

ACE SOFTWARE SOLUTION'S PELICAN

ACE Software's 'intelligent payment platform' Pelican uses artificial intelligence to flexibly route and automatically repair payments messages.

The New Jersey headquartered ACE Software Solutions started out in 1992 as a consultancy converting free format telexes into SWIFT messages using artificial intelligence. In 1997 it started offering software solutions for intelligent message repair and reformatting to financial service providers such as Deutsche Bank and BNP Paribas.

After the events of September 11 and regulations such as the Patriot Act came into force, ACE began applying its "intelligent messaging" knowledge to anti-money laundering and OFAC compliance checking. "We can process text very quickly and scan and understand the whole message to identify blacklisted entities," says Parth Desai, CEO, ACE Software Solutions.

Beyond AML, ACE's intelligent messaging software enhances order routing and automated message repair for full end-to-end STP of payments. Leveraging its compliance checking and intelligent routing and messaging expertise, ACE developed Pelican, an "intelligent payment platform", which provides connectivity, routing, messaging, reconciliation and exceptions processing for global payments processing. Desai describes Pelican as a "payment hub" or factory, providing a central gateway where payments from various applications can be processed in any format. Pelican supports STP standards for payments such as BICs and IBANs as well as ISO 20022 and SWIFT XML standards.

In most banks today, Desai says there are different applications like core banking, securities and FX generating payments and



connecting to multiple clearing systems. However, the harmonisation of European payment standards under SEPA is likely to force banks to move to a single payments engine for handling all their payments. Pelican acts as a form of "intelligent payments middleware" routing payments messages to SEPA market infrastructures such as STEP 2, Target2 and PE-ACHs, as well as validating, reformatting and repairing them.

Leveraging its artificial intelligence software capabilities, Desai says Pelican can deliver "intelligent STP" of payments by automatically detecting if a payments message has the correct BIC and IBAN. "A number of foreign companies don't understand IBANs

and put them anywhere in a messaging field," Desai explains. "Our technology can go in, put the IBAN in the right place and validate it. Also, for automatic routing, it can find the correct BIC associated with the IBAN and validate and/or repair it."

It is this ability to fully understand the payment and automatically route, repair, reformat and reconcile payments using artificial intelligence, that Desai says will enable banks to differentiate themselves in a highly commoditised payments landscape. As Pelican can read any structured message intelligently, Desai says it can react to a specific payment request in the way that a customer has instructed, following whatever value-added rules that apply to different transactions. Mapping rules for transforming messages from one format to another is done automatically using built-in intelligence.

Pelican 2008 is a standard packaged solution designed to help European banks meet SEPA requirements for pan-European credit transfers and direct debits from 1 January, 2008. "Everyone will not use these new instruments straight away, so banks can continue to use their existing back office systems for 90% of processing and 10% can be done by Pelican," Desai explains. Once transaction volumes in the new SEPA instruments increases, banks can migrate existing systems to Pelican and add other value added functionalities such as cash reporting, liquidity management and exceptions and investigations. //

SHELF LIFE

Product description: An "intelligent global payments platform" providing connectivity, routing, reconciliation and exceptions management, Pelican provides full STP for payments. It leverages ACE's artificial intelligence software, the cornerstone of its AML solutions, to facilitate flexible routing of payments to ACHs, PE-ACHS, EBA and Target2

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Users: Abu Dhabi Commercial Bank plus four other unnamed customers