

# Chinese Fintechs Going Global: IDV Challenges

When Your Team Is in Shenzhen but Your Users Are in São Paulo



## The Expansion Is Happening. The Infrastructure Is Not Ready.

China's cross-border interbank payment volume hit ¥175.49 trillion (\$24.45 trillion) in 2024, a 43% year-on-year increase according to CIPS data. Transaction count rose 24% to 8.2 million. CIPS participants expanded 10% to 1,683 institutions. [Link](#)

Airwallex committed over \$1 billion to EMEA expansion through 2030 after recording 116% year-on-year revenue growth in the region. [Link](#) PingPong secured 60+ financial licences across major economies and became the first mainland Chinese company approved by the Central Bank of the UAE. XTransfer now holds regulatory licences in seven countries, serving 600,000+ enterprise clients.

These companies built mobile-first verification for a domestic market with a single national ID system, one dominant script, and one regulatory framework. None of that holds when a user in São Paulo holds a CPF card, a user in Jakarta presents a KTP, and a user in Berlin expects eIDAS 2.0-compliant identification.

### THE COST OF DELAY

AML/KYC penalties reached \$1.23 billion in H1 2025 alone, a 417% increase over H1 2024. OKX paid \$504M. Block Inc. paid \$40M. Starling Bank paid £29M. Every month without compliant onboarding in a new market is a month of regulatory exposure, lost users, and competitors capturing your addressable market. [Link](#)

# 16,000+

#### ID DOCUMENT TYPES

Across 200+ countries and territories, each with distinct formats, security features, and embedded technologies

# \$504M

#### LARGEST IDV/KYC FINE (2025)

OKX fined by US DOJ for failing to maintain effective AML programme. Paxos: \$26.5M. Block: \$40M.

# \$3.3B

#### SYNTHETIC ID EXPOSURE

US lender exposure to synthetic identities in H1 2025

## Six Verification Gaps That Break Global Onboarding

Chinese fintechs face a specific set of identity verification failures when they move beyond domestic infrastructure. Each gap compounds the next. Most surface only after launch, when conversion rates collapse and regulators start asking questions. Globally, fraud consumes ~8% of total business revenue, an estimated \$534 billion in annual losses. A two-step selfie-to-document match reduced identity-theft fraud by 78% at one retail payments provider in Q4 2024. [Link](#)



### The H5/WebView Camera Trap

Chinese fintech architecture defaults to H5 webviews inside WeChat-style super apps. H5 environments lack persistent camera permissions on iOS, cannot access NFC hardware, and lose biometric authentication APIs that native SDKs rely on. Identity capture fails silently on the devices your users actually hold.



### Non-Latin OCR Failure

A system trained on Chinese national IDs cannot parse a Brazilian RG, a Thai ID, or an Arabic identity card. Chinese has ~8,000 common characters; Arabic changes shape by position; Thai lacks word boundaries. Multi-script documents require the engine to switch recognition models mid-document.



### Regulatory Fragmentation

Brazil mandates CPF-linked verification for PIX transactions. BCB has tightened Pix security and device-registration rules, with enhanced due diligence for high-value transfers



### Data Residency Conflicts

India's DPDPA restricts cross-border transfer of citizen data, with fines up to INR 250 crore. Saudi Arabia's NDMO PDPL requires biometric data to remain within the Kingdom. The EU's GDPR demands SCCs for cross-border transfers. A SaaS vendor processing Brazilian CPF data on servers in Singapore creates exposure no contract resolves.



### Deepfake and Synthetic ID Attacks

AI-generated synthetic personas now take minutes to produce. Liveness detection calibrated for East Asian facial geometry does not perform equally on South Asian, African, or Latin American demographics. Presentation attack detection tested in Shenzhen faces a different threat surface in Lagos or São Paulo.



### Integration Architecture Mismatch

Most Chinese fintech stacks are built around WeChat Mini Programs and H5 webviews, not native iOS/Android apps. IDV vendors offering only native SDKs force a full architectural rebuild. Vendors offering only REST APIs leave capture quality uncontrolled. The integration path must match the H5-first reality.

# What Changes When You Move From Domestic to Global

Your verification stack was built for one market, one script, one regulator. Global onboarding requires a different architecture — not a bigger version of the same one.

LAYER	YOUR CURRENT STACK	SHUFTI
<b>CAPTURE LAYER</b>	H5 webview camera with no image quality controls. Glare, blur, and angle failures pass through undetected. Downstream OCR and face match inherit every bad capture.	Web SDK inside H5 with five real-time quality checks firing before submission. Same webview shell. No native app rebuild.
<b>OCR ENGINE</b>	Trained on Chinese national IDs. Fails on Portuguese CPF formats, Arabic right-to-left fields, Thai scriptless boundaries, and Bahasa-Latin mixed documents.	In-house multi-script OCR covering 150+ languages. Switches recognition models mid-document for multi-script IDs. Leads in 7 of 10 expansion-relevant scripts.
<b>REGULATORY LOGIC</b>	One verification flow hardcoded for PBOC requirements. Every new market requires a separate API build, separate compliance review, separate QA cycle.	One API integration. Per-market verification logic configured through Journey Builder — liveness level, document type, AML screening depth adjustable per jurisdiction without new code.
<b>DATA RESIDENCY</b>	All biometric data processes on centralised servers. Cross-border transfer creates ongoing exposure under LGPD, DPDPA, GDPR, and NDMO PDPL.	Verification engine deploys inside the client's own cloud, AWS São Paulo, GCP Jakarta, Azure Frankfurt. Biometric data never leaves the jurisdiction. Zero PII egress.
<b>FRAUD DEFENCE</b>	Liveness detection calibrated for East Asian facial geometry. Performs differently against real-world fraud vectors in Lagos, São Paulo, or Mumbai.	iBeta Level 1 & 2 certified liveness (ISO 30107-3). Demographic-adjusted models spanning East Asian, South Asian, Latin American, and African populations.

**The Architectural Difference:** SaaS-only IDV vendors can solve the first three rows. They cannot solve data residency, they have no on-premises or private cloud deployment model. When a central bank says “biometric data cannot leave this jurisdiction,” your vendor's architecture is either ready or it isn't. That is a market access question.

## Multilingual OCR Accuracy Across Expansion Scripts

When OCR fails on a non-Latin script, the downstream face match, AML check, and regulatory submission all fail with it. Shufti's in-house engine benchmarked against Google Vision API on identical document datasets. Shufti leads in 7 of 10 language groups.

LANGUAGE / SCRIPT	SHUFTI IN-HOUSE OCR	GOOGLE VISION API
English	<b>96.91%</b>	96.44%
Arabic	<b>92.17%</b>	90.24%
Japanese / Chinese	<b>86.87%</b>	82.89%
Russian	93.95%	<b>97.98%</b>
Urdu / Nastaliq	<b>94.37%</b>	88.11%
Burmese	<b>94.41%</b>	64.36%

## What Regulators Demand on Day One

Five markets where Chinese fintechs are actively expanding. Each one enforces rules your domestic stack was not built to meet.

MARKET	REGULATION	WHAT BREAKS	DATA RESIDENCY	H5 REALITY
<b>Brazil</b>	BCB PIX Rules, LGPD, BCB Res. 519-521 (crypto)	Brazil mandates CPF-linked verification for PIX transactions. BCB has tightened Pix security and device-registration rules, with enhanced due diligence for high-value transfers.	LGPD requires adequacy decision or SCCs for cross-border biometric transfer. Architectural solution: process locally.	Liveness must execute inside your H5 payment flow, redirect to a native app loses the transaction session.
<b>Indonesia</b>	OJK Reg. No. 8/2023, PDP Law	OJK sandbox has rejected every e-KYC applicant to date. PDP Law imposes obligations on cross-border data transfers, with enforcement active.	Cross-border transfers face restrictions under PDP Law. PDP Law enforcement is active	KTP documents carry Bahasa and Latin script on the same card. Your webview camera submits both, your OCR must parse both in a single pass.
<b>EU</b>	AMLR (July 2027), eIDAS 2.0, 6AMLD	EUDI Wallets to be made available across Member States on a phased timeline through 2027	GDPR, SCCs or adequacy decision for biometric data leaving the EU. Regulators actively challenging SCC reliance.	High assurance under eIDAS may involve NFC document chip reading where Member States implement it.
<b>India</b>	RBI KYC Directions, DPDPA 2023	Aadhaar-based KYC widely used but not universally mandatory for all customer categories. VCIP required for remote onboarding.	DPDPA generally allows cross-border transfers except to countries the central government restricts by notification. Fines up to INR 250 crore.	RBI's VCIP has specific device, connectivity, and frame-rate requirements. Webview camera limitations can invalidate the session.
<b>Singapore</b>	MAS Notice, PSA 2019	Singpass integration for resident verification. Risk-based CDD required. High compliance expectations from entry.	PDPA, moderate. Cross-border transfers permitted with safeguards.	Singpass MyInfo primarily serves Singpass users, so businesses often need alternative onboarding paths for users outside that ecosystem. Non-residents require document-based fallback.

**Nearest Deadlines:** Brazil Res. 519-521, enforcing now. Indonesia PDP Law, enforcing now. India DPDPA, enforcing now, INR 250 crore penalties. EU AMLR, July 2027. EUDI Wallet, December 2027. Map these against your expansion calendar. The markets are not waiting.

# Three Reasons Your Shortlist Narrows to One

Most IDV vendors require you to rebuild your app, rearchitect for each market, and accept SaaS-only deployment. Shufti does not.

1

## Your H5 Architecture Stays Intact

Web SDK deploys as iFrame embed or full-page redirect inside your existing webview or Mini Program. Five quality checks before submission: glare, blur, crop, angle, distance. Full CSS white-labelling — your users see your brand across every market. No native app rebuild.

2

## Biometric Data Stays In-Jurisdiction

Verification engine deploys inside your cloud AWS São Paulo, GCP Jakarta, Azure Frankfurt. Biometric data processes locally. Zero PII crosses a border. No reliance on Standard Contractual Clauses.

3

## One Integration, Per-Market Compliance

Single API endpoint. Journey Builder configures the flow per jurisdiction: CPF-linked verification plus mandatory liveness for Brazil. KTP dual-script OCR with OJK-aligned due diligence for Indonesia. eIDAS-substantial identity proofing with NFC document chip reading for EU. New market = new journey node, not new code.

## Start With a Blind Spot Audit — Zero Integration Required

Before you write a line of code, see exactly where your current verification stack fails on the documents, scripts, and fraud vectors your expansion markets will throw at it.

### What Happens When You Engage

Send Shufti a sample set of the documents your target markets use, Brazilian RGs, Indonesian KTPs, EU national IDs, Philippine PhilIDs. Shufti runs them through the full forensic pipeline inside an isolated AWS Nitro Enclave. No API integration. No SDK deployment. No access to your production environment.



Document extraction accuracy per script



Liveness detection performance across demographic groups



Fraud vector exposure: deepfakes, synthetic IDs, presentation attacks



Regulatory gap analysis per target jurisdiction

You see where your stack breaks — before your users do.

[Request Your Blind Spot Audit](#)

**The licence window is closing.** Brazil's crypto framework (Res. 519-521) is enforcing now. EU's AMLR takes effect July 2027. Indonesia's OJK has rejected every e-KYC sandbox applicant to date. India's DPDPA carries fines up to INR 250 crore. Your expansion team is working against regulatory deadlines, not open-ended timelines. The audit takes days, not weeks.



## Evaluate Your Global Verification Stack

See how Shufti's Web SDK, multi-script OCR, and zero-egress deployment models solve the specific challenges Chinese fintechs face in LATAM, APAC, and Europe.



[www.shufti.com](http://www.shufti.com)



[sales@shufti.com](mailto:sales@shufti.com)

[Book a Demo](#)