



MONGOLBANK  
CENTRAL BANK OF MONGOLIA



# Central Bank of Mongolia case study

## Goals

- to transform the Bank of Mongolia's entire payments infrastructure, enabling the bank to process larger transaction volumes
- to bring new products to market much quicker and increase the speed of integrations with commercial banks in Mongolia

## Outcomes

- successfully migrated all member banks to the new, reliable modern payments system within nine months
- increased the availability of services the Central Bank is able to provide and improved the overall quality of customer service
- introduced a variety of payment methods and new features via new national payment system

## Overview

As the Central Bank of Mongolia (BoM), its main objective is to ensure the stability of the national currency, financial markets and banking system in the country. However, when it became clear that its existing payments system was struggling to process increasing transaction volumes efficiently, BoM embarked on a national scale project to overhaul its infrastructure.

The bank needed a scalable, reliable and trusted solution that could service large volumes of transactions, as well as a vendor that could provide the support BoM required. It chose to migrate its entire payments infrastructure to Compass Plus Technologies solutions, due to the company's outstanding reputation in Mongolia – 80% of the country's banks run on Compass Plus Technologies software – as well as the flexibility of the solutions.

## Objectives

The Central Bank of Mongolia's main aim is to promote balanced and sustainable development of the national economy through maintaining the stability of money, financial markets and the banking system. To do this, it needed a payments system that could meet the current demands of the Mongolian market, as well as the ever-evolving needs of the market.

With its existing system struggling to meet current demands, BoM chose to embark on a project that would not only enhance system performance and meet increasing transaction volumes, but increase the availability of services the bank is able to provide its customer banks, improve the quality of customer service and speed up integration with commercial banks in Mongolia. In addition, the new system needed to support local rules already in place, including dispute management, checking acquiring fees and also processing cancellation fees for domestic transactions.



## Solution

Bank of Mongolia (BoM) chose to partner with Compass Plus Technologies for its national-scale transformation project, due to the company's outstanding reputation in the country, as well as its scalable, reliable and trusted software.

The major project saw BoM migrate its existing payments infrastructure to a new processing centre, built on Compass Plus Technologies solutions. With Compass Plus holding 80% of the market share in the country, the introduction of the new national payments system made it extremely efficient, and a much smoother process for the Bank of Mongolia to connect banks to the system.

This, in turn, enabled BoM to respond to market demands by launching new products and services to market much quicker than it previously could, improving the quality of customer service.

From project initiation to go-live, this large scale project was delivered ahead of schedule, in just nine months - all while navigating Covid-19 restrictions. As such, the majority of project was carried out remotely, which was achieved through excellent collaboration and communication between Compass Plus Technologies and BoM.

## Results

The project went live at the end of April 2021 after the final Mongolian bank was connected to the new system. Since going live, the Central Bank of Mongolia has:

- been able to increase the efficiency of its payments system and reduce operational costs – due to 80% of Mongolian banks using Compass Plus Technologies solutions
- introduced the provision of outsourcing services for small banks and micro-finance institutions in the country
- enabled member banks to support new features and requirements introduced by UnionPay, such as QR code transactions
- enhanced its management of settlement and fee calculations between member banks, and automated interaction with the country's real-time gross settlement system
- allowed member banks to set daily spend limits for transactions and the flexibility for each bank to make changes and control these limits themselves by integrating with RTGS system
- extended its dispute management functionality for local transactions

*"The successful launch of a new payment card system will ensure the reliability of a whole payment system infrastructure, thus will improve the confidence to the payment card network and boost the usage of various payment means,"* said Anar Enkhbold, Director of Payment Systems Department at the Central Bank of Mongolia.

*"This is a significant project for Compass Plus Technologies. With 80% of Mongolian banks already running on Compass Plus software, it is fantastic that the Central Bank of Mongolia has chosen to partner with us as part of its transformation project,"* said Denis Romanov, Senior Sales and Account Manager at Compass Plus.