

# Subsidy Digital Marketplace

#### About Government Subsidy

## A centralised and unified platform to disburse government aid to enterprises and citizens

Government subsidies in areas such as energy, health, education, transportation, housing and agriculture are an established method of helping individuals afford their daily needs, preserve social protection and ensure economic health, especially for small and micro institutions that would not otherwise be able to prosper.

Taking many forms from cash disbursement to coupons, free goods, special loans or tax exemptions, subsidies are distributed to individuals, small businesses and corporations. While government aid can be essential, subsidies are often criticised for lack of transparency around their distribution as well as their effectiveness in supporting communities and businesses that need them the most. Challenges pertaining to government subsidies include:

- Costly and cumbersome cash, voucher and coupon handling operations for governments
- Complex logistics around the distribution of physical goods
- Lack of analytics and opaque tracking of aid
- Time-consuming, complex and paper-based onboarding registration processes for beneficiaries
- Corruption and fraud
- Lengthy processes for refunds or exceptions management
- Human error

These challenges come at a cost for governments, but despite this subsidies continue to be delivered in the same way, supported by legacy systems with a high requirement for cash movement and human involvement. However, with digital transformation initiatives accelerating many governments have ambitious objectives to improve the delivery of welfare payments and local government services. New technologies make it possible to automate and digitise the subsidy management process, which should dramatically reduce costs while fast-tracking the delivery of government aid to the right people at the right time.



## Introducing BPC Marketplace for subsidy management

BPC's Marketplace is a new generation subsidy platform that addresses the needs of all stakeholders that distribute or receive government aid. It creates a unified subsidy experience for governments to efficiently automate the distribution, management, control and tracking of their aid.

Leveraging artificial intelligence, Marketplace acts as a smart engine that can onboard beneficiaries and partners via self-service from a mobile or desktop, and perform data verification against multiple databases while handling digital cash disbursement and smart logistics (in the case of physical goods) from a centralised location. It bridges the gap between the digital and physical worlds through adopting digital best practices and data-powered technology to promote successful government-to-business-to-consumer (G2B2C) interactions.

In times of market volatility and unexpected events, such as the coronavirus pandemic, BPC Marketplace can help governments become more reactive, agile, open, interconnected and able to constantly evolve in response to changes. And the platform's applications are not limited to subsidy disbursement; it also increases access to financing solutions through a network of government partners.



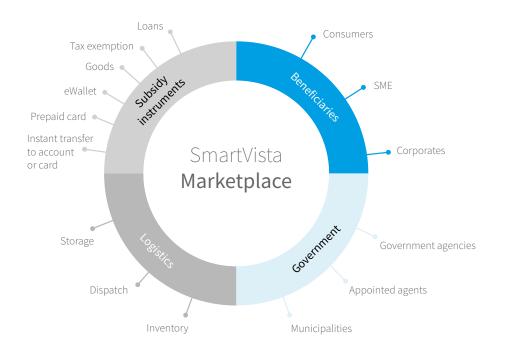


## BPC's Subsidy Marketplace5 key principles and marks of differentiation

#### 1. Smart and easy end-to-end KYC onboarding

One of the main frictions for both subsidy beneficiaries and governments is onboarding. BPC's Marketplace offers a powerful beneficiary management capability that allows all ecosystem participants to be onboarded digitally, including with full 'know your customer' (KYC) verification.

The marketplace integrates with governments' existing systems, automating the process. It responds to the need for beneficiaries to input their personal and professional data, apply for an available subsidy based on their profile, upload official documents and track their requests, all without the need for paperwork or a visit to a government agency. The process includes onboarding verifications, which can be done in real time as the marketplace connects to relevant databases to validate the accuracy of information and the authenticity of any documents provided, dramatically reducing fraud attempts.



#### 2. Wide range of subsidy type and payment options

The marketplace supports a wide variety of subsidies to substitute the use of cash or heavy logistics in the case of physical goods. For example, governments can specify how subsidies can be used, limiting the list of goods and services that can be bought using the subsidy to create a fairer and more controllable programme.

As a leading financial services provider, BPC understands that citizens and businesses need options on how to receive government aid. Moving away from cash, BPC uses its payment expertise to offer digital payment via multiple methods for both banked and unbanked populations, who often need government aid the most.

Subsidy disbursement can be made through instant transfer to an account; transfer to an existing credit card; or via eWallet, reusable prepaid card, digital voucher or discount code. In the case of subsidised loans, the marketplace offers all the features required for disbursement and repayment, allowing governments and their partners to set or configure rules as required.. BPC ensures that governments can process payments in the most efficient way, reducing the costs of getting subsidies into the hands of beneficiaries.



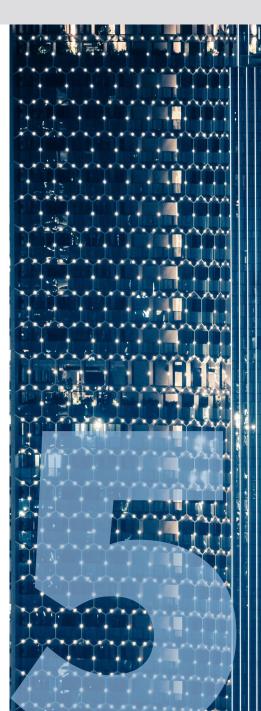


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#### 3. Powerful tracking and analytics

The marketplace offers unique user profiling, allowing governments to disburse subsidies only to those in need. Each user profile is enriched with historical data which provides a 360-degree view of the beneficiary's specific needs with behavioral analysis of needs patterns. Based on the data provided and the beneficiary's history - coupled with the configured rules - an individual scoring system delivers an accurate indication of the level and amount of services due.

Each customer profile and score can be used to further allocate positive rewards and offerings as well as prevent fraud. With powerful analytics, the marketplace helps governments adapt the types of aid they can propose to increase efficiency. Data and artificial intelligence are used across the marketplace, from onboarding to reporting. At the onboarding stage, the marketplace provides a KYC compliance coefficient to validate the accuracy of the information shared. Data and automated decisioning support a superior lending and couponing experience that is able to respond to the need for equitable government aid allocation. The marketplace allows for a transparent view of social programmes, improving forecasting and generating a better understanding of the impact of government aid in the long term.



## 4. An interconnected and open ecosystem for all subsidy participants

For the first time, BPC's subsidy marketplace includes industry players that add new value to the ecosystem. As well as distributing subsidies, redeeming them in the form of payment or goods and settling participants (governments, merchants), the platform offers subsidy loan management in collaboration with financial partners and enables precise profiling and analytics. Leveraging APIs, financial institutions can plug their own payment instruments (cards, wallets) into social accounts.

Beneficiaries benefit from the availability of new payment methods or lending services, while retail shops can connect to the platform to provide an alternative to the distribution of goods, and logistics companies can pick up the tasks and orders from government assignments. Governments are increasingly digitising their services with BPC's Marketplace, a thriving and simplified ecosystem can be created to deliver a seamless end-to-end subsidy experience, from onboarding to the receipt of the aid.

#### 5. Digital and automated first

BPC's subsidy marketplace helps digitise the end-to-end process of requesting, allocating and tracking government aid, whether in cash, tax exemption, discount, loans or physical goods. It caters for all industries and helps increase transparency while combatting fraud caused by limited visibility of subsidy allocation. Digital subsidy management also greatly reduces human error.. By offering a full digital platform and 360-degree view of all subsidy activities, digital accounting and tracing, a powerful anti-fraud system greatly increases government efficiency and ensures subsidies are distributed in a secure and transparent manner.

### *BPC supply chain Marketplace* How does it work?

BPC's Marketplace offers an end-to-end automated subsidy management platform for all ecosystem participants to complete their activities, communicate in real time and adapt quickly to market changes.





**Government and agencies:** Governments benefit for the first time from a 360-degree view of subsidy disbursement, which can be tailored by industry, department or region with smart views based on each government team's needs. Governments benefit from transparent mechanisms for settlement, compensation and control over the use of allocated funds.

**End users:** End users get access to all the subsidies available in the Marketplace, the stakeholders in charge of each subsidy type, and the conditions and process to apply in a transparent manner. Amounts can be auto-calculated, making the end-to-end journey from onboarding and request to tracking and receiving the government aid seamless and efficient.

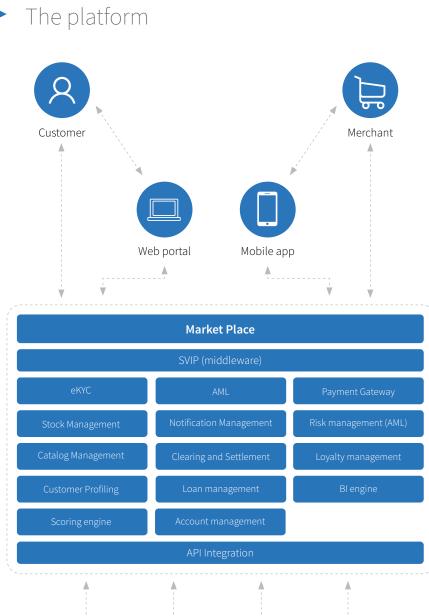
**Businesses:** Businesses that receive a subsidy to distribute to end users or for their own benefit can register with the marketplace digitally via self-service, while merchants that distribute physical goods can accept orders and subsidies as a form of payment from the end user. Payment from government to merchant and business partners are made quickly and transparently thanks to the automation of the marketplace, which covers all industry verticals. Seasonal aid or responses to exceptional events can be processed quickly and subsidies can be disbursed in real time thanks to the highly configurable set of rules.



**Financial institutions:** Government-designated financial institutions can easily connect to the marketplace to offer loans at preferred rates, manage repayment and disburse subsidies to cards, eWallets or other payment platforms depending on the business model. BPC offers a payment gateway to all major national and international payment schemes, including Visa, Mastercard, Unionpay and Diners.

Logistic partners: Logistics partners can connect to the the marketplaceusing APIs. Partners such as post offices can be engaged to help foster economic growth and support real-time ordering and distribution. A range of options are provided to governments and beneficiaries when they place their request with logistics streamlined to handle last-minute changes in location, unexpected events or route issues. Geolocation tracking is enabled so that participants know at all times when goods will be delivered.







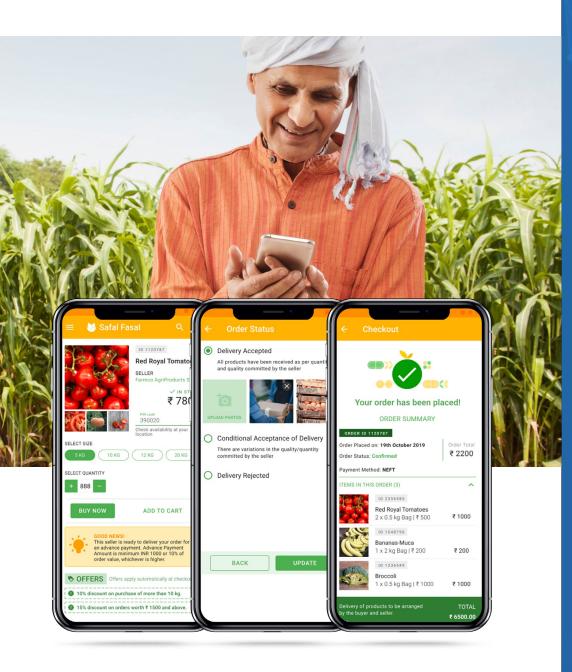


## Non-exhaustive list of features

<b>Request</b> (beneficiaries)	Manage (government officials)	<b>Process</b> (automation)	<b>Disburse</b> (automation)	Track (automation)	Do more
Digital KYC & onboarding on self-service or through agent	Partner and merchant onboarding	Subsidy catalogue management	Wide range of payment options including eWallet	Real-time tracking of subsidy status	Online goods purchase from governments or beneficiaries
Login options including using social media	Subsidy program management	Requests & queue management	Loan origination and management	API to logistics & delivery partners	Targeting & recommendations
Admin portal	Admin portal	Price Engine	User profiling & credit scoring	Storage & warehouse options	Communications & notifications
User management	Government tier categories	Goods order	APIs to multiple databases	History database	Design templates
Rating	Rating	Vouchers & couponing	Payment processing	Re-routing	Insurance services
		Card & eWallet Management	Settlement & Clearing		Promotions & Offers
		Loyalty & rewards	Reconciliation reporting		
			Merchant and partner payment		



## A look into the Marketplace



## • Problems we solve

#### Government subsidy challenges **BPC Subsidy Marketplace** To digital Full Digital KYC onboarding Paper-based onboarding and verification Manual voucher distribution Digital payment and good options A unified view and management Subsidy management dispersed for all subsidies Online catalogue exposure, basket, Manual ordering of goods checkout, payment Streamlined finance disbursement Complex financing solutions with connected partners Stock management or Excessive stock partner reliance Instant scoring, profiling Lengthy approval processes and decisioning Delayed cash and manual Instant and automated digital reimbursement payment methods choice Transparency and highest fraud Fraud attempts prevention tool embedded Real time dashboard and Complex, manual and multi-stakeholder analytics reporting tool Automated reconciliation and Manual accounting settlement reporting Real time, 360-degree view of Manual tracking subsidy distribution to who, where and when To digital From manual

## Why create your own Marketplace?

BPC collaborates with governments worldwide that wish to launch subsidy management marketplaces. There are many reasons for launching a marketplace - below are a few examples of why it can be relevant and fit within a strategic agenda. Companies choose BPC because the success of a marketplace is about local market understanding, strategy and best business practices.

- Centralise subsidy efforts on a unified business platform
- Ease the onboarding process for government agencies, partners and beneficiaries corporates and citizens
- Streamline operations and gain efficiency
- Attract a broader range of partners
- Leverage cloud marketplace
   technology rather than in-house
   or proprietary systems
- Add payment and financing experience to foster business growth and enable financial inclusion using alternative data sources
- Automate end-to-end subsidy value chain processing for

increased efficiency and cost reduction

- Aggregate subsidies for just-intime decision making and rapid response to unexpected events
- Bring together all subsidy participants for more transparency
- Scale-up operations at convenience
- Improve data quality enabling advanced analytics
- Improve risk assessment for trusted government services
- Add intelligence and accurate forecasting
- Include value-add services such as links to government tax collection

## Our unique capabilities

By working with BPC you are tapping into 25 years' experience of serving financial institutions, governments, businesses and smart cities in more than 90 countries. Our local market experience and insight combined with a relentless pursuit of excellence makes BPC your ideal partner.





## Get started with your own Subsidy Marketplace

Great projects start with great ideas. Our team co-creates concepts with partners and can discuss the various proof of concept options available. We have teams available in Europe, the Middle East, Africa, APAC and Latin America.

Want to find out more?

Request a free discovery workshop from BPC Banking Technologies and one of our experts will be in touch to book your 1-2-1 workshop. **bpcbt.com** | info@bpcbt.com

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