



# REGTECH

Competitor Leaderboard

Prepared for Encompass



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## 1.1 Why Read This Report

This report details several vendors active in the Regtech space. As stakeholders increasingly recognise the revenue opportunities to be gained from deployment, so has the number of players specifically targeting the Regtech area grown. This report is not intended to provide comprehensive coverage of all the vendors operating in this market, but introducing the reader to 23 Regtech vendors that Juniper Research considers leaders in the market.

Juniper Research is a Europe-based provider of business intelligence. We specialise in providing high-quality data and fully researched analysis to manufacturers, financiers, developers and service/content providers across the communication sector. Juniper Research is fully independent and able to provide unbiased and reliable assessments of markets, technologies and industry players. Our team is drawn from experienced senior managers with proven track records in each of their specialist fields.

## Regtech Market Key Takeaways

### **Digital Onboarding Is Evolving and Becoming More Prevalent**

KYC (Know Your Customer) guidelines in financial services require that consumers make an effort to verify identity, suitability, and risk involved in maintaining business relationships. Since the pandemic, the trend of digital onboarding has continued to increase, and financial institutions realise the flexibility and cost reduction it brings. The post-pandemic world has seen an influx of cybercrime; igniting the emergence of more specialised regulations, such as KYB (Know Your Business) or KYP (Know Your Patient), which build on the foundations of KYC in order to take further measures to help protect business and patients. Digital onboarding is constantly improving with innovative verification tools and utilisation of AI to instantly verify individuals.

### **Regtech Expands Beyond Financial Services**

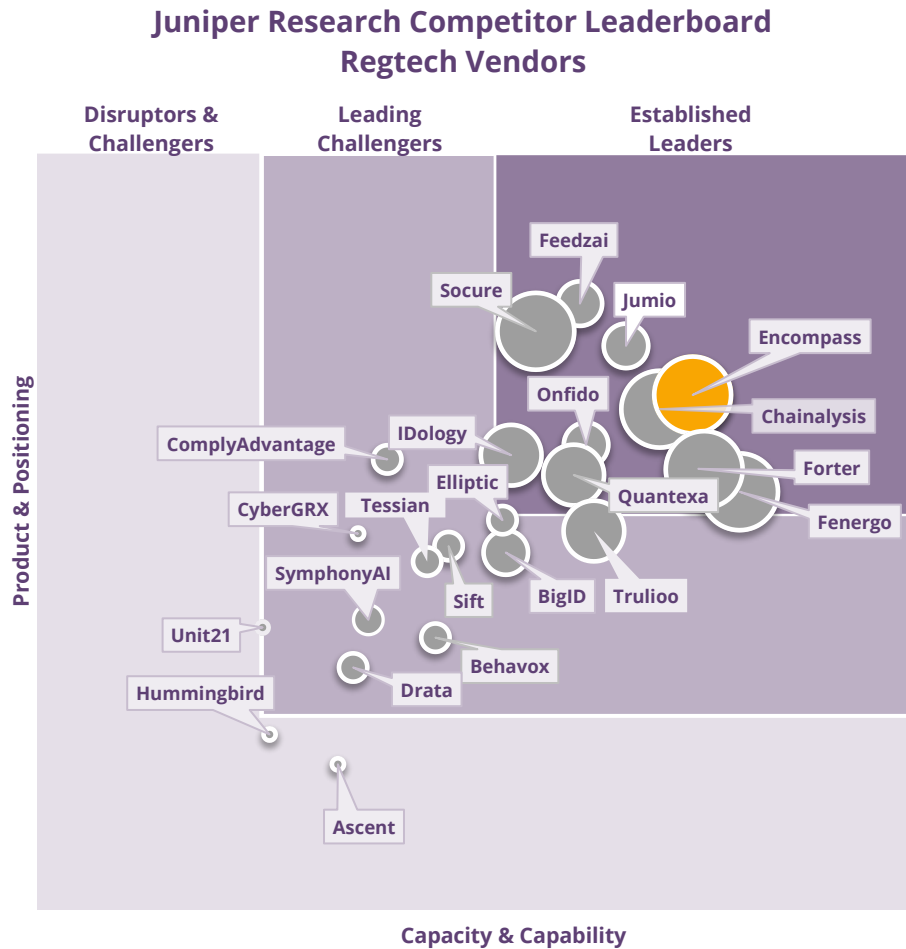
Regtech has initially been associated with financial services due to its nature of effectively dealing with compliance burdens. Despite this, regtech has evolved to become vital to many highly regulated industries such as cryptocurrency, cybersecurity, healthcare, government and many more. KYC verification is required across multiple sectors, and KYC tools are noticeably present in other markets, such as eCommerce and online gaming. As regtech continues to evolve, we expect it to occupy more areas, as the world becomes more increasingly regulated.

### **Blockchain and AI Significantly Drive Regtech Innovation Offerings**

Blockchain is a key player in driving the regtech revolution: it is highly favoured due to its increased transparency, decentralisation and cost-effective processing. Blockchain and AI provide high levels of automation alongside enhanced and fortified security brought out on cryptography. Banks and financial institutions are increasingly relying on AI systems to handle loan applications, improve their underwriting processes and detect fraud. Regtech solutions are beginning to utilise Big Data and dark 'data', which through technological advancements is now accessible, easier to manage and decipher.



Figure 1: Juniper Research Competitor Leaderboard for Regtech



Source: Juniper Research



Encompass is a very well-established player in the Regtech market, having developed its dynamic KYC process automation platform since 2011, Encompass has a wealth of expertise in delivering real-time digital KYC profiles to underpin customer onboarding, KYC and AML operations.

Encompass is a global Regtech leader offering a new solution to long-standing KYC challenges. Encompass' real-time digital KYC profiles delivered by dynamic KYC process automation eliminate repetitive and time-consuming KYC tasks for financial institutions of all sizes and geographies.

Encompass plays a central role in KYC transformation and is a core component of a pKYC ecosystem, empowering financial institutions to continually improve their ability to detect risk and identify business growth Furthermore it offers solutions that can assist with UBO verification and PEP sanctions. As such, Encompass is well primed for future growth, and heading towards further innovation in this market.



### 1.1.1 Encompass



Juniper Research interviewed Cheri Burns, PR and Corporate Communications Director in July 2023

Table 2: Juniper Research Competitor Leaderboard Heatmap: Encompass

	Corporate: Capability & Capacity					Product & Position					Market Presence
	Financial Performance & Size in Sector	Corporate Branding	Experience in Sector	Operations	Distribution & Partnerships	Customer Base	Service Offerings	Segment Coverage	Creativity & Innovation	Future Business Prospects	
Encompass	High	High	Medium	High	Medium	Medium	High	Low	Medium	High	High



Source: Juniper Research

### 1.1.2 Encompass

#### i. Corporate

Encompass was established in 2011 with the goal of assisting international banks and financial institutions in the fight against financial crime by streamlining the KYC procedures to adhere to AML rules and regulations. Encompass was founded by Roger Carson and CEO Wayne Johnson. In 2022, Encompass was named as the winner of the ‘Regtech Partner of the Year’ category at the British Bank Awards. In March 2022, Encompass announced it had completed a capital raise of \$33 million to help fuel its global growth.

Table 3: Encompass’ Investment Rounds (\$m), 2016-2022

	2016	2017	2020	2022
Amount (\$m)	\$3.6	\$0.6	\$2.0	\$25.0
Type of Funding	Venture Round	Venture Round	Grant	Venture Round

Source: crunchbase.com

#### ii. Geographical Spread

Encompass has its headquarters located in Glasgow, with offices across the globe in New York, London, Amsterdam, Sydney, Singapore and Belgrade. The company has more than 150 employees globally.



### iii. Key Clients & Strategic Partnerships

- Encompass is a dynamic KYC process automation platform that delivers accurate and real-time digital risk profiles. By automating manual KYC processes, Encompass streamlines onboarding, reduces costs and increases analyst capacity. Some of its most notable clients span the top banks in the world, including Wolfsberg Group members, such as Santander and others.
- In March 2023, Encompass launched its pKYC (perpetual KYC) maturity model, which was designed to place financial systems into a pKYC framework, to evaluate their maturity and readiness to more effectively prevent and identify financial crime.

### iv. High-level View of Offering

Encompass' products are summarised below:

- **Dynamic KYC Process Automation:** By delivering its dynamic KYC process automation platform that delivers accurate and real-time digital risk profiles, Encompass streamlines onboarding, reduces costs and increases analyst capacity.
- **Unrivalled Data Coverage:** Encompass offers real-time global data coverage, with over 175 pre-built integrations to regulators, UBO registries, stock exchanges, and premium data products.
- **UBO Verification:** Encompass unwraps ownership structure and hierarchies faster and more accurately than analysts.
- **Standardised KYC:** Encompass enables globally standardised, consistent and scalable KYC, bringing significant time savings across a business.
- **Digital KYC Record:** Encompass automatically generates complete digital KYC profiles, which are consistently executed in line with an organisation's KYC policy, every time.
- **Dynamic Audit Trail:** Encompass performs the KYC process steps using Dynamic KYC process automation, producing a complete, time-stamped digital audit trail for proven compliance.

- **API Integration:** Companies can utilise the Encompass API to integrate CLM (Customer Lifecycle Management) or CRM (Customer Relationship Management) systems and take full advantage of Encompass' KYC automation platform to improve their current onboarding procedures.
- **Data Attributing Lineage:** Encompass records and maintains the origin of every piece of information it gathers for its digital profiles, which ensures any decisions can be easily explained and confidently defended.



## 1.2 Juniper Research Competitor Leaderboard Assessment Methodology

Juniper Research provides updates to 23 Regtech vendors. To qualify for the Competitor Leaderboard, companies must be involved in the direct provision of digital identity. The companies included here have developed specific expertise in the Regulatory Compliance market, though some embarked on the route earlier than others and therefore have a wider customer bases or geographical reach. It includes established specialists, such as Encompass and Jumio through to companies where they are disrupting the market such as Ascent and Hummingbird.

This research covers a significant number of vendors; however, we cannot guarantee that all players in the market are included. Our approach is to use a standard template to summarise the capability of players offering Regtech services. This template concludes with our view of the key strengths and strategic development opportunities for each vendor.

This research covers a significant number of vendors; however, we cannot guarantee that all players in the market are included. Our approach is to use a standard template to summarise the capability of players offering Regtech, as well as its product and position in the broader market for digital identity services. The resulting Leaderboard exhibits our view of relative vendor positioning.

## 1.3 Limitations & Interpretation

Our assessment is based on a combination of quantitative measures, where they are available (such as revenue and numbers of employees) that indicate relative strength, and also of qualitative judgement, based on available market and vendor information as published. In addition, we have added our in-house knowledge from meetings and interviews with a range of industry players. We have also used publicly available information to arrive at a broad, indicative positioning of vendors in this market, on a 'best efforts' basis.

However, we would also caution that our analysis is almost by nature based on incomplete information and therefore with some elements of this analysis we have had to be more judgemental than others. For example, with some vendors, less detailed financial information is typically available if they are not publicly listed companies. This is particularly the case when assessing early-stage companies, where a degree of secrecy may be advantageous to avoid other companies replicating elements of the business model or strategy.

We also remind readers that the list of vendors considered is not exhaustive across the entire market but rather selective. Juniper Research endeavours to provide accurate information. While information or comment is believed to be correct at the time of publication, Juniper Research cannot accept any responsibility for its completeness or accuracy, the analysis is presented on a 'best efforts' basis.

The Leaderboard compares the positioning of platform providers based on Juniper Research's scoring of each company against the criteria that Juniper Research has defined. The Leaderboard is designed to compare how vendors position themselves in the market based on these criteria. Relative placement in one particular unit of the Leaderboard does not imply that any one vendor is necessarily better placed than others. For example, one vendor's objectives will be different from the next and the vendor may be very successfully fulfilling them without being placed in the top right box of the Leaderboard, which is the traditional location for the leading players.

Therefore, for avoidance of doubt in interpreting the Leaderboard, we are not suggesting that any single cell in the Leaderboard implies in any way that a group of vendors is more advantageously positioned than another group, just differently positioned. We additionally would draw the reader's attention to the fact that vendors are listed alphabetically in a unit of the Leaderboard and not ranked in any way in the cell of the Leaderboard.

The Leaderboard is also valid at a specific point in time, May 2023. It does not indicate how we expect positioning to change in future, or indeed in which direction we believe that the vendors are moving. We caution against companies taking any decisions based on this analysis; it is merely intended as an analytical summary by Juniper Research as an independent third party.



Table 4: Juniper Research Competitor Leaderboard Scoring Criteria – Regtech

Category	Factor	Description
Capability & Capacity	Financial Performance & Size in Sector	This factor is a measure of the size of the vendor, through Regtech-related revenue.
	Corporate Branding & Marketing Strength	The strength of the vendor’s brand and marketing capability, as judged by the use of website traffic data.
	Experience in Sector	This factor evaluates the length of time the vendor has operated in the Regtech market.
	Operations	This factor judges vendors on the number and distribution of their office locations, as well as the total number of countries they offer services within.
	Distribution & Partnerships	The extent to which vendors have marketing or distribution channel partnerships in place.
Product & Position	Customer Base	This is a measure of the vendors’ customer base.
	Service Offerings	This measures the range of solutions and products offered by the vendor.
	Segment Coverage	This measures which industries a vendor’s solutions can benefit.
	Creativity & Innovation	This factor assesses the vendor’s perceived innovation through its flow of new products, developments and enhancements.
	Future Business Prospects	This factor evaluates the vendor’s future business opportunities within the Regtech market.
Market Presence	Market Presence	This judges the Regtech vendor's size within the overall market.

Source: Juniper Research





## About Encompass



Encompass enables firms to deliver revenue faster, drive operational efficiency and demonstrate consistent compliance with dynamic KYC process automation. Our award-winning platform, unrivalled data connections and industry expertise help clients to create and maintain real-time digital risk profiles of everyone they do business with.

Our customers include leading global banks and financial institutions, including Wolfsberg Group members. We have strategic alliances with a range of trusted data, technology and consulting partners, enabling seamless integration of Encompass into existing workflows and systems.

For more information, please visit <https://www.encompasscorporation.com/>

## About Juniper Research



Juniper Research was founded in 2001 by the industry consultant Tony Crabtree, in the midst of the telecoms and dot-com crash. The business was fully incorporated in February 2002 and has since grown to become one of the leading analyst firms in the mobile and digital tech sector.

Juniper Research specialises in identifying and appraising new high-growth market sectors within the digital ecosystem. Market sizing and forecasting are the cornerstones of our offering, together with competitive analysis, strategic assessment and business modelling.

We endeavour to provide independent and impartial analysis of both current and emerging opportunities via a team of dedicated specialists - all knowledgeable, experienced and experts in their field.

Our clients range from mobile operators through to content providers, vendors and financial institutions. Juniper Research's client base spans the globe, with the majority of our clients based in North America, Western Europe and the Far East.