

Rethinking global money transfers: **Why enterprises adopt their own cross-border payments solutions**

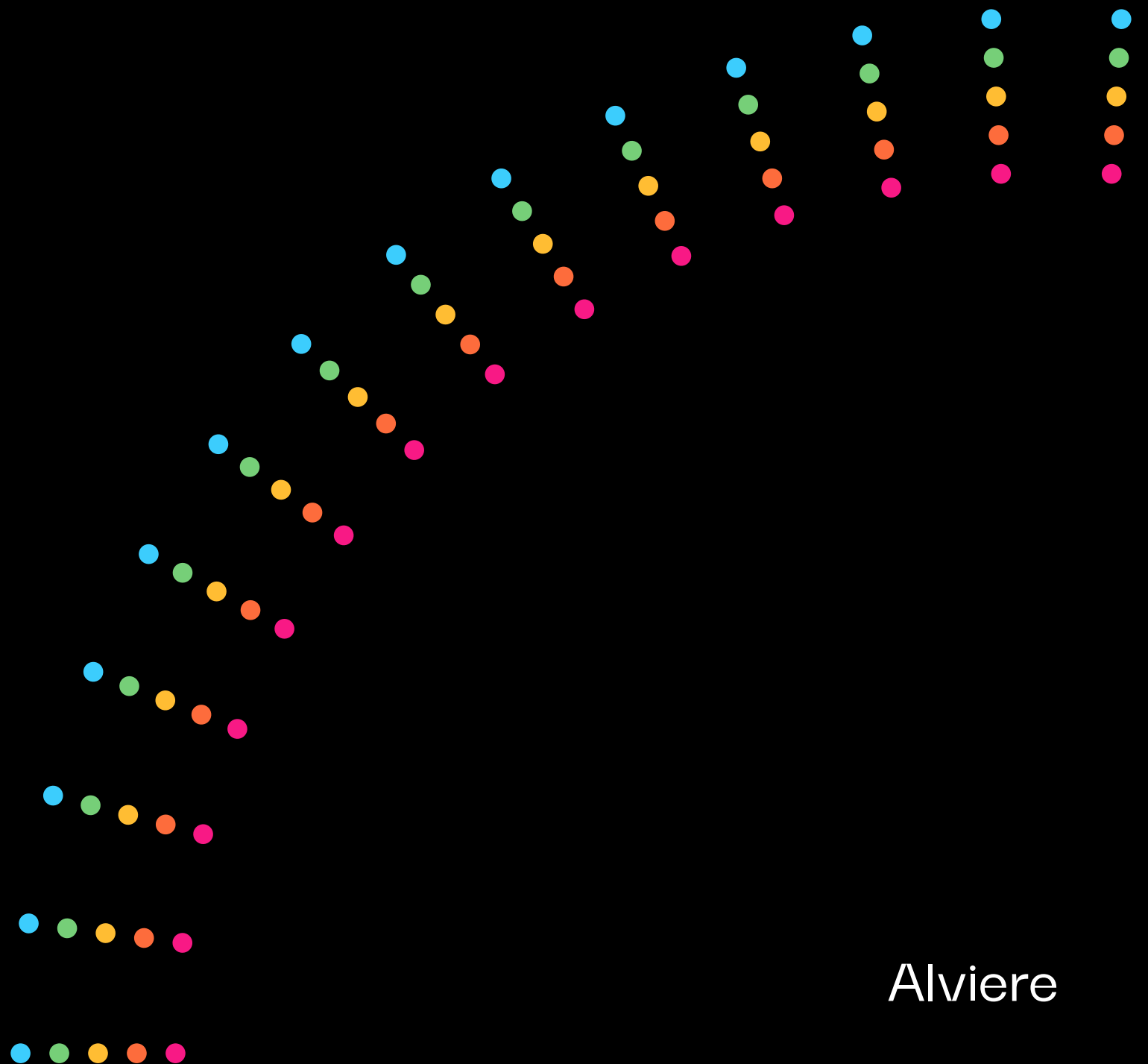
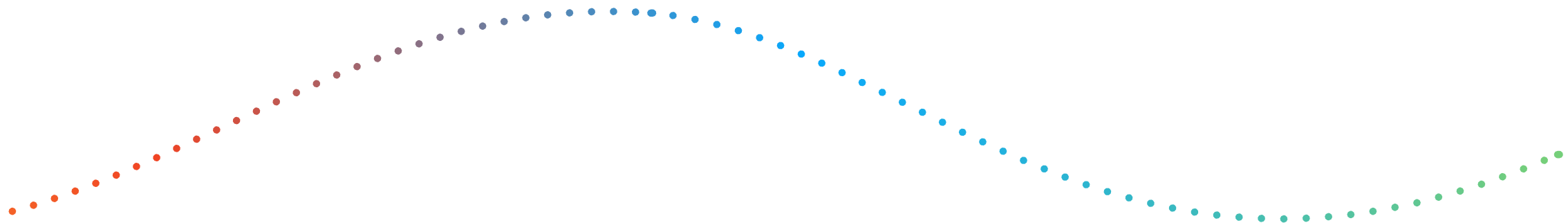


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To reach new markets and foster financial inclusion, consumer brands and B2B enterprises are taking control of their cross-border money movement.

Fast forward two years from now. Inflation, interest rates, and supply chain issues continue to impact spending. People are smarter and more selective about who they do business with, highly skilled immigrants are sending more funds back home, and businesses want less overhead costs on paying their employees and suppliers. Those staying ahead have adopted payments solutions that operate seamlessly across borders and invisibly inside their existing apps.

Today, growth in cross-border remittances has reached \$669 billion, with India, Mexico, and China as the top three recipient countries, according to the [World Bank](#). In addition, the average cost of sending \$200 is 6.25 percent, more than twice the [Sustainable Development Goal](#) target of 3 percent set by the United Nations Economic Commission for Europe. These costs give consumers pause, as they look for cheaper ways to send and spend money. For those not participating in a traditional financial system - over 1.4 billion adults globally are unbanked - the lack of money transfer lifelines continues the cycle of poverty ([World Bank](#)).



72%

of SMEs say the global payment network helped them endure the pandemic

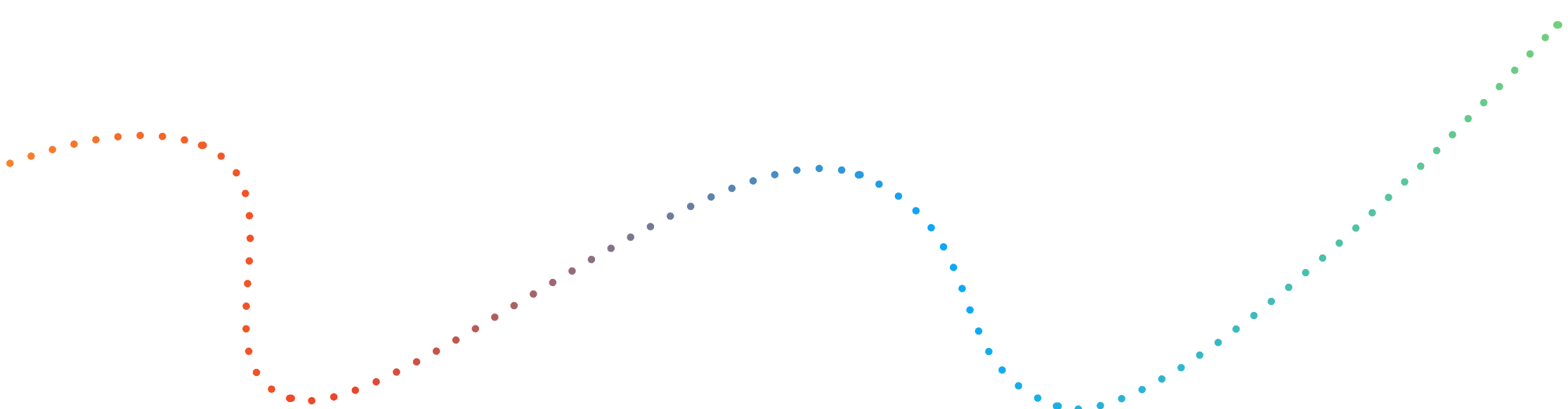
([Mastercard Borderless Payments Report](#))



40%

of family members living internationally would not have survived financially without cross-border payment funds

([Mastercard Borderless Payments Report](#))



Change is necessary; blockers loom large

The landscape of global money transfers is being disrupted, fueled by unprecedented individual demand and constrained by the barriers of traditional banking systems. Here are the push-pull effect between organizations desiring change and the blockers preventing progress.

Change drivers in global payments

Macroeconomic pressures

Rising inflation and interest rates, supply chain volatility, and geopolitical tensions are pushing organizations to find new ways of optimizing cash flow and creating revenue.

Digital currencies

New methods of digital payments make it easier for money to reach everybody...and consumers are shifting spending to those businesses that support them.

Customer experience

More consumers want positive experiences - 73% point to experience as an important factor in purchasing decisions - indicating a direct link between improving service to better business performance ([PwC](#)).

International expansion

With international expansion comes access to new customer bases and revenue. According to [Visa](#), 87 percent of merchants believe that their biggest growth opportunity comes from expanding online sales into new markets.

Technology modernization

Modernizing enterprise technology stacks reduces costs, fragmented tools, security risks, and inefficiencies. It also provides opportunities to evolve payment systems and processes.

Barriers to change

Traditional banks and financial institutions

Traditional institutions are seen as time-consuming, costly, and opaque - with good reason. Consumers want fast, frictionless payments and legacy banks are hampered by legacy systems, processes, and regulatory environments.

Regulation, security, and compliance fears

The regulatory and compliance environment make it hard for enterprises to offer any level of financial service, and growing cybersecurity threats are perceived as getting worse with the adoption of new payments channels.

Regional differences

Managing payment terms and conditions across multiple currencies and regions is a complex task, made more cumbersome by different supplier and vendor processes.

Limited options

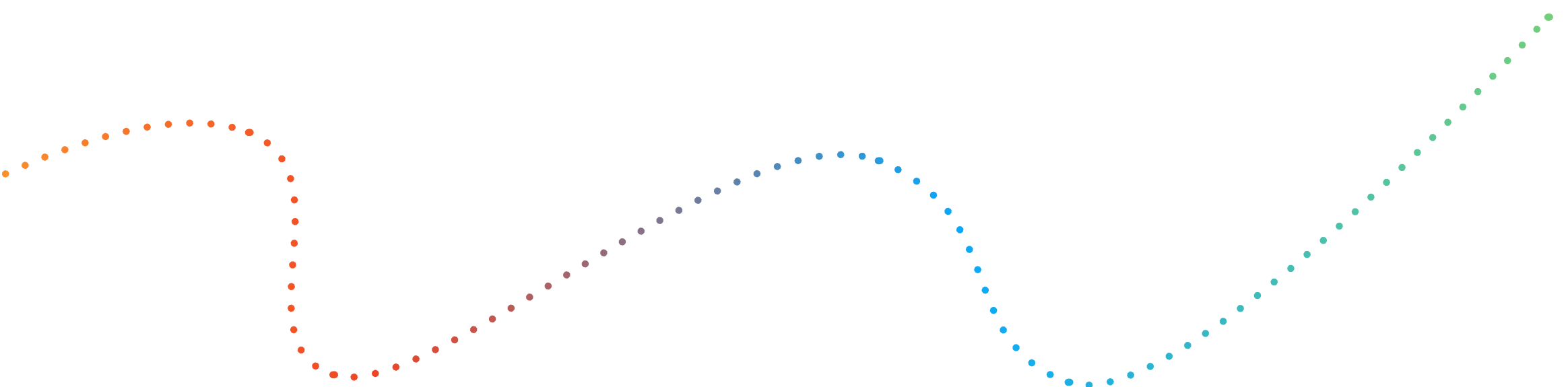
Organizations wanting to adopt payments services easily are limited in options and expertise. Cross-border payments in particular are underserved by today's technology offerings.

Not knowing where to start

The biggest barrier is getting stuck in inertia mode due to thinking payments is too hard, too risky, or too far in the future.

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Businesses that understand that these barriers are more myths than blockers will find opportunities to navigate global change by owning a greater share of the payments process.



Emerging trends in cross-border payments

In 2007, M-PESA helped Kenyans make payments using their mobile phones. In 2011, Alipay enabled Chinese citizens to pay by QR code. Today, the demand for fast and easy payments is growing across the globe. Smarter consumers and diversified supply chains are fueling the adoption of digital payments and setting the expectation that paying for a good or service should be as easy as tapping a screen.



63%

of small businesses say 'We would always look globally now to source suppliers'

([Mastercard Borderless Payments Report](#))

Six trends are defining these new approaches to enterprise payments:

❖ Real-time/instant payments

69 percent of businesses agree that sending digital cross-border payments improves cash flow ([Mastercard](#)). The ability to transfer funds across borders in seconds, rather than days, allows businesses to cover their obligations faster, improve the predictability of settlements, and facilitate a better customer experience than traditional banking.

❖ 24/7/365 payments availability, enabled by digital currencies

With digital currencies and blockchain technology, businesses can go beyond traditional banking hours to facilitate global money transfers that operate around the clock, every day of the year. This fosters continuous payments availability with less wait time among customers, suppliers, and vendors. Additionally, these technologies lower fraud risks, as payments are verifiable on the blockchain, leading to fewer chargebacks and failed payments.

❖ Embedding international remittances within an existing application

Integrating remittance capabilities within web and mobile applications offers a convenient way for consumers to make payments. For example, [WhatsApp Payments](#) supports instant money transfers between contacts without having to leave the messaging app, eliminating the need to worry about third-party intermediaries and associated costs.

❖ Open banking enabling access to financial services

Open banking initiatives, such as the Payment Services Directive 2 (PSD2), empower businesses to leverage financial data and services from various providers. By developing their own payment systems that integrate with open banking frameworks, businesses can access a wider array of financial services, optimize cash management, and offer tailored solutions to customers.

❖ **The rise of the gig economy**

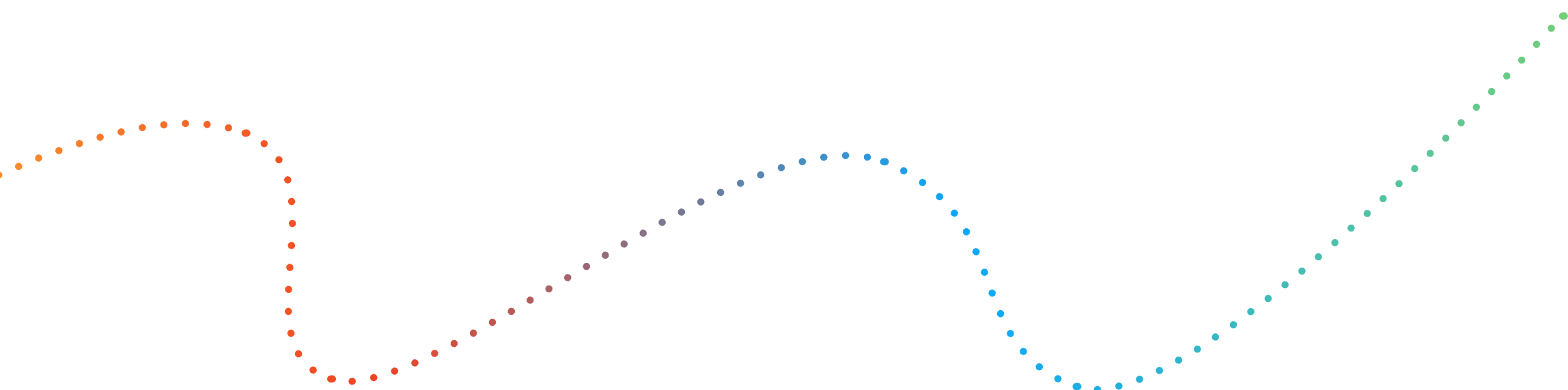
Online marketplaces and services are reshaping how people work and earn globally. Businesses can tap into this trend by adopting their own payment systems that cater to gig workers' preferences for fast payments from anywhere in the world. Such systems can provide real-time payment (RTP) disbursements, transparent transaction tracking to improve overall satisfaction among gig workers.

❖ **Connecting with the unbanked and underbanked**

Many individuals worldwide lack access to traditional financial services. By bridging this gap, businesses can extend their reach to new markets, enable financial inclusion, and contribute to socioeconomic development. These systems typically leverage technology and alternative payment methods to connect with previously untapped customer segments.

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The demand for faster, customizable, and accessible approaches to payments has sparked a new wave of technology solutions, led by embedded finance and banking-as-a-service (BaaS).



The new frontier: Embedded finance and BaaS

Embedded finance and BaaS allow the integration of cross-border payments solutions into existing enterprise resource planning (ERP) systems. These services enable businesses to incorporate banking functions, such as international fund transfers, currency exchange, and real-time transaction tracking directly into their technology stacks, operational workflows, and customer-facing applications. This allows businesses to take ownership of their international money transfers and maintain control over the user experience and transaction processes.

What are embedded finance and banking-as-a-service (BaaS)?

Embedded finance and banking-as-a-service (BaaS) are closely related solutions that enable new capabilities in digital financial services. Embedded finance is technology that allows non-financial organizations to offer financial products via a customer experience, journey, or platform. BaaS, also known as embedded banking or white-label banking, is a subset of embedded finance that enables companies to provide financial services by connecting to bank systems using application programming interfaces (API).

Another way of looking at the two solutions: Embedded finance works more on the front-end of the customer experience, like Uber offering credit card payments within their mobile app, while BaaS provides the infrastructure on the back-end to support developers connecting the experience to bank-like services.

Key enablers

Conditions are ripe for leveraging technology to shift payments inside the enterprise. While the embedded finance market is filled with new and disruptive entrants, there are five key enablers that will best lead to success:

Tailored financial services

Today's consumers want more options and personalized interactions, pushing brands to adopt modular and configurable solutions that bring financial offerings, like branded cards, international payments, and tailored rewards programs, into their core services.

Greater ownership and control

Market pressures and shrinking margins are driving organizations to bring more cash flow predictability into their operations. Embedded finance solutions that provide total visibility over cross-border transactions and deeper integration with back-office systems help businesses improve forecasting, reconciliation, and cost optimization.

Regulatory & security compliance

To meet the needs across various regions, an embedded finance platform must include geography-specific regulatory and security compliance. This includes support for insured bank accounts through partnerships with banks, adherence to Know Your Business (KYB) and Anti-Money Laundering (AML) standards, and implementation of stringent payments fraud prevention and identity management protocols.

Blockchain support

International money transfers using blockchain technology bring several benefits to an organization, including 24/7 access, faster settlement times, access to new digitally-enabled consumers, and increased security.

Developer experience

A flexible and extensible embedded finance solution is only as good as its ability to support developers. A good developer experience – including programming interfaces, support, and documentation – allows organizations to integrate financial services and data into their systems faster and maintain security, reliability, and scalability needs.

Key change drivers

Embedded finance is reshaping how businesses and individuals interact with monetary transactions. According to [Gartner](#):

“Corporate customers prefer real-time cross-border payments. They enable just-in-time supply chain payments and invoice settlement. Corporate treasurers can manage cross-currency cash management in real-time. Corporate customers who make a large volume of cross-border payments will look to move business to banks that offer real-time, cross-border payments.”

A testament to embedded finance’s influence is the growing number of use cases where financial services are integrated into non-financial applications:

Retailers

Seeking ways to expand global reach, retailers are adopting cross-border payment solutions that enable international customers with convenient options, including real-time currency conversion and fast remittances. By reducing user experience barriers and processing delays, embedded finance makes cross-border purchases more cost-effective while fostering customer loyalty and driving higher sales.

B2B companies

Businesses are embracing embedded finance features like 24/7 international transfers, BaaS capabilities, and direct integration with procurement systems, to accelerate supplier and vendor payment processes, strengthen relationships, and improve overall cash flow.

Online marketplaces

Integrated payment gateways and efficient currency exchange ensure hassle-free cross-border transactions within the marketplace. This simplifies the buying experience for customers, reduces payment friction for sellers, and enhances overall marketplace competitiveness.

Large, global employers

Companies with global teams are increasingly adopting embedded finance solutions to pay international employees, freelancers, and gig workers swiftly and securely. These solutions offer real-time cross-border payment capabilities, allowing employers to disburse pay directly to workers' accounts in their local currencies, reducing or eliminating intermediary delays and costs.

Key outcomes

Embedded finance offers immediate value for businesses, underpinned by its ability to seamlessly integrate financial services into existing processes and applications.

800M

Estimated number of people receiving remittances to pay for things like food, utilities, and education

([United Nations](#))

47%

of small businesses are doing more international business than they were before the pandemic

([Mastercard Borderless Payments Report](#))

\$150T

Total cross-border payments for B2B transactions

([EY Canada](#))

Increased customer loyalty

One of the standout advantages of embedded finance is the potential to enhance customer loyalty. By providing convenient and on-brand payments options, businesses create a holistic and user-centric experience. For instance, offering cash pickup in customer locales and currencies can attract and retain those who seek hassle-free international transactions. The ease of use and seamless integration fosters a sense of trust and satisfaction with the company, cementing stronger and longer-lasting relationships between businesses and their clientele.

Support for international employees

The growing trend of remote work on a global scale has motivated businesses to embrace embedded finance to facilitate international salary and benefits payments. As traditional payroll systems cannot cope with the complexities of cross-border payments, leading to inefficiencies, compliance concerns, and frustrated employees, embedded finance simplifies the payroll process to ensure timely and accurate salary disbursements. Not only has this streamlined payroll operations, but this also fosters strong relationships with international employees.

Greater control and visibility over the flow of funds

Reducing the dependencies on traditional banks and financial institutions allows enterprises to customize payments solutions according to their needs and strategic objectives, helping to streamline payment experiences and gain deeper insights into their flow of funds.

For example, embedded finance solutions enable businesses to proactively manage cross-border payments and optimize working capital with real-time tracking and transparency. It can also support employees and vendors with different payment options within existing enterprise payroll and CRM platforms to improve the overall experience.

Enhanced financial inclusion and access

Financial technology has the power to extend business reach to customers left out of existing financial systems – the underserved and unbanked populations. Through international money transfer capabilities embedded into everyday mobile apps, businesses empower individuals who lack access to traditional banking facilities on a global scale, amplifying interactions with existing products and services.

Building new revenue streams

Payments integration creates opportunities for businesses to build new revenue streams through customized interchange, transfer, and foreign exchange fees on transactions. The trusted relationships achieved through payments can lead to the introduction of new value-added financial products, such as international savings accounts and branded cards, to generate incremental revenue and enrich the overall customer experience.

As per a [Gartner report](#), Figure 1 below “shows the various use cases that senior banking executives have already found for real-time payments at their firms.”

Real-Time Payments Use Cases

Percentage of Senior Banking Executives



n = 48 Senior Banking Executives
 Source: Gartner Financial Services Business Priority Tracker, Feb 2023
 Q: What use cases of real-time payments does your organization currently offer? Select all that apply.
 Note: "Don't Know / Unsure" responses not included.

Gartner

Figure 1: Current real-time payments use cases as surveyed by senior banking executives (Source: [Gartner](#))

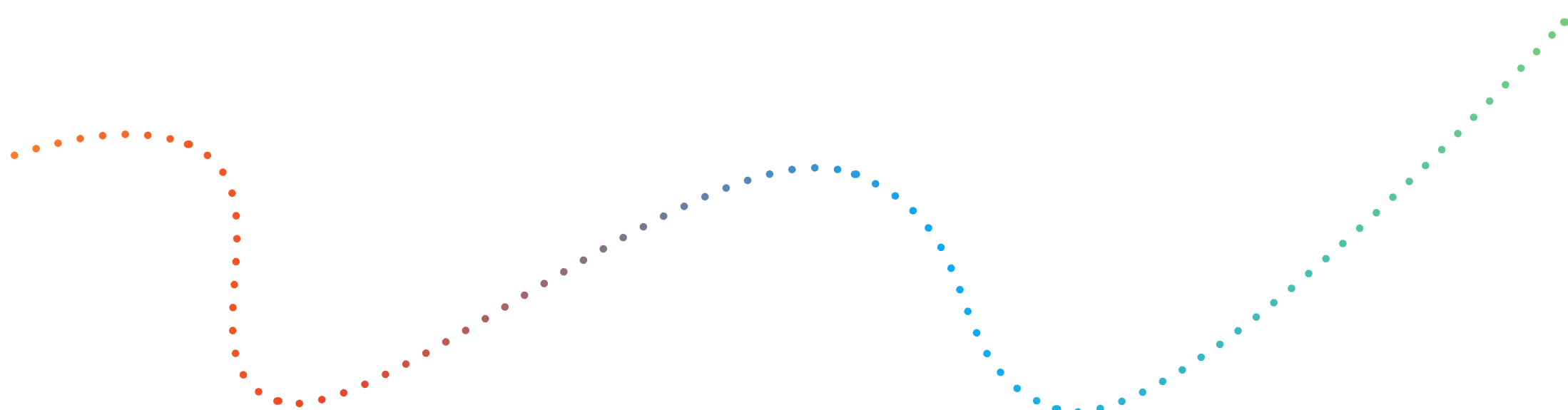


Use case: Amazon Express Payout

Amazon's introduction of Express Payout is a compelling illustration of the benefits of a customized cross-border payments solution. According to Amazon, this service enables merchants worldwide to receive deposits of up to USD \$1 million within 24 hours and, in conjunction with Amazon Pay, bypass the traditional delays associated with ACH money transfers.

Capabilities like Express Payout and Shopify Bill Pay allow merchants to access their working capital faster, exemplifying how payments innovation empowers businesses through improved financial liquidity and stronger customer relationships. Even for smaller businesses, embedded finance opens up new opportunities: facilitating the import and export of goods and services, allowing travelers to pay for services within an existing mobile app while abroad, and supporting charitable donations to nonprofits operating in other countries.

The growing demand for embedded finance is directly linked to the potential for businesses to cultivate strategic advantages - like customer loyalty and streamlined cash flow - by adopting their own cross-border payment solutions.



A winning solution: Alviere

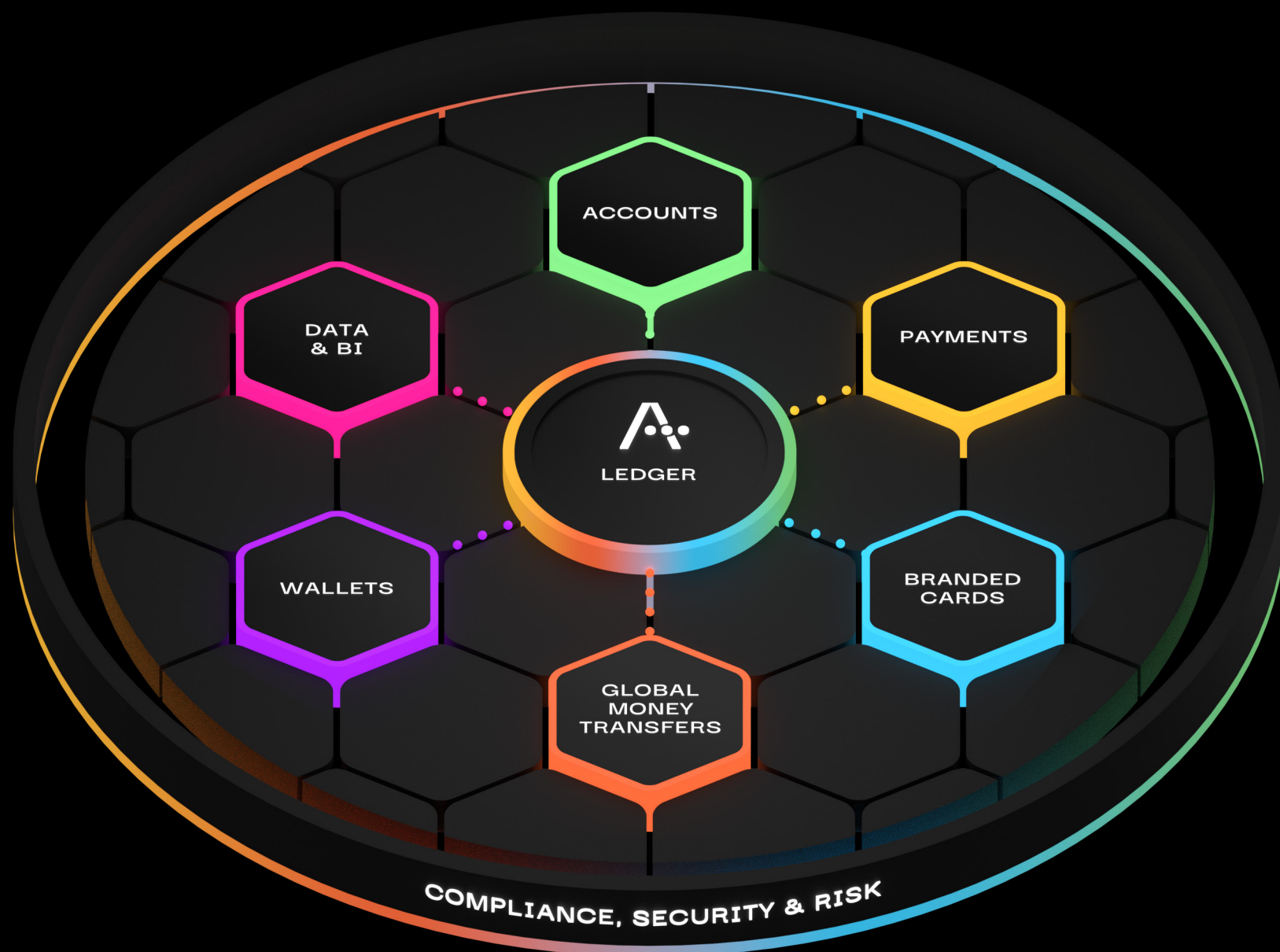
The [U.S. Federal Reserve](#) outlines the challenges of cross-border payments:

“Cross-border payments are inherently more complex than domestic payments and are often slower, less transparent and more expensive due to the lack of an end-to-end system or rule set, and the need to transact in different currencies and time zones, and comply with different regulatory requirements.”

One of the few embedded finance companies overcoming these pain points is Alviere. Through the [Alviere HIVE platform](#), businesses eliminate the time and cost burden of implementing financial services within their existing enterprise platform or customer experience. Through Alviere, all parties involved in a global money transaction follow a process similar to this:

- Each customer or supplier opens an [Account](#) with the business, which is a white-label financial service embedded into an existing system, website, or application. These accounts include full-featured banking functionality facilitating integration into existing financial processes: routing and account numbers, debit cards, and FDIC insurance in the U.S. on a pass-through basis with Alviere’s bank partners.
- Customers fund the Account through payments such as cash loading and check cashing inside the business storefront or direct deposits from a paycheck. For supplier accounts, the business deposits payments for goods or services with a simple account transfer. Instead of waiting days for bank transfers, funds settle instantly.
- [Global money transfers](#) from the Account can be sent directly to any bank account or picked up as cash – Alviere currently supports remittances to over 100 countries including 35,000 unique locations in Mexico.
- Transaction tracking and management can be integrated within an existing ERP, invoicing, order management, or CRM system to avoid additional logins and maintain the same experience with the business finance team.

The core of these transactions is the Alviere Proprietary Ledger. As remittances flow between international endpoints, all monetary flows are automated, managed, and recorded through a single digital ledger, including currency conversions and the application of local taxes.



Supporting these capabilities is a diverse partner ecosystem and proprietary technology, allowing businesses to extend their capabilities without spending the time and effort of sourcing individual vendors. With this level of extensibility, businesses can start small and grow their embedded finance portfolio as the needs of the market and international expansion dictate.

Key to dispelling the common pain points in cross-border payments, Alviere provides fraud protection and compliance to local financial and security regulations, minimizing an enterprise's exposure to risk. Alviere adheres to strict Know Your Customer (KYC), Know Your Business (KYB), and Anti-Money Laundering (AML) standards and processes. Additional safeguards include robust fraud and identity management protocols, and PCI & SOC I & II compliance.

How blockchain enables 24/7 payments

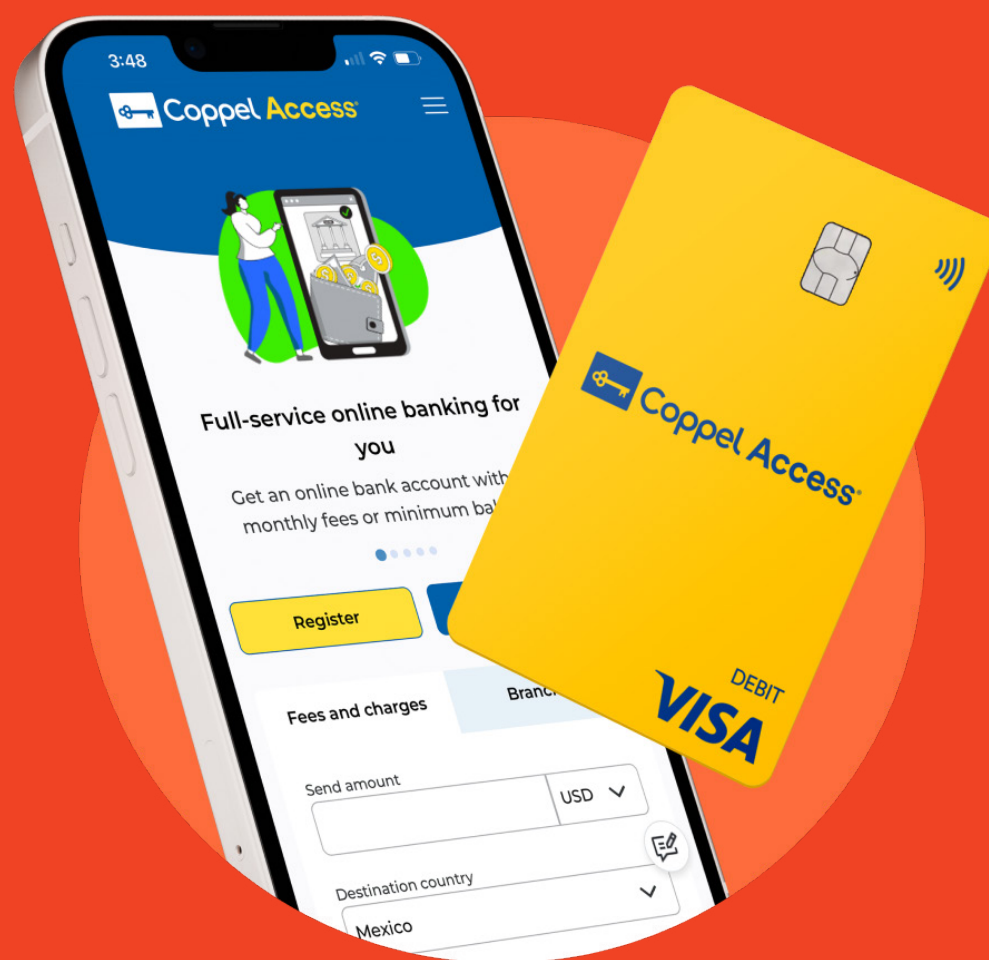
Traditional payments rely on central authorities that can take days to settle. For instance, depositing a check on a Friday evening may result in funds being available on the following Monday morning due to the overhead of banking processing. In contrast, blockchain functions non-stop every day of the year with an unmatched advantage of 24/7/365 accessibility.

Through Alviere, organizations can use blockchain technology to overcome the delays and costs of multi-hop bank settlements, coupled with a high degree of security and regulatory compliance. Pre-funding for weekend and holiday remittance transactions tends to be expensive and administratively onerous, necessitating the need for faster transaction processing as businesses increase their global transaction volume.

For example, one Alviere customer trades and settles USD to MXN transactions into a Mexico bank account with 24/7/365 availability, allowing them to complete international payments even when U.S. banks are closed.

Case study: Coppel Access

One of Mexico's largest retailers, Coppel, partnered with Alviere to bring customers the ability to send money across borders from within its Coppel Access mobile wallet, with cash pickup in over 1,200 store locations. Leveraging its large customer base and strong brand recognition, Coppel saw embedded finance as a way to further engage users and extend their reach to millions of U.S.-based consumers.



With Alviere as the embedded finance backbone, the following features were embedded into the Coppel Access app:

- [International money transfers](#) from the U.S. to Mexico for cash pickup at 10,000 locations, including 1,250 BanCoppel branches.
- Local money transfers with friends and family in the U.S.
- Cash deposits at more than 60,000 Visa ReadyLink locations in the U.S.
- Direct money transfers to a recipient's bank account.
- Fund loading via bank account, debit card, mobile check deposit, or cash loads.
- Spending via Coppel Access-branded physical and/or virtual debit cards.

Additionally, with the support of Alviere's partner banks, Coppel Access users can open and manage an account from their phones using Mexican or U.S. identification. Coupled with FDIC insurance on a pass-through basis with Alviere's partner banks, Coppel Access users gain unmatched peace of mind.

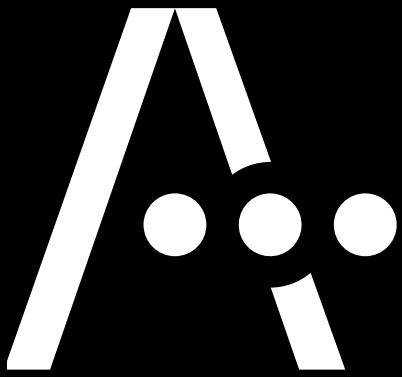
The future: Own and control global money transfers

“Whether it’s a migrant worker sending money to family in his or her home country, or a gig worker who needs access to earned wages on demand, to a multimillion-dollar company sending a payment to a vendor overseas, real-time payments are already disrupting a number of payment use cases, helping improve the lives and operations of individuals, businesses and governments across the globe.” - Ruben Salazar, Global Head, Visa Direct (source: Global Payments Direct)

The momentum behind global money transfers is steering businesses toward adopting embedded finance platforms. As a natural response to the challenges and complexities of international transactions, these platforms integrate financial services into a business's core operations and applications, helping enterprises shed the constraints of legacy banking and slow transaction times to take control over their cross-border payment processes.

The Alviere HIVE platform is perfectly aligned with businesses demanding faster, cost-effective, and user-friendly cross-border transactions. With a modular and configurable approach to real-time payments, enhanced customer experiences, and regulatory compliance, Alviere charts a new course in the global financial landscape.

Embracing an embedded finance platform for cross-border payments is not just a strategic choice, it's a pivotal step toward achieving financial agility, customer satisfaction, and competitiveness in an increasingly interconnected world.



About Alviere

With Alviere, organizations can offer financial products to drive customer engagement, generate new revenue streams, and improve existing financial flows. The Alviere HIVE platform offers an extensive range of configurable, branded financial products, including accounts & wallets, card issuance, streamlined payments, and global money transfers. Alviere brings together technology and program support with the trust of a licensed financial institution to assure the safety, flexibility, and long-term viability of client programs.