payall

COMPLIANCE & RISK AUTOMATION

XB Precision KYT™

Stop potentially fraudulent payments before they're processed.

Mitigate AML/CFT risk and stop unlawful or inappropriate payments— for unsurpassed cross-border payment compliance and safety.

XB Precision KYT™ makes cross-border payments safe, with first-ever capabilities and tools for comprehensive automation of risk management rules, compliance requirements and SOPs.

In addition, XB Precision KYT™ reduces human error and payment execution times by eliminating the previously unavoidable back and forth between OIs and CIs and gives certainty and a better user experience to all participants—including senders and recipients.

By applying both the OI's and CI's rule sets before payments are executed, XB Precision KYT™ enables full visibility into the progress of payments and delivers instant, on-demand access to payment-level detail to satisfy information requests from customers, auditors and regulators.

Your customers and regulators will be impressed!

Payall Takes the 'High Risk' Out of Cross-Border Payments

Regulators worldwide are legitimately concerned about the participation of FIs in cross-border payments, which they perceive as "high risk." And, they've actively encouraged many FIs to derisk their balance sheets by exiting their roles as OIs and/or CIs.

Payall has honed in on regulators' concerns and pioneered enterprise infrastructure that comprehensively automates the inefficient and error-prone manual processes that keep regulators awake at night.

Our fully configurable rule set enables OIs and CIs to harmonize risk, compliance and SOPs to automate the entire KYT process, preventing execution of any payment that doesn't receive a positive response to all these inquiries (and more):

- Is the payer eligible to make this payment?
- Is the reason for payment supported by the institutions' policies?
- Does the payment conform to the OI's and CI's requirements?
- Is the recipient eligible to receive this payment?
- Does the collected documentation support the legitimacy of the payment?

Learn More about Payall Products

XB Qualifying and Boarding:
Simplify and intelligently automate the qualifying and boarding process.

XB Perpetual KYC™:
Replace trust with data.

XB Click for KYCC™:
"See-through" for comprehensive and transparent identify verification.

And, check us out on www.payall.com.

⚠ Why You Need XB Precision KYT™

Whether you're operating as an OI or CI (or hope to be), before handling a single cross-border payment, your regulator requires review and approval of your risk management and compliance SOPs.

While creating approval-worthy SOPs is straightforward, carrying them out isn't. Most must be handled manually because your core/digital bank or compliance platform doesn't have the capacity to execute them systemically. And, in addition to being error-prone, manual handling is costly, time consuming and often results in a bad UX.

Regulatory exams and audits that require the underlying documentation of randomly selected payments underscore the additional, and perhaps most significant, liabilities of manual processing:

- How will your regulator/ auditor perceive your lack of compliance with your SOPs? What will you do if you're cited for noncompliance or fined?
- What if that documentation is incomplete or scattered throughout your organization? Or what if it can't be found at all?
- How much time and effort does it take to work with your OI/CI partner to recreate those payments?

With XB Precision KYT™, OIs' and CIs' full KYT requirements are executed automatically against 100% of payments before processing. This contrasts to the status quo, which typically applies KYT to fewer than 1% of payments and only post-execution—when the money is already out the door!

And, all XB Precision KYT™ documentation is stored digitally for easy and instant access, eliminating SOP compliance issues and enhancing your relationships with regulators and auditors.

XB Precision KYT™, ensures—for the first time ever—that OIs and CIs truly "know their transaction."

Payall has your back!

How XB Precision KYT™ Works

Transaction-Level Rules Configuration	Transaction-Level Compliance	KYT Overview
WHAT HAPPENS		
OIs and CIs configure their custom rule sets—including their compliance/risk management requirements, SOPs, etc.—for payment execution.	XB Precision KYT™ screens payments against the configured rules of both institutions.	The institutions use the Payall Back-Office Portal
HOW IT WORKS		
Payall provides OIs and CIs with a UI to customize and select the rules they want enforced and executed for their payments. Payall's fully customizable rules database flows directly into our payments engine to enforce the rules selected by the OI/CI.	Payall screens all payments against the institutions' custom-configured rule sets. If a payment doesn't comply with the rule sets, Payall automatically generates an alert. These flagged payments move automatically to enhanced due diligence procedures or are returned to the appropriate institution for manual review and decisioning.	Payall digitally stores all detail pertaining to each payment (completed or not) and enables the institutions to "see-through" to the complete supporting data, documents and artifacts via the Payall Back-Office Portal. Payment data is available in real time or anytime for tracking, downloading or sharing with auditors, regulators or other appropriate parties.

Sample Use Cases: How You'll Use XB Precision KYT™

These are typical examples of how you might employ XB Precision KYT™. But, the flexibility of our platform means many more applications are possible.

ORIGINATING INSTITUTION USE CASES

1. Automate KYT functions, eliminating costly, inefficient and error-prone manual KYT processes and back-and-forth with CIs.
2. Deliver a better cross-border product (including boarding and business process automation) to foreign bank customers in the form of "Cross-Border Payments-as-a-Service."
3. Reduce internal cross-border payment costs.
4. Address compliance exam insufficiencies, including noncompliance with your own regulator-approved SOPs.

CLEARING INSTITUTION USE CASES

1. Ensure 100% of your KYT rules and requirements are systemically applied pre-transaction.
2. Eliminate dependence on OIs—whether you're supporting 10 or 500—manually executing your rules and trusting they've done so.
3. Verify that OIs have conducted complete and thorough KYT, including rules and appropriate sanctions checks you require to apply for a transaction.
4. Automate KYT functions, eliminating costly, inefficient and error-prone manual KYT processes and back and forth with OIs.
5. View the rules of your OIs globally.
6. Reduce internal cross-border payment costs.
7. Address compliance exam insufficiencies, including noncompliance with your own regulator-approved SOPs.
8. Easily and digitally access (on demand) full supporting documentation on every payment you clear—for audits, exams or other inquiries.

PAYMENT CHANNEL, CENTRAL BANK, REGULATOR USE CASES

1. Easily confirm that OIs and CI's KYT SOPs have been executed in accordance with their approved plans.
2. Eliminate the time and boredom of comparing manual SOPs to actual execution.
3. Streamline audits and exams.
4. Instantly retrieve supporting documentation for payments to be examined.

Contact us at sales@payallps.com to explore additional use cases.

How XB Precision KYT™ Solves Major Cross-Border Payment Pain Points

EXAMPLE 1   Pain Point:

Establishing Documentation (i.e., Data, Documents and Artifacts) to Satisfy Compliance Requirements of OIs and CIs: Institutions' documentation requirements for cross-border payments typically vary—often substantially—and may change over time. These reasons—combined with human error or oversight—create situations where it's inevitable that OIs fail to meet all the documentation requirements of their clearing partners. When CIs receive a payment request unaccompanied by the full documentation they require, they must either contact the OI to obtain the additional documentation (adding time and friction to the process, particularly when multiple time zones and languages are involved) or rely on "trust" that OIs can collect post-transaction any missing information if needed.(See below.)

- **PAYALL SOLUTION:**

Systematic Configuration/Execution of KYT Rules:
OIs and CIs customize their own payment rules and requirements, which are known and visible to the other party. When a customer initiates a payment, Payall instantly and automatically presents the customer with the full documentary requirements of the OIs and CIs, eliminating the need to revert to the customer manually—often multiple times. It also eliminates the manual back and forth between the institutions and the need for CIs to "trust" that their originating partners have fully executed their due diligence roles. All documentation is collected and KYT is conducted before payments are executed, and no payment proceeds unless the requirements of both institutions (and the PC, if appropriate) are met.

EXAMPLE 2   Pain Point:

Payments Processed Based on "Trust": With little to no real-time information sharing or access, CIs often process payments assuming OIs have fully completed full due diligence on payments (including collecting required documentation and executing required checks, such as OFAC and PEP). When audited or undergoing regulatory exams, CIs must request OIs to produce documentation in support of specific transactions. If OIs can't produce the documentation or it doesn't meet its SOP, legal or regulatory requirements (e.g., due to human error, regulatory inconsistencies or differing risk appetites of the institutions), CIs can be cited (and, potentially, fined) for compliance deficiencies.

- **PAYALL SOLUTION:**

Replace "Trust" with Data:
Because Payall fully automates KYT end to end, incorporating the requirements of OIs and CIs, and provides full transparency to collected documentation, CIs no longer must "just assume" that OIs have fulfilled their responsibilities. They can verify compliance in real time or anytime.

Moreover, through Payall's solution, all regulated participants that are a party to a transaction have access to the documentation required to perform that transaction and review that documentation at any time to make sure the transaction can go through.

EXAMPLE 3   Pain Point:

Unreported Declines When Payments Don't Pass CIs' Requirements: After OIs pass payments to CIs, they're often unaware of the payment status or receive only limited information regarding CI declines. Uncovering all the details typically requires significant manual effort by the OI, adding time and cost to payment processing and creating an all-round poor UX.

- **PAYALL SOLUTION:**

Transparency throughout the Payment Process:
OIs use intuitive Payall tools to track and monitor the progress of every payment, so they know when payments are executed or why they're not executed—creating a significantly better UX and eliminating manual interactions with the CI to investigate payment status.

EXAMPLE 4   Pain Point:

Collecting, Storing and Retrieving Documentation: Traditionally, collecting required documentation has been an inexact process with OIs frequently needing to revert to customers several times before all requirements are met, and customers providing documentation in various formats. In addition, core and digital bank/compliance platforms don't accommodate digital storage of documentation, so document storage is ill-defined and frequently paper-based and decentralized, making retrieval a difficult, often futile, process. This can create serious difficulties during audits/regulatory exams, where randomly selected payments must be supported with documentation.

- **PAYALL SOLUTION:**

Digital Documentation Collection, Storage and Retrieval:
All supporting payment documentation is collected digitally from customers and stored safely on the Payall platform for retrieval in real time or anytime—without manual intervention—to satisfy customer inquiries, audits and regulatory reviews.

Abbreviations we commonly use: account-to-account (A2A), anti-money laundering (AML), business-to-business (B2B), counter-terrorist financing (CTF), clearing institution (CI), cross-border payment (XBP), electronic identity verification (eIDV), financial institution (FI), know your customer (KYC), know your customers' customers (KYCC), know your transaction (KYT), office of foreign assets control (OFAC), originating institution (OI), payment channel (PC), person-to-person (P2P), personally identifiable information (PII), politically exposed persons (PEP), regulated entity (RE), standard operating procedure (SOP), terms and conditions (Ts & Cs), user experience (UX), user interface (UI).

Features and Benefits

REAL-TIME AUTOMATION OF SOPs, RISK MANAGEMENT AND COMPLIANCE

Description

Payall executes 100% of XB Precision KYT™ rules—including the OI's, CI's and PC's (if applicable) SOPs, risk management and compliance requirements—on 100% of payments—before they're executed.

Any payment that breaks the limits is rejected or flagged for an additional approval process, so only payments that meet the full requirements of OIs, CIs and PCs (if applicable) are processed.

Benefits

- Reduce the time, cost and errors associated with applying KYT manually post-transaction.
- Eliminate manual interaction between OIs and CIs seeking missing documentation.
- Mitigate potentially fraudulent payments—because they're stopped before they enter the system.

- Replace trust with data: Both the OI's and CI's custom KYT rules are applied to every payment, so CIs are no longer dependent on foreign institution due diligence.

- Eliminate noncompliance with your regulator-approved SOPs, avoiding uncomfortable conversations, regulatory exceptions and, possibly, fines and orders to exit the cross-border payment business.

CROSS-BORDER PAYMENTS AS A SERVICE (FOR OIs)

Description

Payall software and tools becomes your software and tools, which you can white label and provide to your foreign bank partners to automate their boarding and business processes—making their business better.

Benefits

- Reduce the compliance burden on your foreign bank customers through automation and comprehensive, real-time access to supporting documentation for their exams, audits and customer inquiries.

- Become a more valuable OI partner to your foreign bank customers.
- Attract new foreign bank business.

- Add greater stickiness to your foreign bank relationships because you deliver capabilities that far exceed what other OIs—even the largest—offer.

REAL-TIME COLLECTION OF DATA, DOCUMENTS AND ARTIFACTS TO SUBSTANTIATE PAYMENTS

Description

Payall digitally collects and stores data, documents and artifacts associated with every payment. Full documentation is available on demand anytime to the parties to the payment, including before payments are executed.

Optionally, institutions may request additional documents during compliance review—i.e., when a payment is routed for a back-office user's manual review.

Benefits

- Get control over your payment documentation: All documentation is stored digitally in a single location, avoiding in-house storage—often involving documents in multiple formats (including paper), distributed throughout your organization.

- Put 100% of supporting documents at your fingertips for instant retrieval—in real time or anytime, eliminating the time and expense of the manual back and forth between OIs and CIs to collect full required documentation.

- Make audits and regulatory exams a breeze with on-demand documentation retrieval, downloadable in convenient formats.

TRANSACTION-LEVEL COMPLIANCE

Description

Before payment execution, Payall screens every payment against the OI's, CI's and PC's (if applicable) custom-configured rule sets, including risk, compliance and SOPs. If a payment doesn't comply with all rule sets, Payall automatically generates an alert.

These flagged payments move automatically to enhanced due diligence procedures or are returned to the appropriate institution for manual review and decisioning.

Benefits

- Eliminate regulator concern over your participation in cross-border payments based on screening every payment before execution vs. status quo operations that typically screen fewer than 1% of payments post-execution.

- Stop potentially fraudulent payments from entering the system.

- Eliminate the time, cost and errors of manually applying KYT requirements post-transaction.

FULLY CONFIGURABLE MODEL

Description

Fully configure your rules to meet your own custom requirements, including compliance, risk and SOPs.

Benefits

- Achieve 100% automation of your existing SOPs: Leave no gap between your regulator-approved SOPs and your actual operation.

- Control the payments you handle: Ensure they're compliant with the laws and regulations applicable to your institution.

- Get the advantage of flexibility: You can change your rule set anytime to meet your needs or new requirements.

Abbreviations we commonly use: account-to-account **(A2A)**, *anti-money laundering* **(AML)**, *business-to-business* **(B2B)**, *counter-terrorist financing* **(CTF)**, *clearing institution* **(CI)**, *cross-border payment* **(XBP)**, *electronic identity verification* **(eIDV)**, *financial institution* **(FI)**, *know your customer* **(KYC)**, *know your customers' customers* **(KYCC)**, *know your transaction* **(KYT)**, *office of foreign assets control* **(OFAC)**, *originating institution* **(OI)**, *payment channel* **(PC)**, *person-to-person* **(P2P)**, *personally identifiable information* **(PII)** , *politically exposed persons* **(PEP)**, *regulated entity* **(RE)**, *standard operating procedure* **(SOP)**, *terms and conditions* **(Ts & Cs)**, *user experience* **(UX)**, *user interface* **(UI)**.