



## La Caixa implements SWIFT's Workers' Remittances using Alliance Integrator

“Alliance Integrator will become a very important element of our SWIFT infrastructure. Its design, based on standard market tools and Java, makes it very easy to integrate and maintain within our institution, as expertise is readily available in the market.”

Jordi Belmonte, IT Project Manager, La Caixa

La Caixa is the third largest bank in Spain, and is a recognised leader in the remittances and microfinance markets. La Caixa actively participated in the definition of release 1.0 of SWIFT's Workers' Remittances solution. To support the service implementation, La Caixa chose Alliance Integrator for the Workers' Remittances 1.0 pilot and is currently using it for its live traffic.

### Benefits

Workers' remittances is an important business line for La Caixa, offering benefits such as:

- > quicker and easier creation of new business relationships due to the standardised definition of the business and technical elements. Only the fine detail, such as forex conversion, settlement methods and cost remains to be agreed bilaterally
- > easy development of new payments corridors
- > cost effective alternative to solutions such as MT messaging over proprietary lines.

In addition to other business areas such as Exceptions and Investigations, Funds and FIN, Alliance Integrator proved its worth in the Workers' Remittances implementation and will become the key technical platform for implementing SWIFT solutions.

La Caixa's successful implementation of Alliance Integrator allows the bank to:

- > implement SWIFT solutions more quickly
- > simplify the technical infrastructure, as

all SWIFT development is done in one place, by a single provider

- > adopt an easy migration from MT to MX: all routing and transformation logic required to determine the relevant message type and how to construct it is in one place
- > capitalise on readily available implementation skills, as Alliance Integrator is based on existing market software and Java.

### Drivers

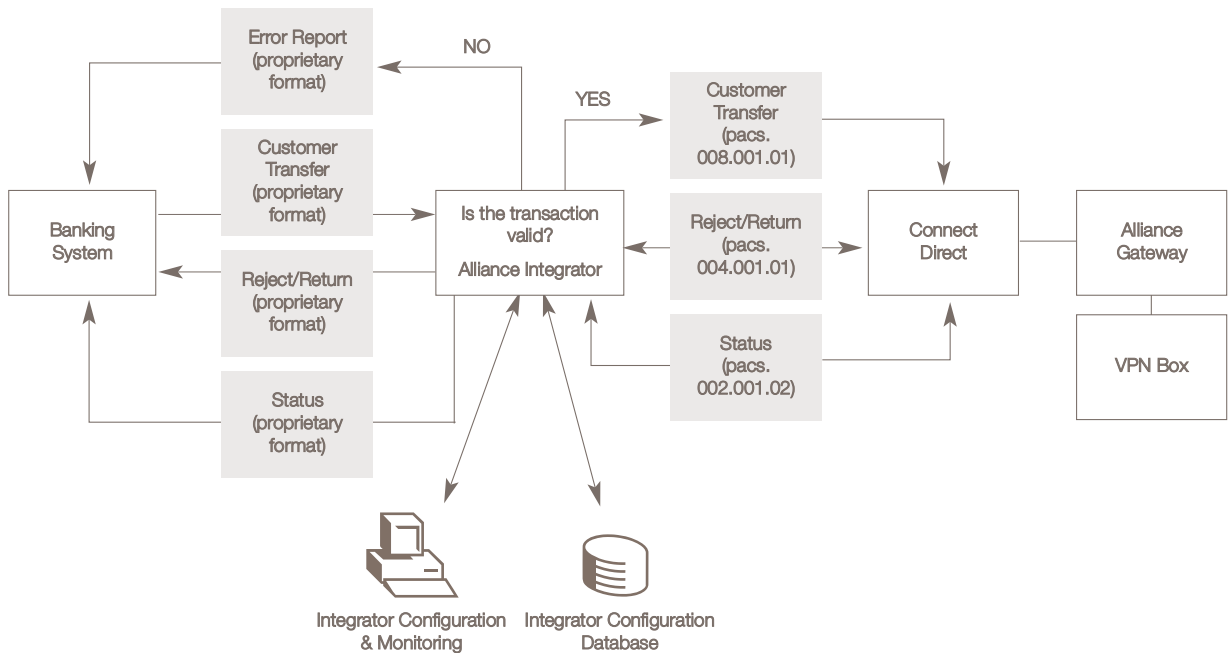
La Caixa adopted Alliance Integrator to:

- participate in the pilot phase of SWIFT's Workers' Remittances solution
- decrease the time to market of the Workers' Remittances solution
- put an agile EAI infrastructure in place, that once set up by system integrators, can be managed by business analysts to cater for possible changes coming either from their banking system or from SWIFT.

### The problem

#### Business issues





La Caixa Workers' Remittances flow

To build its remittance network La Caixa relies on a network of correspondents in target remittance destination countries. For each of these 'corridors' both the business and technical set-up for sending and receiving remittance payments is tailored to the specific counterparts' requirements and capabilities. This undermines service scalability. The time and costs of negotiating agreements and implementing the technical changes required to support the corridor are considerable. To address these issues La Caixa wanted to pilot Workers' Remittances 1.0 in order to benefit from a standardised business and technical framework that they could deploy with new counterparties.

**Technical issues**

Many financial institutions are still relying on mainframe applications for their core banking system. Such systems have a proven track record in terms of performance and business functionality. However, a number of obstacles prevent such systems from smoothly adopting SWIFT solutions based on XML:

- XML technologies on mainframes are not at the level adopted by other hardware platforms. Programming

languages such as RPG and Cobol, that run well on the mainframe, are not well adapted for processing XML.

- Programming languages which are good for processing XML, such as C/C++ and Java, are not available in many mainframe environments.
- Banks prefer not to develop their own banking systems. Any custom development required normally takes considerable time and is costly because of the unique characteristics of in-house requirements.
- Such banking systems have only a limited set of intrinsic import/export functionalities, where XML is not a supported option. Fixed length fields exchange formats is often the only choice.

La Caixa wanted to benefit from the investment already made for the processing of Single Euro Payments Area

(SEPA), where payment instructions are processed as fixed length records.

**The solution**

La Caixa selected Alliance Integrator to evaluate its capabilities for Workers' Remittances. Alliance Integrator is a configurable SWIFT-specific integration platform, based on a general enterprise application integration package: Sun Java CAPS 6.

**Implementation**

The following Workers' Remittances message flow, using SWIFT's XML (MX) messages, was implemented leveraging Alliance Integrator middleware.

- The banking system prepares the proprietary data needed to assemble the resulting Credit Transfer (pacs.008.001.01) MX message.

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**“The Workers’ Remittances solution is a great business proposition for La Caixa, and Alliance Integrator is the perfect tool to implement it.”**  
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- Alliance Integrator transforms the proprietary format into the corresponding MX message. During the transformation process, each Credit Transfer (pacs.008.001.01) transaction record is checked alongside with its associated header against the pacs.008.001.01 schema. Thus it is possible to filter records in error before final file assembly. The resulting Credit Transfer file produced is guaranteed to have a valid structure and to be compliant with the associated XML schema.
- The counterparty returns either Reject/Return (pacs.004.001.01) or Status (pacs.002.001.02) files that Alliance Integrator transforms into the corresponding proprietary formats processed by the banking system.
- Alliance Integrator provides the necessary error reporting at each processing stage back to the banking system.
- The communication between Alliance Integrator and Alliance Gateway is performed via Sterling Commerce's Connect Direct.

## Results

La Caixa business analysts, with the help of experts from SWIFT Professional Services, prepared the pilot during one month, followed by a couple of months of testing and implementation. The La Caixa team was new to Alliance Integrator, and both teams spent the necessary time in knowledge transfer.

They completed the implementation of the Credit Transfer flow in three weeks, while the Reject and Status flows were ready to test after two additional weeks.

## Solution overview

- SWIFT's Workers' Remittances solution
- Alliance Integrator
- SWIFT Professional Services

## SWIFT products and services

SWIFT's Workers' Remittances 1.0 provides banks with a standardised business and technical framework to support bilateral clearing and settlement of cross-border, person-to-person payments. On a business level, the service comprises a set of industry defined market practices supported with a bilateral contract template. These provide a clear business context for interbank clearing and settlement of person-to-person transactions.

The key benefits of the solution are:

- It supports banks in delivering a robust value proposition to their clients in terms of time and cost transparency and ease of use;
- It makes the bilateral remittance model highly scalable;
- Any type of retail payment product can be supported;
- The service is commercially and brand neutral.

To participate in the service, banks need to integrate three core technical components:

- Messaging standards: ISO 20022 pacs Workers' Remittances subsets for payment instructions, Rejects>Returns and Status Reporting
- FileAct 6.1 and FileAct Header for Workers' Remittances
- Workers' Remittances reference data

The business objective of the service is to allow banks to quickly and efficiently scale up the number of remittance corridors they can reach by providing a highly standardised, yet flexible, platform.

Alliance Integrator is a middleware product powered by industry leading Java Composite Platform Suite (Java CAPS from Sun Microsystems) leveraging the whole range of XML related technologies (transformation of proprietary data formats to and from XML, Web services, etc.) and a predefined framework for SWIFT. The business objective of Alliance Integrator is to reduce the technical complexity, cost, and project timeline for the integration of SWIFT solutions and services.

## About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect over 8,500 banking organisations, securities institutions and corporate customers in more than 200 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

*For more information, please visit [www.swift.com](http://www.swift.com).*

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**“The SWIFT knowledge incorporated in Alliance Integrator allows it to be easily tailored to our business needs. Its further evolution will be ensured by Sun for the underlying integration package and SWIFT to include new business collaborations and further resilience. The use of Alliance Integrator will become the strategic choice for quickly implementing new SWIFT solutions.”**

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