Use Case 1: **Shared KYC / AML (Anti Money Laundering)**

Overview:

The Know Your Customer (KYC) processes are ever evolving and even more so the solutions around it in the eco-system. KYC is required for almost everything we procure and all the business embrace it whether it is for mitigating risk, on-boarding, providing more customized solutions and more importantly preventing Money Laundering and combating terrorism.

Current Challenges:

Globally the efforts and investments for prevention of financial crimes, money laundering and terrorist funding, have seen a significant increase. However, financial institutions and Banks are often penalized for failing to follow KYC guidelines due to volatility, uncertainty, complexity, and ambiguity.

Business Requirements

A blockchain-based registry which could remove the duplication of effort in carrying out KYC checks. Closed loop system to create, maintain and share ledgers of financial activities. Perhaps, create a complete eco-system around it in a manner that various bodies like tax authorities, company registries, law enforcement bureaus, judicial bodies, banks, media house and corporates, can derive insights and update records.

Use Case 2: **Syndication of Loans/ Consortium Lending**

Overview:

The digital transformations have brought down costs and streamlines processes in banking and finance over the years. Areas such as trade finance, corporate lending, syndicate lending are still in the nascent stages when compare to the more popular counterparts like payments and KYC.

Current Challenges:

Growth amongst amidst the even increasing regulatory and compliance requirements of KYC/ AML, newer data protection and customer secrecy laws.

Business Requirements

A closed loop environment which holds the customers and syndicate banks tracks like limit utilization, documentation, fee distribution, KYC/ AML and due diligence conducted.

Use Case 3: **Trade Finance**

Overview:

Blockchain offering with opportunity to finance trade more cheaply and with less risk.

Current Challenges:

Trade finance is part of banking which has mostly been paper based activity, with related complexities in execution, efficiencies, cost and risks.

Business Requirements

Blockchain holds the potential to address the vulnerabilities, while making the processes simpler and secure in trade finance space. Eliminating paper moments, Enhancing customer due diligence, containing thorough KYC and legacy and bringing the overall costs down.

Use Case 4: **Asset registry & asset re-hypothecation**

Overview:

Asset re-hypothecation is a very common practice in finance world, where the financial institutions/ banks can use securities of the borrower for its own trade purposes.

Current Challenges:

Asset re- hypothecation can be complex when there are multiple assets involved with mixed ownerships. Hence, the regulators often have limits on re-pledging of assets. There are other challenges in terms of track history of the asset, ownership and value, etc. Furthermore, if any of the counterparties defaults, the whole chain may get affected.

Business Requirements

Blockchain can mitigate the challenges by bringing order, legacy, market categorization, pricing and ownership, etc. in real time and execution abilities via smart contracts. An eco-system which has all the counterparties and an asset registry along with the regulatory body, which provides the necessary control framework and reporting system.

Use Case 5: **Auto Reconciliation in Payment**

Overview:

In the digital payments space there are multiple e-collection platform by the financial Institutions made available for the customers / merchants for initiating collections. The merchants upload the data in application which tags each data with some unique reference and provide links for making the payments. The mode of payment could be (a) Net-banking of partner banks (b) Debit card, (c) credit card or (d) cash / Transfer cheque through Bank/ card aggregators. Post successful payment, the aggregators share the funds and related reports with financial institutions. This data is compared with the transaction status data in base system and post successful validation/ reconciliation, payout is effected to the corresponding merchants.

Current Challenges:

Current funds settlement process entails certain manual intervention owing to multiple data sources and modes of payment and various dependencies. Settlement is carried out generally once a day and multiple legs of reconciliation are required to be embedded at each stage which result into delays and customer dispute.

Business Requirements:

If the base transaction is stored in a common place wherein the stakeholders would append data/ information which can act as

- common repository for all stakeholders to conclude each stage

- Facilitate real-time settlement of funds to the merchant

- Common platform thereby facilitating faster customer dispute resolution

- Elimination of need of multiple reconciliation

- better transparency

Use Case 6: **Trade Equity Derivatives**

Overview:

Financial Institutions/ Banks are Professional clearing member with Stock Exchange in Derivative segments. For providing instant position to Institutional clients like Mutual Funds, FPIs, Primary Dealerships, HNW Individuals, etc., banks are required to make checks the collaterals deposited by clients. The entire trade transaction has multiple parties like stock exchange, banks, brokers, customers, etc.

Current Challenges:

All the Entities involved in the trade confirmations are not on a common platform.

Business Requirements:

Real time collateral monitoring between Stock Exchange and Financial Institutions and auto-approval based on rules defined through Smart Contracts.

Use Case 7: **Blockchain in Recruitment**

Overview: Good recruitment is of utmost importance to any organization - finding the right candidate for the right position in due time. It is an activity of matching the organizations ambitions with the right amount of skill within the workforce. Effective recruitment is not just about filling an immediate vacancy but it is about having an sense of future vision of the organization which directly impact the overall performance.

Current Challenges: Some of the key challenges which the recruitment process are poised with are Background verification, degree validation, Talent management and Acquisition. Each of the activities are slow and may require internal or third party intervention.

Business Requirements: Each candidate's records such as identity proofs, degrees, employment history, salaries drawn, immigration history, etc., can be part of a Blockchain system which can offer pre-validation to the employer or education institution. Access control can be with candidates who can update their profile and provide access to their employer at the time of recruitment. Since the institutions and ex-employers would be part of the chain, no further verifications would be needed. Further, basis the access to skill levels of the candidate, appropriate positions can be offered.