

# Payment Rails

**Payment & Money Transfer | Montreal, QB | Founded: 2015 | Employees: 11 | <https://www.paymentrails.com>**

PHONE: +1 855-672-9688

WIKIPEDIA: NA

BLOOMBERG: NA

LINKEDIN: <https://www.linkedin.com/company/payment-rails/>

## COMPANY OVERVIEW

Payment Rails is an API-first payout platform that enables businesses to send payment to individuals or companies in over 220 countries in any currencies and to multiple payment methods. The payout API gives businesses access to Payment Rails' global banking and payment network. The platform helps businesses to scale by automating the payout process and tax compliance process.

## SENIOR MANAGEMENT

**Tim Nixon:** CEO & Founder (2015 - Present). Previously: An online payment company (2010 – 2013) Operations; CCA International (2004 – 2008) Head of Operations – UK; ICT Group (2003 – 2004) Operations Manager. Education: B.Economics, Swinburne University of Technology; Diploma in Marketing (2000) Macleay College.

**Andreas Farina-Vaz:** Chief Compliance Officer (2017 – Present). Previously: Outlier Compliance Group (2017 – Present) Co-Founder – Europe; Saffe Payments (2017 – Present) Board Advisor; Currencycloud (2015 – 2017) VP – Risk & Compliance. Education: BA, International Business (2002 – 2005) University of Brighton.

**David Koblas:** VP Engineering (2017 – Present). Previously: Tubular Labs (2012 – 2016) VP Engineering; MyLife.com (2008 – 2012) Principal Architect; Wink, Inc. (2006 – 2008) Principal Engineer. EDUCATION: BS. PHYSICS (1986 – 1991), University of Oregon.

## HISTORY

Payment Rails was founded in 2015 with the goal to fix the pain point in international payment of businesses.<sup>1</sup> In January 2017, Payment Rails released the beta version of the cloud platform which enables global transaction through a payout API to achieve a more efficient payment process. In February 2017, David Koblas joined the firm as VP Engineering. In August, Receipt Widget is released and businesses can leverage a few lines of code to collect payment information from the users. In October, ex-President of PayPal Scott Thompson joined the firm as an investor and board advisor. In December, the API-first payout platform is launched to provide faster payment system and access to global banking to SMBs and enterprises, enabling businesses to send payment to over 220 countries. Through March to September of 2018, Payment Rails has established partnerships with Faber Technologies, #paid, ALTA Language Service as a payouts provider.<sup>2</sup>

## FUNDING

Payment Rails raised a total of \$1.1 M in funding in its only seed round from Scott Thompson on Oct 10, 2017.<sup>3</sup>

## KEY CORPORATE DEVELOPMENTS

**Jan 10, 2017:** <https://blog.paymentrails.com/payment-rails-launches-powerful-mass-payout-api>

**Oct 10, 2017:** <https://betakit.com/payment-rails-raises-1-1-million-adds-ex-paypal-president-as-board-advisor/>

**Dec 7, 2017:** <http://blog.paymentrails.com/payment-rails-launches-global-payout-api-to-revolutionize-business-payments-to-220-countries>

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<sup>1</sup> <https://www.pehub.com/canada/2017/10/3475830/>

<sup>2</sup> <https://blog.paymentrails.com/>

<sup>3</sup> <https://www.crunchbase.com/organization/payment-rails>

## BUSINESS HIGHLIGHTS

### STRATEGY

Payment Rails offers the international payment solution and targets industries including shared economy platform, influencer platforms, online, photography, and accommodation marketplaces.<sup>4</sup> The target users are organizations or individuals who need to pay freelancers such as developers, influencers, graphic designers, etc. The payees of the target users are internationally distributed, and the target users are looking for the most cost-effective ways to pay their payees.

### PRODUCTS / PRICING

- **Payout Platform:** Payment Rails' APIs can help the clients create a customized solution for their payment needs. The solution provides real-time currency conversions and global mass payouts to individuals and organizational recipients in 200+ countries. With a global network of banking partners, Payment Rails offers users access to the network of 135+ currencies. The product also allows the user to automate payment collection and to validate the banking information at scale. The users have access to the live payment status to track their payments.
- **Tax Compliance:** Payment Rails' tax compliance platform streamlines the W8/W9 process with digital tax form collection, validation, payout, and reporting. This feature eliminates recipient error, automating calculations with a FATCA compliant platform, and ultimately help the clients stay compliant and reduce cost in the tax process.
- **Coverage Map:** Payment Rails provides dashboards that have visibility to payment methods and currencies.

Payment Rails has a subscription pricing model where growing companies are charged with \$59/month for all the services except for W8/W9 Tax Form collection, and enterprises are charged with \$249/month for all the services.<sup>5</sup> Organizations that are qualified as startups can use the platform for free in the first three months.

### TECHNOLOGY

Payment Rails has designed the APIs using RESTful architecture which breaks down transactions to create a series of small modules. Based on the REST principles, Payment Rails' API enables merchants to send unlimited payouts across its global payment network. Payment Rails uses JS Widget to simplify the recipient management process through a single line of code on the users' websites. Additionally, Payment Rails has developed a built-in compliance engine which screens individuals and organizations against all watchlists including EU, OFAC, etc.<sup>6</sup> To ensure data security, Payment Rails uses AWS for secure hosting and end-to-end 256-bit bank-level security. It has built-in tokenization of all transactional data and is PCI-DSS compliant.<sup>7</sup> Payment Rails is currently working on developing fraud monitoring service. This service leverages machine learning and big data to identify fraudulent users before the payouts and automatically request additional verification.

### DISTRIBUTION / LOGISTICS

Payment Rails has offices in Toronto, Montreal, and London, UK. Developers can access the API documentation from the website.

### MARKETING

Payment Rails has gained media attention and presence through participating in fintech awards and startup competitions such as Canadian Fintech Award 2016, Finance Montreal Fintech Startup Pitch Competition, etc.<sup>8</sup>

## COMPETITORS

There are some companies focus on international payment and solutions:

1. [nanoPay](#) – (Toronto, Ontario) nanoPay provides a unique payment platform and open API that facilitates multi-currency payment solution including cross-border payment networks.
2. [TransferWise](#) – (London, UK) TransferWise matches transfers from one payer with other people using the interbank mid exchange rate to facilitate international payments.

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<sup>4</sup> <https://www.paymentrails.com/industries>

<sup>5</sup> <https://www.paymentrails.com/pricing>

<sup>6</sup> <https://www.paymentrails.com/features>

<sup>7</sup> <https://www.paymentrails.com/features/security>

<sup>8</sup> <https://www.paymentrails.com/press>