

Case Study

Complying with New EU Regulatory Requirements for Instant Payments

OpenLegacy was tapped to enable and support digital transformation and processes modernization for Raiffeisen Bank



Raiffeisen Bank Bulgaria (RBBG) is part of Raiffeisen Bank International banking group, which is one of the leading financial institutions in Central and Eastern Europe with more than 51,000 employees and more than 14.2 million clients in 14 markets in the region. Raiffeisen bank has been offering high quality service for more than 20 years to its clients and opportunities for learning and development to its more than 2,700 of employees.



The Challenge

Changes to European Union (EU) regulations were designed to resolve issues linked to the approvals of instant payments, while fully protecting personal and financial data. To comply with the new regulations, RBBG set out to modernize their existing payment system. Their goal was to deliver prompt payment authorizations during the Close of Business (COB) processing, using the bank's core system, running on an IBM Mainframe.

The regulation change required payment systems to enable real-time, 24/7/365 processing of electronic payments made within the EU. The new regulatory framework included provisions for the operation, management, and oversight of instant payments systems, and set standards for security and reliability. The initiative also aimed to encourage the development of new and innovative payment solutions, and to support the integration of instant payments with other financial services and systems.



The Solution

The bank defined their technical requirements and working in partnership with OpenLegacy, conducted a gap analysis to develop a solution that would meet the project's performance, timing, and budget needs.

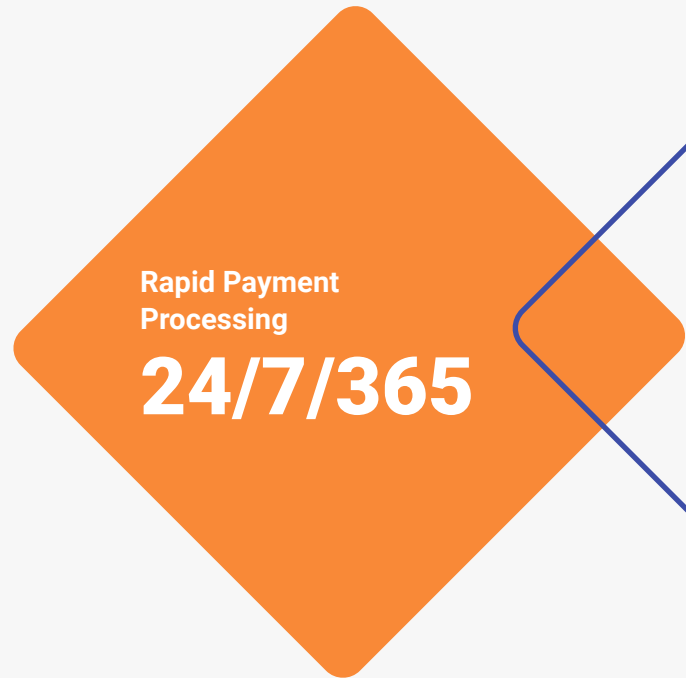
The OpenLegacy Hub platform enabled necessary integrations and automatic exposure of secure, rapid, digital services from the bank's legacy system. By building an API Factory that supported real-time processing, Open Legacy and RBBG created an abstraction layer of microservices from its existing infrastructure. The result leveraged the bank's robust existing systems, and enriched them with the additional functionality required by the new regulations.

The payment system modernization was accomplished by creating modern microservices that manage payment requests throughout their lifecycle by providing status information to the different digital channels. To unify various payment formats, the internal

representation of the payments was developed in accordance with the ISO 20022 standard—a universal financial industry messaging approach.

An additional element of the project required the creation of microservices that would handle 24/7/365 processing of electronic payment authorizations, as well as instant responses for rapid payment processing. The OpenLegacy solution accomplished this by enabling the automatic generation of microservices-based APIs from the bank's mainframe, each containing the necessary data and business logic.

The entire solution is monitored, managed, and configured by an administrative module that provides a wide range of reports, and continually scrutinizes all functionality.



The Result

RBBG met the timing requirements for regulatory compliance, while giving an added boost to its larger digital transformation. Today, the bank handles payments from all channels quickly and efficiently via payment microservices in a unified ISO 20022 format. The platform now authorizes payment and card transactions 24 hours a day, 365 days a year, including when the Core Banking System (CBS) is in

Close of Business mode. The support team maintains complete control, monitoring and managing the solution through the administrative module.

The OpenLegacy Hub Platform enabled the successful execution of the instant payment project, while reducing time, cost, errors, and manual effort, all in a standardized, reusable manner.

About OpenLegacy

OpenLegacy offers a cloud-native hybrid integration platform. OpenLegacy Hub delivers a fast, simple, risk-free way to generate, extend and manage digital services from on-prem legacy and core systems to the cloud. It connects directly to virtually any core system, instantly generating microservice-based APIs that power exciting new digital services—making the cloud journey, not just possible but faster and more efficient than ever before.



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