



The European IP landscape (TIPS, RT1, ESMIG) and SWIFTNet Instant Payments *Status update*

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November 7th, 2018

Instant, Immediate or Real-time Retail payments

Key features



24 x 7

24x7: payments can be sent and received all times of the day, every day of the year



Instantaneous

Instantaneous: good funds must be available on the beneficiary's account in, typically, less than a minute



Irrevocability

Irrevocability: once payments are processed, they can't be recalled



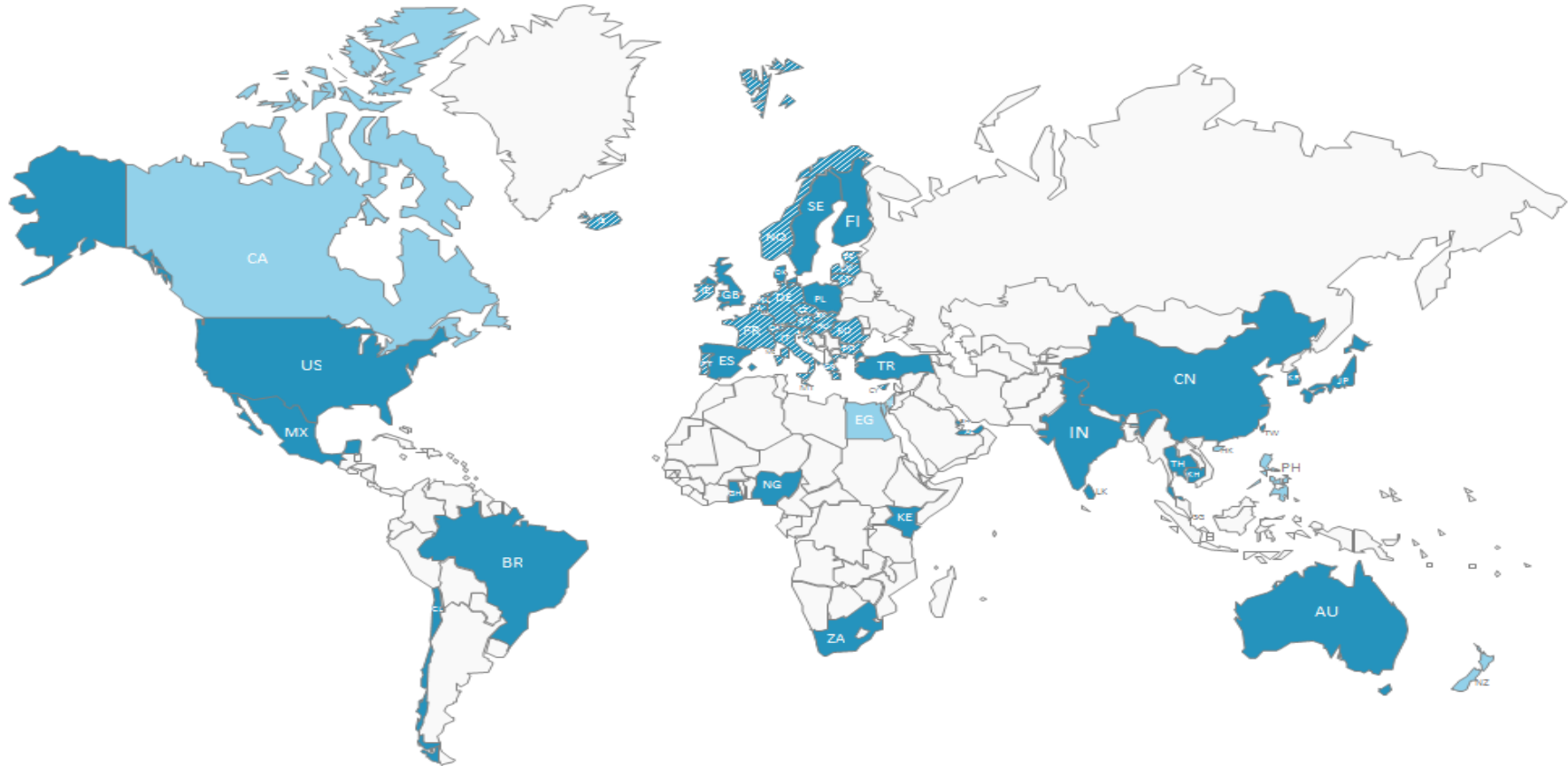
Certainty

Certainty: payments sent to a beneficiary bank are individually explicitly confirmed (to both payer and payee) or rejected



Instant payments evolution

Live in many markets, and more being planned



Live 18 countries 'live' **Planning** 12 countries 'exploring' / 'planning' / 'building' **Eurozone** 17 additional Eurozone countries 'exploring'



AU NPP successfully went live on 13 February



Focus on Europe



Instant Payments Market context

Focus on Europe

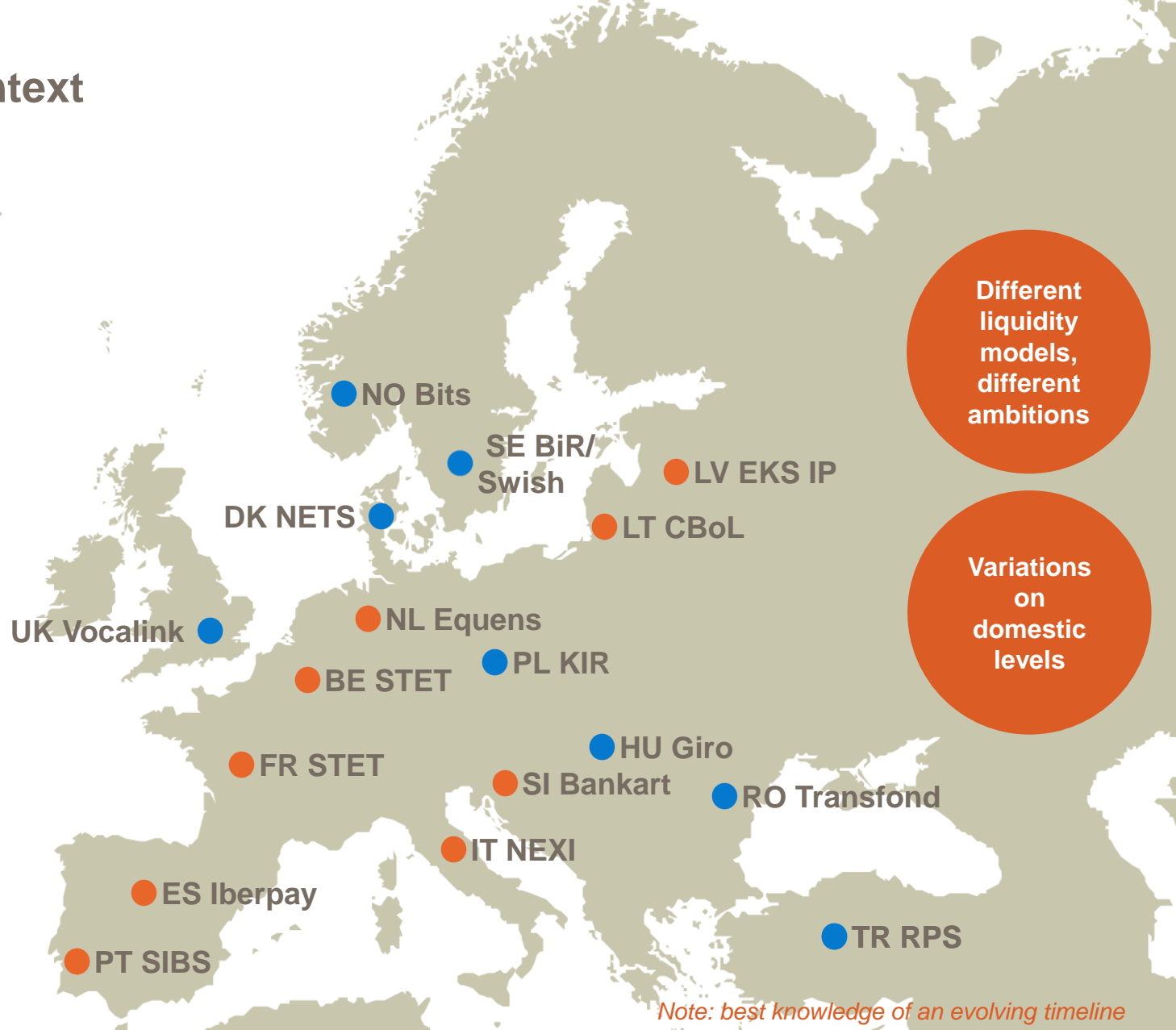
● SCT Inst scheme

● Other schemes

● TIPS



● RT1



Different liquidity models, different ambitions

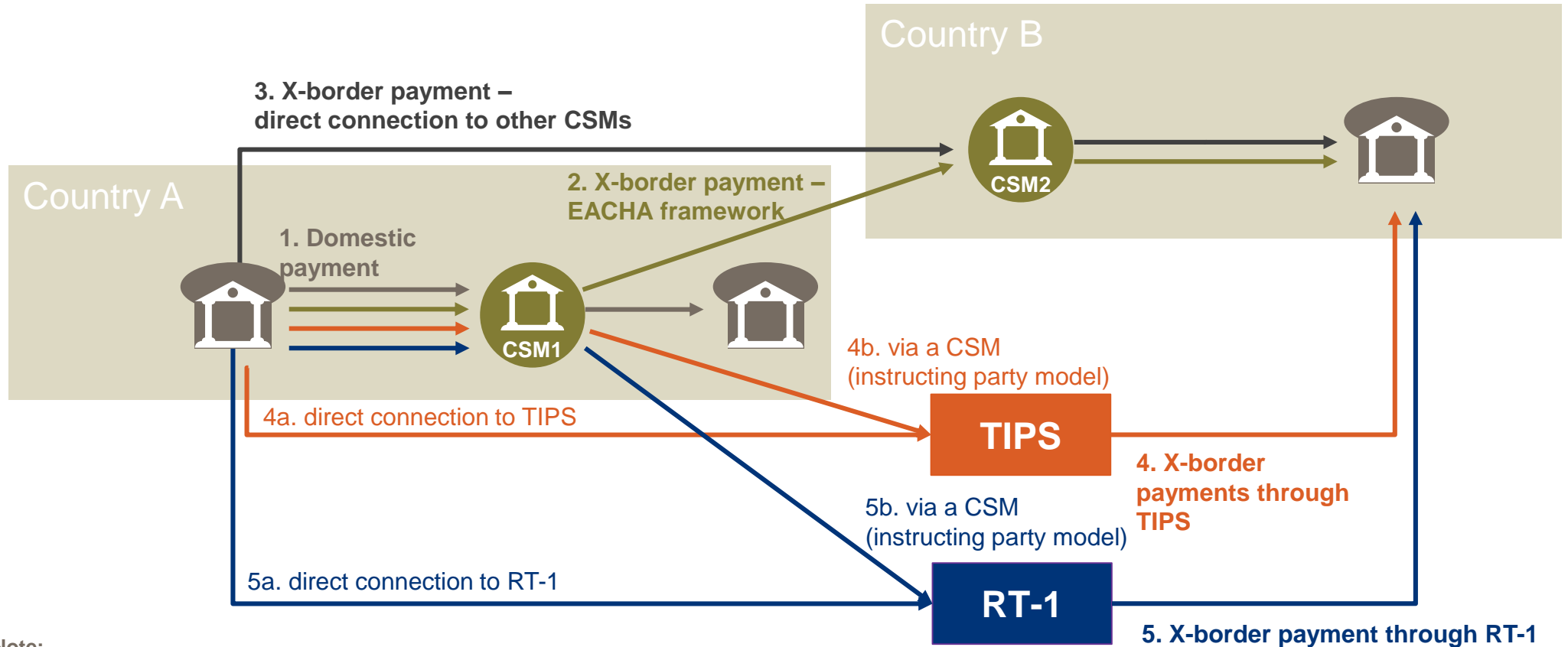
Variations on domestic levels





Instant Payments in the EU zone

Various methods to execute Pan-European payments



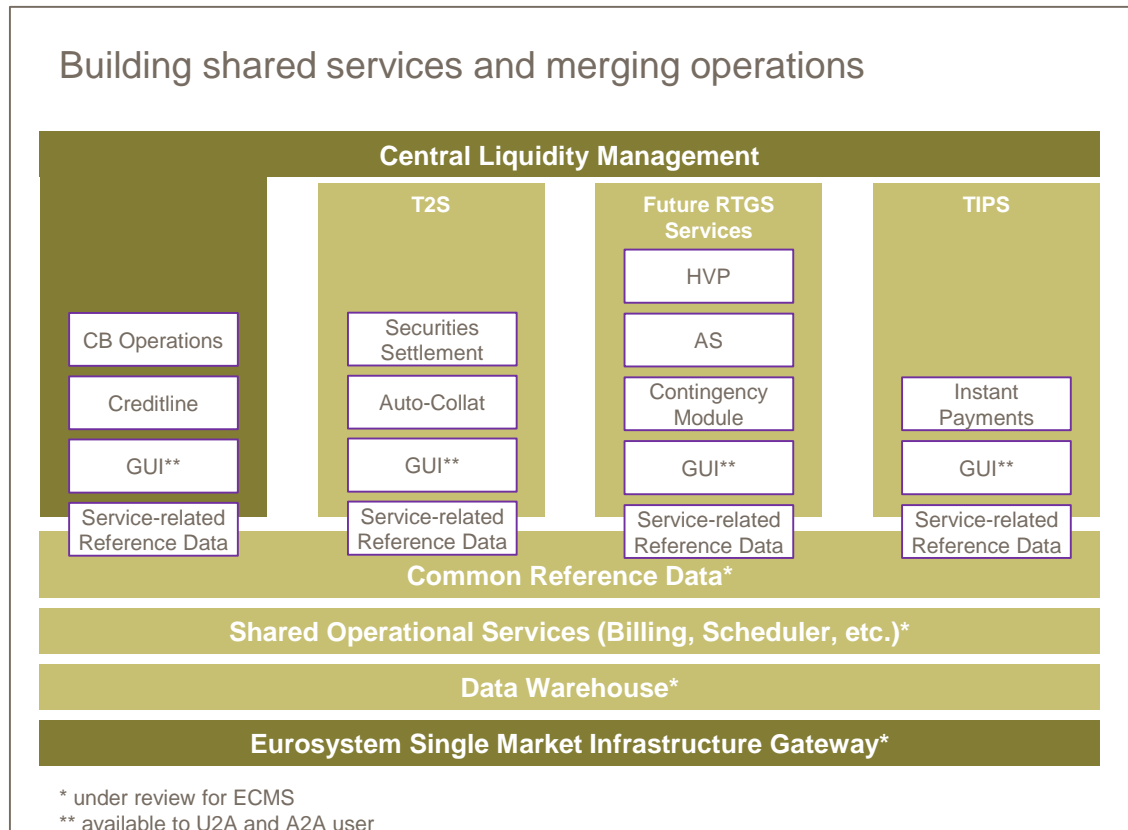
Note:

'x-border' means 'x-border intra-eurozone' in the context of this slide

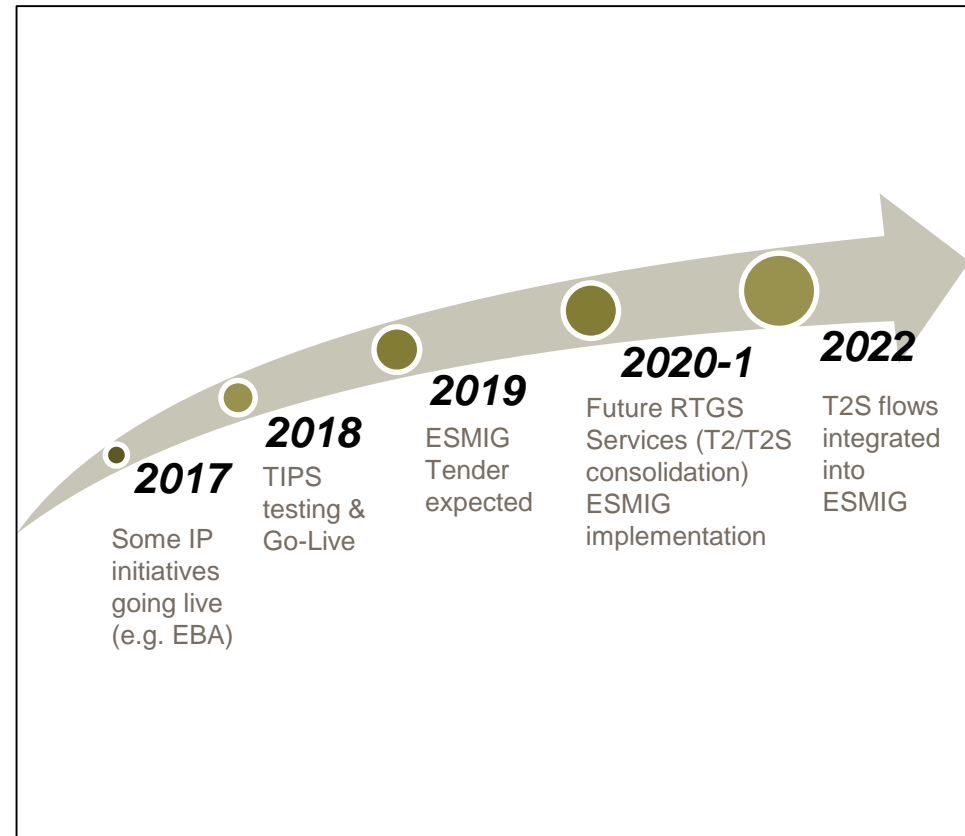


The Eurosystem consolidates access to their Market Infrastructure services

Eurosystem vision by 2020



Timeline



The SWIFT IP Solution



SWIFT's Instant Payments Platform High Level Benefits



Enable re-use

SWIFT customers will be able to re-use of SWIFT assets as much as possible



Multi-CSM Connectivity

Participants will be able to connect to multiple services (CSM, value-added services) through a single connection



Future proof

Support future footprint evolution, infrastructure changes, Industry initiatives and Regulation into account

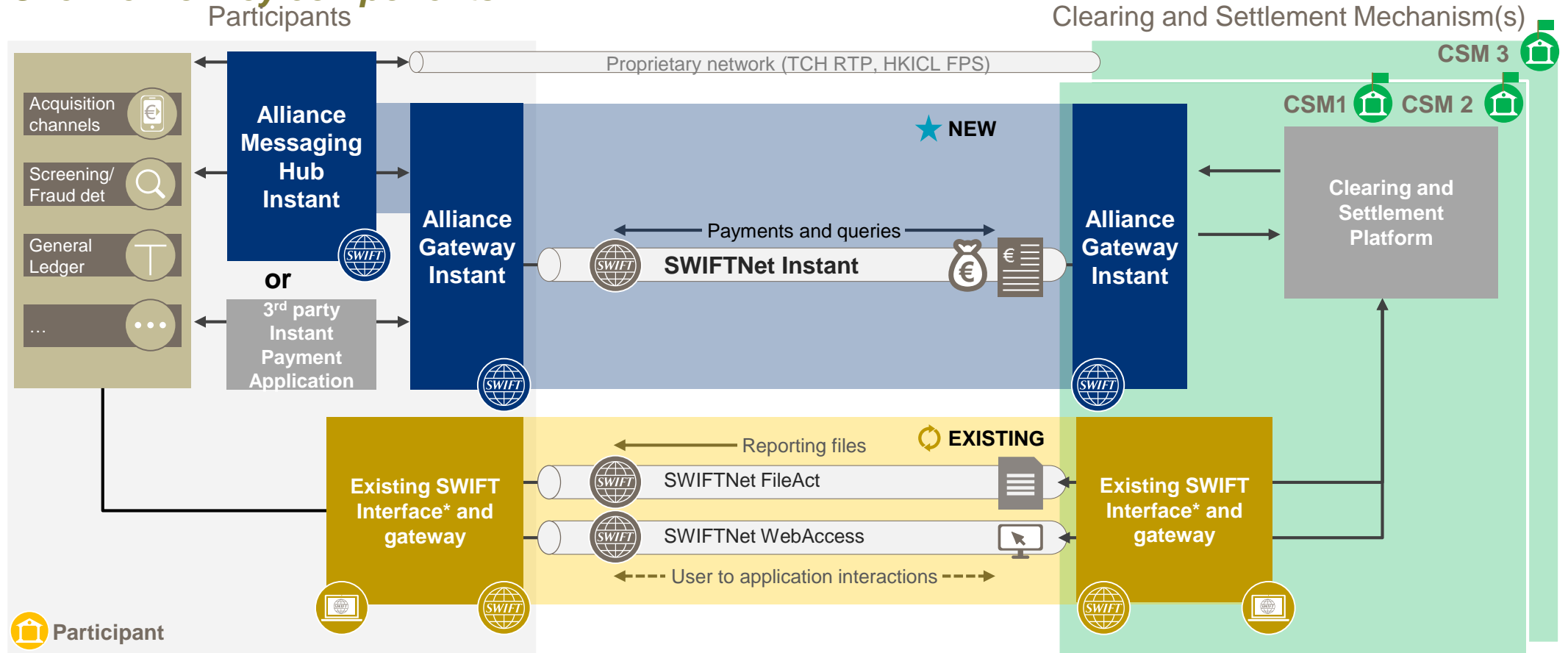
While meeting EU Instant Payments requirements

Support the various messaging needs for instant payments and be future proof for T2/T2S/TIPS consolidation (incl. ESMIG) and beyond (interface strategy)



Proposed solution for instant payments

Overview of key components



Introduces a **new** instant messaging protocol
(**SWIFTNet Instant**)

Re-uses the existing SWIFTNet
connectivity and **security** infrastructure

Re-uses SWIFTNet **FileAct** and
WebAccess

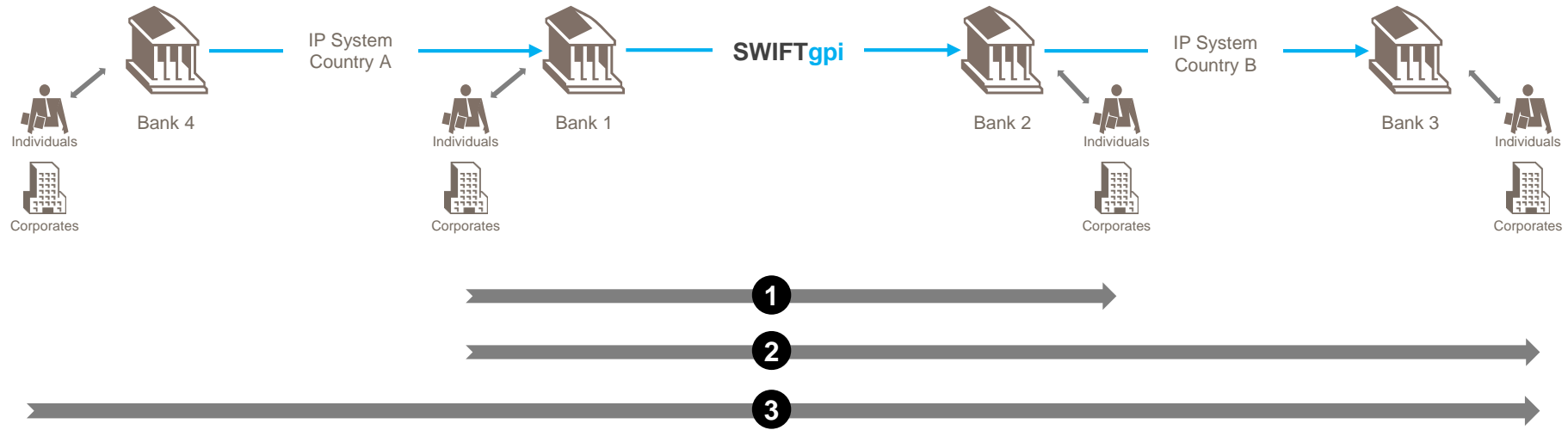


Linking IP with gpi



Concept: gpi enables real-time cross-border payments, *linking instant domestic systems*

Illustrative example



Use cases

- 1** Real-time cross-border payment, via gpi between 2 banks when no domestic instant payment system yet (e.g. US -> CA)
- 2** Real-time cross-border payment, via gpi into domestic instant payment system (e.g. SG -> AU NPP)
- 3** Real-time end-to-end payment, from one domestic instant payment system to another via gpi (e.g. SG FAST -> AU NPP)





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