

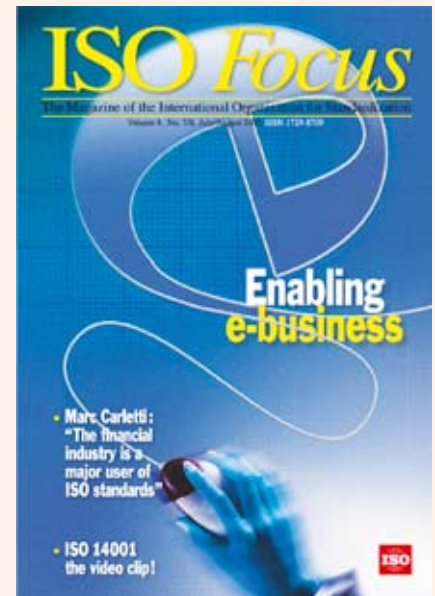
## Enabling e-business

(July-August 2007)

E-business has generated a commercial and financial revolution. Institutions and customers increasingly rely on the speed, efficiency, comfort and cost reduction provided by technology. The July/August 2007 *ISO Focus* examines the role of standardization in e-business, as it provides the vital framework for e-commerce, and in particular as it applies to the financial services industry.

The issue highlights ISO's work on financial services in commerce, industry and administration. It looks at issues such as the migration of paper-based systems to an electronic environment, protection of personal financial information, risk analysis and harmonization of global message standards.

In addition, **Marc Carletti**, CEO of Telekurs Financial, highlights the company's commitment to standards development and the benefits of International Standards that truly serve the needs of the global market. "The financial industry is a major user of ISO standards. Who could imagine today's financial community functioning without using International Securities Identifying Numbers (ISINs)?"



## Marc Carletti



**M**arc Carletti, CEO Telekurs Financial Information Ltd and Member of the Telekurs Group Executive Committee, joined Telekurs Group at the beginning of this year. On 1 May 2007, he took over management of Telekurs Financial Information Ltd. and concurrently the position as Member of the Telekurs Group Executive Committee.

Previously, Marc Carletti was active for around 20 years in various management functions at Reuters, most recently since 2004 as Managing Director of

**“The financial industry is a major user of ISO standards.”**

Reuters France and President of Reuters Financial Software. He worked from 2001 to 2004 as Managing Director for Switzerland and Austria in Zurich, from 1991 to 2001 in management functions for various Reuter’s national branches in Europe and Latin America, and as Sales Manager in Zurich/Geneva from 1987 to 1990.

**ISO Focus:** How important is e-business to an international financial information service company like Telekurs Financial? How much of your business is e-business?

**Marc Carletti:** All our interactions with our customers are e-business based in one way or another. Our Valordata Feed (VDF), for example, uses the EDIFACT<sup>1</sup> syntax used for electronic data interchange for administration, commerce, and transport. The VDF is a database which delivers reference data and corporate actions in a structured, encoded form, as well as valuation prices for over 3 million financial instruments.

VDF supports over 50 message types and around 1 500 data fields, so it delivers an extraordinary depth of data.

Events can be traced back up to 10 years. VDF also provides a basis for straight through processing and is available as a global product.

Many of our products are Internet-based. Our customers also use the financial information Telekurs Financial disseminates on their own Internet platforms.

**ISO Focus:** *ISO's technical committee on financial services has defined over 50 standards related to financial management. These include PIN codes, IBAN numbers, codes for securities and related financial services (ISIN), codes for exchanges and market identification (MIC, CFI code) and certificate management for financial services. How do these standards add value for Telekurs Financial and more generally for your industry? How have they influenced the harmonization of worldwide financial messaging and e-business?*

**Marc Carletti:** All financial information management standards have helped us to structure our data better, and they are used intensively. Of course, only some of 50 plus standards you mentioned are relevant to us as a financial information provider. But those which are applicable certainly play a key role in the financial industry. Who could imagine today's financial community functioning without using International Securities Identifying Numbers (ISINs)?

Or think of the widely adopted ISO 15022, which defines a uniform format for message types and data fields. That

<sup>1</sup> **UN/EDIFACT** is the United Nations/ Electronic Data Interchange For Administration, Commerce, and Transport. The work of maintenance and further development of this standard is done through **UN/CEFACT**, the United Nations Centre for Trade Facilitation and Electronic Business under the UN Economic Commission for Europe, in the Finance Domain working group **UN CEFACT TBG5**. EDIFACT has been adopted by ISO as ISO 9735. The standard provides a set of syntax rules to structure data, an interactive exchange protocol (I-EDI) and provides standard messages allowing multi-country and multi-industry exchange.

standard can be used as an additional corporate actions delivery format for a subset of our Valordata Feed.

ISO 15022 supports automated mapping and matching of data from different data sources, be they financial information providers, custodians, in-house systems or others. It also helps achieve improved operational efficiency and risk management in corporate action processing and position management.

ISINs and ISO 15022 are just two examples which illustrate the importance of standards. Our industry is characterized by a high level of automation and high data volumes, for both customers and suppliers. Using technical and data standards facilitates the exchange and the processing of data substantially.

**ISO Focus:** *Telekurs Financial holds the Chair and Secretariat for one of ISO's subcommittees on financial services and has people participating in standards committees around the world. What are the benefits of participating in the ISO standards-making process?*

**Marc Carletti:** Our involvement is for the benefit of the industry as a whole. Standards, by definition, are designed to be used by large communities, if not by all entities worldwide.

Being an essential part of the infrastructure for the Swiss financial system, we are very well positioned to contribute to the standards development process on behalf of the financial community.

As an international company offering its services on a global basis, being in the vanguard of cross-border standardization enables us to understand and serve the international markets better.

**Pierre-Alain Betz (left)** from the Geneva office explaining Telekurs financial products.



**Armando Foiadelli (right)**, Customer Services and Products Operations, in discussion at the Convention Point of the Swiss Exchange (SWX).

Bringing our expertise into the ISO working groups and collaborating with other experts helps us to achieve this goal.

**ISO Focus:** *In addition to International Standards for e-business, ISO is the source of some 16500 International Standards for business, government, and society. How important are these "other" standards to Telekurs Financial? What new International Standards would you welcome?*

**Marc Carletti:** Besides Telekurs Financial, all the other companies in Telekurs Group apply many ISO standards which are essential to their activities in card-based payment transactions and electronic payment systems.

As I said earlier, the financial industry is a major user of ISO standards. The financial industry is bound to evolve rapidly and this requires efforts from every market participant to keep pace with the numerous changes taking place.

Changes triggered by new regulation are but one example. As current experience in Europe shows, regulators



Telekurs Headquarters in Zurich, Switzerland.

may emphasize the necessity of using existing standards or call for the development of new ones.

Which new standards need to be developed and how existing standards need to be adapted to changing environments will become clear as the industry evolves.

**“International standards can simplify the development of interfaces, streamline processes and improve quality.”**

*ISO Focus: What direction do you see e-business taking in the future? Could International Standards contribute to its growth? What additional ISO standards would be needed to increase consumer confidence in the e-business infrastructure?*

**Marc Carletti:** The industry will welcome any standard contributing to more efficiency, lower costs and better risk management. International Standards can simplify the development of interfaces, streamline processes and improve quality.

I think the category of standards which will be most important in furthering confidence in the e-business infrastructure are those relating to the reliability and the security of IT systems. ■

## About Telekurs Financial Information Ltd

Telekurs Financial is a company of the Telekurs Group, which operates in the fields of card-based payment transactions, electronic payment systems and international financial information.

Telekurs Group is owned by all major Swiss banks. In 2006, Telekurs Group employed over 1 700 staff worldwide and achieved revenues of around 700 million Swiss francs, 35 % of which was contributed by Telekurs Financial.

Telekurs Financial specializes in the procurement, processing and distribution of international financial information. The com-

pany services various segments and institutions of the financial industry from investment and retail banks to insurance and media companies, from advisory services to financial analysis and securities administration.

Telekurs Financial is a founding member of the Association of National Numbering Agencies (ANNA) and also acts as the official numbering agency for Switzerland and the Principality of Liechtenstein.

Ever since it was founded in 1930, Telekurs Financial has supplied the financial services industry with financial information. It has over 40 years' experience in the online data business. Today, Telekurs Financial is represented in 16 countries with 20 offices in all major financial centres.