the first online corporate data and onboarding compliance information system on the web.

Other firsts include the Armadillo App in 2011 and its digital worldwide corporate document ordering system launched in February 2019. Armadillo's innovation informs and protects regulated businesses. Its aim is to help its clients make informed decisions, reduce risk and ease the compliance headache.

PROBLEM BEING SOLVED

Regulated businesses can outsource KYC & AML requirements to Armadillo with confidence. The company provides a variety of services that will complement every business compliance need from a single platform with automated workflows and a single data flow to our fully outsourced compliance control & assistance. Armadillo supplies Instant Online Compliance Data, as well as Legal & Compliance advice. We understand the needs of Regulated businesses, having three different regulated firms in our group, including a UK regulated law firm that can also ensure confidentiality.

TECHNOLOGY

Armadillo Tech offers a bespoke and dedicated, fully responsive, web application for customers and their users, with secure login and document delivery. Depending on the requirements, documents can be sent directly via web interface, API, email or by setting up a regular secure FTP transfer to a preferred server.

The Armadillo commercial API offers seamless onboarding flows, customer profile generation, credit risk scoring, including bespoke data solutions.

PRODUCT DESCRIPTION

Innovative systems provide original documents, reports, PEPs and Sanctions checks, adverse media screening, ID verification and EDD on corporates and individuals. The Armadillo universe covers all jurisdictions globally (220 countries, 1000+ registries) allowing customers and partners to onboard clients faster and more efficiently by centralising data and documentation; thereby helping you to comply with a range of regulatory obligations on a single platform.

Our systems can be multi-lingual and all documents can be translated from any language to any language and legalised or Apostilled. All product ranges are ISO 9001 and ISO 27001 accredited.

FUNDRAISING

Armadillo is currently seeking funding of £15m. Please contact Panmure Gordon at armadilloteam@panmure.com for more information.

PARTNERSHIPS

Armadillo has resources and partners around the world giving clients access to corporate reports and documents on over 380 million companies and verification checks on 5 billion adult individuals globally, including PEPs and Sanctions. Armadillo also works through channel partners worldwide with multi-lingual systems. If you are interested in carrying our service to your clients, please contact us.

MANAGEMENT BIO

Emmanuel "Manny" Cohen (Founder & CEO)

Manny is a well-known pioneer, entrepreneur and innovator in the Compliance, RegTech & Business information industry and is Founder/CEO of the Armadillo Group. Manny originally started in Old Street, Shoreditch, London as a freelance company researcher and is known as the forefather of the Old Street (Silicon Roundabout) Shoreditch Fintech revolution.

Julia Ward (Commercial Director)

Julia is a motivated multi-lingual professional with over 10 years of experience in the industry. She has expertise in strategic growth, sales, recruiting, training, administration, and customer relations. Julia has worked closely with Banking Institutions and Professional Services providers which share a common goal of excellence.

Amanda Coyle (Managing Director)

Amanda has over 25 years industry experience and possesses a strong skill set in corporate services that includes: Compliance, Client On Boarding, KYC & AML Solutions, Due Diligence; and is particularly strong in Deep dive KYC for offshore jurisdictions; working with HNWI and complex structures.

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Why simplicity is crucial for making a successful RegTech platform

A lot of RegTech focuses on being the prettiest solution, but to succeed in the industry simplicity is the real answer and this mentality has helped Armadillo lead the market for three decades.



Armadillo was founded back in 1997 by Emmanuel "Manny" Cohen and was the culmination in a goal he had of establishing his own online corporate data online system. Cohen had started exploring this prospect in the mid-90s and stumbled across the internet, which his cousin had been working with as a research scientist in the US. He said, "I actually saw it just after it had been uploaded. When I looked at it first I thought, well, yeah, it's okay if you do cell wall research, like my cousin was doing, but what other use is this?" After exploring the market, Cohen saw there were three options, the internet, X.25 or Windows. He could only pick one, as this business was going to be bootstrapped, and he pegged for the internet, because he had seen it first-hand. This decision proved to be fruitful and Manny went on to create the world's first web-based corporate data supplier.

The Armadillo Group has a habit of being the first in the market, and in 2011, it launched the world's first company and credit report mobile app. This

is available on Apple devices and allows users to access corporate data on 380 million companies around the world. To create this platform, Armadillo would buy data from a few businesses, re-engineer it and then sell it onto others, making it a middle ground platform. Another ode to Armadillo's ability to find the latest developments, is its usage of robotic process automation (RPA). It used this technology to improve how it re-engineered the data, but never really realised this would be a major technology stack in the future. He said, "We never really saw it as that. We always saw it as just making things easier and quicker, because when you're bootstrapped, you've got to do things in the most efficient possible way."

After growing the business substantially for two decades, the team were looking for the next innovation. Whilst looking at the wider market and comparing it with themselves, they noticed they were good at compliance. Whilst other companies were struggling to meet compliance requirements and had regulators breathing down their neck with threats of fines, Armadillo was not. Armadillo has a UK law/solicitor's firm under its banner as well as 2 other regulated businesses, but they were not facing the same difficulties to adhere to legislation. This led them to begin their transition into a new tech based compliance business.

Manny said, "We found ourselves in this new industry called RegTech. The difference for us was the fact that we actually understand what our clients want, because we need the same thing, as part of our group of companies is regulated." Cohen and the team went out to build a new solution that could enable other businesses to handle their KYC processes. The company released a document supply system which is one of the world's only ones to be able to supply corporate data and documents on every single business and individual in the world.

Armadillo has managed to accelerate rapidly over the past three years, which Cohen believes is largely due to it being impossible to maintain compliance

through manual work. There are too many regulations inbound that mean a company needs automation to survive and avoid penalties. Cohen said, "We help people and companies avoid fines and prosecution, by making sure they tick all the boxes and get the information they require to avoid money laundering and terrorist financing. When we started, we had our existing client's needs in mind, we knew what we wanted to create to help them, rather than just targeting making a lot of money."

Failing to meet compliance for KYC can lead to some very hefty fines. A study from Fenergo claimed that since the financial crisis of 2009, fines for failings in AML and KYC compliance has totalled an eye-watering \$36bn. Worryingly, in the first half of 2020, a total of \$5.6bn in financial penalties were issued to financial institutions for compliance failure.

A big concern for smaller firms is that regulators are becoming a lot more focused on all sizes of businesses, Cohen said. The regulators are examining tier two businesses and whether they have robust compliance systems and many will struggle to adhere to this, without the support of RegTech solutions like Armadillo.

Armadillo's goal is to become the 'go to' solution for all KYC and due diligence worldwide. Its motto is "From anywhere, to anywhere, anytime." This has shaped the way it has grown and despite being bootstrapped, it has managed to create a system capable of centralising data and documentation to ensure all companies can optimise and automate their onboarding workflows, despite their size. The company is continuing to grow and improve its offering and recently released an improved version of its politically exposed person (PEP) service.

Simplicity is the key

The reason Cohen believes Armadillo has managed to be the first in the market for a lot of tools, is down to the fact it just makes what it needs. There is no special ingredient for innovation or looking into the future with rose-tinted glasses. Cohen said, "It's not developed from the point of view that we want to bring out something first. We just build out something that will help us improve the product and will help ourselves and our clients do their job better, quicker and easier." But when you are the first, he said there is a "big satisfaction."

Being bootstrapped has helped the company down this route. When there isn't an external source of money coming in, it means the company has to find ways that it can improve its own operations to save money, but also ways to sell new products.

However, it is not just a case of innovating for the sake of it. It needs to be something people genuinely need. "You have got to bring up something people need and something people want to use. If it doesn't help them and it doesn't improve their business life, you can innovate anything you want, but it won't sell. There's no point doing it."

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"We don't have the prettiest systems, but we have ones that work and deliver. That's what is the most important thing."

Armadillo prides itself on building the solutions that clients want and what a lot of RegTechs get wrong is they do not make it simple. Cohen explained that when you are assessing a solution you do want something that looks smart and pretty. However, if you have actually got to use it for work, you do not care how it looks, you want something quick and easy. This means Armadillo has an enormous structure of programming and data, but clients only see the important bits they need. Cohen said, "We don't have the prettiest systems, but we have ones that work and deliver. That's what is the most important thing."

This simplicity is one of the platform's defining characteristics. Armadillo connects to around 1,000 registries for corporate data, which is more than a lot of other solutions, but the user experience is quick and can just fit in with other processes. This has been met with great response from compliance professionals, who are taken back by the platform's ability to easily handle onboarding and due diligence processes. Cohen stated their response is typically, "we know what's behind that and we can't believe how simple you made it."

While the company has been bootstrapped up until now, the size of the opportunity in RegTech has meant Armadillo is in the process of raising funding. The company is looking to raise capital to continue its innovation and pioneer more solutions. Cohen concluded, "The kind of growth, like we currently have in RegTech is a once in a lifetime opportunity. I've never seen it in my lifetime and we won't see it again in our lifetimes. So we have to capture that and ride the wave over the next few years of this growth in the RegTech industry." ●



-  Founded 1991
-  Employees: 501-1,000
-  Regulation/Legislation: **AnaCredit, IFR, IFRS 9, AIFMD, APRA EFS, FINREP, MAS 610/1003, SEC Rule, Liquidity Coverage Ratio, Liquidity Stress Testing, NSFR, GSD, CRS, FATCA, SFT, Dodd-Frank, Basel III and IV, FRTB, MiFID II**
-  Subsectors: Regulatory Reporting, Basel and Capital Requirements, FinReg Reporting, Global Liquidity Monitoring, Risk Calculations and Reporting, Tax Reporting
-  Regions of operations: United States, EMEA, Japan, Hong Kong, Singapore, Australia

AxiomSL is a global leader in risk-data management and regulatory-reporting solutions. Leveraging more than 25 years' of experience, AxiomSL combines deep industry experience with an intelligent data management platform to deliver solutions and services around regulatory and risk reporting, liquidity, capital and credit, operations, trade and transactions, and tax analytics. Its client base spans regional and global financial institutions with more than \$43 trillion in total assets and investment managers with more than \$11 trillion in assets under management. It covers more than 110 regulators across 55 jurisdictions. AxiomSL's data integrity and process-driven technology enables firms to leverage existing data and risk-management infrastructures, vastly reducing operational and implementation costs and accelerating time to market. This state of the art platform acts as an integration and application development layer and is implemented with minimal internal disruption and without any black-box obfuscation.



-  Founded 2016
-  Employees: 251-500
-  Regulation/Legislation: **CCPA, CPRA, GDPR, LGPD, POPIA, PDPA**
-  Subsectors: Reporting, Data discovery to help manage risk and take action on compliance requirements
-  Regions of operations: North America, Latin America, Europe, Asia Pacific, Africa, Australia

BigID redefines data privacy and protection: helping organizations know their data for privacy, protection and perspective.

BigID uses advanced machine learning and data intelligence to help enterprises better manage and protect their customer & sensitive data, meet data privacy and protection regulations, and leverage unmatched coverage for all data across all data stores.



-  Founded 2014
-  Employees: 11-50
-  Regulation/Legislation: **Complete coverage of Acts, Regulations, Standards & Guidelines by 1,200 regulators across industries in over 100 countries**
-  Subsectors: Compliance Management, Risk Management
-  Regions of operations: Global

Capnovum's industry agnostic, cognitive compliance management platform lets regulated entities manage compliance and resource utilisation across jurisdictions. It provides fully automated horizon scanning, instant impact assessments of regulatory changes and an up-to-date repository of regulations, obligations and regulatory news.

Artificial intelligence (AI) helps clients understand and identify synergies between regulations. Capnovum's advanced AI-driven features include e.g. identification of regulatory footprints of business models and strategies; lineage between regulatory obligations, controls, policies and procedures; impact assessment of regulatory updates on people, process and technology; and bringing transparency to regional variations in the regulation of Sharia compliant financial products and their conventional counterparts.

Capnovum eliminates manual work and external spend that traditionally go into producing and disseminating static reports leading to cost reductions, deadline adherence and improved quality. The platform also provides integrated PMO tools that track progress and manage risks from gap analysis to effective remediation.

Rethinking Regulation

Innovative RegTech, RiskTech, and SupTech solutions

Based on more than 25 years of experience in regulation and more than 10 years in Managed Services, we offer a unique portfolio of software and services from a single source.

Our RegTech and RiskTech solutions enable financial institutions to increase the efficiency of their regulatory reporting, tax reporting as well as risk and data management processes and enable them to comply rapidly with ever-changing requirements.

Our SupTech solutions for central banks and supervisory authorities provide platforms for data collection and regulatory analytics helping them to efficiently manage the increasing amount of data, complex data formats and workflows. With our advisory services and our in-depth understanding of regulatory processes in DLT environments, we focus on innovative technologies as game changers in regulatory reporting.



#regtech
#risktech
#suptech

www.reg.tech

BearingPoint®



COMPANY RESEARCH PROFILE

BearingPoint®



Founded 2002



London, United Kingdom



www.reg.tech



regtech@bearingpoint.com



Employees: 501-1,000



Regions of operation: Global with offices in Austria, Germany, Ireland, Netherlands, Romania, Singapore, Sweden, Switzerland and UK

KEY EMPLOYEES:



Jürgen Lux
CEO



Dr. Robert Wagner
COO



Dr. Maciej Piechocki
Member of the
Management Board

Value Chain: **Regulatory reporting, data management**

Subsectors: **Capital Planning/Stress Testing, Risk Management, Reporting, SupTech solutions (data management platforms) for central banks and regulators, Tax Reporting**

Regulation/Legislation: **MiFID II, Basel III, Solvency II, SFTR, Basel III, EMIR, MMSR, FMA/FinfraG and CSA reporting, IORP II, FATCA, AEOI/CRS, DAC6**

OFFERING

BearingPoint RegTech is a leading international provider of innovative regulatory, risk, and supervisory technology solutions (RegTech, RiskTech, and SupTech) and services along the Regulatory Value Chain for financial services.

BearingPoint RegTech works closely with regulators and, as a member of standardization bodies such as XBRL, actively contributes to the standard-setting process. BearingPoint RegTech combines regulatory know-how with proven, reliable and forward-looking RegTech solution suite, expert consulting capabilities, managed services and training seminars.



PROBLEM BEING SOLVED

Financial regulation is vital for a stable, sustainable financial world. With BearingPoint's unrivalled experience in Risk Data Aggregation and Regulatory Reporting and its product and service offering across the Regulatory Value Chain for Financial Services, the company makes a decisive contribution to that. BearingPoint RegTech provides a full-service offering to the industry players across the globe. With its RegTech, RiskTech and SupTech solutions we enable both regulators and firms regulated to increase efficiency of their regulatory reporting, risk and data management processes.



TECHNOLOGY

Abacus360 Banking is based on a three-tier architecture with a clear separation of the GUI, application logic and data management based on the distributed processing of Apache Spark. Apache Spark is a cluster computing framework with high market acceptance for big data projects. Apache Spark allows for the processing of very high data volumes (several 100 million data records) and has strong vertical and horizontal scaling possibilities.

The company's SupTech solution Abacus Regulator is a modern Big Data platform which includes basic functionalities such as efficient horizontal workload scaling with Kubernetes, Big Data capabilities based on a data lake approach and a BPMN 2.0 compatible workflow engine.

PRODUCT DESCRIPTION

BearingPoint RegTech offers a unique combination of regulatory know-how, a proven and forward-looking software solution suite, and comprehensive services such as Regulatory-as-a-Service (RaaS), regulatory factories, implementation consulting, and training seminars. The company's products include:

- **Regulatory Reporting and Risk Management** - Abacus360 Banking is an integrated platform for 360° reporting, risk calculation and controlling regulatory KPIs. Abacus360 Banking offers financial institutions an off-the-shelf, strategic risk aggregation and regulatory reporting platform. FIRE is a tried-and-tested solution installed and successfully used for reporting by approximately 230 banks in Switzerland, Liechtenstein, and The Bahamas, making it the market-leading solution in regulatory reporting software in those countries.
- **Transaction Reporting** - Abacus Transactions is a solution for transaction-by-transaction reporting and enables our customers to fulfill their reporting requirements in accordance with MMSR to the NCB/ECB as well as EMIR II, MiFID II/MiFIR and SFTR.
- **SupTech Platform for Central Banks, Regulators and Supervisory Authorities** - Abacus Regulator is our award-winning platform for data collection, integrated analytics, and supervisory workflows for central banks and regulators.
- **Tax Reporting:** EasyTax has been developed to help banks support their customers in submitting their tax statements and fulfilling their filing obligations in their home countries. EasyTax covers 22 jurisdictions and is used by more than 90 financial institutions globally. FITAX is our solution for financial institutions and intermediaries to produce tax reports required by tax authorities for QI, FATCA, CRS/AEOI and DAC6/MDR reporting.
- **Reporting for Insurers and Pension Funds:** Abacus Insurance offers an end-to-end standard software solution to support insurance companies and pension funds in meeting their reporting requirements under EIOPA's Solvency II (Pillar 3) and IORP II Directives.

TRACTION/GROWTH

- BearingPoint RegTech products are used by over 6,000 firms worldwide including Volkswagen Bank, Revolut, Sweden's Finansinspektionen, CSL Corporate Services Liechtenstein among others.
- In 2017, the company launched its Solutions Alliance Partner program with Deloitte, d-fine, ifb group, KPMG and PwC as first partners. The program is constantly expanding and now also covers technology partners such as SAP, Oracle, and Syntax.
- BearingPoint RegTech was bought by Nordic Capital in November 2020. Nordic Capital intends to support RegTech's next phase of innovation and sustainable growth, by investing in the Company's continued product development, enhancing its organizational capacity and expanding its international footprint.

MANAGEMENT BIO

Jürgen Lux, CEO — Jürgen Lux is the Chief Executive Officer of BearingPoint RegTech. Jürgen Lux has run the Regulatory Technology business for 25 years and driven the rapid national and international expansion. As a mathematician, his focus is on software development and financial regulation to support European banking regulatory authorities as well as international banks and insurance companies navigate through the growing tsunami of regulatory reporting requirements. His ambition is to build, together with the RegTech Management board members, an international, leading provider of Regulatory Technology.

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BearingPoint RegTech is ready to take on the world

Having just been acquired by Nordic Capital, BearingPoint RegTech is now on track to scale rapidly across the globe.



BearingPoint®

BearingPoint RegTech is under new ownership. In November 2020, the German tech company announced that it had been acquired by private equity firm Nordic Capital. "We have chosen to partner with Nordic Capital to support our future growth journey," says Jürgen Lux, CEO at BearingPoint RegTech.

The deal came after the RegTech enterprise spent the last two years establishing its autonomy from the rest of the BearingPoint Group. Now it is able to take the next logical step – breaking out on its own. "As an independent company with a strong new owner, we will now have the necessary agility and flexibility to make the best possible use of the opportunities arising from the increasing regulatory requirements around the world," Lux continues.

In other words, BearingPoint RegTech is gearing up to scale the venture in a big way on the back of the deal. "Our vision is to provide the global platform connecting regulators and the industry," Lux says. "Together with our new owner Nordic Capital, we

have an ambitious growth plan and will continue to invest in our proven, reliable and future-oriented solution suite. This will enable us to further expand our international market presence."

The company will particularly focus on developing its platform and look into new innovative opportunities such as microservices, cloud and blockchain for regulatory purposes. "In this context, we will focus even more on our service business," Lux says. "Our product innovations will bring regulators and regulated companies together more easily and quickly and make the regulatory value chain more efficient for all parties involved. Last but not least we will continue to pursue our mission in the future, and this is to contribute to world-wide financial stability by providing innovative solutions along the regulatory value chain."

BearingPoint RegTech originally started out in 1994 with a handful of people operating as part of KPMG. In 2002, it spun out as the independent consultancy BearingPoint, which the RegTech company evolved within over the next almost two decades. "We wanted to contribute to world-wide financial stability by providing innovative solutions along the regulatory value chain," Lux says. "And I believe it is fair to say that we have achieved this goal over the years. Today, BearingPoint RegTech is firmly established as a leading provider of RegTech, RiskTech and SupTech solutions."

The business' products are used by more than 6,000 reporting firms including banks, insurance companies, supervisory authorities and financial services providers. "Today, we are a team of more than 600 people and have 17 offices in ten countries," Lux continues. "Personally, I am very proud of our team for what we have achieved together. We are on track to become one of the strongest international players in the RegTech industry, helping our clients to make their processes for reporting, risk and data management more efficient."

Key to BearingPoint RegTech's success has been the treasure trove of solutions it has developed along the way. "Our unique selling point is the combination

of our innovative RegTech, RiskTech, and SupTech solution suite with comprehensive services ranging from managed services to our skilled advisory team and training," Lux argues.



"Our product innovations will bring regulators and regulated companies together more easily and quickly and make the regulatory value chain more efficient for all parties involved"

And the boast about its products is more than justified. For instance, in 2014, BearingPoint RegTech launched its first version of SupTech solution Abacus Regulator. It supports central banks and supervisory authorities in reshaping their data management and process automation for handling data. "Abacus Regulator consists of a modern big data platform that combines two complimentary approaches," Lux explains. "On the one hand, the product can offer an out-of-the-box solution for data collection and data management and, on the other hand, it provides capabilities for client-specific extensions, SupTech as well as national and supranational reporting."

Similarly, in 2017 BearingPoint RegTech launched Abacus360 Banking. As the name suggests, the platform provides a solution for 360-degree reporting, risk calculation and controlling regulatory. "Today, Abacus360 Banking is an established standard software solution for regulatory reporting in various jurisdictions with a broad customer base in Europe," Lux states. "Numerous modules for regulatory and statistical reporting, granular and ad-hoc reporting are available. Due to the use of one single data model that is used by all reporting, risk, and finance applications, Abacus360 Banking enables data consistency across departments required by BCBS 239." BCBS 239 stands for the Basel Committee on Banking Supervision's standard number 239, which lays out principles for effective risk data aggregation and risk reporting.

The third example, the RegTech Factory, was launched in November 2019. The aim of it is to realise considerable economies of scale for participating banks and financial service

providers by means of a digital, fully integrated, and automated reporting factory. "Depending on the size of the institution and the individual architecture, cost savings of up to 50% are possible for the individual bank," Lux says.

BearingPoint RegTech has also developed a so-called RegOps concept. As the name hints, the concept is related to the DevOps concept in software development. The idea is that the RegOps concept could lead to a reduction of costs and efforts for both banks and regulators and dramatically increase transparency. Lux explains that the RegOps concept would also provide a unified, normalised, universal data model as common language, a fully integrated, bi-directional data delivery stream as common platform to share data, and finally tools on this big data-enabled platform to analyse this data and gain insights for regulators.

This innovative approach was even shortlisted in August 2020 for the G20 TechSprint, a collaboration between the BIS Innovation Hub and the Saudi G20 presidency designed to showcase the potential for new innovative technologies to resolve operational problems in RegTech and SupTech.

The strength of its innovative ability has clearly stood BearingPoint RegTech in good stead. In fact, while the Covid-19 crisis has wreaked havoc on many industries, the company has been able to weather the coronavirus well. "Through the pandemic we have proven the resilience of our business model and the fundamental importance of our offering for the customers," Lux says.

In fact, BearingPoint RegTech has noted a spike in the demand for its services. "Since regulatory reporting is an important area for banks, the demand for our products and services is constant," Lux explains. "I would even say that this area has become even more important during the crisis.

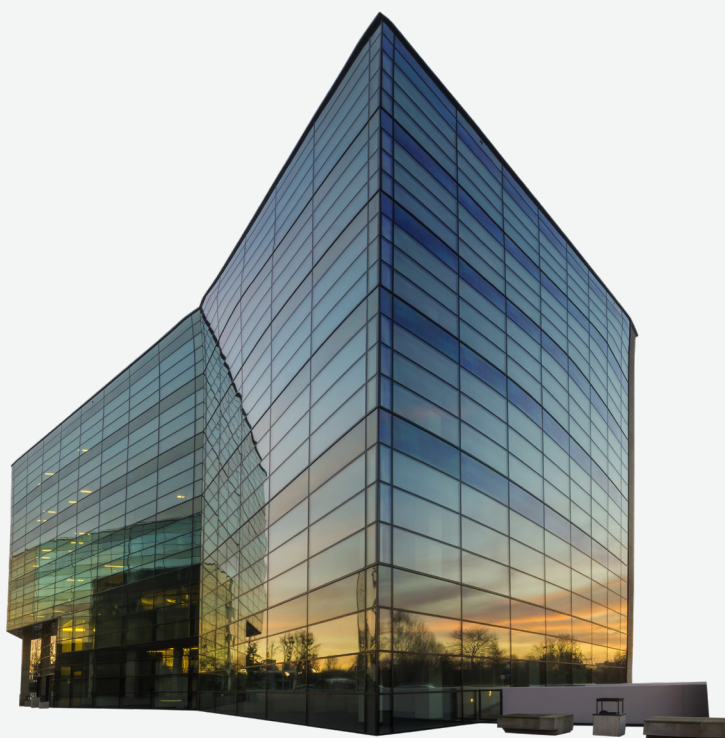
"The supervisory authorities need data from the banks very quickly in order to be able to react. In addition, our RegTech product development and managed services business are in an ongoing certification process. With this certification we implemented a Business Continuity Management which allows us to react to potential disruptions such as Covid-19 in a structured way. And last but not least, we were very well positioned with our concept for mobile working and could seamlessly manage our business operations including customer projects. So, we are happy to look at a good performance during Covid-19 with continued growth in 2020." ●



BUREAU VAN DIJK

A Moody's Analytics Company

Some see just a business



**To us it's a subsidiary that's part of a corporate group
with 712 entities, linked to 2 PEPs,
and "sanctioned by extension"**



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COMPANY RESEARCH PROFILE



BUREAU VAN DIJK

A Moody's Analytics Company



Founded 1991



bvinfo.com



bvd@bvinfo.com



Employees: 1,001-5,000



Regions of operation:
Global

KEY EMPLOYEES:



Matt McDonald
Managing Director



Louise Green
Managing Director

PRODUCT NAMES:

Orbis, Compliance Catalyst, RDC's Grid and Review solution

Value Chain: **Onboarding, Monitoring, Detection, Reporting, Processing & Control**

Subsectors: **Onboarding Verification (AML/KYC/CDD), Risk Management, Reporting, Identification/Background checks, Compliance Management**

Regulation/Legislation: **KYC, AML, FCPA, UK FCPA, UK Bribery Act, OFAC, USA PATRIOT Act Section 312, the Financial Action Task Force (FATF), the EU 3rd, 4th, and 5th anti-money laundering, ABC regulatory requirements**

OFFERING

Bureau van Dijk, a Moody's Analytics company, captures and treats entity information for better decision making and increased efficiency. It delivers with data on around 400 million companies including:

- What companies do, how they are performing, and the people that run them
- Financial data, legal entity details, M&A activity, and news
- Corporate structures and ownership

In January 2020, Moody's acquired Regulatory DataCorp (RDC), and is now combining its datasets and technology with Bureau van Dijk's Orbis database to create synergistic solutions, specifically around PEPs, sanctions, and onboarding. This new combination means the user can make better risk decisions in their KYC and onboarding processes, screening with more precision, more efficiency, and more certainty.



PROBLEM BEING SOLVED

Bureau van Dijk helps with assessing risk when onboarding new entities and maintaining ongoing monitoring for risk after that. The company provides a holistic perspective because it offers entity data, ownership links, adverse media, and curated risk data around sanctions and Politically Exposed Persons (PEPs).



TECHNOLOGY

Bureau van Dijk's platforms include Compliance Catalyst – an integrated solution that combines clients' data, the best entity data from Orbis, and flexible due diligence screening – automated and enhanced – all in one place. It runs entities and individuals through a series of checks that clients can audit and automate to help identify risk quickly. The acquisition of RDC has enhanced Bureau van Dijk's automation technology capabilities, including: Probabilistic Matching, Gender Matching, Geo Proximity, AI/ML Analyst Models, Data Intelligence/Relationship Matching. The combined use of machine learning, name-matching, artificial intelligence, and natural language processing technologies delivers alert scoring to help reduce false positive results and alerts.

PRODUCT DESCRIPTION

Bureau van Dijk's product offerings include:

- **Orbis**, the leading entity database, covering public and private companies, banks, non-banking financial institutions, insurance companies, marine vessels, sole proprietorships, funds, individuals, shareholders, ultimate owners, beneficial owners, and subsidiaries. It includes a total of more than 1.3 billion ownership links and is the definitive tool for researching entities, who owns them and who they're linked to.
- **RDC's Grid**, a risk-events database of individuals and organizations that have elevated risk profiles. Grid delivers the broadest coverage available coupled with a precise nomenclature of risk events so users can screen against very specific risk profiles.
- **Compliance Catalyst**, a data-driven decision engine and risk management platform, powered by the Orbis database and now also Grid. It streamlines know your customer (KYC), anti-money laundering (AML) and anti-bribery and corruption (ABAC) research, and makes client onboarding and customer due diligence more efficient.
- **Review** checks for false positives and can work in three different ways:
 - AI (automated checks based on machine learning)
 - RDC analyst checks
 - Client checks where preferred

TRACTION/GROWTH

- As well as identifying sanctioned companies, Bureau van Dijk highlights the entities they're linked to through sanctioned by extension screening. It flags ownership links of 50% or more between companies not explicitly included on official sanctions lists and explicitly sanctioned persons or entities.
- Orbis users now benefit from a new updated Pathfinder conflict/affiliation tool that helps quickly identify relationships between companies and individuals (both direct and indirect). The results are displayed in diagrammatical and tabular formats and even complex checks take just minutes.

No such thing as bad news

Bureau van Dijk uses adverse news coverage to protect banks and financial institutions from signing up risky clients.



BUREAU VAN DIJK

A Moody's Analytics Company

2020 has been an eventful year for Bureau van Dijk. The company not only readjusted to the new normal brought on by Covid-19 and seized upon the rise in demand for RegTech solutions because of the pandemic, but it has also successfully incorporated RDC into the fold after acquiring the venture back in February. "It was kind of one of these connections that just made so much sense," says Alex Zuck, head of compliance products at Bureau van Dijk, which is a Moody's Analytics company.

It is easy to see why the Bureau van Dijk and RDC joined forces. Over the years, they'd both noticed how clients used both their services. This is hardly surprising given they are both operating within the know your customer space. Although, Bureau van Dijk was focusing on companies and corporate structures while RDC focused on the people, the directors and executives, of those firms. Over the years, they repeatedly saw that clients would enlist the services of first one and then the other. Combining them therefore made sense. "So it's not rocket science," Zuck laughs.

With the deal closed, Zuck and the rest of the team from RDC has been busy integrating into Bureau van Dijk. The team-up didn't come a moment too soon as the coronavirus pandemic has seen an increase in demand for their services.

Compliance has changed. Traditionally, banks and other financial institutions relied on people to handle their risk management. These professionals would scour through data on secure computers in corporate locations. However, since the financial meltdown of 2008, governments around the world have introduced new legislation to prevent a similar situation from ever occurring again. The increased regulatory pressure has forced more companies to use automated compliance services like the ones offered by RDC and Bureau van Dijk.

While that process has been reasonably sluggish, 2020 has arguably pushed more companies to speed up their RegTech adoption. Covid-19 is the reason for this. As the pandemic has wreaked havoc across the globe, more banks and financial institutions have realised that their old methods of ensuring compliance through manual labour are no longer viable options. They need something new. And they need it yesterday. "Covid has been a driver," Zuck argues. "It made everything go faster, and those who could do KYC more effectively, faster, smarter, were able to acquire more customers."

Luckily, RDC is more than able to step up to bat. The company has developed a solution that leverages machine learning and automation to provide efficient, fast and safe onboarding. The KYC solution has been incorporated into Bureau van Dijk's offering through the acquisition earlier this year.

This solution is also arguably able to offer something others in this space don't. "Everybody uses global sanctions lists and monitored lists, everyone, including our competitors," Zuck says. So does Bureau van Dijk. It checks out who the executives are, what potential political exposure they have and, occasionally, family members and known associates. "But the big difference for us

now is this thing called adverse media, negative news, and that's where we get the bulk of our profiles," Zuck explains.

Essentially, this means that the company mines through roughly 200,000 sources of news in 79 different languages. The team has thoroughly researched each source to ensure its reputability. In the age of alternative facts and fake news, that's no small feat. And you can't argue with the result. Thanks to these efforts, Bureau van Dijk can flag potential risks before they get on any sanctions lists. If trustworthy news sources, for instance, start to report on financial fraud or other criminal allegations, then the Bureau van Dijk algorithms will flag the individual mentioned as a possible risk ahead of many of its competitors.

The benefit of doing that is that it can protect clients' brands. "Reputational risk matters," Zuck says. "The world's largest banks, financial institutions and social media companies are now very much using our services, our data and our technology to get that matching right."

The solution originally used a combination of tech and manual work. First, a particular case would get fed into the platform. Next, staff members would look through the results, searching for false positives and making the final decision for clients. The company was then able to train its AI on the decisions its staff made and what its clients thought about those results. In other words, it was able to automate the process.

There are several benefits to this. The first, is that it makes the onboarding process more efficient, faster and less expensive. A second is that it makes it more consistent. "We looked at the decisions that our clients were making and we were able to look at all those and analyse them and say, 'Look, the debt level of the type of decisions that two people are making are drastically different,'" Zuck says. Taking a closer look, the RegTech company noticed that those discrepancies would be compounded with the number of people working on similar problems. "Large banks have hundreds of people who are making those decisions [and] they're all over the board," Zuck explains. "And they couldn't really describe why one analyst was making this decision [and another] analyst was making [that] decision. It was way too subjective for something that we expect to be pretty consistent."

He argues that Bureau van Dijk's solution is able to ensure that each decision is based on the same parameters and judged the same

way. More importantly, it enables companies to reduce discrepancies as they grow. "By having an algorithm do this, it's absolutely consistent," Zuck continues. "And you can tweak it and change it at any time. But it's scales way better than training scales."

However, he doesn't shy away from the question of bias. It is an irrevocable fact that if the data an AI is trained on is biased, then the results will be biased too. "There is always bias in this in this process," Zuck says. "Unfortunately, it's just rampant with individual people making those decisions."




Still, he argues that having an automated service can reduce bias in two ways. Firstly, the more data being feed into the computer, the better the decision can be. "One of the benefits of having a model is that the model is being trained on the aggregation of people," Zuck says. "So while I can't say there is no bias, I can say [that the] rule of large numbers and population says that if I put more people and have more of their decisions, not only are their decisions ultimately better and more consistent, but they're also less biased than an individual making specific decisions."

Secondly, if the company notices that the platform keep making biased decisions based on things like ethnicity, gender or other factors that shouldn't influence the decision, then the team can adjust the model. "We're constantly looking at it," Zuck says. "We're monitoring our models, we're using anomaly detection and we're using constant learning training in order to make sure that's working out."

With everything that's been going on over 2020, it would be easy to assume that Bureau van Dijk would slow down and take some time to reflect. Instead, the team is ready to put pedal to metal. "Our goal, and I think it's an achievable goal is to be the standard of external information," Zuck says. With that, he means that the RegTech would cover and assess all external threats for financial institutions. He says that Moody's Analytics has always been a leader in credit risk. Combined with Bureau van Dijk and RDC's solutions, Zuck is confident that the company will be able to deliver the insights a financial institution may need when considering signing up a new client.






"I really believe that we get that right," he concludes "When you're talking about a different company, you're talking about a counterparty, we can be the source of information that pulls all that insight together, so that you can better make that risk reward decision." ●



-  Founded 2006
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Reporting, Identification/Background checks, Compliance Management
-  Regions of operations: United States, Canada, UK, Germany, Australia, Caribbean, Latin America, parts of Asia, Kenya

CaseWare RCM, a division of CaseWare International, focuses on building great software to fight financial crimes. Their flagship product, Alessa by CaseWare RCM offers a comprehensive Regtech solution that includes identity verification, due diligence, sanctions and watch list screening, transaction monitoring, transaction screening, and regulatory reporting capabilities – all critical functions needed by financial institutions to comply with anti-money laundering and counter terrorist financing (AML/CTF) regulations. Alessa is used in more than 20 countries by banking, insurance, fintech, gaming and casinos, manufacturing, and retail companies. Fully integrated modules and the ability to integrate data from disparate IT and business systems has totally transformed the business of regulatory compliance for our customers. It allows them to have a full view of the data in their organization and use this information, along with third-party data and Alessa's AI-based techniques, allows financial institutions to take a risk-based approach to their AML/CTF program.



-  Founded 2015
-  Employees: 101-250
-  Regulation/Legislation: **Basel III, KYC, AML, 5MLD**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Cybersecurity/Information Security, Identification/Background checks
-  Regions of operations: Main offices: Singapore, Israel, Germany, UK, New Zealand, US (NYC), Mexico City. Partner offices in India, elsewhere.

Cobwebs Technologies is a global leader in Web Intelligence solutions. Founded in 2015, their growth has been entirely based on successful, complex projects with our client-base, which spans 42 countries, and includes the leading Law Enforcement, National Security, and Financial Institutions. Cobwebs Technologies provides best-in-class access to data from all levels of the web, enabling financial professionals to easily detect the digital footprints left by criminal organizations. The platform Weaver is an AI-powered Web Intelligence tool that collects and analyzes live data from dynamic sources such as, social media, the darkweb, messaging apps, blogs, forums, and databases, and overlays the findings with traditional compliance sources such as corporate and risk databases to draw hidden links between Banking customers and potential risky sources of wealth. Weaver employs a suit of AI technologies that compose our unique risk-detection method, including NLP, blockchain, facial recognition, optical character and object recognition, link analysis, big data processing.



-  Founded 2015
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, PSD2, Basel III, AIFMD, Solvency II, KYC, AML, GDPR, SFTR, Basel III, EMIR**
-  Subsectors: Risk Management, Reporting, Compliance Management
-  Regions of operations: Global

Cognitiv+ has been designed to create the ability for compliance and legal experts to interact easily and usefully with natural language processing and deep learning. The team has created an annotator that lets anyone create an Artificial Intelligence Model, bringing machine learning to everyone. Cognitiv+ incorporates the very best of complementary technology with its API to bring Neural Translation from Iconic and Comparison from Litera. Cognitiv+ is driven to enable people to trust the ability of machine learning and its components to find the risks and opportunities within documents, so only publishes high scoring results and shows the user a way of managing and checking their risks in 6 different ways. Cognitiv+ is about partnership with customers so provides a software that interacts with legacy software on premises or SaaS.



Capnovum

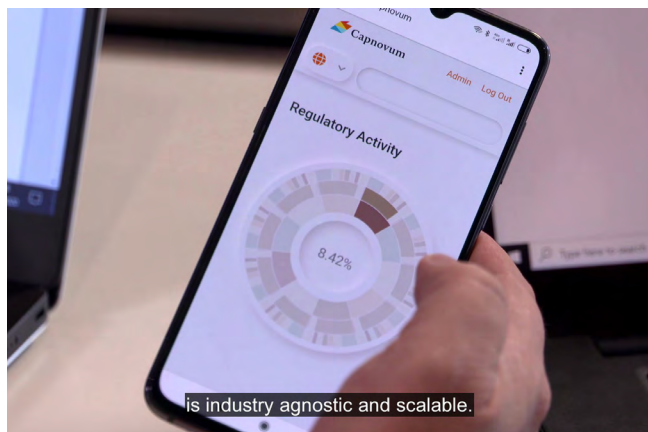
COMPLIANCE. CHANGE. COLLABORATION.



RECOGNIZED AS ONE OF THE WORLD'S
MOST INNOVATIVE REGTECH COMPANIES
4 YEARS RUNNING

Capnovum is boosting compliance with AI

Capnovum's solution slashes the time needed to keep up with regulations from weeks to minutes. The startup is now ambitiously accelerating the growth of its industry agnostic platform.



Niclas Nilsson is extremely busy. "I'm good, but I'm not sleeping anymore," he laughs. However, he's not joking. These days the Capnovum founder and CEO splits his time between running the venture, sharing insights at events across the world, leading a top notch leadership team and navigating a global pandemic. Although, Nilsson is used to high-pressure situations.

Since launching Capnovum in 2014, he's experienced several. At the time, he'd spent about two decades clocking up experience in the financial market after his graduation from Lund University with a masters degree in business and economics in 1998. "I've been in the financial services industry for most of my life," Nilsson says.

Over the years he had developed businesses in internal roles and as a financial services consultant. It was during his last stint as a consultant that he realised a way these institutions could yield massive wins.

Simply put, many businesses often have to restart on square one whenever a new regulatory project kicks off. Usually, that's because they haven't been able to learn

from the lessons of their last similar project. Moreover, they were often extremely time-consuming. But there was a solution. "Pretty much everything we did could be done faster, better, cheaper by a computer," Nilsson recalls.

He knew artificial intelligence could ensure project efficiency improvements and boost knowledge retention between projects. Doing so could give businesses increased efficiency and save a lot of money. Recognising the opportunity, Nilsson contacted some of the professionals he'd been working with over the years to launch what would become Capnovum.

Next, they reached out to financial institutions to test the startup's concept. After consulting with these companies, the Capnovum team realised that it could have the biggest impact on the compliance segment of the market. Fuelled by this insight, the venture set out to create the first version of its platform.

The team was soon able to field-test the platform. The tests spanned across Europe. During these trials, the team noticed how clients were immensely interested in tapping in to Capnovum's data feed. "So we started to build the platform, focusing primarily on the API and built the front end with the left hand," Nilsson remembers. "In retrospect, we now know that that was a mistake."

It turned out that the application programming interface wasn't used as often as they thought it would be. Consequently, the Capnovum team has since focused more on the user interface and usability than on API services.

Like many startups, Capnovum experienced early changes in the core team. These changes provided an opportunity to take stock of the team's ideas and where they wanted to go next. Realising that they had a lot left to give, Nilsson reached out to a former colleague who specialised in database applications to help him build a new version of the platform.

Nilsson also had another task in mind: to help him get back into programming. Nilsson had previously studied it back in the 1990s. "At that point I hadn't been

programming professionally for 15, 20 years," he says. While reawakening his dormant coding skills, Nilsson and his friend managed to get a workable solution up and running within six weeks. It was a product Nilsson could happily demonstrate to new clients as a solid step forward.

However, he wasn't done yet. "By that time I'd gotten up to speed on my coding, I just thought I'm gonna have to start again from scratch because the technology we were using wasn't scalable to the extent that we needed," Nilsson says. "So after those meetings, I locked myself in a room for about 15 months and built the entire first release of the platform myself." That included programming the data capture, the AI, the database, the APIs and the front end. The result was the solution that Capnovum is centred around today.

The new platform was released in 2016, but Nilsson believes the market wasn't ready for it at that stage. "After 2008, compliance had risen in importance in organisations," he explains. "They had huge budgets. Cost cutting wasn't necessarily their immediate focus. And we were probably seen more as focused on cost-cutting than anything else."

That didn't stop the Capnovum team. It spent the next few years showcasing the usefulness of the solution, speaking at conferences and reaching out to stakeholders in the industry. These years involved a lot of hard work, but also yielded impressive results.

For starters, the company has been cash positive since 2016. In September 2017, Capnovum was picked to be part of the Supercharger accelerator's Kuala Lumpur programme. The startup was elected for the Momentum London accelerator in 2018 and in 2019 Capnovum participated in PwC's inaugural LawTech Scale Up programme. "We've gone through very good accelerators," Nilsson says. "Each of the three were high quality. And it's given us a really good network in the startup environment." This new startup network coupled with the core team's experience within financial services was one of the reasons why the company has enjoyed impressive growth in the past three years. It has also enabled Capnovum to bag a spot on RegTech Analyst's coveted RegTech100 list of the 100 most innovative RegTech company's in the world four times in a row.

Another reason why the venture enjoyed so many successes was that Capnovum started to really pitch the use of AI in its marketing, even though it had been part of the solution from the get-go. "We hadn't told anybody about that because it was just a way of doing things," Nilsson states. "[That was the case] up until 2017 or so when people started marketing AI, and everybody had AI everywhere." That's how it turned out

that the thing that they had always done proved to be a very useful selling point.

This year Covid-19 has accelerated Capnovum's growth further. While recognising that the pandemic has caused a lot of suffering, the Capnovum team suggests that it has also created more opportunities. "The market is changing," says Inga Jovanovic, chief marketing officer at Capnovum. "We see more and more automation, more and more artificial intelligence, more and more people working from home, more and more companies looking at really getting rid of manual workflows."

Capnovum grew its staff by almost 50% in the first half year of the pandemic, including the RegTech company strengthening its leadership team. "I've had a wish list of people I would like to have on board and now, thanks to Covid-19 making them more open to new opportunities, I have several of them on board," Nilsson says. "So we're switching gears big time. I have managed to recruit a very experienced management team."

The new talent has strengthened the further expansion of Capnovum, all under the watchful eyes of the leadership, including the very hands-on chairman of Capnovum's advisory board Jaap Remijn.

But more is still to come. Up until now, Capnovum has enjoyed tremendous growth and successes without outside investment. "I'm gonna be honest with you and say that that was a mistake," admits Derek Forder, chief strategy officer at Capnovum. "It would have been better for us to go through a funding round earlier. While we are by no means desperate for investment, we do offer a great opportunity for smart money that can help us scale commercially across geographies and industries."

In fact, Capnovum is now looking to scale on the commercial side with by raising its first funding round. "We are going to raise in the not too distant future," says Forder, adding that the company is raising from a position of strength, having been cash positive for four years and having an established the platform. "So we're in a reasonably good position there, but of course it would have been much easier if we had already gone through it," he says.

In the meantime, the company is staying busy. For instance, Capnovum is about to move beyond its financial services roots. "Today we cover banking, capital markets, insurance and pensions, but we're now going into other industries," Nilsson says. The first new industry the company is expanding into is life sciences, and there are already more additional industries to the platform in the pipeline. "We are ready to shift gears," Nilsson concludes. ●

COMPLIANCE. CHANGE. COLLABORATION.



GLOBAL COVERAGE

Capnovum captures regulations and regulatory updates by 1,200 regulators in over 100 countries. Our global coverage provides the volume of data points critical for deep learning, and clients benefit from a current repository of regulations, obligations and insights.

AUTOMATION & AI

Capnovum offers a regulatory change management platform with fully automated horizon scanning and real-time impact assessments. Automation and AI allows for scalability and real-time delivery.

TRANSFERABLE LEARNING

Drawing on over five years of NLP and transferable deep learning from financial services, we are able to accelerate learning in other regulated industries and reach the required granularity for meaningful insights sooner.

COLLABORATION

Our regulatory change management platform is a natural integration point for collaboration. Capnovum partners with law firms, consultants and downstream technology vendors to provide our clients with comprehensive solutions.

INDUSTRY AGNOSTIC

Capnovum's technology is industry agnostic. A standards based approach, combined with automation and AI, enables us to collate and present regulatory content for any industry in most languages without manual curation.



-  Founded 2018
-  Employees: 11-50
-  Regulation/Legislation: **GDPR, ASIC AFSL, FCA, AFCA, Banking & Insurance Industry code of conduct**
-  Subsectors: Communications Monitoring, Risk Management, Reporting, Compliance Management, Continuous control monitoring & Audit
-  Regions of operations: Australia, India, United Kingdom

Cognitive View is a transformative Regtech that automates Compliance, Customer Experience, Conduct Risk, and Fraud. It analyzes customer communication channels, including contact centres' voice data, identifying conduct-related issues, customer experience, and complaints, and ensures the staff meets its policies and quality standards.

It provides the necessary tools to create a customer-centric culture and allows firms to automate their 1LOD. The analytic integrates very well with Salesforce, ServiceNow, Tableau, GRC & IRM systems. To support remote working police adherence, it monitors Zoom and Microsoft teams.





The technology is for cross-industry and all size companies. Cognitive View has been working successfully with some of Australia's leading banks and insurance firms.



-  Founded 2016
-  Employees: 101-250
-  Regulation/Legislation: **MI FID II, AIFMD, Solvency II, GDPR, SFTR, EMIR**
-  Subsectors: Communications Monitoring, Transaction Monitoring, Cybersecurity/Information Security, Reporting, Compliance Management
-  Regions of operations: United States, United Kingdom, Ireland, Netherlands, Sweden, France, Luxembourg

Compliance Solutions Strategies (CSS) is a trusted global RegTech partner that uniquely brings together innovative technology-driven solutions to support financial services firms in navigating a clear and strategic path through the complex and fragmented global regulatory space. Their solutions and services help firms meet regulatory deadlines while optimizing compliance data, operations and technology. CSS covers a full range of global compliance disciplines spanning fund reporting, transaction reporting, investment monitoring, compliance management, compliance services and managed services with a complementary, centralized approach to the strategic management of regulatory data called RBOR (Regulatory Book of Record). The company currently serves over 600 software clients in the financial services vertical comprising of hedge funds, traditional asset managers and fund administrators, including Tier 1 buy-side and sell-side institutions. CSS maintains a global footprint across both North America and Europe with customer-facing offices in New York, London, Dublin, Paris, Amsterdam, Stockholm and Luxembourg.



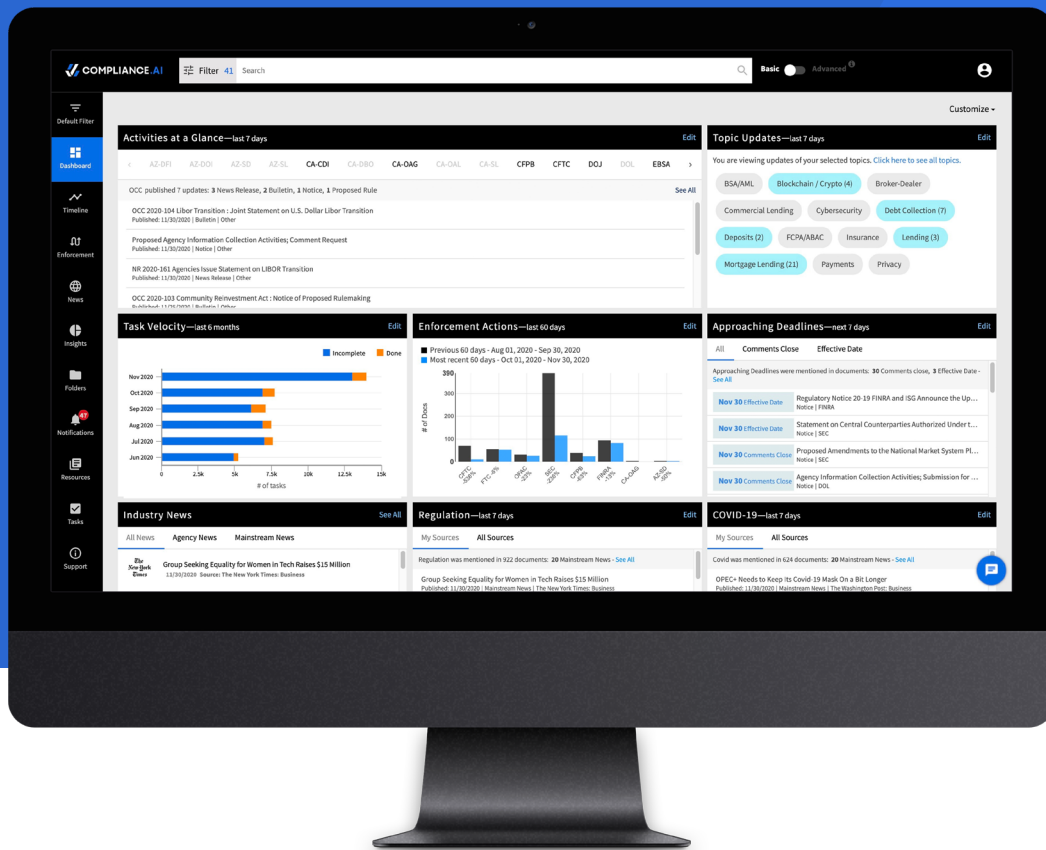
-  Founded 2017
-  Employees: 1-10
-  Regulation/Legislation: **APAC regulations**
-  Subsectors: Compliance Management
-  Regions of operations: Singapore, Vietnam

Comply is an AI web platform that simplifies and automates regulatory change, compliance, and risk management workflows for financial institutions. It simplifies processes for compliance teams and their business units through the centralization of regulatory data, end-to-end automation of manual processes, and better collaboration between stakeholders.

Comply's cloud-based solution for regulatory reporting provides a configurable workflow in which compliance officers and stakeholders can utilize, change, monitor and track compliance tasks for submission and reports. It automatically detects, stores, and notifies users of new regulations released by global regulators. Comply can provide automated extraction of regulations data, a centralized workflow, and auditing and tracking of changes to improve transparency and accountability in the regulatory reporting process.

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Regulatory change management designed for financial services enterprises.



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Transparency



Filter Out
Noise



Analyze
the Impact



Automate
Processes



Speed
Audits

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www.RegTech100.com



COMPANY RESEARCH PROFILE



COMPLIANCE.AI

Insightful. Transparent. Trusted.



Founded 2016



San Francisco, United States



www.compliance.ai



sales@compliance.ai



Employees: 11-50



Regions of operation:
United States, Canada, Europe

KEY EMPLOYEES:



Kayvan Alikhani
Co-Founder and CEO

Value Chain: **Monitoring, Detection, Reporting, Processing & Control**

Subsectors: **Compliance Management, Risk Management, Reporting, Regulatory Change Management, Regulatory Intelligence**

Regulation/Legislation: **U.S. Federal and State, UK, EU and Canadian financial regulatory compliance content**

OFFERING

Managing regulatory change doesn't have to be as tedious, manual and non-scalable a process as it is today. Compliance.ai replaces disjointed and manual regulatory change management process with an automated and streamlined solution. Its platform empowers compliance teams to proactively and efficiently monitor, analyse, take action and report on regulatory updates that are relevant to their business.



PROBLEM BEING SOLVED

Manually responding to and managing regulatory change is costly, time-consuming and error-prone. The global regulatory environment has made managing compliance risk a top priority for financial institutions, but homegrown and legacy solutions can't effectively meet the growing complexity of the modern regulatory landscape.



TECHNOLOGY

Compliance.ai automatically aggregates, normalizes, classifies, summarizes and distills regulatory content into actionable insights and automated workflows, for compliance professionals in the financial services industry. Some of the key technologies used are:

- SaaS platform, instant access
- Proprietary Expert-in-the-loop machine learning & AI
- Automatic summarization, obligation analysis, jurisdiction comparison, diffing and task delegation
- Patent-pending technology
- Comprehensive API enabling seamless integration with 3rd party IRM/ GRC solutions

PRODUCT DESCRIPTION

Compliance.ai's modern regulatory change management solution allows compliance teams to automatically track, analyse, take action and report on regulatory updates that impact their business. Compliance.ai aggregates, normalizes, classifies and ranks financial regulatory content from thousands of sources, across hundreds of document types in multiple jurisdictions including US Federal and State, United Kingdom, Europe and Canada. The platform provides significant time and cost-savings compared to manual and legacy solutions by providing comprehensive financial regulatory content and an all-in-one solution that takes advantage of automation to streamline otherwise tedious and time-consuming tasks. Some key features include: personalized regulatory dashboard, automated summaries & document insights, obligation analysis, jurisdiction comparison, document diffing and task delegation.

TOTAL FUNDING - \$11M

Investors: **Founders, Angel Investors, Venture Firms**

Investor name: [COTA Capital](#)

PARTNERSHIPS

- Compliance.ai's partners include: [360Factors](#), [IndiSoft](#), [LogicManager](#), [MetricStream](#), [ProBank](#), [Riskconnect](#), [RSA Archer](#) and [WesPay](#).

TRACTION/GROWTH

- Existing customers include mid-to-large size U.S. banks and credit unions, compliance consultants and fintech companies
- Currently expanding into international markets: in the UK, Europe and Canada
- Looking to acquire banks and insurance companies as customers

Why Compliance.ai is ready to take on the world

Hot on the heels of raising a Series A round, Compliance.ai is now gearing up to go global in a big way.



The onslaught of Covid-19 worried Kayvan Alikhani at the start of 2020. "It was a disaster, not just for us, but worldwide," the Compliance.ai CEO and co-founder says. "The economic recession is probably unparalleled by any other event that I can remember historically. It's been horrible." As the global contagion spread across the world, he became concerned about what it would mean for the economy as a whole and for his RegTech startup in particular. He needed to take action.

Alikhani's concerns about the company's health made him and his team go into life-saving mode. They slashed their ad spend to zero and reduced their sales and development activities. "We buckled down and very much became careful about everything we were doing," he says.

However, as the pandemic infected more people, Compliance.ai noticed a growing demand for their services. A light in the darkness. As governments across the world snapped into action to stimulate and protect their economies, they also introduced new pieces of legislation that businesses had to comply with. "You had a huge number of rules and regulations come down in terms of PPP, employment law, data privacy and data collection, just all of it related to Covid," Alikhani says.

For a company like Compliance.ai, which is set up to help businesses keep up with the burden of mounting regulatory pressure, this meant the need for their services shot through the roof. As it turned out, the pandemic had alerted businesses to the necessity of finding better ways to deal with compliance and manage regulatory change.

"We're lucky and fortunate in that as companies are rethinking – How do we do more with less? How do we become more resilient? How do we ensure business continuity from a compliance perspective? – that solutions like ours are very much in line with that thinking," Alikhani says. But the growing demand for their services is not the only reason why he and his team are bullish about the future.

Having just closed a Series A investment round, Compliance.ai is now gearing up to take advantage of that uptick in demand for its services. As part of that, the US-based startup is looking to continue forming partnerships across the pond, speed up development of the platform and, potentially, start expanding into new industries beyond financial services. "Our platform is very much agnostic towards segment specific coverage," he explains. "So please don't be surprised if a year and a half from now you'll see something called Healthcare Compliance.ai or Energy Compliance.ai."

Alikhani launched the company in April 2017 together with Bobby Yazdani, founder and managing partner of venture capital firm Cota Capital, as well as other technologists.

Prior to launching Compliance.ai, Alikhani had clocked up two decades' worth of tech, executive and entrepreneurial experience. Among other things, he has been the co-founder of MagnetPoint, BeNotified and mobile identity startup PassPan. "I used to have the word 'startup junkie' in my LinkedIn bio," Alikhani laughs. Apart from his entrepreneurial endeavours, he has also served in several executive roles, including at LegalTech company Litescape Technologies.

The idea for Compliance.ai came during a conversation with Yazdani. The Cota Capital partner mentioned that one of the VC's portfolio companies was able to scan

legal documents and find the relevant factors lawyers needed to take action on. Actionable insights thanks to artificial intelligence. Talking about it, the founding team wondered what would happen if they could do something similar for businesses to help them keep abreast of their regulatory compliance obligations. They realised that the demand for a service like that could potentially be massive.

It's no secret why that was. Following the financial meltdown of 2008, governments around the world had put a shift on in their efforts to ensure that a similar collapse wouldn't occur again. Consequently, they introduced a slew of new regulations to prevent the dodgy behaviours that caused the recession.

So, at the time Alikhani and Yazdani spoke, financial services firms were dealing with the Dodd-Frank act, pressure from the Consumer Financial Protection Bureau, the fact that many states in the US had introduced new legislation to ensure good behaviour and a smattering of other regulations. But while the demands from legislators were skyrocketing, firms failed to update their approach on how to deal with it.

"Companies were dealing with a new reality in terms of the volume, in terms of the complexity, in terms of the pace of changes that were coming their way, and yet, they were still using that manual, throw bodies at it, [approach]," Alikhani says. And people are expensive. But what if you could automate some of the compliance work? Recognising the opportunity and being funded by Cota Capital as well as a number of angel investors, the team set out to make their vision a reality.

Simply put, Compliance.ai offers a modern regulatory change management solution. It enables compliance officers to simplify the way they track, monitor, react and report on regulatory changes. "Our mission is simplifying and streamlining that process for the crowd that cares about regulatory change," says Alikhani. Today, the solution is utilised by professionals working for banks, insurers, financial services firms, general credit unions, community banks, FinTechs, advisory firms and different lending companies.

Getting to this point meant overcoming several challenges. For one thing, the founding team had to rid itself of some assumptions. Originally, the team thought they'd launch a "Bloomberg for regulatory content, providing that level of granular on the fly on demand, intelligence that you can rely on." However, they quickly realised that this wouldn't be enough.

They realised that there were a lot of things in the industry that they didn't understand. To overcome

this hurdle, the team set out to have open discussions with compliance professionals, find out what keeps them up at night, and write a series of white papers and blogs over the course of 2017 and 2018.

The realisation that there were things that they didn't fully understand in the wonderful world of compliance also coloured their hiring process. Not only did they hire tech experts, but also looked into hiring people who actually understood compliance. "We didn't just need technologists, we also needed subject matter experts and that's a big difference, for me, compared to any other company that I've co-founded or have participated in," Alikhani says.






Consequently, Compliance.ai started recruiting people to inform the venture about what they were building, whether it had a market fit and if it met the requirements of this very specialised crowd. "We started a programme called the Contributor Programme very early in 2017," he remembers. The programme recruited current and former regulatory professionals, compliance officers, people working with law firms and even law students. It then essentially used this brain trust as a consulting service. The people in it would look at different decisions and would then feed in their judgements of it into Compliance.ai's AI, training it with the new data. Having this expert in the loop approach is something that the company still prides itself on.

But it's not the only way Compliance.ai's founder says that the startup stands out from the competition. Alikhani also emphasises the speed at which it can bring in new content, its Software-as-a-Service approach, the ability for businesses to trial the product for free and that it is not limited to specific jurisdictions. "It's all you can eat and that you can benefit from these ongoing incoming new features, on a weekly basis," he argues.

Now, with the new funding safely secured in its coffers, Compliance.ai is looking to expand its team and integrate its platform with other processes compliance officers may need – such as know-your-customer, vendor management and risk mitigation "We're going to expand on that."






Having started the year concerned for his business, Alikhani is now bullish about the future. "My lesson learned and advocating for is that if people are thinking of embarking on these types of journeys, keep it extremely focused, keep it extremely specific to a crowd, don't try to boil the ocean and constantly keep your ears open and be on the listen mode rather than head down developing things," he concludes. ●

DATACTICS™

-  Founded 1999
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, Solvency II, KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Reporting, Data management
-  Regions of operations: United Kingdom, Netherlands, Nordics, North America, Australia, Switzerland






Datactics is a Belfast-based software & services firm specialising in the areas of data quality and matching, helping banks and government departments who are saddled with very large, very messy sets of data. The Datactics Self-Service Data Quality platform ("SSDQ") helps firms to fuzzy-match across people, instrument and entity level data, applying automations and machine learning to reduce the manual review effort by up to 45%, especially on the "low-confidence" matches which are usually manually reviewed. In the past few years, they have recruited several major Tier 1 investment banks, information vendors, government departments, retail banks and wealth management firms, all using Datactics software on long-term multi-year deals to drive up the quality of their data assets.

digio

-  Founded 2016
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks
-  Regions of operations: India

Digio Started with the mission to take identity as root and enable processes around to go Digital with its flagship offerings for Digital Signing, Digital KYC (Self and assisted Video Kyc, OCR, Face Match, Aadhaar eKyc for India, Fraud detection) and Recurring Payment collections using Electronic National Clearing House. Largest platform in India for its Digital Signing offerings, started in 2016 and profitable since last 3 years. Digio's drag and drop based user onboarding journey builder with no code approach allows a business to go digital in no time with API&SDK or Email/SMS links or directly via Dashboards, leveraging its in-house developed AI and ML for OCR, Face Match, Image tempering, video processing and IndiaStack/Aadhaar ecosystem for Identity verification and digital signing. It can be followed by eNACH (Digio is the largest platform in India for eNACH) for Lending, SIP or any subscription based recurring payment collections.

Dixtior

-  Founded 2013
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, PSD2, Basel III, KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Risk Management, Reporting, Compliance Management
-  Regions of operations: Portugal, Angola, Mozambique, Cape Verde, Timor Leste

Dixtior is a Portuguese consultancy firm that seamlessly combines the very best of two worlds. As specialists in both economics and information technologies, they apply the full range of talent to creating the perfect solution for each client's needs. It is this adaptability that underpins their philosophy of "Think local, act global" and skill at working across borders. Dixtior has develop Dixtior Compliance Solutions (DCS), a solution to combat anti-money laundering and terrorist financing. DCS integrates Artificial Intelligence which allow organizations detect suspicious activities in an efficient and accurate way. It can be adapted to each client's AML context. A company's data is first analysed, and then models, that are specifically tuned to the markets in which it operates, are developed. You can manage all your compliance in only one application once DCS can integrate KYC, KYT, reporting, case management.

USD 5 trillion every year

The global cost to administer regulation

Now is the time
to digitise
regulation

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COMPANY RESEARCH PROFILE



Founded 2014
 London, United Kingdom
www.df2020.com
jrawlings@df2020.com

Employees: 1-10
 Regions of operation:
 United Kingdom, South Africa

KEY EMPLOYEES:



John Rawlings
Co-founder & CEO



Freddie McMahon
Co-founder & Director of
Strategy & Innovation



Leigh Allen
Director of Knowledge
Capital

Value Chain: **Encode, Interact, Audit, Measure and Evolve**

Subsectors: **Environment, Social & Governance (ESG), conduct risk, customer trust, compliance agility, digital governance and operational resilience**

Regulation/Legislation: **Digitise any rule-based knowledge in the form of regulation, policies and procedures**

OFFERING

Df2020 Ltd is a UK technology firm that after extensive research and development can digitise rule-based knowledge such as regulations and procedures. Its approach from the outset, has been to develop a universal and unifying language with embedded methods to transcend from the monologue to the dialogue of rule-based knowledge traditionally found in paper-based documents or equivalent. The company has used knowledge gained from both the public and private sectors to ensure its approach is universal in the way it could codify increasing complexity, whilst masking this complexity from the human interaction.

PROBLEM BEING SOLVED

Every country publishes regulations as paper-based documents, which are synthesised by each organization, leading to different interpretations. The reliance upon paper-based documents incurs a high annual administrative and compliance cost, equivalent to 6% global GDP or USD5tn.

Furthermore, the poor algorithmic state of regulatory rules within these paper-based documents are the cause of deeply hidden systemic risks. This is countered by those organisations with deep pockets that pay an ever-growing ecosystem of subject matter experts in the form of consultants and lawyers.

TECHNOLOGY

In 2016 Azure's implementation of the Intelligent Cloud, Intelligent Edge, enabled Df2020 to rebuild its technology from scratch based on earlier insights. The overwhelming feedback from the market is that regulatory digitisation should become a utility led by a hybrid of consultancy and managed services. A vehicle is being set up to deliver the first utility, including the provisioning of continuous intelligence using AI/ML. Once established, Df2020 will expand through utilities across the world, which will be through partnerships with consultancy-led managed services or through new companies underpinned by appropriate financing.

PRODUCT DESCRIPTION

Df2020's innovation enables the transition from the single medium of paper-based regulatory documents to a digital capability consisting of three mediums:

- A Knowledge Map representing the encoded logic and narrative.
- A Digital Agent that provides the step-by-step guide.
- The Dialogue-Data generated from the human interaction with the Digital Agent.

The Knowledge Map consists of Symbols, Symbol Properties and embedded Methods to enforce a discipline of good practice, such as avoiding 'spaghetti' logic and ensuring each Pathway reaches an Outcome. The Knowledge Map defines the granularity of each Dialogue-Step, which is represented by a Symbol and the Symbol Properties. Within the Symbol's Property is narrative, which is restricted to 300 characters that forces regulation to be reconstructed into small step-by-step dialogue. In addition to narrative, the Symbol's Property can also orchestrate in-line with the dialogue, a contextual picture, video, contextual data input, pickup codes (for trigger events, analytics, linking to classification systems) and adaptive cards say to perform a calculation.

The Digital Agent is automatically generated from the Knowledge Map as a stateless software service (no-code) and is accessed via an API. A Digital Agent can be accessed directly via digital touchpoints or via another Digital Agent.

The human interaction with the Digital Agent is simplified and streamlined. Using a benchmark of 8 seconds per dialogue-step, the User Decision Journey elapsed time from start to finish could range from say 24 seconds for a short Pathway to say less than six minutes for a longer Pathway involving 42 Dialogue-Steps. Each Dialogue-Step is recorded as an audit trail with a date and time stamp enabling new forms of time and motion analysis, outcome-based analytics etc.

TOTAL FUNDING - USD468,000

- Df2020 has raised two equity loans from ESG Investments in 2014 and 2016
- The company is looking to raise USD 9m in new funding to further structure an existing vehicle to take advantage of the current UK demands to digitise regulations. The vehicle is a hybrid of consultancy and managed services to establish a beachhead in the UK as a digitised regulations utility that also provides continuous intelligence.

TRACTION/GROWTH

- The company is coming out of pre-revenue phase and already secured its first client Worldwide Applications
- Df2020 is a Microsoft IP Partner
- The company is currently focused on expanding its technology capabilities by building AI/ML for continuous intelligence and the development of knowledge factories to accelerate the digitisation of regulations.
- Alignment with the digitisation of regulations being led by Digital Nations and the OECD.
- Undertake pilots to address regulatory inequality such as the rights of victims and child protection.

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How Df2020 is putting a stop to regulatory inequality

Paper-based regulations are creating regulatory inequality where only the richest organisations can afford the expertise to interpret for deployment in practice, but the solution is not as simple as just using AI technology, it requires a “new way of thinking.”



DF 2020
ENCODE & MEASURE RULES

The global cost of compliance administration is estimated to be USD5trn each year. To put that into perspective, that equates to around 6% of the total global GDP – which is USD91.98trn according to the World Population Review. If things stay as they are, this cost is likely to only get higher.

Regulations are entering the market a lot quicker, as regulators try to avoid a global financial crisis like that in 2009. All these regulations need to be synthesised by firms in the context that relates to them, but this is just leading to “widespread distortions,” explained Freddie McMahon, co-founder and director strategy and innovation at regulation digitalisation platform Df2020.

Synthesising the rules and permutations is difficult when the regulation is spread over numerous pages and this complexity is then amplified if there are cross-document references. What is even more worrying, is that these documents are never subject to an understandability test or assessed on their usability. This means there is no science or measurement on if firms can clearly understand what is in the regulation or the requirements, they are subject to.

The problem with paper-based documents is that they are not suitable for writing algorithms in the form of choices, pathways, and outcomes, because they cannot handle this type of complexity, McMahon said. Secondly, they are not viable for the way the algorithms are used in practice as they cannot mask the complexity from the user. Finally, they are not measurable or manageable.

McMahon said, “As the world accelerates change and as complexity increases, so do the volume of rules and their permutations. What keeps executives up at night is waking up to something else that they were not expecting. The repetitiveness of unexpected problems has been growing every decade. No one seems to put the finger on it, but we have. That is the rule-base knowledge for regulations, policies and procedures in the form of documents is no longer fit for purpose.”

Traditionally, as each firm synthesises regulations into their own policy and procedural documents, they have relied on training their staff to understand everything. McMahon explained that a lot of organisations have assumed the human mind is able to absorb all the rules and their permutations, and then recall them in the context of the situation to make accurate decisions. This is not possible as there is way too much information to know.

It has created a world where organisations need to rely on subject matter experts, such as from law or consultancy firms, to help translate, understand, and deploy these rules in practice. McMahon said, “We coined this term regulatory inequality, because really, the posting of regulations in written form means there’s a massive network of lawyers and consultants paid to interpret the regulations, often by producing other documents. This means the market for regulation is bias towards those parts of the society that have the money to pay for the interpretation of regulations.” How damaging this regulatory inequality is became apparent to McMahon and his fellow co-founder John Rawlings, during their pilot phase.

Whilst testing the market, they found regulatory inequality was pervasive across a wide range of subjects and industries. For example, an Academy paid GBP25,000 to lawyers to create a 17-page procedural

document for identifying possible child abuse. While they can afford that, around 200,000 organisations such as small nurseries, schools, charities, and sports clubs cannot. Nationally, child abuse compliance data is published by the Government once a year. Data quality issues are pervasive. This data is incomplete and is not timely. It is impossible to accurately capture the way child abuse regulations are deployed in practice to create a holistic and timely understanding. Thus, it is not a surprise child abuse is increasing – regularly in the news is child abuse within sports and church institutions, radicalisation, country lines drug gangs and child slavery.

The way we use regulation is a problem across all industries and causing many organisations to face higher costs and sometimes hefty fines, or worse. Df2020 was created to solve the issue with regulatory inequality, which is a national challenge.

Building Df2020 to solve the problem

McMahon and Rawlings founded the RegTech platform in 2014 after they had built up long careers working within the financial services industry. During their time in various roles, they realised knowledge related to regulation, policies and procedures was different to data, and the reliance on subject matter expertise was leading to “systemic weaknesses,” he said. “The light bulb moment came after failing to solve this problem using a variety of technology approaches, including artificial intelligence, it became clear a new way of thinking was needed.”

Df2020 enables companies to transform paper-based regulations into digital capabilities, while making sure the rules are not lost or altered in the process. The platform is able to translate the monologue of regulatory documents into step-by-step dialogue, which is much easier to understand and generate knowledge from. One of the core principals of Df2020 is to transition the treatment of rule-based knowledge from “intangible to a tangible working and measurable asset.” The problem in many organisations is they do not know the state of their rule-based knowledge, which is contained in documents, though in reality a lot of it is in people’s minds, which can disappear from the organisation at any time. This means the knowledge is not tangible and cannot be measured as a working asset. Df2020 wants to reverse this convention, which is pervasive everywhere.

“This approach is quite different to others, as it means as we provide the means to encode knowledge complexity in terms of choices, pathways and outcomes, whilst masking that from user interaction. This approach is knowledge driven and not data driven, which has proved difficult for people to initially understand, because everyone says it has got to be data driven. However, these documents are not databases. The reality is written knowledge in the form of rules and guidelines is embedded within poorly structured narrative.”



“The market for regulation is bias towards those parts of the society that have the money to pay for the interpretation of regulations.”

The world has been indoctrinated to see data as the solution to most problems, but McMahon has seen first-hand that data is not enough to help people make decisions. They can be given the right data at the right time, but if they have not got sufficient knowledge in the context of the data, they will typically have difficulties making the right decisions.

For the way regulations, policies and procedures are applied in practice it is foremost a knowledge challenge. The interaction with the knowledge generates loads of new data that is accurate, timely and actionable. This approach of knowledge first has the potential to become extraordinarily valuable when regulation is applied as a national utility that benefits from automatically generating real-time data that delivers emergent evidence and patterns at scale.

As mentioned earlier, McMahon and Rawlings searched for the solution to this problem and during this investigation they found that artificial intelligence and machine learning was useless for the synthesis of procedural-based regulation. A reason for this is because the machine is essentially empowered to upend and change regulations and policies, which is not allowed. In addition to this, AI/ML works as a backbox. This means the way decisions are applied in practice cannot be traced or audited, which is useless.

Df2020, on the other hand, is fully traceable in the way it is applied in practice and gives the organisation full visibility into the algorithms, aka whitebox. This means if a query is spawned about whether compliance procedures were followed three years ago, Df2020 can show if they were followed and all the actions that were made. It is so in-depth, that it could show if procedures were changed just minutes after the task was completed.

By leveraging its technology and new way of thinking, Df2020 is confident the world can reduce the USD5trn spent on regulation administration down to just USD1trn. McMahon said, “The good news is, there’s so much of it as an opportunity. The bad news is there’s so much of it.” To that extent, the company is continuing to grow and show clients the benefits they can have and is now engaging with partners to expand. ●








-  Founded 2014
-  Employees: 101-250
-  Regulation/Legislation: **Basel III, Solvency II, LIBOR Transition, QFC Record Keeping**
-  Subsectors: Capital Planning/Stress Testing, Regulatory Compliance
-  Regions of operations: United Kingdom, United States, Germany, France, Netherlands, Singapore

Eigen is a Document AI company that enables its clients to quickly and precisely extract answers from their documents, so they can better manage risk, scale operations, automate processes and navigate dynamic regulatory environments.

Eigen's customizable natural language processing platform uses machine learning to automate the extraction of answers from documents and can be applied to a wide variety of use cases. It understands context and delivers better accuracy on far fewer training documents, while protecting the security of clients' data.






Founded in 2014, our clients include some of the most respected names in finance, law, and professional services, including Goldman Sachs, ING, BlackRock and Allen & Overy.



-  Founded 2013
-  Employees: 51-100
-  Regulation/Legislation: **KYC, AML, eIDAS**
-  Subsectors: Onboarding Verification
-  Regions of operations: Global

Electronic IDentification is a software provider created to lead the next generation of e-trust solutions. Electronic IDentification has created VideoID, the first and only technology that combines video streaming with the most advanced machine learning and artificial intelligence algorithm to identify people in just seconds from any device and through any channel. VideoID is creating a new services category in the Internet to identify customers remotely by providing the same technical security and legal compliance as face-to-face identification.



-  Founded 2018
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Risk Management, Compliance Management, SupTech
-  Regions of operations: United States, Europe, Africa, Middle East, Asia


Elucidate's vision is to rid the Earth of financial crime. They do this by offering the market's only independent, regulated platform for measuring and scoring financial crime risk. Their proprietary model acknowledges financial crime as a multi-metric phenomenon, the prevention of which requires comprehensive data analysis across organisational silos. Elucidate's regulated benchmark, the Elucidate FinCrime Index (EFI), provides clients with the metrics, insights and intelligence required to progress from a reactive, backward-looking focus on reporting suspicion, to a predictive model for anticipating and preventing risk, both internally and amongst counterparties. The EFI is fully automated and scalable, enabling Clients to monitor risk changes in real time.



 Founded 2016

 Employees: 11-50

 Regulation/Legislation: **KYC, AML, GDPR**

 Subsectors: Onboarding Verification (AML/KYC/CDD), Cybersecurity/Information Security, Compliance Management

 Regions of operations: United States, United Kingdom, EU

Enveil's business-enabling and privacy-preserving capabilities for secure data search, sharing, and collaboration protect data while it's being used or processed – the 'holy grail' of data encryption. Defining the transformative category of Privacy Enhancing Technologies (PETs), Enveil's homomorphic encryption-powered ZeroReveal® solutions allow organizations to securely derive insights, cross-match, and search third-party data assets without ever revealing the contents of the search itself or compromising the security or ownership of the underlying data. Enveil is 2020 World Economic Forum Technology Pioneer and its award-winning solutions deliver nation-state level protection to the global marketplace. Enveil's groundbreaking capabilities are applicable across a wide-range of verticals including Financial Services, Healthcare, Regulation/Audit/Compliance, and Cloud Security and are critical for large enterprises with sensitive data assets and compliance concerns, as well as companies sharing sensitive data and collaborating with third parties.




 Founded 2012

 Employees: 101-250

 Regulation/Legislation: **KYC, AML, GDPR, Fido, eIDAS, common criteria EAL4+ & EAL1+, Esign & UETA, Aenor**

 Subsectors: Onboarding Verification, Cybersecurity/Information Security, Risk Management, Identification/Background Checks, Compliance Management, Digital Certification Authority

 Regions of operations: Europe, Asia, North America, South America, North Africa

The advent of digitalization has prompted companies to seek out innovative technological solutions. Since its inception in 2012, Euronovate group has achieved outstanding growth, positioning itself as a global market leader in Digital Transformation solutions for large enterprises, with a focus in the banking sector.

The group is composed of four companies; Euronovate SA, tapID, Vintegris, and eSignworld, that constitute an integrated system that works together to guarantee legally compliant solutions through hardware, software and services.


Organisations can tailor a complete and frictionless digital onboarding process for managing customer identities with tapID. The Trust Service Provider, Vintegris, with its Certification Authority, offers the issuance of legally compliant qualified certificates with centralised storage and management. Completing the platform is digital signature solutions, made possible by Euronovate hardware and software products combined with eSignworld production of the dematerialisation biometric technology.




 Founded 2015

 Employees: 11-50

 Regulation/Legislation: **MiFID II, KYC, AML, EMIR, Dodd-Frank, MAR, UMIR, SEC 15c3-5, NYDFS Part 504.3, FATF**

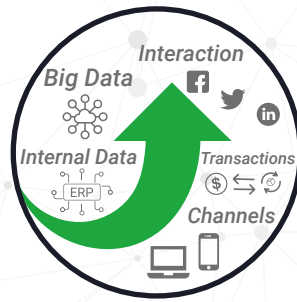
 Subsectors: Transaction Monitoring, Risk Management, Reporting, Compliance Management

 Regions of operations: United States, Canada, EMEA, APAC

Eventus Systems is a leading global provider of multi-asset class trade surveillance and market risk solutions. Its powerful, award-winning Validus platform is easy to deploy, customize and operate across equities, options, futures, foreign exchange (FX), fixed income and digital asset markets. Validus is proven in the most complex, high-volume and real-time environments of tier-1 banks, broker-dealers, futures commission merchants (FCMs), proprietary trading groups, market centers, buy-side institutions, energy and commodity trading firms, and regulators. The company's rapidly growing client base of more than 60 firms relies on Validus and Eventus' responsive support and product development teams to overcome its most pressing regulatory challenges.



Increasing Regulations



Exponential Growth of Data



Uncertainty and Dynamic Risk Profile

Turning Regulatory Challenges into Strategic Opportunities

We deliver holistic solutions leveraging latest advances in technology.

RegTech

**REGCONNECT
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Nextgen Regulatory Reporting Technology for Regulators | Regulated Industry

RiskTech



Realtime Risk Management



Scan this QR to know more

Manage Risks in Real-time
BASEL | IFRS9 | Stress Testing

DataTech



Data Management Automation



Scan this QR to know more

Gain control of your data using DataTech
Strategy | Architecture | Governance

About us

REGCENTRIC

RegCentric delivers innovative services and solutions that leverage the latest advances in technology to increase efficiency, provide insights, reduce risks, and ensure regulatory compliance. We provide strategic advice and design, build, and implement technology solutions that deliver the best outcome in a technology-agnostic way. Our team consists of data, risk & regulatory technology experts with decades of experience supporting transformative initiatives for regulators as well as the regulated industry.

 www.regcentric.com

 [LinkedIn](#)






 info@regcentric.com



-  Founded 2013
-  Employees: 501-1,000
-  Regulation/Legislation: **AML/CTF, Trade, Sanctions, Fraud, Bribery and Corruption**
-  Subsectors: Onboarding (AML, KYC, CDD), Risk Management, Identification / Background Checks
-  Regions of operations: London, New York City, the Washington, D.C. metro area, San Antonio, Toronto, Vancouver, Bucharest, Hong Kong, Singapore and Australia






Exiger is a global authority in governance, risk, and compliance, introducing technology-enabled solutions to the market's biggest compliance, risk management, and due diligence challenges. Powering its Advisory, Diligence and Federal Solutions, Exiger has developed purpose-built technology — DDIQ and Insight 3PM — trained and deployed by its subject matter experts to accelerate the auditability, efficiency, quality and cost effectiveness of clients' compliance operations. Founded by former prosecutors, compliance officers, FBI agents, in-house lawyers, and forensic accountants, Exiger understands first-hand the risk-management challenges inherent in the growing volume and complexity of data and regulation, and partners with clients to create a more sustainable risk management environment.



-  Founded 2012
-  Employees: 51-100
-  Regulation/Legislation: **GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks
-  Regions of operations: Latin America, Asia, Europe

FacePhi is the leading Spanish company in biometric solutions for identity verification, specialized in facial recognition systems, digital onboarding and safe work environments. Based in Alicante and operating worldwide, the company has a presence in more than 25 countries, has performed more than one billion authentications, 21 million access programs and has a strong presence in the banking sector. The drive of biometrics to improve customer experience and protect data from citizens and entities is the hallmark of the firm. Selphi, its innovative technology, enhances the client experience effortlessly by simply using the camera on their mobile device to take a selfie; this then becomes their method of identification and interaction with the bank's mobile application.








-  Founded 2017
-  Employees: 1-10
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD)
-  Regions of operations: United Kingdom, EU, United States, Israel

Fincom.co, an Israeli tech company, has developed a Deep- Tech Anti-Money Laundering (AML) platform whose mission is to support combating financial crime using its advanced technology. Fincom.co is a result of over ten years of effort by AI & Linguistics mathematicians and industry experts to develop the first automated technology for name screening, and as of June 2019 patent granted. The technology is tested and hardened, enabling regulatory conformity at a fraction of today's cost. It's the third start-up for the two main shareholders, Gideon Drori and Oleg Golobrodsky. FinCom.Co's unique technology has already been tested and successfully implemented into a variety of large enterprises such as financial institutions, insurance companies and payment solutions



Fincom.co is a trade name for AML compliance under Phonemix LTD, which is providing it's core technology for additional vectors such as homeland security, governments and financial regulators.



-  Founded 2017
-  Employees: 11-50
-  Regulation/Legislation: **PSD2, KYC, AML, CDD, CEDRS**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Compliance Management
-  Regions of operations: Luxembourg, France, Belgium, Germany, Switzerland, UK, Liechtenstein, Spain, Italy, The Netherlands

Finologee is a fast-growing European digital platform operator of robust, ready-made, and compliant systems and APIs for open finance, digital onboarding, and KYC lifecycle management, as well as telecom routing and micropayments. Launched in 2017 to deliver compliant cutting-edge technology with reliable user experience, the company serves more than 100 banks and institutions and handles hundreds of millions of transactions on their behalf. Finologee's founders have a 20-year long deep experience in building digital platforms from scratch, namely by creating and running one of the most successful bank mobile payment schemes in Europe: Digicash. Today, our 35 staff support KYC lifecycle management, e-signatures, account aggregation/payment initiation and secure open finance APIs for clients in 19 countries. Finologee is a regulated company with a 'Support PFS' license by the Luxembourg Minister of Finance and is also ISO27001 certified. Headquartered in Luxembourg, Finologee is already a profitable RegTech company after 3 years of operations.

FINOPZ

-  Founded 2018
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Reporting, Compliance Management
-  Regions of operations: United Kingdom, Malta, Isle of Man, Germany, United States, The Netherlands, Asia

Finopz is a FinTech and RegTech company based in London, set up to focus on automating operations within the financial industries. Finopz is backed by expert leaders within the compliance and regulatory digitisation framework. The company offers KYC Portal. KYCP is a real-time, risk driven Client Lifecycle Management platform with full ownership of policy automation - increasing operational efficiencies and redefining business relationship outreach, whilst simplifying and streamlining the back office of any customer due diligence process from on-boarding relationship management all throughout the automation of ongoing aspects of KYC such as risk based approach, reporting, document requests, automated risk based questionnaires etc. KYCP integrates with any 3rd party provider/s that you might choose on the market, giving you a centralised, due diligence workflow solution.



-  Founded 2012
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, Basel III, AIFMD, KYC, AML, SFTR, Basel III, EMIR, UCITS V**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Communications Monitoring, Transaction Monitoring, Risk Management, Reporting, Compliance Management
-  Regions of operations: Europe, North America

FORTIA was founded in 2012 with the aim of helping companies automate their business processes using disruptive technologies. The company has expertise in Natural Language Processing and Artificial Intelligence, with many proprietary algorithms being the subject of several patents in this field. Research is an important differentiating factor in FORTIA's DNA, whereas its competitors are largely focused on development. The company was rapidly identified among the most innovative RegTech startups worldwide and partnered with BNP Paribas Securities Services through their innovation lab. Since 2015, FORTIA has launched several solutions dedicated to various industries based on AI and process automation (Innova Compliance, Innova Process, Data Avangarde and Prospectus Writer). Moving from a promising Parisian startup into a dynamic scaleup company, FORTIA decided to revolutionize its business model by taking the No-code turn and offering a generic platform for business application development based on the performance of its advanced technological building blocks.



COMPANY RESEARCH PROFILE

fourthline

Founded 2017
 Amsterdam, the Netherlands
www.fourthline.com
info@fourthline.com

Employees 101-250
 Regions of operation:
 Global

KEY EMPLOYEES:



Krik Gunning
Founder & CEO



Ralph Post
CTO



Remco Vlemmix
COO



Duco Van Lanschot
CCO

Value Chain: **Onboarding**

Subsectors: **Onboarding Verification (AML/KYC/CDD)**

Regulation/Legislation: **PSD2, KYC, AML, GDPR**

OFFERING

Fourthline is one of Europe's fastest-growing providers of digital KYC. Fourthline is the only KYC vendor with a proven end-to-end solution for bank-grade KYC (compared to the crowded space of basic ID/selfie solutions). The company provides best-in-class fraud detection at industry-leading conversion and compliance levels. As a licensed payments institution itself, Fourthline is the only financially regulated KYC provider (both in UK and the Netherlands), which puts into a unique position to partner with regulated companies.

PROBLEM BEING SOLVED

For banks and fintechs, sufficiently detecting identity fraud and maintaining KYC compliance can create friction, high costs and impose onerous burdens on new customers.

Fourthline uses a proprietary combination of advanced AI technology and expert analyst review to detect 60% more fraud than competing solutions.

Combined with unique post-onboarding monitoring that detects an additional 20-30% fraud, Fourthline provides industry-leading compliance while enabling a seamless customer signup process.

TECHNOLOGY

Fourthline has built all of its technology in-house, running 210 data point checks on every identity processed. Of these 210 checks, over 95% are automated using a range of advanced technology, including AI; data extraction through Near Field Communication (NFC) and Optical Character Recognition (OCR), facial recognition, and biometrical matching; liveness checks using video, biometrics, and 3D technology to ensure the applicant is a live person; and device metadata processing to test for consistency across phone language, IP address, postbox and non-residential addresses, known fraud addresses and more.

PRODUCT DESCRIPTION

As a regulated financial institution, Fourthline has built a unique micro-services architecture adhering to the highest compliance standards as required by the Dutch Central Bank and the Financial Conduct Authority. Fourthline deploys a proprietary combination of advanced techniques that detect 60% more fraud than competing solutions. The company validates a comprehensive set of KYC checks with a 99.98% fraud accuracy rate—in less than 90 seconds.

The Fourthline Formula consists of a comprehensive package of modular KYC technologies that is built in-house and meets all (local) AML and GDPR regulations. Fraud is caught both directly during the sign-up procedure and then an additional 20-30% through ex post monitoring. Clients can leverage Fourthline's highly efficient EU-based analysts to reduce in-house costs on investigations (e.g., fraud, PEP, watchlist), quality control and non-converting flow. Its analysts can provide a final and risk based CDD verdict. Considering the endless creativity of fraudsters, Fourthline continuously improves its solution to detect all new types of fraud.

TOTAL FUNDING – \$15M

TRACTION/GROWTH

- Trusted by leading banks and fintechs, Fourthline verifies millions of identities for clients such as:



- Fourthline partners with **Solarisbank** to provide KYC solutions to its banking-as-a-service clients.
- The company was shortlisted for Deloitte Technology Fast 50 Rising Star award and was a finalist for the Banking Tech Awards
- In June 2020 Fourthline launched its KYC dashboard to offer its clients a portal that gives them full control of their customers' onboarding experience, while receiving meaningful insights on key metrics

MANAGEMENT BIO

Krik Gunning – Co-founder & CEO

Krik is the co-founder and CEO of Fourthline. He started his career as an M&A banker at ABN Amro, then co-founded advisory boutique IvyRoads before joining Amsterdam-based Fintech, Safened, as Chief Commercial Officer in 2015. In 2017, Krik co-founded Fourthline, which was spun out of Safened following the hypergrowth of its KYC platform, and now serves as its CEO.

How Fourthline is helping banks to solve the impossible

Society expects the impossible of banks: they are expected to be responsible for stopping all money laundering, according to Fourthline co-founder and CEO Kirk Gunning.



fourthline

Money laundering remains a massive problem for financial institutions and is likely to be around forever. The FinCEN papers leak earlier this year showed how illegal money has been transferred through banks, with and without their knowledge.

It is a gargantuan task trying to prevent money laundering from happening and there are always going to be incidents that slip through the cracks. Financial institutions take their AML and KYC responsibilities seriously, with a study from LexisNexis confirming that globally, around \$180.9bn is spent by financial services providers on these activities. In order to achieve more cost-effective compliance, banks need to solicit help from RegTech. The main reason for this is because “society expects the impossible from them,” Kirk Gunning, co-founder and CEO of digital identity solution developer Fourthline, said.

Money laundering is a problem for the whole of society, but banks have been expected to stop

it, which is a massive challenge to do without the help of RegTech. He added, “the expectations that both clients and society--and regulators--have from banks have increased significantly in recent years. So in order to fulfil your role as bank within society, you need to prove that you’re able to tackle this problem.” Fourthline helps with just that, with its technology able to capture 60% of identity fraud that other processes or solutions miss, he said.

Fourthline is capable of finding this additional hidden fraud because it has built a data-driven platform that is able to pull in various different data points associated with the consumer to validate their identity or reveal fraud risk. However, one of the core foundations of the RegTech company is not just improving the experiences for banks, but also customers. This means Fourthline bases its decisions only on the information provided.

Traditionally, when a proof of address was required, a user could just send through a utility bill. The problem with that is it is easy to spoof. Instead, Fourthline can look into the information a little deeper: for example, it will examine the geolocation, the prefix of the mobile phone, device settings and much more that can determine if this is the legitimate address of the person. After this, the Fourthline solution will monitor the signup against the overall universe of signups to see whether there are similar instances. Gunning gave an example of this, which involved someone in Dublin signing up with a Brazilian passport. There were no immediate red flags, but about a week later there were 60 more people claiming to live at the same address. As the platform checked the whole universe, it was able to reject the new signups and revoke the original one too.

This elaborate cascade of checks does not put more strain on the customer, but allows for better KYC. Customers get better experiences, banks have higher quality checks at lower costs, and

society is safer, he said. "This is ultimately a product that helps preserve the integrity of the financial system."

A major difficulty financial institutions have faced in their fight against money laundering is balancing the expectations of customers and regulators. While banks are under increasingly strict scrutiny from regulators to have deeper checks, consumers expect to be able to open an account anytime, anywhere and instantly. This has got internal teams at banks fighting, with one division asking for quicker processes, while the other wants stronger checks. This has not been easy, but Fourthline has been successful in achieving both of these goals for clients.

Enhancing compliance on all fronts

Improving the front-end of a process is not enough to ensure a financial institution has the most efficient KYC protocols, it needs to be end-to-end. Gunning said, "The best analogy is to think about it as an iceberg. Above the waterline is the front-end and a lot of vendors are focusing on a basic snapshot of your ID document and a selfie. We retrieve more data points, as mentioned, but we also solve what's underwater, which is the back-end processes of banks. This is creating reports, risk scoring, and other points."

The Fourthline platform is capable of handling the entire KYC process, including the full audit trail that is needed for regulators. This is often a major time burden, but Fourthline removes this and allows teams to focus on their jobs. One client, which has around half a million users, is able to manage its KYC compliance with just one employee thanks to Fourthline. All that person needs to do is ensure the Fourthline platform is working properly.

Fourthline is not a one-size-fits-all solution, it is a cloud-native service which can be tailored to meet the specific needs of the client. This means a user does not have to worry about whether the tool can adhere to compliance processes specific to them, but also helps when they want to enter new markets, as it can adapt. The module distribution means the platform can meet local compliance across Europe. This cross-border experience was particularly useful for one client of Fourthline that moved into Italy. Gunning explained that when moving into the country, for the first month or so, the mob bosses will test whether the KYC checks are in place. As Fourthline has that experience and the cross-border knowledge, it could prepare for this situation.

“

"We're not afraid of being under that scrutiny, because we vouch for the quality of our technology."

It is reasons like this that the platform has become popular with financial institutions. He said, "I used to work at a bank. So I know it used to be the orphan within the financial institution, and no one wanted to take care of KYC. Now it has evolved into a board-level priority. And even though it's essentially a very boring product, our clients are raving about the solution we have."

Interest from financial institutions is even how Fourthline became its own business. The company was originally a division within B2B deposit platform SafeNed, and was created after the team had internal struggles with KYC and could not find a suitable solution. The team decided to build it themselves, which gave them the flexibility to make the solution meet their specific needs, but also solve the regulatory obligations. In 2017, a couple of banks approached the company about its internal KYC solution and wondered whether they could use it on a standalone basis. This led to the spinout of Fourthline in 2019.

By building it this way, Fourthline developed a deep understanding of the challenges financial institutions face when trying to satisfy both increasingly demanding consumers and regulators. The difficulty is getting financial institutions to embrace technology entirely, but this could be changing, he said. "I think the slower rate of technology adoption is understandable if you think about the way decision-making processes work within a bank. But at the same time, this year has been a great example of how extraordinary times can speed up the adoption of new technology." Gunning continued that he welcomes financial institutions and regulators to get in touch to see if the technology can do what it claims. Transparency is key to Fourthline and they want to show the platform can help.

He concluded, "We're not afraid of being under that scrutiny, because we vouch for the quality of our technology."●



WHITE PAPER • AMSTERDAM, OCTOBER 2020






KYC Remediation: Mistakes and Best Practices

Regulatory scrutiny obliges banks to re-validate existing clients. Done right, it leads to better customer data and less fraud—but done wrong, it can be the ultimate money pit.

Download the full PDF






[KYC Remediation: Mistakes and Best Practices](#)

Glassbox

-  Founded 2010
-  Employees: 101-250
-  Regulation/Legislation: **AML, Financial conduct and compliance, Forensic record keeping, Complaints, Past business reviews and investigations, Vulnerable Customers**
-  Subsectors: Transaction Monitoring, Cybersecurity/Information Security, Risk Management, Reporting, Behavioural Insights, Conduct risk, Digital Conduct Compliance
-  Regions of operations: Sales offices in United States & United Kingdom, R&D in Israel, and works with partners globally






Glassbox's mission is simple: they exist to help Enterprises prepare for the digital unknown. They do that via the first analytics platform to automatically record, index and analyse 100% of digital interactions. No other provider delivers "One Digital Truth" for web, mobile and hybrid on premise or in cloud in one solution. Since their beginnings in 'The Start-up Nation', they have become a global company, headquartered in London with offices in New York City and near Tel-Aviv. They work with many business partners to fuel their global ambitions. But despite its growth and success, the company still stands by its original goal - to provide automatic insights to help businesses cope with the digital unknown. Glassbox offers digital conduct compliance capabilities on an Enterprise level. With the ability to record, retrieve, replay and evidence every session organisations can manage conduct risk and ensure no customer harm.

Ideagen

-  Founded 2000
-  Employees: 501-1,000
-  Regulation/Legislation: **SMCR**
-  Subsectors: Reporting, Compliance Management
-  Regions of operations: Global

Ideagen develops software that helps to solve complex problems in highly regulated domains including quality, health and safety, environmental, audit, risk and compliance. With more than 20 years' experience and success in the global regulatory environment, they are trusted by some of the biggest names in Financial Services, and have earned customers' trust by building long-term relationships in which they work closely together to meet and exceed their governance, risk and compliance goals. As a market leading RegTech solution, Pentana Compliance is a highly configurable and scalable solution built by true industry experts. The software boasts a proven track record of helping a broad range of clients across UK Financial Services Sectors manage their compliance obligations and reduce the risks and cost of compliance. Over 140 legal entities and more than 750 senior managers rely on the solution to meet regulatory requirements, raise standards and boost productivity while protecting them and their staff against the risks of non-compliance and regulatory fines.

IDfy

-  Founded 2011
-  Employees: 251-500
-  Regulation/Legislation: **KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Identification/Background checks, Compliance Management
-  Regions of operations: India, Australia, Vietnam, Philippines

IDfy unlocks opportunities for the genuine by helping them get access to financial products. Our technology solutions identify, authenticate, and verify people and businesses in real time, helping Financial Institutions build long, sustainable relationships with the genuine. IDfy solutions help Financial Institutions provide instant service to customers, onboarding them remotely and safely. IDfy helps improve their customer service, reduce risk, and make the onboarding process smoother and faster. This helps Financial Institutions build a competitive advantage based on service, safety, and profitability. IDfy's technology solutions are complemented with deep operations capabilities that give them the ability to run back-end operations for Financial Institutions. IDfy serves more than 400 clients in India and the Asia Pacific region across Banks, Fintechs, Payments & Wallets, Cryptocurrencies, Insurers, and Aggregators. These include the likes of HDFC Bank, Kotak Bank, Amazon, PayTM, ZebPay, and IndusInd Bank.

GLOBALGATEWAY

Identity verification that **delights**.






Orchestrate dynamic identity verification workflows to help meet KYC, AML and regulatory requirements across the globe

- Automate manual processes for swift onboarding, less friction and a seamless customer experience
- Leverage a single platform with advanced authentication technologies and hundreds of independent data sources at your fingertips
- Deliver risk-based workflows for Customer Due Diligence and Enhanced Due Diligence

Discover the power of digital KYC
id.trulioo.com/rt100






Trulioo



-  Founded 2011
-  Employees: 101-250
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding new customers/businesses, Verifications (AML/KYC/CDD), Cybersecurity/Information Security, Biometric technology: Facial, Fingerprint, Voice, Iris
-  Regions of operations: Global with customers in over 160 countries

IDmission orchestrates digital transformations for companies that rely on identity and ID verifications for providing frictionless workflows and validating identities, IDmission combines standards compliant security, passive liveness detection, and industry expertise. Invisible by design, it applies biometric science to create secure solutions that do not get in the way of doing business. Used in finance, e-commerce, the sharing economy, and regulated industries, IDmission solutions provide true customer identities as part of the overall end to end workflows without compromising the user experience.



-  Founded 2000
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, KYC, AML, GDPR, EMIR, FATCA, CRS, Dodd Frank, SEC 15a6, Volker, FinCEN Exemptions, FINRA 2111-Suitability, FINRA 4210-Margin requirements, Tax**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Compliance Management
-  Regions of operations: Global

Delivering successful projects for over 20 years, iMeta is a trusted provider of client lifecycle management solutions; providing accelerated, compliant customer journeys for global, regulated organisations. From onboarding to offboarding and everything in between, iMeta helps firms to manage their KYC and AML, streamline their processes, and optimize their business opportunities. By fully automating and managing the complex regulatory and operational data required to transact with their customers, iMeta delivers a central, up-to-date, single view of client and entity data across the organisation and enables firms to give their customers a fast and positive experience. With an expert team in financial markets and a reputation for delivering true business value, feature-rich technology, and exemplary customer service, iMeta continues to focus on innovation and development; ensuring our product road maps are aligned to client requirements and priorities.



-  Founded 2010
-  Employees: 51-100
-  Regulation/Legislation: **Regulation Best Interest, Client Focused Reforms**
-  Subsectors: Compliance Management
-  Regions of operations: Canada, United States

InvestorCOM is a leading provider of regulatory compliance software and communications solutions for banks, asset managers, insurance companies and investment dealers in the financial services industry.

Their innovative suite of FinTech solutions were developed in response to increasing regulation and the demand for more effective communication and disclosure from the financial services industry. For more than 20 years, InvestorCOM has been providing regulatory compliance pain relief for global wealth managers.

Firms use InvestorCOM's compliance platform to meet Regulation Best Interest and Client Focused Reforms requirements quickly and efficiently. It is well suited to satisfying the principles set out by regulators and supports the key categories of disclosure and record-keeping, adviser and process oversight, product selection, shelf monitoring and management. InvestorCOM's compliance solutions can be implemented individually as a "drop in" cloud solution or as an integrated compliance platform in just two weeks. For more information, visit www.investorcom.com.

KYCGlobal

TECHNOLOGIES  RiskScreen  KYC360

Tackling Financial Crime with Smart Technology

What we do

RiskScreen: An award-winning AML platform that allows you to cut your onboarding and screening costs, streamline your workflows, and reduce false positives by up to 95%.

What we know

We're subject-matter experts. And you can be too. Our KYC360 AML portal brings the latest in AML news and thinking to over 30,000 compliance professionals around the world.

What we believe

There's a better way to tackle money laundering and financial crime. Only with technology designed by experts can you become part of the solution.

Let's fight this together.

www.kycglobal.com

REFINITIV®
WORLD-CHECK®

 DOW JONES

 salesforce
appexchange
partner

How KYC Global is fixing the problems with anti-money laundering compliance

The total global value of financial penalties in 2019 is nearly double that issued in 2018, and despite continued investment in compliance, fines continue to grow. Stephen Platt, founder and CEO of KYC Global, explains why we need to look for a different way



KYCGlobal

TECHNOLOGIES  RiskScreen  KYC360

From cut and thrust to cut and paste - how Stephen got started

I'm an English barrister by profession and I focused, as a lot of young barristers do, on criminal law. I'd always been very interested in financial crime and white collar crime - I'd written my dissertation at university on money laundering back when AML wasn't even an offence in the UK - and I went to the US to study drugs and money laundering legislation, and was very fortunate to be able to meet lots of people in the public and private sector there. I was always fascinated by the idea that the state was going to try to enlist or recruit the private sector into the fight against financial crime.

And then the chance came up to move offshore, which at the time was synonymous with financial crime. Initially I was involved in a wide range of things from aircraft leases to collective investment vehicles and securitisation structures. But I hated it. I'd gone from the cut and thrust and the characterful environment of

a barristers' chambers in the Temple to a rather sterile and clinical environment of the commercial department of a law firm. I almost didn't last the course. I'd gone from cut and thrust to cut and paste.

But I resolved to double down and to really learn as much as I could about all these products and services, because that way I'd know a lot more about their vulnerabilities to exploitation. And so having learnt as much as I could, I then suggested that the law firm I worked for establish a new practice group focused on compliance, because I knew that money laundering laws were going to be introduced offshore and I wanted to be ahead of the curve. The timing was perfect.

Having set up this compliance practice group, Stephen then started his own offshore law firm specialising in financial crime and regulatory matters. Over the next fifteen years he also founded the International Compliance Association (ICA), various professional qualifications, and took a position as adjunct professor at Georgetown University, teaching classes on the criminal abuse of international finance centres.

How did KYC Global emerge from all of this activity?

Along the way I'd established this little anti-money laundering knowledge portal, almost like a virtual drop-in, coffee-and-cake meeting place for money laundering reporting officers, because although they may not be the most unloved people on the planet, they're certainly the most unloved people in industry. I wanted to establish some place online where they could get information and exchange ideas. So that was KYC360.com - which now has over 30,000 AML professionals from around the world signed up to its industry emails, and almost 100,000 users a month.

On the website we also had a little search tool called RiskScreen, which returned basic results when you typed in someone's name. It wasn't very sophisticated but was free to use, and became increasingly popular. And one day I was having a chat with a friend of mine called Simon Nixon, who'd founded and listed Moneysupermarket.com, about the future and he said

that we should turn the portal and its search engine into a really significant RegTech business. We were not just some ordinary tech firm – we were – and are – a team with deep subject matter expertise, who really understand the nature of the compliance challenge, the ethical challenge, and the nature of risk.

So I invested a tonne of money, hired some data scientists – because the tech still had to be cutting edge – and some more subject matter experts, and we transformed KYC360 formally into KYC Global, retaining the KYC360 knowledge portal, but also really investing in building out the RiskScreen product into the AML platform we have today. We now have hundreds of customers around the world, including regulators and law enforcement agencies, and the RiskScreen platform provides complex, risk-based processing across all stages of the customer journey, while being configurable to internal systems, and, just as importantly, easy to use. I'm super proud of it.

Why do you think RiskScreen is so popular now?

You know, I really believe there is a better way to combat money laundering – and I think most compliance professionals believe that too. A lot of what industry has invested in and done in its efforts to combat this threat historically has been wasted. All that legacy tech is now far too clunky – and instead of reducing friction, it just increases it, with the added consequence that businesses, in addition to having invested huge sums of money in the tech, have then had to go out and invest huge sums of money in hiring more and more and more people to deal with the challenges that have been thrown up by that technology. And that has just given anti-money laundering an even worse name within these organisations, because it's just a headache. But it doesn't have to be like that.

So, give an example of how compliance should be working better

False positives on screening technology is a really good example. If you go out and spend a million pounds a year on a screening tool, but that tool limits you in the parameters that you're able to set and prohibits you from screening in a risk-based fashion and throws out lots of false positives, the only way in which you're going to mitigate that is to put bodies on it. And then you introduce the risk of human error, which we've seen in so many cases. And it is no wonder that people who steward these organisations sit there and think, "Well, you know what, we just got to throw more money at it." It's a massive problem.

As a business we're dedicated to making sure that companies get maximum return on the investment that they make in their technology, and a key metric in that ROI is cost saving efficiencies. Now I can't prove how many scandals our technology might have prevented businesses from being involved in. But what we can

prove is that we're materially reducing false positive numbers by up to 95%. We're allowing you to screen in a risk-based fashion. We're allowing you to reduce headcount and/or redeploy all of those expensive compliance staff to do the jobs that they should have been recruited to do in the first place, which is actually use their brains and make qualitative decisions rather than just doing the donkey work of trying to figure out whether something is a false positive or a true match.

How do you see the industry evolving over the coming years?

If you look at this from a societal perspective, society is becoming less and less tolerant of what they see as unethical business practice – what they what they regard as the facilitation of criminal conduct by financial institutions. The financial services industry knows that if society's becoming less tolerant, then so are the regulators, the prosecutors and even consumers. And the officers of these institutions, these people who sit around boardroom tables, of course don't want to launder money, and they're also becoming less tolerant because they see so much of their balance sheet being committed to compliance functions but yet they continue to be hammered. So everybody's becoming less tolerant. And out of that, change will come.

And what does that change look like?

Well, the answer doesn't lie just in technology, the answer lies in a different blend between people, process AND technology. You've got to get the blend between those three things right. So technology that enhances workflows and is easy for people to utilise is great, and the benefits are easy to see.

Does that mean there's going to be less money laundering? Probably not. Because there's more and more crime, generating more and more money. It's an infinite challenge, that's never going to go away, and we've all got finite resources. But I do think that organisations are going to become more sophisticated in the way that they tackle it. And I don't think that the answer is going to be found in artificial intelligence solutions, for example. There's still so much work to be done in getting the basics right. There's no point in investing tens of millions of dollars in AI solutions, when you can't even get the underlying data together.

Where does KYC Global go from here?

We focus on getting that underlying data right, giving you elegant AML solutions that work, and help you demonstrate material return on investment. And I think the businesses are ready to hear that message. They're ready to embrace this. And that's where we're going to go over the course of the next five or ten years. And that's why I'm super excited. It's why I was very grateful that I took Simon Nixon's advice. I don't think I'll ever be as wealthy as he is. But I nevertheless I'm pleased, really pleased, I took his advice. We're making a difference, and that makes me happy. ●



COMPANY RESEARCH PROFILE

KYCGlobal

TECHNOLOGIES RiskScreen KYC360

PRODUCT NAMES:

RiskScreen, KYC360

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 +44 (0) 1534 488 700
 Employees: 11-50
 Regions of operation: Global

KEY EMPLOYEES:



Stephen Platt
Founder & CEO

Value Chain: **Onboarding, Detection, Reporting, Processing & Control**

Subsectors: **Onboarding Verification (AML/KYC/CDD), Risk Management, Compliance Management**

Regulation/Legislation: **KYC, AML**

OFFERING

KYC Global Technologies is a fast-growing RegTech company specialising in AML software. The company was founded by one of the world's leading experts in financial crime prevention, Stephen Platt, and the team has over a century's worth of experience in investigating and remediating businesses' AML compliance environments. As well as developing its RiskScreen and PanOptic software, KYC Global also runs KYC360, a highly valued online resource for AML practitioners, providing curated news, exclusive analysis and the AML Talk Show podcast.

PROBLEM BEING SOLVED

Financial institutions are dealing with the burden of a regulatory requirement to address money laundering and financial crime that is always playing catch-up – both in volume and sophistication. Simply hiring more people is an unsustainable approach, even when they're not hamstrung by paper-based processes or outdated systems. We have to think more cleverly.

KYC Global's RiskScreen technology is the answer. Designed by AML experts and deploying our unique 3D risk-based approach, it automates your screening – with up to 95% reduction in false positives – freeing up your compliance teams to actually think.

TECHNOLOGY

The RiskScreen platform is available with both web-based and on-premise options (built on MS SQL and .NET). There's also a fully integrated RiskScreen app within the Salesforce CRM ecosystem.

RiskScreen's API integration allows two-way data transfer with customers' back office providing dynamic updates to CRM and core administration systems.

KYC Global has full ISO/IEC 27001 accreditation for information security management.

PRODUCT DESCRIPTION

The RiskScreen product suite spans the full customer lifecycle, and enables companies of any size, jurisdiction or need to deploy a defensible risk-based approach to its customer engagement points, whatever form they take. Customers can select individual modules or use them together to build a complete AML risk management solution. The key modules comprise:

- **RiskScreen Core** – a web-based point screening solution that delivers a risk-based search of both the Dow Jones dataset and adverse media sources. Pricing is based on searches rather than seats so there's no need for users to share passwords, enabling easy remote access for homeworkers, and a reliable audit trail.
- **RiskScreen OnBoard** – launched in 2020, OnBoard provides an integrated client portal, with eID&V, a mobile app, on-line risk ratings, full prospect screening and a configurable workflow that allows businesses to tailor their processes according to the risk rating of the prospects being onboarded (KYC and KYB).
- **RiskScreen Batch** – an overnight batch screening solution that searches across either Dow Jones or Refinitiv World-Check data sources (and, soon, adverse media), which is available through multiple methods: cloud, on-premise, API, or integrated within the Salesforce CRM system.
- **PanOptic** – PanOptic draws information from across customers' existing platforms into a single dataset and overlays it with powerful analysis, monitoring and reporting tools. Integrating seamlessly with existing client administration, payment, CRM and book-keeping systems, PanOptic offers real time risk-based customer monitoring, CDD and reporting functionality on a single platform. It produces best-in-world live MI, and a typical 95% data mining time-saving compared with existing manual processes.

TRACTION/GROWTH

- KYC Global currently serves a large global customer base in both on- and offshore jurisdictions including:
- ZEDRA, Santander, Investec, Fidelity, Habib Bank, Barclays, Ravenscroft, Stonehage Fleming, Harneys
- KYC Global is one of the few AML technology companies to partner with both Dow Jones and Refinitiv World-Check for their world-class datasets, and the first to provide a fully-integrated screening app within the Salesforce CRM.
- The company has been recognised as 'Best-of-Breed' for both AML and KYC software by specialist research house, Chartis, and regularly features in top 100 compliance SaaS software listings.

MANAGEMENT BIO

Stephen is the founder and CEO of KYC Global Technologies. He is widely regarded as one of the world's leading experts in financial crime prevention on which his counsel is widely sought by businesses and regulators alike. Prior to establishing KYC Global he spent 25 years conducting large scale regulatory enquiries into AML compliance failings by businesses ranging from Tier 1 banks downwards. He is a barrister, the original founder of the International Compliance Association, an Adjunct Professor at Georgetown University in Washington DC and the author of the #1 best-selling book 'Criminal Capital'.

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-  Founded 2013
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, SFTR, EMIR, Dodd-Frank, ASIC, FinFrag, MAS**
-  Subsectors: Regulatory Reporting, Shareholding Disclosure, Regulatory Rule Management
-  Regions of operations: Europe, US, Asia, Australia

Kaizen Reporting are regulatory specialists on a mission to transform the quality of regulatory reporting in the financial services industry. Founded in 2013 by Dario Crispini, an ex-regulator with the UK's FSA, Kaizen has combined regulatory expertise with advanced technology to develop its automated services for assurance, shareholding disclosure and its new Single Rulebook platform.

Kaizen's forensic focus on data accuracy sets it apart and it is proud to call many of the world's largest banks, asset managers, hedge funds and brokers as its clients. Kaizen's multiple industry awards including the UK government's Queen's Award for Enterprise are also testament to its market-leading services.






Whether it's MiFIR, EMIR, Dodd Frank, SFTR, another G20 regulation, or the global shareholding disclosure rules, Kaizen exists to help its clients reduce costs, improve quality and increase confidence in their regulatory reporting. Find out more at www.kaizenreporting.com



-  Founded 2017
-  Employees: 1-10
-  Regulation/Legislation: **GDPR**
-  Subsectors: Privacy, Cybersecurity/Information Security, Risk Management, Reporting, Compliance Management
-  Regions of operations: United Kingdom, United States, EEA

Keepabl is the award-winning Privacy SaaS solution based in London, UK, supporting Financial Services from small funds to international institutions with GDPR. Being able to demonstrate compliance with this globally significant and high-risk regime is a key part of building trust in your organisation, and Keepabl's intuitive, simple SaaS solution makes GDPR compliance easy, collaborative, and visible for any internal or external stakeholder. Beyond saving you time, money and stress in collaborating with colleagues and advisers to manage risk, Keepabl makes compliance a revenue generator, delivering rich, visual reports you can share internally and with prospects, customers and partners, with tailored access control. GDPR Company of the Year 2019 and a member of the Fintech Power 50 in 2020. Founded by an international technology lawyer with over a decade of experience as General Counsel of VC-backed SaaS companies, Keepabl keeps its focus on the customer and getting the job done.



-  Founded 2014
-  Employees: 51-100
-  Regulation/Legislation: **KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Compliance Management, Data as a Service (DaaS) and Decisioning
-  Regions of operations: Worldwide, mostly FATF countries.

KYC2020 was founded in 2016 to meet the sanction screening requirements of AML/CTF Regulated Entities that lacked viable and affordable solutions. A review of available market solutions exposed a significant deficiency: AML/CTF compliance systems were either too expensive, too disruptive to transaction flow or simply excessive for their purpose. The problem was that compliance systems had traditionally been aimed at financial institutional that have a larger burden of compliance. The emergence of KYC2020 as a stand-alone product/service was driven by the compliance needs of many online Money Services Businesses (MSBs) and grew from there to include Banks, FX Dealers, Wealth Management, crypto exchanges/providers, Integrated Solution Providers, and many more!




**INTEGRATED TECHNOLOGIES
TO MANAGE CLIENTS, RISK
AND COMPLIANCE**

 Founded 2010

 Employees: 1-10

 Regulation/Legislation: **MiFID II, Basel III, KYC, AML, GDPR**

 Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Cybersecurity/Information Security, Risk Management, Reporting, Identification/Background checks, Compliance Management


 Regions of operations: United States, United Kingdom, EU, Canada


La Meer is a Silicon Valley-based company that offers the cloud web-based GRACE (Governance, Risk and Compliance for the Enterprise) platform, which comprises of industry specific solutions built by financial market experts for financial market regulations in Banks, Broker-dealers, Wealth Advisory, Alternate Investments and Asset Management Firms. The Comprehensive cloud-based GRACE suite helps organizations and staff to offer seamless client service with comprehensive oversight, compliance, risk management and assurance for clients from wherever they are. Ready to go, easy to use functionality, workflows, calendars, alerts, powerful dashboards with low training need helps you implement your operational processes right away and scale as you go with reduced large upfront costs and immediate return on investment. GRACE is an Integrated by design, modular by approach solution that allows clients to implement cloud based modules from day one and allows them to add additional modules as they grow to the enterprise level.




 Founded 2015

 Employees: 101-250

 Regulation/Legislation: **Basel III, KYC, AML, GDPR, Basel III, SOC II, HITRUST, CCPA, SIG Lite, ISO 27001, HIPAA, PCI-DSS, 23 NYCRR 500, SOX**

 Subsectors: Cybersecurity/Information Security, Risk Management, Compliance Management

 Regions of operations: United States, Canada, United Kingdom and APAC regions

LogicGate is a leading provider of cloud-based solutions for automating governance, risk and compliance (GRC) processes. LogicGate empowers customers to transform disorganized risk and compliance operations into agile enterprise risk management programs, tailored to their business needs. Its proprietary Risk Cloud™ platform, an end-to-end suite of risk management solutions, blends the right mix of flexibility and out-of-the-box functionality, enabling organizations to manage their risk with confidence. Companies like SoFi, CAPCO and Blue Cross Blue Shield of Kansas City, rely on LogicGate to accurately assess, monitor, action, and, when needed, rapidly pivot GRC processes, without the support of consultants or corporate IT. The Chicago-based company has been named a leading GRC Software Platform on the G2 GRC Grid for five consecutive quarters, and was awarded Best Security Innovation in a SaaS Product by the SaaS Awards.



 Founded 2013

 Employees: 11-50

 Regulation/Legislation: **EMIR, MiFID II, RTS 27/28, Best Execution Monitoring, CRS, FATCA, KYC/AML, Market Abuse, SFTR, ASIC, DAC6**

 Subsectors: Reporting, Transaction Monitoring, Identification/Background Checks, Compliance Management, Taxation Reporting, Best Execution Monitoring, Trade Surveillance

 Regions of operations: Europe, Australia, America, Africa

MAP FinTech is a leading and award-winning regulatory technology provider for the financial services industry, specialising in reporting solutions arising from the requirements of a number of complex and challenging international regulations such as **EMIR, MiFID II/MiFIR SFTR, ASIC, FATCA, CRS and DAC6**. MAP FinTech also provides innovative and comprehensive solutions for **Best Execution Monitoring, RTS 27/28 reporting, AML Transaction Monitoring and Screening, Trade Surveillance (Market Abuse), and eKYC (Screening, eIDV, Document Authentication)**.

The Polaris Platform is a centralized solution that allows for the configuration, management and monitoring of all of its products via a single user-friendly web portal. At the back end of its platform, MAP FinTech has developed complex algorithms that facilitate the integration of its clients' systems with the various Competent Authorities (Trade Repositories, ARMs, Regulators, Taxation authorities, etc). Find out more at www.mapfintech.com or get in touch at info@mapfintech.co.uk.



-  Founded 2012
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, FCA COBS 4.2, FCA CONC 3.3.1, Article 16 of MiFID II, US FINRA Regulatory Notice 10-06, FINRA Regulatory Notice 11-39, SEC 17a-3 and 17a-4**
-  Subsectors: Communications Monitoring, Compliance Management
-  Regions of operations: United Kingdom, Europe, United States

MirrorWeb exists to capture, archive and preserve web-based content. Born out of a large scale web preservation project on behalf of the UK Government, MirrorWeb give organisations ownership of their digital truth. From financial services to public sector entities, we ensure online information and communications are recorded to meet compliance, storage and digital preservation needs. Our mission is to be the world leaders in web-based archiving, deliver innovation to customers and help firms improve digital compliance and oversight. With MirrorWeb, firms can capture fully interactive records of their website and social media communications. No matter the size or complexity of a web estate, MirrorWeb's crawl technology can capture it (including geo-located capture and archiving rich dynamic content such as personalisation modules, videos, dropdowns and forms).








-  Founded 2012
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, MiFIR, AML, KYC, Capital Markets laws globally**
-  Subsectors: Onboarding Clearances and Verifications (AML/KYC/CDD), Compliance Management, Regulatory Reporting
-  Regions of operations: Europe, APAC, MENA, Americas

Founded in 2012, Muinmos is dedicated to the mission of enabling financial institutions to instantly and globally validate whether they can onboard a client in any part of the world. Our deep expertise in regulatory compliance is channelled through our award-winning proprietary engine that delivers instant compliance results globally. This empowers financial institutions to deliver a compliant, faster and more efficient client onboarding experience.

Muinmos when read in reverse is Latin for dream and using the Compliance Engine should feel like a dream and make compliant onboarding fast, hassle free and without errors. Keeping up-to-date and remaining compliant in a fluid regulatory landscape across multiple jurisdictions is effectively a nightmare for any financial institution or user whatever their size.






Muinmos award-winning, proprietary Muinmos mPASS™ engine delivers a seamless compliance experience alongside its highly rigorous and reliable KYC/AML Muinmos mCHECK™ reports as well as its pioneering regulatory matrix, the Muinmos mRX™.



-  Founded 2008
-  Employees: 51-100
-  Regulation/Legislation: **MAR**
-  Subsectors: Compliance Management
-  Regions of operations: Americas, Europe and APAC






MCO provides compliance management software that enables companies around the world to reduce their risk of misconduct. Its powerful platform lets compliance professionals demonstrate they are proactively managing the regulated activities of employees, third-party vendors and other agents of the firm. Available as a unified suite or à la carte, their easy-to-use and extensible SaaS-based solutions get clients up and running quickly and cost-efficiently. The MyComplianceOffice platform has extensive compliance management capabilities to monitor and manage conflicts of interest in a centralized manner across the organization. With over 450 customers in 85 countries, firms choose MCO because of its unique integrated platform which addresses: Employee compliance monitoring & conflicts of interest, Third party due diligence and risk management, Trade surveillance and suitability monitoring, including a transactional conflict of interest module that detects conflicts that occur during the life cycle of an investment banking or private transaction deal.



-  Founded 2015
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Compliance Management
-  Regions of operations: Europe, Asia






NewBanking provides a user identity platform that allows end-users to verify identity easily and securely across businesses while at the same time having control and ownership of their own data and identity online. The Platform ensures secure and structured collection, verification, storage and sharing of personal data. The multiple-patent pending platform solves regulatory challenges that financial institutions are facing, especially in regards to the European Anti-Money Laundering (AML4) directive and the General Data Protection Regulation (GDPR), among other relevant regulatory legislation.



-  Founded 2011
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Compliance Management
-  Regions of operations: Europe, North America

NorthRow Ltd. was founded in 2010 to accelerate the digital transformation of regulated organizations while preventing financial crime. NorthRow's technology solutions create friction-free client onboarding and monitoring experiences while ensuring regulatory obligations are met. They provide a SaaS solution to increase efficiency, manage compliance risk, and reduce time. Their single service offering allows you to configure and manage: data, rules, and risk scores as required, giving you the confidence to meet your compliance obligations continually so you can focus on driving your business forward.








-  Founded 1991
-  Employees: 501-1,000
-  Regulation/Legislation: **KYC, AML, PSD2**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks, Risk Management
-  Regions of operations: Global

OneSpan specializes in digital identity and anti-fraud solutions that create exceptional and secure experiences. From risk-based adaptive authentication to digital identity verification, its next generation solutions are delivered on a cloud-based platform. The OneSpan Trusted Identity Platform makes it easy to integrate new and existing tools and technologies, to better detect fraud and improve the user experience.






OneTrust

PRIVACY, SECURITY & GOVERNANCE

-  Founded 2016
-  Employees: 1,001-5,000
-  Regulation/Legislation: **MiFID II, PSD2, Basel III, AIFMD, Solvency II, KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Compliance Management, Risk Management, Reporting
-  Regions of operations: Global






OneTrust GRC is a part of OneTrust, the #1 most widely used privacy, security, and governance platform used by more than 6,000 customers and powered by 100 awarded patents. Regulatory requirements in financial services have evolved to address increasing concerns spanning vendor relationships and executive level accountability. Financial institutions around the world are leveraging OneTrust's third-party relationship and risk management technology to keep their data secure, all while maintaining records to demonstrate compliance. OneTrust GRC enables risk, compliance and audit professionals to identify, measure, and remediate risk across their business to comply with internal rules and external regulations. With OneTrust GRC, companies can seamlessly integrate risk management into their day to day activities.



-  Founded 2014
-  Employees: 51-100
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Identification/Background checks, Compliance Management
-  Regions of operations: Germany (HQ), Poland, Austria, United States

Palturai addresses regulatory and risk management challenges by providing an innovative way to view customers and business partners not as isolated entities, but as interconnected nodes in a vast global network. This new way of looking at legal and business relationships can be applied to compliance, risk & fraud, research, sales, and data quality use cases utilizing trustworthy data from government and other public sources. The Palturai BusinessGraph connects all players in the economy to a large network based on public data. Powerful algorithms calculate relations between entities in the BusinessGraph and enforce/enlarge the network. The Graph Intelligence Engine enables users to interact with the BusinessGraph. Users match company business partners to the BusinessGraph and see in easy to use graphics how they are connected. Discover paths, structures, and cross-connections! Then use this newly-gained knowledge to enhance opportunities and reduce risks.



-  Founded 2014
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML, BSA**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Risk Management, Reporting, Compliance Management
-  Regions of operations: North America, Latin America, EU, EMEA, Asia

Founded in 2014, QuantaVerse is a leader in AI and machine learning solutions purpose-built for identifying financial crimes. QuantaVerse utilizes its AI-powered Financial Crime Platform to reduce financial crime risk by identifying patterns and discerning anomalies that current approaches and systems regularly miss. The QuantaVerse solutions are proven to help teams more efficiently comply with AML (Anti-Money Laundering), KYC (Know Your Customer) and FCPA (Foreign Corrupt Practices Act) regulations. The QuantaVerse Financial Crime Platform provides advanced AI solutions designed specifically for the financial services industry to expose entities who may be laundering money. QuantaVerse offers packaged AI and machine learning solutions to automate financial crime identification and investigations. The solutions save time, money, lower regulatory risks, and are easily integrated into existing financial crime compliance programs.



COMPANY RESEARCH PROFILE



Product name:
Red Oak Software



Founded 2010



Cedar Park, TX, United States



www.redoakcompliance.com



sales@redoakcompliance.com



Employees: 11-50



Regions of operation:
Global

KEY EMPLOYEES:



Stephen Pope
CEO



Richard Grashel
CTO



Cathy Vasilev
COO

Value Chain: **Financial Services Compliance Reviews, Books and Records Storage and Regulatory Reporting**

Subsectors: **Communications Monitoring, Risk Management, Reporting, Compliance Management**

Regulation/Legislation: **GDPR, SEC Rule 17(a)-4, MiFID II**

OFFERING

Red Oak Compliance Software, LLC is a privately held firm based in Cedar Park, Texas. The company is the global leader in providing advertising compliance review software for financial service firms, with clients having more than \$19 trillion in assets under management.

Red Oak's advertising compliance review software is 100% Books and Records compliant and enables marketing and sales professionals the flexibility to securely submit material for review and approval by compliance, legal and other subject matter experts.

Red Oak was recognized in 2020 for the second consecutive year as one of the Inc. 5000's fastest growing private firms in the U.S.



PROBLEM BEING SOLVED

With the advent of electronic publishing and social media, firms are under pressure to approve advertising and marketing material faster than ever before, while at the same time reducing, or being mindful of, costs. And with this year's pandemic and companies globally adjusting to new remote expectations, compliance teams are being forced to rely on technology more than ever before to safeguard their firms.

Red Oak's software manages both these issues – creating a fast, easily accessible, technology-based solution to challenges in the advertising compliance review process. The software helps financial services firms improve their advertising review process and satisfy regulatory requirements for reviewing, approving, and retaining their marketing and advertising material.



TECHNOLOGY

Red Oak's software is an online subscription service (SaaS model) and is 100% cloud-based, requiring only a browser and internet connection to use. It is mobile responsive and designed to work on any device without the need to download and install an application. This keeps the security and support burden to a bare minimum and enables Red Oak to focus their resources on improving and supporting the core cloud application. It has API integrations to connect with several other leading fintech platforms.

Red Oak's Smart Review module adds machine intelligence. This enhancement enables firms to codify their policies, procedures and regulatory requirements for the disclosures/disclaimers required on marketing material.

PRODUCT DESCRIPTION

Red Oak's software is an online subscription service (SaaS model) delivering a comprehensive suite of SEC Rule 17A-4 compliant features. It is tailored to meet the evolving needs of financial firms small and large.

The company's advertising review software allows financial firms to minimize risk, reduce costs, and increase efficiencies in their compliance review process by helping them improve their advertising review approval and regulatory reporting processes. Red Oak's software clients often report a 35% faster time-to-approval and 70% fewer touches in the review process, with many experiencing even better results.

Red Oak's software is easy to implement and use, with many of Red Oak's clients going live in as little as two weeks. Implementation consists of three to five online sessions with Red Oak to configure the system to best meet client needs. Once the software is fully functional, financial institutions are able to:

- submit, review and approve materials with Red Oak Compliance Software.
- manage the firm's risk instead of the submission process.
- gain full transparency at all times by tracking the history of any submission from start to finish with automated tracking and record-keeping, creating an audit trail, resulting in great efficiency
- eliminate faxes, emails, spreadsheets, and the need for paper reviews.

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Red Oak's standard software is unique because business users can easily modify their configuration as their needs evolve with zero risk to their books and records – no need for a new vendor statement of work, no waiting for IT or the vendor, and no additional budget. With Red Oak Software the firm's representatives, analysts, and management have full visibility into the compliance process. Unique features include:

- Lexicon which scans the text of uploaded documents for words and phrases previously identified as requiring attention and flags them for the submitter before submission.
- Enhanced annotations, which allows teams to annotate on PDF, Microsoft Word, Excel, and PowerPoint documents, as well as video and audio files.
- Smart Review, which leverages machine intelligence to streamline the disclosure review process. Smart Review also scans material to report any gaps when compared to the required disclosures.

PARTNERSHIPS

- Integration Partners:



TRACTION/GROWTH

- In 2019 and 2020, Inc. 5000 ranked Red Oak Compliance as one of the fastest growing private firms in the U.S.
- Over 1,800 firms are using the company's software, with clients ranging from single state advisers to many of the world's largest asset managers. As a firm with no debt or outside investors, Red Oak has been able to grow in a deliberate and controlled fashion since inception.
- That gradual pace has provided them the opportunity to remain laser focused on their clients, who are globally located, and the continued development of their software.
- Estimated revenue in 5 years' time: \$10-20m

MANAGEMENT BIO

Stephen Pope – Founding Member and CEO

Stephen brings a wealth of experience in developing mission-critical software applications for the financial services industry. With over 27 years of experience in software sales and development, sales management, marketing, and operations, Stephen's consultative approach is well-suited to working with independent advisers.

Stephen served as Director of Application Engineering at NFP Securities where he led a team of developers to create custom software for the broker/dealer and RIA. Stephen was the Managing Director of Operations for Perficient, Inc., a public company with 220 consultants. He is an entrepreneur who has owned several successful start-ups and has vast experience in project management and client relationship-building. He is also well-versed on the latest cutting-edge technology in the financial industry.

Stephen holds a master's of business administration degree. He is a member of the National Society of Compliance Professionals; a former member of the Project Management Institute; has both Microsoft and IBM technical certifications; and formerly held a FINRA Series 7.

Cathy Vasilev – Founding Member and COO

Cathy brings more than 25 years of compliance and supervisory expertise in independent broker-dealers, wire-house broker/dealers, and RIAs. Cathy served as the Assistant Vice President of Supervisory Systems and Controls at NFP Securities, an independent broker/dealer, and RIA. She was an Associate Manager for Prudential where she supervised 75 representatives, performing all compliance functions for the branch. She began her career as a stockbroker for Salomon Smith Barney and later moved to compliance and operations. Cathy holds a master's of business management degree. She is a member of the Association of Compliance Professionals; a member of National Society of Compliance Professionals; a member of Compliance and AML Professionals; and has FINRA Series 7, 24, 26, 63 and Life and Health licenses.

Rick Grashel – Founding Member and CTO

Rick has more than 25 years of experience leading enterprise software development and commercial software initiatives and is a key part of Red Oak's Advertising Review Compliance application.

Most recently, Rick was the Director of Hadoop/Big Data Solutions for Dell. Prior to Dell, Rick served as a Director of Software Engineering for Initiate Systems, which became the leading provider of master data management (MDM) solutions for the healthcare, government, enterprise, and financial services industries. Initiate Systems was acquired by IBM in March 2010. Rick also served as a consulting technical architect at Sony Pictures Entertainment where he led the technical implementation of a large-scale global application which handled all of Sony's global rights asset management. Prior to that, Rick was a Managing Consultant for Computing Information Services which was a leading best-of-breed vendor of ERP software for the publishing industry.

Rick is a patent holder and has a master's of science degree in engineering management from SMU with a secondary emphasis in operations research and mathematics.

BUILDING A **REVIEW** **PROCESS** THAT WORKS

BACKGROUND

With a homegrown software system and processes that varied from group to group across the company, final products at the end of the firm's marketing reviews had the potential for inconsistency. The firm had limited ability to search their databases when making across-the-board disclosure updates, leaving them open to risk from outdated information or expired content pieces.

The firm sought a technology provider who could support process overhaul efforts and create a centralized method for advertising compliance review, approval and lifecycle management. They sought a partner who could help them determine where their system created unnecessary workload and risk, define what successful marketing compliance processes should look like, and provide a road map to get there.

CLIENT SNAPSHOT

10,000+

EMPLOYEES



700+

EMPLOYEES CREATING
& REVIEWING
MARKETING CONTENT



13,500+

ANNUAL MARKETING
SUBMISSIONS

CHALLENGES

- Lack of centralization
- Inflexible homegrown system
- Human eyes required on every compliance review

REQUIREMENTS

- Single, centralized source for disclosure management
- Flexibility to make it their own & meet organizational needs
- Automation to reduce low-level but time-consuming reviews

"Red Oak freed us up to think, evolve and meet customer needs."

*"Red Oak is a phenomenal enabler for processes...made it
so easy no one even wanted to work around the process."*

THE SOLUTION

Red Oak's advertising compliance review software provided the firm a simple way to streamline and centralize reviews. Instead of employing different review standards/systems across various areas of the organization, the firm was able to create a streamlined and centralized process, one that was so user-friendly "no one even wanted to try to work around it."

With Red Oak, they created process management workflows that stratified marketing compliance projects by risk level and provided analytics to allocate resources and effort.

THE RESULTS

The firm was able to work with Red Oak and implement the system in less than six weeks, then to continue iterating on and improving their processes.

Through these efforts, they created "right-sized" review processes that decreased staff time spent on low-risk projects and streamlined workloads. Because platform use isn't limited by seat license, the firm was able to include a wide range of staff. They elevated compliance team members to managing processes instead of focusing solely on repetitive phrase checking.

The firm credits Red Oak with lowering the potential for human error in processes, reducing risk and shifting the organization's compliance mindset.



Automated, right-sized review process



Searchable disclosures & collateral database



Reduced time spent on low-risk projects



Reduced risk from expired content





Reduced compliance risk and increased oversight of review process



Faster FINRA filings

A CASE STUDY FROM RED OAK COMPLIANCE

quantexa

-  Founded 2016
-  Employees: 251-500
-  Regulation/Legislation: **KYC, AML, CDD, 5AMLD, 6AMLD, AML Compliance**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Risk Management
-  Regions of operations: Global with offices in New York, Toronto, London, Melbourne, Singapore, Brussels






Quantexa's financial crime and compliance solutions provide financial institutions with a comprehensive approach to managing risk and meeting regulations throughout the client lifecycle. Powered by Quantexa's Contextual Decision Intelligence platform, the company's solutions provide the context organizations need to uncover hidden risk more efficiently and effectively, with greater accuracy than traditional systems. The platform empowers teams to make better decisions across customer onboarding, transaction monitoring and investigations. The technology connects billions of data points across internal and external data sources to provide a single view of customers, enriched with vital intelligence about their behaviors and the relationships between people, organizations and places. In March 2018, HSBC launched their Global Social Network Analytics platform powered by Quantexa, to tackle financial crimes like money laundering, human trafficking and terrorist financing. Quantexa's technology continues to help other data-driven enterprises, like Standard Chartered Bank, identify illicit activity and prevent financial crime.

Recordsure

-  Founded 2012
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, GDPR, SMCR**
-  Subsectors: Communications Monitoring, Risk Management, Reporting, Compliance Management, Controls automation
-  Regions of operations: United Kingdom, Australia

Recordsure has developed and delivered arguably the most sophisticated RegTech solutions to be focused on financial services compliance reviews. The company's extensive knowledge and experience of financial services, combined with their development and data science expertise, has helped it design products that are proven to deliver value to some of the largest banks and governments in the world. Recordsure's origins are in Speech Analytics, with their "Voice" product helping Tier 1 Banks and other smaller Financial Services providers record, store and analyse regulated conversations to make sure they follow best practise and compliant process. Deployed in the Australian market with some of the largest file remediation projects in the world, their "Docs" product is enabling some of the biggest banks in Australia to perform reviews in timescales that would otherwise be unachievable to solely human-powered teams. Whether it's for everyday monitoring or past business reviews, Recordsure's tools unlock valuable insights for driving performance, culture and risk management.

Relativity

-  Founded 2001
-  Employees: 1,001-5,000
-  Regulation/Legislation: **Insider trading**
-  Subsectors: Communications Monitoring, Transaction Monitoring, Compliance Management, E-Discovery
-  Regions of operations: North America, South America, Europe, Asia Pacific

Relativity makes software to help users organize data, discover the truth, and act on it. Its platform is used by more than 13,000 organizations around the world to manage large volumes of data and quickly identify key issues during litigation, internal investigations, and communication surveillance with SaaS platform RelativityOne and Relativity Trace. Relativity Trace detects insider trading, collusion, and other non-compliant behaviour in real-time. Organisations use it to automatically surface the riskiest content and help compliance officers focus on what really matters.



COMPANY RESEARCH PROFILE



PRODUCT NAMES:
Reg360, RegConnect

Founded 2017
 Sydney, Australia
 www.regcentric.com
 info@regcentric.com
 Employees: 11-50
 Regions of operation: APAC

KEY EMPLOYEES:



Thomas Verlaet
Founder & Principal Consultant



Bala Rasaratnam
Principal Consultant, Data



Robert Philipsz
Head of Products

Value Chain: **Reporting, Financial Risk Management, Governance, Processing & Control**

Subsectors: **Capital Planning/Stress Testing, Risk Management, Reporting, Compliance Management, Data Management, Regulatory Reporting**

Regulation/Legislation: **Basel III, IFRS, Regulatory Reporting (data collection)**

OFFERING

RegCentric delivers innovative services and solutions in an ecosystem that leverage latest advances in technology to increase efficiency, provide insights, reduce risks, and ensure regulatory compliance. The company reimagines how regulators and regulated industry exchange information leveraging cutting-edge technology creating an efficient and safer financial system. The company's services and solutions take a holistic approach across risk management, regulatory reporting, and data management.

PROBLEM BEING SOLVED

Many organisations in the financial services sector still rely on manual or semi-manual processes in finance, risk and compliance. From gathering data residing in multiple systems, over calculations and data enrichment to reporting to the board and to regulators. Not only is this a costly and inefficient use of human capital, but it also exposes the organisation to unacceptable risks. RegCentric's technology allows for the automation of mundane processes, freeing up the people to focus on investigation by exception and deeper analytics.

TECHNOLOGY

All RegCentric products are developed based on the following:

- Microservices architecture using APIs – for flexibility and reusability
- Containerisation (e.g. Docker) – for targeted scalability and ease of deployment
- Data Stream processing (e.g. Apache Kafka) – for processing data at high speed similar to streaming services such as Netflix
- Open Source (wherever possible) – for flexibility, adaptability, transparency, and leveraging global standards

PRODUCT DESCRIPTION

Reg360: Reg360 is an innovative open API Management platform that reimagines how regulators and regulated industry exchange information critical to monitor the health of financial system. Reg360 replaces the traditional regulatory reporting model of periodic report submissions with an on-demand mining of data from the industry by regulators via APIs. The platform allows for regulators to automatically codify the reporting regulation and for regulated entities to efficiently fulfil their regulatory obligations. The result is frictionless regulatory reporting at reduced cost and increased quality and compliance for the industry. For more information visit www.reg-360.com

RegConnect: RegConnect automates the regulatory reporting submission process for financial institutions. The solution works for any regulatory submission for any regulated industry that supports XBRL taxonomy. RegConnect supports automated pre-validation of data and full automation of report submissions. For more information visit www.regconnect.com.au

TRACTION/GROWTH

- Within the 3 years since its inception, RegCentric has supported 16 clients in efficiently fulfilling regulations and/or turning regulatory requirement into strategic transformation opportunities.
- Clients range from Tier 1 banks through to smaller banks, credit union, registered financial corporations.
- RegCentric partners with likeminded RegTech and RiskTech companies to provide customer-centric, outcome-oriented and technology-agnostic solutions through an eco-system approach.
- Over the next 12 months RegCentric is planning to expand into other regulated industries in Australia and New Zealand such as Superannuation Funds Management and Insurance, as well as SupTech.

MANAGEMENT BIO

Thomas Verlaet – Founder & Principal Consultant

Thomas has over a couple decades of successful experience in providing consulting and implementation services across finance, risk management, compliance, and audit functions at major financial institutions across Europe, Asia, and Australia. Thomas founded RegCentric to help financial institutions efficiently navigate the ever-increasing regulatory requirements and drive strategic digital transformation. He is passionate about leveraging new technologies to provide improved insights, business processes and user experience to his clients.

How a holistic approach to compliance can produce strategic opportunities

Talk of implementing regulatory programs is often dominated by costs, but if a firm does it correctly there can be a lot of strategic opportunities ripe for the picking, according to RegCentric founder Thomas Verlaet.



A recent survey from Duff & Phelps of 240 senior executives in financial services found that 33% of firms spend 5% of their annual budgets on compliance. The hefty amount of capital organisations are spending on their compliance is not being taken well, with 20% of respondents stating the cost of compliance was their biggest challenge. This negativity towards compliance is a matter of perspective and if firms change their strategies they could start to see the benefits of implementing RegTech solutions that go beyond simply meeting regulatory requirements.

Thomas Verlaet, the founder and principal consultant of RegCentric, said, "Regulatory programs are still too often seen as a cost of running the business; while it is our view that regulatory initiatives can provide strategic opportunities when you look beyond the "tick-the-box" approach. Unfortunately too many organisations address their regulatory obligations in isolation – duplicating effort across the enterprise

and introducing inconsistencies between the external and internal view of what is essentially the same data."

It was through this vision that Verlaet went about creating RegCentric, with the goal of making sure organisations align their regulatory and corporate objectives, and that all regulatory investments provide business outcomes beyond compliance.

Originally, RegCentric began life as a consultancy firm with the aim of helping financial institutions sift their way through the torrent of impending regulations. It is this rapid introduction of legislation that has forced many firms to have the high annual budgets previously mentioned. Due to the scale of the task, many firms only have time to focus on meeting compliance in order to avoid fines. This has prevented any real sustainable outcomes for them. Verlaet pointed out that there are a number of other hurdles contributing to the funds siphon that is compliance, including tactical approaches, organisational and project silos and legacy technology stacks. To combat this, RegCentric supports organisations to take a holistic approach and leverage innovative technology solutions.

In 2017, RegCentric set out to combine subject matter expertise and technical acumen to help businesses turn compliance into a positive. Verlaet added, "The ideals of the company are held in the belief that, to bring to life the benefits of RegTech investment, organisations need to take a strategic approach. This would be to align regulatory objectives with the corporate strategy whilst continually leveraging the latest advances in technology where possible."

The reason a holistic approach is so important to firms is because everything in the business is connected. By examining regulatory obligations firms can see there is huge overlap in risk management, reporting, AML, KYC and other wider functions within finance, performance and portfolio management. It all uses the same data. The

problem is that siloed organisational and project structures and legacy architectures are hurdles many organisations are struggling to overcome. By creating a holistic approach and connecting these areas, firms can improve their data capabilities and boost efficiency.

“Our large clients rely on our innovative services and solutions to support their complex regulatory projects. But compliance challenges are not unique to large entities”. Verlaet said, “Smaller institutions are in addition also constrained by their scale. They often lack the internal resources and capabilities to implement complex projects, both from a subject matter expertise and from a technology implementation side. We support a growing client base in that mid to lower Tier segment of the market by providing them access to our pool of highly experienced consultants who help fill the gaps.”

Putting the customer first

RegCentric, which is headquartered in Australia, is able to help businesses of all size, because it puts the customer at the centre of its strategy. Instead of just creating the solutions it thinks the industry needs, it listens to the market and finds out what they actually need. “Our philosophy has always been to put the client at the core of everything we do and support them in leveraging the best technology solutions out there in the market,” he added.

The company's own platform enables organisations to increase efficiency, generate insights, reduce risks and ensure regulatory compliance. Its Reg360 solution is an API management platform that changes how regulators and firms exchange critical compliance information. Instead of having a periodic reporting model, Reg360 employs an on-demand data mining tool that allows regulators to automatically codify the reporting information they need. Its other flagship tool is the RegConnect, which automates regulatory reporting processes for financial institutions.

Verlaet said, “Our solutions are built on a number of foundational principles that support our vision of an eco-system approach. We heavily focus on ease of, a low implementation foot-print, a user centric interface and hyper-scalable processing performance. To support the industry in being more efficient, reduce risk and gain meaningful insights and lower the cost of compliance our solutions are infused with our subject matter expertise. Our solutions are also designed with change in mind. In our view, regulatory changes and business driven



“Our philosophy has always been to put the client at the core of everything we do”

change should be part of the fabric of the solution, so we design our solutions in the knowledge that requirements will change over time.”

The company's ability to build solutions that meet the specific needs of clients has helped it see rapid growth over the past three years. “The uptake of our solutions has been beyond our expectations and we are very grateful to our clients for their trust.” This growth has meant the company is looking to expand the size of its team so it can continue to enhance its platform and build new products. Due to the quantity of regulations entering the market showing no signs of stopping, RegCentric is looking to ensure it is ready to help firms with impending legislation. This is not exclusive to Australia and New Zealand, and the RegTech has set its sights on launching its platform in Asia Pacific, the US and European markets.

Verlaet and the team are firm believers of collaboration and working together to find the best result. Its own product roadmap is comprised of common problem areas it has observed in the industry. It is not just the collaboration of companies that should be encouraged, but the sector as a whole. He explained that regulators are starting to become more involved within the ecosystem and how they can work alongside RegTechs and the industry to foster growth. The main goal of compliance is to ensure a safe environment for everyone and to prevent crime, so collaboration is a best way forward.

“At the end of the day, the best outcomes for all will be achieved through industry collaboration,” Verlaet said. “Everyone in the eco-system is better served by an efficient, fit-for-purpose regulatory framework and the best solutions are achieved when regulators take into account the concerns and constraints of the regulated industry in their policy-setting. It is encouraging to see how new initiatives such as Open Banking in Australia are really being driven by collaboration of regulators, banks and RegTechs.” Countries around the world are adopting initiatives like open banking and this is increasing collaboration between all players and could be the beginning of a more connected ecosystem. ●



-  Founded 2019
-  Employees: 1-10
-  Regulation/Legislation: **PSD2, Basel III, Solvency II, AML, GDPR, Basel III**
-  Subsectors: Risk Management, Reporting, Identification/Background checks, Compliance Management
-  Regions of operations: Germany, France, Austria, Hong Kong (soon to come)

RiskMiner was founded in 2017 as a project of well-experienced risk managers, auditors, mathematicians, and AI experts to create an early risk warning system in real-time. Their product, RealTime Risk Mining, uses the swarm intelligence of relevant parties and expands the real-time field of view to 360° of the borderless risk landscape. This provides updated real-time detection cycles, extreme reduction of time lag for identification, while consolidating and validating the risk spectrum on a timely and rolling basis. As a result, the solution enables early detection of trends and pre-identification of exponential individual risks in real-time.



-  Founded 2012
-  Employees: 11-50
-  Regulation/Legislation: **ESG Future legislation**
-  Subsectors: Risk Management, Reporting, Compliance Management, ESG Management
-  Regions of operations: France, Belgium, Luxembourg, United Kingdom, Germany, Switzerland

Scaled Risk is a French Regtech company founded in 2012. It offers an ESG solution that allows financial institutions to gather their ESG data from providers and visualize it through dashboards, analysis, and reporting based on their business needs. The ESG platform solution starts by collecting information from ESG data providers, integrates it in the platform, stores and prepares the data, creates visualization, allows users to connect to the data whenever they need it, and is always up-to-date when new data is available.



-  Founded 2013
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML, GDPR, Banking Secrecy**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Identification/Background checks
-  Regions of operations: Ireland, United Kingdom, France, Spain, Belgium, United States of America, UAE, Dubai, Singapore


Sedicii provides real-time, verified digital identity and transaction certainty with security and privacy solutions that prevent financial crime, safeguard data and deliver value. The company has developed Privacy Enhancing Technologies (PETs) which are advanced cryptographic protocols that allow organisations to work collaboratively with information that each of them holds, to run confidential computations as if the information was being shared freely. However, nothing is being shared, privacy is preserved and confidentiality protected. Applications include remote biometric customer onboarding, AML and fraud monitoring, high assurance identity verification for travel, healthcare and education, age verification, role based WiFi network management, child protection services and the provision of general government services.



 Founded 2017

 Employees: 11-50

 Regulation/Legislation: **KYC, AML**

 Subsectors: Investigations + Transaction Monitoring Alert Management, Risk Management, Onboarding Verification (AML/KYC/CDD)

 Regions of operations: Global

Sigma Ratings ("Sigma") has pioneered a new, smarter way to evaluate risk and power compliant commercial relationships globally. Using point-in-time risk analysis and ongoing monitoring technology, Sigma actively screens thousands of global data sources and returns a unified stream of compliance intelligence on companies and people, thereby augmenting manual workflows and empowering teams to make clearer, more timely decisions in investigations, relationship management and onboarding.


Sigma's cloud-based solution is delivered as a web-based application and via API, all of which can be set up and integrated into existing internal systems in a matter of hours. To date, Sigma has organized data on over 700+ million companies and related people to make it the world's most comprehensive risk analysis database.



 Founded 2019

 Employees: 11-50

 Regulation/Legislation: **KYC, AML, GDPR, Open Banking, Travel Rule**

 Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Cybersecurity/Information Security, Risk Management, Reporting, Identification/Background checks, Compliance Management, QES, eSignature

 Regions of operations: EMEA, APAC

SignD Identity GmbH, founded in 2019, offers highly flexible end-to-end solutions for digital onboarding and KYC. Wherever regulations require the provision of official proof of identity, SignD offers digital security measures as defined by the respective legislator through an all-in-one framework solution of digital proof of identity. Today many online services require verification routines like KYC when onboarding their customers. SignD enables citizens from more than 200 countries and regions using just their smartphones to access services ranging from banking and travel to gaming and gambling based on more than 8,000 government documents. The SignD Framework completes necessary checks like legal documents and identity verification, liveness detection, address checks, and AML checks according to business needs and legal requirements.



 Founded 2001

 Employees: 501-1,000

 Regulation/Legislation: **MiFID II, GDPR, SEC, FINRA, CCPA**

 Subsectors: Communications Monitoring, Risk Management, Compliance Management

 Regions of operations: Global




Smarsh is a recognized global leader in electronic communications archiving solutions for regulated organizations. The Smarsh Connected Suite provides innovative capture, archiving, e-discovery, and supervision solutions across the industry's widest breadth of communication channels. Scalable for organizations of all sizes, the Smarsh platform provides customers with compliance built on confidence. It enables them to strategically future-proof as new communication channels are adopted and realizes more insight and value from their archive data. Customers strengthen their compliance and e-discovery initiatives and benefit from the productive use of email, social media, mobile/text messaging, instant messaging and collaboration, web, and voice channels. Smarsh serves a global client base that spans the top banks in North America and Europe, along with leading brokerage firms, insurers, and registered investment advisors. Smarsh also enables federal and state government agencies to meet their public records and e-discovery requirements.

SmartSearch

-  Founded 2011
-  Employees: 101-250
-  Regulation/Legislation: **PSD2, KYC, AML, GDPR, SFTR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Reporting, Identification/Background checks, Sanction & PEP Screening with Daily Monitoring and Compliance Management
-  Regions of operations: United Kingdom, Europe, United States

SmartSearch is a leading provider of award-winning anti-money-laundering global SaaS solutions. This incorporates identity verification of individuals and businesses for UK and international markets incorporating automatic sanction and PEP screening with ongoing daily monitoring. The latest innovation is 'Triple Check': Check 1 - traditional CRA data checks with global sanction & PEP screening, Check 2 - document scrutiny and validation with liveness facial recognition verification, Check 3 - delivers digital fraud checks - email, cell phone IP address and terrestrial address. Triple Check's combined triangulation delivers a unique, robust and reliable Composite Digital Identity. Headquartered in Ilkley, West Yorkshire, UK, SmartSearch's latest technology delivers an unrivalled user experience to over 4,500 national and international clients and over 40,000 users. With no requirement for clients to provide identity documents, SmartSearch's automated cost savings solutions are convenient for users and their customers, with individual AML checks taking two seconds, while complete business checks take less than three minutes.

SmartStream






-  Founded 2000
-  Employees: 1,001-5,000
-  Regulation/Legislation: **MiFID II, SFTR, EMIR, AIFMD, Solvency II**
-  Subsectors: Risk Management, Reporting
-  Regions of operations: United Kingdom, United States, Singapore, Japan, UAE, Australia, Austria, Canada, China, France, Germany, India, Italy, Kenya, Netherlands, Saudi Arabia, South Africa, Spain, Switzerland

About the SmartStream Reference Data Utility

Financial institutions are critically dependent on high quality reference data to ensure that they can successfully trade electronically, automate their operations and report accurately to regulators. Large institutions spend millions of dollars to improve data quality, fix data issues and manage the exceptions that occur due to bad data.

The SmartStream Reference Data Utility (RDU) offers a simple solution to satisfy those complex reference data needs, by providing a high quality security master built using industry best practises. The RDU is the product of an initiative developed in close association with demanding global institutions and has been proven to deliver dramatically better quality data at lower cost.

Socure

-  Founded 2012
-  Employees: 101-250
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Cybersecurity/Information Security, Risk Management, Reporting, Identification/Background checks, Compliance Management
-  Regions of operations: North America with an office in Chennai, India

Socure is a fintech company that provides holistic digital identity verification and fraud solutions through artificial intelligence and machine learning. Their predictive analytics platform Socure ID+ applies artificial intelligence and machine-learning techniques with trusted online/offline data intelligence from email, phone, address, IP, device, velocity, and the broader internet to verify identities in real-time. Socure powers financial inclusion, approving as much as 40% more millennial and other thin-file consumers. As well reduces fraud for online new account openings by up to 95% and cuts manual review rates by over 90%. Over 325+ customers deploy Socure's industry-leading ID+ solution across financial services, telecom, and eCommerce. The company's clients include 4 of the top 5 US banks, 8 of the top 10 credit card issuers, 4 of the top 5 MSBs, the largest payroll service, the 2nd largest retailer, and over 100 of the largest and most successful Fintechs such as Varo Money, Chime, and Stash.



COMPANY RESEARCH PROFILE



Founded 2012
 London, United Kingdom
www.sphonic.com
info@sphonic.com

Employees 11-50
 Regions of operation:
 UK, Europe, US, Asia, UAE and
 rest of the world as required

PRODUCT NAMES: Workflow Manager,
Case Manager, Transaction Monitoring

KEY EMPLOYEES:



Andy Lee
Founder &
General Manager



Terry Chow
Operations
Director



Riten Gohil
Partner &
Director



Michael Williams
Head of Professional
Services

Value Chain: **Onboarding, Monitoring, Detection, Fraud Prevention**

Subsectors: **Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Identification/Background checks**

Regulation/Legislation: **PSD2, Solvency II, KYC, AML, GDPR**

OFFERING

Sphonic is a London based RegTech formed by leading fraud, risk management and identity experts with experiences from the likes of Visa, RBS, UK Finance, Cybersource, Lastminute.com and others. The company provides Identity Orchestration, the ability to augment digital insights e.g., Devices, Location, Email, Mobile, Behavioural Insight as part of the regulatory KYC process. In the remote customer onboarding space this level of insight provides the ability to eradicate bad actors early and ensure genuine customers get a better user experience.

PROBLEM BEING SOLVED

Onboarding customers in the digital age remains a constant challenge, whether it's the threat from data breaches where hundreds of millions of consumer/business credentials are in the hands of criminals ready for use, or the fact that a firm can't securely identify its customers and meet regulatory or policy requirements. Sphonic leverages its proprietary Workflow Manager product underpinned by over 85 of the world's leading data providers to provide a single API to clients to return onboarding decisions in circa 5-10 seconds.

TECHNOLOGY

Sphonic uses a number of technologies, such as the cloud for hosting its platform and have built a proprietary workflow engine with a combination of licensed and open-source technologies.

The company's API can cohesively integrate with existing tools and platforms and allows for seamless upgrades without the need to schedule resource, time, and incurring costs.

PRODUCT DESCRIPTION

With the growth in digital commerce, alongside increasing concerns around financial regulation and consumer security (all further elevated due to the pandemic), Sphonic has created a suite of products to ensure its clients achieve the right balance in protection and customer experience.

- **Workflow Manager** enables access to innovations from more than 85 leading global vendors in areas such as global identity and verification, politically exposed persons and sanctions data, device fingerprinting, mobile profiling, email verification, geo-location, behavioural biometrics and many others through its agnostic platform.
- **The Portal/Case Management tool** allows a user to identify and action risk trends through real-time visualisation and optimise strategies based on workflow performance etc. The system is built on top of Workflow Manager. Any flags in the workflow process are identified immediately in the Case Management System, making risk management process easier and more efficient for fraud and risk teams.

Furthermore, Sphonic has launched a real-time **fraud and AML transactional monitoring solution** that brings insight from the onboarding stage into downstream processes. With these capabilities, Sphonic allows financial services firms to bring all their RegTech in one place, covering KYC, AML, fraud management and authentication via a single API.

TRACTION/GROWTH

- Sphonic currently serves around 30 clients across banking, payments, lending, gaming & gambling and acquiring. The company typically onboards 6-7 new clients per year while providing a deep level of expert-led implementations.
- Clients include:



MANAGEMENT BIO

Andy Lee - Founder & General Manager

Andy Lee is the Founder and General Manager of Sphonic. He has 20+ years experience in Risk & Compliance, with a demonstrated passion for his field. Prior to forming Sphonic he was with the likes of E-KYC Consulting, IvoBank, Lastminute.com and WorldCom.

Terry Chow - Operations Director

Terry has 20+ years' experience in delivering innovative tech solutions in banking, Fintech, fraud prevention, and security. Prior to Sphonic worked in various project management roles in the banking space including RBS.

Riten Gohil - Partner & Director

Riten has a wealth of industry experience in payments, identity fraud, risk management, and RegTech. Riten is driven by a desire to solve identity solutions for SME and Enterprise clients across the globe. Prior to joining Sphonic, Riten was at Visa, APACS (now UK Finance), Flutter.com and the SFO.

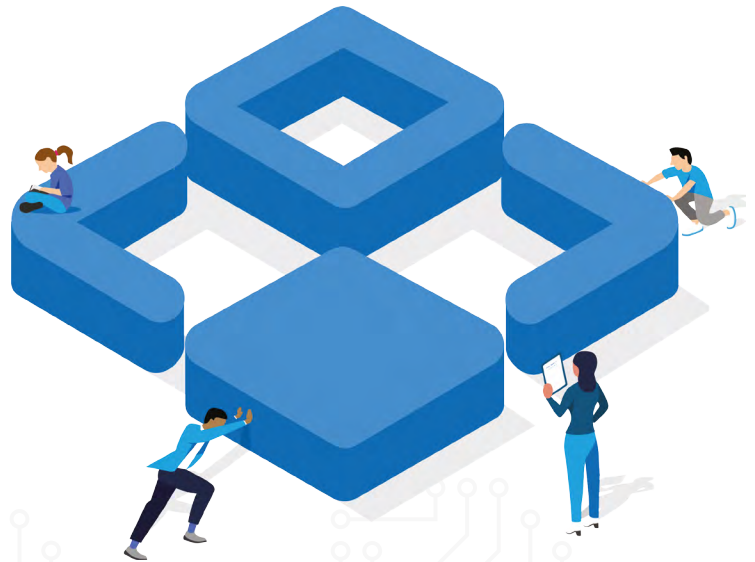
Michael Williams - Head of Professional Services

As Head of Professional Services at Sphonic, Michael Williams is in charge of building the client implementation and onboarding process. He has 15 years of experience in fraud, risk, and onboarding processes across multiple sectors. Prior to Sphonic he was with e-kyc Consulting, Cybersource and Lastminute.com

This document is being provided for information purposes only. It is not designed to be taken as advice or a recommendation for any specific investment or strategy decisions.



Onboard customers globally, manage fraud & AML with the market-leading orchestration engine delivered by subject matter experts.



KYC | KYB | AML | FRAUD



Single API to 80+ 3rd party vendors

Access the Sphonic Data Marketplace and collect relevant, appropriate data to make real-time compliance decisions.

Reduce development time & cost

Focus your tech spend and budgets on development and meet delivery dates.

API version control & schema upgrades management

Stay up to date with changes without the need to schedule resource, time, and incurring costs.

Access subject matter knowledge of all data points

Apply context to data and ensure only appropriate data is used in decisioning with contextual authentication.

Manage timeouts & incomplete data

Maintain quality decisioning by offering your teams a complete digital picture.

Supercharged Regtech for Banks, Fintech's, Acquirers/PSP's & Gaming Operators

SPHONIC.COM



Build a complete digital picture



Say Hello to Genuine Customers

New regulations and digital financial processes make it challenging to verify clients are who they say they are. Our Workflow Manager helps compliance teams build a complete digital picture of each customer and fast-track customer onboarding.



Make better decisions with complete data

Our technology employs innovative failover methods that check and recheck any missing information with multiple vendors, ensuring you always get the most relevant data.



Unify multiple data sources

We understand how expensive and time-consuming assembling your own set of vendor connections can be. With Sphonic's Workflow Manager, you choose from 80+ leading data providers — all through a single API.

Say goodbye to tedious case lists



Gain real-time visibility of risks and trends.

The Sphonic Case Management System tracks all activity in your workflow. With customisable filters, you can identify important trends and activity, simplifying the process for your fraud and risk teams. The system is designed around your specific fraud, risk, and AML policies.



Build custom reports that fit your needs

Monitor 3rd party data vendor performance and much more. Sphonic's Report Builder tool gives you complete control to easily build custom reports that fit your organisations' everyday compliance needs.

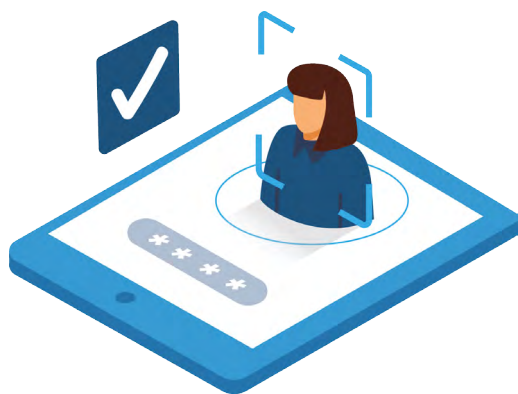


Jump-start your compliance process

Significantly decrease the time it takes to perform manual checks with bespoke policies and customisable actions built directly into the Sphonic Case Management System.

Paysafe

"Sphonic has proved to be a strong business partner and one that is always willing to go above and beyond. In particular, their excellent subject matter expertise and strategic guidance ensures Paysafe is always able to find innovative"



Stay ahead of innovation and stop smart fraud and financial crime in it's tracks.

Trusted by leading digital brands

What can we do for yours?



Need for speed

Sphonic.com has created a solution to make compliance smooth, speedy and easy.



Like many startup stories, Andy Lee's entrepreneurial journey kicked off with a sense of frustration. Over the better part of two decades, he'd built himself a career as an expert on how to prevent financial fraud and how to boost compliance among financial service firms. As part of that, he helped companies implement new digital solutions.

The problem was that the projects could take years to finish. During that time, new solutions always came to market and Lee often wished to include them. The executives in charge usually gave him a thumbs down, saying it was too late to include something new. "I was probably a real pain to CTOs and CFOs and my bosses over the years," Lee laughs.

Still, it gave him the idea to launch Sphonic.com, a RegTech company designed to make adding new compliance solutions easier, in 2012. He now serves as the company's chief product officer and its general manager.

What set the company apart from the get-go was the composition of its founding team. "Virtually all founding employees have a background in fraud, risk and compliance and are subject matter experts in their own right," Lee says. "And it made us a bit different to other businesses. You sometimes get FinTechs or RegTechs or any other form of tech startups set up by serial entrepreneurs or by techies. And we're a company that's very much been founded by subject matter experts."

This expertise enabled the team to not only understand the industry better, but to also know what the needs of their future clients would be. The startup has also deviated

from the regular tech startup path by not raising millions in investment from outside backers. "I wouldn't know what to do with it," Lee says.

So, apart from an initial investment from family and friends, the Sphonic.com team has adopted a lean growth model where flexibility has been a core virtue. "We decided at the outset that [we would] make quick decisions, but then identify very quickly if you've got them wrong. And that's failing fast to us," he says. "And don't be afraid to pivot. And don't beat yourself up if you get things wrong. It will happen."

The strategy has proven successful as the company has been profitable for years. In other words, raising investment from venture capitalists or other backers has never been an attractive proposition for Lee and his team. "We just don't want to go and spend millions doing crazy things that might not work," he says.

Nevertheless, the lack of entrepreneurial experience had some downsides. "Certainly some of the pain on the journey has been more related to that," Lee admits. For instance, it took a while to recognise who Sphonic.com's ideal clients would be. "We found that startups were more likely to take a punt on the new boys in town, whereas big established players probably wouldn't," Lee remembers.

The downside of that was that early-stage startups often didn't know what their compliance obligations were and would require a lot of time-consuming handholding. And some times the startups that signed on failed, meaning Lee and his team had wasted both time and resources on nothing. Instead, the team realised that it was better to go for slightly larger scaleups that were starting to feel the pain of compliance. "Once the company has identified its pain, it suddenly seems to become easier to sell to," Lee says.


Essentially, Sphonic.com's workflow manager works as a gateway to more easily access the services of over 80 third-party RegTech vendors' solutions. It basically allows clients to send their data in whatever format they want to Sphonic.com. The company's engine then translates the data to whatever header each third-party provider uses and sends it to those providers. Next, when the third-party provider is finished, the data is then, again, sent back via Sphonic.com's platform before it is sent back to the client.


While the company has predominantly focused on onboarding in the past, Sphonic.com is gearing up to roll out an anti-money laundering solution in 2021. The company will also introduce a new service that will enable clients to configure workflows themselves and hire a sales team. "So having gone through for nine years of testing and learning to find that right product fit, operational fit, sales fit, the right types of clients, we're now ready to finish this development, which will take six to 12 months to complete," Lee concludes. ●




 Founded 2011

 Employees: 11-50

 Regulation/Legislation: **MiFID II, PSD2, Basel III, AIFMD, Solvency II, KYC, AML, GDPR, SFTR, Basel III, EMIR, BCBS 239, SMCR, LGPD, CCAR, CCPA, CPG 235, IFRS 17, MAS 610/1003, PDPA, HIPAA, ESG, PRA 110, MAR, BEAR, INDIA DATA PROTECTION, ETC**

 Subsectors: Onboarding Verification (AML/KYC/CDD), Capital Planning/Stress Testing, Cybersecurity/Information Security, Risk Management, Reporting, Compliance Management


 Regions of operations: Global with offices in United Kingdom, Singapore, United States


Solidatus is revolutionizing the data economy by shifting the data management paradigm towards sustainability and helping businesses become proactive rather than reactive. Solidatus helps organizations utilize visual lineage technology to enable understanding and simplification of complex systems landscapes. Whether used to demonstrate regulatory compliance or improve governance and control, Solidatus supports transformational change by enabling organizations to facilitate growth, reduce costs, and effectively manage risk.




 Founded 1999

 Employees: 101-250

 Regulation/Legislation: **MiFID II, GDPR, UK Bribery Act, SMCR, 17j-1 of the USA 1940 Investors Act / SEC, FINRA, FCA regulations associated with personal trading, insider trading, and conflicts of interest**

 Subsectors: Transaction Monitoring, Risk Management, Compliance Management

 Regions of operations: North America, EMEA, APAC


StarCompliance has over 20 years of experience building configurable compliance software solutions. Star supports a global client base in more than 83 countries across a wide range of financial services disciplines—including asset managers, investment banks, broker dealers, PE firms, insurance companies, and other service providers in the financial services ecosystem. The STAR platform is scalable and easy-to-use for employees at all levels of an organization, and helps financial firms reduce risk, gain efficiencies, and drive adoption around their employee compliance programs.



 Founded 2017

 Employees: 51-100

 Regulation/Legislation: **MiFID II, AIFMD, EMIR, Dodd-Frank, MAR and SMCR**

 Subsectors: Communications Monitoring, Transaction Monitoring, Risk Management, Reporting, Compliance Management

 Regions of operations: Global

SteelEye is a data management and RegTech firm that enables banks, brokers, hedge funds, and asset managers to meet a range of compliance obligations and unlock the value in their data. SteelEye does this by capturing and normalising structured and unstructured data from multiple sources, turning it into usable information and making it instantly available on an asset class agnostic technology platform for regulatory compliance and analytics. By combining its data-centric strategy with cloud, elastic search, and AI/ML technologies, SteelEye unlocks the power of data - enabling clients to solve complex financial compliance and operational challenges and leverage their data in new ways. SteelEye offers a wide range of compliance solutions – the most comprehensive in the market – including EMIR & MiFID II reporting, trade and communications surveillance, best execution, transaction cost analysis, record keeping, trade reconstruction, analytics, and much more. For more information, visit steel-eye.com.



Harness Risk

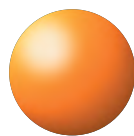


The Technancial Company Ltd delivers advanced real-time risk management and trade surveillance tools covering markets around the globe.

www.technancial.com



COMPANY RESEARCH PROFILE



**THE
TECHNANCIAL
COMPANY**

Founded 2013
 London, United Kingdom
www.technancial.com
enquiries@technancial.com
 Employees: 51-100
 Regions of operation:
 Italy, United Kingdom, United States, China (HK), Singapore

KEY EMPLOYEES:



Roberto Grande
President



Mirko Marcadella
CEO

PRODUCT NAME: JANUS Risk Manager

Value Chain: **Monitoring, Detection, Reporting, Processing & Control**

Subsectors: **Transaction Monitoring, Capital Planning/Stress Testing, Risk Management, Reporting, Auditing trading platform risk settings in real time**

Regulation/Legislation: **MiFID II, EMIR**

OFFERING

The Technancial Company (TTC) is an agile technology company, with a strong focus on delivering Real-Time Risk Management and Trade Surveillance tools to and for Global Markets.

TTC's products, JANUS Risk Manager, JANUS Behavioural Analytics, JANUS Margin Engine and JANUS Central Limit are used by global institutions across markets, regions and asset classes to supervise their trading, market making, DMA and HFT activities.

PROBLEM BEING SOLVED

TTC solves the problem of monitoring risk on multi asset trading activities, globally for brokerage and trading companies.

The company generates alerts in real time, initiating workflow on identified issues, recording and reporting issues in real time. Alerts can be simple or tiered/complex - user definable on the fly using over 80 different alert frameworks to tailor to an infinite range of profiles.

TECHNOLOGY

Continuous research into advanced technologies is key in meeting today's trading and risk management needs. TTC combines low latency requirements of high frequency trading, complex aggregation of data with sophisticated risk and compliance checks by using the latest available proven technology that the market has to offer.

Currently the company's platform is built on java, delivered in the cloud or managed with on-site/hosted hybrid model.

PRODUCT DESCRIPTION

JANUS Risk Manager is a multi-asset, multi-currency and multi-market real-time risk management and order validation system supporting exchange traded financial instruments. The solution makes measuring risk even more effective, while continuing to improve performance and scalability, in response to client demands. It helps customers capture all trading activity for any account, with the assurance that new business that hadn't previously been observed or hadn't had specific rules configuration implemented, would not go unnoticed. Hence, JANUS now captures the unexpected event, for an unexpected product, if an event/product combination occurs, enabling the risk or trader manager to see this (it will be visible as a low level, yet distinctive alert on the dashboard) and then act on including the product in a rule set, set parameters that make sense for it, and keep, as before, detailed records of those changes. All events together with their various checks are stored in JANUS Behavioural Analytics, making a unique and rich data set available for analysis. Adding JANUS Central Limit (JCL) this year, enables clients to monitor third party systems' limit settings continuously adding another layer of monitoring and controls in trading ecosystems that have many different providers, bringing everything 'real time risk' into one dashboard.

The platform's features include:

- **Pre-Order:** Used for pre-trade validation, monitors positions on client accounts and filters orders according to validation rules defined at many different levels: markets, asset classes, instrument types, instrument lists, accounts
- **Post-Order:** Also used at "post-order" (or "at-trade") to monitor in real-time orders and executions, evaluates risk variables and generates alarms when specific risk limits are reached. Potential risks originating from pending orders are evaluated
- **Flexible aggregation:** Flexible portfolio/account structures can be created to aggregate information in real-time according to different organisation needs
- **80+ risk variables:** Currently supports more than 80 risk variables like: Fat Finger Checks, Position Limits, Balances and Margins, Greeks, Profit & Losses, Premiums, Exposures and Trade Surveillance
- **< 30 µsec performance:** Nic2Nic measured performance for calculation of risk variables is below 30 microseconds using commodity hardware

JANUS also stores data and makes it available to third party systems via an extremely rich and open API.

TRACTION/GROWTH

- The company works with leading multinational trading companies. On average 3-5 new clients are signed per year, mainly larger, enterprise scale users, and the company is beginning to add smaller firms at a reasonable pace.
- TTC is planning to build Americas business, global account sales (most of our clients are global) and expand mainland Northern Europe over the next 12 months
- The company has a number of established partnerships including – Broadridge, Smartstream RDU, eBroker Systems, Options IT (hosting and managing infrastructure), EPAM B2Bits (FIX adapters)
- TTC is part of the LIST Group since November 2019

This document is being provided for information purposes only. It is not designed to be taken as advice or a recommendation for any specific investment or strategy decisions.

How The Technancial Company sidestepped many of the challenges other RegTechs face

The Technancial Company has achieved global success without having to raise money or to fight for their first customers. So how did they do it?



Technancial Company was still part of the Italian tech company the IT Software Group.

Mirko Marcadella, founder and executive director of The Technancial Company, remembers that the software that would spawn the new venture was originally developed as a solution for trading financial products. There the story may have ended if the world's finances hadn't gone into full meltdown 12 years ago.

"[After] the 2008 financial crisis we realised there was a lack of independent, trading platform-agnostic, real-time risk management systems," Marcadella recalls. "In IT Software we had already developed some technology for real-time risk management, but it was tightly integrated with our trading platform. We decided to rethink our product suite and to create The Technancial Company to focus on real-time risk and surveillance on a global scale."

Not resting on their laurels, the founding team snapped into action to start to develop the new enterprise. They started by making sure that the any good ideas they'd developed in previous years where not lost. "We learned that the products were often at the centre of the client's infrastructure and had to be accessible," Marcadella says. "We had to define a solid product strategy and make sure that our products where correctly designed to be open."

The venture was launched in 2013. Because The Technancial Company was part of IT Software it was able to successfully incubate within the umbrella company, enabling it to grow to the stage where it became a successful global vendor. This also enabled the founding team to more easily create their MVP and to connect with their first clients by tapping into IT Software's network. "From our inception our customers were large organisations run by smart technology teams who saw great potential in our technology and decided to invest with us instead of developing internally," Marcadella continues. "They have been especially important partners in our success."



The Technancial Company is not like many other RegTech ventures. For starters, it has not had to suffer through many of the time-consuming and cumbersome early investment rounds other tech companies must go through in order to scale. It has also breezed through the process of creating its minimum viable product and easily signed up its first customers to its innovative machine learning-powered compliance platform. All these achievements have enabled The Technancial Company to become a global RegTech powerhouse that has even been able to skirt the biggest fallout of the coronavirus pandemic.

We have to rewind the tape back to The Technancial Company's origins to explain how it has been able to avoid many of the teething pains suffered by startups around the world. Its origins can be tracked back to before the financial crisis of 2008. Back then, what would eventually evolve into becoming The

However, that didn't mean the launch of the venture was without obstacles to overcome. "The main challenges were cultural and organisational ones," Marcadella explains. "We had to think at how to transform a company and its culture from an Italian based one to a global one. We had to define where to establish the company presence and how to cover the operational support needs of clients that were global, trading 24 hours a day. It was a big transformation effort that took some time to get implemented."

“

"We had to think at how to transform a company and its culture from an Italian based one to a global one. We had to define where to establish the company presence and how to cover the operational support needs of clients that were global, trading 24 hours a day."

Today, The Technancial Company has offices in New York, London, Milan and Hong Kong. Its machine learning-powered JANUS platform supports over 80 risk rules and more than 60 clearing houses' margin algorithms. The JANUS suite currently includes four products – JANUS Risk Manager, JANUS Margin Engine, JANUS Behavioural Analytics and JANUS Central Limit. Each of them can be used diversely at pre-trade, post-order and post-trade to manage market, credit and operational risks in demanding environments.

"We focus in closing the gap between looking at portfolio risk at the end of the day or the day after and very simple pre-trade risk controls that are available within trading platforms," Marcadella says. "Being able to aggregate order/trade flows from disparate trading sources, aggregating positions in flexible portfolio hierarchies, integrate intraday trading activity with overnight backoffice provided information, calculating risk measures and generating alerts when limits are breached, is our key JANUS Risk Manager proposition. This is complemented by the real-time replication of Initial Margin models for ETDs implemented in JANUS Margin Engine. Data calculated by JANUS products are stored and analysed by JANUS Behavioural Analytics. JANUS Risk Manager is also an extremely flexible off the shelf system, enabling clients to aggregate or filter

accounts, instruments or exchanges to monitor risk in many subtly different ways.

"In addition to these, we have more recently introduced JANUS Central Limit system that is designed to manage the workflow of approval of Limit Change Requests and to reconcile with pre-trade limits set on different trading platforms. All JANUS suite products are integrated and information produced by one system is used by the others."

Thanks to this impressive suite of products, The Technancial Company has been able to provide its services to everything from smaller and more specialised brokers to massive Tier 1 banks. And it has been able to do so despite the tumultuous times we live in. "Our technology is modern, extremely reliable and scalable," says Marcadella. "The volatility caused by many events in the last few years – not just the more recent Covid-19 [pandemic] – has proven that JANUS is a reliable tool when it is most important."

It has been months since the Wuhan Municipal Health Commission in China first reported about a string of flu cases on New Year's Eve 2019. In that time, the world has been caught in the clutches of the coronavirus pandemic. Fortunately, The Technancial Company has been able to weather the storm reasonably well. "We were ready for smart working since Day One of this pandemic," says Marcadella. "In fact, we were already doing this, even if not to the extent we have been forced to by Covid-19. Our organisation was ready and did not have any problem in adapting to the change."

In fact, the company has noticed that the demand for its compliance solutions has skyrocketed in the past few months. "From a business point of view, Covid-19 has been a boost to our success," explains Marcadella. "The extreme volatility of markets has also convinced those who were still undecided about the need to have a good real-time risk management system in place. Volumes for most of our clients spiked and being able to focus only on exceptional situations highlighted by JANUS was a big competitive advantage for them."

The Technancial Company launched in the aftermath of the 2008 credit crunch. Now, as the world is heading into another financial dip, the enterprise has found itself in a position to come out stronger on the other side. "Plans are to continue to innovate our product suite both from a technological and functional point of view," Marcadella concludes. "There is still a lot to do to increase the value we can bring to the market, from extending our functional coverage to different asset classes, to implementing more sophisticated data analytics in order to extract value from the large amount of rich data produced by JANUS Risk Manager." ●






-  Founded 1993
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML/TF, Loi Sapin (France), loi Lagarde (France)**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Reporting, Identification/Background checks, Compliance Management
-  Regions of operations: France

SysperTec is a French software scale-up which develops Synapse, a fast-growing RegTech solution helping the financial industry keep up with regulatory inflation. For more than 10 years, Synapse has been helping 160 companies to automate, simplify and secure their KYC and risk processes.

The solution allows automatic and intelligent data collection from more than 500 data sources. From Banque de France data to Ultimate Beneficial Owners, or sanctions screening, Synapse draws a 360° vision of financial institutions' prospects or customers. Computing of the gathered data by the solution empowers Compliance Officers or Sales to take safe onboarding decisions, not to mention automating a lot of them. The company's product allows operational teams to increase the number of cases handled and to accelerate the Order to Cash process. This standardisation of controls makes customer records more reliable. Compliance and Risk executives finally have data to oppose during an audit.







-  Founded 2016
-  Employees: 11-50
-  Regulation/Legislation: **FATCA/CRS/Chapter 3**
-  Subsectors: Onboarding Verification (FATCA/CRS/AML/KYC/CDD)
-  Regions of operations: Global with offices in United Kingdom and United States

TAINA Technology is a RegTech with a mission to help financial institutions and their service providers revolutionize their clients' lifecycle management saving them costs, reducing operational risks, and improving customer experience. TAINA's first step towards this goal is a fully automated FATCA, CRS, and Chapter 3 Platform, which delivers fully automated seamless FATCA/CRS validation and withholding calculations. Its flexible optional built-in workflow enables a streamlined and auditable process.

TAINA's Platform saves costs, reduces operational risks and improves customer experience, speeding up onboarding. Its fully automated validation capability takes care of tax forms however they arrive from your customers, in all formats, including PDF, hard copies or online/mobile. TAINA's Platform can support FATCA/CRS validation and onboarding even without any tax form at all. TAINA's clients include some of the world's most sophisticated financial institutions, online trading platforms and fund administrators.






-  Founded 2017
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, GDPR, Dodd-Frank, FINRA, and more**
-  Subsectors: Communications Monitoring, Cybersecurity Information Security, Risk Management, Compliance Management
-  Regions of operations: North America, United Kingdom, European Union

Theta Lake, uses last mile, applied AI to find compliance risks in audio and video content, and uses AI to assist workflow for compliance professionals in regulated environments. With multiple patents pending, Theta Lake is looking to alleviate the compliance and regulatory risks of video and audio communication for the enterprise by modernizing communication compliance. Theta Lake provides deep supervision and risk detection features for leading UCaaS platforms, allowing organizations to align their safety, cybersecurity, privacy, and compliance requirements while empowering their workforce to collaborate remotely. Theta Lake natively integrates with leading UC platforms (Cisco Webex, Microsoft Teams, RingCentral, Zoom, Slack, BlueJeans, Red Box) to analyze audio, visual, and text-based content, providing the most comprehensive detection of regulatory, corporate compliance, conduct, and data leakage risks in what was said, shown, or shared.


 Founded 2012

 Employees: 11-50

 Regulation/Legislation: **ESG**
 Subsectors: Compliance Management, Risk Management, Information Security


 Regions of operations: Ireland, United Kingdom, United States

Think Evolve Solve (TES) is an advanced data analytics advisory. The company works with customers in the Financial Services sector to help them understand, discuss, and build opportunities from data. In 2017, TES developed gather360, a SaaS tool that automates quality assurance and cuts the time spent gathering, validating, and consolidating data from hours to minutes - all via a no-code workspace.

gather360 automatically maps incoming data to user-specified requirements before it's uploaded to the database, eliminating the manual validation workload. The system attributes each row of data with a unique ID which logs the data source and validation applied, allowing business users to easily assess and demonstrate data quality. Transformation tools allow users to easily create a single view of validated data to power downstream systems. gather360 gives businesses confidence in their data, and the evidence to demonstrate quality and transparency, whether for regulatory reporting or to inform business decision-making.


 Founded 2014

 Employees: 1-10


 Regulation/Legislation: **KYC, AML, FICA**
 Subsectors: Onboarding Verification (AML/KYC/CDD), Identification/Background checks


 Regions of operations: South Africa

ThisIsMe proves that people are who they claim to be. Using a combination of multiple trusted data sources, private and public registries and proprietary facial detection techniques, ThisIsMe cross-references information and validates identities in real-time. Their services are provided on-demand via a feature rich API. Each service performs a specific function related to identities, identity information or biometric information. In combination, this proves identity remotely, lowers risk, and eases regulatory compliance burden for their clients.


 Founded 2015






 Employees: 51-100

 Regulation/Legislation: **PSD2, KYC, AML**
 Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Cybersecurity/Information Security, Risk Management

 Regions of operations: Global with operations in Europe and Czech Republic

ThreatMark is the future of trust in the digital world. They were founded with a vision of bringing trust to interactions across all digital channels through profound cybersecurity know-how and the latest advancements in AI & Data Analytics. ThreatMark processes a comprehensive set of data inputs to continuously validate the user's identity & their intentions while protecting the user's most valuable assets. The company makes sure that the entire digital journey is trusted and safe for both end-users and businesses. As a result, major banks use ThreatMark's deep behavioral profiling engine to analyze a vast number of user specific data & behavioral traits to precisely identify legitimate users and deny fraudsters in real-time. ThreatMark validates more than 25 million users and over 1 billion logins and transactions yearly.



-  Founded 2014
-  Employees: 51-100
-  Regulation/Legislation: **MiFID II, PSD2, Basel III, KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Transaction Monitoring, Risk Management
-  Regions of operations: APAC, Europe, North America

Tookitaki is a global regulatory technology company providing an ecosystem of AI-based smart solutions that create sustainable compliance programs for the financial services industry. It offers the most advanced, machine learning-powered, end-to-end AML/CFT analytics platform to detect, investigate and report financial crime. It also provides an AI-based reconciliation analytics system enabling automated matching and automated exceptions management.

The company's TRM platform is a revolution in the AML/CFT space as it can capture changing customer behaviour and detect suspicious cases, besides prioritizing alerts with high accuracy, without the need to apply any personally identifiable information (PII), rules and thresholds. With this innovation financial institutions can improve the effectiveness of detection of missed and new suspicious cases respectively.








-  Founded 2015
-  Employees: 11-50
-  Regulation/Legislation: **MiFID II, SFTR, EMIR, ASIC, Best execution (RTS 27/28)**
-  Subsectors: Transaction Monitoring, Reporting
-  Regions of operations: Asia Pacific, Europe

TRAction was established in Sydney, Australia in 2015 specifically to develop a software solution for regulatory trade reporting in the financial services industry. TRAction then expanded into Europe in 2016.

TRAction's services cover data extraction, enrichment and reporting as well as incorporating advisory to clients to assist them to understand their obligations. The holistic approach tackles the common struggles encountered by clients. TRAction's in-house skillset and presence globally give a distinct advantage. As a result, TRAction has captured a good market share in both Australia and Europe. The number of daily trades reported by TRAction exceeded 7 million in 2019 and has continued to rise in 2020.

TRAction has been recently engaged to assist clients with Canada, US and Singapore trade reporting legislation which marks the start of significant further expansion for the business.



-  Founded 2008
-  Employees: 11-50
-  Regulation/Legislation: **The system can be configured to track compliance to any and all regulations**
-  Subsectors: Compliance Management, Risk Management, Vendor Management, Policy Development & Sign Off, Incidents & Complaints Automation
-  Regions of operations: Ireland, United Kingdom, United States, Canada, Bermuda, Gibraltar, Australia

ViClarity is a company founded in 2008 that specializes in governance, risk, and compliance software. ViClarity's product is a compliance and risk automation tool. It eradicates manual administration associated with GRC. It is an end-to-end automation solution in that the system will contact, collect, collate, and report on evidence or attestation. ViClarity is built to mirror their client's frameworks of any complexity. The system is modular, including minimum standards, Solvency II, Risk, Vendor, Regulatory compliance, Policy, and board governance. The ViClarity system is far more configurable than any other solution on the marketplace and is known for its ability to customize solutions to fit their clients' exact needs.

Embrace the technological disruption in **AML compliance**



Tookitaki

Anti-Money Laundering Suite

An advanced, machine learning-powered, end-to-end AML/CFT analytics platform designed to detect, investigate and report financial crime.



Tookitaki

North America | Singapore | India

🌐 www.tookitaki.ai ✉ For enquiries, contact us at : sales@tookitaki.com



How Tookitaki is using AI to fight money laundering

In the six years since Tookitaki was founded, the company has established itself as a thought leader when it comes to using artificial intelligence to fight financial crime.



In 2014, Chatterjee's desire to fight money laundering and to help financial institutions keep up with their regulatory responsibilities resulted in him teaming up with his friend Jeeta Bandopadhyay to launch Tookitaki. He and Bandopadhyay now serve as the startup's CEO and COO respectively.

The Singapore-based company leverages artificial intelligence to tackle money laundering and to empower banks and financial institutions to meet stringent global compliance standards. "Today, Tookitaki is on a mission to fight the evils of money laundering by creating a federated technology ecosystem that gives equal footing to all financial institutions, creating safe and sustainable societies," Chatterjee says.



Tookitaki

Abhishek Chatterjee had to do something. Over the years he'd grown increasingly worried about money laundering. With the UN estimating that up to 5% of the world's GDP consists of laundered cash, he had reason to be concerned, especially when he thought about what the money enabled. "Crimes such as human trafficking, drug trafficking, organ trafficking and illegal mining are some of the biggest contributors to evil and they claim millions of lives directly or indirectly every year," he says.

At the same time, Chatterjee knew that businesses around the world were struggling to live up to their regulatory responsibilities. He knew why that was, having witnessed first hand how the global economy had gone into full meltdown in 2008 while he was working as quant analyst at JP Morgan. Following the financial crumble, lawmakers around the world introduced new checks and balances to ensure that the bad behaviours that had caused the collapse wouldn't happen again. The Dodd-Frank act, the EU's Payment Services Directive and a growing number of anti-money laundering laws around the world are some of the many new pieces of legislation introduced to that end. But these new laws also meant more pressure from financial institutions to remain compliant. They needed help.

"Tookitaki means hide-and-seek in Bengali, a language primarily spoken by the Bengalis in South Asia. Hiding and seeking is a frequently demonstrated cognitive ability of human beings. In the current business scenario, where 'data takes on a life of its own', we at Tookitaki use machine learning to construct an automated model to simulate the hide and seek behaviour in humans."

He suggests that Tookitaki is able to set itself apart in a world where AI-enabled RegTech solution have proven ubiquitous. "Other machine learning approaches in the AML space are inspired by rules-based systems," Chatterjee says. "They are heavily dependent on static rules logic, which neither capture money laundering risk holistically nor remain valid for long. The resulting machine learning-based models become quickly obsolete when the rules change or rule-based systems change."

He argues that those solutions' model development life cycle is costly from both a time and a resource perspective. "The rate of shift in data is usually faster than the rate of change of existing machine learning-based models being deployed in production which results in models being ineffective in capturing suspicious behaviour," Chatterjee continues.

So, how is Tookitaki different? According to its founder, the platform's prepackaged money laundering indicators are able to handle complex and changing consumer behaviour, empowering users to kickstart the machine learning-based AML engine in no time. "Our platform

also allows auto creation of machine learning models and evolving them through a champion challenger process thereby minimising building and maintenance process," he says.

But all of that was still some ways off in the future when Chatterjee and Bandopadhyay first launched the business in 2014. Back then, the first thing they did after bootstrapping the enterprise was to conduct in-depth research on the target market and the offerings that existed at the time as well as performing a GAP analysis to determine how to best achieve their business goals.

Tookitaki's faced many challenges initially. The first was that people weren't accustomed to the technology behind the platform. "The use of AI and big data in financial services was still new back in 2014 and the ecosystem to build an AI startup was not there in Asia Pacific," Chatterjee remembers. "So, we had hardships attracting talent in a few key roles."

For the same reason, financial institutions needed some convincing before enlisting the startup's services. "So, we actively took part in hackathons, accelerators and competitions organised by financial institutions, where we could solve real-life problems, using data from these institutions. That helped us win our first customers," Chatterjee explains.

These efforts combined with the fact that Tookitaki was launched in Singapore eventually yielded results. "Singapore is, undeniably, a leader in embracing technology, with a strong appetite for innovation and showcasing digital maturity," Chatterjee argues. "From world-class infrastructure and connectivity, a friendly regulatory environment, competitive talent and government support, Singapore has successfully created an ideal ecosystem for startups."

"As one of the most technologically advanced IT infrastructures in the world, it naturally attracts great tech talent, innovators, investors, thinkers and business leaders. We believe that being based in Singapore helped accelerate our growth in terms of customer acquisition, attracting many partners and investors and our expansion globally."

Through the team's grit and the power of Tookitaki's platform, the company continued to grow over the next four years until, in 2018, the time was right to expand into the US. "We set up a US office to manage our North America operations and business expansion," Chatterjee says. "So far, we have been successful with our goals as we steadily build our sales pipeline in the region. We continue with our efforts in growing our team and boosting our brand with active participation in industry events and engagements with regulators such as FinCEN." For instance, Tookitaki has been active in FinCEN's Innovations Hours programme, which presents companies with an opportunity to present their RegTech solutions to the regulator.

Tookitaki achieved another milestone in October 2019 when the startup closed a Series A funding round worth \$19.2m. "The backing from well-known global institutional investors such as Viola, SIG, Illuminate Financial and Jungle Ventures is a clear validation of the uniqueness of our technology and the potential of our business model," Chatterjee says.

In 2020, the coronavirus pandemic presented Tookitaki with new challenges and opportunities as criminals increasingly started to take advantage of the crisis. "They are seizing the moment to proliferate their criminal activities, earn undue profits and transfer of illegally earned money across borders," Chatterjee says. "Crimes such as human trafficking and corruption have a favourable situation to thrive. At the same time, criminals are adapting their most profitable cybercrime tactics to suit the situation, as a great number of working people across the globe are confined to their homes and are using digital means to complete their daily tasks." Indeed, law enforcement agencies such as the FBI has warned about a spike in hack attacks.

However, that has presented the startup with an opportunity. "As the above crimes will undoubtedly increase money laundering activities, these are times for banks, governments and multilateral institutions to be vigilant and take measures," he says. "Many regulators across the globe have realised the challenges that banks and other financial institutions will face in anti-money laundering compliance." As regulators advise businesses to remain vigilant, the coronavirus has thus encouraged businesses to increase their spending in RegTech solutions. "The pandemic and the related emergence of new financial crime patterns are prompting financial institutions to think differently and try new-age technologies," Chatterjee says.

Tookitaki expects that the spiking demand for technology-enabled AML solutions is only set to grow in the years to come. "At the same time, we see increasing support from regulators to test, develop and implement AI-based solutions," Chatterjee says. "Given the situation, we look to invest more in our R&D to build on more features and add to our solutions' robustness."

The company will focus its efforts on strengthening three core areas: product innovation, industry collaboration and talent. "With exponential increases seen in digital banking and online financial transactions, our anti-money laundering and reconciliation solutions continue to gain mission-critical prominence for financial institutions," Chatterjee says. "Waging a war against financial crime cannot be solved on handful of companies. As an ecosystem, the industry needs to collaborate and come together to share knowledge, newer behavioural patterns, or typologies, and domain expertise and solutions. Finally, we will continue to invest in the growth of our research and engineering teams across our main offices in Singapore, the US and in India." ●

How a leading APAC bank overcame financial crime compliance challenges with **Tookitaki AMLS**



Our Customer at a Glance

An APAC bank with...

\$7 billion Annual revenue

26,000 Employees

500 Offices

19 Countries

The Business Challenge

The bank's legacy rules-based approaches to combat evolving AML threats were meeting with less success resulting in:

1. More than 90% of false positives for both transaction monitoring and name screening processes
2. High alerts backlogs
3. Required a large team to dispose of them adding up high operational cost (AMLS)

The transformation through **Anti-Money Laundering Suite (AMLS)**

The customer teamed up with Tookitaki to harness next-generation AI based AML/CFT analytics platform to combat money laundering and terrorist financing. The transformation was a shift from rules-based systems to a nex-gen ML system to achieve higher performance, reduce the time and effort spent on investigation, improve prioritization and faster decision making.

Results with **AMLS**



Tookitaki Anti-Money Laundering Suite (AMLS)

Tookitaki AMLS is an advanced machine learning-powered end-to-end AML/CFT analytics platform designed to detect, investigate and report financial crime. It is optimized to bring efficiency gains and effectiveness to existing mature AML operations and ensures financial institutions to stay compliant, maximize efficiency and reduce risk.



Tookitaki

North America | Singapore | India
@ www.tookitaki.ai | sales@tookitaki.com





COMPANY RESEARCH PROFILE



Founded 2011
 Vancouver, Canada
www.trulioo.com
info@trulioo.com

Employees: 101-250
 Regions of operation: Global

PRODUCT NAME:

Trulioo GlobalGateway

KEY EMPLOYEES:



Stephen Ufford
Founder and Chair of the Board



Steve Munford
CEO



Zac Cohen
COO

Value Chain: **Onboarding**

Subsectors: **Onboarding Verification (AML/KYC/CDD)**

Regulation/Legislation: **KYC, AML**

OFFERING

Trulioo is a leading global RegTech company, providing real-time identity and business verification for 5 billion people and 330 million companies worldwide through a single API. Founded in 2011 by Stephen Ufford and Tanis Jorge, Trulioo is based in Vancouver, Canada with additional team members located in San Francisco and Dublin, Ireland.

The company provides bank-grade identity and business verification capabilities through its global identity verification marketplace, GlobalGateway.

PROBLEM BEING SOLVED

Trulioo's platform has enabled the company to create a ubiquitous, universal solution to combat financial crime and nefarious online activities. Trulioo is dedicated to building a framework of trust online, developing best privacy practices, mitigating risks associated with fraudulent activities and advancing financial inclusion.

With Trulioo, businesses can expand into new countries and regions, adapting to the local verification landscape with ease and scaling their AML and KYC compliance processes.

TECHNOLOGY

GlobalGateway offers:

- API integration with normalised set of data fields across all countries
- SaaS/web portal
- custom match rule configuration based on clients' risk assessment
- verification results matrix
- automated watchlists screening including sanction lists such as OFAC, UN, HMT, EU, DFAT and more
- transaction review (audits).

PRODUCT DESCRIPTION

GlobalGateway is Trulioo's marketplace of global identity data and services. Around the world, hundreds of organizations use GlobalGateway to comply with both domestic and cross-border regulatory requirements such as Anti-Money Laundering (AML) and Know Your Customer (KYC), mitigate risk, prevent fraud, reduce friction in the onboarding process, and create a layer of trust between themselves and their customers. With GlobalGateway, organizations can verify 5+ billion people, in 195+ countries, and access 400+ data sources with one solution.

GlobalGateway enables financial services companies to:

- Customize rulesets to adhere to regional, international and industry-specific compliance regulations
- Build public confidence and trust by preventing fraud and identity theft
- Reduce drop-offs with a frictionless onboarding process
- Cross-reference extensive Trulioo watchlist sources to identify high risk individuals
- Expand into new markets with ability to verify individuals in over 195 countries.

TOTAL FUNDING - +US\$70M

Trulioo is backed by leading investors and financial institutions including **Mouro Capital, Goldman Sachs, BDC Capital, Bloomberg Capital, American Express and Citi Ventures**

PARTNERSHIPS

Trulioo partners with trusted data sources, verification services and technology partners including (among others):

Refinitiv, American Express, Experian, Mitek, Acuant, IDmission, TransUnion Plus, TeleSign, CreditInfo, Equifax

TRACTION/GROWTH

Trulioo's clients include clients include major banking, payments, eCommerce and financial services providers including:



MANAGEMENT BIO

Steve Munford - President and CEO

Steve is an accomplished leader in security and enterprise software with extensive experience in leading companies through rapid growth. As a product-oriented CEO, he is deeply engaged with product vision and execution. Delivering high-quality standards has led Steve to achieve maximum impact and high growth through investment in both organic and inorganic measures.

Steve is active in the community as a board member at Covenant House, on the Development Committee at Social Venture Partners and as a member of the Science World Advisory Council.

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How Trulioo is helping financial institutions to solve their onboarding problems

The Covid-19 pandemic has shown the scale and sophistication of digital financial crime will always increase, as a result firms need a layered and holistic approach to identity verification to properly safeguard themselves, according to Trulioo COO Zac Cohen.



Online fraud continues to be a major challenge for financial institutions. Despite spending millions on safeguards, criminals still manage to find their way in. A report from Crowe claims that collectively businesses and individuals lose around \$5trn to fraud each year. The coronavirus has been a seismic shift on the world and while businesses have had to adapt their operations, so have criminals. Research from Experian claims that in the UK alone, the rate of fraud has risen by 33% during the lockdown. Financial institutions need to ensure they have strong procedures in place and ready to change to the new threats.

Trulioo was founded by Stephen Ufford and Tanis Jorge who wished to build something that would help people and enable financial inclusion. The duo are no stranger to starting a company together, having three other businesses under their belts. Ufford and Jorge launched their first

business in 1999 – online credit report platform IQuiri – and then exited it in 2003. Following this they built and sold two more subsequent businesses. In 2011, they decided to put their decade of experience in data-driven businesses into a new venture that would genuinely help people. “They wanted their fourth company to be meaningful and impactful at a global scale,” said Cohen..

During their careers they amassed a deep understanding of the data world and could see where the limitations of identity verification were. Most importantly, they could see the massive possibility of the future. The identity verification market is colossal. MarketsandMarkets estimates that the industry is currently worth around \$7.6bn and will more than double by 2025 to become a \$15.8bn market. Despite the potential size of the market, this was not why Trulioo was created, it was built to ensure everyone could have the tools to access financial services.

Cohen said, “Globally, there are an estimated 220 million children whose birth is not recorded, excluding China, where figures are sadly unknown. More than 2 billion people in this world are unbanked and unable to access financial services, primarily due to a lack of traditional identity documentation. The company's mission is to provide every citizen on the planet with a digital identity so that they can participate in today's digital society and access essential services they deserve and need.” By ensuring a financial institution can verify anyone, regardless of their location, unbanked can access financial services, overseas workers can send money home and individuals from around the world can work wherever.

Trulioo, which is headquartered in Canada, has established a global ID solution that enables

businesses of any size to onboard customers, regardless of their geography, economic status, age or gender. Its flagship product is the GlobalGateway, which is the largest identity marketplace and boasts 400 trusted global sources including mobile network operators, government sources, international watchlists and more. The tools gives individuals and businesses a holistic identity solution, that is secure, accurate and trustworthy.

Users of GlobalGateway can verify five billion people and 330 million businesses spanning 195 countries all in real-time and via a single touchpoint. Its technology can ensure clients meet both local and cross-border compliance with Anti-Money Laundering (AML) and Know Your Customer (KYC) standards, as well as mitigate risk, prevent fraud and ensure quick and convenient onboarding experiences for customers.

While the threats of online fraud are rising, consumers have become expectant of easy and quick experiences when using digital platforms. This has meant financial institutions have a difficulty in ensuring their processes are not only strong, but have little impact on customers. This is a tall order and without the help of technology solutions like Trulioo it is nearly impossible. Cohen added, "By using solutions like Trulioo that allows them to take a holistic approach to digital identity verification, they can determine their identity risks and add in whatever verification layers are needed to provide assurance and build trust in this ever-changing digital landscape."

The Trulioo platform offers a layered and holistic approach to identity verification so businesses can increase acceptance of legitimate consumers and improve detection of fraud. It is always adding new data sources and technology to not only expand its identity verification coverage and capabilities, but improve its user experience. Through this constant innovation, the platform is "future-proof" against changing regulations, use cases, business requirements and customer expectations.

Many other identity verification platforms often struggle to meet the exact needs of companies and are not prepared for the changing market. "For the most part, traditional identity solutions are single-point tools targeted at one or two use cases, such as customer onboarding," Cohen said. "They fail to answer the need for a digital identity solution fit for the 21st Century that can; support transactions that are increasing in volume and complexity, provide seamless service delivery

across all channels, meet regulatory requirements and withstand sophisticated digital attacks. The GlobalGateway was designed to simultaneously address all these challenges."

Looking to the future

As previously mentioned, the coronavirus has highlighted how online criminals are just as willing to adapt to change as companies are. Criminals have continued to increase the scale and sophistication of their misdoings and are always looking for new ways to exploit the digital economy through fraud and money laundering. This is not going to change and there will always be criminals trying to play the system. It is crucial for financial institutions to have strong processes in place, but to ensure they are always kept up-to-date and not just forgotten about.

He said, "The fraud landscape will evolve at pace and with great uncertainty and organisations that don't take a holistic approach, evaluating the risks of each new user, will struggle to increase acceptance rates for legitimate customers and accuracy levels for fraud detection during onboarding. With a combination of online identity verification, document verification, and other forms of verification, such as biometrics, businesses can ensure additional risk and fraud protection, where it is required."

The pandemic has placed a lot of pressure on many businesses, but Trulioo has been able to manage its way through the pandemic without any major disruption. It has even been able to capitalise on new opportunities in the market. Due to the world being forced to have staff work remotely and offer more of their services in a digital format, it has meant there has been an influx in companies seeking strong onboarding tools, and Trulioo is ready for them.

It is not just the because of the pandemic that Trulioo has grown. The RegTech has experienced a stellar 500% growth over the past three years, and in the last fiscal year alone, its customer base grew by 130%. Plans are to continue the momentum, with it hoping to increase the amount of products and services it offers and grow its team by 200% across Canada, Dublin and the US over the next 12 months.


Cohen concluded, "Our industry is experiencing tremendous growth and we are expanding our workforce, products, and capabilities to support a wide range of business needs and use cases across the globe." ●



-  Founded 2016
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML, GDPR**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Identification/Background checks
-  Regions of operations: Operations in the United States, presence in Australia and France with customers worldwide in various regions to include, Americas, APAC, EMENA






Vital4 is a U.S.-based women-owned fintech company that provides data to corporations to prevent bribery, corruption, terrorism, money laundering & other risks. Vital4 provides data to some of the world's largest employers, including financial institutions, insurance, healthcare, legal, real estate & more. Vital4 developed the first technology globally that uses AI & ML to identify & create profiles on high-risk individuals that financial services and other industries must flag under strict regulatory governance. Fully automating a highly manual process, Vital4 has broader coverage, lower cost, increased accuracy, and better compliance. Their data engine searches thousands of data sources from global watchlist & sanctions, adverse media & politically exposed persons. By leveraging artificial intelligence (AI) and machine learning (ML) to fully automate an otherwise tedious manual process, Vital4 can eliminate false positives by up to 100%.



-  Founded 2000
-  Employees: 51-100
-  Regulation/Legislation: **Banking: APRA EFS + all ADI reports, Basel II/III, MAS610/1003; Insurance: Solvency II; Tax: CRS, CbC, FATCA**
-  Subsectors: Regulatory Reporting, Tax Compliance, SupTech
-  Regions of operations: EMEA, APAC, Americas

Vizor Software is a global leader trusted across 30 countries in supervisory technology for Financial Regulators, regulatory reporting across Banking, Insurance, Pensions and cross-border automated exchange of information (AEOL) for Tax Authorities. Vizor has two decades of successful implementations of unique regulatory and tax reporting platforms architected and developed to provide extremely flexible and extendable solutions. Vizor's clients include central banks and prudential regulators in Australia, Canada, Saudi Arabia, Singapore, UK and others. Vizor Regulatory Reporting Solutions for Financial Institutions are rolled out in Singapore (banks) and Australia (ADI, Insurance, Superannuation). They automatically leverage the regulator's published, machine-readable data models and rules, which enables data issues to be identified and resolved in-house prior to the reporting deadline, avoiding last-minute submission failures. The solutions are available on premise or cloud and easily integrate with the existing source systems, reducing the impact of future regulatory changes.



-  Founded 2011
-  Employees: 11-50
-  Regulation/Legislation: **KYC, AML**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Risk Management, Identification/Background checks
-  Regions of operations: United Kingdom, Europe (Full Coverage), United States, Asia

W2 is committed to delivering proven, innovative, and reliable technology that makes it simple to manage and extract value from the KYC and AML supply chain through a single API. W2 gives your consumer and corporate customers a seamless digital experience, and, in addition, removes the traditional blockers of upfront fees, multiple supply contracts and usage commitments, allowing you to focus on growing your business.

W2's technology helps enables businesses to remove the complexity from compliance, aid in adhering to current and future regulatory requirements, and ensure that the ease and efficiency of the customer onboarding journey is as streamlined as possible. Not only will W2's technology help allow for a compliant onboarding process, but constant monitoring of current customers will prevent any fraudulent activity and money laundering from taking place in the business.

W2's mission is simple; Complexity should never be a barrier to business.



COMPANY RESEARCH PROFILE



PRODUCT NAMES:
IDresponseSM

Founded 2006
 Teaneck, NJ, United States
www.veratad.com
info@veratad.com
 Employees: 11-50
 Regions of operation:
United States, EU, Canada

KEY EMPLOYEES:



John E. Ahrens
Chairman & CEO

Value Chain: **Onboarding**
 Subsectors: **Onboarding Verification (AML/KYC/CDD)**
 Regulation/Legislation: **KYC, AML, GDPR**

OFFERING

Veratad Technologies, LLC is a world class provider of online/real-time Identity Verification, Age Verification, Fraud Prevention and Compliance Solutions. The company's verification solutions are designed to verify an individual's identity and/or age while protecting sensitive personal data and promoting a high level of consumer privacy. Veratad is trusted by some of the world's most well-known corporations that use its solutions to reduce the risk of fraud, comply with financial regulatory requirements, provide a safer online experience and act with a greater sense of social responsibility.

PROBLEM BEING SOLVED

The growing burden of compliance requirements and increasing costs associated with fraud are causing new challenges for financial institutions. As threat actors become more sophisticated, online financial services firms, banks, fintechs and credit unions need a way to prevent fraud before it occurs. Veratad's fraud detection and identity verification tools help organisations detect and respond to fraudulent activity before it can harm their business.

TECHNOLOGY

Veratad delivers a diverse suite of identity solutions supported by its proprietary IDresponseSM Processing Platform. The company's solutions complement organisations' fraud prevention efforts by leveraging machine learning technology and unique data from online transactions. Veratad offers flexibility by offering different implementation capabilities such as Web Based Access via REST JSON API and Batch Processing via secure FTP site.

PRODUCT DESCRIPTION

Veratad's IDresponse® suite of global verification and compliance solutions offers a powerful and innovative approach to knowing your online customers. The Veratad suite includes age verification, identity verification, knowledge-based authentication and identity document verification with biometrics. Whether deployed as stand-alone or in combination, these technologies are all designed to increase profits, reduce costs, prevent fraud and enhance KYC and AML compliance efforts. IDresponse easily delivers disparate identity services while seamlessly managing changes in rules and environments.

PARTNERSHIPS

- **CoNetrix** - Veratad offers CoNetrix's security and compliance solutions, which include the award-winning tandem Security and Compliance Software suite.
- **TruNarrative** - Available through the TruNarrative App Store, Veratad's service uses multiple trusted and verified data sources containing billions of public and non-public records to return an identity verification of North American online customers in real time.
- **GB Group** - GLOBAL VERIFICATION SOLUTIONS (other than US) are powered by GB Group.
- **StrikeForce** - Veratad's OOB AUTHENTICATION SOLUTIONS are powered by StrikeForce. StrikeForce helps to prevent online identity theft and data security breaches for consumers, corporations and government agencies.

TRACTION/GROWTH

- Veratad serves hundreds of customers and provides verification for clients worldwide, including:



Northpointe Bank



MANAGEMENT BIO

John E. Ahrens – Chairman and Chief Executive Officer

John currently serves as Veratad's Chief Executive Officer. In his role as CEO, John manages the company's strategic direction and overall operations. John's previous experience includes 20 years serving as COO of INFOLynx, a software design and consulting company serving the needs of the Ecommerce, Payment Processing and Electronic Funds Transfer Industries and to some of the nation's leading Financial Transaction Processing Companies, including PULSE EFT Association/Discover Card and The NYCE Network. John was also a founding principal of a N.J.-based insurance, risk management, brokerage and consulting firm, which was acquired by Wachovia Bank in 2002. During his 25 years of professional insurance practice, John developed expertise in the technology sector and was recognized on numerous occasions for outstanding management performance. John has served as Veratad's CEO since 2006.

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How Veratad is helping to combat the rise in fraud

The amount of money still being lost each year to fraud shows the battle is nowhere near over, but as scammers get more advanced, technology is the only way financial institutions can have a chance, according to Veratad CEO John E. Ahrens.



It is estimated that fraud costs businesses and individuals more than \$5trn each year, according to data from Crowe. The research also highlights that things are getting worse. Losses in 2018 averaged 7.15% of expenditure, a huge jump from 4.6% in 2007. Despite businesses spending millions and implementing the latest techniques, fraud is still a widespread problem.

John E. Ahrens, the CEO and Chairman of global identity and age verification RegTech Veratad said, "When it comes to fighting online fraud, I guess we can all agree that our industry has not yet found the silver bullet, and so we still very much believe in the established wisdom of a layered approach." Through this mentality, Ahrens and the team have created a RegTech platform that implements five methodologies that can each be used to ensure firms have the most secure infrastructures. These five core procedures are identity data, identity documents, biometrics, two-factor authentication and knowledge-based authentication (KBA). "When

we approach solving for fraud prevention, identity verification and/or compliance, we design for each client a customized service that includes any one or all of our methods based on a needs analysis for that client."

By employing all of these different functions, clients can implement any combination of them and ensure they have a robust identity verification process to combat fraud. Its identity data is sourced from countries around the world and includes information used for enhanced KYC and AML. The platform enables teams to capture, validate and manage any identity documents. This is then supplemented by biometrics analysis, which leverages liveness checks to compare images in the identity document against a selfie. The KBA method, such as passwords, is still a widely-used and can be a strong line of defence when used with other methods. Finally, the two-factor authentication method that Veratad calls its Smart2FASM, is a unique new service aimed at verifying identity using a combination of identity data and phone data for the onboarding of new customers.

Implementing these types of verification tools is crucial for firms, with Ahrens stating, "the entire financial services industry still faces a mountain of challenges around compliance and keeping their customers' accounts protected against bad actors. Costs of compliance are continuing to rise and as criminals get more sophisticated, tougher measures are going to be needed. "So, for that reason, robust and flexible fraud detection and identity verification tools are an essential ingredient in detecting and preventing fraudulent activity before it causes harm, and of course to that end we believe that Veratad's solutions are the best fit for that purpose."

How Veratad came to life

Sometimes when creating a product there is a flash of inspiration, but for Veratad it came after seeing the problems in the market over a number of years. Ahrens said, "We had more of a glowing ember that brightened over time, than we did a single ah-ha lightbulb moment when we formed the company in 2006." The RegTech's

journey began way back in the late 90s, when Ahrens and his partners had the opportunity to purchase a small company that was building a PC-based back-office banking and payment software suite. This was when the internet was starting to take route and a lot of opportunities were starting to become prevalent in the market.

After a successful endeavour with the business, and the team's interest in the technology world growing, they were again presented with the opportunity to buy another business. In 2005, they decided to buy the assets of a small e-commerce company that was offering an age-verification service as part of an online shopping cart. By sheer coincidence, age verification was of particular interest for Ahrens and the team, as its payments software company had been involved with a new project that required those tools.

Ahrens said, "So, it was the convergence of these two opportunities that became the genesis of what is now Veratad Technologies. And while our initial objective was to leverage the newly acquired age verification technology for a single project, I guess it was at that point that we did have what you might call the lightbulb moment when we realized there was also an opportunity to develop, more broadly, solutions that were aimed at online age and identity verification -- which, by the way, at the time was still somewhat of a novel idea."

After purchasing the second platform, the team began to build a brand-new platform from the bottom up with in-house resources. This decision was made because they wanted to have "scalability and reliability with security and privacy by design." Crucially, it also enabled Veratad to be flexible and offer its age and identity solutions in that single API format that lets teams use individual services, or any combination of services, in tandem or escalated.

When Veratad first launched, it initially focused on validating personal age and identity information. Clients could use the service to confirm the identity of consumers based on their name, address, date of birth and other pieces of personal information, and comparing that with trusted and verified non-public data sources Veratad used. Over time and thanks to the growth of the platform, the RegTech has expanded its offering to include a suite of KYC, AML, fraud prevention and compliance tools.

Veratad's global verification solutions enable all businesses, regardless of their size, implement identity and verification tools that suit their needs. The API approach lets firms use the specific services they want and not only meet compliance, but combat fraud effectively. However, it is not the technology that Ahrens sees as the company's main differentiator, it's the team.

Ahrens said, "While Veratad is always innovating to differentiate, the big differentiator for me is our 15 years of experience in this industry. We know there is a certain commoditization of verification services that has materialized in the past few years as the result of the many new "me too" identity verification providers entering the market. But Veratad offers the experience and expertise earned over a long period of time alongside our suite of services, which we believe is really valuable when we are compared with our competitors."

What is next for Veratad

The coronavirus has been tough on a lot of businesses. To ensure survival, a lot of financial institutions and financial services companies have been forced to rapidly increase their digitalisation strategies. As a result, Veratad has seen a significant rise in revenues. However, Ahrens stated that it is not all positive, as the number of fraudulent attacks clients are witnessing have risen. This has meant the team has been working hard to ensure their clients can stay safe from mounting threats.

Veratad's growth is currently very focused on the financial services space and it is continuing to seek new business opportunities and partnerships in the industry. While financial services will remain a major part of the company's development, it is also exploring new verticals. These include the online healthcare and education spaces, where Ahrens believes there is a big opportunity.

He said, "It's critical for an online service managing your medical records to be sure that the patient having access to those records is who they say they are. This is especially true with the digitization of healthcare records as mandated for example in the U.S. by the Affordable Care Act (ACA) to assure the record is properly associated with the right patient. The association of the patient with that record is not only a best practice, but also vital for compliance with the Healthcare Portability and Accountability Act (HIPAA) requirements. So, generally speaking, our solutions can be used in this vertical for compliance, to prevent fraud or an improper association of a patient with a record." Similarly, in online education, schools need to ensure they have the right students for compliance processes and ensuring everyone is matched with the correct student record.

Another new vertical Veratad is interested in supporting at the moment is online child privacy. The company is part of an FTC Safe Harbor for Children's Online Privacy Protection Act (COPPA) compliance, where it provides verifiable parental consent for clients that onboard children under the age of 13. He said, "This vertical until now has been aimed mostly in the U.S., but with the advent of GDPR, we see a similar opportunity for expansion in the EU along with our international capabilities." ●



Founded 2016



Employees: 11-50

Regulation/Legislation: **MiFID II, PSD2, Basel III, AIFMD, Solvency II, KYC, AML, GDPR, SFTR, Basel III, EMIR**

Subsectors: Compliance Management, Regulatory Intelligence

Regions of operations: United Kingdom, Europe, United States, Asia, Middle East

Waymark Tech is an award-winning NLP RegTech firm that is being used in both the public and private sectors to understand regulatory and legal texts. Their product, Wayfinder, is a SaaS platform comprising of 3 modules - Horizon Scanner, Obligations Extractor, and Workflow. Using language recognition technology developed with the help of GCHQ, Waymark's platform automates the first mile of the regulatory change journey, allowing firms to quickly identify and track specific regulatory obligations and then use Waymark's advanced horizon scanning to identify events and changes that affect those obligations and bring this to the attention of the right people.



Wolters Kluwer



Founded 1836



Employees: 10,000+

Regulation/Legislation: **General Regulatory Change for Financial Services**

Subsectors: Risk Management, Compliance Management



Regions of operations: Global with presence in over 40 countries

Governance, Risk & Compliance (GRC) is a division of Wolters Kluwer, which provides financial services professionals with solutions to ensure compliance with everchanging regulatory and legal obligations, manage risk, increase efficiency, and produce better business outcomes. GRC offers a portfolio of technology-enabled expert services and solutions focused on regulatory compliance, risk management and legal operations management. The OneSumX suite of regulatory compliance solutions provides financial institutions with unparalleled capabilities to analyze, interpret and address their ever-changing global regulatory reporting and compliance obligations.



Founded 1997



Employees: 51-100

Regulation/Legislation: **SM&CR, DISP, TC & MiFID II Competence Requirements**






Subsectors: Risk Management, Complaints Management, Quality Assurance, People Management Regulation, Corporate Governance



Regions of operations: United Kingdom, with software used globally by UK firms who have overseas operations

Worksmart is based in Milton Keynes and has been trading since 1997. During that time, Worksmart has grown from being a single product supplier to providing a suite of solutions that manage people-based regulatory processes. Worksmart have built their reputation by supporting the UK's leading financial service businesses through the challenges of regulatory compliance. From Training & Competence to Quality Assurance, SM&CR to Complaints Management the company enables smarter business responses. Worksmart's solutions are multi-award winning, and the company's deep domain and regulatory knowledge have enabled them to become partners with many of the sector's trade associations. As a result, they have built an enviable client base with many of the UK's leading financial services companies who use one or several of their solutions.



-  Founded 2015
-  Employees: 101-250
-  Regulation/Legislation: **KYC, GDPR, FCA SYSC**
-  Subsectors: Onboarding Verification (AML/KYC/CDD), Cybersecurity/Information Security, Compliance Management, Data Leak Prevention, User Awareness
-  Regions of operations: The Netherlands, United Kingdom, Germany, Belgium

Ziiver delivers the comfort of safe communications for thousands of organisations using email, file transfer and video conferencing through their secure communications platform. Ziiver customers meet compliance with data and privacy legislation when their employees send digital communications. This includes privacy-sensitive personal and banking information sent to clients, KYC communications, PII, or confidential M&A information. Typically security applications don't get used because they are too complex. Ziivers' radical useability and unintrusive approach means users enjoy using Ziiver for authentication and encryption, before, during and after a communication takes place. The platform prevents human error, the cause of over 75% of data leaks in the financial sector (source: ICO). With offices in London and Amsterdam, Ziiver is the solution of choice for securing communication at over 4,000 organizations including Banks, Insurers, Accountancies and Financial Advisors. In 2020 Gartner named Ziiver as a Global Representative Vendor for Email Data Protection.



ABOUT US

This summary was produced by RegTech Analyst.

The RegTech Analyst platform offers business intelligence on the RegTech, risk management tech and cybersecurity sectors. RegTech Analyst is the pre-eminent provider of data, research and analysis on the global RegTech market. We cover every trend, every investment and profile every company that provides a technology solution for compliance, risk management or cybersecurity. We deliver essential intelligence for mission-critical business decisions.

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ABOUT US

FinTech Global is a specialist data and research provider. FinTech Global offers the most comprehensive data, the most valuable insights and the most powerful analytical tools available for the global FinTech industry.

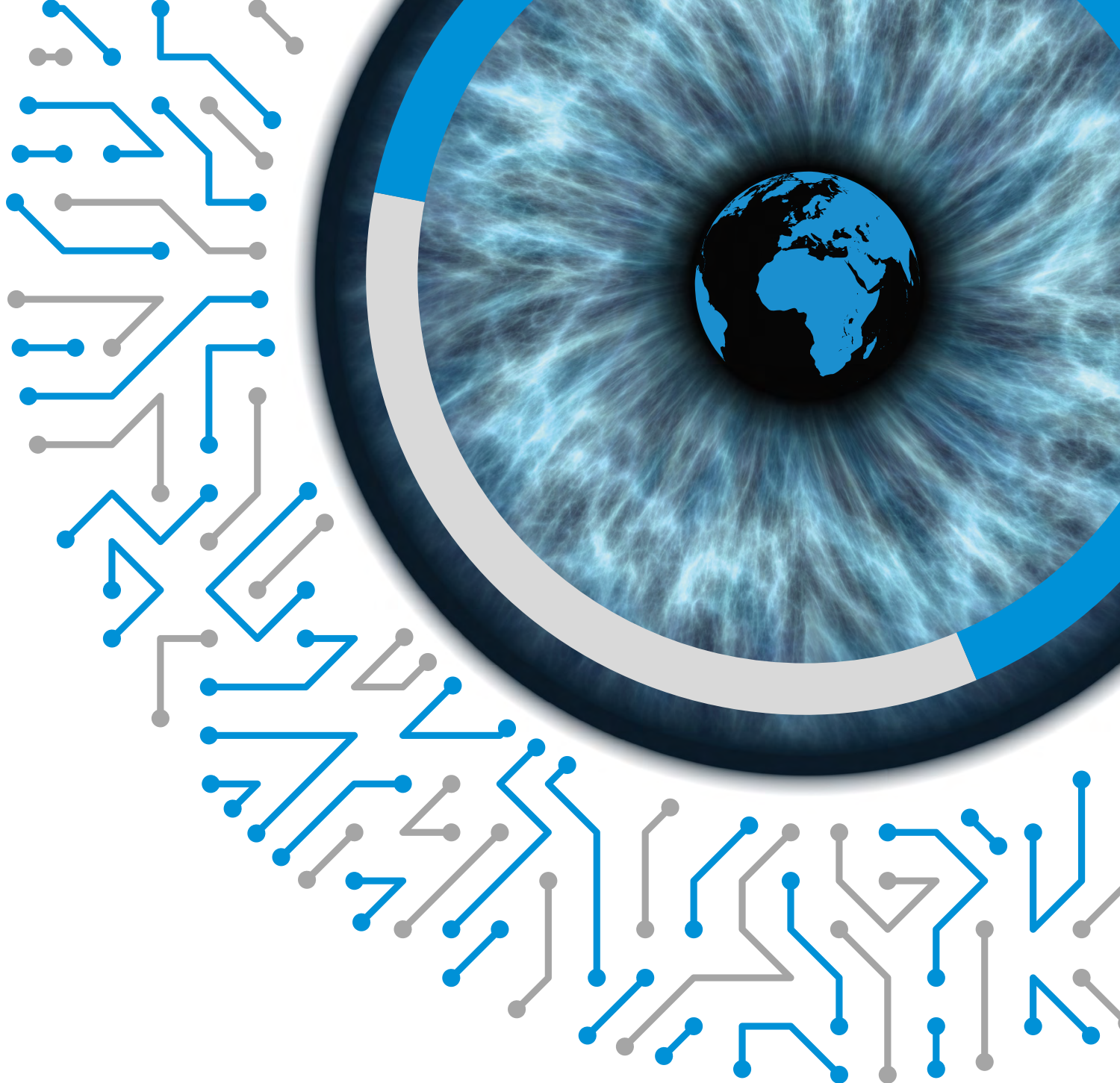
We work with market leaders in the FinTech industry – investors, advisors, innovative companies and financial institutions – and enable them to get the essential intelligence they need to make superior business decisions.

We cover every industry development, every investment, every exit and profile of every company in every FinTech sector around the world.

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