



***VolPay* Gateway**

Accelerated Clearings Orchestration

The world is shrinking and payments are going global. Corporates and even small medium enterprises are now making more international payments supporting activities in import/export, subsidiaries and partnerships to name but a few. At the same time, they are looking to consolidate the number of banking relationships they have. For this reason banks need to work hard to remain competitive and grow by providing its commercial and corporate customers the global reach they demand – or lose out on the business that could be had. Banks both global and regional, work to provide such services in different ways and in each of these, lay a multitude of ongoing challenges and problems to overcome and solve.

Volanté's VolPay Gateway Business Application is specifically designed to overcome the multitude of challenges and obstacles that prevent both local and global banks from gaining the business agility they need to remain competitive and grow in the highly competitive market of payments services for corporate enterprises. It addresses the problems faced in the business models of both global banks and local or regional banks.

Simplification - a definite objective for banks with global coverage

Global banks face a challenge in their support of the evolving clearing and settlement ecosystem. This is compounded by the proprietary nature of their customers' payments initiation process and the emergence of API/ DLT based alternatives to the traditional RTGS and ACH paradigm. The challenge is compounded by:

- Having to utilise discreet locally deployed payment engines
- Having to integrate with legacy systems which are costly to change and adapt
- The high cost of maintenance

Global banks therefore look to rationalise the number of these systems by introducing a global centralised payment processing and orchestration Hub. But this centralised approach still does not address the plethora of local or domestic clearings and adding these complex rules into the centralised hub only complicates the hub configuration. Adding a new clearing or modifying it means a retest of the entire hub and makes it largely inefficient.

Expanding the reach – a need for local or regional banks

Local and regional banks have direct clearing memberships with local clearings and use the traditional SWIFT based correspondent banking network model to provide global reach capability. Although secure and reliable, this route presents obstacles to maintaining a competitive edge as:

- Sending individual SWIFT payments is perceived as expensive
- The model does not provide flexibility and economy of scale which local banks might need in certain high volume corridors such as; USA-LATAM, USA-China or UK-India
- Their core payment engines are highly geared towards local clearings

Local banks attempt to address these disadvantages with an international ACH model via partner banks that provide ACH capabilities in the countries they want to reach. However, this would require revamping or reengineering their existing payment engines to manage existing clearings and provide files in the formats stipulated by these providers. The file formats and confirmations from these providers are diverse and this would mean complicating the payment engine and making the process inefficient when it comes to changing and adding new providers.

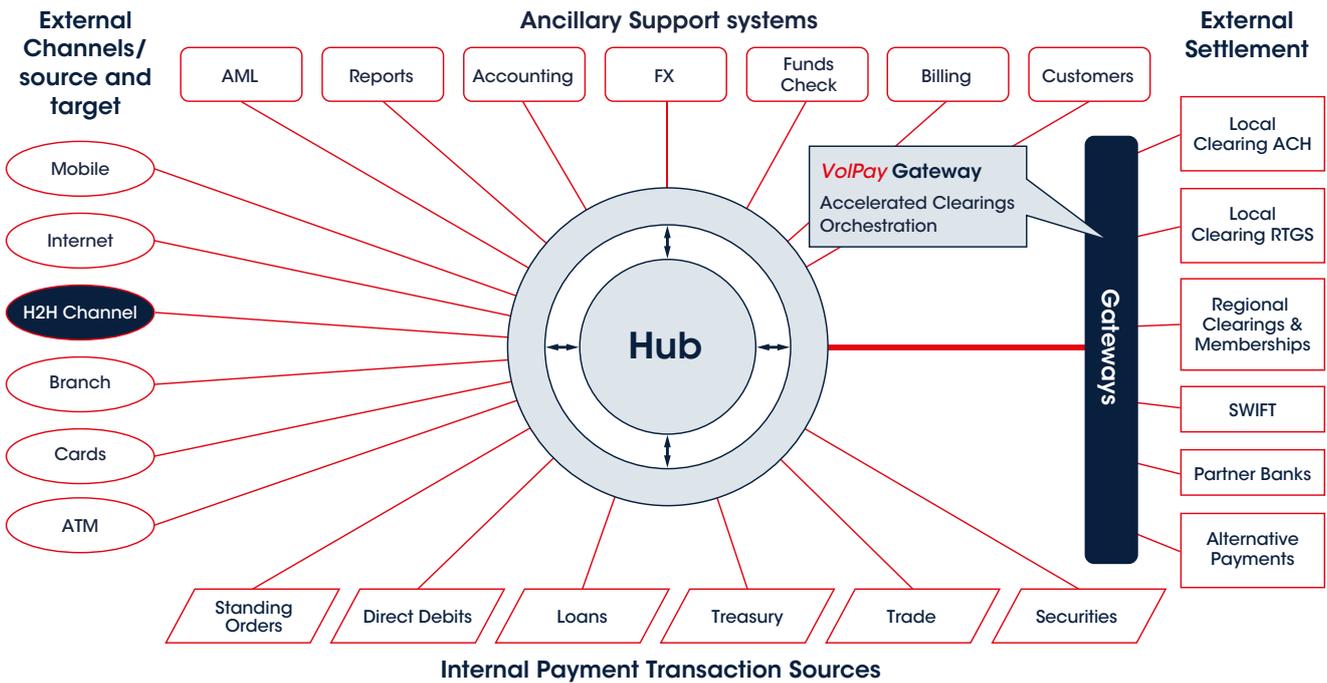
A constant and growing challenge – the pressures of regulatory compliance

Regulatory compliance is a common requirement for both the global and local banks alike. As clearings venues and facilities and regulators make changes in their respective countries, each change means a change to the core central payments processing hub – this inevitably means large testing efforts and upgrades are required. In support of this, a large part of the annual budget continues to be allocated to fund regulatory changes which would otherwise be focussed on growing the business.

A Solution to this multi-faceted set of challenges and problems

In final analysis when considering these challenges, the ideal solution is a single system which sits between the bank's centralised payments processor and the various clearings, partner banks and SWIFT. Such a system will need to have a plug-and-play model in which the business can readily add new countries and/or partners and easily handle all the nuances of the endpoint - making the centralised payments hub agnostic to its destinations, be it a clearing house, a partner bank or SWIFT.

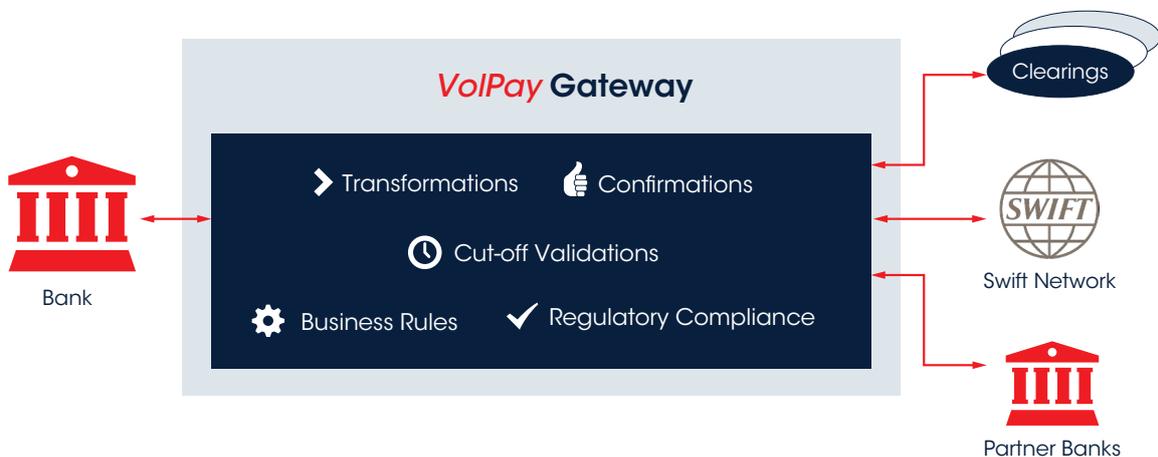
VolPay Gateway, part of the VolPay Suite of payments processing products meets this challenge head on by providing an agile, efficient and cost effective way of managing the clearings in a centralised standardised application.



What is VolPay Gateway?

VolPay Gateway is a business application that accepts payments from a single or multiple sources in different formats and protocols. It then transforms, orchestrates the entire request-response from the desired endpoints in the message format or file format stipulated by the endpoint, be they clearing venues, partner banks or SWIFT. The system can also orchestrate the responses from the endpoints and convey the appropriate status of the payment to the sending systems. Through configuration, VolPay Gateway can handle additional processes before sending the payment to the desired destination e.g. liquidity control check or handle incoming payments.

VolPay Gateway ensures the bank’s core payments hub, whether their own or Volante’s VolPay Hub, remains completely independent or neutral of any clearing or partner bank through which it would want to clear the payment through. In essence, through the use of ‘Plug and Play’ and configuration, banks can complete payment lifecycles with any endpoint with speed and ease.



VolPay Gateway product features

- **Endpoint Profiles** – Out-of-the-box clearings including transformations, with the ability to create new ones
- **Endpoint validations** – Includes cut-offs, amount thresholds, scheme validations and country specific validations
- **Bulking Profiles** – Preferences for bulking into files e.g. time or volume based
- **Confirmations framework** – Manage and reconcile the responses returned from clearings and/or partners for single payments or file based confirmations
- **Input Channels** – Ability to define input sources and/or systems with their incoming formats and preferences for responses
- **Routing rules** – Can be set if needed to make routing decisions to the endpoints
- **Process Orchestration** – Ability to configure additional processes e.g. Liquidity check or Accounting
- **Full Audit** – Detailed audit trail and drill-down of all activities within the system
- **ISO Canonical model** – Core canonical capabilities to handle all clearings
- **HTML 5 Angular JS UI** – Can be used on smart portable devices such as mobile phones and tablets
- **API enabled** – Access to a growing library of more than 300 API calls, including the UI which communicates with the core system using APIs
- **Entitlements engine** – Ability to define roles and users to manage access permissions to the various system elements

Compatibility and connection options

- **Input and Output protocols** - API's MQ, Files, Service Calls, and more
- **Operating system** – VolPay Gateway, as all VolPay Suite products is infrastructure agnostic

Business Benefits

- **Business model flexibility for the bank** - VolPay Gateway offers the bank the flexibility to choose a partner bank or a clearing venue without having to implement technology changes. This means a bank can 'shop' and partner with the best 'provider' based on volume, corridor, and customer base, etc. and in turn transfer the benefits of that deal as a competitive offering to the customer
- **Acceleration, thanks to out-of-the-box clearings availability** – Using its rich, maintained and growing library of hundreds of global standards, VolPay Gateway immediately provides access to most of the common clearings. This means that the bank can approach new clearings as a plug-and-play experience rather than that of an expensive and time consuming IT project involving programming and detailed testing cycles.
- **Self Sufficiency** – Since partner banks' formats are not standardized, if the bank wishes, they can easily create and add their own partner bank profiles and formats as needed. Any confirmations can also be managed through the confirmations framework. This flexibility allows the bank to remove any dependence on vendors or external specialists and associated costs.
- **Insulation against Changes and Regulation** – Any industry changes within the clearings or industry endpoints are managed by Volante on a day to day basis and provided as upgrades as part of the maintenance arrangement. This means that the bank need not be concerned about regulatory change. The budget for any such variations in the near future can now be significantly reduced.
- **Simplified technology architecture** – The bank can now concentrate on a canonical payment processor, for example VolPay Hub, and manage the complexity of endpoints in a completely separate system. The core orchestration payment processor will remain independent of any complexities, variations or changes in the destination endpoints.
- **Time to market** – When a bank needs to adopt a new clearings/ partner bank, their core system could remain untouched and the new endpoint is managed in an independent system. This means that the testing and deployment effort required in the core payments system is dramatically reduced.