

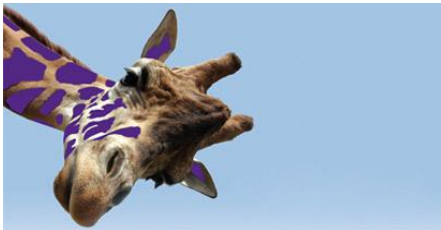
SUCCESS STORY

How a major CSD (Central Securities Depository) manages its messaging.

Strate runs ISB Incentage Service Bus and IPC Incentage Process Cockpit



strate
South Africa's Central Securities Depository



Strate Ltd is the licensed Central Securities Depository (CSD) for the electronic settlement of financial instruments in South Africa. Strate's core purpose is to mitigate risk, bring efficiencies to the South Africa's financial markets and improve its profile as an investment destination. Strate is aligned to international best practices and continually strives to ensure operational excellence and provide enhancements for the good of the Southern African financial markets.

Summary

Managing multiple input and output communication channels, ensuring that external and internal Service Level Agreements are being met, along with complex dynamic routing rules with the ability to suppress outgoing messages according to client wishes, all without making costly changes to already well established legacy applications, that was the challenge Strate wanted to address.

The issue and solution evaluation process

With a view to further reducing operational risk and increasing market efficiency, Strate has appointed Incentage to embark upon a significant technology upgrade to its current messaging solution, including the deployment of ISB Incentage Service Bus and IPC Incentage Process Cockpit, to provide a reliable and dynamic message routing, validation and real time non intrusive message monitoring.

After careful assessment of several other competitive solutions Strate awarded the contract to Incentage at the end of November 2009. Among the reasons for their decision to choose Incentage were:

- The Incentage Service Bus is reliable and secure, provides a clear process overview and is well established and used by several major clients around the world.
- The Incentage Process Cockpit allows real-time non intrusive message monitoring of message flows and performance.
- The solution could be implemented without impact on existing applications and was able to manage the validation of the specific Swift message standards used in the South African market and required only a very small dedicated project team.
- Incentage empowers it's clients to implement their own solutions after initial training.

- Incentage could provide a project team which had many years experience in securities clearing and settlement complementing Strate's own highly skilled professionals.
- Incentage has been awarded SWIFT Financial EAI labels since 2004.

The project aims to replace Strate's current communication hub, an essential component of the Strate infrastructure which facilitates the sending and receiving of messages from several Strate clients. The project will not only replace Strate's current solution but will also replace the hardware platform on which it operates.

The solution

Inbound clearing and settlement messages arrive from various communication channels, including Swift and, based on dynamic routing rules, are delivered into the clearing and settlement applications. Subject to the messages source it may also require a switching of it's header blocks so that it arrives in the destination application as a correct message for processing. Certain messages are also channelled through a message transformation component to accomodate specific customer requirements.

Outbound messages are validated against schemas to ensure highest standards for Strate's clients. Depending on the clients communication channel header blocks may need to be switched. Duplicate checks are performed and the correct communication channel selected before the message is delivered.

All messages are monitored in real-time from inception into the Incentage Service Bus until final delivery receipt via MQ is received or a corresponding ACK is received from the SWIFT network. Should a recipient of a message incur a disruption of service leading to a loss of infrastructure including messages these can be easily resent.

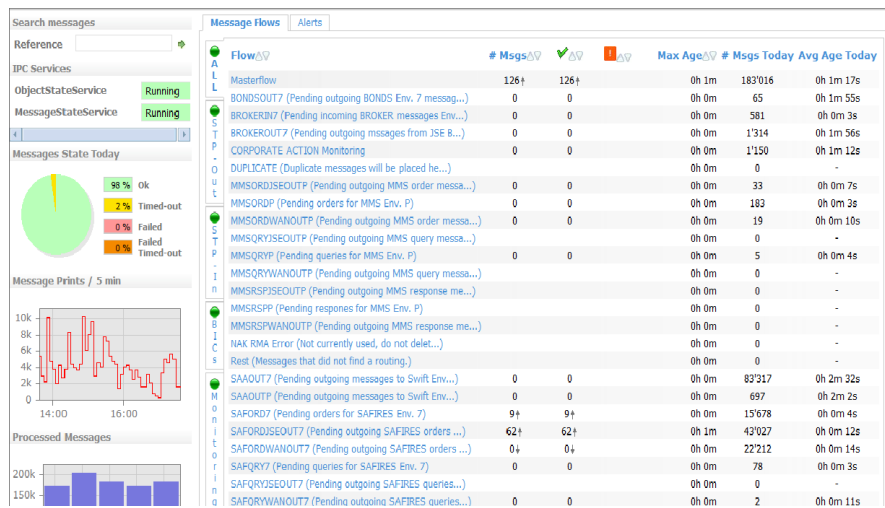


Illustration: real time overview of the current active messages

The project

A small project team of Incentage and Strate staff embarked on the project in December 2009. By mid January 2010 internal testing was already under way thanks to the very flexible and easy way to deploy routing flows. Stringent quality assurance testing began in mid February 2010 and was completed by the end of the same month.

Market testing with Strate's participants was actually in place one week ahead of schedule at the end of February 2010. After market testing and the required disaster recovery testing the Project went live in mid-May 2010, just 5 months after contract signing.

	Version	1.00
	Version date	June 7, 2010
	Owner	John Pickering

"Strate requires a highly stable and proven platform able to cope with the rising demand for client services, performance, flexibility, fast adoption, and adaptation to new market standards and market practices.

The new solution will support local standards and other innovations in the pipeline at Strate. It will dovetail with the existing IT architecture and offer the capability to easily adapt to required architectural changes owing to new market requirements and Strate's growing internal needs."

Manoj Puri, Strate's Head of Technology

Welcome to the world of financial messaging!

Incentage is a worldwide leader in messaging solutions for the financial services industry. Over 150 clients on all continents are using Incentage solutions. Incentage has a global network of partners and is a SWIFT Partner.

Incentage offers the following solutions:

- IMS Incentage Middleware Suite
 - The message STP guarantor
- ISB Incentage Service Bus
 - The message orchestrator
- IPC Incentage Process Cockpit
 - The message controller
- SWIFT based solutions powered by Incentage : SWIFTNet E & I, Funds, Accord, Proxy Voting and TSU
 - The SWIFT infrastructure integrator
- Incentage Business Solutions: Capital Bus, Investigation and Message Cockpit
 - The message solution customizer

Benefits

- major risk reduction
- providing increased functionality
- redesign of the messaging architecture in Strate
- increase flexibility of messaging
- enabling monitoring and management of message flows
- capacity planning and management for future growth