INTERCOPE

BOX for SWIFTNet Component - IC-RMA

The independent RMA solution for large financial institutions & service providers

Efficient counterparty relationship management is vital for every financial institution and particularly for large institutions with many complex relationships.

After replacing their X.25-based network by IP technology in SWIFTNet Phase I, institutions must implement SWIFTNet Phase II before the end of Q3 2008 to replace the current SWIFT security infrastructure. Instead of today's bilateral key exchange (BKE), institutions must implement a single enhanced security model to access all SWIFTNet services, providing new and better relationship control mechanisms, including prevention of unwanted traffic.

The new solution is made up of two parts:

1. PKI (Public Key Infrastructure)
Replaces the security technology itself and is delivered exclusively by SWIFT

2. RMA (Relationship Management Application)
Caters for bilateral relationship management and is a new, mandatory SWIFT-certified application delivered by multiple vendors. For vendor certification status, see the website www.swift.com - Products & Services - Initiatives - SWIFTNet Phase 2 - Vendor Status

IC-RMA, a separately orderable component of BOX for SWIFTNet, is specifically designed and architected for large scale SWIFT users that:

- Use an IBM mainframe running Merva with WBI-FN BSN or another CBT
- Manage a large or complex SWIFT IT infrastructure handling many BIC-8s and/or use multiple SWIFT access points with CBTs from one or multiple vendors. Increasingly these organizations have a requirement to concentrate RMA handling in one single installation. The multi-Bank and multi-CBT capability of IC-RMA provides the basis for fulfilling this task particularly for service providers.
- Must avoid cumbersome and risky one-by-one manual handling, which would be the case if identical authorisations for a list of own and foreign BIC8 have to be handled. Instead, IC-RMA offers specific functionality for easy handling of multiple authorisations in one step.
- Demand a solution, which fulfills both technical and business requirements and provides the opportunity to influence the priority and scope of future enhancements as determined by an industry led user group.
- Demand the ability for back-office applications to perform an on-line real-time check against the actual RMA database using modern technology (SOA, MQ).

General
A bilateral agreement specifies how two counterparties will work together. Therefore any application handling such agreements has to take into account the specific needs of the business. In the case of RMA, this issue can be underestimated as today's BKE handling only offers a simple binary setting, whereas RMA allows granularity down to the individual message type. This allows the business to streamline relations in the future, thus achieving a completely new level of control over bilateral agreements.

Centralizing Relationship Management - Now or Later
Many institutions urgently need to centralize their correspondent relations in just 1 or 2 locations. They have many branches and many BIC8s around the world, and have either already centralized their relations (in BKE) or have plans to do so. IC-RMA provides a single solution to manage all BIC8s for all CBTs in all locations worldwide.

Risk Mitigation
The changes introduced by SWIFTNet Phase II are focussed on controlling the business risk associated with counterparty relations. IC-RMA introduces a number of advanced features to further minimize the risks involved.

- With the real-time update of the CBT data store, banks can be sure that unwanted SWIFT messages are stopped - without any further manual intervention - within seconds after performing the change in the IC-RMA application.
- With the RMA permission check function, banks can - at the legacy application level - control the relations and secure correct bookings.

IC-RMA - an Independent RMA Solution
IC-RMA is designed and architected as a CBT-independent solution that is not tied to an already existing SWIFT system. This approach differs from that of other vendors, who typically implement RMA as an integral function of their SWIFT solutions. The INTERCOPE approach allows for SWIFT vendor independence and brings a better focus on relationship management functions.

Investment Safeguard
IC-RMA is an integrated module of INTERCOPE's BOX for SWIFTNet, a platform-independent solution covering all aspects of message exchange between back-office applications and SWIFTNet on top of IBM's WBI-FN BSN. BOX for SWIFTNet also includes

- Manual data entry, repair and routing for all MT and MX messages
- Efficient message warehouse usage including advanced enquiry functions
- Non-SWIFT communication (fax, telex, sms, e-mail etc)

Intercope will enhance IC-RMA to include FileAct and InterAct relation parameters.

Centralized Multi-Bank and Multi-CBT Support
With IC-RMA, the handling of RMA may be centralized in one single software/hardware installation for all subsidiaries or service provider clients using any CBT in any location.

Real-Time Update for WBI-FN BSN
When changes are made to an RMA record, they need to be loaded into the CBT. While the SWIFT specification calls for a manual upload, we believe this could cause business problems where prompt action is required. Therefore INTERCOPE designed IC-RMA to offer an automatic upload into the CBT to overcome this problem (this function is currently available for WBI-FN BSN, and can be made available for any other CBT on request)

On-line RMA Permission Check
In addition to providing an export and distribution facility, IC-RMA allows an RMA permission check to be performed using modern SOA technology or MQ. This function allows legacy applications to control relations in order to avoid incorrect bookings.

Configurable Security
Every important action (e.g. releasing a new authorization) can be authorized using the 4-eyes principle.

Merva Using IC-RMA
To enable a smooth transition from BKE to RMA - especially for Merva users - a Merva enhancement is included which allows Merva to check the RMA data when processing a message in a way that is similar to today's Merva BKE checking.

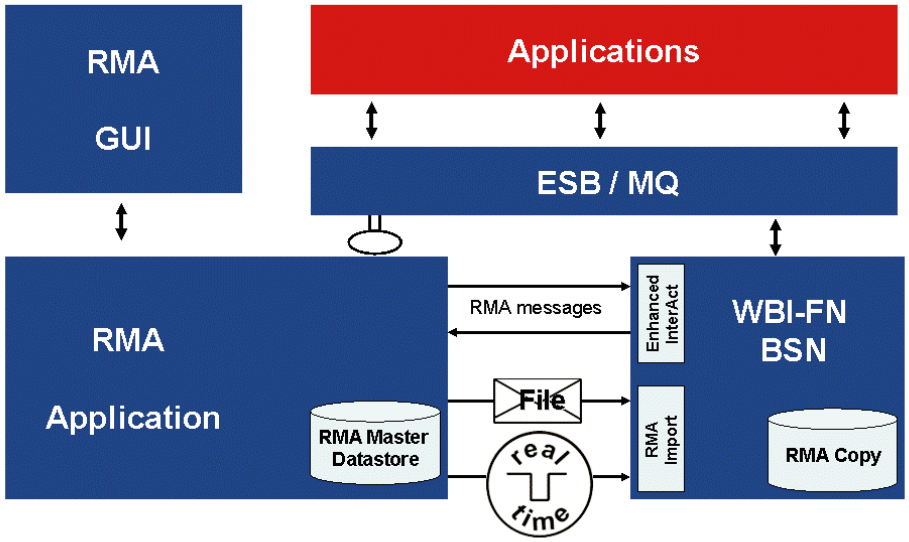
Operator Ease of Use
The replacement of BKE with the more granular RMA solution may result in a large amount of work and in procedures that are cumbersome to implement. IC-RMA is designed to facilitate this process by allowing multiple record/correspondent handling via consolidated views and actions.

For example, IC-RMA provides for easy handling of multiple authorizations in one step to address the request of several SWIFT users that have a large number of correspondent relationships and/or many BIC-8s. If, for example, new authorizations should be exchanged for a combination of 10 own BIC-8 with 10 correspondent's BIC-8, a total of 100 authorizations must be handled. This is an undesired workload, with its own associated risks if there is no specific functionality allowing an operator to handle them easily.

IBM Partnership
INTERCOPE has been an IBM partner in many areas for more than 20 years. IC-RMA is the only RMA solution available on multiple operating system platforms including the z/OS platform, that incorporates a unique real-time update function for WBI-FN BSN customers and a specific focus on the needs of large organizations. IC-RMA is also available on Microsoft Windows, Sun Solaris, Linux, AIX and zLinux.

User Group
INTERCOPE is setting up an RMA User group, which will be a leading force in the design of future enhancements and a prime forum for the exchange of ideas and discussion of operational experiences. Following on from the User Group's discussions INTERCOPE will consider implementing requests for enhancements where these have been agreed by the Group thus ensuring that IC-RMA continues to be the pre-eminent relationship management application.

Example: IC-RMA with WBI-FN BSN as CBT



Availability
INTERCOPE's RMA solution has passed the SWIFT "Qualification Customer test" certification level, the last step prior to production in October 2006 (please refer to the www.swift.com web page) and is already installed at several large institutions.

IC-RMA Server Platform
Windows, AIX, Solaris, Linux, z/OS (USS) and z/Linux

Browser-based GUI
As the GUI only requires a local Browser, worldwide access to RMA activities can easily be achieved.

Prerequisites

- Database software — DB/2 or Oracle
- Web Application Server — IBM Websphere, BEA, etc.
- Middleware — MQ, JAVA, Browser
- CBT connection — File interface access

See "BOX for SWIFTNet Hardware and Software requirements" for further details.

Ordering
IC-RMA can be ordered from IBM under IBM PID#.

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