

Case Study

AMP Financial Services New Zealand

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Geoff Dodds, Applications Development Manager, AMP Financial Services New Zealand



The customer

AMP Financial Services New Zealand (AMP) is a wealth management company that provides quality financial advice to its customers through a broad range of products including financial planning, investments and superannuation. With approximately 693,000 customers in New Zealand, AMP is New Zealand's largest provider of workplace savings schemes and is a default KiwiSaver provider.

The challenge

AMP NZ faced incoming regulations relating to the Global Anti-Money Laundering and Countering Financing of Terrorism Act (AML), which came into force in June 2013. This introduced a number of new obligations including mandatory customer due diligence, customer screening, transaction monitoring, employee vetting and the establishment of an AML Compliance Programme.

Meeting these obligations without impacting on the day-to-day operations of the business posed a significant challenge, because AMP depended on data from a varied number of financial product data sources.

"We had numerous systems running on multiple platforms, including Windows, AS400 and SQL server but none of them could communicate with each other," explains Geoff Dodds, Applications Development Manager, AMP. "However, with the advent of the AML, it became critical that we could extract the data, compile it and report to the government accordingly."

As an existing Fujitsu customer, AMP turned to it for advice. Fujitsu recommended designing a weekly extraction process that would harvest the data from each of the core systems, integrate it into a central database from which it could be reconfigured for reporting purposes.

"I've worked with Fujitsu in the past and know its employees are technically skilled and capable. Most recently, I involved it in developing our Java-based tax engine," adds Dodds. "That made Fujitsu the ideal partner for this project."

The customer

Country: New Zealand
Industry: Financial Services
Founded: 1854
Employees: 550
Website: www.amp.co.nz



The challenge

In order to meet upcoming government regulations, AMP needed to find a way to extract and compile data from a diverse and complex number of financial product databases.

The solution

AMP asked Fujitsu to design a Java-based reporting solution which would harvest data from each of the core systems and integrate it into a central database.

The benefit

- Project completed on time within a strict six month deadline, ensuring AMP was able to meet its regulatory obligations
- Fully automated system means the AMP IT team can concentrate on other tasks
- AMP was able to easily extend its existing technology framework to meet new FATCA regulations quickly and cost-effectively
- Solution pulls data once a week outside office hours, without disrupting day-to-day operations

Products and services

- Business Analysis, Technical Design, Java Development, Test Management and Execution Fujitsu Project and third party Vendor Management

The solution

Fujitsu and AMP began working on the project in late 2012, giving them just six months to meet the deadline. However, they soon found there were many unexpected complexities.

"There were a few hiccups along the way – pulling data from an ancient AS400, for example, proved more challenging than expected," says Dodds. "But thanks to the robust Java framework built by Fujitsu, we soon established a foolproof way of generating the necessary reports without interrupting the business."

The system avoids disrupting operations by performing one extract per week out of office hours. This is enabled by a Java-based reporting framework designed and coded by Fujitsu, which pulls information relating to insurance policies, retirement trusts and other financial instruments and collates the right data into an overall quarterly report. In order to ensure it could communicate effectively with all the different systems, Fujitsu also collaborated closely with multiple external vendors both in New Zealand and globally.

"One of the key deliverables was for Fujitsu to project manage the entire process, including working with other vendors such as Bravura, which supplies out Talisman application," continues Dodds. "It handled this collaboration effectively, ensuring we kept on track to meet the deadline."

The benefit

The primary benefit to AMP is clearly the ability to meet government mandated compliance regulations on time but there are a number of secondary bonuses. For example, the process is totally automated and requires no human intervention so it doesn't burden Dodds and his team.

However, there was one entirely unexpected benefit which came to light when additional regulations in the US were announced shortly after the Fujitsu solution went live. The Foreign Account Tax Compliance Act (FATCA) requires financial institutions outside the US to register and report to the Inland Revenue Service (IRS) on details of financial accounts held by US citizens.

"This represented a huge challenge for some financial organisations but we were able to extend the existing AML code and, within twelve weeks, meet the demands of the US IRS," comments Dodds. "We used the same project manager and developers who already knew the process so costs were reduced. Other companies had to spend millions to comply with FATCA but we brought it in for less than NZ\$200,000."

Conclusion

AMP now has a robust and cost-effective data extraction and compilation service that sits quietly in the background preparing reports for both the New Zealand and US governments. This single repository takes information from the different financial product databases and requires little follow up defect resolution or support to meet compliance.

"It's a standardised, automated reporting platform that gives us the information we need, when we need it," concludes Dodds. "Fujitsu has done an excellent job of bringing together a lot of moving parts, some of which were a bit rusty, to ensure we can meet our compliance obligations."

"I wouldn't hesitate to use Fujitsu in any area of the business. Its engineers are reliable, technically gifted and not afraid to challenge the status quo."

Geoff Dodds, Applications Development Manager, AMP Financial Services New Zealand

Contact

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