

COMPLIANCE & RISK AUTOMATION

# XB Perpetual KYC™

Replace trust with data.

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

**XB Perpetual KYC™ is applied to the qualifying/boarding process to vet every new customer (i.e., disburser, payer or sender) and, optionally, recipients. Fully configurable, it can materially reduce cross-border payment risk for many types of FIs, business models and use cases through automated digital collection, verification and storage of customer data, documents and artifacts (documentation).**

**We call our approach to KYC “perpetual” because we apply KYC screening pre-execution every time your customer makes a payment—not just at boarding and randomly thereafter, which is how most KYC programs work.**

**If you’re concerned about gaps in your KYC coverage, Payall is your essential partner to harden your current operation or provide a new comprehensive solution.**

## Payall Ensures You Know Who Your Customers Are—Perpetually

Historically, KYC has been conducted by OIs. And CIs—which haven’t had real-time access to specific customer documentation—have had to trust that their OI partners were accurately and completely executing their KYC responsibilities, a task made incredibly complex because of the highly manual nature of the process.

Through end-to-end automation, XB Perpetual KYC™ makes it fast and easy for OIs to conduct comprehensive and reliable KYC on customers and, optionally, recipients. And, it ends CIs’ reliance on OIs by automatically applying their own custom KYC policies (in addition to those of the OIs) to customers/recipients, eliminating the risk that OIs can override or ignore what CIs need. This creates confidence that customers and recipients are who they say they are—even when individuals or businesses aren’t visible through the CIs’ core/digital bank or compliance platforms.

In addition, OIs’ and CIs’ custom KYC rules and other checks—such as OFAC and global watchlist verifications—are integrated into their XB Perpetual KYC™ profiles and applied to every cross-border payment from the OI to a recipient through the CI. For full transparency, collected documentation is visible to OIs and CIs (and other regulated entities that are party to payments) in real time for immediate review or future audits, regulatory exams or inquiries.

### Learn More about Payall Products

#### **XB Qualifying and Boarding:**

Simplify and intelligently automate the qualifying and boarding process.

#### **XB Precision KYT™:**

Stop potentially fraudulent payments before they’re processed.

#### **XB Click for KYCC™:**

"See-through" for comprehensive and transparent identify verification.

And, check us out on [www.payall.com](http://www.payall.com).



## Why You Need XB Perpetual KYC™

Think about KYC from your customers’ perspective. Despite your best intentions, it’s a nightmare!

You ask them to provide their KYC details. Then, possibly, ask for additional details—hours or days later—and, perhaps, again if your CI has additional requests. After this, customers have no idea if their KYC submissions are complete. In fact, they may only discover the need for yet more details when they call your back office to inquire why recipients haven’t been paid.

The back and forth isn’t only frustrating for customers, it delays their payments. And, these delays can have real-world consequences, such as business customers missing important vendor payments—causing financial penalties, loss of business, shipping delays and other negative outcomes. Also, vulnerable recipients may not receive badly needed funds.

But, poor UX isn’t your fault. Your core/digital bank and compliance platforms were never intended to handle the intricacies of cross-border payments. And, manual handling simply can’t compensate. The environment—including regulatory compliance, execution of regulator-approved SOPs and risk management—is just too complex.

And, this is why you need XB Perpetual KYC™: We automate KYC end to end, creating a positive UX for your customers/recipients and eliminating the manual intensity of cross-border payments.

When customers initiate a payment, they’re immediately served—without manual intervention—a comprehensive list of required KYC information. Once they respond digitally using the Payall Back-Office Portal, they receive an automated message, indicating their submission is complete. And, in addition to optionally choosing the form factor to deliver recipient funds, they also can choose to be notified when recipients’ funds are available. Recipients can be notified, too.

For you, all KYC-related processes are automated, ensuring they’re applied at customer boarding and whenever customers make payments. And, all KYC information is collected digitally and available on demand—whenever you need it for audits, exams or inquiries.

**Payall has your back!**

## How XB Perpetual KYC™ Works

Onboarding Screening	Verification	Data Collection	Perpetual Screening
<b>WHAT HAPPENS</b>			
Payall conducts global watchlist screening.	Payall automatically scans global databases to identify and verify customers. For customers that are also businesses, we also check all UBOs, officers and directors.	When a payment is initiated, Payall digitally captures all necessary data, such as personal identification info, artifacts, invoices, etc., to substantiate the legitimacy of the payment before processing.	Watchlist screening and verification is conducted on customers and, optionally, recipients every time they initiate/receive a payment.
<b>HOW IT WORKS</b>			
Payall preemptively screens sanctions lists, PEP and adverse media to ensure the OIs' and CIs' customer bases have the lowest risk of fraud, money laundering, corruption, financial crime and terrorist financing.	At a minimum, Payall verifies the following: <ul style="list-style-type: none"> <li>IDs: Digitally verify all collected documents, including business licenses, financial statements, and government-issued ID numbers from persons using industry-standard third parties.</li> <li>Liveness check service: Conduct facial comparison of a live photo/video and the image extracted from the ID document.</li> </ul>	Payall stores all collected KYC documentation, as requested by the OI (at a minimum). All documentation is stored in our global shared database, enabling institutions to view/download anytime.	At the time of payment, Payall preemptively checks legal entities and individuals against sanctions lists, PEP and adverse media.

## Sample Use Cases: How You'll Use XB Perpetual KYC™

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

### ORIGINATING INSTITUTION USE CASES

1. Digitally screen businesses, fintechs, individuals and others, including recipients—at enrollment and every time they initiate/receive a payment.
2. Ensure KYC rules and requirements, including those of the CI and PC (when appropriate), are applied systemically pre-transaction every time a customer/recipient uses your services.
3. Easily and digitally store and access (on demand) full KYC supporting documentation on every customer/recipient—for audits, exams or other inquiries.
4. Automate KYC functions, eliminating costly, inefficient and error-prone manual KYC processes and, potentially, back and forth with CIs.
5. Address compliance exam insufficiencies, including noncompliance with your own regulator-approved SOPs.
6. Prepare for a future in which regulatory requirements include KYC on all recipients.
7. Reduce internal cross-border payment costs.
8. Conduct KYC on "foreign recipients" (i.e., recipients who are not customers) in jurisdictions where OIs are responsible for this function.
9. Overcome the limitations of your core/digital bank and/or compliance platform in handling functionality required for cross-border payments.

### Flexible KYC Options from Payall

Once we've conducted KYC screening on your customer, you choose how to handle the data:

1. Share it with you directly and you handle data verification/validation.
2. Provide the data to our world-class partners to conduct eIDV, sanctions checks, etc.
3. Provide the data to third-party vendors of your choice to conduct eIDV, sanctions checks, etc.

Then, you decide which elements of KYC you want rerun "perpetually." And, if you need or want to run KYC on recipients (who are likely not your customers and, therefore, not "visible" to you), we'll handle that, too—consistent with your requirements and those of your regulator. We can even apply different rules for recipients based on their payout channel (e.g., bank transfer, cash pickup, mobile money, digital accounts, etc.).

### CENTRAL BANK, DOMESTIC PAYMENT NETWORK (AND OTHER) USE CASES

1. Confirm—with confidence based on easily retrievable, comprehensive documentation—that cross-border payment customers and recipients are who they say they are.
2. Qualify ecosystem participants.
3. Verify sanctions checks performed and the results.
4. Easily confirm whether regulated entities comply with their SOPs.

Contact us at [sales@payallps.com](mailto:sales@payallps.com) to explore additional use cases.

## Features and Benefits

### END-TO-END KYC AUTOMATION

#### Description

Comprehensive, systemic automation of KYC compliance, risk management and SOP requirements.

1. 100% of customers are screened—at boarding and “perpetually,” whenever they initiate a payment.
2. Screening requirements of the OI, CI and PC (if appropriate) are automatically applied.
3. Screening is completed before payment execution.

KYC on recipients is optional.

#### Benefits

- Eliminate noncompliance with your regulator-approved SOPs, avoiding uncomfortable conversations, regulatory exceptions and, possibly, fines and orders to exit the cross-border payment business.
- Reduce fraudulent businesses/individuals able to initiate payments.
- Reduce the time, cost and errors associated with applying KYC manually.
- Eliminate manual interaction when CIs (and others) request KYC clarifying information/ additional documentation.
- Reduce recipients potentially using payments for money laundering, terrorist financing or other criminal activities.
- Have confidence your KYC screening is comprehensive and accurate.

### SEE-THROUGH

#### Description

100% visibility into the documentation of all business payees—including entity ownership, source of funds and commercial activities.

#### Benefits

- Quickly and easily share KYC documentation, including sanctions checks performed and results, with appropriate parties, including regulators.
- Replace unverified trust with confirmed data to easily facilitate regulatory exams and audits.
- Be assured your customers (and their recipients) are who they say they are.
- Authenticate payment legitimacy, ending reliance on “foreign banks” KYC processes.

### AUTOMATED KYC REQUIREMENT COMMUNICATION WITH CUSTOMERS (AND, OPTIONALLY, RECIPIENTS)

#### Description

Upon boarding or payment initiation, the Payall platform informs the customer of the documentation required by the OI, CI and PC (if appropriate). The documentation is captured digitally via the Payall platform. Customers may not proceed until all documentation is provided.

#### Benefits

- Eliminate manual interaction with customers, saving time and cost.
- Eliminate interaction with CIs requesting additional information to meet their KYC needs.
- Create a positive UX by ensuring customers are informed of all KYC requirement in one pass.
- Minimize KYC-related delays in payment execution.

### AUTOMATED DIGITAL DATA COLLECTION AND STORAGE

#### Description

Payall digitally collects and stores full documentation associated with every KYC screening on the Payall platform and makes it available on demand through the Payall Back-Office tool.

#### 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.

## Future Features

Planned future enhancements to XB Perpetual KYC™ include the capability to:

- Include selfie videos (stored, translated and transcribed) as part identity verification process for an extra level of KYC assurance.
- Integrate GEO location data into the KYC process to confirm that customers are where they say they're located.
- Verify businesses through public data sources.

## How Payall Solves the Pain Points of KYC

### EXAMPLE 1 Pain Point:

#### Time, Cost and Compliance Risk:

For OIs, conducting KYC (and related anti-money laundering) processes, requires significant staff to perform repetitive, manual tasks that are highly susceptible to human error. And, typically, CIs can't view or verify OIs' KYC activities or results *before* a payment is executed, leaving them in a vulnerable compliance position.

#### • PAYALL SOLUTION:

XB Perpetual KYC™ automatically and systemically establishes the identity of cross-border customers (and, optionally, recipients) and verifies the economic legitimacy of every payment. In seconds, our purpose-built rules engine identifies and conducts all mandatory data checks and validations and provides the results to the OI for decisioning before cross-border payments are executed. This eliminates the repetitive, error-prone manual tasks that misuse institutions' time, funds and resources; promotes confident compliance; and drastically reduces fraud by removing bad actors.

### EXAMPLE 2 Pain Point:

#### Operational Risk of SOP Noncompliance:

Failing to fully and accurately comply with institutions' own SOPs that have been submitted to regulators is a major red flag. Largely attributable to the susceptibility of manual compliance tasks to human error and differing interpretations by employees, this failure is a significant reason regulators encourage institutions to "derisk" by exiting cross-border payments.

#### • PAYALL SOLUTION:

Payall's purpose-built rules engine derisks SOP compliance through systemic, automated execution of the procedures established by both OIs and CIs—before a payment is processed. We do this from end to end with proprietary innovation to the backbone of cross-border payments, using automation to eliminate the operational risk of SOP noncompliance and mitigating the pressure to derisk by exiting.

### EXAMPLE 3 Pain Point:

#### Documentation Hassles and Lack of Transparency:

Collecting, verifying and storing customer documentation for subsequent retrieval is disjointed, time consuming and often incomplete—adding time and cost to cross-border payments and inviting audit/regulatory exam exceptions because of inadequate or un retrievable documentation. In addition, the collected documentation lacks transparency, i.e., it isn't visible to CIs and other regulated entities that may have a legitimate reason to view such documentation.

#### • PAYALL SOLUTION:

Payall improves every part of the documentation collection, verification and storage process, ensuring every payment meets the documentary requirements of OIs, CIs and PCs (if appropriate). Upon initiating payments, customers know immediately—via the Payall platform—of the documentation required by the institutions. (This contrasts with customers learning hours, days or weeks later that their cross-border payments haven't been processed pending receipt of additional documentation.) All supporting documentation is digitally collected and stored as a permanent, comprehensive "see-through" record for audits and examinations—retrievable in real time and anytime from the Payall platform via desktop—solving the hassle of documentation and lack of transparency.

## Reimagine cross-border payments with Payall.

#### ABOUT PAYALL:

Payall is the first-ever cross-border payments infrastructure for financial institutions and other industry participants worldwide. We deliver purpose-built infrastructure eliminating the pain points of cross-border payments for financial institutions offering international money transfers and those clearing cross-border payments. With Payall, any financial institution can offer customers fast, safe global transfer capabilities without the costs and hassles of correspondent banks.

### Interested?

Contact us at:

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