



Chartis

Financial Crime and Compliance50 2024

Vendor Profile: CleverChain



Chartis

Introduction

This report provides an independent evaluation and description of the ranking and award given to CleverChain in Chartis Research's **Financial Crime and Compliance50 (FCC50) 2024** ranking and category awards. It contains:

- A vendor and solution profile for CleverChain.
- A summary of the context surrounding the FCC50 ranking, with an outline of the reasoning and concepts underlying Chartis' analysis.

This report is part of Chartis' goal to support enterprises as they drive business performance through improved risk management, corporate governance and compliance, and to help clients make informed technology and business decisions by providing in-depth analysis and actionable advice on virtually all aspects of risk technology.

The FCC50 rankings and awards focus on six core categories: functionality, core technology, strategy, customer success, market presence and innovation, and are based on detailed reviews of around 300 established and emerging firms.

In Chartis' FCC50 2024, CleverChain was ranked **38th place** overall.

It placed in the top 10% of vendors reviewed.

CleverChain also won the category awards for Core Technology: **Know Your Business** and Emerging Use Cases: **Policy and Control Automation**.

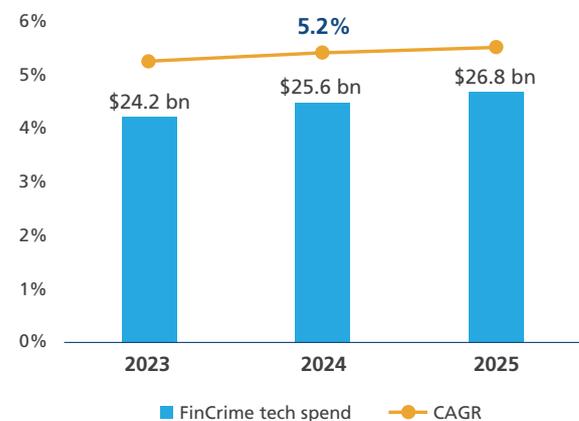
Market context

Responding to a growing market

The market for FinCrime and compliance solutions is growing in both size and complexity. Chartis estimates that it will be worth \$26.8 billion by 2025 (see Figure 1). Institutions are not only moving toward a greater understanding of risk, they are also increasingly able to integrate a wide range of data, and to automate both operations and risk policy.

CleverChain responds to these market drivers by taking a platform approach to automating data, processes and intelligence. Its category award win for Know Your Business (KYB) was based on a thorough evaluation of its ability to provide automated risk metrics and intelligence in appropriate scenarios. Its category award win for policy and control automation considered the provision of diverse and complex policy and control intelligence via an automated and customizable interface.

Figure 1: Estimated value of the FCC solution market



Source: Chartis Research

Winner's profile: CleverChain

CleverChain's financial crime and compliance portfolio provides powerful tools to help firms automate critical anti-money laundering (AML) and counter-terrorism financing (CTF) compliance processes throughout the customer lifecycle. Basing its approach on a highly modular AML engineering platform that is built on a combination of cutting-edge technology and deep industry expertise, CleverChain provides a highly practical yet customizable take on risk and compliance policy and operations management. Its generative AI (GenAI) tool Kira is an innovative take on compliance and policy automation, and contributed strongly to the company's award win in the Policy and Control Automation category.

The company's solutions include several key capabilities: automated AML and CTF compliance; customer risk assessments; perpetual Know Your Customer (pKYC); holistic and dynamic data integration; explainability and reporting.

The CleverChain platform

CleverChain helps institutions navigate the complexities of AML and CTF regulations and compliance processes. Its solution saves businesses time and resources by automating the often manually intensive tasks involved in compliance, including customer onboarding and due diligence, data collection, analysis of customer risk assessments, decision automation and pKYC. The platform uses data analytics to continuously assess customer risk levels, helping businesses identify high-risk clients who might be involved in money laundering or terrorist financing.

What stands out is CleverChain's ability to support ongoing risk assessment and review, with automated review of policies and procedures, and the automation of writing policy via Kira. This is a significant step in the drive to deliver robust risk assessment that combines operations with policy. The solution can not only identify the risk that financial criminals and changing risk typologies can have for a compliance function and adjoining processes, it can also assess (via stress testing) the impact that new regulations can have on policies, procedures and operations.

The CleverChain platform integrates with core systems and third-party data sources to create an enhanced, holistic view of a customer's risk profile. It is proven to be scalable and flexible through a number of compelling use cases that CleverChain has showcased.

Kira, CleverChain's proprietary GenAI compliance expert, streamlines compliance activities via actionable insights and practical advice. It helps companies conduct effective customer due diligence (CDD) and enhanced due diligence (EDD) compliance processes, which are crucial for identifying and mitigating risks at the first point of contact with current or potential future clients. This capability includes guidance on identifying ultimate beneficial owners (UBOs) and such higher-risk profiles as politically exposed persons (PEPs). It also offers real-time support, enabling frontline staff to perform 'morality checks' on counterparties, and includes such official lists as sanctions, PEPs and regulatory enforcement.

Category award: Core Technology – Know Your Business

CleverChain's recognition for its KYB solution underscores its extensive and dynamic data integrations and strengths in this area. KYC verification is a core function of AML/CTF compliance, which often overlaps with KYB procedures. CleverChain's depth of knowledge in KYC and KYB, combined with its ability to automate data consolidation, connection and interpretation, enables firms to easily streamline compliance activities and automate the decision process, including for specialized business models such as small and medium enterprise (SME) lending and private banking. CleverChain enables firms to take a multi-layered approach to UBO detection, allowing them to look through all layers of the chain of control to detect and calculate actual beneficial ownerships and make sense of indirect participations and circular ownerships. CleverChain also enables firms to monitor changes in company structures.

CleverChain's offering can also manage indirect exposure to cryptocurrencies, regardless of whether an institution offers digital assets (i.e., the ability to screen digital wallets to verify sources of funds). Overall, CleverChain's KYB solution aims to give financial institutions a comprehensive and efficient way to manage their KYB compliance obligations. By leveraging automation, intelligent workflows and continuous monitoring, CleverChain helps firms to reduce costs, improve accuracy and enhance risk mitigation.

Category award: Emerging Use Cases – Policy and Control Automation

Chartis has seen a rapidly growing appetite for solutions in this area – the result of several factors that include the blurring of lines between financial crime policy and operations; the challenges in recruiting, training and upskilling across both those areas; and the tightening of regulatory, audit and reporting requirements.

CleverChain's recognition for Kira's policy and control automation capabilities reflects the company's presence and strengths in this area, as well as its efficient and sophisticated GenAI-focused approach. To take an example, the European financial crime and compliance landscape faces constant regulatory change that aims to combat money laundering and terrorism financing and new threats such as cybercrime, while protecting individuals and businesses. CleverChain's depth of knowledge across the financial crime and compliance landscape and industries stands out, while its modeling and analytical capabilities and platform enable firms to access actionable and pragmatic advice and recommendations (in key areas such as how to fine-tune policies).