



ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

BUNA NEWSLETTER

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Message from the CEO

Dear Buna Community and Friends,



As we have just closed 2023, the time is traditionally opportune to take stock of what has been achieved in the past year and elaborate on key results. In this newsletter however, I would like to focus on one aspect only, which is the trend of currencies adoption by our participants, as I see it focal to the changes that have supported the progress of Buna in 2023.

Starting first by the number of participants, as previously announced, we have currently 120 banks that have signed the Buna Participation Agreement out of which 105 are fully operational, and the remaining 15 are actively preparing to join them soon. Compared to last year, the number of participants that were fully operational was 71, which represent a growth of 48%. While we had hoped to achieve even more, we can only be proud by this year-after-year persistent and consistent increase that is now further reinforced by an even higher growth of 59% in the number of accounts opened by our participants, which has evolved from 206 last year to 328 now.

What is that telling us? As you may certainly know, the number of accounts in Buna reflects the number of currencies activated by each participant, as Buna operates based on closed circuits of currencies model and opens therefore a separate account in each currency that a participant wishes to use for its payments in Buna. In the early stages of Buna operations, participants tended to follow a conservative approach by opting for a few currencies only, generally the ones in which they had moderate activity and suboptimal solutions. This attitude has evolved rapidly in 2023 to reach now a totally different stand. In fact, the shift in the approach has been accelerating over the whole year to reach its maximum in the last quarter.



Message from the CEO

The conjunction of both, new participants going live with a large portfolio of currencies from the start and former participants deciding to expand their activities in Buna to additional currency, has resulted in more and more participants using all our six currencies (AED, EGP, SAR, JOD, USD and EUR) for their payments in Buna. Participants are realizing that Buna is well equipped to handle efficiently and securely not only the Arab currencies, but also the international ones. They are also more confident to use Buna, not only for currencies with limited activity but also for larger volumes and their most critical transactions, and they are finally discovering that even where they had already efficient solutions and channels in place, Buna can still offer a more efficient and flexible approach.

Buna's unique advantage as a single window solution, encompassing all use cases, multiple channels and currencies, has become increasingly apparent. The platform's flexibility not only meets the many current needs of our participants, but also prepares and adapts to their future ambitions with a continuously evolving service offering that we extended in 2023 to cover Instant Payment Settlement, a modern, safe and secure FX marketplace and a Leg In/Out scheme that will support, among other options, our ambitious interlinking initiatives and create new business opportunities to our participants.

I would like to express to all our stakeholders, including in particular the central banks and our participants, my thankfulness for their reiterated trust and support without which it would have been impossible to bring Buna to where it stands today. Our commitment is only increasing to make "Payment as it should be!", less costly, more efficient, safer and more accessible.

Wishing you all a successful, happy and peaceful 2024!

Mehdi Manaa

Buna Insights

Adopt, promote, harmonize: Buna's comprehensive approach to ISO 20022

By Samer Zeitouny - **Business Services Specialist, Buna**

In the rich and connected world of finance, standards play a central role and the rollout of the new messaging standard, ISO 20022, is equally important and equally challenging to the adoption of a new language, a language that is richer in content and more advanced in its syntax and which therefore opens new frontiers for the industry and promises greater efficiencies in the way all types of financial transactions are initiated and monitored.

As a new and innovative solution aiming at enhancing cross-border payments, Buna has seen since its inception a strong association between delivering its objectives and embracing ISO 20022. Based on that, we have developed a proactive and comprehensive approach towards ISO 20022 that I can summarize with 3 key words: adopt, promote and harmonize.



Regarding the adoption and although we knew that the industry was not ready yet at that time, we decided to build Buna natively in ISO 20022 since its launch in February 2020. However, in order not to create a barrier to entry and to facilitate smooth transition from ISO 15022 for our participants, we equipped our real-time service (RTGS) with a translator that allows our participants to send their transactions and receive relating information in ISO 15022, while Buna processes them in ISO 20022.

We have made a different choice for our instant payment service (IPS), as we felt that the full potential of instant payment, in terms of supported use cases, cannot be delivered without the richness of ISO 20022. Therefore, the only way for our participants to benefit from the IPS, is to also adopt ISO 20022.



Buna Insights

In line with this vision, promoting early adoption of ISO 20022 standards, before the globally fixed deadline of November 2025, is important for getting the most out of Buna's RTGS and IPS services. Accordingly, we have worked hand in hand with Swift to guide and support our participants, investigating best options and optimized plans for their adoption of ISO 20022. Anticipating the future, a vision is set for the standard to serve as the basis for technical alignment, operational efficiency, and innovation in the financial sector. However, the expected benefits of ISO 20022 cannot materialize if the adoption of the standard is not reinforced by the harmonization of the market practices relating to its usage. This is particularly relevant for cross-border payment, an area where inconsistent implementation of the standard among different jurisdictions could weigh down most of the expected benefits.

In this context, we have been very glad to engage under the umbrella of the Committee on Payments and Market Infrastructures (CPMI) of the Bank of International Settlement (BIS) alongside other financial

industry's representatives to define 12 harmonized data requirements for the use of ISO 20022 messages in cross-border payments. These requirements aim among other aspects at enhancing the operational efficiency and increasing the transparency and cover aspects such as using appropriate messages, adopting common time convention and characters sets, including a unique end-to-end reference and many more.

As we are convinced by the value of this work, in particular to support Buna's plans and interlinking initiatives with other payment systems, Buna is committed not only to meet all these requirements at the earliest possible occasion, and prior to end of 2027, but also to promote similar early adoption by all its partners in the interlinking initiatives. We are currently detailing our plans to achieve these goals and we hope that the entire financial industry will collaborate to achieve similar ambition.

Announcements



Buna is pleased to announce that H.E. Fahad M. Alturki, Ph.D. joined the Arab Monetary Fund “AMF” as the Director General Chairman of the Board of Executive Directors, also holding the position of the Chief Executive Chairman of the Board of Executive Directors of the Arab Trade Financing Program “ATFP” and Chairman of the Board of ARPCSO “BUNA”, in November 2023 succeeding H.E. Dr. Abdulrahman Al Hamidy.

Dr. Alturki has previously held several leadership positions, including Vice-President of the King Abdullah Petroleum Studies and Research Center (KAPSARC), the chief economist and head of research at Jadwa Investment Company in Riyadh, the chairperson of the Public Funds Board, a board member of the Jadwa REIT Al Haramain Fund and Jadwa REIT Saudi Fund, and a member of Jadwa’s executive management committee. Dr. Alturki was the chief economist at Barclays, Saudi Arabia, prior to that, Dr. Fahad was an economic specialist at the Saudi Arabian Monetary Authority, also worked as an economist at the Middle East and Central Asia Department of the International Monetary Fund.

Dr. Alturki also serves as a member of board of trustees of Riyadh Economic Forum and a member of several associations concerned in Economics, Finance, and Energy.

Dr. Alturki holds a B.A. in Business Administration from King Saud University in Saudi Arabia and Master’s and Ph.D. degrees in economics from the University of Oregon (Eugene, United States).

Announcements



Buna and Raast, Pakistan's Instant Payment System, signed on November 3, a Memorandum of Understanding (MoU) to establish a framework of cooperation between both systems.

The integration of Raast with Buna aims to facilitate cross-border remittances between the Arab region and Pakistan through formal channels. This initiative will benefit individuals as well as businesses not only through instant, safe and cost-effective cross border payments, but also by strengthening economic, financial, and investment ties between the Arab countries and Pakistan.

Read more about it [here](#).

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](#).

Events



Q4 was filled with noteworthy events:

- BUNA's Chief Technology Officer, Erol Kaya, attended GITEX GLOBAL, and received the Infrastructure Innovator of the Year award from VMware on behalf of BUNA.
- BUNA's Chief Executive Officer, Mehdi Manaa, showcased to a group of central banks BUNA's role in making cross-border payments work for economic and financial integration.
- BUNA's Chief Strategy and Development Officer, Faisal Al Hijawi, participated in a session on "Shaping cross-border payments scene in the Arab world and beyond" at the Swift and MEA Finance Magazine's Leader in Banking Technology summit.
- BUNA's Chief Strategy and Development Officer, Faisal Al Hijawi, showcased BUNA's success story during Bank Indonesia's International Flagship Seminar.
- BUNA's Chief Business Services Officer, Ahmed El Hefnawy, engaged in CMA Small Systems AB and JoPaCC's workshop to discuss the latest developments related to cross-border instant payments.



Workshops

In Q4, Buna held its 45th workshop on the current status of the G20 roadmap to enhance cross-border payments. It also held 2 specialized workshops - Buna's Gateway to Africa Workshop to showcase potential collaborations aimed at establishing an instant payment bridge between the Buna banking community and Africa, and Buna's Euro Real-time Payments Workshop.

Buna's 45th workshop guest speakers included:

- Kris Natoli – Member of Secretariat – Financial Stability Board
- David Brown – Member of Secretariat – Bank for International Settlements

Buna's Gateway to Africa workshop guest speakers included:

- Khalid Al Turki - Head of Financial Institutions - Arab National Bank
- Adil Lahbichi - Executive Director - Bank of Africa
- Mahmoud Fawzi - Head of Global Transaction Banking - Commercial International Bank
- Malek Ben Abid - Correspondent Banking - International Relations department - Société Tunisienne de Banque
- John Bosco Sebabi - Deputy CEO - PAPSS

Buna's Euro Real-time Payments workshop guest speaker:

- Suryanarayanan Rajgopal - Executive Director, Product Management - Europe - Correspondent Banking - Standard Chartered

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



Don't miss our 46th [workshop on January 18, 2023, at 12P.M. UAE time.](#)

More details on the agenda to follow.



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