

**IFX Forum, Inc.  
FY2004 Report**



**The Interactive Financial Exchange Forum, Inc.**  
Powering a Large Scale Interoperable Framework for the Financial Industry

Dear Finance Professional,

Harmonizing the diverse requirements of the financial industry since 1997, the Interactive Financial eXchange (IFX) Forum has created—and continues to extend—remarkable and practical financial messaging capabilities! We continue to energize and fortify our core mission: to specify standards necessary for interoperable, interactive exchange of financial information. By continuing to focus on this primary mission, the IFX Forum is providing a way for members to shape and participate in the future of the financial community at large.

The goal of the IFX Forum is to create reusable messages supporting a wide variety of applications that enable interoperability between diverse environments. In April, 2004, Version 1.5 was ratified extending the ATM, POS, Business and Consumer Banking support provided by earlier releases. The latest version of the specification—1.6—incorporates the combined work effort between the IFX Forum, Open Applications Group Inc. (OAGI), Treasury Workstation Integration Standards Team (TWIST), and the Society for Worldwide Interbank Financial Telecommunication (SWIFT). This IST (International Standardization Team) Harmonisation effort was initiated in 2003 to converge on data requirements between standards by supporting a common payment kernel for use in electronic financial transactions.

Work on Version 2.0 is in progress and is designed to support Web Services standards and include changes flowing from the IST Harmonisation (ISTH) project.

To facilitate the ongoing implementation of this latest IFX specification, the Forum continues to develop implementation guidelines to assist the financial community and the vendors that support it. Messages are consistently structured and have defined rules on how they are to be processed to allow both the client and server to have pre-defined and consistent expectations. As technological developments proliferate, the IFX Forum offers, not only technical expertise, but also visionary analysis coupled with tangible solutions to increase company profits and expand business into the far corners of the world.

Maintaining an open dialogue is the IFX Forum's number one priority. The membership of the IFX Forum offers an open forum for communicating financial messaging ideas that serve the members of the industry and the community that it serves. Ultimately, the specification belongs to the public. IFX Forum members, comprised of financial services firms and technology providers, remain committed to maintaining a dynamic venue enabling future development and enhancements of the ever-evolving IFX specification.



Richard Urban  
President, IFX Forum

# Annual Highlights FY2004

## Year In Review

This year, the IFX Forum completed two releases of the specification: version 1.5, which builds on IFX's multi-channel capabilities to enable it to be used as a core technology for the EFT industry; and version 1.6, addresses the credit transfer payment initiation, status of the payment initiation, cancellation of the credit transfer payment initiation, and the status of the cancellation as defined through the IST Harmonisation initiative. The most recent release illustrates IFX Forum's commitment to support the ISTH core payment kernel in the IFX specification, continuing its track record of delivering extensible financial messaging standards that facilitate interoperability between organizations.

With the implementation of v1.6, IFX payment messages can include the payment kernel data in a form that can be passed directly to other systems unaltered. The key IFX characteristics of predictability, consistent structure and extensibility are maintained. This support allows most IFX users to provide all the data necessary for interoperability with the international standard while remaining consistent with the robust IFX object model. Trading partners who need to interoperate internationally can easily transform messages from domestic partners into the ISTH payment kernel.

Work continues on IFX Version 2.0, an adaptation of the IFX infrastructure to support Web Services standards.

The IFX Forum is open for worldwide participation, and was founded to develop a business message specification for the online exchange of financial data. The IFX Forum provides leadership, structure, and process for the development, promotion and adoption of the IFX specification. The IFX Forum also acts as a conduit for communication with other standards bodies.

Propelling widespread adoption of an online financial services specification, the IFX Forum provides a foundation upon which the financial services industry can utilize electronic delivery channels to rapidly deliver value added applications and financial services products to consumers.

The IFX Forum is made up of a consortium of leading financial services firms and technology providers from around the world. Membership to the IFX Forum is open to anyone interested in contributing to the development of open financial specifications. In the past year, the following companies have joined the IFX Forum:

- American Express
- Brixlogic
- CIBC
- GTECH Corporation
- JPMorgan Chase
- KAL
- Nomad Software Ltd.
- Nucleus Software

In September 2003, the Forum hired a Public Relations firm, Virtual Management, Inc. to assist with the writing and distribution of press releases on a monthly basis. Articles promoting the initiatives of the Forum have been printed in many industry trade magazines and many members have been contacted to provide perspective and opinion on emerging trends as a result of this experience.

### ***The IFX Forum Architecture Committee***

The Architecture Committee ensures that the family of IFX specifications is consistent, efficient and easy-to-implement. Working to coordinate the various industries affected by financial transactions, the Architecture Committee unites the myriad of requirements to provide one common solution between and among various industries interacting in the financial environment. More specifically, the Architecture Committee:

- Reviews new IFX Forum initiatives
- Provides coordination between the IFX Forum's Working Groups, which define business requirements
- Maintains the most current version of the IFX specification
- Ensures interoperability of new enhancements with the IFX specification
- Enables IFX specification implementation into new industries

### ***The IFX Forum Working Groups***

To further expedite efforts to develop the IFX specification, the Forum established Working Groups to develop parts of the specification document that apply to specific sectors of the industry. The Working Groups define the business requirements for the IFX specification and recommend processes for adoption and implementation. Work is actively being pursued by the following Working Groups:

#### ***ATM/POS***

The focus of the ATM/POS Working Group is to incorporate ATM/POS industry requirements into IFX specification. IFX is the defining standard for interoperability between ATM/POS terminals and authorizing systems. This year, the working group published the ATM/POS (Automated Teller Machine/Point of Service) Implementation Guide. The Guide, which includes relevant use-case scenarios, assists business and technical personnel in understanding how to use IFX to implement all or part of an ATM/POS solution. It further explains how to utilize the IFX business messages to communicate information between the parties participating in EFT services.

#### ***Business Banking***

The Business Banking Work Group (BBWG) has been a very active participant in the IST Harmonisation (ISTH) initiatives addressing the content of the XML Credit Transfer Payment Initiation and Status messages. These messages have been incorporated in IFX Release 1.6 under the Batch Payment and Batch Payment Status objects. An implementation guide is in the process of being published.

#### ***Branch Banking Services***

Formed in September, 2004, the Branch Banking Services Working Group (BBSWG) ensures that the IFX Business Message Specification (BMS) includes all the messages necessary to perform transactions through the bank branch and call center delivery channels. The BBSWG intends to do this by modifying existing IFX messages and message flows to support Branch Banking and Call Center transaction sets and functionality, as well as creating new messages that enable functionality not currently in the IFX BMS.

### ***Web Services***

The latest technology driver to arrive is Web services. Web services promise application-to-application communication. Ensuring this functionality is one of the key drivers for the Web Services Work Group and the future of the IFX specification.

The working group is actively moving forward with finalizing the Web Services Description (WSDL), XML Schemas, and Uniform Resource Identifiers (URIs) needed for a recommendation; completing reference implementations on three platforms; publishing an implementation guide; adding a new Web Page to the IFX Forum site and making available a reference server for testing of implementations.

Together, the Architecture Committee in concert with the Working Groups, support specification development for all components of the financial industry.

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