

Press Release

Allevo

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Name: Andreea Vlad
Function: Marketing Manager

Address: Calea Vitan 23C, floor 3, 031281
Bucharest, Romania

Tel/fax: +4021 255 45 77
Email: andreea.vlad@allevo.ro



FinTP Connect is the PSD2 compliance solution proposed by Allevo for banks

With the revised Payments Services Directive (PSD2) coming into effect in January 2018, and based on the valuable input from its banking clients, Allevo developed **FinTP Connect**, a software application for the centralized management of requests from TPPs (PISP/AISP) on behalf of the final customer.

This directive aims to increase competition, innovation and transparency in the financial market, as well as the security level for online payments and for accessing accounts and information. These goals are backed up by regulating new forms of payment institutions and introducing new interaction types, while opening bank APIs to third parties: Payment Initiation Service Providers (PISPs) and Account Information Service Providers (AISPs).

According to PSD2, PISPs will be able to initiate payments to an online merchant directly from the payer's account, while AISPs will be able to retrieve information on the customers' accounts, including the balance and transaction history. This leads to new potential payment solutions for the merchants, as well as new services based on the retrieved data, services offered by banks, FinTech companies and non-traditional financial services providers.

Taking all these into account, Allevo designed a solution which receives and processes requests coming from TPPs, sends them to the core banking systems and returns the requested answers to the TPPs. Specifically, **FinTP Connect** ensures the reception of requests from PISPs and AISPs in JSON/XML – ISO20022 format and their transmission to the core banking systems in an accepted format, as well as the retrieval of answers in the core banking format and their transmission to the PISP/AISP as XML/JSON – ISO20022 elements.

FinTP Connect features the following functionalities: API management, TPP identification and validation for access to services, rules management for applying Strong Customer Authentication (SCA), user activity tracking (TPP management and fraud risk management), log of services run by users, as well as native format configuration (in terms of requests from TPPs and responses from core banking systems).

The opportunities created by PSD2 address not only the newly introduced TPPs, but also banks and their customers. For example, by becoming an AISP itself, the bank benefits from the increased interaction with the client

and an enhanced banking offer, but also has the possibility to monetize additional services like the integration with accounting, ERP or HRM systems, and cash flow management through predictive analytics.

Moreover, banks can also partner with IT service providers in order to put together accounting and management packages for SMEs, fully integrated with online banking, or services like DD mandate management, electronic invoicing and payroll file generation. As far as the banks' corporate customers are concerned, they can benefit from analytics tools that would help them predict future trends in cash flow, which the bank could then use as a basis for offering an automated cash management service or even short-term financing.

Back to the application for PSD2 compliance, **FinTP Connect**, Allevo shows its openness to run demos for financial institutions. The design of the application is flexible enough to accommodate any adjustments or new functionalities requested by each individual customer.

About Allevo

Allevo is a company providing software solutions that help financial institutions of all sizes reduce TCO and achieve end-to-end interoperability across the financial supply chain by using FinTP, a complete open source application that processes transactions, automates flows and offers compliance to regulatory and industry standards.

The Allevo guaranteed distribution of FinTP is aimed to grow competitiveness and offer operational risk containment, making such systems affordable to SMEs as well.

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