

Financial IT

Innovations in FinTech

THE 2020 DEADLINE FOR SWIFT'S GPI INITIATIVE

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Founder & Executive Chairman,
eVision

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A "DIGITAL EVERYTHING" STRATEGY STARTS WITH ONBOARDING



THE 2020 DEADLINE FOR SWIFT'S GPI INITIATIVE HELPING BANKS TO PREPARE

An interview with Amr Soliman, Founder and Executive Chairman, eVision

Financial IT: Please introduce us to eVision.

Amr Soliman: In one sentence, I'd describe eVision as a leading provider of specialized software for the automation of the processes of the financial transaction lifecycle within the financial institution. We help our banking clients automate their back office operational processes to become efficient, reduce cost, and contribute effectively to the institution. We understand that straight through processing (STP) is the key goal to achieve real time payments. For us, STP involves risk mitigation, real-time access to data, lowered response times, more informed effective personnel, much greater adherence to compliance requirements and a turnaround in the quality of service for the banks' customers.

We were founded in 1999 and, to date, have been working only with banks in Egypt and Africa. Key solutions that we offer to our clients include our first flagship solution, the Bingo Financial Suite for transaction reconciliation and dispute management, built in 2007, and currently holds over 50% market share from the volume of ATM & Card & Mobile payments in Egypt being reconciled every day in the back offices of the Egyptian banks. Our old-time partnership with FircoSoft, since 2003, a global leader and part of Accuity today, also puts us in the lead of the Egyptian market in the space of AML transaction filtering & sanction clearing. eVision is responsible for filtering more than 30% of the daily SWIFT traffic, and more than 70% of the non-SWIFT financial transactions in Egypt.

Today, once again, we introduce our new tailored champion solution FINSTAT for SWIFT message handling.

FINSTAT is an intelligent straight through processing out of the box SWIFT message management platform that enables financial institutions comply with the new SWIFT gpi standards. FINSTAT collects SWIFT data and deciphers it to automate seven key tasks; GPI Message Monitoring & Generation, Correspondent Fees Calculations, Claims Management, Internal Alerts & External Notifications, Automatic Message Matching, Regulatory Reporting and Real-Time Archiving with search engine capabilities.

Financial IT: Why is that important?

Amr Soliman: In the Middle East and Africa, and around the world the norm for cross-border payments ranges from 5-15 days to be processed. At a time that distributed ledger technology (DLT) makes

possible payments that are secure, nearly instantaneous and very low cost, this is totally unacceptable. In the business world there is a great misconception regarding the late SWIFT message actually created by the bank's themselves. The reason of payment delay communicated is always related to the SWIFT message, hence the blame and wrong belief that using SWIFT is slow and inefficient. SWIFT is an instantaneous messaging platform; the delay is the result of the banks' inefficient handling of the message.

We at eVision believe that gpi will pave the way to revolutionize cross-border payments and correspondent banking. As you know, gpi is set to be the standard for all cross-border payments that are handled through SWIFT member banks by the end of 2020 – or a little over two years from now. The gpi initiative will enable end beneficiaries to be credited within minutes or even seconds. It will allow payments to be tracked like an express parcel – from end-to-end. It will provide much greater transparency in relation to exactly what fees are being charged and by whom. The initiative will ensure that remittance data remains unaltered when the payments arrive. In March 2018, SWIFT noted that the initiative has already been adopted by about 200 banks globally. Each day, it handles messages in relation to more than US\$100 billion in payments.

Financial IT: What are the problems that FINSTAT solves?

Amr Soliman: The FINSTAT platform will enable Financial Institutions achieve an unprecedented STP experience in SWIFT message handling that will enable all banks to easily become SWIFT gpi participants without having to alter existing systems. And finally give our clients the cutting-edge advantage to grow their cross border payments by being the fastest and most efficient availing same day funds to their customers and achieving real-time payments.

The numbers today are thought-provoking. Currently, only about 2% of the 11,000+ banks are SWIFT gpi and are working between themselves alone providing real time cross border payments to each other. We can help the other 98% provide real-time payments to their customers too.

Financial IT: Great, so what does FINSTAT actually do?

Amr Soliman: FINSTAT seeks to greatly increase operational efficiency in the handling of payment messages across the banking institution.

About Amr Soliman:

Amr Soliman is a veteran in the Fintech space where he has been at the helm of a specialized software solution firm named "eVision" serving and tailoring solutions to automate the financial transaction life cycle across the Egyptian banking industry since the late 90's. From back office transaction reconciliation solutions to AML sanction clearing to financial message handling and processing, eVision has captured a substantial market share among the Egyptian banking industry within its specialization over the years. Among other activities, Mr. Soliman chairs the Economic & Environment committee at the National Council for Women, a presidential council in Egypt that works for women gender equality across the board. He is also a member of the National Committee for Women Financial Inclusion with the Central Bank of Egypt.



I'd describe it as an intelligent middleware that can be 'plugged and played' with the systems of any bank that is currently working with SWIFT. Its real-time archiving capability enables it to understand and identify the SWIFT message and trigger actions; its automated regulatory reporting is fully transparent; calculation of fees for correspondent banks has never been more accurate; and the automatic matching of messages relieves much effort and time for the operation clerks; the Internal Alerts and External Notifications keeps all stakeholders in the light; and the claims management tool will make sure to adhere to the correspondent agreements and claim uncompliant messages by the book; and finally the gpi monitoring and generation module will automate all the required tasks needed to comply and adhere to the SWIFT gpi commitment.

Financial IT: Can you give us a real-life example of what one of your clients is doing, right now, with FINSTAT?

Amr Soliman: We are currently working with one of our largest clients, which has adopted FINSTAT a year ago. Today the bank's SWIFT back office operations is fully automated and organized that they have shifted from a cost center to a profit center for the bank due to the amounts of claims that FINSTAT has spotted and was successfully able to win them for the bank. Hundreds of thousands of dollars from thin air. The bank is ready today and has applied to become a SWIFT gpi member bank. We are currently assisting the bank to meet all the requirements of gpi. The process will take a few weeks: ultimately, though, our client should be the first bank in the Middle East and Africa to become one of the roughly 200 global banks that are actually gpi compliant. We will publish a Case Study in due course.

Financial IT: Does FINSTAT have many rivals in the marketplace?

Amr Soliman: As you see the market is huge and we intend to get a big chunk of it. We are in the process of applying to have FINSTAT certified by SWIFT as a gpi-compliant solution. This is remarkable in itself, because FINSTAT is primarily a message-handling solution rather than a full-fledged payment solution, which is currently the criteria for the only gpi certification SWIFT grants its partners. As far as we can see there is only one company with the current SWIFT gpi certification for a full payment product and no one in the SWIFT message handling space. We intend to convince SWIFT

to create a new category for SWIFT gpi certification and have FINSTAT first on this list.

Financial IT: What are your thoughts about major trends for cross-border payments?

Amr Soliman: In the first instance, the SWIFT network is by far the leader in cross border payments globally simply because it is a non-profit community owned by its member banks that work together to continually enhance the service and reduce the costs for all its members. There will be much more discussion about gpi over the next two years. SWIFT member banks will gradually realize that there is great privilege in becoming SWIFT gpi and that it is the only way to go, to match the cross border real time payment service that their competitors provide. In the next 2 years we will probably see exponential growth for fast adopters and early movers and the map will shift in this space bringing on new players. SWIFT's membership may shrink: however, the speed, efficiency and quality of payment services will improve dramatically. I predict that, by 2020, DLT will play a much greater role in the financial services space than it does today: however, for all its advantages in terms of speed and security, alike SWIFT, DLT does not in itself resolve all the issues that are faced by banks' back offices in relation to compliance, fees control, let alone secrecy laws and regulations. I don't dispute that there will be a role in cross-border payments for artificial intelligence (AI): however, these are unlikely to be a major feature of the payments global landscape for another few years. Collectively the SWIFT community needs to adopt a STP message handling strategy and comply with SWIFT gpi to achieve real time cross border payments across all its members; and not just a handful. It's for the best interest of All; Banks and their Customers.

Financial IT: What do you expect from Sibos 2018 in Sydney?

Amr Soliman: This is the first year that we have exhibited at Sibos. We hope that the implications of the 2020 deadline for SWIFT's gpi will become much better understood. That means that banks will gain a much better appreciation of how we can help them prepare to become gpi-compliant. We also hope everyone will attend our exclusive discussion on the newly established Discovery Stage, where we will showcase the capabilities of FINSTAT and how it can make all the difference in adopting SWIFT gpi.