XTransfer delivers faster, more efficient cross-border payment collection for SMEs

Background

Headquartered in Shanghai, China, XTransfer is a financial technology (fintech) company that renders one-stop, cross-border financial and risk management services to small- and medium-sized enterprises (SMEs). It partners with global banks and financial institutions by leveraging its technology capabilities to facilitate foreign trade collections, while providing multi-currency settlement networks, customer relationship management, risk management services and other solutions for SMEs. XTransfer serves more than 350,000 registered customers in over 200 countries and regions, including Mainland China, the United Kingdom, the United States, Canada, Japan, Australia, Singapore and the Netherlands.

Challenge

Many SMEs engaging in international trade have traditionally relied on telegraphic transfers for payment collection. This process typically involves multiple intermediary banks, which incur high bank fees and frequent delays associated with cross-border remittances.

To address these issues and reduce the barriers and costs of global expansion for SMEs, XTransfer expanded local collection services across markets ranging from Canada, Europe and the United States. However, ensuring regulatory compliance with disparate and complex monetary regulations across the different jurisdictions was challenging. Furthermore, creating and maintaining an in-house payment infrastructure would incur significant investment.

To this end, XTransfer partnered with Visa Cross-Border Solutions (Currencycloud at the time). By leveraging its local collection capabilities in these countries, they could collect funds more efficiently This allowed XTransfer to achieve higher cost-savings with improved time to market.

"A significant number of our clients conduct substantial export activities in Canada, Europe, and the United States. By collecting and making payments through local accounts, SME exporters can save a large amount of money on intermediary bank fees. It is a faster and more seamless payment experience, which greatly improves the efficiency of cross-border transactions," says Violas Xiao, Singapore CEO of XTransfer. "With Visa TaaS, we can simplify the collection process, avoid hidden fees of payment processing, and help our customers to reduce costs. SME exporters, too, can receive payment on the same day."

VISA

The solution

Integrating Visa's solutions within XTransfer's new payment collection service began in 2018 with XTransfer using Visa's modular APIs to build its cross-border financial capabilities flexibly and quickly. Alongside end-to-end dedicated customer support for the seamless integration, XTransfer was equipped with the tools to help build and manage all its cross-border needs.
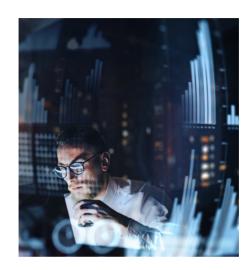
According to Violas Xiao, this is the differentiating factor between Visa's technology and that of traditional banks, since not all banks provide API integration. "This integration has allowed us to provide our clients that are exporting to Canada, Europe and the United States with faster and more streamlined payment collection services within a shorter period of time," says Xiao. "We are also able to implement real-time notification, which gives clients the ability to track the status of their funds more effectively."

The robust risk management and compliance capabilities of Currencycloud also enabled XTransfer to navigate regulations with ease and deliver compliant transactions for its SME customers.

This was particularly crucial for XTransfer, since many of its business-to-business (B2B) SME clients engage in international trade, which can add an additional layer of compliance complexity. As such, XTransfer has been able to offer and refine its payment collection services for its SME customers, helping the fintech company to differentiate itself from other industry key players.

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The benefits of working with Visa are two-fold. Not only were we able to help our customers accelerate their trade cycle and expand their businesses overseas, we could also fine tune our services to offer an improved payment collection experience, thus expanding our customer base. Visa's simple-to-use yet cutting edge APIs gave us complete control over how we want to deliver our customer experience.

Violas Xiao
Singapore CEO of XTransfer

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VISA

Results

> Meeting regulatory compliance has become a strategic advantage for us, as we are able to tap on Visa's long-established expertise in risk management to reduce the costs associated with financial regulation.

Violas Xiao
Singapore CEO of XTransfer

XTransfer confirms that since leveraging these services in 2018, it has delivered a faster and more convenient payment collection experience for its customers, while reducing costs by 80 percent.

By tapping on the existing technologies of Visa, XTransfer has also experienced significant cost-savings. Collaborating with Visa has also enabled XTransfer to reduce its time to launch by four to five years by eliminating the time and costs associated with local rebuilding.

"There are not many companies in the market specialising in B2B payments, due to the challenges of building infrastructure and the insufficient understanding of compliance and risk management for many enterprises, says Xiao. "We sought a partner with significant risk management capabilities and Visa met all our requirements."

To find out more about Visa Cross-Border Solutions contact EUcrossbordersolutions@visa.com

VISA