



# Clearing House Gateway and Capture Solution for Cross Border Credit Payments



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The SADC Banking Association has established a service that will facilitate the clearing and settlement of cross border credit payments between Member Banks within the SADC Community. This initiative spans 15 countries and approximately 200 Banks.

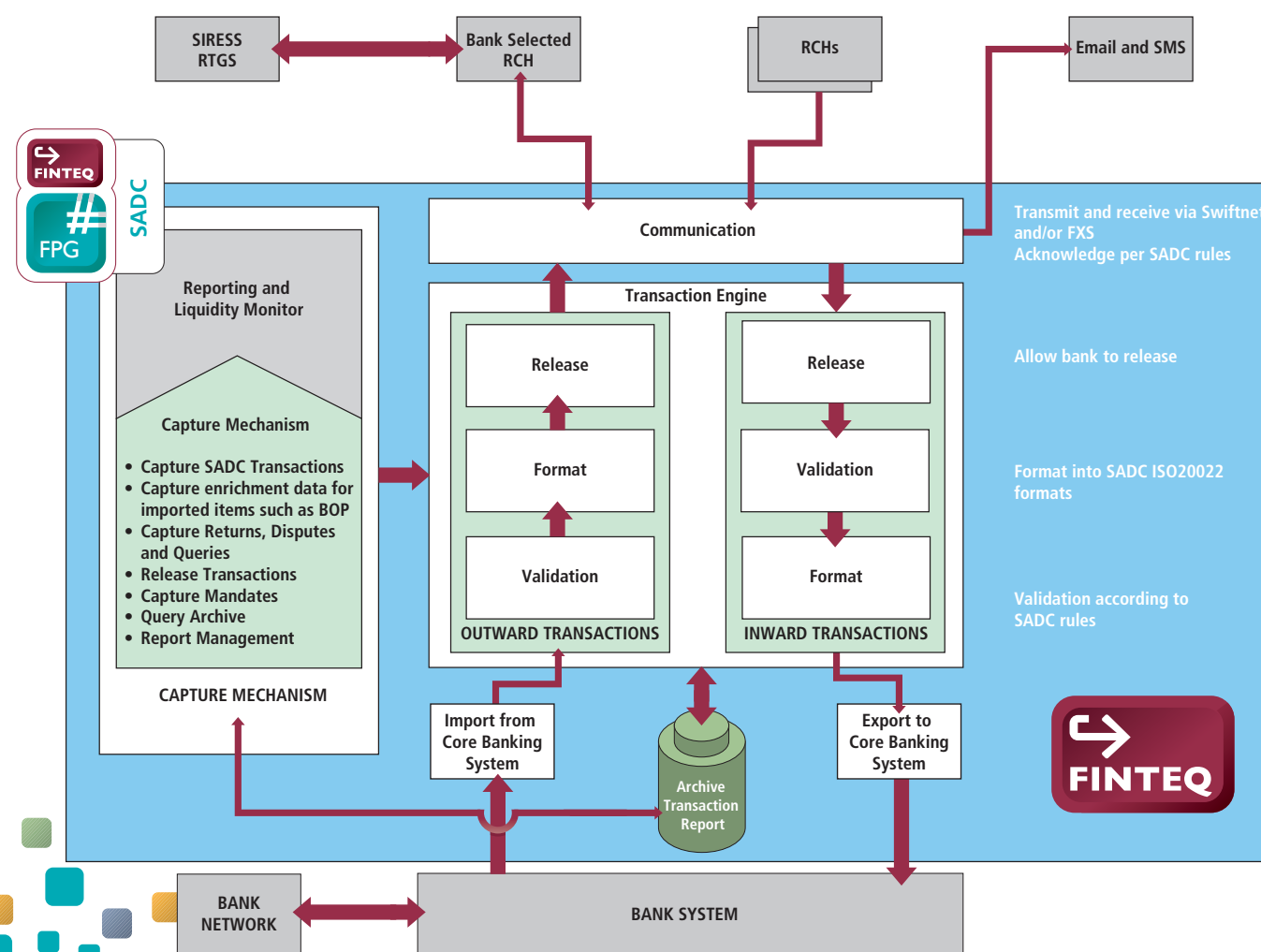
Basically, the process allows 'Originating Banks' to establish cross-border payments in a single settlement currency (SA Rand), in a prescribed format. Payments originated in this manner are sent to the 'Beneficiary Bank' by way of a Regional Clearing House.

The Regional Clearing House (RCH) is responsible for the receipt of payment instructions from the 'Originating Bank' and the pre-authorization of the payment amount against funds held by the Originating Bank at the 'Settlement Bank'. Thereafter, the RCH transmits the payment message to the Beneficiary Bank. Finally, the RCH will instruct the 'Settlement Bank' (SIRESS) to effect financial settlement between the Originating Bank and the Beneficiary Bank.

The proposed service incorporates a range of additional message types and the associated processes to cover a variety of exceptional situations that may arise in the normal course of payment service operations, e.g. non-receipt of funds, incorrect amounts, etc. All transactions and message transmission formats have been developed in compliance with the ISO 20022 messaging protocol as prescribed by the SADC Banking Association.

All SADC Member Banks participating in the new credit payment service will need to develop the necessary capacity to originate and receive transactions according to the rules defined by the SADC Banking Association. To expedite this requirement, Finteq has developed a solution called the Finteq Payment Gateway - SADC which enables Bank participation in the SADC payment service with minimal modification and disruption of core processing infrastructure. In addition, compliance with defined standards (ISO 20022) and industry accepted rules and conventions is assured. The Finteq Payment Gateway - SADC Solution has been developed to eliminate barriers that may inhibit participation in the proposed payment service, irrespective of the size of the individual Bank or the volume of payments involved.

Finteq Payment Gateway - SADC Solution: System Overview



## Functional Overview

The Finteq Payment Gateway - SADC Solution for cross border payments has two major components. A capture module that enables the controlled input of payment data as required by the Regulator and a universal gateway module which ensures the control and compliance of messages and/or files transmitted between participating parties within the SADC cross border payment region.

A brief description of the functionality as follows:

### Data Entry

The system provides for the entry of credit payment data into pre-defined fields on a pre-formatted data capture screen. All data entered is compared against allowable values and rejected if invalid. A second-level verification function is available if required. Multiple data entry options are available to support the range of credit transactions and message types, for example: payment enquiries, payment return requests and disputed transactions.

### Enquiry/Dispute Handling and Liquidity Management

The data capture service provides a full range of enquiries to assist in management of the payment process. A comprehensive record of all payments sent and received is maintained by the system. The facility provides a full audit trail to support the handling of enquiries and disputes that may arise and actions that may result therefrom. In addition, a facility exists to interrogate balances held with the Settlement Bank (SIRESS) and manage liquidity in respect of payments originated and received.

### Duplicate Checking

The solution includes a control facility that will alert an operator of any potential payment duplications both inwards and outwards. Depending on the authority provided, the user is able to override particular situations, delete duplicate transactions, or batches of duplicate transactions. A full audit trail is maintained of all such occurrences, the corrective action taken and the details of the user involved.

### Reports

The solution has a comprehensive report management framework which supports the production of system generated reports and the creation of ad hoc reports with arguments. A range of standard reports are available to support the management of the system.

All systems Reports and Audit Trails are automatically stored in an integrated system archive for future access.

### Interface with Core Banking Systems

The Finteq Payment Gateway - SADC Solution provides for the automated import and export of files to/from a Bank's core processing system, For example: a file of valid account information can be received each day to support the Data Entry Process. SADC credit payment transactions sent or received, are transmitted to the core system using this facility.

The system produces or receives files using existing core banking system protocols or ISO 20022 standard format.

Although implementations in different banks may vary, integration to the following core banking systems has been successfully achieved:

- Bankmaster, MISYS BankFusion, Midas
- Finacle
- Temenos Globus
- FLEXCUBE

In addition, a number of proprietary integrations have been implemented.

### SADC Regional Clearing House Integration/ Communication

All transaction information entered into the system is validated for compliance in terms of SADC rules and standards. File transmission is effected either using the transmission protocol of the Regional Clearing House or SwiftNet. Acknowledgement messages are automatically generated to indicate the correct receipt of transmissions. The Solution also has an 'automatic retry' capability to recover from failed transmissions.

Transmissions which fail to meet Regional Clearing House 'cut-off' times are stored and forwarded within the next business day.

### Payments Archive/ Reports Repository

The Finteq Payment Gateway - SADC Solution includes a payments archive and report repository. Details of all payments made and subsequent activities/enquiries relating thereto are maintained by the system and recorded in the archive. All system reports are also retained within the archive for subsequent access and review as required.

### OPTIONAL ADDITIONAL FUNCTIONALITY

#### Web Based Capture Service

A Web based capture capability is available as an option that allows for the distribution of data/payment entry capabilities to remote locations. This enables the creation of multiple access points whilst retaining centralized control of the cross border payment service, clearing and settlement.

#### Web Based Archival Service

A Web based archival facility is available to provide distributed access to all cross border payments which have occurred, as well as the resultant reports. This service enables customer enquiry and distribution within a particular organization.

#### SMS and Email Advices and Alerts

An additional function which is available enables the generation of automated SMS and/or eMail advices and alerts as required.

#### Multi Language Support

The system supports English, Portuguese and French. Should any additional languages be required, these can be considered.



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