



Chartis

Financial Crime and Compliance50 2024

Vendor Expos :
KYC360



Chartis

Introduction

This report provides an independent evaluation and description of the ranking and award given to KYC360 in Chartis Research's Financial Crime and Compliance50 (FCC50) 2024 ranking and category awards. It contains:

- A vendor and solution profile for KYC360.
- A summary of the context surrounding the FCC50 ranking, with an outline of the reasoning and concepts underlying Chartis' analysis.

Chartis Research is the leading provider of research and analysis on the global market for risk technology.

In Chartis' FCC50 2024, KYC360 was ranked **32nd place** overall.

KYC360 also won the category award for Market-Specific Capabilities: **Wealth Management**.

Market context

The bad news

Financial criminals are becoming more cunning, strategic and relentless, and technology is helping them commit crimes at an alarming speed and scale, by:

- **Automating fraud.** Criminals are using software to exploit weaknesses in identity verification (IDV) and KYC controls, enabling them to build elaborate networks of corporate structures, shell companies or ownership models to facilitate money laundering.
- **AI-powered money laundering.** Criminals are using artificial intelligence (AI) and data analysis to discover new ways to move money and minimize the risk of capture, helping them to 'industrialize' money laundering.
- **Dark web communications.** Criminals are using encrypted networks (often but not exclusively on the dark web) to facilitate seamless and global communication between their organizations.

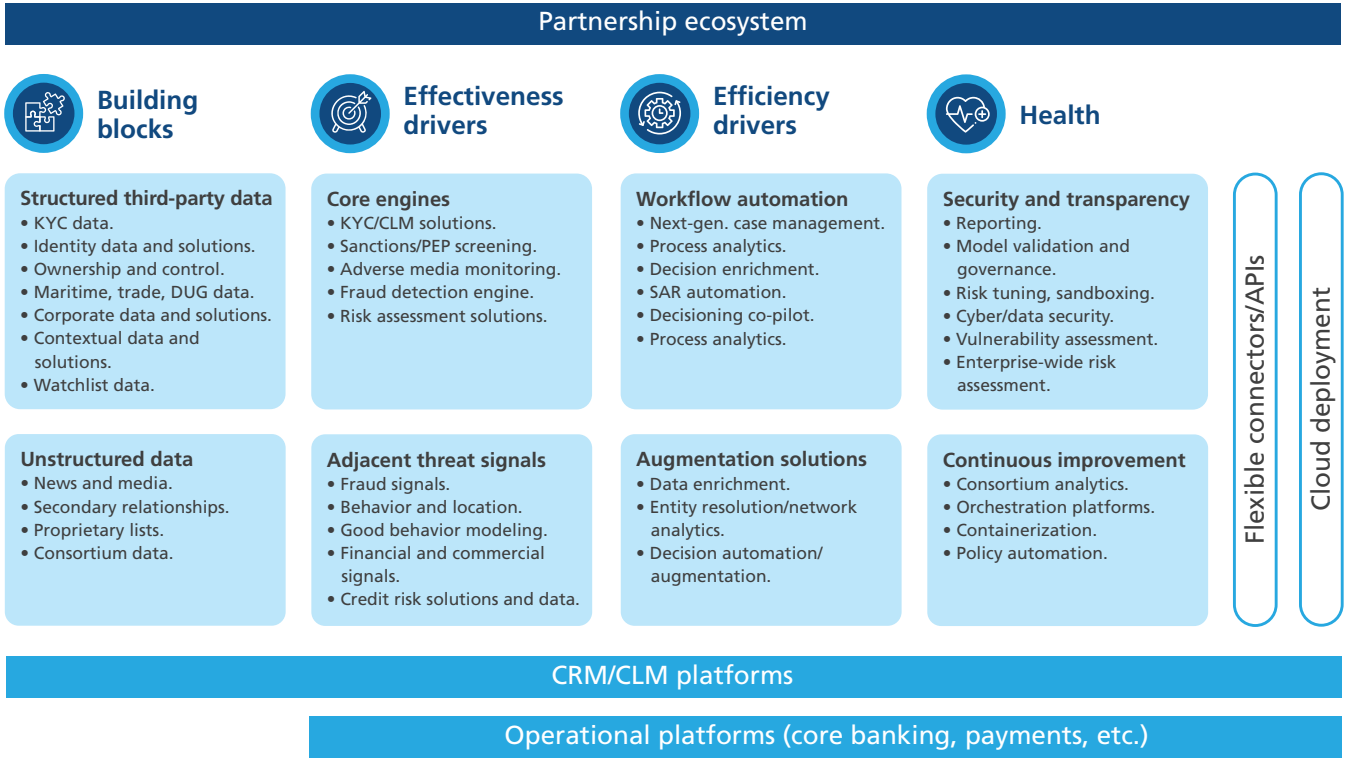
The financial impact on the global economy is staggering. Estimates suggest that **financial crime costs** more than \$1.4 trillion a year, but the ripple effect on individuals, businesses and entire countries is immeasurable.

The good news

Despite the challenges, those fighting financial crime now have many more tools at their disposal to help them identify, prevent and report not only criminal activity but also higher-risk actors and approaches. Industry players are also learning how to collaborate and communicate, a development very much enabled by technology vendors (see Figure 1).

In addition to technology and collaboration, the third major positive shift we have seen in the past few years is the drive toward 'financial inclusion' – the belief that everyone, regardless of location or situation, should be able to obtain high-performance financial crime technology. Firms' growing ability to deliver on this promise could revolutionize the market.

Figure 1: An interconnected ecosystem fueling collaboration



Source: Chartis Research

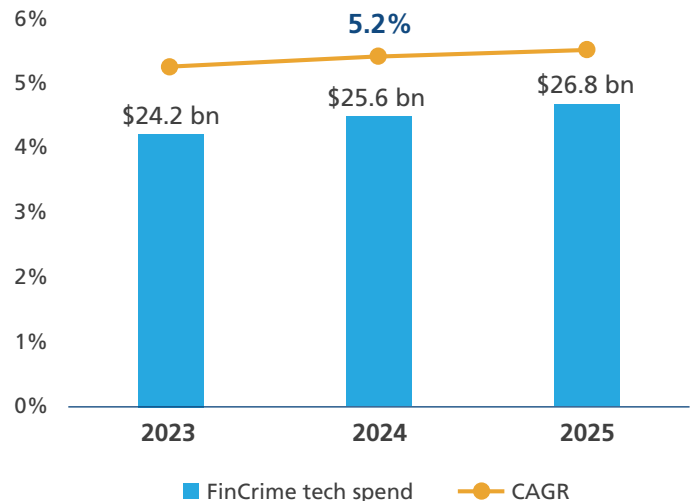
A growing market

As a result of these shifts and dynamics, the world of financial crime is now vast and complex, and the market for fighting it large and diverse. Chartis estimates that the financial crime and compliance solutions market will be worth \$25.6 billion in 2024, growing from \$24.2 billion in 2023. We estimate that by the end of 2025, it will have grown by 5.2% to \$26.8 billion (see Figure 2).

Within this market, we are seeing the following trends:

- Smarter transaction tracking.** Financial institutions, banks, payment service providers (PSPs) and others are contributing to double-digit growth in spending on anti-money laundering (AML) transaction monitoring systems, driven by the adoption of analytics and next-generation user interfaces and case management.
- Data drives decisions.** Financial institutions, banks, PSPs and others are investing more resources into watchlist and KYC data management, driving high single-digit growth across these markets. While growth in spending on core screening engines remains consistent yet modest, we are seeing strong double-digit growth across data enrichment and augmented analytics.
- News you can use.** Keeping track of negative media coverage (such as bad press about a company's clients) is becoming a higher priority for many financial institutions, and we are forecasting a double-digit rise in investment in this area in 2024.

Figure 2: Estimated value of the FCC solution market



Source: Chartis Research

Winner's profile: KYC360

Rank	Company	Overall score
32	KYC360	64.7

Category award	2024 winner
Market-specific capabilities	
Wealth Management	KYC360

KYC360 is a market leader in client lifecycle management (CLM) and Know Your Customer (KYC), providing software as a service (SaaS) solutions with global market connectivity.

For its analysis for FCC50 2024, Chartis examined KYC360's Customer Lifecycle Management platform, which covers four key areas of the company's broader solution offering:

- Onboarding.
- Screening.
- Perpetual KYC (pKYC).
- Remediation.

The platform offers two key benefits. First is no-code configuration, which enables rapid implementation and time to value, and allows users to scale and adapt the solution over time. Second is the platform's consolidation of vendors, with pre-built integrations to major Know Your Business (KYB), screening and e-identity verification (eIDV) suppliers. Not only can this help to speed up the time it takes to go live, it can also reduce the complexity and cost for clients.

Customer Lifecycle Management – Onboarding

This offering streamlines the customer onboarding process, particularly for wealth management firms with complex compliance demands. Key components include:

- **A focus on efficiency.** By streamlining the process, KYC360 emphasizes reduced onboarding time and increased revenue generation, helping to improve customer acquisition and satisfaction.
- **Flexibility and scalability.** The solution is designed to handle both high-volume retail onboarding and sophisticated client relationships that require a more in-depth approach. With a focus on explainability, audibility and reporting capabilities, the solution can be customized to each customer's specific needs and risk appetite. KYC360's CLM platform also enables firms to seamlessly integrate its onboarding features with existing wealth management technology.
- **Data accuracy.** The solution is designed to capture appropriate data from the outset. This reduces the need for rework or requests for additional data, and ensures a smooth onboarding process.
- **A focus on compliance.** KYC360's deep knowledge of AML, KYC, customer due diligence (CDD) and EDD helps firms to incorporate compliance checks directly into the onboarding workflow. This helps to ensure they adhere to all regulations, even across multiple jurisdictions.

Category award: Wealth Management

KYC360 is a market leader in solutions for financial crime and compliance and, more specifically, anti-money laundering (AML) compliance in wealth management. KYC360's platform has a strong focus on and extensive knowledge of enhanced due diligence (EDD), which is vital in this particular market area. Stand-out capabilities include risk typology, workflow automation and explainability, and solution scalability and customization.

Together these provide an enhanced platform and approach that firms can use to meet the rigorous compliance demands of wealth management, while gaining a holistic view of customers to identify potential risks.

Customer Lifecycle Management – Screening

KYC360's CLM platform offers robust screening capabilities that address firms' AML and KYC compliance needs throughout the entire customer lifecycle. Its key capabilities include:

- **Watchlist and sanctions list management.** KYC360's screening is integrated with high-quality third-party data providers to ensure it is based on the most up-to-date and accurate information available.
- **Automated batch screening.** Evidence-based overnight screening technology allows clients to continually screen a large volume of customer data (such as names and addresses) against various watchlists and sanctions lists. This approach focuses on higher-risk clients to create a more efficient screening process.
- **Enhanced accuracy.** KYC360's system uses metadata-improvement techniques to increase the accuracy of the input data used for screening. This can help to reduce false positives, saving firms valuable time and resources.
- **Real-time monitoring.** KYC360 offers ongoing monitoring of clients against evolving sanctions lists, as well as adverse media monitoring. This proactive approach can help to identify risks early, before a threat develops.
- **Alert management.** The platform provides a streamlined system for managing alerts generated by screening activities. The automation of what was traditionally a very manually intensive activity can help to save time for financial crime compliance teams.

Customer Lifecycle Management – pKYC

KYC360's pKYC capability is designed to maintain continuous compliance with AML and KYC regulations, for financial institutions looking to streamline their compliance efforts, reduce risk and demonstrate a proactive approach to client security. It has the following key capabilities:

- **Continuous data refresh.** KYC360's system goes beyond the traditional one-time onboarding check, automatically refreshing customer data from various sources to ensure it remains accurate and up-to-date. This is crucial, as a client's risk profile can change over time.
- **Automated monitoring.** The platform proactively monitors changes in a client's circumstances by analyzing third-party sanctions lists, adverse media and other relevant databases. Automated processes free up resources from manually intensive reviews, allowing institutions to focus on higher-value tasks.
- **Periodic review workflows.** KYC360 can automate periodic review processes, enabling firms to reassess client risk profiles at defined, set intervals. This ensures ongoing compliance and mitigates the risk of having to rely on outdated information.
- **Alert management.** The system generates alerts when discrepancies or potential red flags are identified during the monitoring process. Financial crime compliance teams can then investigate and take appropriate action to maintain compliance and prevent money laundering.

Customer Lifecycle Management – Remediation

This capability can help wealth management firms address any issues identified during the KYC/AML screening and monitoring processes and throughout the entire customer lifecycle. By providing investigation tools, communication channels and workflow management, KYC360 can streamline the process and ensure properly documented resolutions. Its capabilities include:

- **Alert investigation and case management.** The platform’s remediation capability streamlines the process of investigating alerts generated by screening activities. Alerts can be assigned to investigators and additional information can be gathered, allowing firms to fully document the resolution process. This ensures a clear audit trail and efficient case management.
- **Customer communication.** KYC360 provides tools to facilitate communication with clients about any discrepancies or requests for information (RFIs).
- **Workflow management.** The platform automates remediation workflows, guiding investigators through the necessary steps to resolve the identified issue(s). This approach ensures that compliance tasks are handled consistently and efficiently.
- **Reporting and documentation.** KYC360’s CLM platform can be integrated with document management systems to enable firms to securely store and organize all relevant documentation collected during the remediation process. This ensures easy access for future reference and helps companies stay compliant.

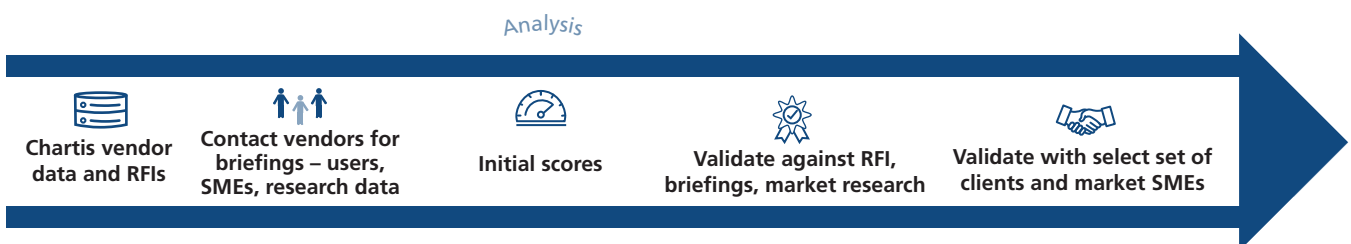
FCC50 overview

The FCC50 rankings examine the landscape for compliance-led financial crime management solutions. These are solutions that enable financial institutions to understand who they are working with, their customers, their counterparties and other factors that could pose a threat to their integrity. The FCC50 aims to highlight the breadth, diversity and innovation in the market, and to spotlight some of the many vendors that excel in this space.

Research and analysis

Chartis employs a multi-step process in its research and analysis for the FCC50 rankings (see Figure 3). As part of this process, we use a rigorous methodology to provide an independent view of solutions and vendors, employing detailed evaluation forms, customer surveys, expert interviews, vendor briefings and other research sources to assess solutions.

Figure 3: The FCC50 research process



Source: Chartis Research

Scoring criteria

Chartis uses six scoring criteria for the FCC50 rankings (see Table 1), which cover service providers that address multiple aspects of the FCC landscape, and those that specialize in specific capabilities.

Table 1: The FCC50 scoring criteria, with definitions

Functionality	The breadth and depth of coverage across the key focus areas of this study, namely sanctions, politically exposed persons (PEPs) and adverse media screening, transaction monitoring, KYC, trade-based AML and FinCrime data processes and management.
Core technology	This considers such factors as platform scalability and flexibility, risk typology customization, model quality and validation, model and methodology transparency and explainability, analytics, data management and methodology (proprietary or partner) and user interface (including no-code tuning).
Strategy	This includes strategic clarity, financial performance, growth and other related issues.
Customer success	This looks at excellence in delivering customer value, gauged via case studies and customer and market feedback, as well as other considerations such as financial inclusion, market knowledge and support.
Market presence	This metric considers market presence across verticals (within financial services and beyond) and regions, with an added consideration of emerging markets.
Innovation	This looks at the rate and nature of innovation by a particular vendor. It includes considerations of product roadmap and uniqueness of innovation (including patents), with a special focus on AI and generative AI (GenAI).

Source: Chartis Research