



WIDENING THE BUSINESS LANDSCAPE

DISSOLVING BARRIERS TO INTERNATIONAL PAYMENTS





2004



2006



2019



Q3 2020

THE NEXT CHAPTER

The formation in 2019 of Choice Mauritius was a logical next chapter for Choice International who, since 2004, has been consistently innovating and growing in its mission to remove obstacles to ethical and compliant world trade.

The new subsidiary extends the reach of its parents with a payment intermediary license to allow its active support of emerging markets in Africa and Asia.

This document will introduce you to a fresh, agile approach to trade payments that breaks down barriers, improves competitiveness, and greatly increases protection from the risks of fraud, money-laundering and non-compliance penalties.



WHO IS CHOICE?

Set up in 2004, Choice International has, since day one, specialised in providing foreign exchange and payment services to regulated financial institutions. Strategic development into key regions has seen the establishment of specialist and regional subsidiaries.

Today it serves more than 200 banking and non-banking financial institutions across five continents. Its licensing covers two UK authorised payment institution licences (Choice International and Choice Forex), a Mauritian payment intermediary licence (Choice Mauritius) and a major payment institution licence (Clarency Singapore*).

In 2018, formed CognisSys as a dedicated financial systems development company. CognisSys now manages the ongoing development of Choice's AML/ATF diligence processes, as well as developing stand-alone KYC services for other companies



www.cognissys.com

* Change of Regulatory Control in process

SINGAPORE	SGD	0.2767
HONGKONG	HKD	23.16
MALAYSIA	MYR	3.71
CHINA	CNY	7.19
KOREA	KRW	4.51
VIETNAM	VND	0.0231
TAIWAN	TWD	0.00109
		0.8

WHAT DOES CHOICE DO?

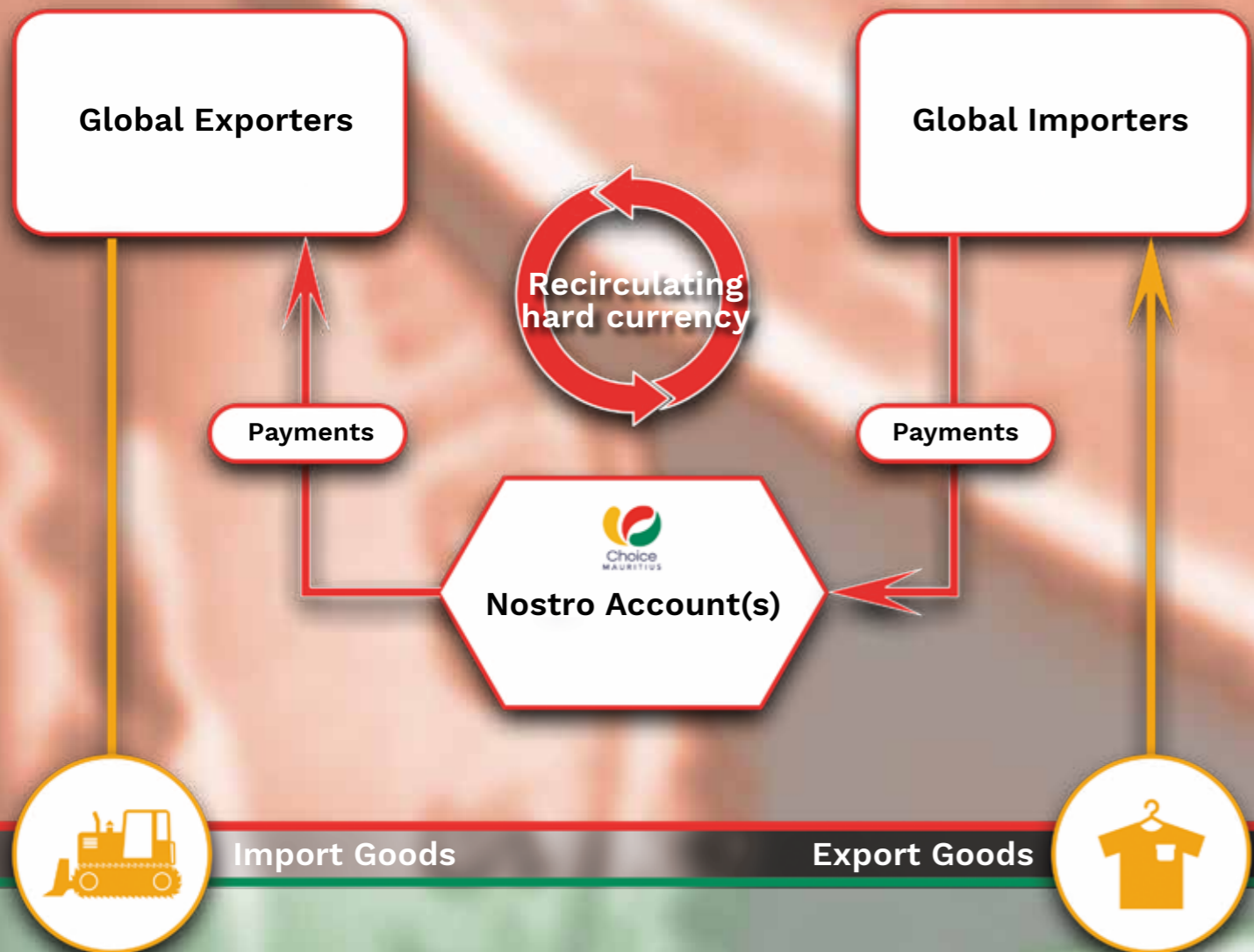
The Choice trade payment process is essentially a two-component structure. On the payments and foreign exchange side, an extensive network of known partners provides a pool of international transaction capability, in a wide range of major currencies. This network provides competitive, immediate liquidity across over 100 currencies.

Equally important is our better-than-bank due diligence process. This extends beyond the vendor and buyer to encompass every actor involved in the transaction, including our partnership network. This goes beyond normal on-boarding procedures to provide full end-to-end diligence on every transaction, not just the initial trade revealed in initial on-boarding.

Choice has deliberately restricted its marketplace. Its activities focus exclusively on tangible goods, sold business-to-business across borders. Thus, every transaction is accompanied by invoicing, payments and shipping details, all of which are scrutinised and matched.

Streamlined forex and cutting-edge compliance are the two pillars of our business. Together, they provide rapid, fairly priced foreign exchange, along with world-leading security and compliance.

Payment is handled via nostro accounts opened on behalf of our clients, each in the currency of their choice. We'll explain this structure in more detail next.



CHOICE NOSTRO ACCOUNTS

The chart on the left shows the main components of the funds flow. Choice Mauritius, though not a bank, effectively acts as a correspondent bank by setting up nostro accounts in your requested currencies, usually USD and/or EUR. You publish these accounts to your customers and their buyers, who pay directly into them in the relevant currency.

This payment process and its associated parties are delivered under the umbrella of the Choice Group, with in-depth background AML/ATF information collected and assessed for every actor. This information is shared with you, our client.

The respondent institution, your bank, will normally settle locally with your customer in your local currency, selling the hard currency in your nostro account to a local importer, for whom you then route an outbound payment to their overseas supplier.

Should your treasury lack liquidity in the correct currencies, Choice can provide rapid and competitive top-up exchange at your request to satisfy your customer's needs.





TECHNOLOGY: IN-PLACE AND IN ITS PLACE

While precision, rigorously followed processes are the sine qua non of our diligence processes, we're not blind to the importance of enabling technologies. In fact, our investment in EDD systems over the last sixteen years would compare favourably with that spent by many international banks. But all of our developments have been focused on enhancing the speed and accuracy of the human experts who analyse the wealth of gathered information. We don't believe in joining bandwagons or developing to current fashions. Where we deploy blockchain technologies, or introduce artificial intelligence, it's for a clearly defined benefit to the goal: reducing risk to the absolute minimum.

Our development path has been guided by a small set of tenets:

AUTOMATION

The system has to automate the labour-intensive information-gathering that consumes the time of highly trained operatives

SECURITY

It should use the best features of technologies such as blockchain to create a secure, immutable ledger for every element of a customer

COMPATIBILITY

It must interface readily with best-in-class platforms and protocols, such as ComplyAdvantage, AU10TIX and SWIFT*.

INTELLIGENCE

It should use advanced AI and machine learning to continually evolve its ability to recognise irregularities

WORKLOAD

It must reduce the workload of risk officers by shifting the burden of information loading to those with most to gain - the customers - by giving them an easy-to-use application

SHARABILITY

The information gathered must be sharable among authorised parties in the transaction, eliminating duplication of effort

HUMAN DECISION

Rather than automate the decision-making, the system must aggregate the information into a rich visual format, accessible via a single login. Clear, consistent presentation allows the MLRO to make an accurate decision in a fraction of the usual time

* SWIFT integration available during Q2 2020

WHY CHOOSE CHOICE?



When widespread de-risking wiped out compliant trading with huge areas of the world, Choice defended its position by adapting rapidly to an environment where correspondent banking was no longer available in many of its key operating regions. It employed purpose-built processes and technologies to develop a model based on a virtuous ecosystem of information and data verification. By the unbending application of this model across every customer, partner or service provider, Choice proved its systems under rigorous stress-testing as financial companies came under ever increasing scrutiny.

Choice today works closely with several well-known top-tier banks, in the UK and mainland Europe. All are long-standing relationships, thanks in no small part to their deep analysis - and complete approval - of our methodologies. As a result they're working productively with us as our growth produces ever-increasing volumes. The nature of our business means that our banking relationships are constantly growing as new transactions come on board.

BLENDING FINTECH WITH REGTECH

Choice is not a bank, nor does it have any wish or intention to become one.

Under European banking rules, Choice, as a payment institution, can provide payment services needing a deposit-taking (bank) licence. As our technology has evolved from predominantly manual (though no less rigorous) processes to high automation, technologically advanced services, it has become a highly successful, strongly performing fintech. Thanks to strong banking support, from banks who understand and value Choice's balance of technology with human purview, we are able to clear payments efficiently, and in jurisdictions that pose significant problems to those bound by widespread de-risking.

This is the ideal example of how fintech and regtech can work harmoniously to create a fresh and novel solution to the void created by the decline in conventional correspondent banking.

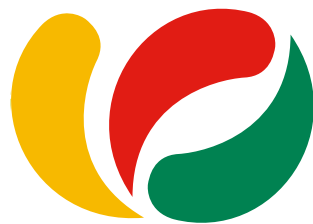
WORKING WITH CHOICE

Our online transaction platform will be familiar to anyone used to the most widely used FX and payment applications. Where it differs most strongly is the tight integration of our compliance tools within the same environment. As well as providing end-to-end transparency of all of our in-house services, it aggregates the output of world-leading third-party services such as AU10TIX, Emailage and ComplyAdvantage, all from a single login.

Integration with SWIFT will be added to the platform during the second quarter of 2020.

We tailor our services closely to fit the requirements of our clients, and will furnish you with personal support and a full suite of training and technical documents. In short, it's an easy, non-disruptive route to greater opportunity.

On the back page, you'll find the contact details you need to take the first step.



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