SWIFT GPI: one year along the road, status update for Romanian community

Janssen Marianna, SWIFT Payments specialist EMEA

7th of November 2018, Bucharest

Current gpi adoption: status update

Unparalleled growth in adoption, traffic and corridors

Very large community

300~

including the 1st bank in Romania: Banca Transilvania

200+

countries covered

80+%

SWIFT cross-border payments represented

Millions live payments

85

banks live
35 top 50 banks

700+

country corridors

100+Mio

payments sent as gpi since go live - 500K payments/day

30+%

cross-border MT103 sent as gpi

Delivering real value

- Over 50% of SWIFT gpi payments are credited to end beneficiaries within 30 minutes
- More than 100 billion USD are being sent daily via gpi
- Banks are saving costs thanks to quicker investigations handling and a significantly reduced number of payment enquiries
- Positive reactions from corporates

85 banks are live, with more than 180 banks in the implementation phase

85

gpi banks live

Nordea Bank

Toronto–Dominion Bank

Royal Bank of Canada

Scotiabank

Canadian Imperial Bank of Commerce

Associated Foreign Exchange

Wells Fargo

BNY Mellon

Citi

JPMorgan Chase

Bank of America Merrill Lynch

Danske Bank

DNB Bank

SEB

ING

Barclays

ABN AMRO Bank

Rabobank

Ebury

Kapital Bank

Commerzbank

HSBC

BNP Paribas

INTL. FCStone

KBC Bank

Raiffeisen Bank
International

UBS

Natixis

Bank Pekao

Deutsche Bank

Crédit Mutuel-CIC

Société Générale

UniCredit

BBVA

Intesa Sanpaolo

Banco Santander

National
Commercial Bank

Blom Bank

Bangkok Bank

FirstRand

ABSA Bank

Nedbank

Standard Bank

Alfa-Bank

State Savings Bank of Ukraine

Vietinbank

E.SUN Commercial Bank

ICICI Bank

Bank of Nanjing

China Guangfa Bank

BIDV

Shanghai Rural Commercial Bank

China Minsheng Bank

Shanghai Pudong
Development Bank

China Merchants Bank

Turkiye Garanti
Bankasi

Bank of Communications

Ping An Bank

National Bank of
Kuwait

Bank of China

Bank of Jiangsu

Shinan Bank

Al Baraka Bank

ICBC

China Construction Bank

China Zheshang Bank

Bank of Hangzhou

Bank al Ethiad

CTBC Bank

China Citic Bank

Commercial Bank
of Kuwait

Siam Commercial Bank

Sumitomo Mitsui
Banking Corporation

Vietcombank

OCBC

Kookmin Bank

YinzhouBank

MUFG Bank

Mashreq
Bank

DBS Bank

Standard Chartered

NAB

Westpac

ANZ

Commonwealth Bank of Australia

300 plus global transaction banks signed up

AME-UK

Asociación Popular de Ahorros y
Préstamos
Associated Foreign Exchange
BAC International Bank
Banco BISA
Banco Bradesco
Banco Davivienda
Banco de Chile
Banco de Credito del Peru
Banco del Estado de Chile
Banco del Pacífico
Banco de Reservas de la República
Dominicana
Banco Galicia
Banco Económico
Banco Inbursa
Banco Industrial
Banco Monex
Bank of America Merrill Lynch
Bank of Montreal
Bank of New York Mellon
Barclays
Banorte
Banrural
Cambridge Mercantile Corp.
Canadian Imperial Bank of Commerce
Citi
Clear Bank

Crown Agents
Danske Bank
DNB Bank
Ebury
Global Reach Partners
GPS Capital Markets
HiFX
HSBC
IFX
Interactive Brokers
INTL FCStone
J.P. Morgan
Lek Securities Corp.
Lloyds Bank
MMG Bank Corporation
Nordea Bank
Produbanco
Royal Bank of Canada
Scotiabank
SEB
Svenska Handelsbanken
Toronto–Dominion Bank
United Nations
Vitesse PSP Limited
Wells Fargo
World First

EMEA

ABN AMRO Bank
ABSA Bank
Access Bank
Afrasia Bank
Afriland First Bank
Akbank
Al Baraka Bank
Alawwal Bank
Alfa-Bank
Ameriabank
Arab National Bank
BBVA
BANCA TRANSILVANIA
S.A
Banco BIC Portugues
Banco de Crédito
Cooperativo
Banco Privado Atlantico-
Europa
Banco Sabadell
Banco Santander
Bank al Bilad
Bank al Etihad
Bank Audi
Bank Hapoalim
Banka Per Biznes
Bankinter
Bank of Beirut & the Arab
Countries
Bank of Cyprus
Bank of Georgia
Bank Pekao

Bank Uralsib
Banque BEMO
Banque Centrale Populaire
Banque du Liban
Banque Libano-Française
BayernLB
Bidvest Bank
Blom Bank
BNP Paribas
Bosna Bank International
Budapest Bank
Byblos Bank
CaixaBank
Central Africa Building
Society
Central Cooperative Bank
Citco Bank
**Commercial Bank of
Kuwait**
Commerzbank
CRDB Bank
Crédit Agricole
Crédit Libanais
Crédit Mutuel-CIC
Credit Suisse
DenizBank
Deutsche Bank
Diamond Trust Bank
Ecobank
Emirates NBD
Erste Group Bank

Eurobank Ergasias
Fidelity Bank
FirstRand
Fransabank
Gazprombank
GCB Bank
Guaranty Trust Bank
iBanFirst
ICCREA Banca
ING
Intesa Sanpaolo
Kapital Bank
KBC Bank
KCB Bank
Khan Bank
Landesbank Hessen-Thüringen
Mashreq Bank
Mauritius Commercial Bank
National Bank of Kuwait
National Commercial Bank
National Microfinance Bank
Natixis
Nedbank
NIC Bank
Nova Ljubljanska Banka
Onpex Bank
Piraeus Bank
PKO Bank Polski
Privat Bank
Qatar National Bank
Rabobank

Raiffeisen Bank International
Rawbank
Riyad Bank
RosEvroBank
Saradar Bank
Sberbank
Sierra Leone Commercial Bank
Skye Bank
Société Générale
Standard Bank
State Savings Bank of Ukraine
Sterling Bank
Tadhamon International Islamic
Bank
TBC Bank
TEB
The International Bank of
Azerbaijan
Türkiye Garanti Bankasi
Türkiye Halk Bankasi
Türkiye İş Bankasi
UBS
UniCredit
Union National Bank
Yapi Kredi Bankasi
Zenith Bank
Ziraat Bankasi

* Live banks in bold

300 plus global transaction banks signed up

APAC

Agricultural Bank of China
AB Bank
ANZ
Axis Bank
Bangkok Bank
BIDV
Bank Islam Malaysia Berhad
Bank Negara Indonesia
Bank of Beijing
Bank of Changsha
Bank of Ceylon
Bank of China
Bank of Communications
Bank of Dongguan
Bank of Fuxin
Bank of Ganzhou
Bank of Guangzhou
Bank of Guiyang
Bank of Guizhou
Bank of Hangzhou
Bank of India
Bank of Inner Mongolia
Bank of Jiangsu
Bank of Jining
Bank of Jinzhou
Bank of Jiujiang
Bank of Langfang
Bank of Nanjing
Bank of Ningbo
Bank of Qindao
Bank of Quanzhou

Bank of Rizhao
Bank of Shanghai
Bank of Taizhou
Bank of Tianjin
Bank of Xi'an
Bank of Zhengzhou
Bank Rakyat Indonesia
Bank Rakyat Malaysia
Bank Sinarmas
Chang'An Bank
China Bohai Bank
China CITIC Bank
China Construction Bank
China Development Bank
China Guangfa Bank
China Merchants Bank
China Minsheng Bank
China Zheshang Bank
Chong Hing Bank
Chongqing Rural Commercial Bank
CIMB Bank Berhad
City Union Bank
Commonwealth Bank of Australia
CTBC Bank
Dah Sing Bank
DBS Bank
Dezhou Bank
Dongguan Rural Commercial Bank
Dongying Bank

E.SUN Commercial Bank
Federal Bank
Foshan Rural Commercial Bank
Fudian Bank
Fujian Haixia Bank
Guangdong Huaxing Bank
Guangdong Nanyue Bank
Hankou Bank
Harbin Bank
HDFC Bank
Hong Leong Bank Berhad
Huarong Xiangjiang Bank
Huishang Bank Corporation
Hunan Liuyang Rural Commercial Bank
ICICI Bank
ICBC
Industrial Bank
Industrial Bank of Korea
Jiangmen Xinhui Rural Commercial Bank
Jiangxi Bank
Kasikorn
KEB Hana Bank
KB Kookmin Bank
Liaoyang Commercial Bank
Maybank
MB Bank
Mizuho Bank
MUFG Bank
National Australia Bank
OCBC
Ping An Bank
Postal Savings of China

Punjab National Bank
Shanghai Pudong Development Bank
Shanghai Rural Commercial Bank
Shengjing Bank
Shinhan Bank
Siam Commercial Bank
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Taian Bank
The Bank of East Asia
TMB Bank
Union Bank of India
United Overseas Bank
Vietcombank
Vietinbank
Weifang Rural Commercial Bank
Weihai City Commercial Bank
Westpac
Woori Bank
Yantai Bank
Yes Bank
Yinzhou Bank
Zhejiang Mintai Commercial Bank
Zhejiang Rural Credit Cooperative Union
Zhejiang Tailong Commercial Bank
Zhuhai Rural Commercial Bank
Zhongshan Rural Commercial Bank
Zhongyuan Bank
Zhuhai Rural Commercial Bank

200+ countries
80+% SWIFT cross-border payments
100+ Mio gpi payments since go live
500K+ gpi payments/day
700+ country corridors

SWIFT gpi is dramatically speeding up cross-border payments!

SWIFT gpi reduces cross-border payment times to minutes, even seconds

- 50% of SWIFT gpi payments are credited in less than 30 minutes
- Payments are being sent across 220 country corridors
- New corridors are being opened every day
- More than 100 billion USD in gpi payments made per day

Brussels, 28 February 2018 – SWIFT announces today that more than 100 billion USD in SWIFT gpi messages are being sent every day, enabling payments to be credited to end beneficiaries within minutes - many within secon...

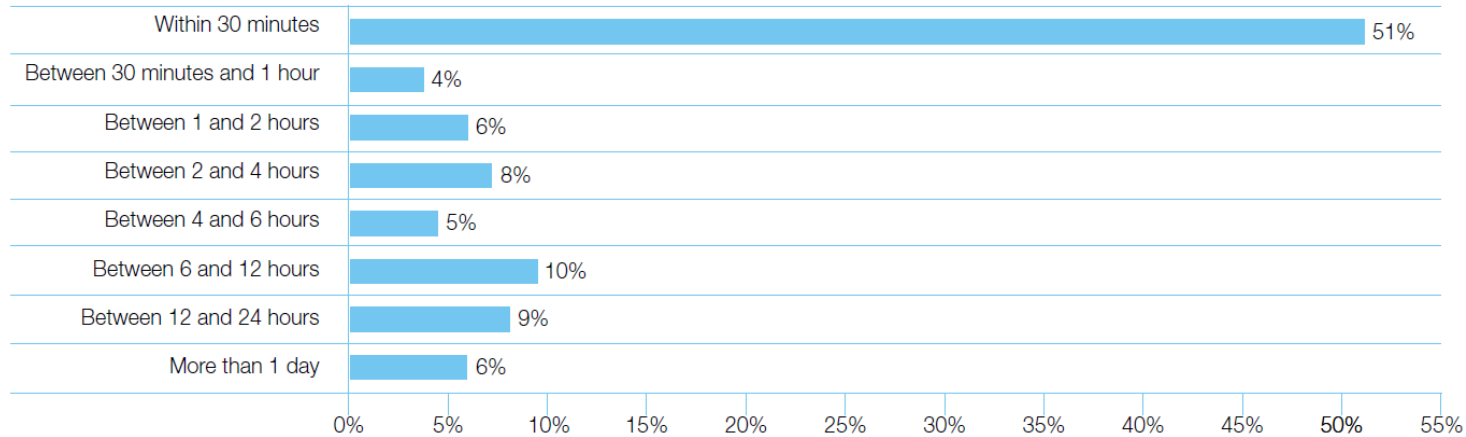Overall, nearly 50% of SWI... almost 100% of payments... foreign exchange conversio...

SWIFT gpi has been adopte... of thousands of payments,... being sent daily across 22(... such as USA-China, where...

In addition to the 150 financ... infrastructures are already e... Payment market infrastructu... cross-border payments bec... are typically cleared throug... payments in real-time, bank...

"Thanks to SWIFT gpi, ban... their customers are facing... significant step forward for... SWIFT. "In addition, banks... reduced by as much as 50%... users and a considerable co...

"We have seen a surge in... adoption of SWIFT gpi to... bilateral routes which has li... extensive coverage across... every day, SWIFT gpi ens... transparent cross-border pa...

-####-

Time between first MT 103 being sent and beneficiary account being credited
September 2018 traffic

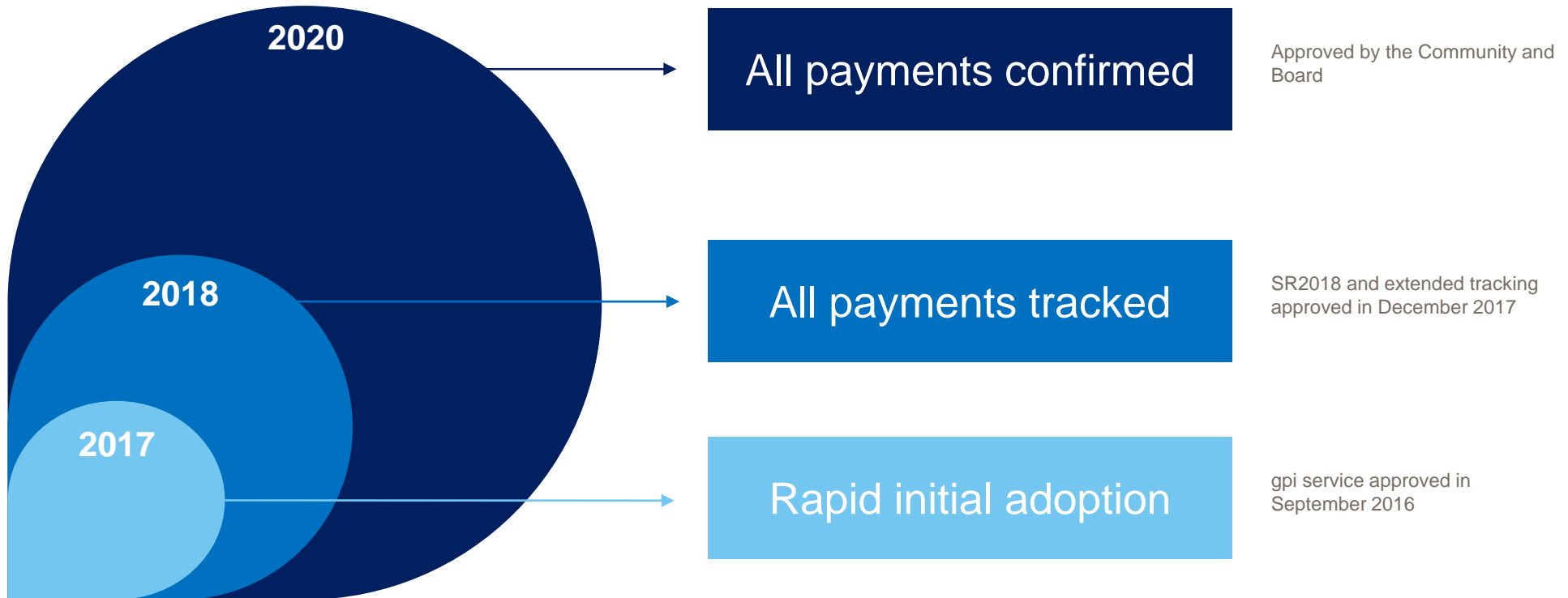|	
Within 30 minutes	51%
Between 30 minutes and 1 hour	4%
Between 1 and 2 hours	6%
Between 2 and 4 hours	8%
Between 4 and 6 hours	5%
Between 6 and 12 hours	10%
Between 12 and 24 hours	9%
More than 1 day	6%

+90% < 1 day end-end

Vision & ambition

Ambition 2020: gpi is the **new norm** for cross-border payments

2020

2018

2017

All payments confirmed

Approved by the Community and Board

All payments tracked

SR2018 and extended tracking approved in December 2017

Rapid initial adoption

gpi service approved in September 2016

2018

Agile innovation in 2018

| EXPLORE | PROOF OF VALUE | DESIGN, PROOF OF CONCEPT | PILOT, BUILD, TEST | LIVE |

ISO 20022

Pre-validation

Real-time cross-border

DLT PoC
(2017)

Institutional payments

3 new services
- ✓ Extended tracking
- ✓ Cover payments
- ✓ Stop and recall

Make it easy!

- ▪ **Visibility incoming**
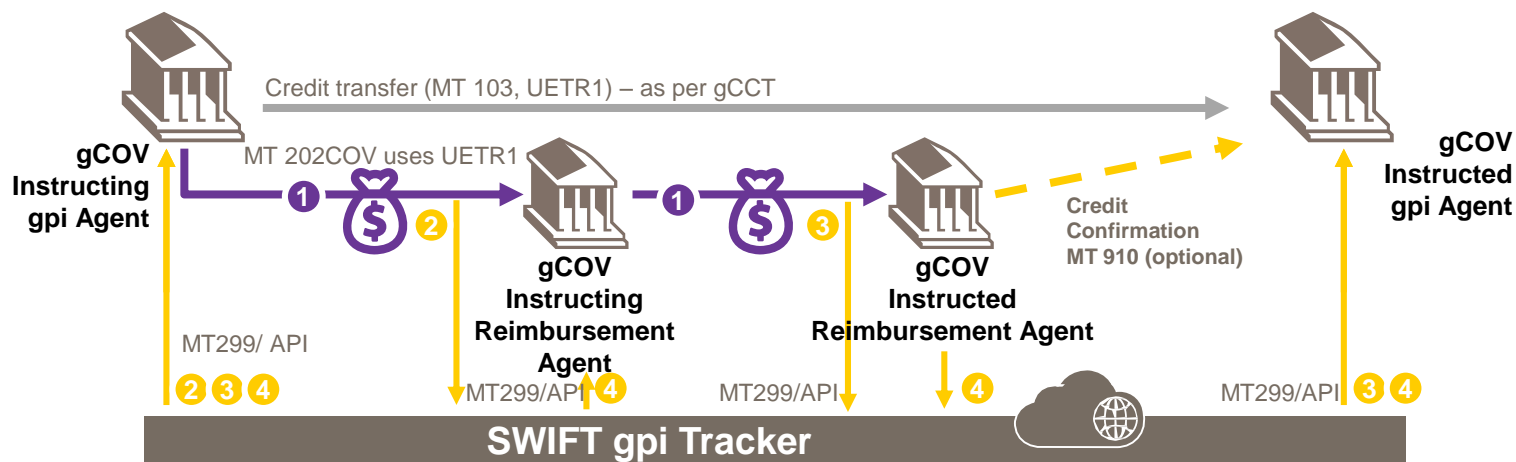- ▪ **Request for Payment**

Bank to corporate pilot

Customer payments
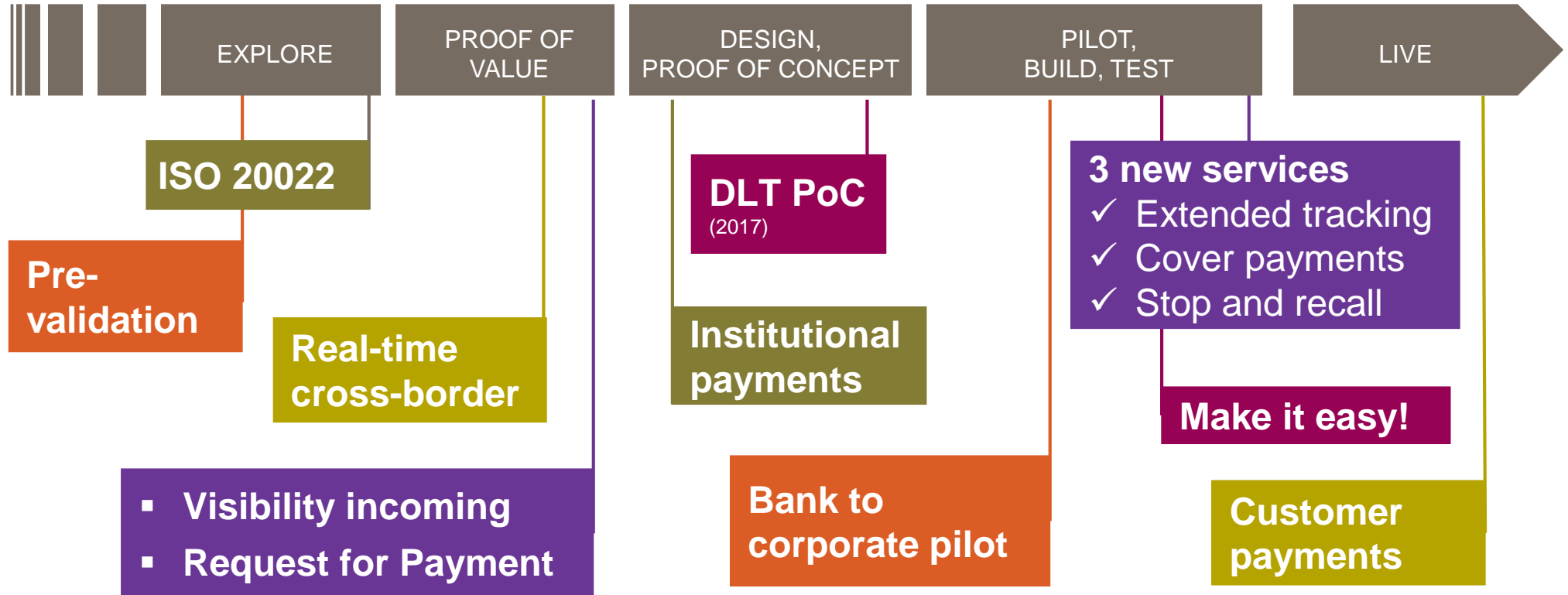
gpi gCCT service – flows
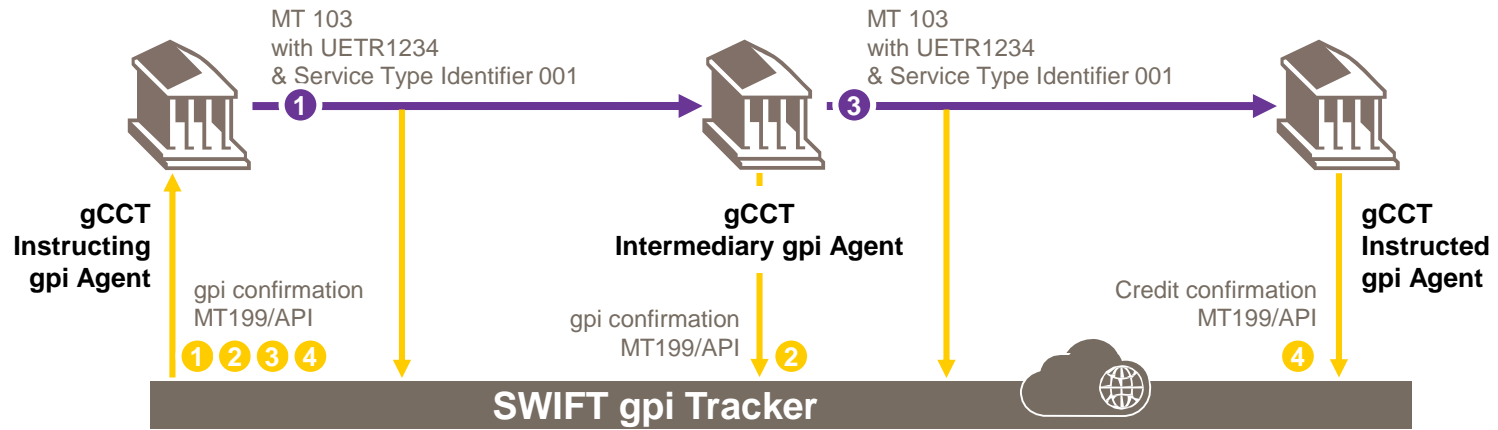
gpi gCOV service – Value proposition

SWIFT gpi - Stop & Recall Payment
Value Proposition

Initiate gSRP
MT 192, MT 199 / API

1

SWIFT gpi Tracker

STOP Requested

Payment Cancelled

gSRP responses and status notifications MT 199 / API

1 **4**

gSRP response: MT 199, MT 196 / API

Tracker adds UETR to network cancellation list and delivers gSRP to processing bank (MT 192)

4 **3** **2**

TX#123
25 USD
D/ACCT USD
C/CITIUS33
02/08/2016

STOP

FIN

STOP

Debtor **Debtor's Bank** **Intermediary Bank** **Intermediary Bank** **Creditor's Bank** **Creditor**

5

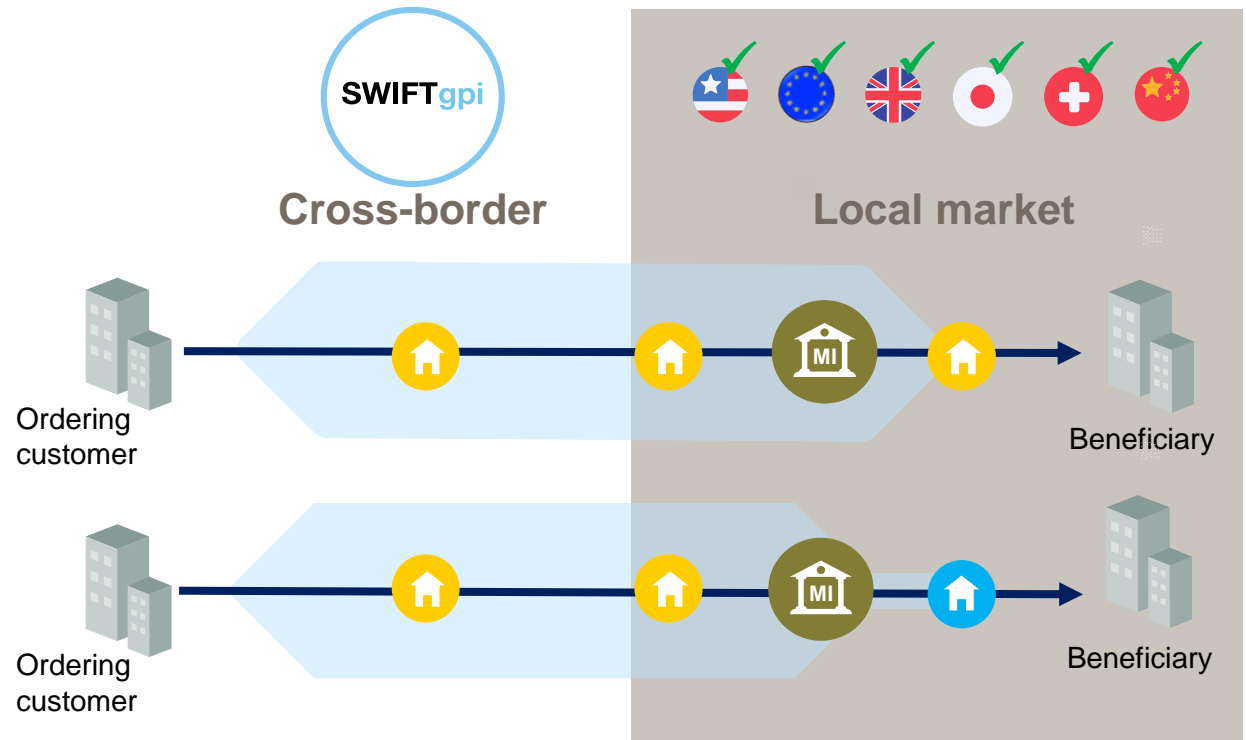**Return of Funds** (not in service scope)

Key participants:
The market infrastructures

Market infrastructures play key role in:

1. **SWIFT gpi clearing**:
   To pass on unique gpi identifier and data between gpi banks

2. **SWIFT gpi tracking**:
   To pass on unique gpi identifier to local non-gpi member banks

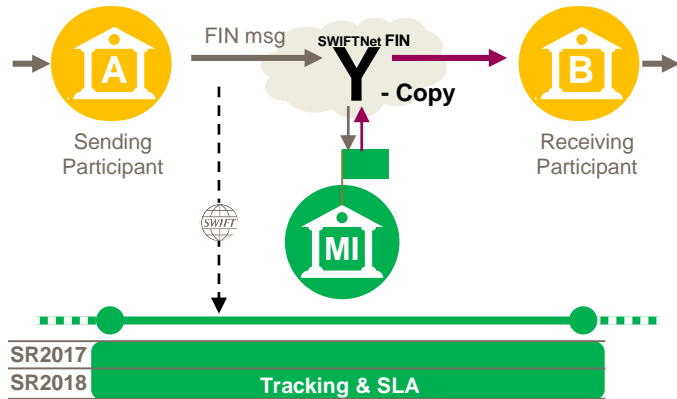## Market infrastructures support gpi:

1. **When based on SWIFT**:
   fully supporting gpi

2. **When not based on SWIFT**:
   Local market practice for gpi mapping (to be) agreed

3. **When using ISO 20022**:
   gpi recommendations available

SWIFTgpi

Cross-border

Local market

Ordering customer

Beneficiary

Ordering customer

Beneficiary

How can an MI clear gpi payments?

MI uses FINCopy	MI uses FIN in V-Shape	MI does not use FIN
EUR, GBP, CAD … (**50+**)	THB, MAD, MYR … (**20+**)	USD, CNY, CHF, JPY …

It . just . works
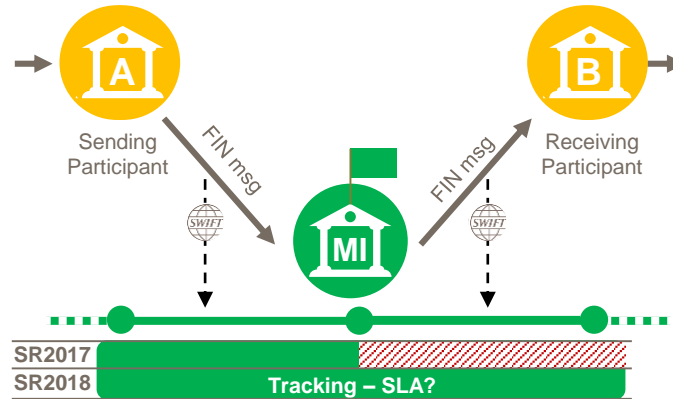
Pass UETR?
➢ **SR 2018**

Pass Service Type?
➢ **Join gpi CUG for MIs**
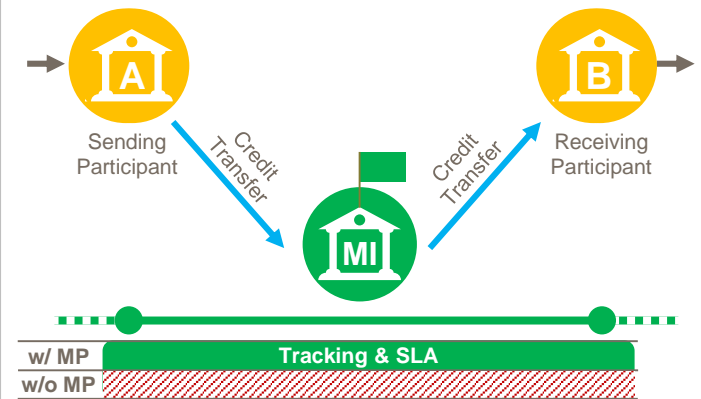
gpi market practice required

MPs available for Fed, CHIPS, CIPS, SIC, FXYCS (Japan).

2019

2019 priorities

| EXPLORE | PROOF OF VALUE | DESIGN, PROOF OF CONCEPT | PILOT, BUILD, TEST | LIVE |

ISO 20022

Open APIs

API portlet

Frictionless sanctions screening

Request for payment
(XML, digital)

6 new to pilot & go live
- Corporate initiation & tracking
- Faster, Real-time payments
- Pre-validation
- Notification/visibility incoming
- Case resolution
- Financial institution transfers

2 "make it easy"
- Manual confirm GUI
- Integration back-office

4 services live
- Customer credit transfer
- Cover payments
- Extended tracking
- Stop and recall

All gpi banks are requested to include in their 2019 budgets a provision for the service(s) your institution wants to pilot / go live
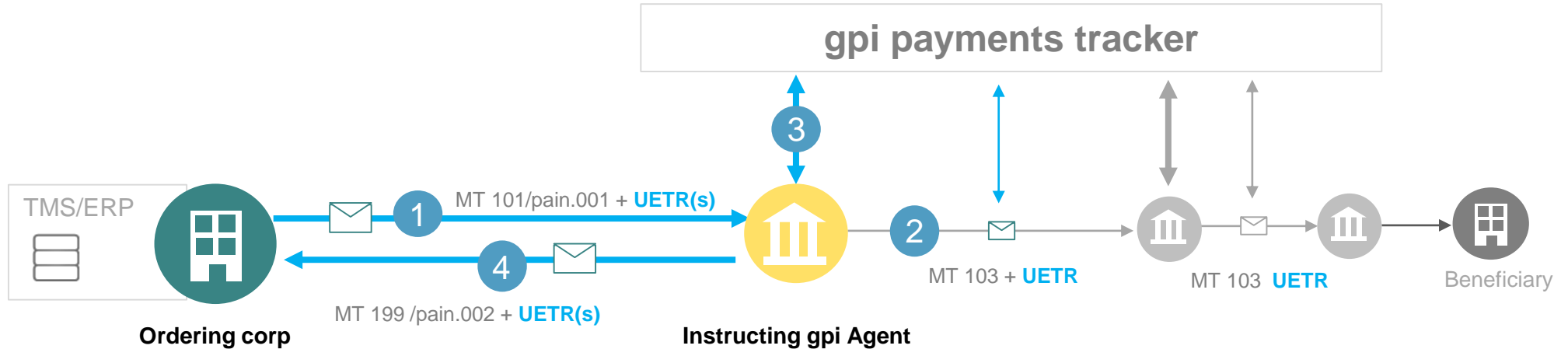
Corporate payment initiation & tracking pilot: end-to-end C2B/B2C gpi flows

- Banks receive FIN MT 101 or pain.001 with UETR (#**1**) and include same UETR in resulting gpi MT 103 (#**2**)

- Tracker provides specific MT 199 or API confirmations with UETR and Service Type Identifier "003" (#**3**) that are ready for the bank to route to its corporate customers (turn-key solution) as FIN MT 199 or pain.002 (#**4**)

- Service confirmations follow a specific data model, different from gCCT's, focused on management by exception and also providing transaction routing audit trail
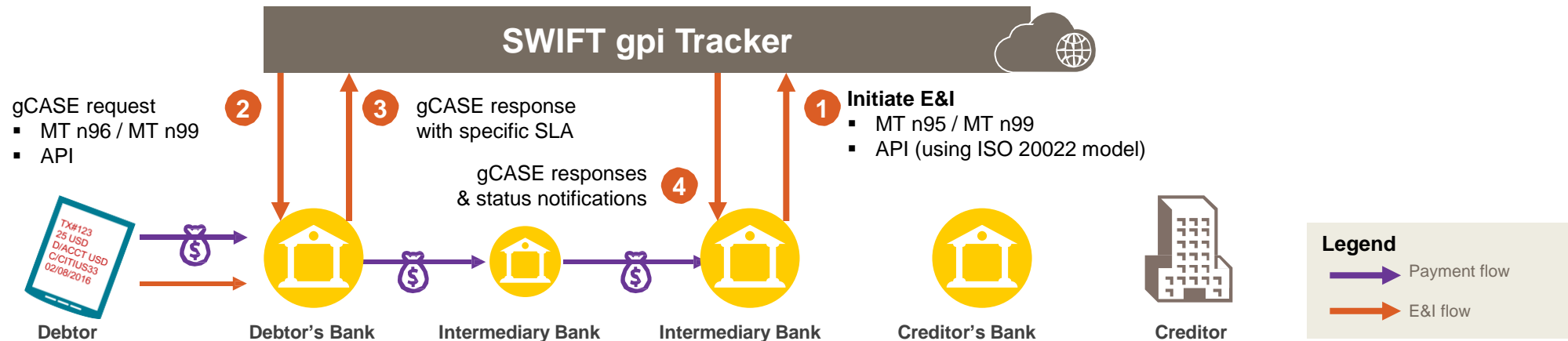
gpi Case Resolution service (gCASE)

Value proposition

- ✓ Seamless conversation between gpi banks' case management tools
- ✓ Market practice for E&I
- ✓ Reduction of operational costs, increase processing efficiency and customer satisfaction

High Level requirements overview

- E&I requests exchanged between gpi bank processing gCCT and previous/first gpi bank
- Using MT n99, MT n95 and MT n96 and API to exchange information with the Tracker; exchange of rich data (documents) and ISO 20022-based E&I messages to be explored.
- Target availability: with SR 2019.

SWIFT gpi Tracker

gCASE request
- MT n96 / MT n99
- API

2

3 gCASE response with specific SLA

gCASE responses & status notifications **4**

1 **Initiate E&I**
- MT n95 / MT n99
- API (using ISO 20022 model)

TX#123
25 USD
D/ACCT USD
C/CITIUS33
02/08/2016

Debtor → **Debtor's Bank** → **Intermediary Bank** → **Intermediary Bank** → **Creditor's Bank** → **Creditor**

Legend
- → Payment flow
- → E&I flow

Pre-validation: bringing payments intelligence at origination

Specific example – online validation within bank's web portal (using APIs, featured validations not restricted to version 1)

YOUR BANK

CREATE INTERNATIONAL PAYMENT

Value date	2018-01-15
Amount	10.000,00
Currency	ZAR
Ordering account	122267890
Receiving institution	BENEZA33
Beneficiary account	50266959
Beneficiary name & address	H.F. TRELAWNEY 68 MARK LANE JOHANNESBURG SOUTH AFRICA
Charge bearer	○ SHA ● OUR ○ BEN
Remittance information	"This is a international payment that is validated by the gIPA service"

⚠ ℹ Holiday detected in intermediary country "ZA" – the processing will take longer

ℹ BIC is valid

✖ ℹ Account structure is not correct based on country of receiving BIC

✖ ℹ OUR charges is not supported by beneficiary banks

⚠ ℹ Potential reconciliation issue at bene side: Market Infrastructure at bene country does not support >67 characters

ℹ Purpose code and phone number should be included in Remittance information to avoid non STP at bene bank

Attachments
Please attach the following documents
☑ DOCUMENT 1
☑ DOCUMENT 2

ℹ Needed by UK regulation
ℹ Needed by ZA regulation

Estimated path
1 Sender Bank UK
2 Intermediary Bank ZA
3 Beneficiary Bank ZA

Estimated processing time
in **1 day 5 hours**
Over 1 day due to "Value Date"
Expected confirmation on 2018-01-16

Estimated fees
40 to 60 USD

Validate   Authorize

1 STP validations

3 Added-value predictions (optional, for considerations)

2 Advice on missing documentation

✔ **Validate with pre-validation**

High Level requirements overview
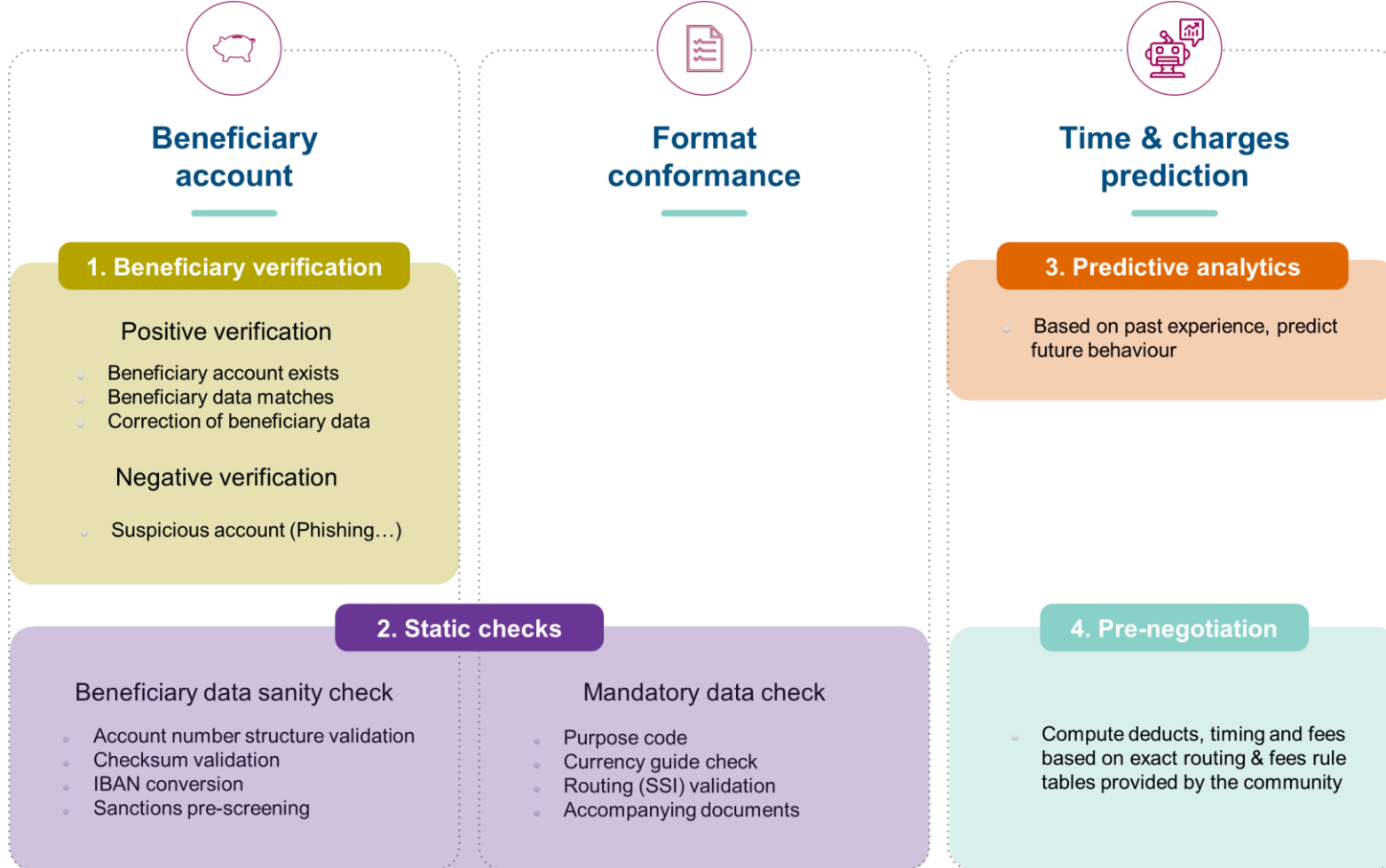- Capability for Real-Time (API-based) query on beneficiary account number and holder.
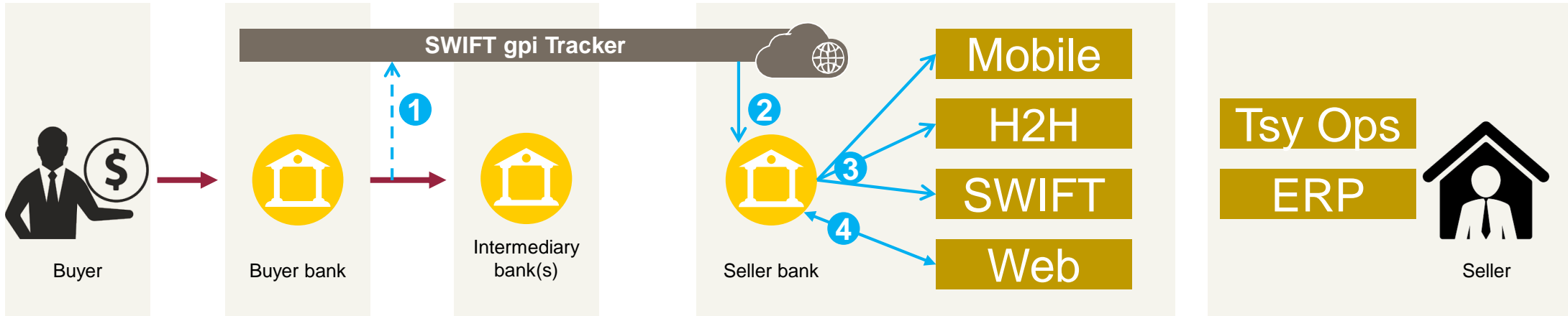
Pre-validation: where to focus first

Beneficiary account

1. Beneficiary verification

Positive verification

- Beneficiary account exists
- Beneficiary data matches
- Correction of beneficiary data

Negative verification

- Suspicious account (Phishing…)

2. Static checks

Beneficiary data sanity check

- Account number structure validation
- Checksum validation
- IBAN conversion
- Sanctions pre-screening

Format conformance

Mandatory data check

- Purpose code
- Currency guide check
- Routing (SSI) validation
- Accompanying documents

Time & charges prediction

3. Predictive analytics

- Based on past experience, predict future behaviour

4. Pre-negotiation

- Compute deducts, timing and fees based on exact routing & fees rule tables provided by the community
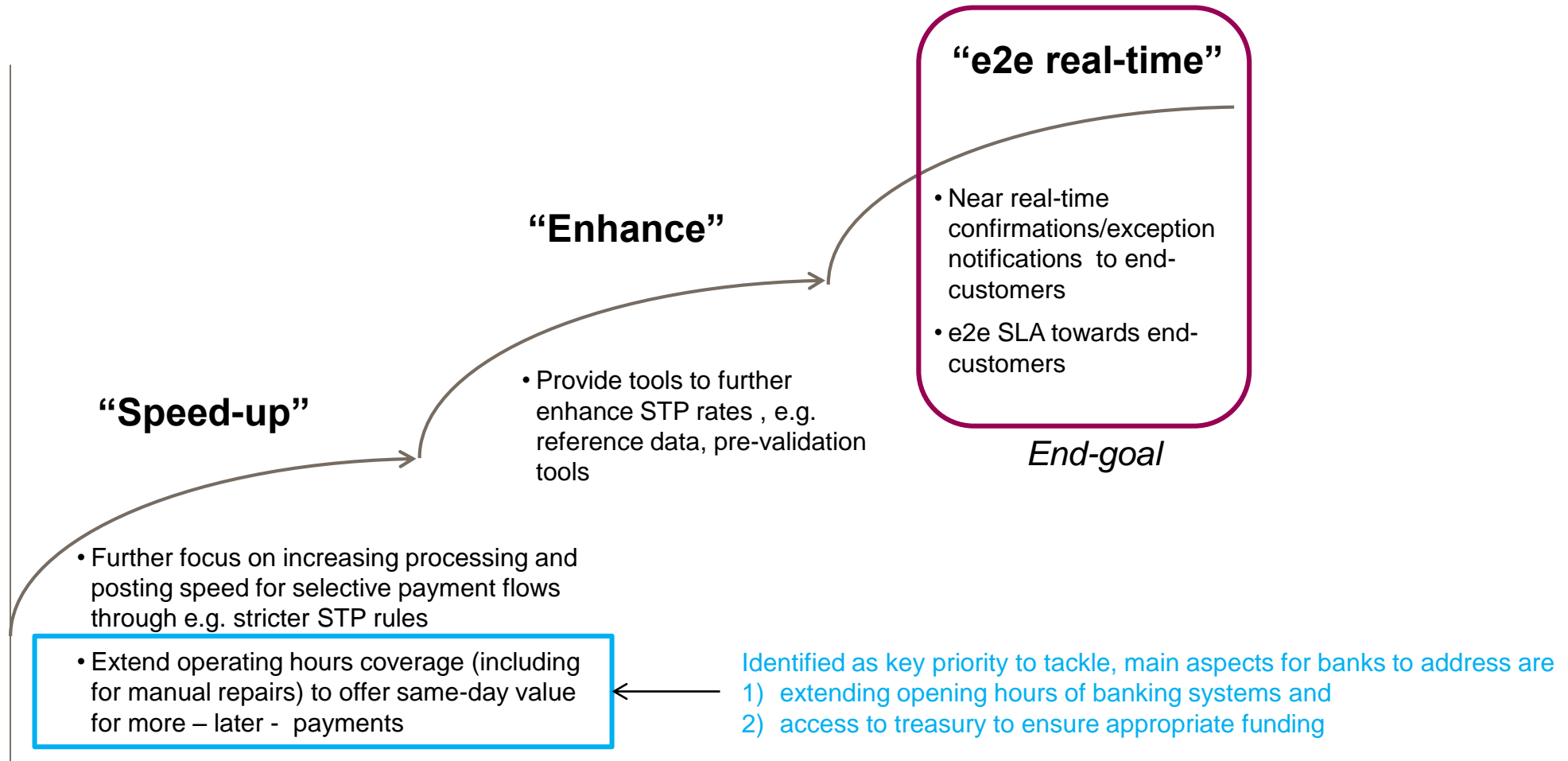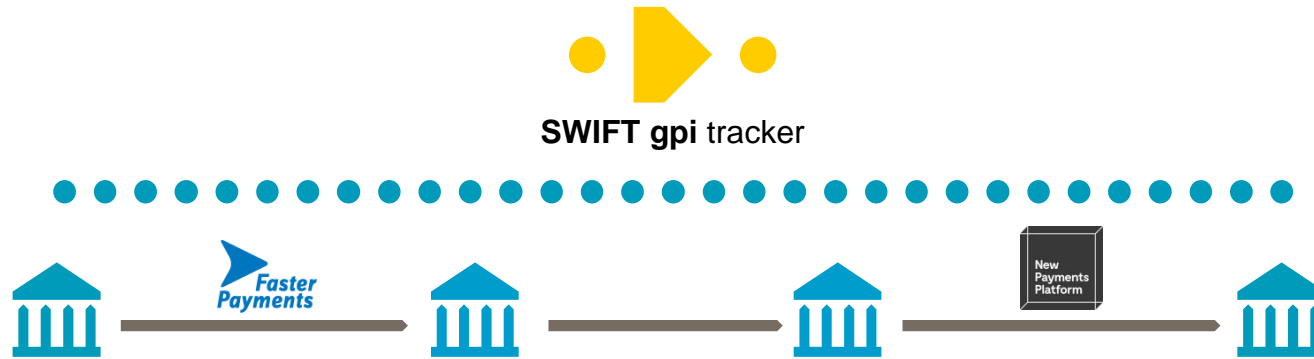
PoV 1 - Visibility on incoming payments

Perceived value for corporates (confirmed during PoV)
➢ **Self-service proof of payment for V.I. payments**: the proposed solution is one less interaction with customers (e.g. to provide UETR or proof of payment)
➢ **Self-service for investigations**: e.g. access to historical transaction data in case of credit with wrong value date.
➢ Complement to already existing **AR forecasting** sources

gFAST: extending operating hours identified as valuable first step

"e2e real-time"

- Near real-time confirmations/exception notifications to end-customers
- e2e SLA towards end-customers

End-goal

"Enhance"

- Provide tools to further enhance STP rates , e.g. reference data, pre-validation tools

"Speed-up"

- Further focus on increasing processing and posting speed for selective payment flows through e.g. stricter STP rules

- Extend operating hours coverage (including for manual repairs) to offer same-day value for more – later - payments

Identified as key priority to tackle, main aspects for banks to address are
1) extending opening hours of banking systems and
2) access to treasury to ensure appropriate funding

Cross-border real-time payments **with gpi**

SWIFT gpi tracker

Faster Payments

New Payments Platform

Use case 1 – Real-time cross-border gpi payment, between 2 banks *In progress*

Use case 2 – Real-time cross-border gpi payment, into domestic instant payment system *In progress*

Use case 3 – Real-time end-to-end gpi payment, from one domestic instant payment system to another *Planned*
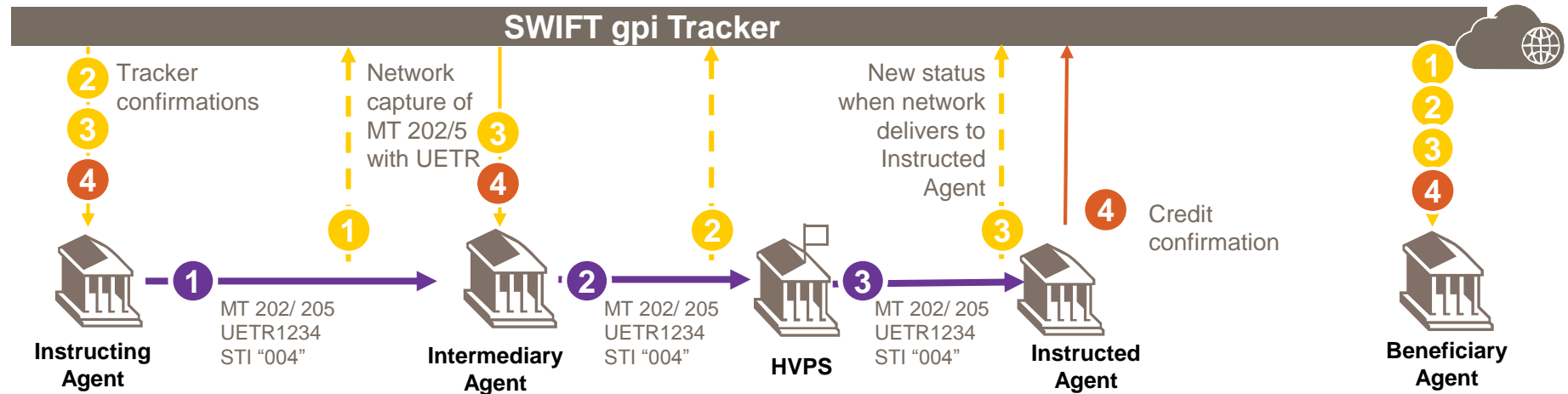
gpi for Financial Institution Transfers (gFIT)

First version to focus on tracking of FIN instructions; non-FIN tracking and bank confirmations for SR2019
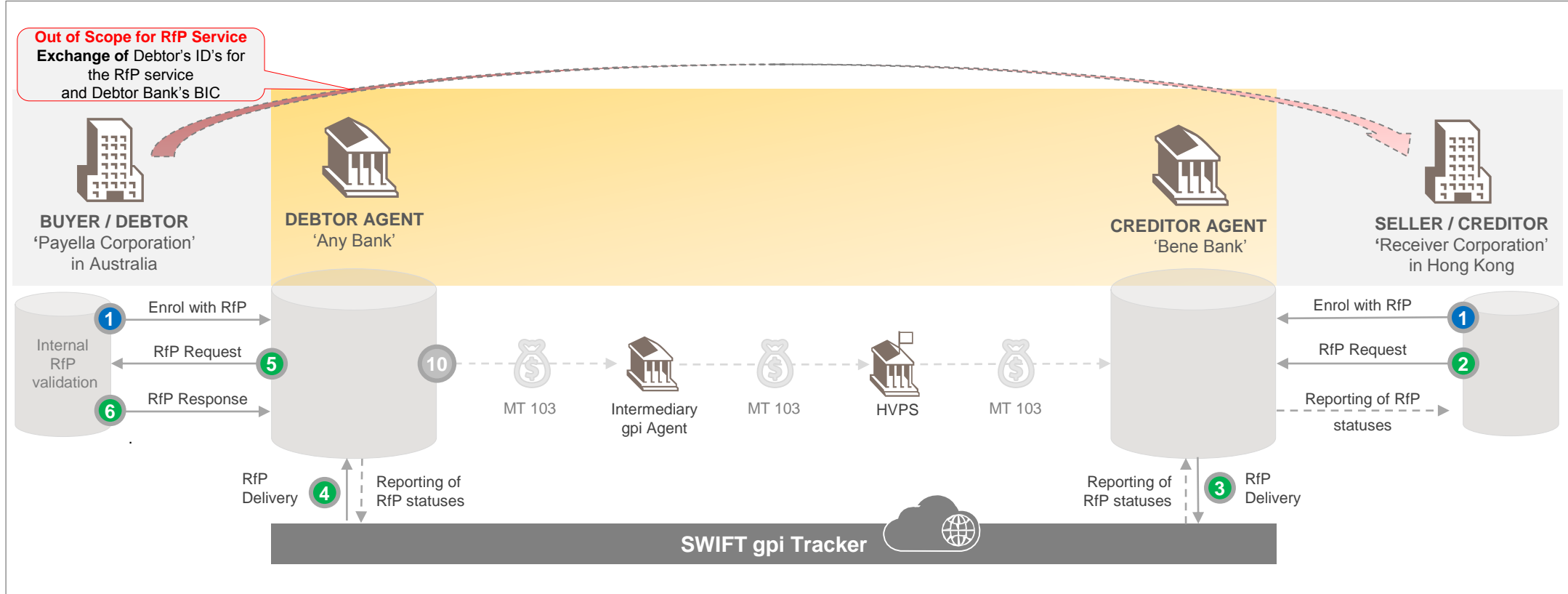
Value proposition

- ✓ Track & trace of incoming and outgoing institutional transactions
- ✓ Reduce settlement risk and counterparty exposure
- ✓ Improve the quality of institutional intraday liquidity management and forecasting

High Level requirements overview

- MT 202/205 with UETR, Service Type Identifier "004" and MT 299/API to provide / receive Tracker updates
- **End of 2018** (TBC): optional Tracker-provided status updates for transaction events on FIN (incl. Extended Tracking)
- **SR 2019** (TBC): bank-provided status updates incl. credit confirmations and non-FIN tracking.

PoV2 – Request for Payments

Out of Scope for RfP Service
Exchange of Debtor's ID's for the RfP service and Debtor Bank's BIC

BUYER / DEBTOR
'Payella Corporation' in Australia

DEBTOR AGENT
'Any Bank'

CREDITOR AGENT
'Bene Bank'

SELLER / CREDITOR
'Receiver Corporation' in Hong Kong

Internal RfP validation

1 Enrol with RfP
5 RfP Request
6 RfP Response

10 MT 103   Intermediary gpi Agent   MT 103   HVPS   MT 103

1 Enrol with RfP
2 RfP Request
Reporting of RfP statuses

RfP Delivery 4 Reporting of RfP statuses

Reporting of RfP statuses 3 RfP Delivery

SWIFT gpi Tracker

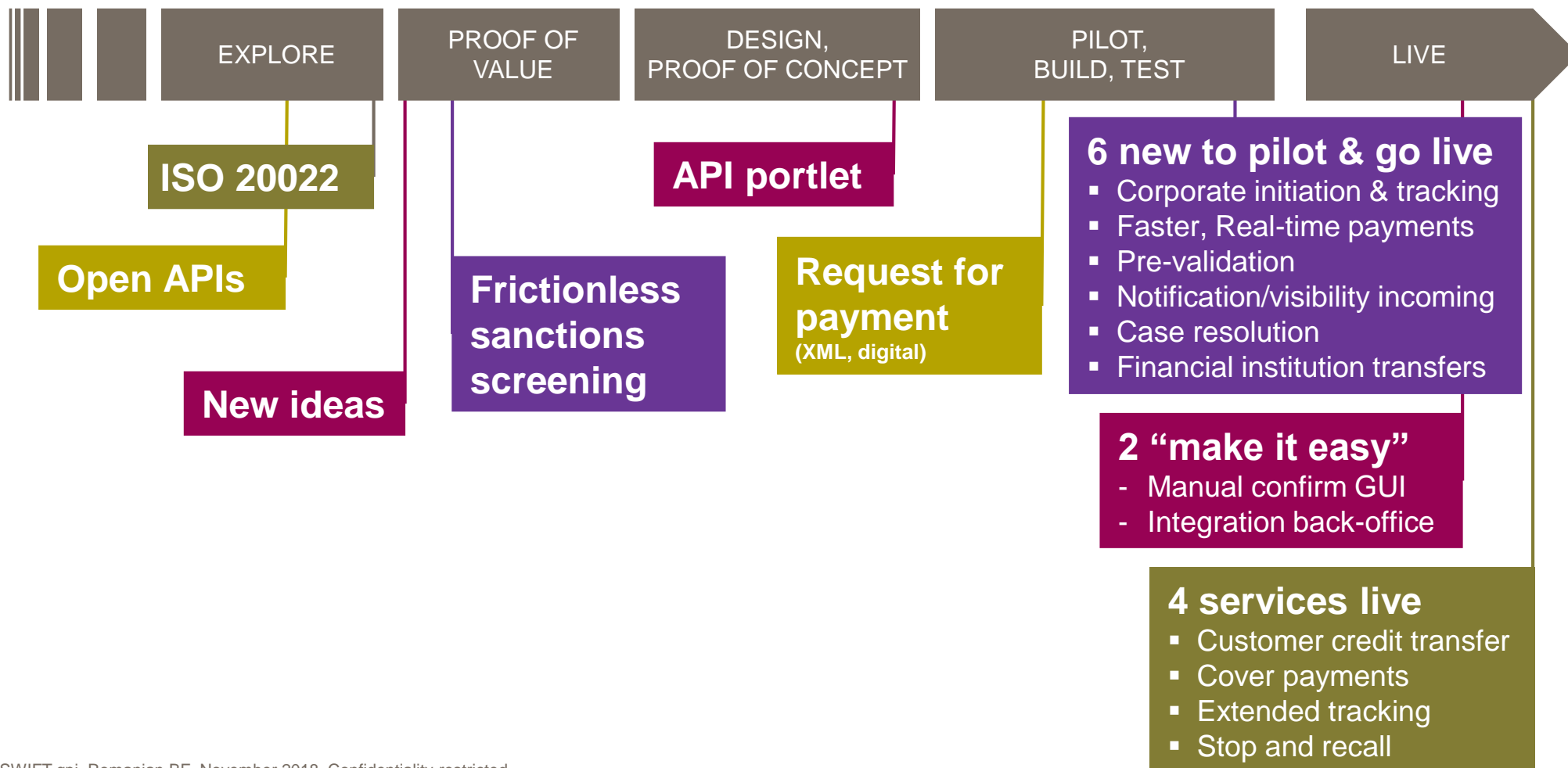**Visibility & Transparency**: gpi Tracker and rule book

Integration: ISO20022 standards, standard API's

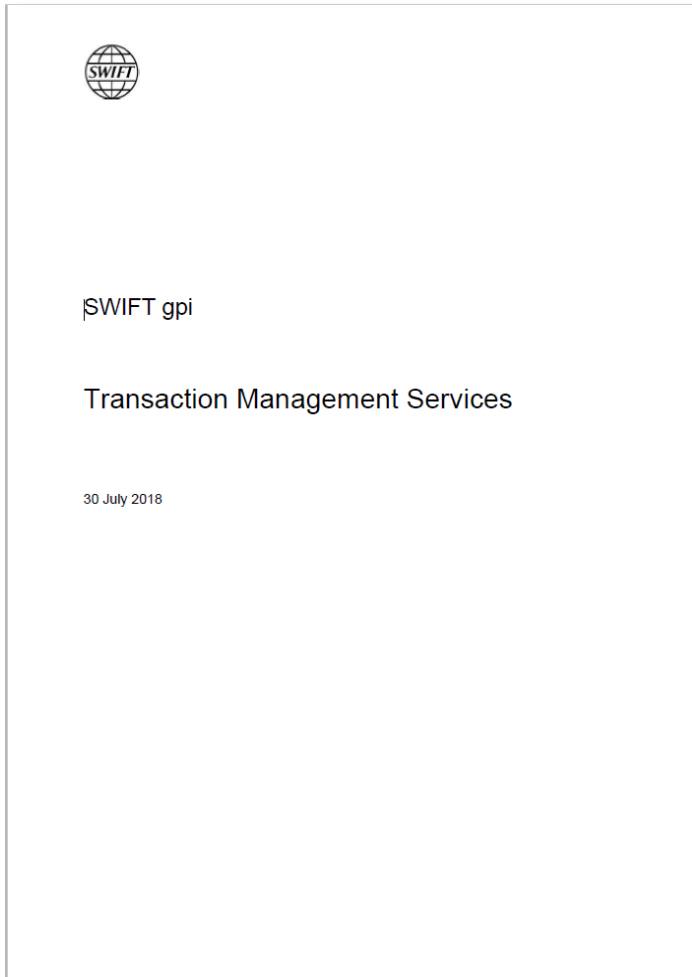**Security**: Bank's authentication based on enrolment with service

Automation & Reconciliation: UETR, structured remittance info.

2019 priorities

EXPLORE	PROOF OF VALUE	DESIGN, PROOF OF CONCEPT	PILOT, BUILD, TEST	LIVE

ISO 20022

Open APIs

New ideas

Frictionless sanctions screening

API portlet

Request for payment
(XML, digital)

6 new to pilot & go live
- Corporate initiation & tracking
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- Stop and recall

Where to find more information, value points, how it works

SWIFT gpi

Transaction Management Services

30 July 2018

www.swift.com/gpi > Document centre > Reports >

.pdf gpi Transaction Management Services Overview
Download
Last update: 3 August 2018
The document describes what value generation initiatives the gpi is focusing on at the moment and serves as well to address more strategic questions on the gpi objectives and vision.

https://www.swift.com/file/52996/download?token=4p9zNeqN

How to become a gpi bank: Implementation options

Options to implement gpi

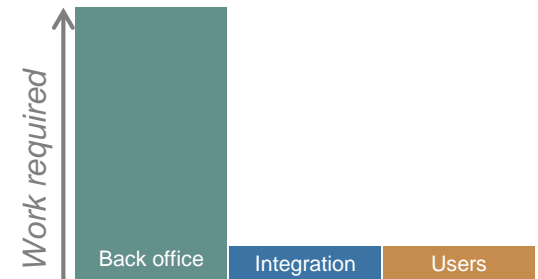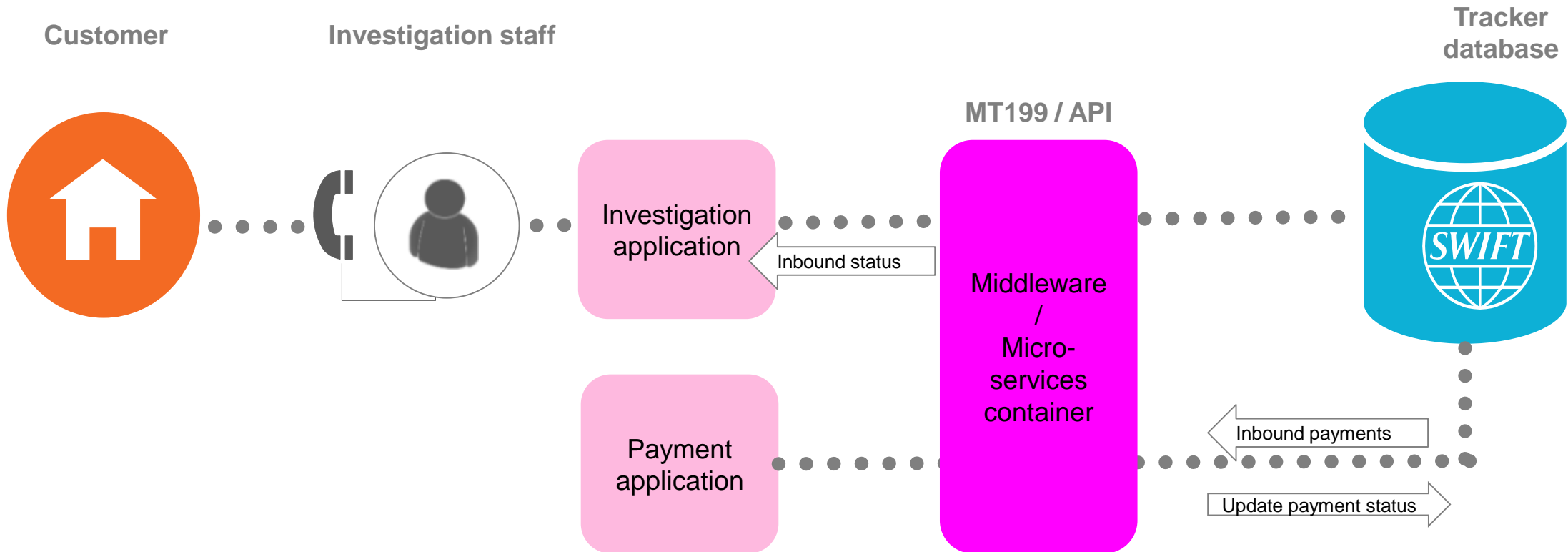| Manual	Complement B.O with integration	Full blown implementation in B.O
What o Swift Interface generates gpi tags o Confirmation is done manually via gpi Tracker GUI **Advantages** o No impact on B.O o Quick go-live **Requirements** o No intermediary traffic o Limited volumes	**What** o Complement the B.O capabilities o Middleware (IPLA/SIL) or batch update as a tool to update the tracker **Advantages** o Minimise impact on B.O o Less dependencies on B.O readiness **Requirements** o Ad-hoc discussions to understand B.O capabilities	**What** o B.O able to generate & pass-on gpi tags o B.O sends gpi confirmation to tracker **Advantages** o gpi embedded in core system o Easier integration with customers channels **Requirements** o B.O vendor's is gpi ready (if vendor system)

gpi system integration

Customer **Investigation staff** **Tracker database**

MT199 / API

Investigation application

Inbound status

Middleware / Micro-services container

SWIFT

Payment application

Inbound payments

Update payment status

Your staff from different locations responding to clients in real-time
Optional: consolidate the Tracker information behind your middleware

Different ways to integrate gpi

MT 199/299 or API

Receive MT 199/299 sent by the Tracker and consolidate this information in your database to be consulted by internal applications

Call the Tracker API in real-time and receive the latest on each transaction or in bulk

Enable Portal integration

Expose the payment details to Corporate customers

Enhance the Corporate user experience by adding the gpi information at their fingertips

Bring gpi to your first line

Allow your Investigation staff to access gpi status during customer calls. Allow your investigation tool(s) to integrate with gpi Tracker database

gpi does help reducing your investigation costs

SWIFT does help you

A local team of SWIFTgpi experts is available to help you during the entire implementation phase

Test cases are proposed by SWIFT to help the bank assessing the proper execution of the gpi Rulebook

Q & A?