

It now becomes possible for other communities to benefit from our technology



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After building an entirely new system and migrating the French market to this new platform, STET is now pursuing a European strategy.

We believe our technology has proven its ability to process important volumes, while adapting its processing to the varied array of European payment instruments.

It now becomes possible for other communities to benefit from the significant economies of scale generated by our existing volumes, and to combine tailored services with low costs.

Our approach

■ Belief in servicing a national domestic market as a whole.

Notwithstanding the current debate as to how fast SEPA payment instruments will gain market share, we believe SEPA and national domestic instruments could co-exist for a while yet, and both need to be supported. For the French market, we developed a flexible, parameter-driven CSM system and used it to implement SCTs and SDDs. We then added and transitioned all existing French instruments to this system, enabling us to decommission the legacy software system.

■ Schemes and processing

STET clearly separates management of the French Scheme from scheme-agnostic processing capabilities. Each has its distinct governance organization, ensuring balanced priorities. We believe each community contains a rich set of country-specific features, and should retain the choice as to how and when to evolve. On the other hand, the current state of technology now offers the means to offer a wide range of services within one system.

■ Partnerships and governance

STET can offer its services through different organizational setups. In some cases, it can be a full-fledged servicing offering to a banking community; in other cases, a white-label offering or a partnership can be constructed with existing CSMs. In all cases, we are willing to discuss and setup a suitable governance, with the goal of preserving the interest of each community while sharing the significant costs of building and operating a payment processor engine.

Our strengths

STET is in a unique position to participate in the coming consolidation, helping banks to drive down their costs while reaping the full benefits of European payment convergence:

- our market share (48% of CSM-processed euro payments) allow us to offer very competitive pricing for a full-fledged service,
- our support of SWIFT enables banking communities as well as individual banks to easily access our platform through the de-facto standard payment network. Other network access services can be developed to suit needs particular to a country, as we have done for France,
- building a brand new system, we were able to incorporate modern requirements from the start. For instance, our system is designed for multi-CSM support, with real time clearing, and a financial protection scheme similar to high-value systems. These features have allowed us to be branded as a SIPS (Systemically Important Payment System),
- our hardware platforms are doubly resilient : our production site contains two copies of all hardware components, to ensure hot swap to backup hardware, should one of our components experience a failure ; in addition, a second site contains a mirror copy of all hardware, in case we should experience a site-wide failure. As a consequence, we have long 100% up-time over the past year,
- we have sized our systems in order to support large volumes. In fact, our system was benchmarked for 300 millions transactions per day – comfortably more than all euro volumes combined,
- we have successfully moved the French community from its former legacy system to a new platform ; the experience gained from this migration will certainly be useful for other communities undergoing a similar transition.

For these reasons, we believe we are well positioned to serve a wider portion of the European market. Through a unique combination of rich features and large economies of scale, we aim to help the European banking community move toward a more efficient processing of interbank payments.

In the coming months, we will actively seek opportunities to serve existing communities or individual banks, either by offering our services to national schemes, or through partnerships with existing CSMs.