WHY LICENSING IS THE LEAST OF YOUR WORRIES

The True Cost of Compliance

While acquiring the proper licensing, authorization, or registration to move money around the world is an important part of any payments program, it's just the first in a series of necessary investments.

In order to provide a realistic estimate of what it takes to keep funds flowing to sellers and producers worldwide, the team behind Hyperwallet's global payout platform aggregated and analyzed the operational requirements of hundreds of fast-growth global marketplace platforms.

When it comes to handling payouts in-house, you'll need to ramp up investment in the following areas:

STAFFING

It takes a village to keep payouts compliant

New policies, records, reporting, and controls are just a few of the responsibilities that come with being licensed. That means you'll need to staff up your Legal, Compliance, Treasury, and Network teams if you're planning to handle payouts in-house. A fully-functional global payout program will need at least **20–50 people** in these departments to ensure that you fulfill the conditions of any license.

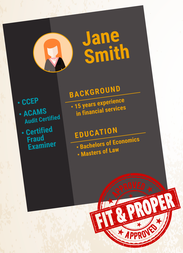
LEGAL
- Draft license applications and renewals
- Execute new contracts
- Liaise with regulators

COMPLIANCE
- Implement policies
- Maintain records
- Perform due diligence and monitoring

TREASURY
- Manage liability requirements
- Manage and segregate fund flows
- Ensure liquidity

NETWORKS
- Establish financial institution partnerships
- Open and manage global bank accounts
- Optimize network costs

SPECIALIZATION



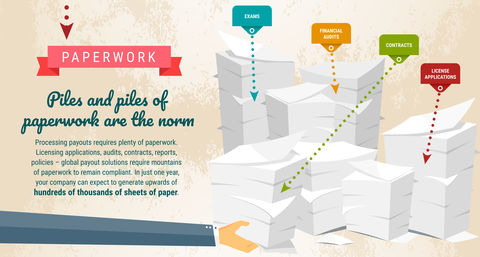
Be prepared to attract and retain highly specialized talent

You can't put just anyone in charge of running your payout process. In order for your company to be deemed **"fit and proper,"** regulators may require that your business be headed by individuals with extensive experience in the financial services industry – and that's just the beginning. Ongoing training and certification is a must in the payments space, so your platform will need to make sure staff stays on top of the latest practices and that the Human Resources department is focused on recruiting the best talent.

PAPERWORK

Piles and piles of paperwork are the norm

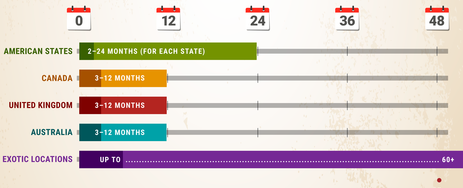
Processing payouts requires plenty of paperwork. Licensing applications, audits, contracts, reports, policies – global payout solutions require mountains of paperwork to remain compliant. In just one year, your company can expect to generate upwards of **hundreds of thousands of sheets of paper**.



TIME

It's a marathon, not a sprint

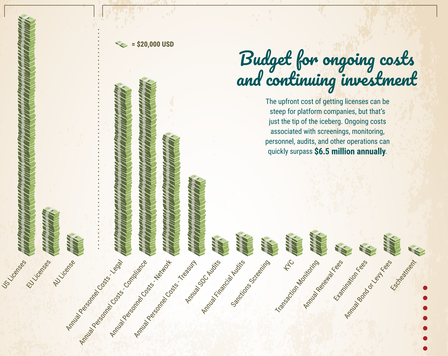
Planning to pay freelancers or distributors around the world? The simple act of applying for the necessary licenses is a task in and of itself. While most major geographies will take between **3 and 12 months** to process, it can take **years** to acquire the proper licenses in more exotic locations, and that's just for the application prep and regulatory review. Once licensed, you'll need to dedicate resources to ongoing monitoring – 24 hours a day, seven days a week.



COST

One-Time Costs
$2–3 Million

Ongoing Annual Costs
$6–7 Million



Budget for ongoing costs and continuing investment

The upfront cost of getting licenses can be steep for platform companies, but that's just the tip of the iceberg. Ongoing costs associated with screenings, monitoring, personnel, audits, and other operations can quickly surpass **$6.5 million annually**.

FIND A PARTNER

It's time to talk to a payout provider

Building a global payout solution on your own takes a ton of resources: people, paperwork, time, and money. Are you sure your platform's ready to make (and maintain) these investments in-house? Hyperwallet's payout platform helps digital platforms maintain a world class payout process without having to foot the licensing bill and ongoing regulatory maintenance.

CONTACT US

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