

# Payment Modernization for Temenos Customers



**TEMENOS**  
THE BANKING SOFTWARE COMPANY

Temenos is running a major customer engagement program which seeks to create an agreed approach to modernizing the payment capabilities of your organization.

Our objective is to jointly define, with each customer, the payments processing system strategy for the coming years, with a defined journey for any system upgrades or enhancements required. In so doing, we will address the specific payments processing challenges and opportunities your business needs to address.



## The drivers for change

There are a range of significant change drivers impacting payments processing around the globe. Some of these drivers have set timelines and cutover dates, whilst others are driven by business opportunities and/or customer demands. The drivers for change include:

SWIFT ISO 20022 CBPR+ migration (2022)

Regional/Domestic ISO 20022 migrations e.g. TARGET2, Lynx Canada, CHATS Hong Kong, Fedwire, etc.

Instant / Real time services, e.g. SEPA Inst TIPS, TCH RTP, Fednow, Saudi IPS, etc.

New Services – SWIFT gpi, Open APIs, Confirmation of Payee

New Instruments – Request to Pay

Volumes are increasing demanding greater scalability and levels of performance

Customer demands are increasing diversity of channels and payment methods

Cost pressures creating need for greater efficiencies and optimized processes

Cybersecurity impacting existing infrastructures and access to data

# Impact on your organization

Each organization will be impacted by these various drivers in different ways depending on:

- ?** What payment services you offer, or intend to offer your customers?
- ?** What clearing rails you support or intend to support?
  - a. Domestic low value and/or Domestic high value
  - b. Regional low value and/or Regional high value
  - c. Cross border – outgoing and incoming
  - d. Instant Domestic or Regional
- ?** What markets you cover – geographical and business lines?
- ?** What your current system landscape is, release levels, modules used, additional non-Temenos solutions, gateway and connectivity setups?
- ?** What is your preferred technology roadmap and deployment strategy?

Each bank's needs and journey to the future state solution will be different. Some banks will be impacted significantly by these drivers, and thus will be highly motivated to address these challenges in a timely and strategic manner. Whilst other customers may see a much weaker case for change and thus the agreed go forward plan for that customer must take this into account.

This briefing paper is being provided to give you a better understanding of the strategy that Temenos is adopting to support customers on this journey and to provide information that may answer to some of the preliminary questions that are being generated by this initiative.



## What does modernizing your capabilities mean?



**Technology** – ensuring that the latest standards for integration and deployment are supported including open API access and cloud native deployment



**Architecture** – creating a more agile, flexible environment to support the dynamic needs of digital payments, components, containerization, etc.



**Compliance** – provision of support for market changes, new payment services and schemes



**Function** – improved capabilities in routing, tracking, product setup, customer servicing, exception management, automation, reporting.



## Temenos Payment Hub (TPH)

This is a next generation payments processing solution built on the Transact technology platform.

- New enhanced capabilities, optimized payments management and processing
- Improved STP, automated exception management
- Support for ISO 20022 based payment services
- Support for Instant payments processing
- Can run fully integrated with Transact or as a standalone instance with lower Transact/T24 release

## The journey / process

We need to agree on the process and timetable for this engagement.

- 1 | Initially we propose running a Discovery engagement process where we map out all of the challenges and impact of the market drivers, taking into account specifics of the environment and the needs of your business.
- 2 | Then we will seek to agree an aligned vision for the end-state solution to support your identified needs.
- 3 | Then we will create and submit a journey proposal, with deployment options where we can manage the modernization program and minimize the impact on your existing environment.

This is the outline process that we propose following to achieve the stated objective of an agreed plan for modernizing the payment capabilities of your organization.