THE NEW NORMAL FOR GLOBAL BUSINESS

REINVENTING BUSINESS DECISION MAKING

A NEW ERA OF BUSINESS OPPORTUNITIES

TERENCE CHAU
FOUNDER AND CEO

COVER STORY

AUSTREME

SECURING THE FINANCE INDUSTRY IN THE FIGHT AGAINST CYBERCRIME

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I t is a fact that living life requires us to face danger inevitably. In our technologically advanced society, danger manifests sometimes in very clever forms in what we call 'cybercrime'. Cybercriminals are becoming increasingly crafty in how they thieve, attack and create terror. Sadly, the number of such crimes is rising sky-high. A 2018 study reports that an astonishing $600 billion (one percent of the global GDP) is lost each year to cybercrime. This is precisely why 'cybersecurity' is a critical component for any business today. In combating cybercrime, the best defense requires preparing well in advance, availing the professional help of leaders in cybersecurity and using the right tools. Particularly, banks and the finance industry are at high-risk today.

Not only because of their lucrative nature, but also because of the rapidly evolving business environment: more complex international networks, rapid shifts from offline to online transactions and tightened regulations by higher authorities. In facing this challenging future and goaded on by the increasingly cunning cybercriminals, the industry must adopt newer technological solutions to secure their business. Studies show reluctance from many banks in adapting to the change fearing its risks and challenges. However, in the business world, nobody can afford to ignore global e-commerce and develop as well. So, the traditional businesses in the financial industry require professional help in establishing a secure online presence.

AUSTREME

CoverStory

RISK MANAGEMENT

In helping organizations adapt to the change, we recognize Austreme, a leading FinTech company specializing in a wide range of risk management services, as a capable force. Founded in 2011 and with its main office in Hong Kong, the company is actively helping its clients in many ways. Terence Chau, the founder, and CEO, explains their services, "We provide one-stop solutions taking care of the rules and regulations imposed by card brands (e.g. Visa Global Brand Protection Program, MasterCard Business Risk Assessment, and Mitigation Program). Our solutions cover merchant onboarding, transaction monitoring, web content monitoring, web traffic analytics, illegal site takedown, etc. that basically cover all requirements of card brands."

Austreme has been growing fast each year and it has already begun making a name for itself around the world. And, its strengths have been recognized by many leading authorities. For example, it won: the FinTech (RegTech and Risk Management) award by Hong Kong ICT Awards (2018), the best in Big Data/Analytics category by 2017's Enterprise Innovation Awards and the Technological Achievement award by 2017's Hong Kong Awards for Industries—to mention a few.
The company's services are trusted by clients from 35 countries. There are four main reasons why customers choose Austreme.

Firstly, it provides effective solutions. Secondly, it has invented the world's first transaction laundering detection solution. Thirdly, it is the only merchant monitoring service provider compliant with payment card industry data security standard (PCI-DSS) audits. Fourthly, its big data operations analyze 56 million websites daily to discover data-centered insights and trends. And, about two million new websites are added and analyzed every month. Customers who choose Austreme enjoy up to 100% penalty waivers as it's an approved MasterCard Merchant Monitoring Service Provider (MMSP) since 2015. Its unique value propositions have had game-changing impacts so far. One of their major risk mitigation tools is also the world's first technology solution capable of detecting

transaction laundering. Previously, the industry relied on web crawlers (automated scripts) to look for non-compliant activities.But, it was ineffective as it failed to detect about 90% of the non-compliant transactions in hidden websites secretly connected to bank-approved websites.

In 2010, Austreme invented a solution capable of detecting transaction laundering, investigating many non-compliant activities, detecting cyber-attacks like phishing, spyware or malware attacks as well as facilitating merchant onboarding and minimizing risks. Terence explains, "Our TLD is a powerful tool to uncover prohibited transactions going through the bank payment systems via hidden sites, and it is highly accurate because it monitors merchants at the transaction level to collect firsthand data instead of public data such as web content or third-party web analytics data which may be manipulated. Thus, bad merchants are not able to bypass our monitoring." Since its launch, the product has been irreplaceable to clients. And, it's also the only TLD solution compliant with the PCI-DSS in the market today. Terence adds, "Banks, acquirers, and payment service providers need this solution to prevent reputational risk or financial loss due to unseen high-risk transactions."

The company's rock-solid competence in cybersecurity is underpinned by its services. A major product is its Transaction Compliance Gateway (TCG) that combines TLD technology, web crawling with popular risk mitigation tools like payment risk analysis. Terence says, "Acquirers can treat TCG as a payment gateway to integrate with their current payment system. TCG has been connected with popular gateways including Mastercard MPGS, Visa Cybersource, Payvision, Wechat Pay, Alipay, UnionPay, etc. That means acquirers can implement TCG easily in a couple of days."

Another important one is the VerifyStore, a must-have Know Your Customer (KYC) solution for merchant onboarding processes. Besides these, Austreme also caters to a wide range of risk management services. Its expert services cover protecting brands against damage, secure web hosting, comprehensive web security audits, protecting websites and device applications from cyber-attacks, fulfilling web compliance requirements and monitoring for violations in marketplaces.

What substantiates Austreme's expertise is its well-experienced and intelligent team of developers, risk analysts, and payment professionals. Terence says, "Our consultants work closely with card schemes and banks to stay at the forefront of the industry." Many of them have assisted governments and global security enablers including Fortune 500 companies to implement the first generation of security infrastructure in the 90's. Terence adds, "Our researchers are committed to bring in new technologies to continuously enhance our customers' experience. Last year, we introduced AI image recognition technology to identify brands and potential counterfeits." Last year, Austreme successfully received a patent for its brand discovery mechanism and they will file more patent applications in 2019 as well.

Today, the company is serving acquirers, card brands, PSPs, independent service providers (ISOs), payment facilitators (PFs) and brand owners from all over the world. Terence gives us insights about Austreme's future—further investment in eKYC, AI technology to recognize images, predict data and detect frauds. He concludes, "We have joined the Asia Pacific Financial Coalition Against Child Pornography (APAC-FCACP), an initiative of the International Centre for Missing & Exploited Children (ICMEC) to protect children by limiting the payment channels of criminals. In the future, we will look forward to connecting with more partners of different expertise."

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