

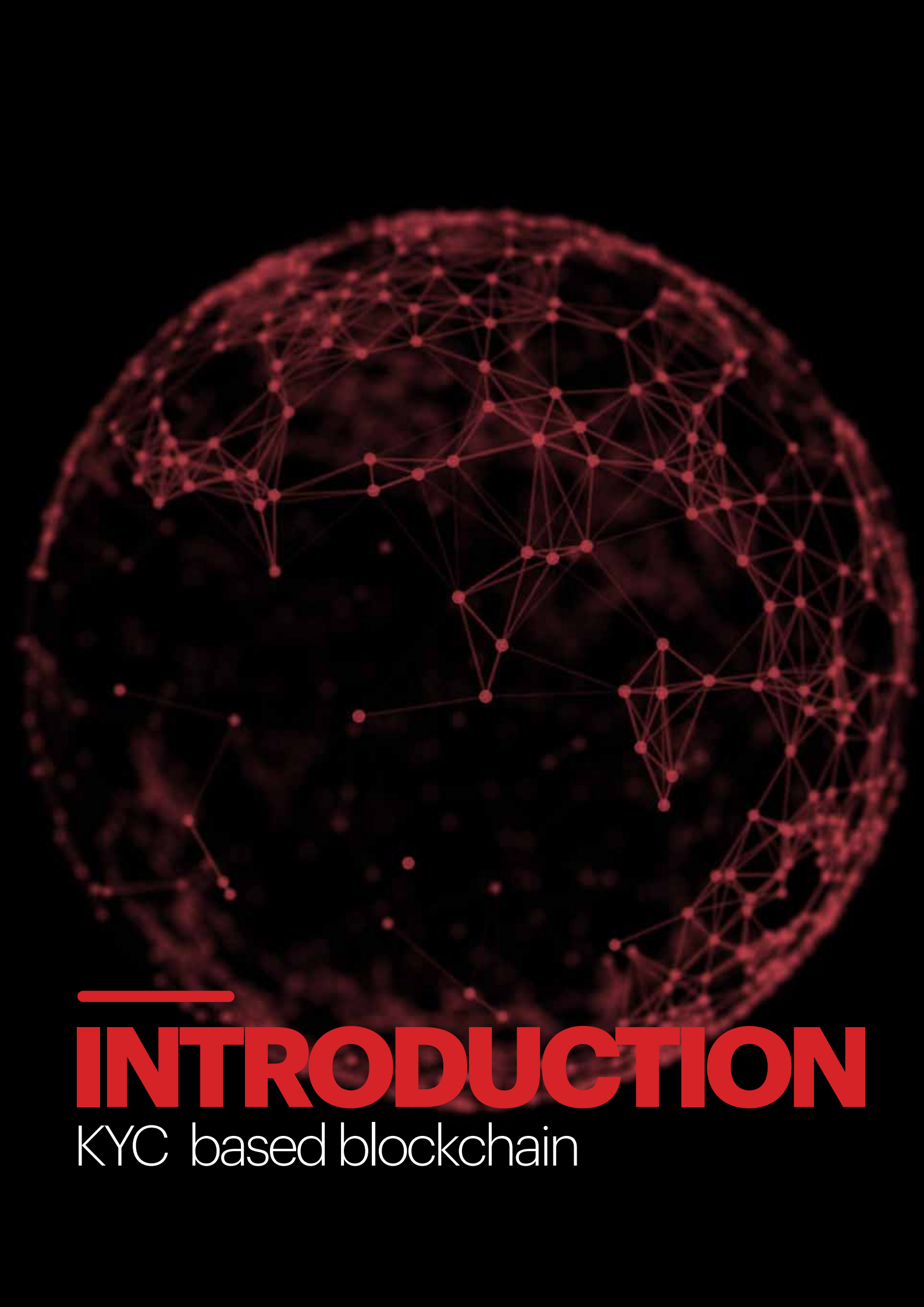


Belrium ICO
KYC BASED BLOCKCHAIN

www.belrium.io

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INTRODUCTION

KYC based blockchain

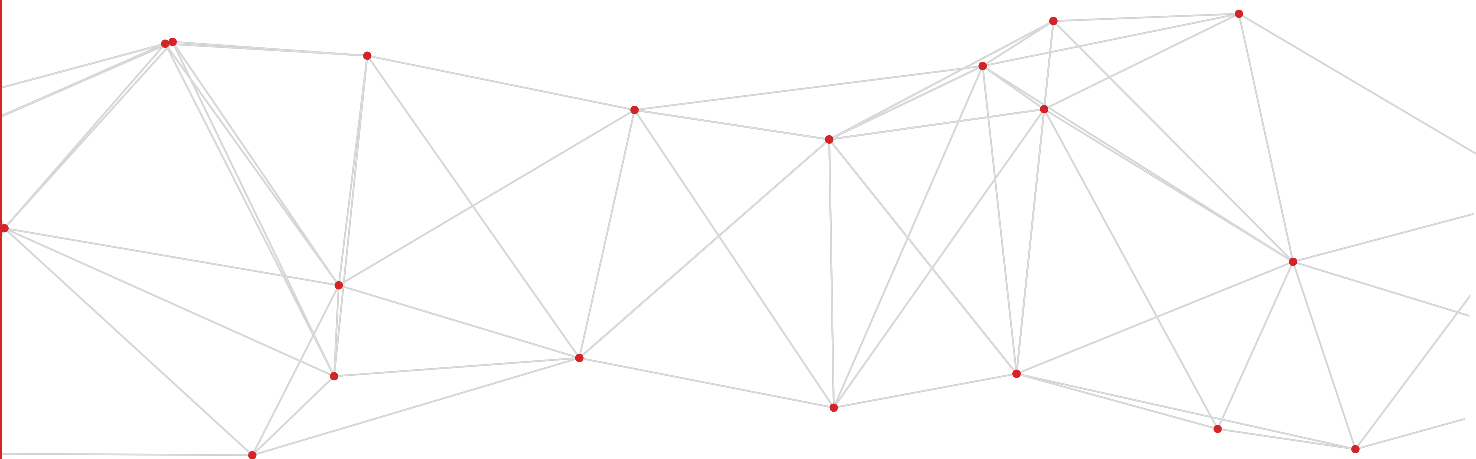
KYC based blockchain

Belrium KYC Based Blockchain is a decentralized KYC exchange platform built on blockchain and smart contracts. The Belrium KYC based Blockchain places an emphasis on the institutions involved in KYC based process. Designed to disrupt and replace the traditional KYC process models by providing a transparent and focused solution for institutions. Belrium will provide a cost-effective and time-saving decentralised solution for KYC process.

The core feature of Belrium is the so-called KYC based Blockchain — a private, decentralized, reliable and transparent environment to maintain the KYC of customer, giving more control to institutions involved in KYC based process. It will reduce the repetitive task of KYC process, hence saving cost and time for the institutions as well as the customers.

Giving more control to the institution involved in KYC based process is highly beneficial. It will not only help to save time and cost by reducing the repetitive work but also significantly reduce the customer on-boarding time. The application developed on this platform is a reliable source of identity management system.

The technology of core Belrium-KYC Based Blockchain leverages blockchain and smart contracts, thus eliminating the complexity of existing KYC based system. The network is regulated by the authenticated agencies in private blockchain network, taking care of the most common issues faced by KYC based institutions — lack of centralized KYC platform and KYC fraud.



Business case

What makes Belrium-KYC Based Blockchain special
Cost-effective solution for decentralised KYC process ?

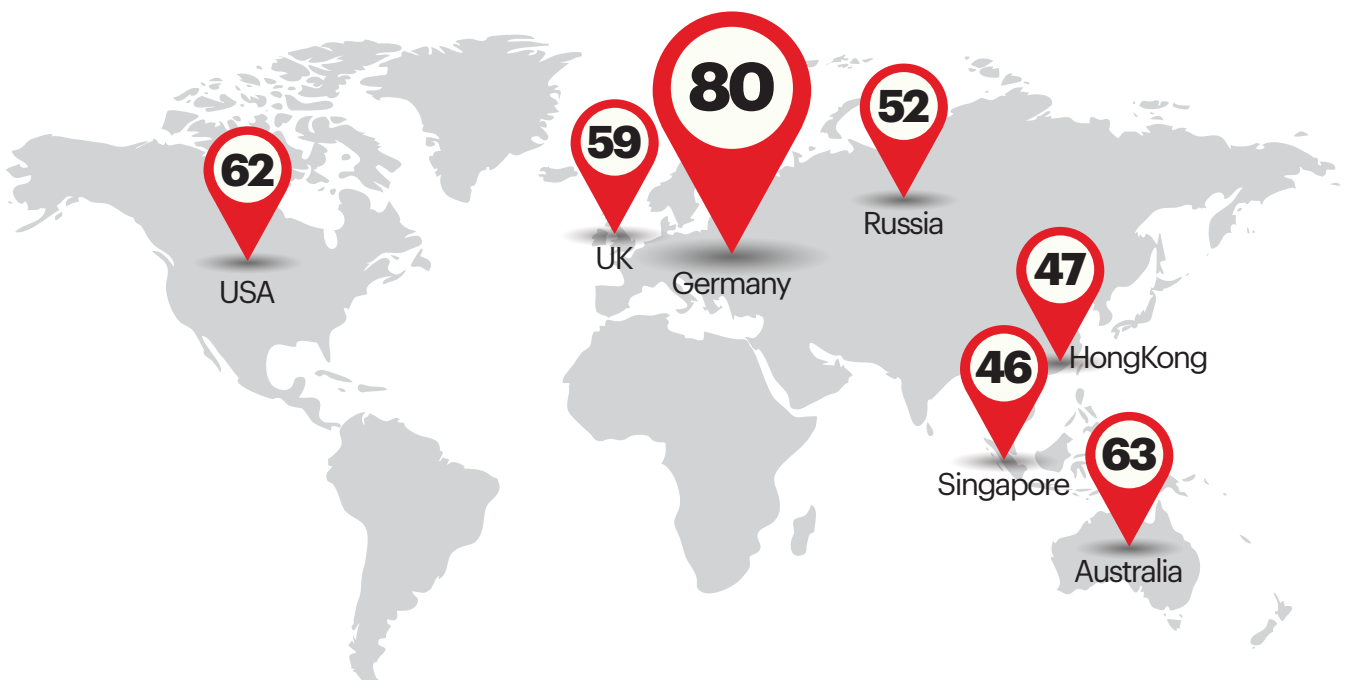
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A positive and efficient client onboarding experience is a differentiator for institutions whose business model is based on KYC and able to deliver it to their clients ”

by Steve Pulley, global managing director – Risk Managed Services at Thomson Reuters.

One of the biggest challenges KYC based institutions are facing these days in customer onboarding is KYC process. According to survey conducted by Thomson Reuters in 2016, the average spending on KYC compliance for the year 2015 was \$40m by institutions. Few of the Institutions even spend more than \$250M on KYC compliance and customer due diligence(CDD).The graph below show the spending on KYC compliance and customer due diligence by different countries in year 2016 for on-boarding client.

Countrywide money spend on KYC Compliance



The global surveys revealed that the costs and complexity of KYC are rising. This is having a negative impact on the businesses. A majority of participant in the survey agreed that ongoing regulatory change is another top KYC challenge they face.

Ever-changing KYC regulations pose challenges not only for institutions involved in KYC based process but also for their customers. Nearly 70 percent of institutions participated in survey shared that they believe that all or most of their clients are proactive in reporting material changes in KYC status such as beneficial ownership change. However, approximately 30 percent of the corporate respondents reported that they keep their financial institutions up to date pro-actively.

Problem 1#

Data management

At present every institutions performs the KYC process individually, and stores the validated information and document in digital format to the central registry. For each verified customer, the data stored is tagged to a digital unique identification number. By using this unique digital reference number, institution can access the stored data to perform due diligence whenever customers request for a new service within the same institution.

Managing KYC information is a costly affair for institutions because day by day, the costs and complexity of managing KYC are rising.

Problem 2#

Data duplication and Cumbersome process

As per the survey conducted by Thomson Reuters in 2016, Institutions have average 11 relationships with KYC based institutions. On an average each KYC process requires 10 documents. The same 10 documents are printed again and again for KYC to maintain the relationship.

In the process of maintaining the relationships, the duplicate documents are generated. The process is also cumbersome as the institution has to perform the same task again and again.

Belrium – The KYC Based Blockchain will significantly reduce the time by removing the duplication of document by providing one stop solution for KYC. The core of Belrium consists of CKVS (Central KYC verification system) which will have the KYC information of customer. Any agency can use the KYC information for their use.

Problem 3#

Increase in cost

Regulatory changes are driving longer and more complex KYC processes, and that is pushing costs higher.

As per the survey conducted by Thomson and Reuters in 2016 , Only for banking institutions, the average spend on KYC process was \$60m, with Germany, Hong Kong, and the UK all allocating \$80m or more annually.

In 2015 JP Morgan had paid \$16bn in legal penalties for KYC related regulatory issue and compliance. To control the legal penalties for KYC compliances they increase budget of compliance and regulatory department to \$1.6bn in 2016.

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Problem 4#

Time consuming

Due to Regulatory changes and compliance, the current KYC process is very lengthy due to which it takes long time to on-board a new client. This is having an increasingly negative effect on customer experience.

As per the survey conducted by Thomson Reuters, the average client on-boarding time is 60 days. It may vary depending on the KYC regulatory and compliance changes.

The delay in on-boarding not only increases the cost, but also the risk of losing the potential client. The Belrium- KYC based blockchain will significantly reduce the customer on-boarding time.

Summary

As we can see, there are way too many challenges faced by institution involved in KYC based process. This means that it is time to introduce the new disruptive technology to impact the process and this is where Belrium- KYC Based Blockchain comes into picture.

With these new solutions, institutions that need KYC based process, will be able to regain control over their time and cost; they will be able to limit their exposure to potential KYC fraud; and will be empowered to achieve higher customer retention. Customers will be also benefit from this as they have to do less paperwork for KYC. Plus, with a centralised process, it is easy for customers to keep their KYC updated.



COMPETITIVE

Landscape

Traditional KYC system

There are currently hundreds of proprietary traditional KYC systems used by institutions. However, these are mostly developed and maintained internally. There is no such KYC system in the market which can handle the KYC process centrally. These systems have limitations and too many restrictions for use. Such processes lack clarity and can be misinterpreted.

Furthermore, there is plenty of room for KYC fraud left by these networks and as a result, institutions are exposed to humongous losses.

SWIFT KYC Registry

SWIFT (Society for Worldwide Interbank Financial Telecommunication) launched the SWIFT KYC Registry in December 2014. It is open only for banking systems and more than 2000 banks have already enrolled with it.

The problem with SWIFT KYC registry is that it can be only used by banking institutions and not by other institutions which rely on KYC process.

Conclusion

The need for a better, more secure, and less time consuming KYC process is stronger than ever. This will help the institutions involved in KYC based regulatory process to reduce cost and process overhead. At the same time, it is of utmost importance to simplify the KYC process and to develop a solution that has what it takes to entice the target audience. These issues can be addressed by an institution centric blockchain based KYC system which can take care of the overheads of institutions involved in a KYC based process.

The technology behind Belrium is powerful and offers limitless possibilities. With the infusion of Blockchain technologies and KYC process, Belrium will revolutionise the industry. The blockchain based Belrium-KYC system will have significant impact on the market and it will certainly influence the KYC based processes.



For more info visit
www.belrium.io