



EUROGIRO

News

Contents

3 / August 2003

Deutsche Postbank is the new EUR Settlement Service Provider

Deutsche Postbank AG has been selected as the new Settlement Service Provider for Euro transactions in EUROGIRO (ESSP).



Dirk Berensmann, member of the Board of Directors of Deutsche Postbank

“We are very proud to have been selected“, announced Deutsche Postbank’s Dirk Berensmann, Board Member for Operations and IT “We will do everything to ensure a simple and very smooth migration to the services. For the members there will be as little changes as possible to adjust“.

Deutsche Postbank will be offering the service to all EUROGIRO members for a probationary period of one year, from 1 February 2004 to 31 January 2005, with the option for the service to be prolonged if it proves to be satisfactory. A Selection Committee will evaluate the service, taking into respect the views of the user.

The agreed time schedule and overall framework for the change in service providers, as approved by the EUROGIRO Board, as follows:

June 2003 – September 2003

- Members continue with Nordea Bank and new members implement with Nordea Bank
- Deutsche Postbank develops its settlement service

- New contract between EUROGIRO and Deutsche Postbank

October 2003 – 29 January 2004

- Members continue with Nordea Bank as ESSP. Freeze on implementation of new members onto the service
- Testing and training with Deutsche Postbank to prepare the migration and the new service
- Test between Nordea Bank and Deutsche Postbank
- Bilateral agreements between Deutsche Postbank and ESSP users will be finalised

30 January 2004

- “Big Bang“ migration from Nordea Bank to Deutsche Postbank. Deutsche Postbank takes over all services from Nordea Bank.

1 April 2004

- Nordea terminates its EUROGIRO service

The ESSP strengthens the overall service level of the EUROGIRO partnership significantly, both for existing members and for new members, but it is particularly important that all members make use of the service to harvest the benefits. The value proposition from the account concentration and central € settlement mainly stem from:

- Standardisation and simplicity in set-up
- Better liquidity management
- Funding costs reduced
- Reduced reconciliation costs
- Less repairs related to settlement
- More automation in processing
- Not having to provide account service to members/or having to in a much more limited degree
- “State of the art“ settlement set-up in the partnership

2 Postal Accounting Center – in step with time

3 Coaching in Senegal

4 Steady growth in Eurogiro while preparing for the future

5 General User Group meeting 2003

6 Exchange of experiences

7 Western Union and Eurogiro – working together across borders

7 Definitions on the web

8 Eurogiro Pension Payments Seminar

8 Turkish PTT joins the TMO



Postbank

Eurogiro News is a magazine for the promotion of information, ideas and knowledge within the Eurogiro community.

Eurogiro News is published quarterly by:

Eurogiro Network A/S
Carl Gustavs Gade 3, 1. tv
DK- 2630 Taastrup
Denmark
Tel.: +45 43 71 27 72
Fax: +45 43 71 26 62
e-mail: eurogiro@eurogiro.com

Editor-in-Chief:
Søren Rose

Subscription enquiries:
Kai Thygesen, Editor
Tel.: +45 43 31 12 47
e-mail: kai@eurogiro.com
www.eurogiro.com

No part of this publication may be photocopied or otherwise reproduced without the written consent of Eurogiro Network A/S

Printed by: Schultz Grafisk

Although Eurogiro Network A/S has made every effort to ensure the accuracy of this publication, neither it nor any contributor can accept any legal responsibility whatsoever for consequences that may arise from errors or omissions or any opinions or advice given.

Final editing: August 2003
ISSN: 1727-7450

The Eurogiro network is an international electronic payment network and is the only electronic cross-border payment system which covers both postal and bank products.

Eurogiro has 39 member institutions. Although Western Europe is the core area, Eurogiro now spans five continents. The electronic payment system of Eurogiro is administered by Eurogiro Network A/S in Copenhagen which also provides the organisational framework for the further development of the co-operation. The company is owned by 15 European members.

Eurogiro Member institutions:

Austria: PSK/BAWAG • Belgium: Financial Post • Brazil: Empresa Brasileira de Correios e Telégrafos • Canada: National Bank of Canada • Cape Verde: Correios de Cabo Verde • China: China Post • Croatia: Hrvatska Post • Czech Republic: CSOB a.s. • Denmark: Danske Bank A/S • Estonia: Sampo Pank • Finland: Sampo Bank Plc • France: La Poste • Germany: Deutsche Postbank AG • Greece: Hellenic Post • Hungary: Magyar Posta • Iceland: Iceland Post • Ireland: AN Post • Israel: Israel Postal Authority • Italy: Poste Italiane • Japan: Japan Post, Postal Savings Business Headquarters • Latvia: Latvia Post • Luxembourg: P & T • Morocco: Barid Al Maghrib • Netherlands: ING Bank N.V./Postbank N.V. • Portugal: CTT Correios • Romania: Banc Post and Posta Romana • Senegal: La poste • Slovakia: Postova Banka • Slovenia: Postna banka Slovenije d.d. • Spain: BBVA and Correos y Telégrafos • Sweden: Nordea Bank • Switzerland: Swiss Post Postfinance • Tunisia: La Poste • Turkey: General Directorate of Post • United Kingdom: Alliance & Leicester Commercial Bank Plc. • USA: Deutsche Bank • Serbia & Montenegro: Postal Savings Bank.

New Euro Settlement Service Provider

This issue of the Eurogiro News will provide you with updates on ongoing activities within Eurogiro

■ Eurogiro is happy to announce that Deutsche Postbank has been selected as the new Settlement Service Provider for Euro transactions in Eurogiro (ESSP). Along with excellent service, a 'seamless migration' for the Eurogiro members have been key selection criteria and we are confident that the migration plan developed by Deutsche Postbank in co-operation with Nordea Bank will secure a smooth migration.

Our managing director will take you through the first half of 2003 focusing on the Eurogiro developments and activities. There are articles covering the New Members' Seminar and General User Group Meeting in Munich and I hope that participating members will recognise the issues dealt with and the good atmosphere reflected in the photos.

We have news from Latvia, coaching in Senegal, TMO plans in Turkey and an update from Western Union

I hope you will find the topics interesting – and wish you all an enjoyable read.



*Søren Rose,
Editor-in-Chief and
Deputy Managing
Director*

C O M M E N T A R Y

Postal Accounting Center – in line with the future

Who are we? - Latvia Post is a fully state-owned non-profit holding company established on January 2, 1992, supervised by the Ministry of Transport and the Communications and Public Utilities Commission.

✉ LATVIJAS PASTS



*Dairis Krumins, Director of Postal
Accounting Center, Latvia Post and Tija
Ezerina, Site and Host Co-ordinator*

■ At present there are 965 post offices and 7500 postal workers all over Latvia. *Latvia Post* has two daughter companies both established in 1995 – *Latvian Electronical Mail (LEM)* and *Latvia Post Service Network (LPSN)*. LEM is responsible for the printing of pension and relief orders, bills, monthly account balance-sheets, advertisements etc.; the second daughter company, *Latvia Post Service Network* was established to realise and to maintain *Latvia Post Computer Network (LPCN)* project. LPCN is covering the whole of Latvia and it allows not only the automation of the work of *Latvia Post* but also ensures new postal services.

It is expected that during 2003 *Latvia Post* will generate the greatest part of its income from

mail processing and delivery services. It is expected that the amount of parcel sending and the delivery service will increase. As well as those utilities mentioned above, the following services are also offered:

- Press and advertisement delivery
- Pension and relief payout
- Public payment collection
- Domestic and international money transfers

In this coming year *Latvia Post* plans to invest large amounts in its infrastructure – the renewal of motor transport, acquisition of strongboxes and computer engineering, as well as the acquisition of print devices, telexes, furniture and other inventory. Although the increase in income over expenditure is not as large as in the previous year, nevertheless the income of *Latvia Post* is increasing every year.

First to go live

Latvia Post signed the Eurogiro agreement on May 8, 2002, becoming the first Baltic state to be working with the Eurogiro system live. To date (August 2003) *Latvia Post* has signed bilateral agreements with PostFinance - Swiss Post, Deutsche Postbank AG and is now ready to expand its international business.

Since its establishment *Latvia Post* has systematically developed – offering its customers new services and also evolving existing ones. In implementing and acquiring the Eurogiro system, *Latvia Post* saw great opportunities to improve its international money order service. At present *Latvia Post*

provides three kinds of international money transfer business – UPU money order, Western Union money transfer and Eurogiro money order.

In *Latvia Post* the Eurogiro system is managed by the Postal Accounting Center (PAC). PAC is a branch of *Latvia Post* that provides postal services connected with public payments and money orders and it ensures the function of Postal Accounting System (PAS). PAC maintains and develops PAS.

PAS is a computerised finance system of settlements in *Latvia Post* that enables customers to open PAS accounts, receive money and perform cash settlements or transfers by clearing to other PAS accounts or to credit institutions in Latvia or foreign countries.

The Postal Accounting System is functioning using LPCN technical equipment and *Latvia Post* Computer Network has been created to proceed financial bargains, to provide protection and security of information wherewith PAS can guarantee full security of the customers' money.

PAS is not only a secure system, but it is also very convenient because *Latvia Post* has large post office coverage and is therefore available for a large number of customers in all rural regions. One can use these system offerings even if the post office is not online. PAS of *Latvia Post* is the only system of its kind in the whole Baltic state area.

Future visions

Since its establishment and launch in 1996, the Postal Accounting System has been upgraded several times and the goal of upgrades is not only to integrate PAS interface but to make it easier to control the flow of money and finances.

One of the projects last year was enforced in co-operation with one of the largest banks in Latvia *Hansabanka* – now it is possible for PAS customers to route one or several Maestro debit cards to their accounts. Once a month customers are mailed or e-mailed a



Dairis Krumins, Director of Postal Accounting Center and Eurogiro General Contact

monthly account balance sheet to control their finance actions.

In September 2003 PAS is preparing to launch a new product called iPAS (Internet Postal Accounting System) in order to raise its competitiveness. It will enable clients to perform different clearings – transfers to other PAS accounts, bill payment, managing of own account – via the Internet.

In further projects Postal Accounting Center has planned

- to integrate domestic money orders in PAS in order to evolve the online money transfer system, which would speed up the receiving of money orders from 3 days to 1 day
- to develop more effective and informative advertising campaigns
- to pay attention to employees' quality of performance
- to form a stable and knowledgeable Eurogiro team and to find new partners to expand the Eurogiro business



Latvia Post Postal Accounting Center's EUROGIRO team

Coaching in Senegal

La Poste in Senegal welcomed Jean-Luc Demierre to Dakar, 4th-11th June 2003



Jean-Luc Demierre, PostFinance, Swiss Post

■ As the most recent member of Eurogiro, La Poste was ready to receive coaching sessions from an experienced member, PostFinance, Swiss Post. Previously Jean-Luc Demierre has been a key person in similar sessions for other new members and was looking forward to meeting this new African partner. On arrival in Dakar, General Director, Iba Joseph Basse and the contact person Sérigne Gueye welcomed Jean-Luc, together with approximately 30 employees who were all interested in hearing more about Eurogiro. "I was pleasantly surprised by the number of em-

ployees who showed such an interest in the Eurogiro implementation", Jean-Luc said.

After the initial presentation, the coaching program was adjusted to target 12 key personnel with whom he analysed the current organisation of the Senegalese postal financial services. An action plan outlining the varying steps towards implementation of Eurogiro was conducted and this process was very important in highlighting the changes necessary. The following topics were discussed during the coaching sessions:

La Poste as sending institution:

- Outgoing payments, cash and credits
- Centralising of payments into Dakar Central office
- Data in-keying, data storing, value dating, accounting, liaison account management, ESSP

- Handling of queries
- Message types and currencies
- Agreements with partners

La Poste as receiving institution:

- Incoming payments
- Choice of out-payment instrument

- Issuing the payment instrument
- Relation with post offices
- Return of payments and queries

The initial testing is planned to be with Switzerland, hopefully during August, and an optimistic guess is that live production could

start in September. "Despite some internal challenges to develop the organisation, I have a feeling that the Senegalese have a great enthusiasm to make this project work, concludes Jean-Luc.

Steady growth in Eurogiro while preparing for the future

Eurogiro continued good growth in the 1st half of 2003 while being engaged in significant development work, which is expected to fuel strong growth in the future



Henrik Parl, Managing Director in Eurogiro Network A/S

■ In the first half of 2003 Eurogiro achieved nearly 10 million transactions (including Western Union). This corresponds to a growth of 17% compared to the first half of 2002. This is quite satisfactory taking into account that Eurogiro is facing a major change in strategy and positioning in the market. From being a European focused payment system, Eurogiro is more and more moving in the direction of becoming a global payment provider.

Eurogiro is in the process of implementing some of these new solutions. The co-operation with Federal Reserve of the US for a transatlantic gateway for credit payments is moving forward according to plans. The basic software has already been developed and system testing is being conducted at the moment. Testing with the pilot countries (Bawag/PSK, Deutsche Postbank, ING/Postbank, Swiss PostFinance and Alliance & Leicester Bank) will take place over the late summer. A limited production is expected to commence in November.

Eurogiro is also continuing the discussions with Western Union in a very constructive and friendly atmosphere and a new 5-year agreement is expected to replace the existing agreement which expires in November 2003.

The Tele Money Order (TMO) is also scheduled for a limited production by the end of the year and it is hoped that an agreement can be reached with UPU to enlarge the geographical coverage of the TMO product. The TMO is a 2-day cash product intended to be a modernised version of the somewhat outdated postal money order.

Finally, Eurogiro is in the end phase of discussions with Swift for a co-operation, which will enable Eurogiro to function as a closed user group within Swift. This will give savings to existing and new Eurogiro/Swift members that will avoid double cost of the technical platforms.

A further major development is that Deutsche Postbank was awarded the contract to act as Euro settlement provider (ESSP) for the Eurogiro community. The change over from the existing provider: Postgirot in Sweden, will take place on 1st February 2004 and will to a large degree be a seamless migration for the participants in the ESSP settlement schedule.

Deutsche Postbank was also the host of a successful User Group meeting in Munich. The meeting gave participants the opportunity to be updated on the development in Eurogiro and to influence the development in workshops. The activity level was very high regarding bilateral business discussions. The meeting also featured very interesting presentations from the European Payment Council (Mr. Hartsink), Western Union (Mr. Hikmet Ersek), Swift (Mr. Harry Newman), FED (Ms. Elizabeth McQuerry), VISA (Mr. Jonathan Valentine and Capco (Mr. Julian Wakeham). The meeting next year will be held in the city of The Beatles: Liverpool, and will be hosted by Alliance & Leicester Bank.

In spite of the many development projects, Eurogiro continues to direct focus on expanding the network. To fill the vacuum in the Nordic countries, Eurogiro is conducting discussions with 9 organisations in the 4 Nordic countries and new solutions are expected before the end of the year. There are furthermore discussions with, among others, banks and postal organisations in the US, India, Greece, Ireland, Balkans, Baltic and Asia.

In the first half of 2003 we were very happy to welcome Bank Slaski from Poland as well as La Poste in Senegal.

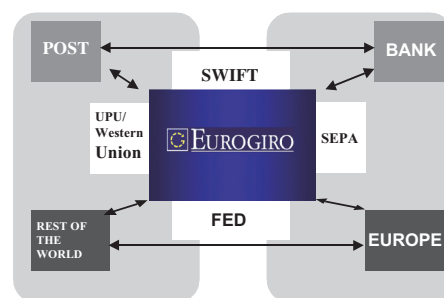
The actions and activities fit very well into the strategy recently approved by the Eurogiro Board. The vision is to see the Eurogiro as a solution and co-operation to link different products, geographical areas, networks, alliance partners and to function as a link between the Postal world and the bank world. This is illustrated in the figure where Eurogiro acts as a gateway between different participants in the payment market.

The Swift co-operation is an example of a technological gateway. FED of a geographical gateway. UPU and Western Union are examples of product (geographical) alliances/gateways. Eurogiro is furthermore in early discussions with other major payment providers to see if a co-operation could be made so that Eurogiro could act as a gateway into Europe for credit payments, as is the case for FED payments.

With the business activities alongside the new strategic activities (Gateway strategy) and the work within EU and EPC, Eurogiro is very strongly positioned for capturing future opportunities. However, the turbulent market environment created by stronger competition, and not least by the new EU regulation, puts great pressure on all financial institutions, not least on our members. Today, the combined forces of postal organisations probably constitute the biggest players on the financial market in Europe within retail business if not in general. We believe that co-operations like Eurogiro are necessary to deal with the significant challenges and help capture opportunities in the market. We are certain that the numerous activities being performed presently help in doing this and it will lead to accelerated growth in the years to come, thereby further enhancing the value proposition for members (banks and postal) and alliance partners.

Thank you to all members and partners for significant contributions to our success in the 1st half of 2003.

Gateway role of Eurogiro



General User Group meeting 2003

A look towards the future of payments



At the User Group business is discussed - also in a very relaxed atmosphere...

■ As always – on the last day of the meeting – the floor was given to speakers from organisations operating in the payments market. What is happening in the payments market? – and what does the future look like? Julian Wakeham from Capco has been supporting Eurogiro in its strategy work by studying the market and the trends in the EU. It seems that today a highly fragmented payments infrastructure has developed. In particular, the regulators have been/are challenging the traditional payment continuum. In the short term this will lead to a more complex pay-

ments infrastructure. However, some emerging trends are:

- Payment system consolidation and the emergence of SEPA systems
- Additional upgrade of existing services
- Accession countries will rapidly develop new systems for high value, retail and card payments
- A number of alternative payment solutions will emerge (Visa Direct)
- In the long term 3 types of payment systems will develop: interbank, hub based, point2point

The trends force the service providers to find ways to reduce the costs of processing cross border payments. Mr. Hartsink from the European Payments Council (EPC) presented some issues that the EPC is dealing with. First of all, the forming of a Single Euro Payments Area (SEPA). All euroland payments are in future to be regarded as domestic payments. In 2002 it was decided that there should be no difference between domestic and crossborder *card* payments. This year the same applies for credit transfers (till EUR 12.500). Looking at cash less cross border transactions, as many as 83.2% are card payments, the remainder being credit transfers and cheques. Several initiatives to keep costs down have been launched: the credeuro - a 100% straight through processing (STP) credit transfer, a pan European direct debit, a pan European automated clearing house (ACH) which should be a business platform for the provision of euro retail payment instruments and basic related services, made up of governance rules and payments practices and supported by the necessary technical platform(s).

The cash payments are costly and safety is definitely the main precondition. EPC has already adopted some recommendations, e.g.:

- Banks to develop joint cards and cash strategies
- Banks to promote electronic products, in liaison with other stakeholders
- Promote Europe wide standardisation of requirements for equipment
- Develop best practices to guide banks in enhancing cash service operations
- Banking industry to study a utility type wholesale infrastructure for cash handling

Eurogiro is certainly aware of the new trends and regulations and the company has spent quite some time on analysing future opportunities. According to the new strategy, Eurogiro aims at being more of a solutions provider, i.e. offering the members new business opportunities by entering into new alliances and at the same time reducing costs. At the User Group, Mr Valentine presented Visa Direct: a cross border money transfer service for Visa EU banks, which will, for example, lower costs for banks. In brief, Visa Direct is a bank to bank service and a pass through: no funds are held.

Mr. Hikmet Ersek from Western Union gave an interesting presentation on Western Union and their relationship with postal organisations. Additional excellent presentations were made by Mr. Harry Newman, SWIFT and Mr. Max Flury, Swiss Post, who was covering the Eurogiro SWIFT issues.

If you have access to the Eurogiro Intranet you can find the above mentioned presentations on www.eurogiro.com/ by entering the members log-in and clicking on "Documentation" in the left hand-side menu and then "Presentations" in the top menu. In addition to these User Group 2003 presentations, you can also find other User Group presentations, e.g. the alliance with the Federal Reserve Bank, the new 2 days cash product, the SWIFT co-operation, Western Union, FATF issues – and all the general Eurogiro topics.

Exchange of experiences

The members present expressed great satisfaction from the New Members' Seminar in Munich May 2003



■ The participants considered the recent New Members' Seminar in Munich, hosted by Deutsche Postbank, a great success. The meeting contained a mix of presentations from the Eurogiro members and internally from Eurogiro, together with a discussion group and bilateral discussions.



The three participants from the National Bank of Canada, Alistair Sinclair, Robert Caviola and Eric de Feydeau, gave a joint presentation on their Eurogiro implementation experiences, which was very well received by the new members who are facing similar challenges at the moment in terms of forming a project team, adjusting the organisation, evaluating and planning.



Timothy Merrel from Deutsche Bank focused his presentation on the Eurogiro alliance role as a gateway for US dollar payments to the United States and to the rest of the world.

Deutsche Bank is one of the world's largest USD clearers and a committed leader with a strategic focus on commercial payment solutions.



The final external presentation focused on the development scenarios for postal financial services by Hans Boon, ING Bank in the Netherlands. First he went through the European electronic and physical distribution infrastructure for personal financial services and showed differences in cash versus cashless payments and concluded by discussing the development scenarios with vision, strategy, action and structure. Hans Boon has great experience in developing postal organisations by helping them to develop and implement a business unit of financial services or the set-up of a partnership.



Uwe Holmsgaard, IT Director at Eurogiro Network gave an update on how to optimise the system set-up and covered issues like the latest developments, procedures, contingency and tests. The Eurogiro system has been in production for more than 11 years and is continuously developed and enhanced with new functionality based on the feedback and requirements from the members. He also focused on the different solutions Eurogiro has for the Western Union interface, of which the latest is an Internet e-banking solution.

The discussion group considered cross border payments products and services of each member institution present: Here the "old" members shared their experiences with the



new members and ideas were exchanged among all participants and the discussions covered some good issues. The results of the discussions were valuable as input to the numerous working groups in Eurogiro dealing with new development.



All participants benefited from the bilateral discussions where the members could meet in a more relaxed atmosphere and discuss new agreements. The bilateral agreement discussion was one of the most valuable sessions at the new members' seminar according to the participants. The main reason for this was that there was an opportunity for a new member to meet several institutions and thus avoid the time consuming alternative of setting up meetings, travelling and sending correspondence back and forth. Here all initial contact can be taken and even draft agreements be made. All participants had an extra opportunity to talk with each other and relax at the dinner hosted by Eurogiro.



Western Union and Eurogiro – working together across borders

Hikmet Ersek, Senior Vice President for Europe, Middle East and Africa at Western Union, addressed delegates at the Eurogiro Conference on 23 May 2003.



Hikmet Ersek,
Western Union

■ His presentation focused on Western Union's relationship with postal organisations and in particular the significant growth in postal locations. He also revealed the scale of revenue increases that postal businesses have enjoyed since they started working with Western Union.

Western Union accounts for the majority of First Data Corporation's \$3.2 billion Payment Services business and, with its Payment Services affiliates, it completed nearly 240 million money transfers globally in 2002.

Western Union has a network of over 150,000 agent locations in more than 190 countries and territories around the world. These locations are primarily well-known financial institutions and post offices.

Success stories

To demonstrate the growth and types of relationship Western Union is developing with postal organisations, Mr. Ersek presented case studies of the work with the Dutch Post Bank in the Netherlands, Hrvatska Posta in Croatia and Banc Post and Posta Romana in Romania. Most recently Magyar Posta in Hungary joined forces with Western Union. As a result, on 1 July, Western Union Money Transfer® services became available at 300 post office locations across Hungary.

Today, there are 86 postal organisations working with Western Union. These administrations have already seen the benefits additional services can bring to their business. For them, it is more than just a money transfer service.



BANC POST



"At the end of the day, there are many entities that can provide a money transfer service," said Mr. Ersek. "The difference with Western Union is that we have spent more than 150 years creating a service and brand that people, all over the world, trust for reliability, convenience and speed. It is the power and the reach of the Western Union brand, more than a money transfer service that brings paying customers into our agent locations."

A safe choice

With every transaction that is made, Western Union aims to meet or exceed the rules and regulations governing international money transfers. Western Union strives to have the most advanced regulatory compliance system in the world. To meet this ambition it actively monitors and supports its agents to ensure they meet or exceed its compliance standards.

Innovative joint venture with La Poste

In February 2003, Western Union and La Poste announced the creation of a joint venture in France: Société Financière de Paiements.



GROUPE LA POSTE

As Mr. Ersek explained at the conference: "The joint venture, Société Financière de Paiements, is mutually beneficial. For La Poste the joint venture opens the doors to France's money transfer market and the potential to significantly increase its revenue. For Western Union, the relationship provides an innovative platform from which we can expand our services in one of the most significant markets in Western Europe."

The Western Union services and systems leverage the scale, technology and best practices of First Data Corporation's leadership position in the card issuing and merchant processing industry around the world.

First Data Corporation makes it possible for businesses and consumers to move money and information with convenience, efficiency and security. More than a competitive advantage, its infrastructure provides endless opportunities for the development of integrated services and solutions for postal businesses.

www.firstdata.com • www.westernunion.com



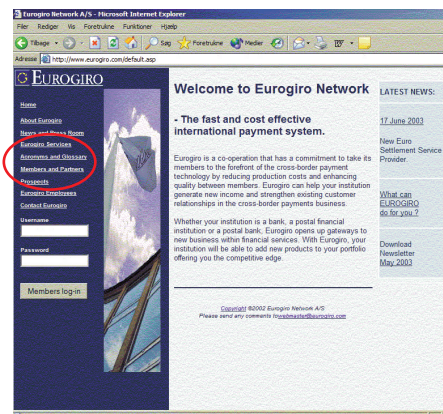
Definitions on the web

Inspired at the General User Group Meeting in Munich an easy access to definitions of often used abbreviations and acronyms has been implemented on the Eurogiro web-site

■ Our web-site www.eurogiro.com has been updated with such a facility. On the home page (members log-in is not necessary) you will find "Acronyms and Glossary" in the left-hand menu, and one click here brings you directly to the document with often used abbreviations and their respective definitions.

The document will be updated on a regularly basis. You are welcome to provide input to this new feature by e-mailing kai@eurogiro.com

Eurogiro members still have the opportunity to find all other relevant Eurogiro documentation by entering the members' log-in.



Eurogiro Pension Payments Seminar

Growing the pension payments business in Eurogiro

■ Eurogiro is inviting its members to a pension "Think Tank Seminar" on the 11th of September 2003 in Frankfurt Airport. The pension business has long been an important business for many Eurogiro members. The business suits them very well in their role as payment handling specialists and the market for pension payments is expected to grow steadily in the years to come. The Eurogiro payment service is tailored to provide cost efficient exchange of cross border pension payments and the Eurogiro members generally provide attractive conditions for receipt of pension payments.

There are, however, challenges to overcome to win the business and to be profiting from the business, and these challenges are increasing with the introduction of the EU Charging Regulation and the impact on the European Payment industry. The focus will be on the new challenges and on the business of cross border pension payments with all main related aspects to identify ways to get the most out of the opportunities. Networking with specialist colleagues in Eurogiro member institutions will be of key importance as well.

At the Think-Tank meeting members will be

- updated on the recent information on industry conditions & market trends and clarify the opportunities of the growing pension market in Europe and the advantages (and limitations of) the Eurogiro services related to pension payments, herein product offerings and member experiences
- given an opportunity to influence the Eurogiro service offering and development for pension payments
- given unique possibilities to create a network across the Eurogiro partnership between people within the area of pensions and share ideas with counterparts in other Eurogiro member institutions

By attending a focused session on a high potential growth area with counterparts in Eurogiro partner institutions it is likely to be an important catalyst to enhance business opportunities in the member organisations. Registration by members directly to Eurogiro Network, Kai Thygesen, email: kai@eurogiro.com FAX +45 4371 2662, no admission fee.

Eurogiro Reminder

STP is defined as correct IBAN and BIC

Eurogiro follows the new definition of Straight Through Processing in Europe, with effect from 1 July 2003: credits must have correct and validated IBAN and BIC.

EU and the European Central Bank stipulate the use of IBAN and BIC for STP credit transfers. All members must be able to accept and forward transactions with IBAN and BIC.

The European Committee for Banking Standards (ECBS) and the organisation for International Standards (ISO) are behind the structure of all bank account numbers: International Bank Account Number – **IBAN**

S.W.I.F.T. issues the ISO standardised Bank Identification Code – **BIC**

MT-100/103 converter to be shut down 1st of November 2003

For some time Eurogiro has run a converter that allowed the old 100 message type to be processed as the new 103 message type. As of 1st of November 2003 only the 103 message type will be accepted according to the general agreements. All necessary changes must be implemented prior to this date.

Turkish PTT joins the TMO

Why does Turkish PTT want to join the new Tele Money Order (TMO) project?

■ "We have commercial and technical reasons for this. For over 50 years Turkish PTT has been offering normal international Money Order services to its clients. In addition, we are planning to offer the Western Union urgent cash product in the near future.

The TMO is a product between urgent cash and traditional Money Order and it will be an alternative to the traditional Money Order, which is losing its share of the market. The TMO is sent from sender to beneficiary within two days and we do not have to advise the beneficiary as the sender will provide him with pick-up information. In addition having track and trace functionality the TMO is a

better quality product than the traditional money order. The TMO service is suitable for the customers who do not expect high urgency with its medium price and speed.

So, from the commercial point of view it should be very profitable to be able to offer this product.

From a technical point of view, Turkish PTT has 700 computerised post offices all over Turkey. Money Orders can be sent to these post offices electronically whether they are sent via Eurogiro or by e-mail to our exchange office by the issuing countries.

For the above mentioned reasons Turkish PTT expressed an interest in the implementation of a two day product with high coverage".



Activity Calendar Autumn 2003

11 September

Eurogiro Pension Payments Seminar, Frankfurt

7 – 9 October, Brussels

POST-EXPO

20 – 24 October, Singapore

SIBOS

30 – 31 October

Eurogiro Board Meeting, Paris

Subjects to be covered in the next issue:

- ◆ Eurogiro Pension Payments Seminar
- ◆ Update on urgent cash provider
- ◆ Promotion activities in Israel
- ◆ FED going live
- ◆ TMO in pilot phase
- ◆ Internal promotion campaign

Please forward ideas, comments, articles etc. to:

Eurogiro Network A/S
Carl Gustavs Gade 3, 1. tv
DK-2630 Taastrup
Denmark
Att.: Kai Thygesen
e-mail: kai@eurogiro.com

