

Expertus Technologies and IBM help Canadian bank establish itself as a pioneer in worldwide financial transaction investigations



Since 1973, the responsibility for creating a communications link among banks worldwide to facilitate international financial transactions has fallen to the Society for Worldwide Interbank Financial Telecommunication (SWIFT), a co-operative organization established by those banks.

To process the communications, banks require a window of direct, electronic access into the backbone of the global financial network so message exchanges can take place in an automated and secure environment. This window to the financial world is called SWIFTNet. Among other things, SWIFTNet messages encapsulate high-value transactions - wire transfers - and critical messaging pertaining to wire transfer errors, called Exceptions & Investigations (E&I) messages.

To more tightly structure and automate communication among banks as they investigate wire transfer errors through SWIFTNet, SWIFT is moving away from its highly manual and expensive legacy

messaging methodology, Financial International Network (FIN), to XML. SWIFT aims for the majority of its 9,000 member-banks to have the ability to send and receive SWIFTNet E&I messages in XML format by 2011.

SWIFT approached the National Bank of Canada to be a pioneer among mid-size banks in bringing its E&I messaging into XML compliance. The bank then teamed with IBM and Expertus Technologies, a Premier IBM Business Partner, to develop an E&I product to meet the SWIFT XML requirements.

The result was the Expertus Monetis Global Payment Solutions (MGPS) E&I module, which – at the National Bank of Canada - leverages IBM WebSphere® Application Server and IBM WebSphere MQ middleware and IBM System x™ servers.

“Expertus, through our MGPS product, provides a number of modules that support the banks in their dealings with the financial networks,” said Martin

IBM Business Partner: Expertus Technologies

Expertus Technologies is a leader in assisting banks and multi-national corporations to collaborate effectively in the area of real-time payments and cash management. Expertus also provides specialized financial messaging consulting services. Expertus Technologies is headquartered in Montreal, Canada.



Leclerc, chief information officer for Expertus. “But one of the biggest challenges banks face is having to investigate errors found in their wire payments, and now because of the

“There are shifts in the banking industry, and IBM is at the forefront of those shifts. They are a key partner . . . a high visibility player in the international payment processing area.”

Martin Leclerc,
chief information officer,
Expertus Technologies

SWIFT XML initiative and the work we did with the National Bank of Canada we anticipate our MGPS E&I module to be our most in-demand module by the end of the year," Leclerc said.

Solution allows bank to pioneer in XML technology-enabled E&I

The National Bank of Canada, headquartered in Montreal, does business with more than 1,800 banks throughout the world with most of these banks using FIN-format messages. In addition, the National Bank of Canada typically processes between 50-100 exception investigations pertaining to wire transfers every day.

"Our business challenge was to increase the effectiveness and efficiency levels of the investigations," said Robert Caviola, head of payments for National Bank of Canada. "We wanted to automate tasks that were labor intensive, reduce the overall turnaround times of investigations and mitigate the operational risk by automating the process and adding flexibility in XML, but we still need to be able to exchange messages in FIN until at least 2011," Caviola said.

"The IBM and Expertus solution is flexible, secure and reliable, and fully met our requirements by allowing us to process both message methodologies," Caviola explained.

Expertus customized its E&I module for the National Bank of Canada in accordance with the IBM environment already in place at the bank, which includes several IBM System x systems. The solution leverages IBM WebSphere MQ Series as the access point to SWIFTNet and IBM WebSphere Application Server Service Pack to allow banks to connect to the MGPS E&I module via a Web interface.

"Today, if I get an investigation from any bank in the world, it's almost impossible to handle it in an entirely automated way," said Caviola.

"We're one of the first institutions (to be XML compliant), but we're not going to be the only one. Once more banks gain compliance, the investigation process will become more and more automated."

New IBM relationship holds promise of global expansion

Expertus has worked aggressively to extend its marketing and business development partnership with IBM, gaining "optimized" status in the banking industry from PartnerWorld® Industry Networks, which offers a rich set of benefits to all IBM PartnerWorld members who want to team with IBM to build their vertical market capabilities, expand their partner network and attract customers in the markets they serve.

Expertus has developed a predominantly North American-based business. However, according to Leclerc, Expertus now has its sights set on Europe and Asia, and it views its IBM partnership as critical to helping that effort succeed.

"There are shifts in the banking industry, and IBM is at the forefront of those shifts. They are a key partner of the SWIFT network itself and are a high visibility player in the international payment processing area," said Leclerc. "So it is very much part of our strategy to work with IBM both as an integration partner and as a business development partner as we look to expand globally."

For more information

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For more information about Expertus, visit: **expertus.ca**

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