

Payment Security

The Principle Concern For Both Domestic and Cross-Border Payments

Payment security is a fundamental concern for businesses of all sizes. Worldwide losses due to business email compromise now exceed USD 2 billion each year and that number is steadily increasing. Losses from other sources such as insider fraud and simple payment errors are even greater. For cross-border payments, these risks are compounded by the slim odds of recovering funds from foreign jurisdictions. There is good news: these losses are not inevitable. A layered, persistent security regime coupled with a robust and secure global payments platform can reduce and even eliminate losses. Treasury professionals recommend the following best practices to achieve payment security: segregation of duties, meaningful transaction limits, daily reconciliation, and the documentation and regular audit of all controls. Let us consider each of these practices and how they should be supported by a global payments platform.

Segregation of duties requires that critical aspects of the payments process be handled by separate staff or, for smaller businesses, in separate steps. This includes payee creation, payment entry, foreign exchange, and payment approval. The ability to isolate individual links in the payment chain provides an additional barrier to fraud and error with each link: a compromise at one point can be captured at another. Segregation of duties implementations will vary from business to business so that an effective cross-border payments platform must provide a wide array of entitlements and the tools to manage them efficiently.

Daily reconciliation matches payments against vendor invoices and purchase orders. The earlier a discrepancy can be identified, the greater the odds of preventing or reducing a loss. This is relevant to FX in the sense that it is essential for a payments platform to be able to match the debit funding a currency purchase with the resulting cross-border payment to enable reconciliation.

Meaningful payment and approval limits achieve two fundamental objectives: they limit losses from fraud and error, and they focus scarce attention on transactions with higher risk or greater importance. To be effective, payment and approval limits within a payments platform must be configurable across multiple criteria and available for all high-risk and high-value situations.

Documentation and regular audit of all controls ensures that processes are understood, observed, and reviewed. Controls should be consistent across platforms and payment types, meaning it should not be hindered by platform limitations. Information on users, entitlements, limits, and transaction history should be easily available for review.

TickTrade's Global Payments and FX platform provides all the tools necessary for banks to offer complete payments security to their FX and global payments clients. These include more than 200 entitlements, which are organized by role and are editable. They cover user setup, user setup approval, payee information capture, payee information approval, payment entry, settlement netting, FX trading, and payment approval. One, two, or three-level approvals are available for all critical junctures in the trading and payments lifecycle along with the ability to trigger approvals based on value or other criteria. Seamless FX, Payments and Deposits integration ensures that FX trades, payments, and information flow freely across underlying functional boundaries. Clients can execute and monitor transactions on a single platform with consistent controls, credentials, and data. All this functionality is tied together by customer self-serve administration which empowers clients to easily create and control access, entitlements, approvals, and limits for all users. Payment security is an immense challenge, but, with the right tools and processes, it is a challenge that can be met.

"TickTrade's FX and global payments platform is built from the ground up to provide a better payments and FX experience. The core of this experience is an integrated feature and functionality set designed around Treasury best practices and operating principles. It aims to eliminate security breaches and fosters payments efficiency"

– James Cook
Head of Global Payments at TickTrade Systems

**Do you need to elevate your global payments and FX offering?
Book a demo with us today.**

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🌐 www.ticktradesystems.com

📄 <https://ca.linkedin.com/company/ticktrade-systems-inc->

Sina Farsi

Sales & Marketing Coordinator

✉ sina.farsi@ticktradesystems.com

📍 121 Richmond St W, Suite 601, Toronto ON M5H 2K1