



BIC Bank Laos

Powers Seamless Cross-Border payments for its Clients



Challenges

While the Lao Kip serves as the primary official currency, transactions are conducted within a multi-currency environment where both the US Dollar and Thai Baht are widely accepted in retail and corporate transactions. Consequently, BIC Bank Laos capitalises on its correspondent banking relationships to facilitate international remittances in USD or other currencies globally. This reliance has introduced limitations and constraints within their cross-border payment solutions.

- **Lack of visibility:** Intricate routing across various banks makes it difficult to predict costs, track payments, and estimate turnaround times.
- **Liquidity Management:** The fragmentation of accounts and limited visibility posed challenges in optimising liquidity.
- **Unpredictability:** Lack of clarity in the final amount received by the beneficiary, timing, or funds delivery at origination.
- **Turnaround time:** Cross-border transactions typically took between three and five business days.*
- **Fees:** Additional costs were incurred at each step of the payment transfer process due to charges from correspondent banks and third-party services.

The challenges faced highlighted the necessity for BIC Bank Laos to adopt a more streamlined payment solution to enhance the bank's cross-border transactions and elevate the remittance experience of their customers.

*Accenture research, estimates, and analysis based on Juniper Research market sizing, Banking Circle; Glenbrook-Earthport, McKinsey; and SWIFT data.

OBJECTIVES



Enhance visibility and predictability in cross-border transactions



Optimise liquidity management in an environment of account fragmentation



Reduce turnaround time for cross-border transactions



Minimise costs associated with fees from correspondent banks

“Our partnership with Bottomline has enabled us to offer our customers the most innovative and technologically advanced payment solutions available. This includes the ability to send fast and efficient cross-border payments, without the need for an intermediary bank. We are proud to be the first bank in Laos to implement Visa B2B Connect, which has revolutionised the way businesses make cross-border payments.”

– Felix D. Francis, General Manager, Banking Operations

The Outcome

The key to resolving their cross-border payment issues was to establish direct connections with correspondent banks worldwide through an API solution. Visa B2B Connect technology, built on Visa's capabilities, offered the potential for direct settlements of high-value transactions between banks. However, this integration would require a meaningful investment of time and resources from BIC Bank Laos.

To overcome this hurdle, the bank chose Bottomline's Universal Aggregator IQ, a cloud-native, API-based connectivity solution. This would enable them to easily connect to Visa B2B Connect, thereby simplifying the complex and time-consuming challenges typically associated with direct integration.

Through Bottomline's Universal Aggregator IQ, BIC Bank Laos was able to gain access to multiple payment networks, including Visa B2B Connect, along with value-added services. This strategic move was designed to streamline and accelerate the process, relative to what would be needed for a direct integration.

BENEFITS



Utilise multiple payment networks through a single connection with Universal Aggregator IQ



Achieve speed-to-market integration of Visa B2B Connect through Bottomline's API



Deliver swift, secure, and transparent cross-border payments within a predictable timeframe



Ensure full value transfer to recipient banks, avoiding the costs of intermediary fees

“The implementation process was carried out flawlessly, with the Bottomline team collaborating closely with Visa to deliver the Visa B2B Connect solution. In addition, Bottomline also managed the Swift ISO 20022 compliance requirements. This alternative payment solution now allows our customers in Laos to remit globally in an efficient manner and with significant cost savings. The expertise, technical resources, and support provided by Bottomline have been instrumental in our success.”



Bottomline's successful implementation seamlessly integrated the Visa B2B Connect network into BIC Bank Laos' existing payment infrastructure, ensuring perfect alignment with its Swift operations and messaging system. This integration utilised Visa's innovative multilateral cross-border payments network using components of Distributed Ledger Technology (DLT) and a one-to-many connection to allow more predictable, cost-effective transactions delivered in full value to financial institutions with visibility to rich data and liquidity management.

- By leveraging Bottomline's expertise, BIC Bank Laos achieved unparalleled speed to market by becoming the first bank in Lao PDR to adopt the Visa B2B Connect network through Bottomline's Universal Aggregator IQ solution.
- This achievement has enabled BIC Bank Laos to provide its corporate clients with the ability to make fast and efficient cross-border payments directly to over 100+ approved countries within the same or next business day.
- Visa B2B Connect's one to many global access, peer to peer data rich messaging and global netting of payments ensured that each cross border payment routed through the network rails was delivered in full value on the same or next business day*

Driven by its core mission and vision, BIC Bank Laos embarked on this strategic implementation to become a pioneer in advanced solutions. With the support of Bottomline and Visa's network, BIC Bank Laos effectively guides its clients through the evolving financial landscape. This transformative initiative has significantly improved the efficiency of cross-border transactions, reducing processing times from several days to within 24 hours.

As a result, BIC Bank Laos is making significant strides towards achieving the G20 target set by the Financial Stability Board. This target requires banks to credit 75% of payments to end beneficiary accounts within one hour by 2027. This progress underscores BIC Bank Laos's commitment to innovation and positions it as a forward-thinking leader in the region, surpassing its peers in meeting these global standards.

*Visa B2B Connect benefits are applicable to in-network payments only. Payments to out-of-network banks are also available.

*G20 Roadmap for Enhancing Cross-border Payments: Consolidated Progress Report for 2023, Financial Stability Board.

Unlock the benefits of Visa B2B Connect via Bottomline's API Gateway. Reach out to us today to explore how we can help you connect.

Contact Us



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