



WESTLB Case Study

Learn how WestLB centralizes SEPA and SWIFT filtering to meet regulatory requirements

The Challenge

Meet SEPA filtering requirements

Combine filtering of both SEPA transactions and SWIFT messages

Filter 2 million SEPA transactions per month

Offer local presence to support customers with best practices from worldwide

Enable compliance staff of 20 to split decision process in Germany, New York and Singapore

The Solution

Firco Continuity to support high volume SEPA payments and SWIFT message screening

The Challenge and Legal Requirements

Financial institutions within Europe experienced a significant change in their organization and payment process when the European Payments Council decided to create a Euro zone called SEPA (Single Euro Payments Area). With new SEPA requirements, all electronic payments would be considered domestic and without any difference between national and European payments. By February 2014, all European banks are required to have technology in place to fully support SEPA payment instruments.

To meet SEPA requirements and the deadline, WestLB, one of Germany's leading providers of financial services, selected Firco Continuity, FircoSoft's flagship watch list filtering solution. Firco Continuity was chosen to replace the existing filtering solution that could neither detect new SEPA formats, thereby preventing the screening of those transactions, nor manage the increased transaction volume. Therefore, WestLB needed a highly scalable solution which was able to effectively handle this initial increase in volume to two million payments per month as well as being able to sustain future growth.

The Results

Meet the European Payments Council's deadline thanks to FircoSoft speed deployment and project smoothness

Compliance with SEPA regulations and standards

Scalable solution for high volume transaction and message filtering

Agile solution that can evolve with changing regulations and which enables the filtering of differing transaction formats, including SWIFT and SEPA

The Solution

With Firco Continuity, WestLB was able to meet regulatory requirements by filtering both its SWIFT messages as well as SEPA transactions within one highly scalable environment. The WestLB FircoSoft implementation was conducted in two phases. During the first phase, which lasted three months, FircoSoft replaced WestLB's existing solution with Firco Continuity, enabling the filtering of SWIFT transactions in real time against official sanctions lists including OFAC, EU, UN, Bundesanzeiger Verlag, DEFAT and OSFI. During the second phase of the project, lasting six months, FircoSoft's team added a new capability to Firco Continuity, the Firco Unique Format (FUF), to filter SEPA messages. FUF enables the screening of new format standards and can receive different kinds of transaction coming from different systems. The FUF enables the extraction of only relevant message information for effective filtering and decision making. During the second phase, the increase in transaction volume was also addressed. FircoSoft enhanced the system to expand the scalability of the filtering engine through the centralized management of multiple filters. With this new enhancement, high volumes can be easily filtered as the solution can manage the filtering activity peaks by splitting the workload into multiple filters.

The Results

With Firco Continuity, WestLB remains compliant with the latest regulations and is able to filter two million SEPA transactions per month while maintaining a low false positive hit rate. A web interface enables its compliance team of 20 users in different parts of the world to effectively manage alerts with a unified decision process workflow. FircoSoft enables WestLB to provide 24-hour coverage for SWIFT messages as they have compliance teams who make payment decisions in Germany, Singapore and New York, while SEPA payment decisions are handled by the German compliance team. With the highly flexible Firco Continuity solution in place, WestLB can evolve with the changing regulations as it enables the filtering of differing transaction formats thanks to the new Firco Unique Format.

“We are delighted with the implementation of Firco Continuity for SWIFT and SEPA. The FircoSoft team understood exactly what was needed and supported us fully during every step of the project. In addition, the solution’s flexibility and scalability give us assurance that as new regulations change, and transaction volume increases, Firco Continuity has the capability to adapt and evolve. Overall, we are very pleased with the results as well as the short integration and implementation time enabling the project to be on time and on budget,” said Hagen Schaumkell, Business Unit Legal and Compliance at WestLB.

About Firco Continuity

Firco Continuity is a real time watchlist filtering solution designed to ensure compliance and detect and block transactions including listed parties. Firco Continuity is multi-alphabet ready and can be interfaced to any banking application, operates on all major platforms, and filters any message type including SWIFT, FEDWIRE, and SEPA. The solution can filter against any sanction list (such as EU, OFAC, HMT, and UN), third-party lists or internal watch lists.

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Hagen Schaumkell
Business Unit Legal and
Compliance
WestLB

About WestLB

WestLB was founded 1969 as the central bank for savings banks of the state Northrhine Westphalia. During the 1970's and 80's the bank increased its business activities as a universal wholesale bank with branches in most of the financial centres of the world. By balance sheet, WestLB was bigger than Deutsche Bank. After decades of restructuring for various reasons WestLB still acts as the central bank for the savings banks, and currently maintains offices in 13 countries.

www.westlb.com

About FircoSoft

FircoSoft has over 20 years' experience in providing watch list filtering and straight-through processing (STP) solutions. FircoSoft's watch list filtering solutions help financial institutions comply with reinforced international regulations on terrorist financing and embargoes by eliminating the risk of processing illegal transactions and detecting high-risk financial customers and counterparts. Over 660 customers in more than 75 countries use FircoSoft's filtering solutions.

Since 2012 and the Panorama Workbench acquisition, FircoSoft has extended its expertise and portfolio with Firco Due Diligence (KYC) and Firco FATCA (US FATCA & Global Tax Information Exchange Compliance).

Since 2000, FircoSoft has been ranked #1, best-of-breed, and received numerous accolades and industry recognition for its watch list filtering solution by many organizations and analyst firms including AITE, Celent, Chartis and the TowerGroup.

