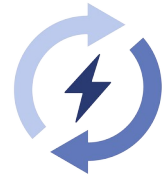


Lightning Network Transaction Monitoring in KYT

What is the Lightning Network?

The Lightning Network is a second layer protocol built on the Bitcoin blockchain that allows faster, cheaper transactions. With Lightning, small, recurring transactions that wouldn't be economical to carry out on the blockchain due to fees become feasible, enabling new commercial use cases for Bitcoin.



Since the lightning network is not a blockchain, you cannot monitor transactions on the network like you do for blockchain transactions. In fact, transactional information you see on the lightning network is very different from traditional cryptocurrency transactions. Chainalysis has developed the ability to analyze our customers Lightning transactions to screen for risk and monitor activity.

Chainalysis KYT, the world's leading cryptocurrency compliance software, is the only tool that supports Lightning Network Transaction Monitoring. It allows users to confidently transact on the Lightning Network while staying compliant with regulatory requirements and gaining valuable insights into their transactions.

Lightning Network Transaction Monitoring in KYT

Customers register via the KYT API to provide Chainalysis the transactional information necessary to monitor their Lightning transactions. Using this data and information publicly available on the network, KYT provides users with valuable insights into their Lightning transactions and alerts to fit their operational and compliance needs.

Transfers

Export

Transfer start → Transfer end

Travel rule

USD

2 transfers

PreviousNext

☐	Date	Category	Name	Direction	Risky Amount	Amount	Asset
+ ☐	11/26/21, 11:48 AM	Merchant Services	Bitrefill.com	Sent	—	0.020	BTC_LIGHTN...
+ ☐	11/25/21, 11:48 AM	Gambling	Lightning-Roulette.com	Sent	—	0.013	BTC_LIGHTN...

2 transfers

PreviousNext

KYT Offers Unique Insights into Lightning Network Transactions



Transact with Confidence

The Chainalysis Intel Ops team uses proprietary data and information publicly available on the network to identify and verify node operators. This allows users to know who their counterparties are for risk assessment and travel rule compliance.



Receive Alerts for nodes with IP addresses in High Risk Jurisdictions

KYT alerts users if a node they are transacting with is in a High Risk Jurisdiction. This allows our users to transact on the lightning network while complying with local and global regulations.



Pre-screen withdrawals

Users can use KYT to pre-screen Lightning withdrawals using attributions from the Chainalysis Intel Ops team to assess a counterparty's risk before sending funds.



Gain Insights from Behavioral Alerts

Set customizable behavioral alerts to be notified of lightning activity that matters to you. Create rules to generate alerts whenever a user commits a behavioral pattern you define.

"Chainalysis support of the Lightning Network gives us the compliance tools we need to safely leverage Lightning to grow our business and provide a better payments user experience for our customers"

Reio Piller, Co-founder and CTO of Yolo Group