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## Latin America - From Legacy To Modern Payment Systems

The Latin America region is still seeing a lack of modern payment infrastructure, in part because of the complexity of migrating from a legacy infrastructure to a modern one. Apart from Brazil which has modernised its payment systems considerably, opportunities abound in other areas of the region to upgrade their systems. Jorge Ruiz of BPC Latin America tells us how they're modernising the Latin American payment landscape.

**CardsNow! : A considerable portion of the Latin American region still suffers from outdated legacy payment infrastructure, providing opportunities for many to make a difference in this market. What does this mean to BPC?**

**Jorge :** We see great opportunities in providing comprehensive modern and sophisticated payment solutions to regional banks. I believe our SmartVista suite represents a very competitive offer as the banks consider the alternatives to modernise their infrastructure. Thanks to its modular architecture, we can provide point solutions to meet an immediate business need. Beyond this, SmartVista represents a complete end-to-end integrated solution that can meet all the EFT processing needs for Fis.

While broad functionality is essential, of equal importance is an ability to manage the often complex migration from the old to the new infrastructure. BPC already operates in 24 countries and is well used to the challenges of entering a new region. SmartVista's architecture and out-of-the-box interfaces mean we can often bring a new system into production within 6 months. This means that the Latin American banks can modernise their infrastructure quickly and seamlessly, bringing new services to their customers and improving their competitiveness.

**CardsNow! : Efforts to modernise the region's payment infrastructure should be commended. Who are the beneficiaries of this modernisation and what benefits can it provide?**

**Jorge :** The beneficiaries fall into 3 groups - consumers, Fis and the regional governments. Consumers will benefit from the convenient access to payment services 24/7 and through the channel of their choice - be it branch, ATM, the Internet, the mobile phone or the tablet. This will allow consumers significant freedom in the accessibility of secure payments, not just domestically but cross-border as well. From the bank's point of view, the benefits of a modern payment infrastructure include a significantly lower TCO, speed-to-market for new products & services, and the security of knowing this mission-critical aspect of their retail banking business is highly available and able to scale as their business grows.

Being able to serve their customers through all the available channels while enjoying a single customer view will improve the banks' ability to cross-sell and improve their competitiveness. Of course, by providing convenient payment services, banks will see an increase in transactions from their customers and this in turn provides an opportunity to generate additional fee revenue. Looking at the situation from the perspective of the region's central banks, we can see that improved automation of domestic and cross-border payments brings greater transparency to money flows and a reduction in the cash economy, facilitating improved governance and oversight.

Additionally, governments are encouraging the retail banks to extend the banking habit through the provision of convenient and accessible banking services. In this regard, m-Commerce has a particularly important role to play, recognising that mobile phone penetration is typically at near 100% in most countries.

**CardsNow! : There is a distinct demographic variation from country to country in Latin America. Briefly explain to us this variation and how it defines the banking technology adoption habits in the region.**

**Jorge :** Well, there is some difference in demographic patterns from country to country, but it is really not that significant. The only country that is distinct from others is Brazil. Here, the banking industry has been at the forefront of offering e-Payments and hence, the population is quite accustomed to using more automated payment methods. In many ways, the region's banking communities look to Brazil as a leader in the provision of modern payment systems.

**CardsNow! : With your presence in Latin America stretching a few years now, what are some of your more successful achievements here worth mentioning?**

**Jorge :** We recently opened a sales office in Mexico City and are creating an operational support team in Panama City. One of our more notable wins is Telered in Panama. Telered is the national switch for Panama serving all 38 of the country's banks. We are implementing SmartVista to replace an outdated system, after which Telered will be able to offer a range of new services to its clients as well as benefitting from significantly lower operational costs.

We are actively signing distribution agreements and have recently concluded contracts with DTS Consulting and Adexus. In combination, these agreements will give us the reach in all the key markets in Latin America.

**CardsNow! : EMV migration is currently being rolled out too in Latin America, thus a huge shift from the existing infrastructure to EMV. What is BPC currently doing to tap this potential market?**

**Jorge :** EMV migration represents a major strategic shift in the payment infrastructure and as such, requires a high degree of collaboration between the individual country's banks. Brazil is already well advanced in its migration and other markets are in the active planning phase. We have an extensive experience with EMV migration around the world, and many of our clients have received EMV certification with our support. SmartVista has fully integrated EMV capabilities and represents an optimal solution for any bank or group of banks to take as part of their migration plans. With our practical knowledge, we represent an expert resource to provide guidance to the region's banks on the complexities of EMV migration and certification. We are looking forward to playing our part in this major undertaking across Latin America. 