iSX financial
iFX EXPO INTERNATIONAL
Instant Banking as a
card scheme acquiring alternative
FCA Authorised EMI
FRN #901034
EEA Authorised
EMI #115.1.3.17
ISO/IEC 27001 Information Security Management
PCI DSS COMPLIANT
SWIFT
Faster Payments
SEPA Single Euro Payments Area
mastercard
JCB
UnionPay 银联
Diners Club INTERNATIONAL
DISCOVER
flyk

Instant (+Open+Central) Banking as a card scheme acquiring alternative

How does this sound?

- €100k or £1m,
- cleared/settled to your IBAN,
- within 10 seconds of customer checkout from your cashier,
- with API based notifications and
- automated reconciliation.

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ISX Financial EU Plc (ISX Plc) : Background

ISX Plc is a profitable, diversified payments/regulatory technology and regulated financial services (“RegTech”) group, founded in late 2016.

We are a Cypriot public company, with more than 10,500 shareholders and around 160 staff. Our operations are currently European centric, with more than 95% of our revenues derived from the UK and EEA, servicing customers in the gaming, CFD, FX, banking, credit union and ecommerce sectors.

Regulated E-Money & Payment Services

iSXPay

ISXPay Payment Processing.
Interbank networking and card acquiring

iSXMoney

ISXMoney – electronic money
and IBAN services for business

flykk

ISXMoney – electronic money
and IBAN services for business

Reg-Tech Solutions

iSXPay

Paydentity™

PROBANX® CoreConnect

CoreConnect – Card and SEPA
Payment Gateway

PROBANX® CorePlus

CorePlus – CORE
Banking Platform

Technology licensing for a range of core banking products and solutions

Regulated Securities Exchange

NSX LIMITED

19.99% ownership
By ISX Financial EU Plc

100% ownership

National Stock Exchange of Australia

Tier 1 Australian Market Operator

ClearPay

ClearPay (Future) – Digital Ledger Based
Clearing and Settlement Platform

Intellectual Property

iSX IP LTD

Patent Licensing
and Infringement

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Traditional Banking

- Beneficiaries have no idea if / when monies will be received
- No secure message from sender via system.
- Manual check of account to see if/ when monies received
- Reconciliation!
- Trading system update – via manual CSV upload or 1 by 1 keyed entry
- High number of staff required to maintain services.

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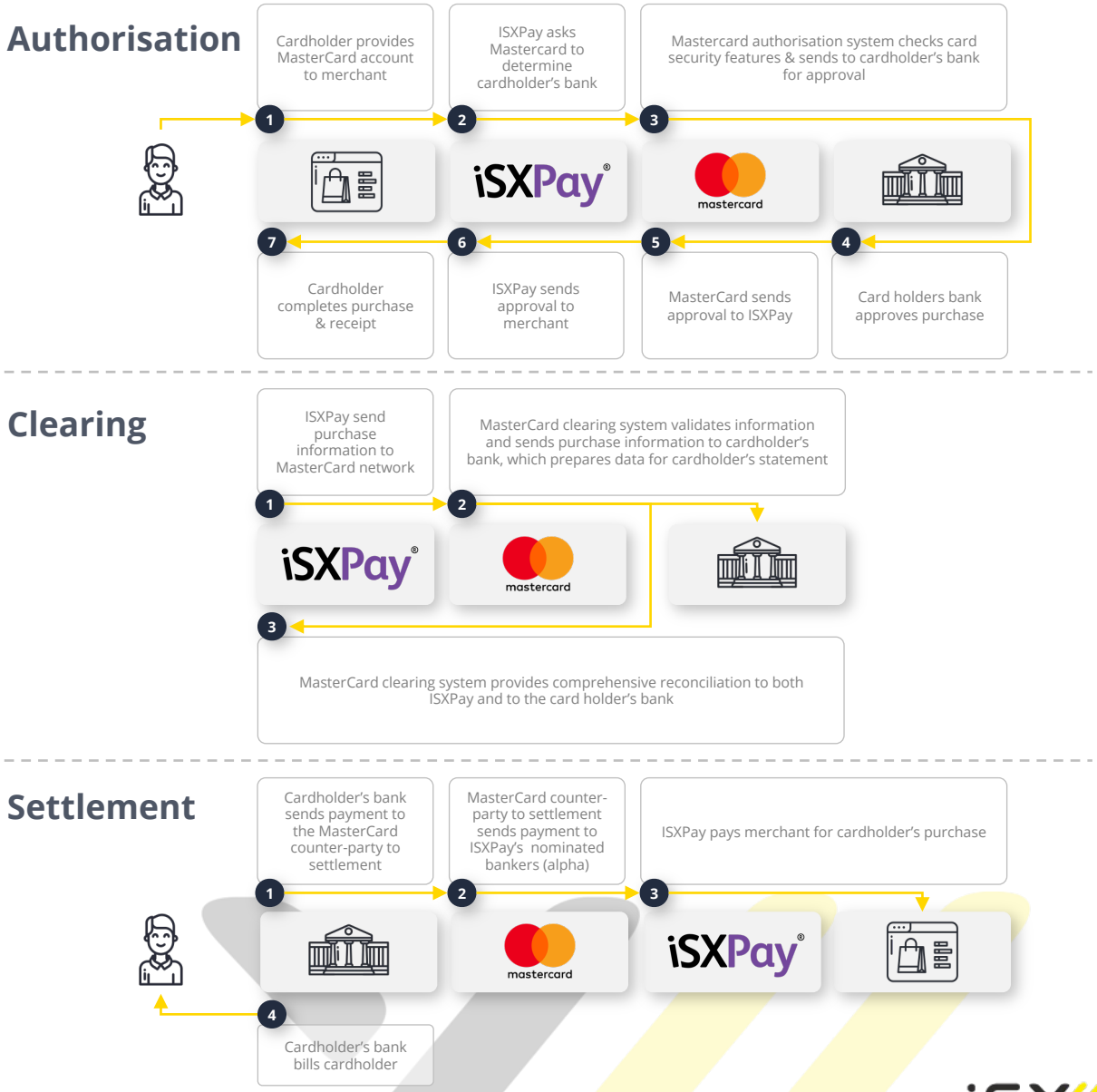
Traditional Card Acquiring

Key advantage online card payments has been the “authorisation” that is included as part of check out process.

Chargebacks, slow settlements, complex rules, expensive fees, fines and issuer declines are many of the disadvantages.

A lot of moving parts!

There are days in-between “authorisation” and “settlement” when you finally see your money!



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What is Open Banking?

Open Banking (OB) in the EEA and UK is result of the Payment Services Directive EC2015/2366, and has been transposed into local law in EEA member states and the UK.

It has two key features of interest today;

- Account Information Services (AIS)
- Payment Initiation Services (PIS)

AIS is used to “view” retail accounts, and are predominantly used by entities like Plaid or Yodlee to credit score consumers.

PIS is used to initiate a payment, and is the focus of todays presentation.

Companies that offer PIS services include Sofort, Volt and ISX.

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What is SEPA Instant (EEA) and FPS (UK)?

Single Euro Payment Area (SEPA) has evolved to allow for;

"instant" transactions between IBAN's, with funds up to €100,000 settling within 15 seconds

Faster Payment Service (FPS) has evolved to allow for;

"instant" transactions between Sort/AC, with funds up to £1,000,000 (£ 1million) settling within 15 seconds

There are more than 4300 banks connected to SEPA instant, with more than 23 billion transactions annually.

Similarly, most UK banks are now connected to FPS.

ISX was the first provider of SEPA instant in Cyprus and the Balkans, and is today one of the largest processors. ISX processes on behalf of other banks, credit unions, payment institutions as well as its business customers.

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How does OB and Instant Payments substitute for cards?

It doesn't!

At least, not without some additional elements.

OB can:

- Initiate a transaction via a PIS, and SEPA Instant or FPS can send it to an account within 15seconds
- Notify that the transaction has been initiated
- Provide key data as to sender details

But that still isn't the same as an "authorisation", as merchants need to check the destination IBAN to see if money has arrived (clearing and settlement occurs instantly to your account, unlike cards)

How do we bridge the gap to make OB substitute for cards?

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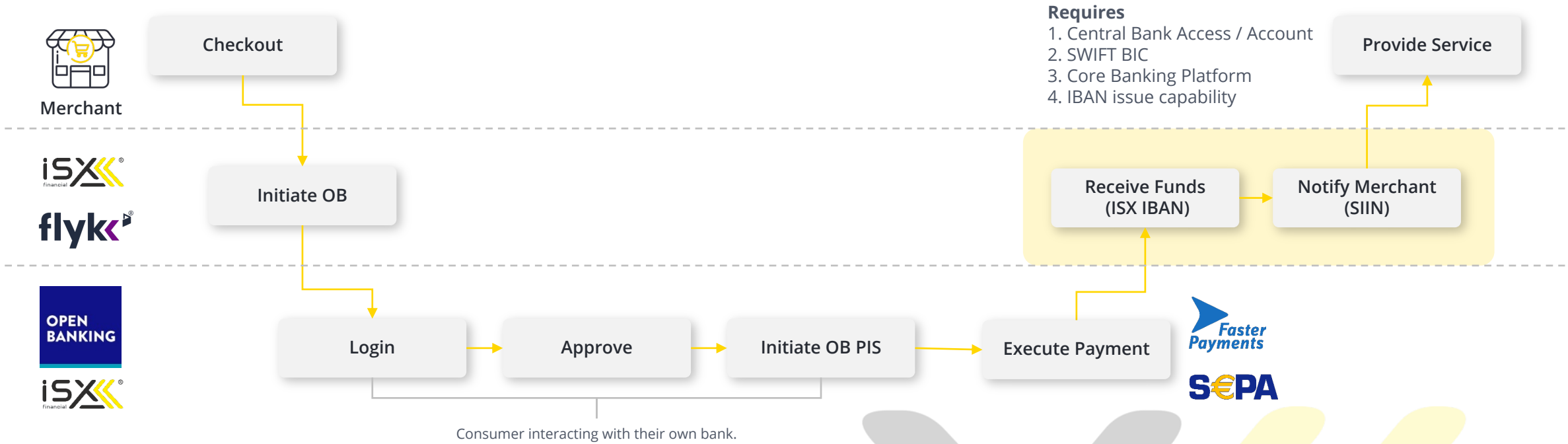
Bridging the gap

Use Open Banking and bank rails across the EEA and UK as an alternative to Card Schemes. Open Banking offers the convenience and security of low friction payments, with up to €100k or £1m in under 15 seconds (for enabled host banks). Enjoy the benefits of chargeback free instant settled funds an IBAN/SortAccount we issue to our customers, with advanced API based notifications from ISX Financial's SIIN service. SIIN provides rich details for each transaction, as a true alternative to card authorisations!



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Technology Stack

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Bank Networks:

SWIFT

SEPA

Faster Payments

target 2

bacs

PROBANX

CoreConnect

Interbank Connectivity

Also sold as software

PROBANX

CorePlus

Core Banking: Deposits, Loans, Accounts, Ledgers, Compliance, Screening, Reporting

Also sold as software

Paydentity™

E-Commerce Checkout, Card Acquiring, SEPA Acquiring Identity & Verification, Merchant Integration, Payouts

Card Schemes:

mastercard, JCB, UnionPay, Diners Club International, DISCOVER

Fintech:

Sofort.

Przelewy24

Open Banking, Fraud, AML, Risk, Reporting, Paydentity Platform

ISX Developed Supporting Technology – optimised for performance, security and functionality.

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Advantages of Flykk® ecosystem

Business/Merchants

- Ultra low friction/fast Open Banking checkout
- Instant clearing to IBAN for EUROS € and GBP
- API driven SIIN cleared payment notification and reconciliation for IBAN transfers in 25 currencies
- SWIFT inbound payments along 25 major corridors
- Automated cleared payment notification and reconciliation of Sofort
- In most cases 0% rolling reserve / security

Consumer

- Free money transfer
- International remittance

Near term

- Linked Diners and Mastercard debit cards
- Crypto currency fiat on/off ramp

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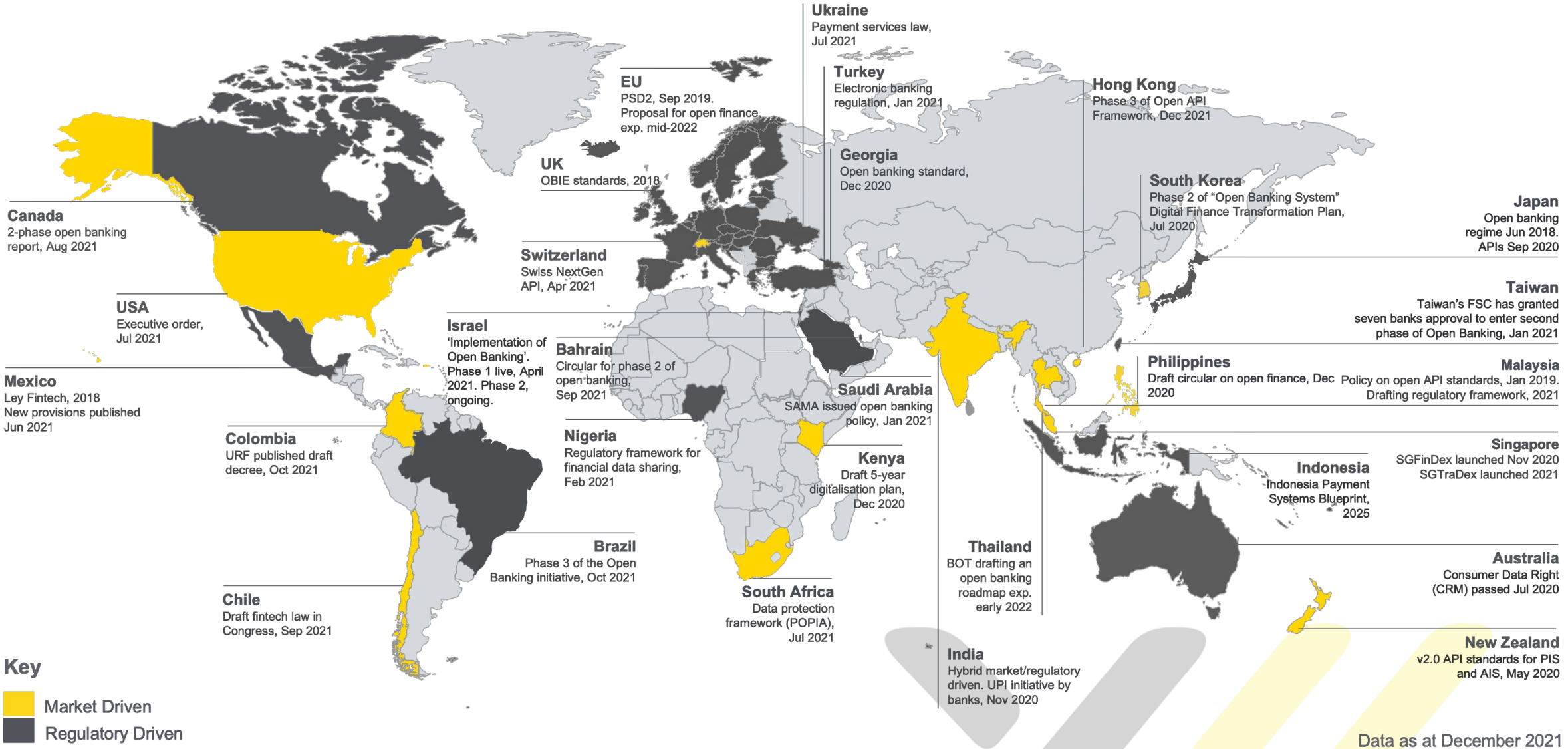
Where to next with Open Banking?



Data as at December 2021

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Thank you

ISX Financial EU PLC

Contact : sales@isxfinancial.com

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