

iCOMPLY



Case Study: Enhancing KYC Compliance  
with iComply for an Emerging European  
Electronic Money Institution



# Customer Profile

**Company:** A start-up an EU based Electronic Money Institution (EMI) financial Services Company

**Industry:** Financial Services

**Location:** European Union

**Size:** 50 employees

**Service Required:** Know Your Customer (KYC) Compliance

As a start-up financial services company in the EU, the search for a provider of Identity Verification (IDV) and compliance solutions was driven by three key challenges:

- Regulatory compliance,
- Fraud prevention; and
- Ease of use.



## The Challenge

Navigating the complex regulatory environment of the European Union, the company acknowledged the critical necessity of adhering to Know Your Customer (KYC) regulations. These are part of comprehensive legislative measures designed to counter Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF).

Directives like the EU's Fourth Anti-Money Laundering Directive compel institutions to undertake thorough due diligence of their customers, preserving records of their identity proofs and transactions. Similarly, CTF regulations, such as the EU's Regulation 2015/847 about information related to fund transfers, necessitate the tracking and reporting of transactions potentially connected to terrorism. The absence of a rigorous and efficient KYC process exposed the company to the risk of failing to meet these stringent regulations and possibly facing severe penalties.

As a financial services provider, the company also confronted a significant risk of fraud. It required a

robust, scalable, and efficient solution to automate their KYC procedures, ensuring rigorous compliance and precluding fraudulent activities, whilst simultaneously offering a frictionless onboarding experience to their clients.

In the pursuit of maintaining a high client retention rate, the payment platform recognized the need to implement Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) processes through an easy-to-use and automated identity management system. The initial obstacle was an unwieldy and non-intuitive account opening procedure that was decreasing conversion rates and undermining the clients' confidence in the Money Service Business (MSB) platform. The Electronic Money Institution (EMI) was struggling to maintain a balance between swift customer onboarding and compliance, due to reliance on completely manual identity verification and AML screening processes.





# The Solution

Aiming to disrupt the financial space starting from the Baltic states, the EMI sought to harness digital technologies to compete with larger, established banks by offering superior user experiences and increased accessibility. Yet, the need for robust security and compliance measures was not diminished. Thus, a fast and seamless onboarding process supplemented by a top-tier IDV solution was deemed crucial for success.

iComply was brought onboard to address these needs with their innovative KYC compliance solution. The platform, tailored specifically for the financial sector, uses advanced technologies such as artificial intelligence, machine learning, and analytics tools to automate and streamline the KYC process.

The iComply solution offered the following benefits:

## **Digital Identity Verification:**

Leveraging machine learning algorithms, iComply can verify customer's identity documents in real-time, significantly reducing errors and expediting the verification process.

## **Risk Assessment:**

With AI-driven analytics, iComply identifies and evaluates potential risks associated with each customer. It can flag high-risk profiles for additional scrutiny, thereby mitigating the risk of fraud and ensuring compliance.



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**Data Privacy:**

iComply provides full compliance with GDPR and other data protection regulations, securely managing and storing customer data.

**Scalability:**

As a cloud-based platform, iComply is highly scalable, easily adapting to the growth trajectory of the company.

**Which Specific Products Did the EMI Use from iComply's Product Suite?**

The business incorporated iComply's Identity Verification (IDV), Document Verification, Politically Exposed Persons (PEP), and Anti-Money Laundering (AML) checks directly into their platform. These components provided an all-encompassing solution that catered to the EMI's needs for identity verification, document authenticity verification, political exposure risk assessment, and anti-money laundering compliance.





# The Results

Since deploying iComply's KYC solution, the EMI has witnessed a dramatic overhaul in its compliance operations. Here's a more in-depth look at the remarkable results:

- **Enhanced Compliance:** With the implementation of iComply, the EMI has significantly curtailed the risk of non-compliance and associated potential penalties.
- **Expedited Onboarding:** The duration required to onboard new customers has been drastically reduced, with the process now finalized in less than 5 minutes. This accelerated onboarding process considerably elevates operational efficiency.
- **Substantial Cost Savings:** The introduction of iComply has led to cost reductions of 60-99% in establishing and operating the EMI's KYC, AML, data privacy, and protection programs. This contributes to significant operational savings, liberating resources for other vital business areas.
- **Streamlined Back-office Processes:** Tasks related to KYC screening and AML monitoring that used to take hours can now be completed in less than 20 minutes, leading to efficient and streamlined back-office operations.
- **Automation and Increased Efficiency:** iComply's solution has automated or eradicated up to 80% of existing manual processes. This automation has significantly improved the EMI's efficiency, enabling it to concentrate on key business activities.
- **Unified Software Solutions:** The EMI has succeeded in consolidating its software solutions from a prior range of 5-23 down to just 1-3, simplifying multi-jurisdictional transactions and lessening the complexity of its tech stack.
- **Improved Customer Experience:** The swift and efficient onboarding process has enhanced the overall customer experience, leading to heightened customer satisfaction and loyalty.
- **Scalable Solution:** iComply's solution is engineered to scale in line with the EMI's growth, assuring a future-proof solution that will adapt to the EMI's evolving needs.



## Conclusion

iComply's KYC solution has emerged as the ideal fit for this ambitious EMI. It offers a scalable, efficient, and robust response to their compliance challenges. With iComply's solution, the EMI is now poised to grow and scale in the European market, with full confidence in their compliance operations. This not only ensures regulatory compliance but also drives significant operational efficiencies, improves customer experience, and positively impacts the company's bottom line.

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