

# ACROSS THE BOW

VOLUME 8

**Welcome to the 8<sup>th</sup> issue of Across the Bow. 2011 continues to be a challenging year for the financial services industry however it is clear that many companies are showing that they can thrive in this environment. And an essential ingredient for any company to prosper and expand or compete and survive is to ensure that you are operationally efficient.**

We have a number of enduring client relationships which demonstrate the value of our private banking and wealth management software in helping clients to meet these goals.

I am pleased to introduce a new section to our regular newsletter. IPBS has been invited to share its experience from building and implementing many private banking and wealth management solutions by contributing a regular column to the EU Bankers website. Each newsletter will feature a summary of the columns that have been written along with a cross section of our news, customer wins and guest articles.

## Spotlight on Turks and Caicos

The Turks and Caicos Islands are a British territory in the Caribbean situated within easy reach of Florida (Miami is less than 90 minutes flying time away), the Bahamas and the Dominican Republic.

The Islands are actually made of up eight inhabited islands and more than 30 more that are not inhabited. There is a stable political environment in the Turks and Caicos and it enjoys one of the lowest crime rates in the region. A predominantly English speaking population uses the US Dollar as its official currency.

The legal system is based on the British common law and the islands have a favourable disposition towards encouraging the development of its offshore financial industry.

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For example one of the attractions for new businesses to make a base in the Turks and Caicos, is that under the Exempt Companies legislation, they do not need to pay tax for 20 years after incorporation. This is one of the major reasons there are more than 20,000 offshore businesses in the banking, insurance and trust management sectors alone!

Whilst today there are no direct taxes on individuals and businesses, or a general sales tax, there are plans to introduce a value added tax in 2013. This will require companies to adapt their IT and back office systems to calculate and account for this tax. IPBS is well versed in helping companies to cope with the introduction of new tax legislation. Additionally we understand the business environment having supported private banking and wealth management clients on these Islands for over a decade.

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## Industry articles on wealth management

IPBS has been invited to write a regular column for the EU Bankers website. Drawing upon more than 25 years of experience in this industry and knowledge gained from designing and implementing proven technology solutions, the articles will look at all aspects of wealth management systems.

The first article examined what is often considered to be the most important factor to consider when selecting a wealth management system - integration or more specifically a functionally integrated system. This is where companies use a single system to manage all lines of business.

It may be surprising but there are still many wealth managers that operate a number of disparate systems when it comes to servicing the customer. This problem is getting worse despite the technological advances made in the last decade.

There is a perception that a single integrated system might be expensive but this is not necessarily true, particularly if the wealth management system in question is modular in nature. You simply pay for those areas of business functionality that you need as and when you need them.

When you consider that a functionally integrated system can give you extensibility, operational flexibility and a cost-effective future proof upgrade path, you can see why this is the most important factor when choosing a wealth management system.

The second article looked at finding a suitable partner to work with as a wealth management system provides core infrastructure and support for your business. It is imperative that you look for an established supplier with a solid track record of successfully delivering wealth management solutions.

You should view your proposed supplier as a strategic partner – someone you can work with over a number of years to ensure that your current and future requirements will be met properly. This will enable you to differentiate between a vendor selling short term software solutions, from a partner, i.e. a company that will work closely with you to improve and automate critical business processes, and then support you over the long term.

Look to partner with a wealth management supplier that really 'speaks your language' on both a business and technical level. The right business skills are needed so that the supplier has a good understanding of the market challenges that you face, and technical skills to ensure the software can be tailored to meet your precise requirements.

To read these articles, please visit [www.eubankers.net](http://www.eubankers.net) (note: registration required).

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## Customer Update: Cainvest

I am delighted to bring you news of one of our most recent client implementations. Cainvest International Bank, formerly Sul America International Bank (Cayman), a Cayman Islands-based private banking institution will be deploying the IPBS system under a hosted model. Institutions that deploy the IPBS private banking and wealth management system under our hosted model benefit from lower implementation costs and faster time to market for new services.

Cainvest wanted to improve its customer service by implementing a modern private banking technology platform. It is in the process of implementing the IPBS/Business Manager, IPBS/Banking and IPBS/Investments modules. IPBS/eBanking will also enable the bank's clients to securely and efficiently access their investment portfolios and accounts online as well as place various transaction orders with the back office.

Charles Aboulafia, Head of Investment Products & Services at Cainvest International Bank said, "I was very impressed with the expertise and professionalism of the IPBS team. Our due diligence highlighted that IPBS provides their clients with a responsive, high quality service and the IPBS software would provide us with a flexible, cost effective and above all proven private banking platform. Thanks to the hosted nature of the solution we will experience a short implementation timeframe. I expect to go live in less than four months and anticipate that this will be the start of a productive long term working relationship with IPBS."

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## The Growth of Mobile Payments

Our guest writer, Steve Craggs of Analyst firm Lustratus takes a look at an emerging trend in the banking industry.

Banks have a lot to worry about at the moment, with the continuing instability in the broader financial marketplace, but while the focus is on coping with the turmoil, the growth of Mobile Payments has gone almost unnoticed.

Mobile Payments came from humble beginnings. Mobile Network Operators (MNOs) quickly realized that their subscribers were interested in passing airtime to other family members, particularly in emerging countries where the bread-winner can often be working a long way from home, even in another country. Families at home with little spare cash want to keep in touch, and the ability for the salary earner to buy airtime minutes and pass them back home is the ideal solution.

However, this mechanism opened up a number of key new opportunities for consumers. Previously, remote workers had little alternative to sending funds home to the family through the post since many emerging country users were unbanked, but this airtime transfer capability immediately offered itself up to two extensions; find a way for the family to use airtime minutes to exchange for goods, or to transform the airtime minutes into cash.

Then, instead of sending cash in an envelope, and having to worry about currencies and exchange rates, the worker could simply buy airtime minutes locally and transfer them back home for whatever the family needed.

Over the last year or so, mobile payments have exploded. Instead of talking about airtime minutes, MNOs now offer m-Wallet services where money is transferred from one subscriber's m-Wallet to another. The recipient can utilize m-Wallet funds in two ways; use them to buy goods from suppliers that support m-Wallet transactions, or go to the local MNO agent and cash the m-Wallet funds in.

M-wallet trading services have sprung up such as M-PESA in Africa and GCASH in the Philippines, providing an easy mechanism to buy goods, pay for taxis and so on. MNOs also offer cash-in services through agents, providing basic banking services at a stroke in emerging countries without the need for an expensive banking infrastructure. In India, for example, there are around 80,000 banks but 200,000 Nokia agents spread across the whole country. However this mobile payments phenomenon is not limited to emerging countries – for example, Ericsson has recently announced a mobile payments service for Europe.

Some banks have realized something big is stirring, and have jumped in to get a slice of the action. One example is Union Bank's tie-up with Nokia in Africa, where mobile payments services are provided combined with other micro-banking services. But be under no illusions – mobile payments are

here to stay, and threaten to cause significant disruption to future banking payments revenues.

To read more articles from Steve Craggs, visit [www.lustratusresearch.com](http://www.lustratusresearch.com).

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## Industry events

IPBS met with many valued business contacts at the Annual STEP Caribbean Conference. We also enjoyed meeting new people in our industry who were keen to learn about our private banking and wealth management solutions. If you missed out on catching up with us at STEP 2011 reply to this email or give me a call on (242) 394 6420 and I'd be happy to arrange a convenient time for us to meet.

The organisers of the STEP events are constantly looking for business leaders to speak at their events. If you would like to be added to the STEP speaker database then please let me know and I would be delighted to forward you details of the application process.

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## IPBS in the news

In addition to the articles on EU Bankers, you may have seen IPBS and our clients featured in various online and print publications such as Bobsguide, Finextra and IT Director. The project to implement a private banking and wealth management system at Cainvest was also profiled in International Business Systems (IBS) and you can read the story [here](#).

We continue to get positive feedback on each newsletter but if there is something that you would like to discuss, or you have a topic that you think should be covered in a future issue please email me at [bruce@ipbs.com](mailto:bruce@ipbs.com) and you will receive a personal reply.

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Regards,



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