

The Currencycloud Group Ltd (Currencycloud) - £10M Award

Key Achievements to Date

- We processed cross-border payments for 9.5% of all UK SMEs trading internationally (over 35,000 UK SMEs) over the last twelve months.
- We continue to distribute our services widely to UK SMEs, having onboarded 196 financial institutions serving UK SMEs and UK Fintechs since January 2020.
- We have complemented the CIF grant funding with over £42m of additional investment to date to deliver a global transaction banking platform for UK SMEs, exceeding our co-investment commitment.
- In Q4, we launched our new Currencycloud Developer Portal, making it easier than ever for clients to get their integrations off the ground. We have retained existing functionality, like the ability to test our APIs in a sand-boxed demo environment, and added new features to reduce barriers to access including a new UI, search tool, and enhanced documentation.
- This quarter, we also launched our brand new self-service statement and reporting tools, giving clients complete visibility over all transactions and balances at the touch of a button, facilitating instant reconciliation and enabling clients to produce activity statements for their customers quickly and easily. We are working to extend this functionality to collateral reports next.

Assessment Period 13 (October 1st, 2022 – December 31st, 2022)

These Public Commitments are based on Currencycloud's Revised Business Case approved in November 2022. The former Public Commitments, including rationale for the changes can be viewed [here](#).

COMMITMENT 1 – HELP 10% OF UK SMEs TRADING INTERNATIONALLY ACCESS BETTER CROSS-BORDER EXPERIENCES

We commit to powering cross-border payments for 40,000 UK SMEs by 2024 – 10% of all UK SMEs that trade internationally.

We are on track to deliver this commitment. As of Q4 2022, over 35,000 UK SMEs have used our cross-border payments platform – 9.5% of all UK SMEs trading internationally.

Original Commitment

COMMITMENT 2 – EXPAND OUR PRODUCT

We commit to providing our customers a Global Transaction Banking platform through:

- **Addition of alternate payment methods to support the next generation of international business payments: instant payments, mobile wallets and cards.**
- **Geographic expansion of our collections product, a receivables solution allowing UK SMEs to accept payments from their international customers via local accounts abroad.**
- **New features to address common pain points for UK SMEs trading internationally, such as 24/7 currency trading and 'request to pay' functionality enabling SMEs to take full control of their accounts receivable and initiate payments directly from their international customers.**

Rationale for change:

Reprioritisation of products and features in response to macroeconomic conditions and cross-border payments trends, with a view to deliver the greatest customer impact for UK SMEs over the duration of the Business Case.

New Commitment

COMMITMENT 2 – EXPAND OUR PRODUCT

We commit to providing our customers a Global Transaction Banking platform through:

- Issuance of unique multicurrency accounts to our clients and our clients' customers, addressable via international wires and local payment rails.
- Geographic expansion of our collections product, a receivables solution allowing UK SMEs to accept payments from their international customers via local accounts abroad.
- Addition of real-time payment routes and automation of payment controls to improve the end-to-end cross-border payment speed for UK SMEs.
- New features to address common pain points for UK SMEs trading internationally, such as 24/7 currency trading and superior FX rates and liquidity, and greater transparency through self-service reporting.

We are on track to deliver this commitment.

COMMITMENT 4 – DISTRIBUTE NEW PRODUCTS WIDELY TO SMEs

We commit to continuing to power both FinTech innovators and traditional financial institutions striving to keep up with the pace of change. Enabling the disruptors and the disrupted alike to leverage our platform to develop new products would introduce more choice for UK SMEs and widen the access to cross-border payments – a true multiplier effect on competition.

We are on track to deliver this commitment. In Q4 2022, we signed 12 financial institutions serving UK SMEs and UK-based Fintechs, bringing our total to 196 signings since January 2020.

COMMITMENT 5 – CO-INVEST

We commit to investing at least £30m of our own funds, alongside the £10m CIF grant, in pursuit of making our ambition a reality for SMEs.

We have delivered this commitment.

COMMITMENT 6 – PROTECT THE INTEGRITY OF THE FINANCIAL SYSTEM

We commit to upholding our obligations on transaction monitoring, safeguarding of client funds, security and data protection to ensure the cross-border payments ecosystem is a safe space for our SME customers and partners within our global network.

We are on track to deliver this commitment. We continue to make ongoing enhancements to our security, safeguarding, and AML compliance systems and processes to keep our clients and their money safe, while preventing criminal activity. In Q4 2022 specifically, we made significant improvements to our cybersecurity program and the scalability and resilience of our platform.

COMMITMENT 7 – RELEASE WORKING CAPITAL BACK TO UK SMEs

We commit to developing our technology and risk management practices to release working capital to UK SMEs using our platform for cross-border payments as quickly as possible. SMEs will benefit from instant FX trade settlement and updates to their customer balances and margin accounts, whilst Currencycloud will manage the FX, liquidity and credit risks associated with FX trading and funds in transit. These enhancements will help alleviate working capital challenges for UK SMEs in the aftermath of the COVID-19 disruption and during an economic downturn.

We have delivered this commitment.

COMMITMENT 8 - REDUCE BARRIERS TO ACCESS

We commit to reducing barriers to access for SMEs by automating our onboarding and account activation process, delivered via an eKYC API. This will enable unregulated companies (e.g. software providers, lending platforms, marketplaces) to offer transaction banking services to their SME customers without having to invest in regulation, compliance or payments infrastructure.

Rationale for change:

Acceleration and expansion of initial delivery plan in response to client feedback.

New Commitment

COMMITMENT 8 - REDUCE BARRIERS TO ACCESS

We commit to reducing barriers to access for SMEs by automating our onboarding and account activation process, improving the end customer onboarding experience, and launching an Onboarding API. This will enable unregulated companies (e.g. software providers, lending platforms, marketplaces) to offer transaction banking services to their SME customers without having to invest in regulation, compliance or payments infrastructure.

We are on track to deliver this commitment. We are launching our new Onboarding API with existing clients, giving fintech and technology companies the ability to embed the Currencycloud onboarding process into their own platforms and take full ownership of their customers' onboarding journey.