Mitigating the risk of duplicate trade financing fraud

Recent years have seen a dramatic rise in duplicate trade financing fraud, with billions of dollars being lost and many financiers reviewing their appetite for risk. Rapid action must be taken to avoid the trade finance gap further deepening by mitigating the risk of fraudulent transactions where different banks are asked for finance against the same invoice.

Regulators are putting increasing pressure on banks to combat duplicate finance fraud while maintaining their legal obligations to protect customer data confidentiality. The need for greater control is clear, but unfortunately without being able to check whether a finance request has also been made with another lender, financiers are unable to achieve this.

Our fraud prevention solution has been designed to do just that, carrying out an effective invoice comparison process using a global validation database via the sharing of hashed crypto document fingerprints.

Based on SHA256 technology – the leading globally accepted cryptographic hashing algorithm for data protection and integrity – our solution allows any financier to check and compare trade documents without having to disclose any customer information at all.

How it helps:

Risk mitigation

Unique invoice identifiers enable visibility and identification of multiple finance requests

Security

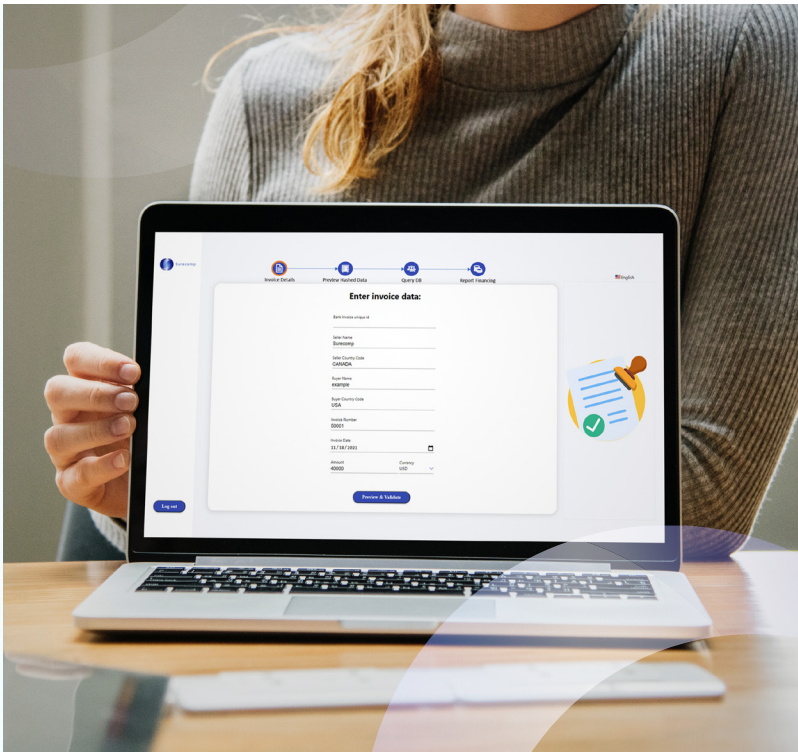
On-premises deployment for total data privacy and security

Control and compliance

Customer data confidentiality maintained with only hashed crypto invoice fingerprints sent to the global validation database

Collaboration

The solution is built completely on APIs and can be integrated easily into existing systems



How it works:

Financiers can normalize and clean invoice data and produce a hashed SHA256 crypto fingerprint using their on-premises installation. These hashes – which cannot be reversed-engineered to reveal the data that created them – are then stored in the secure, cloud-based Surecomp global validation database where they can be compared against others to identify duplicates and fuzzy matches, returning one of three responses:

Red flag

This document (e.g., an invoice) has been financed by another lender. The system will notify both the lender making the query as well as the lender that has already financed the document, enabling the original financier to take action and mitigate any potential fraud risk.

Amber flag

This document is a fuzzy match with another that has been put into the system. The lender making the query will be advised that further due diligence is required to ensure that the document being presented is indeed unique, while the original financier will also be notified that a potential duplicate financing attempt is taking place.

Green flag

This document is not known to have been financed by another lender.

Key features and benefits:

Mitigate risk

Using hashed crypto fingerprints as unique invoice identifiers, financiers can compare and identify multiple finance requests, prompting action to mitigate the risk of fraud and loss.

Maintain security

The solution ensures total privacy, security and confidentiality of customer data by sharing only hashed crypto invoice fingerprints available in the global validation database.

Collaborate with peers

Built completely on APIs and easily integrated into other systems, the solution promotes industry collaboration by providing a channel through which financing parties can communicate to resolve any fuzzy matches and prevent duplicate financing fraud losses before they happen.

Optimize visibility

Financiers are provided with reports to show which documents are being checked and the status of each.

Surecomp's invoice validation and fraud prevention solution ensures that companies around the world regain the ability to access funding from financiers, and gives lenders the confidence to issue finance with the assurance that financial documents are not exposing them to the risk of duplicate financing fraud.

For more information visit www.surecomp.com or email marketing@surecomp.com