



ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

BUNA NEWSLETTER

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In this issue

01	Message from the CEO	1
02	Behind the Scenes	3
03	Highlights	5
04	Announcements & Events	6
05	Workshops	9

Message from the CEO

Dear Community and Friends,



As we enter the third quarter of this year, allow me a moment to share our journey to date and express our vision for a payment landscape that is more interlinked and more cooperative.

Despite having been qualified as regional payment system at its inception, Buna always had a global mindset.

That was driven by the conviction that a better functioning payment ecosystem in the Arab region can only be stronger and achieve higher objective if it is also well connected to the rest of the globe. Realizing such a connection depends on real mutual recognition and making it effective requires deep collaboration.

The recognition of the importance of global connections has always been an inherent part of the Buna vision since its inception. While one of our key objectives is to promote the use of Arab currencies in cross-border transactions, we always worked on the assumption that the inclusion of the key international currencies in Buna is a necessity. Today, we can be proud of being one of the very few payment systems around the globe that has achieved the inclusion of six currencies, including two international currencies such as the euro and the US dollar. All of them are now being used by our participants to process their payments through Buna, and different central banks from inside and outside the Arab region are currently discussing with us the inclusion of their currency in Buna in a near future.

The recognition of the importance of being globally connected has also led us to promote the usage of standards, adopt international best practices and give a critical importance to regulatory compliance. In this area as well, Buna took a leading and innovative position by being one of the very first payment systems to embed a financial crime compliance framework at the heart of its construction in terms of dedicated teams, comprehensive processes and controls, and full suite of technological equipment.



Message from the CEO

But I said that the recognition must be mutual... The strong choices that I mentioned above and the progress we made in delivering the full promise of BUNA, thanks to the support of the central banks and the trust of our participants, are getting us there! Our recent participation in Sibos, a major international event for the payment industry and financial community, which took place thousands of miles away from our region, showcased BUNA's relevance and significance on the world finance stage. BUNA was a common theme in multiple sessions and in many bilateral discussions, even when they did not involve the BUNA representatives at the event. The same is also visible through our involvement in the G20 work to enhance cross-border payments, where BUNA is sharing its experience and contributing to many segments of this global work.

More is required. At BUNA, we believe in the power of collaboration and collective action to address cross-border payments challenges. The momentum to tackle these challenges is gaining traction worldwide, and BUNA is recognized as a good benchmark for what it has achieved so far and a trusted partner to deliver even more.

Ultimately, our objective is to promote a thriving financial ecosystem that serves Arab economies and gives them better position in the global economy. We are confident that with the continued support of our community, we will navigate this journey to create a world where financial transactions are seamless, and borders are not barriers but bridges to opportunities.

Mehdi Manaa

Behind the Scenes

Behind the Scenes: Safeguarding BUNA's Payment System

Mohamed Farag, our colleague from the Transactions Monitoring team at BUNA, takes us behind the scenes to show us how BUNA shapes its compliance landscape and ensures the safety of its system.



Transaction Monitoring Role - Defined

In brief, transaction monitoring is the process of analyzing payments information to prevent suspicious and fraudulent transactions and maintain the safety and integrity of our payment system. It involves different type of actions that require multiple skills. *“At BUNA, just as elsewhere, transaction monitoring includes data collection, analysis, investigation, communication, decision-making, and reporting. Our work is crucial to safeguard BUNA against financial crimes and ensuring the ecosystem’s integrity.”*

A Day in the Life of BUNA’s Transaction Monitoring

Each day in Mohamed’s role consists in a thorough review of all the alerts and potential hits. He and the team identify any suspicious or potentially fraudulent transactions. *“We collaborate closely to share insights and findings, ensuring a comprehensive understanding of the risk situation.”* Mohamed says.

“Throughout the day, we monitor transactions, applying advanced analytics to detect anomalies and patterns that may indicate illicit activities.”

The interaction with participants plays a pivotal role. *“We maintain engagement with the participants’ compliance team to ensure that all parties align with the highest compliance standards. Our commitment to vigilance extends to proactive communication.”* Mohamed and his colleagues are readily available to communicate with BUNA’s participants whenever necessary, *“this includes addressing any doubts or queries related to specific transaction, ensuring transparency and smooth resolution of any ongoing investigations.”*

In three words, Mohamed describes his role as one that *“demands attention to detail, critical thinking, and a commitment to upholding the highest standards of compliance.”*

Adapting to Changes and Challenges

One of the main challenges that stems almost daily in the process is the ability to distinguish between false positives and real issues. To help overcoming this challenge, Mohamed and the team *“employ several strategies which include fine-tuning matching algorithms, utilizing advanced screening tools, adopting a risk-based approach, updating watchlists regularly and ensuring its quality, employing machine learning models, refining alert thresholds, performing scenario-based testing, implementing noise reduction measures, establishing a systematic investigative workflow and providing regular trainings.”*



Behind the Scenes

Another key challenge in combatting financial crimes is finding the right balance between acting as an authority and acting as a partner, *“On the one hand, fostering collaboration with our participants is essential to build trust and maintain an environment of collaboration to combat financial crime, but on the other hand, it is important to assert authority when necessary to ensure compliance with the highest international standards that we took as basis for establishing the Buna rules. Striking the right balance ensures effective financial crime prevention and enforcement.”* In summary, when it comes to navigating challenges, **Mohamed** emphasizes the importance of thorough assessment and information gathering. *“Prioritizing tasks, setting clear objectives, and maintaining open and transparent communication channels with all involved parties are very crucial steps.”*

Staying Ahead in the Evolving Landscape of Transaction Monitoring

Not only does the role require extensive teamwork, but to **Mohamed**, *“staying ahead of the curve is a top priority in today’s fast-evolving world”*, and it is only achieved through *“fostering a culture of continuous learning and development,” one that is “supplemented by active engagement in industry forums and working groups.”* He notes, *“innovation is an intrinsic part of the transaction monitoring role, contributing to Buna’s culture of forward-thinking.”*

Mohamed and the team employ several strategies to ensure that Buna remains at the forefront of transaction monitoring.

Buna’s technology infrastructure is designed to be agile and adaptable, and **Mohamed** shares that *“this flexibility ensures that we can swiftly respond to emerging challenges.”* Regular assessments also further evaluate the effectiveness of their transaction monitoring systems.

Future Outlook and Aspirations

Looking ahead **Mohamed** states his excitement about the opportunity to contribute to the development and implementation of strategies for compliant and efficient expansion; *“Buna’s plans for expanding into new markets and regions present a great opportunity and a good challenge to which we are preparing actively.”*

If given the chance to switch roles for a day, **Mohamed** would choose to step into the shoes of his colleagues from the technology or innovation teams. The reason being *“gaining first-hand experience and insights into how technology and innovation drive the organization’s strategic direction.”* He further explains that understanding the integration of technology and innovation in the financial industry and observing how solutions are developed to meet evolving needs are what drive this choice.

Advice for Ambitious Professionals

Lastly, and to anyone looking to join a career in transaction monitoring, **Mohamed** recommends *“continuous learning, staying informed, and developing essential skills such as analytical abilities, attention to detail, effective communication, to name a few.”*



He emphasizes the need to “*focus on a risk-based approach, building resilience, and strategic planning.*” Mohamed advocates a career in compliance and transaction monitoring because “*working in this field directly contributes to safeguarding the financial system from illicit activities, making it a cornerstone of the industry's stability and trustworthiness.*”

Moreover, compliance and transaction monitoring roles often provide a platform for career growth, professional development, and the chance to make a meaningful impact.

Mohamed Farag's journey at Buna is summed up by the dedication, innovation, and a commitment to upholding compliance standards.

Highlights

In the first half of 2023, the number of live participants has increased by **23%**.

Q3 has seen **6 times** more transactions than in Q2.

100% of all incidents encountered were successfully resolved within SLA in the past quarter and without any impact on participant payment, underscoring the resilience of Buna's payment solution.

Cybersecurity was enhanced and the support model augmented to ensure **24/7** monitoring.

The benefits include:

- *Enhanced scalability to handle increased transaction volumes and user loads*
- *Ensure continuous service availability*

Throughout the quarter, Buna experienced no disruptions impacting its network connectivity, achieving more than **99%** availability across all technology domains.



Announcements

We Invite you to consult our new brochures, enhancing our available resources. These brochures cover important topics such as Buna Overview, PvP, Leg In/Out, and Compliance, providing valuable insights into our offerings and operations. You can download them all [here](#).

Payment as it should be!

Overview

Buna is a Central Banks initiative, with a main objective of enhancing cross-border payments, in addition to several other developmental and regional integration objectives.

Sponsor: Council of Arab Central Banks and Monetary Authorities Governors

Shareholder: Arab Monetary Fund

System Operator: Arab Regional Payments Clearing and Settlement Organisation (ARPCSO)

Buna Payment System

Empower Arab Economies | **Promote Regional Convergence** | **Facilitate Financial Inclusion**

Enhance Cross-Border Payments | **Strengthen Regional Integration** | **Intensify Trade Relationships with Global Partners**

Payment as it should be!

Buna's Payment vs Payment (FX Service)

Buna is now transforming the way FX transactions can be conducted. Buna's Payment versus Payment (PvP) mechanism provides a secure and accessible marketplace for FX transactions, offering direct communication and settlement between participants. It provides safe, efficient, real-time settlement, optimizing liquidity and creating new business opportunities for participants.

Participant Bank ↔ **FX Conversion (PvP)** ↔ **Participant FX Provider**

Cross-Border FX | **Multi-Currency Support** | **Real-Time Settlement** | **Simultaneous & Final**

Payment as it should be!

Buna's Leg In/Out Scheme

Buna's Leg In/Out Scheme is designed to allow processing one leg of the payment through Buna while the other leg is either initiated or received in another eligible network. This comes in addition to the already existing capability of Buna to process payments within its networks of payment systems.

1 Model | Intra Buna System

- Both counterparties are participants
- End-to-end transaction visibility
- Example: Current participant banks

2 Model | Interoperability with Payment Systems

- Interlink Buna with other payment systems
- End-to-end transaction visibility
- Example: Partnerships with NPCI, Raast, JORMCC

3 Model | Leg-in / Leg-Out Scheme

- Participants can link their approved institutions
- End-to-end transaction visibility
- Example: Global / Regional Banking Groups

Payment as it should be!

Buna's Compliance Program

Buna has established an effective compliance program based on three key pillars to promote the safety and efficiency of its operations and to ensure sufficient controls and measures are implemented.

Financial Crimes Compliance Program

- Governance, Roles and Responsibilities**
 - Buna Governance Model
 - Participants Roles and Responsibilities
 - Buna's Role and Responsibilities
- Participants Onboarding Due Diligence**
 - Eligibility Criteria
 - Participants Due Diligence
 - KYC Checks
- Controls and Processes**
 - Completeness Check
 - Pre-payment Check
 - Post-payment Check



Events

Buna participated in Sibos Toronto this year and highlighted how Buna is contributing to the G20 roadmap to enhance cross-border payments. Two Buna delegates, Mehdi Manaa, Chief Executive Officer (CEO), and Faisal Al Hijawi, Chief Strategy and Development Officer (CSDO), took part in interviews and panels throughout the event. Watch Buna's CEO in a short interview [here](#), and catch an extract of Buna's CSDO during a panel discussion [here](#).



Events

Buna's Chief Business Services Officer, Ahmed Al Hefnawy, participated as a speaker at the Leaders in Payments Conference event setup by MEA Finance.



Buna's Chief Strategy and Development Officer, Faisal Al Hijawi, participated as a panelist in the G20 workshop in Gandhinagar, India.



Let's connect. Follow us on [LinkedIn](#) to stay up to date on our latest news and events, or visit our website at buna.co.



Workshops

Buna held its 43rd workshop to demonstrate the relevance of sustainability and ESG policies for Financial Market Infrastructures and how Buna responds to these challenges. Buna also held its 44th workshop highlighting the G20 efforts to enhancing cross-border payments and how Buna is collaborating in current taskforces.

Our guest speakers during the workshops included:

- Francesco Di Salvo – Senior Financial Sector Specialist- The World Bank
- Jenny Hancock – Member of Secretariat – BIS Committee on Payments and Market Infrastructures
- Fernando Pacheco - Senior Vice President, Head of Cash Management Products , Global Transaction Banking, Mashreq Bank
- Ahmed Al-Bensaleh - Head of Product Management and Saudi FinTech, Global Liquidity & Cash Management, Saudi Awwal Bank

Buna speakers during the workshops included:

- Soufiane Omrana - Senior Compliance Officer
- Sada El Hayek - Senior Risk Officer
- Samer Zeitouny - Business Services Specialist

Access all our workshop material [here](#).



Don't miss our 45th workshop on November 30th, 2023, at 12P.M. UAE time.

More details on the agenda to follow.



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