

# Industry comparison chart

## Introduction

Remittance providers operate in increasingly margin-sensitive environments.

However, legacy settlement infrastructure can exacerbate these pressures by slowing transaction times and increasing costs.

**Therefore, choosing a new settlement infrastructure provider is a strategic decision.**

Infrastructure impacts everything from capital efficiency to operational resilience and regulatory compliance, often across multiple corridors.

Although transaction costs are important, the broader impact of settlement infrastructure - particularly for remittance providers - is typically determined by several structural factors, including:



Settlement model and speed



Prefunding and liquidity requirements



FX execution speed



FX spread transparency



Regulatory oversight and governance controls



Reliance on correspondent banking networks

# Comparison chart - Settlement infrastructure

Evaluation category	BCB Group	Crypto-native infrastructure providers	Legacy correspondent networks	Closed-loop fintech ecosystems
<b>Regulatory oversight</b>	Multi-jurisdictional regulated entities operating under established regulatory regimes	Regulatory status varies by jurisdiction and structure	Regulated banking institutions	Regulated entities; scope depends on licence model
<b>Licensing framework</b>	Authorised payment and e-money permissions in relevant regions	May operate under digital asset-specific or limited permissions	Full banking licences	EMI or equivalent licences
<b>Governance model</b>	Regulatory-first operating model aligned with institutional standards	Regulatory maturity may vary	Traditional banking governance	Corporate fintech governance frameworks
<b>Settlement speed</b>	Real-time, 24/7 settlement infrastructure	Often real-time; liquidity model dependent	Mainly batch-based with cut-off times	Internal transfers real-time; external depends on rails
<b>Operational availability</b>	Continuous cross-time-zone coverage	Often 24/7	Limited banking hours	Variable - dependent on rail access
<b>Transaction cost visibility</b>	Transparent fee structures designed for cost predictability	Pricing models vary and may include network costs	Multiple intermediary fees may apply	Bundled pricing models
<b>FX execution model</b>	Integrated liquidity and FX access structured for institutional flow	Spread and liquidity depth vary	Spread influenced by correspondent chain	Platform-determined spreads
<b>Prefunding structure</b>	Designed to reduce capital lock-up through settlement model	Liquidity requirements vary	Corridor-based prefunding common	Prefunding varies by structure
<b>Intermediary reliance</b>	Reduced reliance on correspondent chains where applicable	Dependent on the model	Reliance on correspondent banking	Ecosystem-dependent



Features and capabilities may vary depending on jurisdiction, structure and client model. This comparison is illustrative and is not regulatory or legal advice.

## Interpretation

### Regulatory alignment

Regulatory predictability enables remittance providers to maintain clear, consistent expectations around everything from AML (Anti-Money Laundering) and CTF (Counter-Terrorist Financing) to the safeguarding of client money and reporting requirements.

### Settlement structure

Batch-based settlement systems may require liquidity to be prefunded across multiple corridors, particularly where correspondent banking chains are involved. This can extend the liquidity cycle and limit capital allocation, which restricts treasury flexibility. Real-time settlement infrastructure can alleviate these challenges, depending on the volume, corridors and liquidity structure.

Shorter settlement cycles can also improve cost and liquidity predictability, which can facilitate more proactive treasury planning and efficient capital allocation.

### Cost transparency

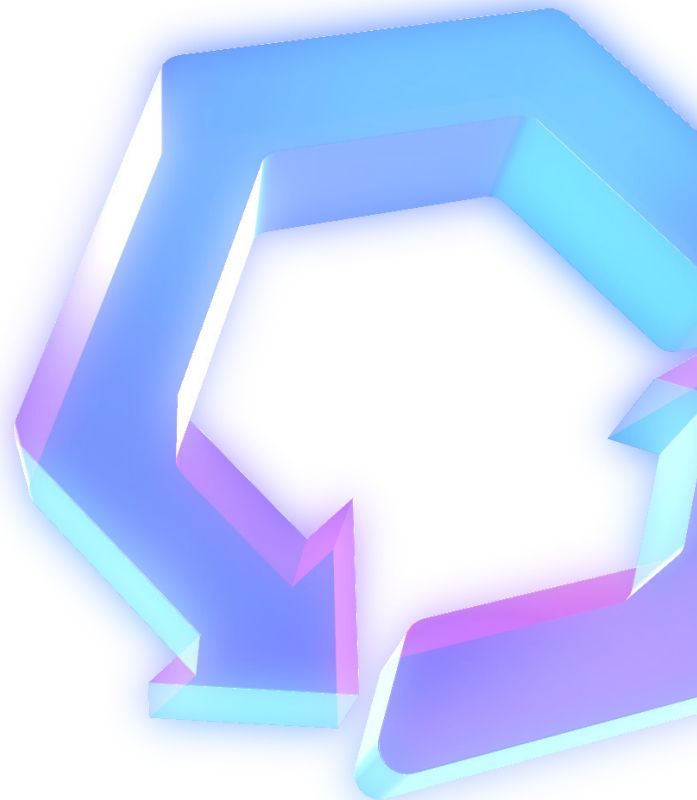
Because of the margin pressures, remittance providers need cost transparency to manage their cash flow, treasury and liquidity efficiently. It is important to emphasise that transaction fees represent only one part of the total cost of settlement infrastructure.

Other costs - which are not always visible and may be indirect - include FX spreads, correspondent banking fees, capital costs associated with prefunding, and operational reconciliation overhead.

### Capital efficiency

When capital is locked in corridor prefunding, it cannot be deployed elsewhere in the business.

However, settlement infrastructure that reduces these prefunding requirements can help remittance providers improve their working capital efficiency and free up liquidity for other operational tasks or growth initiatives.



# FAQs

## **Shouldn't you just focus on fees?**

Transaction fees matter – but they rarely reflect the total cost of settlement infrastructure. FX spreads, prefunding requirements, correspondent banking costs and operational overhead can also have a material impact on margins.

## **Does faster settlement really reduce risk?**

Yes – this can reduce liquidity risk and limit the amount of exposure to counterparties by cutting the amount of time transactions remain in transit.

## **Why is multi-jurisdictional regulatory oversight important?**

Operating within established regulatory regimes can ensure clearer governance standards, safeguarding expectations and reporting requirements for institutions that operate across multiple jurisdictions.

## **How can modern settlement infrastructure improve ROI?**

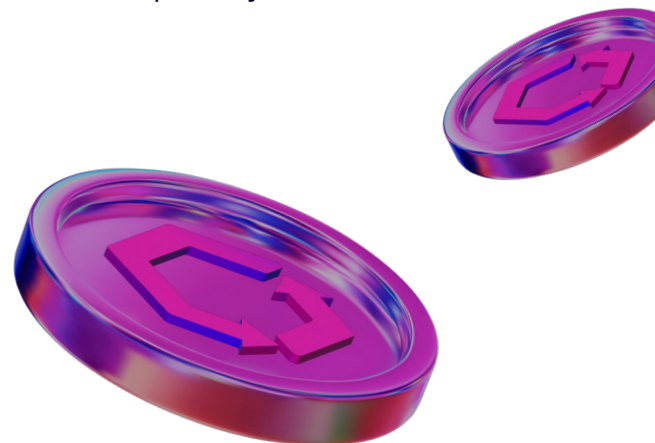
By reducing the hidden costs associated with prefunding, correspondent banking intermediaries and slow settlement, modern infrastructure has the potential to improve capital efficiency and cost predictability over time.

## **How does settlement infrastructure impact working capital?**

This includes how much liquidity is required for prefunding across different corridors. When the settlement cycle is shortened, these prefunding requirements are reduced, which can help remittance providers improve their working capital efficiency.

## **Why does reliance on correspondent banking partners matter?**

Many remittance providers are still reliant on traditional cross-border settlement with multiple correspondent banking partners. This can slow settlement speed, add hidden costs and create more operational complexity. Reducing reliance on these intermediary banking layers can improve settlement speed, predictability and cost transparency.

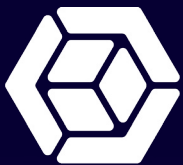




## Conclusion

Infrastructure decisions can have a significant impact on liquidity management, regulatory exposure and operational resilience. However, it is important to avoid focusing solely on transaction fees. Speed, compliance and overall capital efficiency provide a more representative view of the long-term impact of settlement infrastructure.

For remittance providers that operate across multiple corridors, predictable settlement infrastructure and regulatory clarity are often just as important as headline transaction costs.



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