

ZenSār

Cross Border Payments

CASE STUDY

Cross Border Payments

With globalization, there is an increase in global payments volume is increasing. It is growing at 5% approx. The average cost of transfer is around 7%. With the advent of new technologies, non-bank transactions have started increasing. Blockchain will transform the payments space by making it real time and reducing the cost of the transfers.

Challenges

Cost: Cross border payments are expensive and time-consuming depending on the route.

Liquidity requirement: Banks are required to hold funds in nostro accounts which add to the costs.

Regulatory Compliance: Complex processes make regulatory compliance expensive for the transfer which also add up the costs.

Error: Information of the customer is validated per bank per transaction which are prone to high rejection rate.

Business Benefits

KYC: Leveraging the KYC on Blockchain establishes trust and authenticates the sender.

Reduced time: Payments and reconciliation are completed in real time.

AML: With Smart contracts regulators will be alerted base on predefined conditions.

Reduction in Costs: With Blockchain, most of the Intermediaries will not be necessary for the transactions. This reduces the transaction costs.