



AVANTGARD SEPA CONVERTER

Multi-national corporations are recognizing the benefits of complying with electronic payment standards set within the Single Euro Payments Area (SEPA). As a result, many companies, regardless of size, are investing in technology to realize benefits from the standardization of payment instruments, which include a significant reduction in bank charges.

However, many mid-sized companies are challenged by a difficulty in standardizing their payments, as they are reliant on in-house systems that do not inherently offer the flexibility to easily make alterations as industry standards evolve. Furthermore, they may not have a payment factory, which can facilitate them in meeting evolving requirements.

As mentioned, a result of the introduction of SEPA is the possible 'conversion' of international (cross border) Euro payments into SEPA (domestic) payments. By having the ability to transform expensive transactions to cheaper ones, a company will begin to see the real and tangible benefits of SEPA.

Aware of these opportunities surrounding payments standardization, SunGard offers the AvantGard SEPA Converter. This web-based utility is offered as a Software as a Service (SaaS) model, that companies can utilize when cross border payments conversion is required on a pay as-they-go basis. The main benefit is that organizations can quickly transform cross

border Euro payments into cheaper SEPA payments, as needed, helping to reduce bank charges and fees related to international payments.

The AvantGard SEPA Converter is a click-and-buy utility – companies are charged only as they use it. Further, the utility functions independently, so that companies can avoid the need for costly, time-consuming system upgrades, which often result when making the switch to SEPA-formatted files.

SEPA Standardization at a Lower Cost

Many in-house or ERP systems being utilized by corporations do not offer the flexibility to make changes without the investment of significant time and cost. Because the AvantGard SEPA Converter is offered via a SaaS model, companies can reap all the benefits of a SEPA solution, without having to put forth significant upfront investment to do so. Corporations can connect via the Web, eliminating the need for IT to be involved with day to day upkeep, as would be the case with a traditionally installed software system.

As such, corporations stand to see such advantages as improved standardization of payment types and file formats, offering them opportunities to decrease costs and improve automation. The files are converted via the web solution and then presented back as a downloadable file.

The image displays two screenshots of the AvantGard SEPA Converter web application interface. Both screenshots show the top navigation bar with the SunGard logo, 'AVANTGARD SEPA CONVERTER', and a user profile 'User Implement User'. The left screenshot shows the 'UPLOADED FILE INFORMATION' page, which includes a table with the following data:

File ID	10000000
File name	CFONB320_20091006
Status	Processing
Status Information	file uploaded, response /tmp/1256309240515t
Number of Payments	0
Converted	0
Not converted	0
Downloadable files	

The right screenshot shows the 'UPLOAD FILE FOR SEPA CONVERSION' page, which features an 'Upload File' section with a message: 'Please select a file to be processed by the Avantgard SEPA converter, and press the 'Upload' button.' Below this is a 'File to upload' input field with a 'Browse...' button and an 'Upload' button.

Reduced Reliance on Rigid ERP Systems

Companies' back office systems are shielded from the complexities of SEPA when using a SaaS service. With the AvantGard SEPA Converter, there is no need to upgrade ERP systems to be able to enjoy SEPA benefits. By passing payments through an online portal, corporations can convert to SEPA-compliant payments without having to devote staff to making technology alterations as requirements change or deepen.

Lowered Bank Fees

High volumes of payments can be a large burden to corporations, particularly if they are in varying formats that must be processed manually. Fortunately, the AvantGard SEPA Converter offers validation and conversion functionality to produce / derive the data mandated within SEPA (BICs and IBANs) to be able to reap the benefits of improved STP rates. In effect, companies will incur decreased bank repair or processing fees.

Workflow for converting cross border Euro payments into SEPA compliant payments:

- **Validation:** Each account (BBAN and IBAN) and all BIC data (if present) are validated.
- **Classification:** Each payment is classified as falling into either the 'SEPA domain' or 'non SEPA domain' according to a list of criteria such as the currency of the transaction and the country of initiation.
- **SEPA Validation:** Each payment that has been classified in the 'SEPA domain' will undergo an additional validation to see if the payment is compliant with SEPA criteria.

- **Conversion:** Each payment that has failed the SEPA validation will have a set of conversion routines applied to try to make it a SEPA compliant payment. Finally, all SEPA compliant and non SEPA payments are re-bulked into files and made available for the customer to download, along with a report file providing details about the conversions.

Challenges:

- Difficulty converting payment types & formats
- High transaction fees associated with submitting non SEPA payments
- Inflexible or disparate ERP systems
- High payment volumes make manual corrections / conversions impractical
- Lack of sufficient IT support
- Manual processing of payments

AvantGard SEPA Converter:

SaaS utility for making the conversion to SEPA compliant payments

Benefits:

- Eliminates need to upgrade ERP systems
- Reduced costs related to converting cross border transactions to SEPA
- Conversion of varying payment derivatives for increasing straight-through processing (STP)
- Eliminates need to outsource conversion work to a bank, meaning lower bank fees
- Decreases risk around payment rejects, meaning lower bank fees
- Click-and-buy, pay-as-you-go model

For more information, contact us at avantgardinfo@sungard.com

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