



**SUNGARD** AVANTGARD TRAX

Trax SEPA  
Direct Debit Factory

# AVANTGARD TRAX SEPA DIRECT DEBIT FACTORY

The new SEPA Direct Debit scheme introduced by the European Payments Council offers corporations who operate across the SEPA market the opportunity to improve and standardize their cash collection process by enabling corporations to collect funds denominated in euro from their debtors across 31 European countries. One benefit of this scheme is pre-determined collection dates. Having the exact date of the collections increases the visibility of cash flows for better liquidity management, reduced working capital and credit risk. In addition, the SEPA Direct Debit scheme also helps to improve internal processes including the reconciliation between payments and invoices.

**The SEPA Direct Debit scheme increases the predictability of cash flows across multiple markets.**

Corporations who today process direct debits in multiple SEPA countries can also benefit by making the switch to SEPA Direct Debit as the scheme uses a single payment instrument through-out the SEPA zone eliminating the need for multiple banking relationships in each country. This in turn means the elimination of multiple banking applications and its respective system interfaces as well as the administration management behind those applications therefore reducing operational and transactional costs.

SEPA Direct Debits will eventually replace existing national schemes as the EPC has set a clear vision and objectives which mandate that all direct debits within SEPA will be processed under the conditions of either the SEPA Core Scheme or the SEPA Business-to-Business Scheme to enable the achievement of best-in-class security, low risk and improved cost efficiency for all participants in the scheme.

To take advantage of the many benefits the scheme offers, corporations will need to comply with SEPA regulations. For example, the SEPA Direct Debit scheme requires a mandate between the creditor and the debtor, this mandate authorises the creditor to collect funds from the debtor. The creditor is responsible for the dematerialization of the paper mandate and electronic storage. Mandate-related data must be transmitted by the creditor, with each collection of a SEPA Direct Debit.

## THE SOLUTION

The AvantGard Trax SEPA Direct Debit Factory includes mandate management as well as complete end-to-end handling of the direct debit collections workflow beginning with initiation and moving through to status reporting and exception handling.

The SEPA mandate management module features functionality for the manual and automatic upload of mandates. It supports full tracking and visualisation of amendments and cancellations of mandates. It tracks expiration dates and notifies users in case of exceptions.

The SEPA Direct Debit workflow supports complete business functionality for the collection process which includes





BIC/IBAN validations, mandate checking, and automatic enrichment of payment instructions from mandates, multi-step authorization and routing. For cash forecasting purposes cash flow information can be easily imported into a cash management system.

In addition to being a premier direct debit solution for SEPA, the AvantGard Trax SEPA Direct Debit Factory also offers the ability to format and process direct debits for the non-SEPA market and has additional modules for payment processing and deal confirmations, including matching through SWIFTNet Accord and the retrieval of account statements therefore removing the need for additional applications.

#### Key Challenges:

- High transaction costs
- Security and audit compliance
- Lack of visibility
- Disparate systems and processes

#### Key Benefits:

- Better liquidity management
- Reduced costs
- Improved working capital
- Reduction in credit risk
- Faster collection procedure
- Complete SEPA readiness
- Easier reconciliation process
- Improved internal controls and compliance e.g. SOX
- Single solution for direct debits, payments, account statements and deal confirmations

## EASY SET-UP & INTEGRATION

The AvantGard Trax SEPA Direct Debit Factory is a highly adaptive solution able to integrate seamlessly with existing corporate cash management and ERP infrastructures as well as secure integration with the SWIFT alliance gateway. It offers the convenience of “out-of-the-box” availability combined with the advantage of highly customizable workflows. The solution also allows for the flexible set-up of roles and responsibilities as well as data segregation. Obtaining direct debit information from various sources and processing collections across the SEPA zone is made easy with this complete end-to-end offering.

AvantGard Trax Direct Debit Factory provides all the tools necessary from the entry of mandates through to the collection process. The solution also allows for the flexible set-up of roles and responsibilities as well as data segregation. Additionally, there is no need for extra applications to be introduced, as modules for payment processing, the retrieval of account statement data and processing of deal confirmations are already built into the application.

## SWIFT ACCREDITED

AvantGard Trax has been accredited SWIFTNet ready for corporate treasury and cash management.



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