Securrency Compliance Oracle

The Securrency Compliance Oracle is a Platform as a Service (PaaS) offering that uses blockchain to enable high-assurance data sharing among enterprises. The PaaS offering available through Microsoft Marketplace is an Azure-hosted service that synchronizes data between legacy systems and an on-chain data store, known as an oracle. The service enables secure sharing of compliance data between financial institutions to minimize redundant client onboarding, reduce compliance costs, enforce cross-institution policies, and streamline complex financial transactions. The platform features robust Application Programming Interfaces (APIs) for streamlined integration with legacy financial systems and third-party data sources.

Blockchain oracles are services that send, receive, and store data to verify real-world occurrences (compliance assessments) and provide information to smart contracts (policy engine), facilitating state changes on the blockchain (financial transactions). The PaaS offering instantiates dedicated on-chain data stores (oracles) on supported blockchains for sharing of compliance data. Oracle data is synchronized with an off-chain data store accessible via APIs to simplify data publication, dissemination, and use.

Use case:

Financial institutions can use the compliance oracle to share qualifications (compliance-related attributes) for client accounts (or blockchain wallets) without sharing the identity of the client. For example, an institution may certify a blockchain address declaring the KYC status, jurisdiction, and investment qualifications (e.g., investor accreditation) with other institutions without sharing identity information enabling third party institutions to determine the eligibility of the address to participate in regulated financial transactions. Additionally, this sharing model facilitates regulatory oversight to reduce costs by automating compliance with local and international money laundering and/or securities markets regulations.

Key features:

- Cloud-hosted for easy installation and scaling in workload and data size
- Documented APIs for easy integration with legacy systems and requiring no experience with blockchain systems
- Distributed Ledger-agnostic implementation supporting integration with private or public distributed ledger technologies
- Flexible policy editor to design, create, and enforce enterprise policies on- and off-chain.
- Can be integrated with smart securities (that is regulated digital assets that incorporate financial regulations) to enforce complex and changing global securities regulations –

including a continuous-delivery model that allows policy changes to be applied in real time to assets in circulation

The Securrency Compliance Oracle combines three Core capabilities:

Attestation Registry: an authoritative record of attestations made by accountable parties stored on- and off-chain to facilitate compliance decisions, smart contract operations, and policy enforcement. The Attestation Registry facilitates the sharing of authoritative data between organizations to provide consistency in policy interpretation, reduce the cost of customer onboarding and compliance, and ensure transparency and accountability in financial transactions.

Policy Engine: A service that maps financial regulations or other enterprise policies to machine-readable rulesets (recipes) that can automate transaction compliance. Recipes can be tested by regulators to ensure consistency with existing rules and can be updated as regulations change. The policy engine consults recipes to ascertain the legitimacy of a proposed transaction based on applicable regulations and relevant data from certified feeds, third-party oracles or other sources, and from qualified and accountable parties (via the Attestation Registry). The Policy Engine includes an editor to create, test, combine, share, and re-use recipes that map required rules. Using the Policy Engine, complex policies can be evaluated automatically to approve or reject transactions in real time. The Policy Engine provides regulators the means to inspect, test, and approve (if desired), the decision frameworks that underlie transactions.

Account Registration Service: a service that automates Financial Action Task Force (FATF) travel rule reporting requirements for Virtual Asset Service Providers (VASPs). Using this service, VASPs can register account data (e.g. unique account number and/or wallet address) for the purpose of compliance (e.g. with the FATF Travel Rule or other regulatory reporting requirements). The service produces required FATF reports when customers engage in qualifying transactions. The service signals to counterparty VASPs that an account is eligible for transactions because the required reporting data is available if the transaction qualifies.

Together, these services are designed to simplify regulatory compliance for legacy enterprises and innovative new market entrants in a complex and changing global regulatory landscape, as well as to equip regulators with tools to oversee and audit compliance with relevant regulations and policies.