



Fast-track digital compliance for the financial industry

Finlogee streamlines RegTech components for banks and insurance companies

by Kristen Stelzer

5-minute read

To open a trading or investment bank account, just show your ID and prove where you live. Oh, and disclose how much you want to invest. Wait, that's a substantial number. Can you disclose where the money comes from, to prove it's not laundered or financing terrorism? Are you a politically exposed person? Then you'll need to prove the funds aren't linked to bribery. Now ... are you on an Interpol, Europol or FBI sanctions list?



Banks onboarding new customers must follow rigorous regulatory processes and requirements. They are part of what is known as Know Your Customer (KYC) compliance. Both from the banks' and their customers' perspectives, it's cumbersome and time consuming—especially if the latter need to show up in person.

Yet banks thrive on new customer acquisition. They seek to streamline this process, make it virtual and add value to their customers. And doing it right also helps with their own compliance and reporting.

Onboarding customers isn't the only customer-related challenge banks face.

Regulations require up-to-date customer records. So, when a client ID expires, the bank needs to get a new ID card. And for every customer not in line with the regulations, the bank faces penalties.

Finlogee, a digital finance platform operator, solves regulation-related problems—like KYC—for its banking and insurance clients. “We implement technology solutions for common problems around bureaucracy and reporting,” says Georges Berscheid, Finlogee’s Cofounder and Chief Technology Officer (CTO).

Finlogee got its start in 2017 during the onset of the EU’s Payment Services Directive 2 (PSD2) regulation. PSD2 opened up banking, requiring banks to let third parties access accounts, typically through APIs. For many banks, this was a challenge. Finlogee stepped in to solve it. With [IBM API Connect®](#) software, Finlogee developed an off-the-shelf solution for open banking.

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6X

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Using similar API-based capabilities, the Finlogee solution manages KYC and other challenges and contexts such as customer lifecycle for banks and other institutional clients. It also provides mobile and professional

payment platforms. By relying on Finlogee’s products and embedding its components, banks can help their own customers faster and provide them with a better user experience, all while remaining compliant.

Getting to know you— from afar

Finologiee offers its banking clients an array of regulation compliance, KYC and payment platforms and components, which includes its complete white-labelled bank account opening solution and a KYC file and lifecycle management system, among others. The tools mix and match to whatever its clients need. One of the core interfaces is a hosted API portal, so clients can build the tools into their existing workflows and setups.

Banks and insurance companies either embed Finologiee's APIs and tools into their own systems or rely on Finologiee to provide white-labelled (web)



interfaces built on top of the APIs. End-users then connect either to the banks' own websites or through the interfaces that Finologiee operates on behalf of the bank to enter data,

verify their identity documents, provide origin of funds evidence and complete their investor profiles, in the case of Finologiee's digital onboarding platform.

The bank typically interacts with Finologiee's systems through the API portal. Bank Notifications and data are transferred to the bank or insurance company through the API so relevant data and information can be easily processed, embedded, monitored and displayed in the bank's own systems and environment. For instance, a bank can find out if a user is stuck at a specific step and for how long. Based on this type of data, Finologiee's clients may send reminders or alerts—for example, reminding the end-user to complete the process by providing a specific document or information.

Finologiee also helps banks with their remediation process—the clean-up and curation of their customer databases. These tools determine if customer documents have expired or if any data is missing. If so, a notification is sent

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Georges Berscheid, Cofounder and CTO, Finologiee S.A.

to the customer, who's then invited to connect to a secure web portal to update the data sets.

Finologee collects the information and its bank and insurance clients can either retrieve the data through APIs or manage it using Finologee's web interfaces. While a bank's information is often scattered throughout different systems, Finologee provides a central location to access it all, while being able to interconnect this central location with one or more of the bank's systems to synchronize data.

It's all made possible through the IBM API Connect solution. With the IBM API Connect platform you can create, expose and manage APIs.

While other vendors' solutions can do this, they're usually single-tenant. This means they're intended for use by one API provider with only one brand, only one name and only one place to access everything.

But Finologee wanted to provide its solution under white labels for each of its banking clients, without implementing a specific instance of the tool on a per-client basis. It needed a multi-tenant solution, and IBM API Connect allows multi-tenancy.

With IBM API Connect, Finologee can provide each bank with its own portal, branded with its name, logo and a specific graphic design. Each bank has its own URL to provide access to its portal and APIs.

"It's quite a complex solution with a lot of components. We had excellent support from IBM," says Berscheid. "We even discovered that API Connect included IBM DataPower Gateway, which we didn't know when we purchased it."

[IBM® DataPower® Gateway](#) provides security for the IBM API Connect solution. When the APIs are called, DataPower Gateway software validates that the user is the right person with the right permissions.

"So even after we made the choice for IBM, we discovered a lot of features that we didn't even know IBM had, and that we're pretty sure we wouldn't find anywhere else," explains Berscheid.

Quick and compliant KYC

For banks using Finologiee's digital onboarding tools, a 15-page paper form has been turned into an eight- to ten-minute process. "Our banking clients' conversion rates for new customers have been substantially increased," says Berscheid. "Some clients now have six times more customer onboardings than they had before with a paper-based process."

In addition, Finologiee carries out a thorough due diligence when onboarding new service providers that are embedded into its products. "This makes it easier for the banks," explains Berscheid. "They don't have to evaluate suppliers, sign contracts or get those contracts through their lengthy procurement chains. They go through that process once with us. Then, since



we're a regulated player, holding a Luxembourg PFS license and a ISO/IEC 27001 certification, we can take care of the rest for them."

Finologiee also tracks whether subcontractors are meeting their own requirements and KPIs, monitors service availability and submits new

service propositions that suppliers come up with to its clients.

The company believes the use of APIs will become increasingly popular in the financial sector. “When you look at the new banking players out there, they’re all API-based,” says Berscheid. “That’s going to filter down to everybody in that sector.”

That’s why Finologee plans to continue upgrading its client offerings to meet banking expectations. And IBM API Connect will continue to play an integral part in these new features.

“We’re very happy with the results we’ve had,” says Berscheid. “I think the banks are, too. Overall, this has been a considerable success.”

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About Finologiee S.A.

Finologiee (external link) is a digital platform operator of ready-made, compliant systems and APIs for open finance, digital onboarding, KYC lifecycle management and professional payments. The company's 36 employees serve more than 100 banks and institutions throughout 19 countries. Finologiee was founded in 2017 and is headquartered in Leudelange, Luxembourg.

Solution components

- IBM API Connect®
- IBM® DataPower® Gateway

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