

The Importance of **KYB IN FINTECH**



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Financial technology (Fintech) companies are quickly becoming a key cog in the global supply chain.

ONE OUT OF FOUR COMPANIES ARE NOW USING SOME FORM OF FINTECH IN THEIR SUPPLY CHAINS, ACCORDING TO A REPORT FROM CGN GLOBAL.

Fintechs allow both the buyer and supplier to exchange money quickly and securely, leading to greater liquidity for the supplier and faster payments to the seller.

But adding Fintech firms to global supply chains increases risks to the Fintech company involved in the chain. That's because they now need to trust both sides of the transaction; they're legally required to, under the 2nd Payment Services Directive (PSD2). They have to know the history of their customers. They have to know who works for their customers. And they have to make sure they are not unwittingly a part of a transaction that runs afoul of Anti-Money Laundering (AML) laws. Trusting partners is set to become even more important as big banks increasingly assimilate Fintechs into their everyday operations.

To maximize their potential in supply chains, Fintechs need a fast, trusted Know Your Business (KYB) solution. That's where Global Data Consortium can help. GDC's Worldview platform is a leading global solution for Know Your Customer (KYC). Our expertise in that area makes us the right partner to meet KYB needs as well. The processes are very similar, as is GDC's approach. In each, we use a waterfall approach to checking relevant data to provide industry-leading match rates.

Launching our Business Verification Solution has been in the works for over a year. GDC has conducted multiple proof of concepts (POCs) for Business Verification & KYB covering over 23 countries with a focus on establishing business activity/reality. These efforts resulted in average verification rates above 50 percent, primarily in challenging, global markets.

The success of these POCs centers on a strategic investment in name matching and cross-alphabet search and match technology resulting in optimized results. Further, data quality performed during the verification — address parsing, geocoding, and standardization provided for accurate location matching. During these POCs & Experiments the sources were primarily government and business registries. With our upcoming release, we'll be expanding coverage by country, increasing data depth in critical markets, and expanding our data sources.

GDC also offers an Owners, Directors & Officers (ODO) check, an extension of the KYB Check. This is used when customers require verification of a business via KYB, KYC/KYB of an owning entity, and the confirmation or establishment of a threshold based on a connection between the two. Based on Anti Money Laundering (AML) laws, regulations, and procedures, this is a regulatory requirement aimed at preventing criminals from disguising illegally obtained funds as legitimate income.

GDC WILL BE EXPANDING COVERAGE BY COUNTRY, INCREASING DATA DEPTH IN CRITICAL MARKETS, AND EXPANDING OUR DATA SOURCES.



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WHY GDC IS THE RIGHT CHOICE FOR FINTECH KYB NEEDS

The global nature of supply chains and vendors requires global reach. GDC has the ability to conduct business checks around the world, and our network of KYB data providers continues to expand.

**WE PROUDLY POINT TO OUR EXPERIENCE PROCESSING KYC DATA
AS PROOF OF OUR GLOBAL NETWORK MADE UP OF LOCAL PARTNERS.**