

SEPA as a springboard



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SEPA as a springboard

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Agenda

SEPA compliance

- SEPA conversion services (ISO 20022)
- DD mandate management
- Why SEPA is the ideal starting point for a payment factory

Payment and collection factories

- Solving the back-office disconnect
- Payment hub in the cloud
- Choosing the best SWIFT service bureau
- Common Global Implementation
- Cash flow forecasting
- Pooling & Sweeping
- Reconciliation enabling compliance



SEPA

SEPA

Single Euro Payments Area

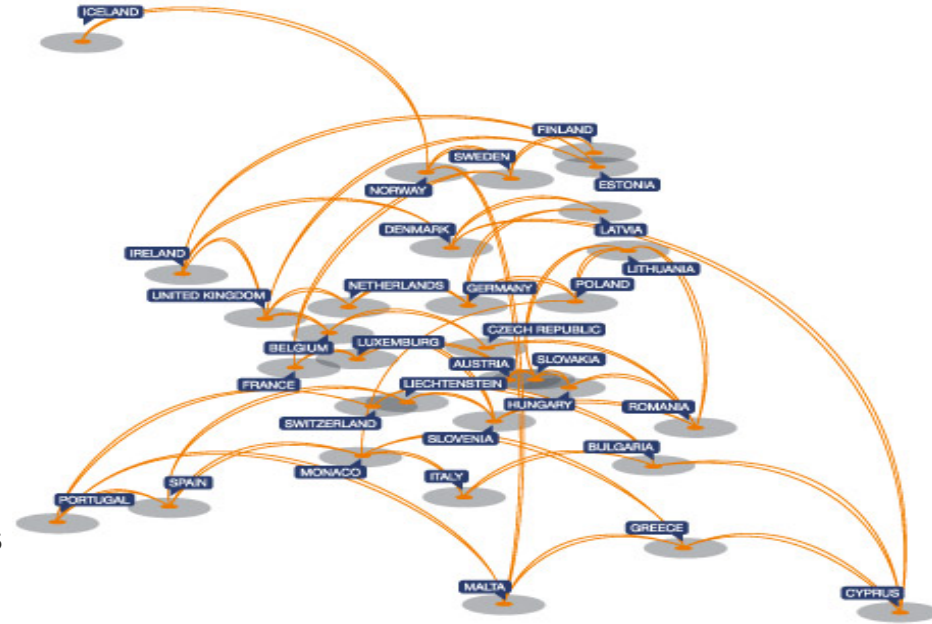
Initiative to make euro payments and DDs “faster, cheaper and safer” in EU, 2002

New:

- SEPA Credit Transfer and DD Schemes
- Account identifiers (IBANS, BICS)
- Formats (ISO 20022)
- Processes and time cycles

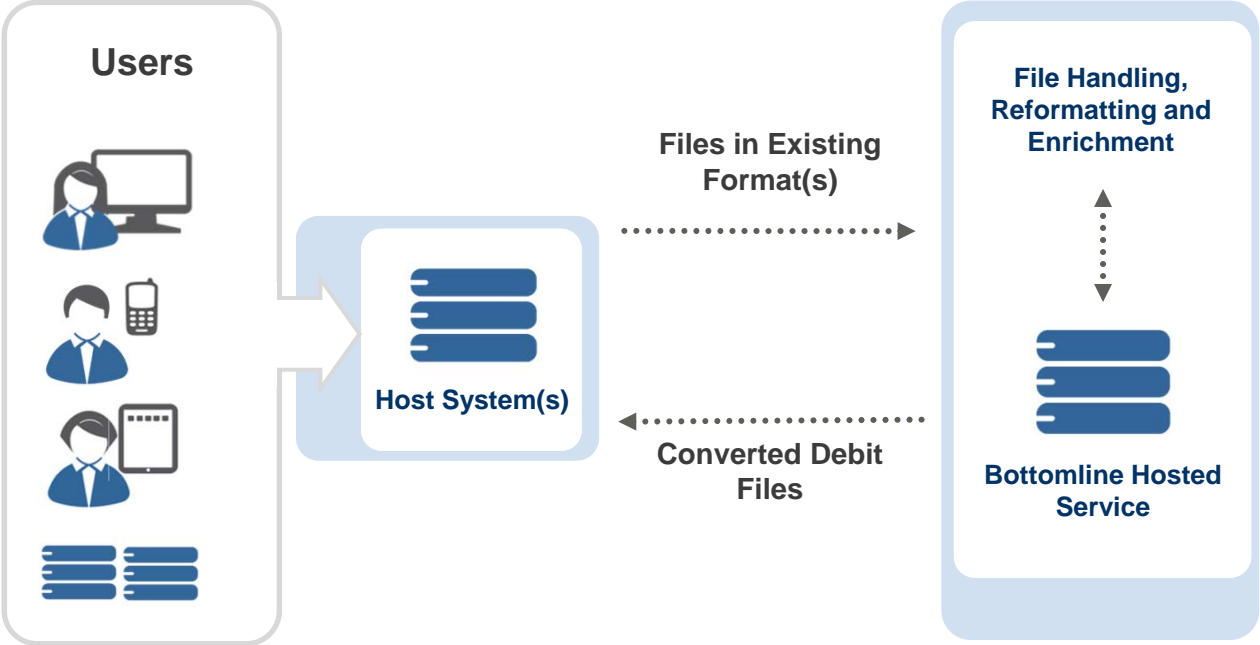
SEPA Credit Transfers and DDs at domestic tariffs

Migration deadline extended to 1 August 2014

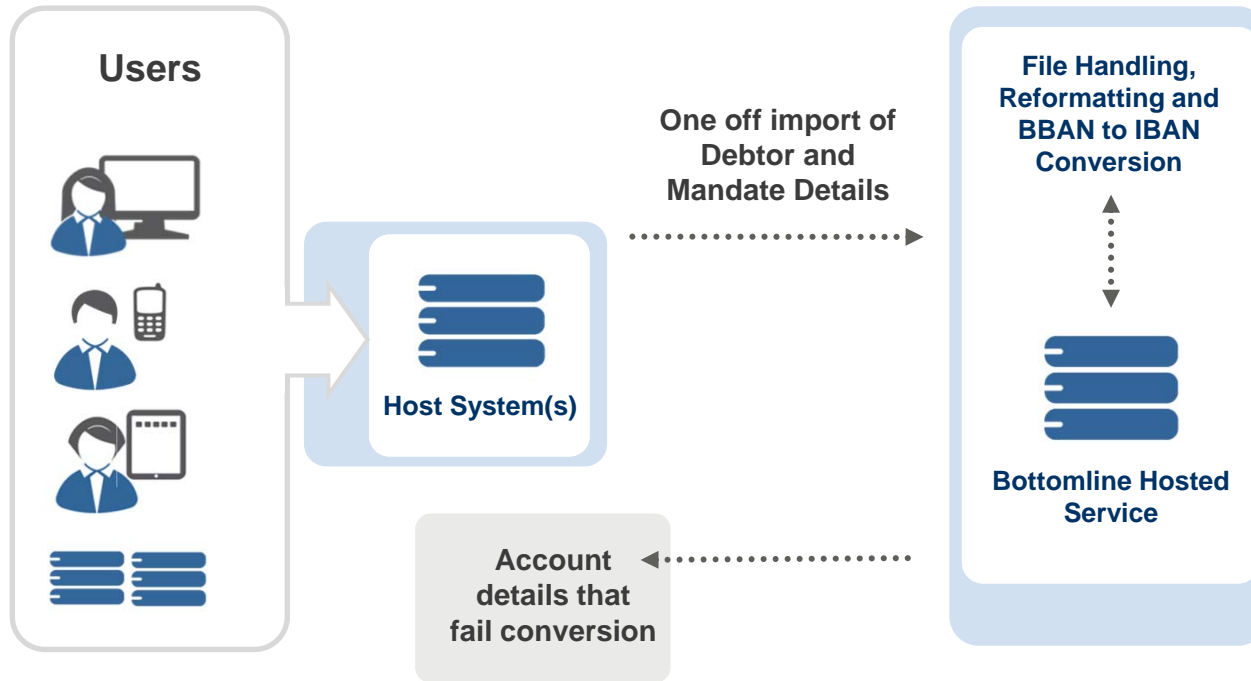


33 SEPA countries (EU, EFTA, EEA)
17 eurozone, 16 non eurozone
517 million citizens

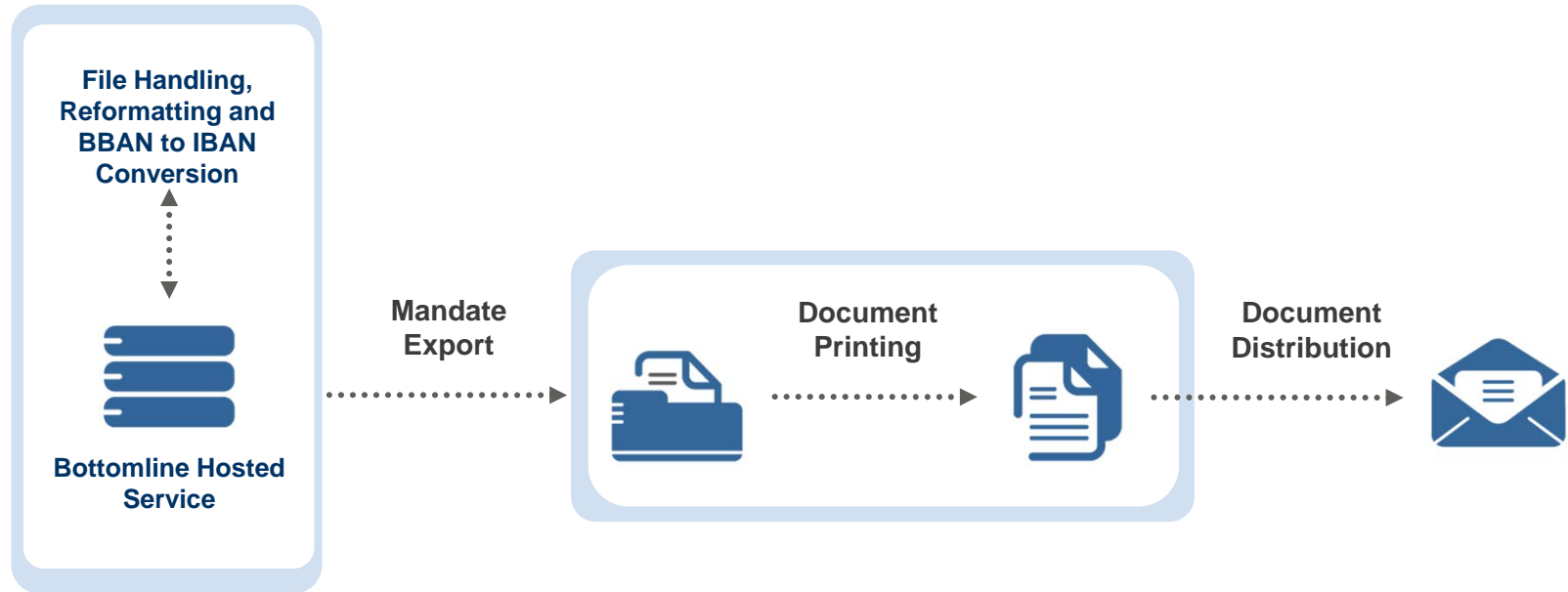
SEPA File Conversion for Rapid Compliance



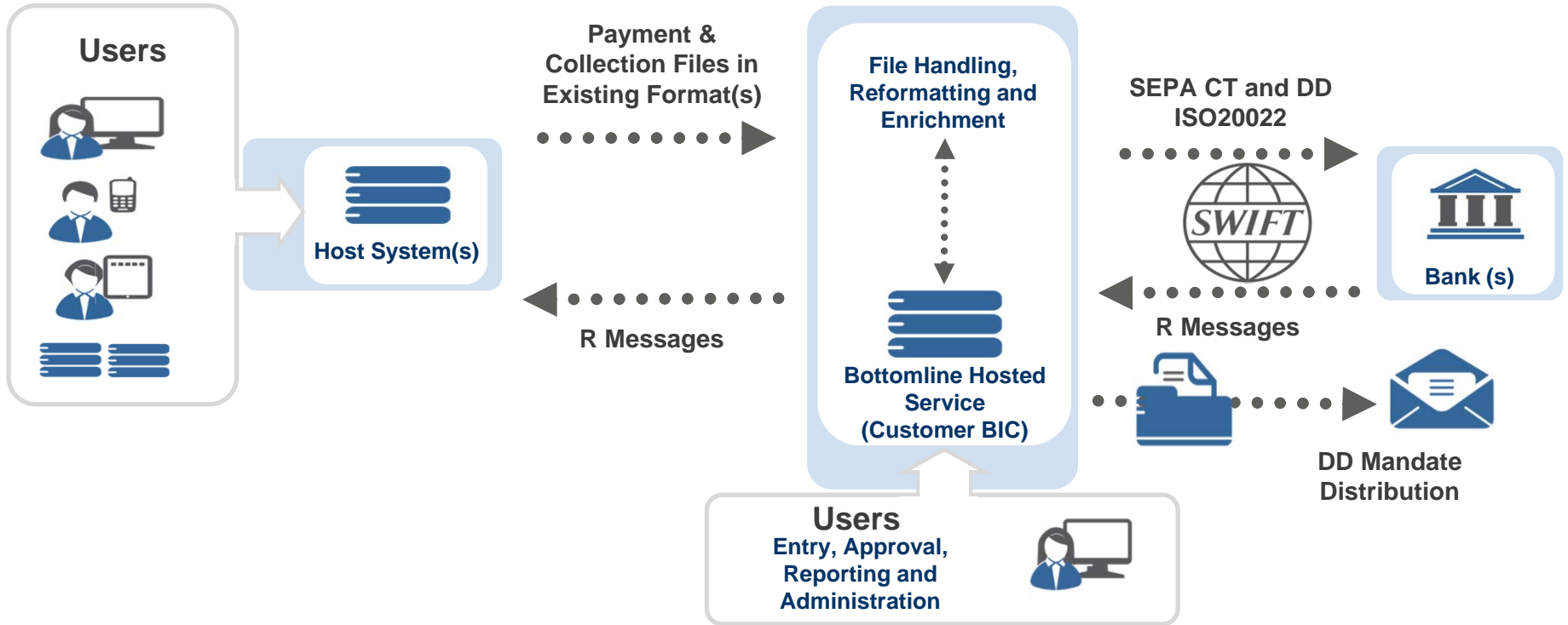
BBAN to IBAN & Mandate Dematerialisation



DD Paper Mandate Distribution

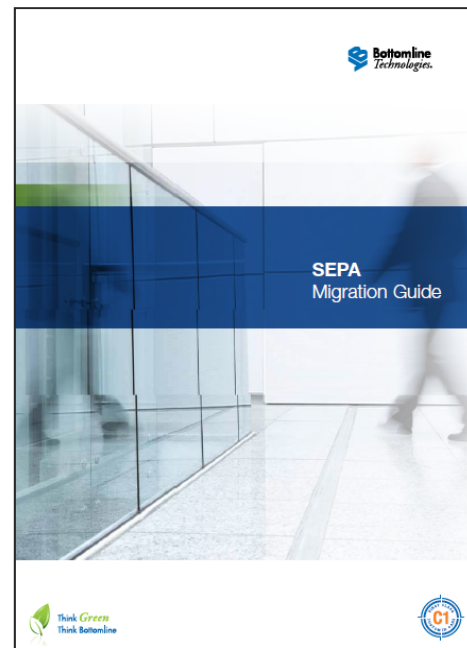


Cloud-based SEPA End-to-End



Cloud-based SEPA Compliance

- SEPA Training
- Credit Transfer and DDs processing
- BBAN to IBAN conversion, validation
- Data reformatting (ISO 20022)
- SEPA DD Mandate Management, R Transactions
- Cloud-based Mandate distribution and capture
- Proven track record of successful migration



Practical advice on SEPA projects

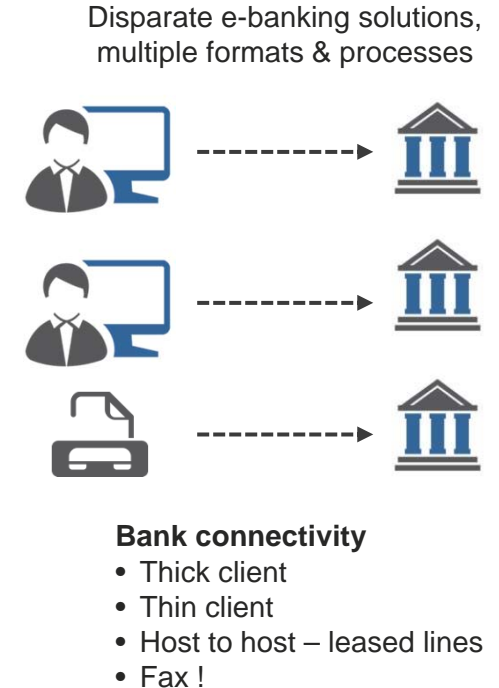
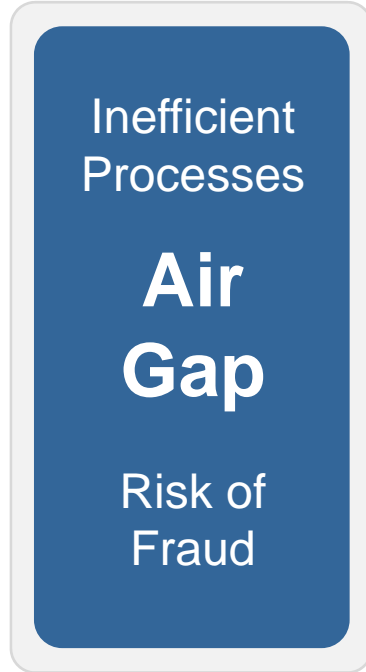
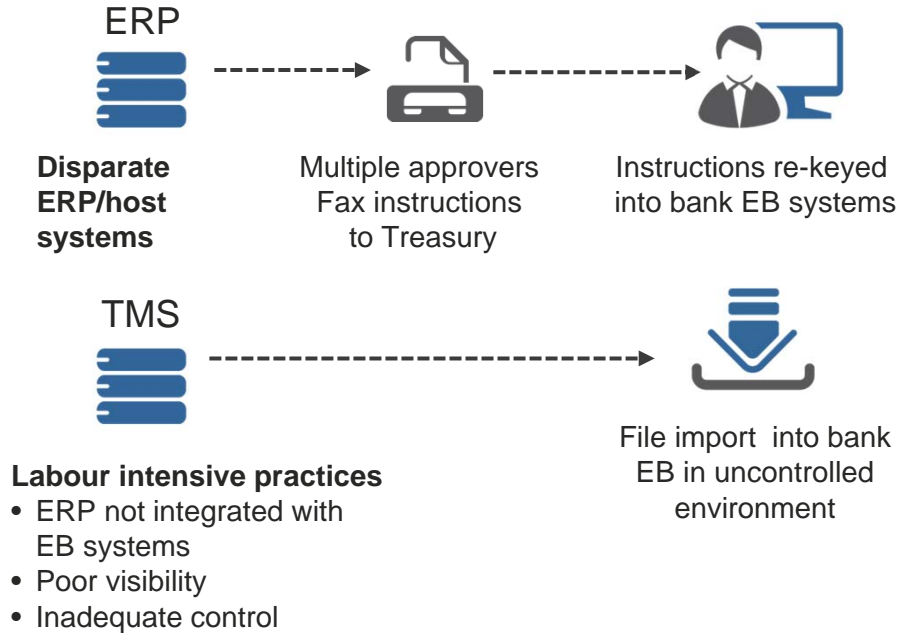
SEPA: Ideal Start Point for Payment Factories

- Standardised euro payment and DD instruments across EU
- Standardised and centralised processes
- Lower processing costs
- Reduced number of bank accounts
- Lower bank fees on compliant bulk payments and DDs
- Lower operational risk and easier audit
- Improved cash flow forecasting and easier reconciliation

Payment & Collection Factories

Back-office disconnect

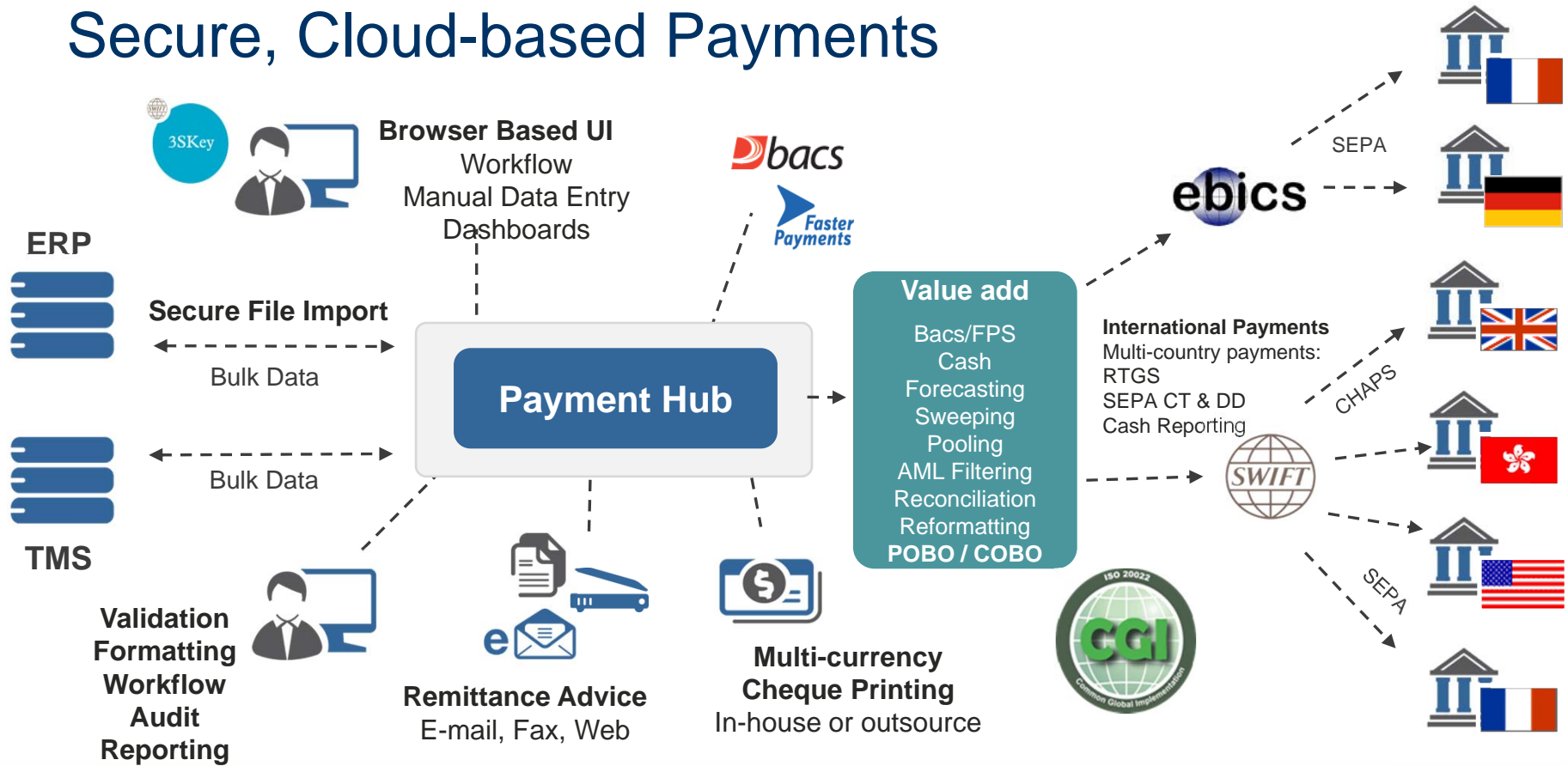
Many organisations today....



Payment Factory Benefits

- Streamline all payments & cash reporting
- All corporate to bank exchanges
- Centre of excellence for payments on behalf of the entire enterprise or region
- Secure, standardised interfaces and processes, with data conversion for STP
- Scalable across the enterprise
- Centralised controls, segregation of duties
- Pan-enterprise visibility and control for Treasury
- Visibility by local units of regional activity
- Compliance, audit
- Standardised bank connectivity, generally SWIFT / EBICS

Secure, Cloud-based Payments



Benefits of SWIFT for Corporates

- Secure and resilient interface to multiple bank relationships
- Improved visibility of bank accounts, better liquidity management
- Bank agnostic connectivity, delivering greater bank independence
- Multiple payments types: domestic and international wires, bulk payments and direct debits
- Reduced costs through standardised messaging and straight through processing
- Enhanced control, audit and non-repudiation of messages
- Reduced operational risk and comprehensive compliance

Why Use a SWIFT Service Bureau

Over 80% of businesses joining SWIFT outsource connectivity

Cost Reduction

- Eliminate internal costs:
- SWIFT hardware & software interface,
- Specialist SWIFT support staff
- e-banking admin costs (eur 20K per year each bank)
- Increase STP

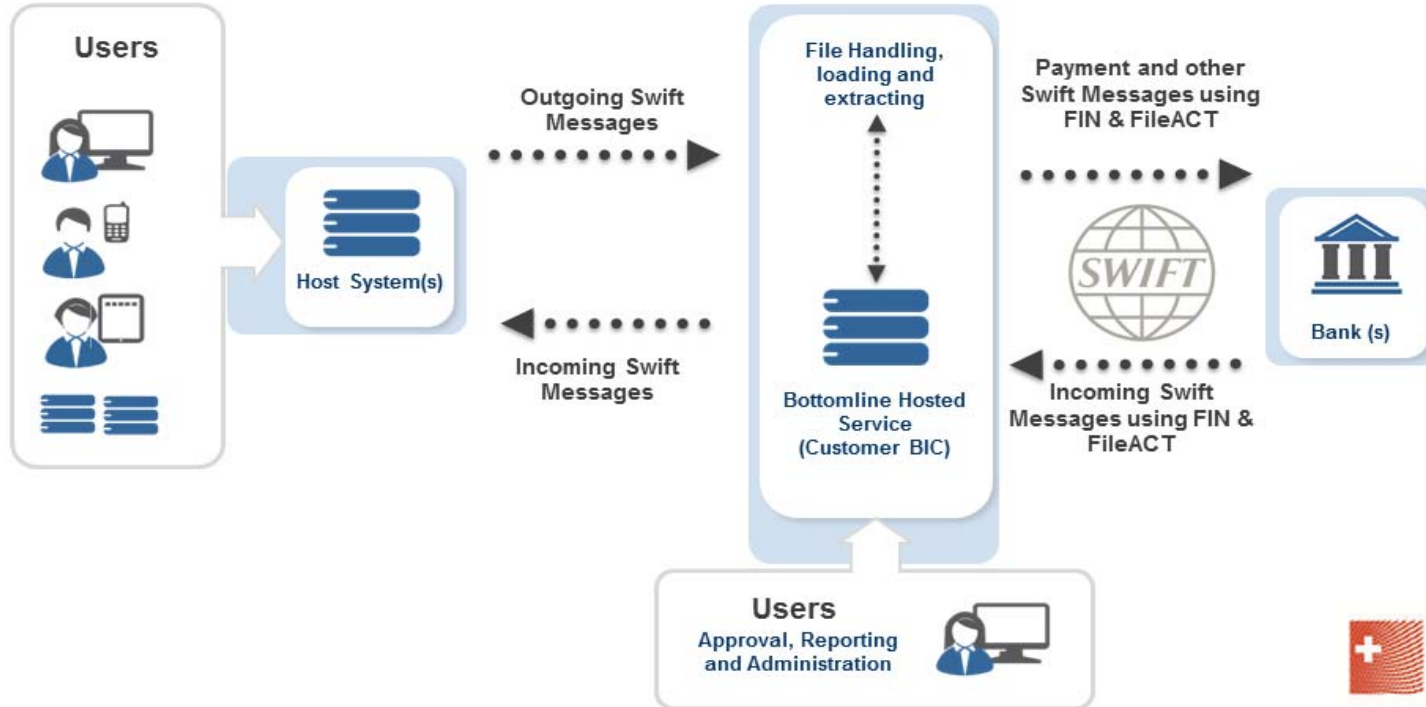
Risk Mitigation

- Eliminate responsibility for maintaining SWIFT interface
- SWIFTReady accreditation
- Resilience (DR)
- Future proof
- Single global bank interface

Flexibility

- Variable cost model
- Subscription based fees
- Fast implementation
- Scalable
- Value add services

SWIFT Service Bureau



Choosing the Best SWIFT Service Bureau

- Value added applications for payments, cash reporting, cash forecasting, pooling
- Highly accredited
- SSAE 16
- Financial stability and commitment
- Domain expertise
- Trusted partner
- More than a SWIFT Service Bureau
- Bank partnerships
- Reconciliation, data transformation, AML



Common Global Implementation



Global payments industry forum co-ordinated by SWIFT, using ISO20022

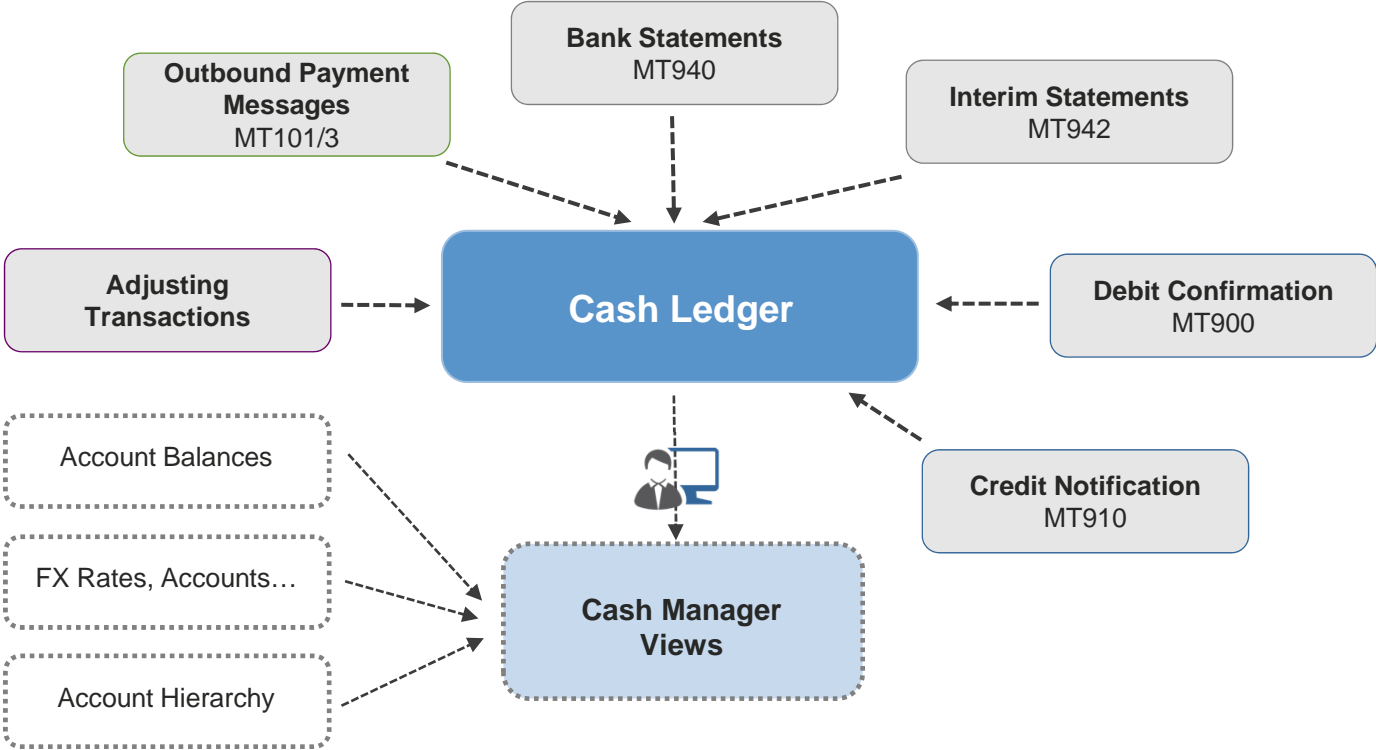
Improving straight through processing

Objective

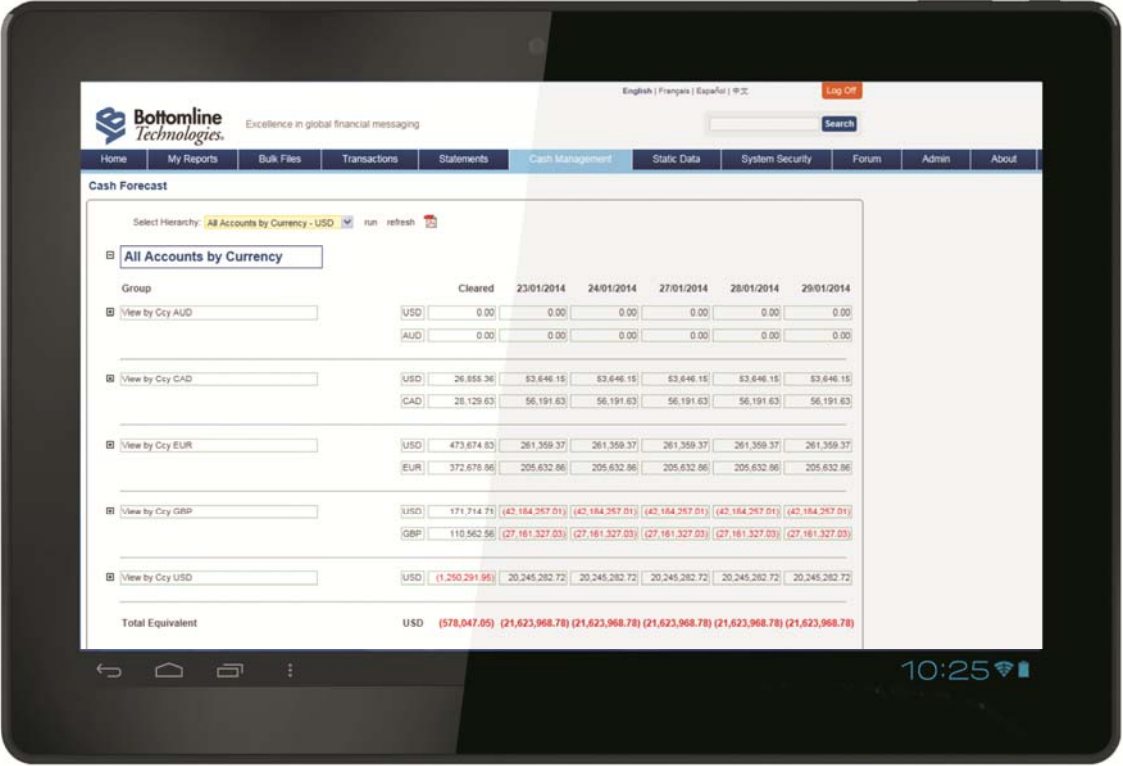
“A corporate can use the same message structure for all their payments with all of their transaction banks reaching any payment system across the globe”

- Driven by customer demand for multi-bank coordination of implementations
- Global corporate / NBFII, multi-banked, multi-payment type, multi-country implementations

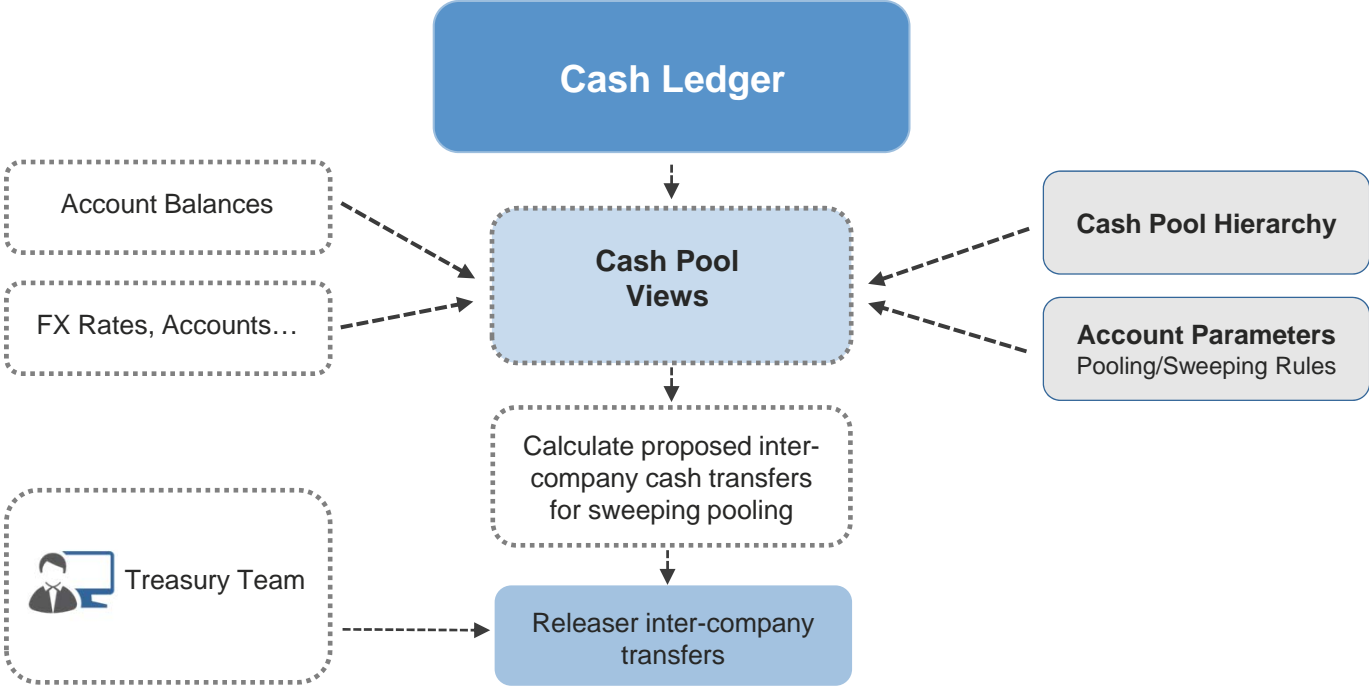
Cash Forecasting



Cash Forecasting



Cash Pooling



Reconciliation



Support of 70
SWIFT messages



Structured
file



Fax, Email, with
PDF attachment



EMIR compliance

- Reconciliation
 - Reporting
- Payments: 1xx, 2xx, 900, 910
 - Treasury: 3xx confirmation matching
 - Securities transactions: 5xx, sem54
 - Securities holdings 535
 - Commodities : 6xx
 - Statements: 950,940,942, camt053
 - Queries: n92, n95,n96,n99
 - Generic reconciliation any data any format



Conclusion

Busy Times Ahead

- Maximise benefits of SEPA, including DDs
- Payment & collection factory in the cloud
- Multiple payment types
- SWIFT for multi-bank connectivity
- Standardise processes
- Cash forecasting
- Sweeping & Pooling
- Reconciliation for risk reduction
- Common Global Implementation
- Payments / Collections on Behalf Of

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QUESTIONS



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