



# SWIFT global payments innovation

January 2018

SWIFTgpi

# Spotlight on cross-border payment challenges



**Martin Schlageter**  
Head of Treasury Operations  
Roche

## Speed

“Critical business requires faster payment execution”



**Peter Claus-Landi**  
Director banking initiatives  
General Electric

## Transparency

“Many times we don’t have visibility on the fees lifted along the way”



**Brooke Tilton**  
Vice President, Treasury Operations  
Viacom

## Tracking

“I’m not able to tell when the money hits the beneficiary’s bank account”

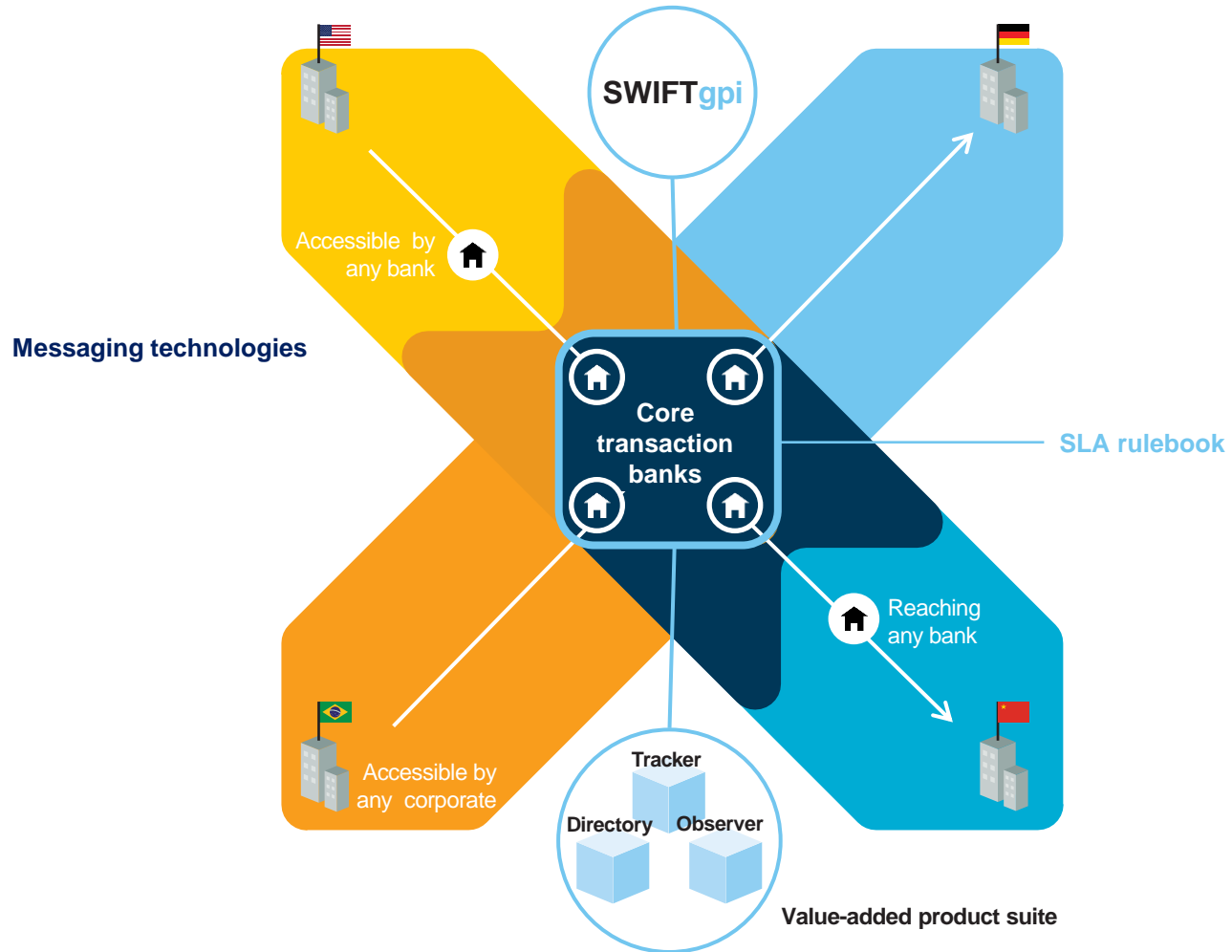


**Michel Verholen**  
Director, Global Treasury Center  
Zoetis

## Remittance information

“We miss information regarding the invoice and the payer for timely reconciliation”

# Time for SWIFT gpi



## SWIFT gpi: Three phases running in parallel

Phase 1 – Delivering	<b>New standard</b> Live since January 2017
Phase 2 – Designing	<b>Digital transformation</b> 2018
Phase 3 – Fostering	<b>Collaborative innovation</b> Ongoing



# SWIFT gpi Phase 1:

Enhancing customer experience  
by delivering a new standard  
in cross-border payments



# SWIFT gpi Phase 1: Enhancing customer experience by delivering a new standard in cross-border payments

## *“Yesterday”* | Traditional correspondent banking

Slow, can take multiple days

No transparency on costs

No transparency on time

No confirmation of credit



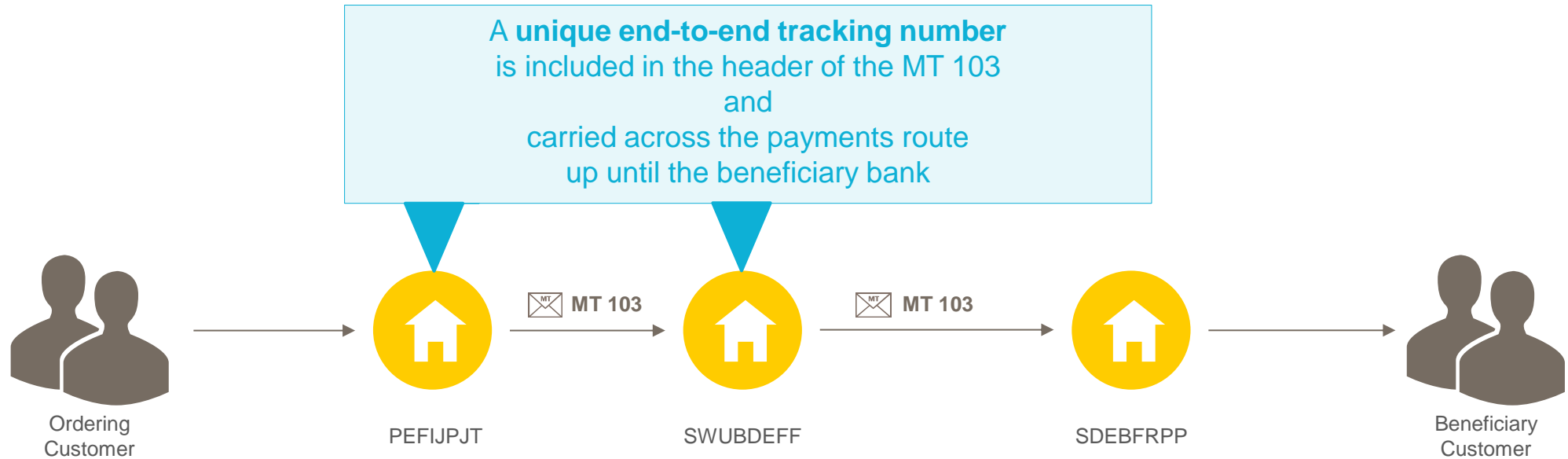
## *“Today”* | SWIFT global payments innovation (gpi)

- Faster, same day\* use of funds
- Transparency of fees
- End-to-end payments tracking
- Remittance information transferred unaltered

(\* ) within the timezone of the receiving gpi member



## Key element: Introduction of a unique end-to-end tracking number



# Key features: The SWIFT gpi Tracker

## Function

End-to-end payments tracking database to monitor progress of a gpi payment

## Benefits

Allowing to track a payment's path in real time, obtain transparency on deducts and confirmation that payment was credited

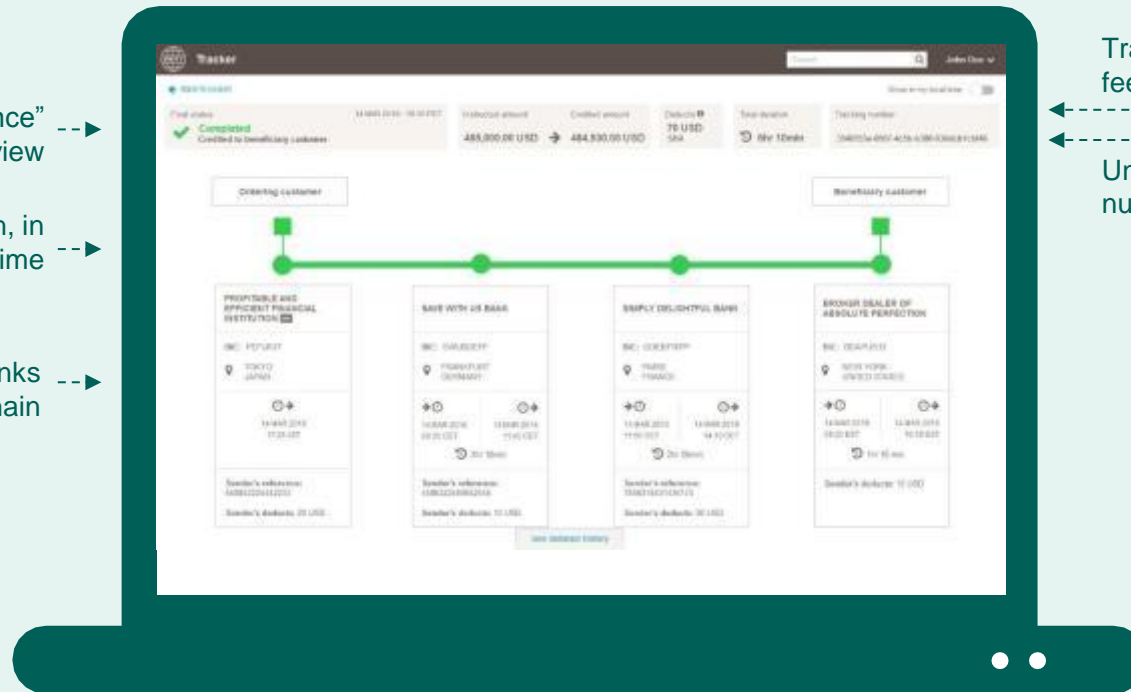
## Availability

MT 199 / API: Today

"One-glance" status overview -->

Track path, in real time -->

Details of banks along the chain -->



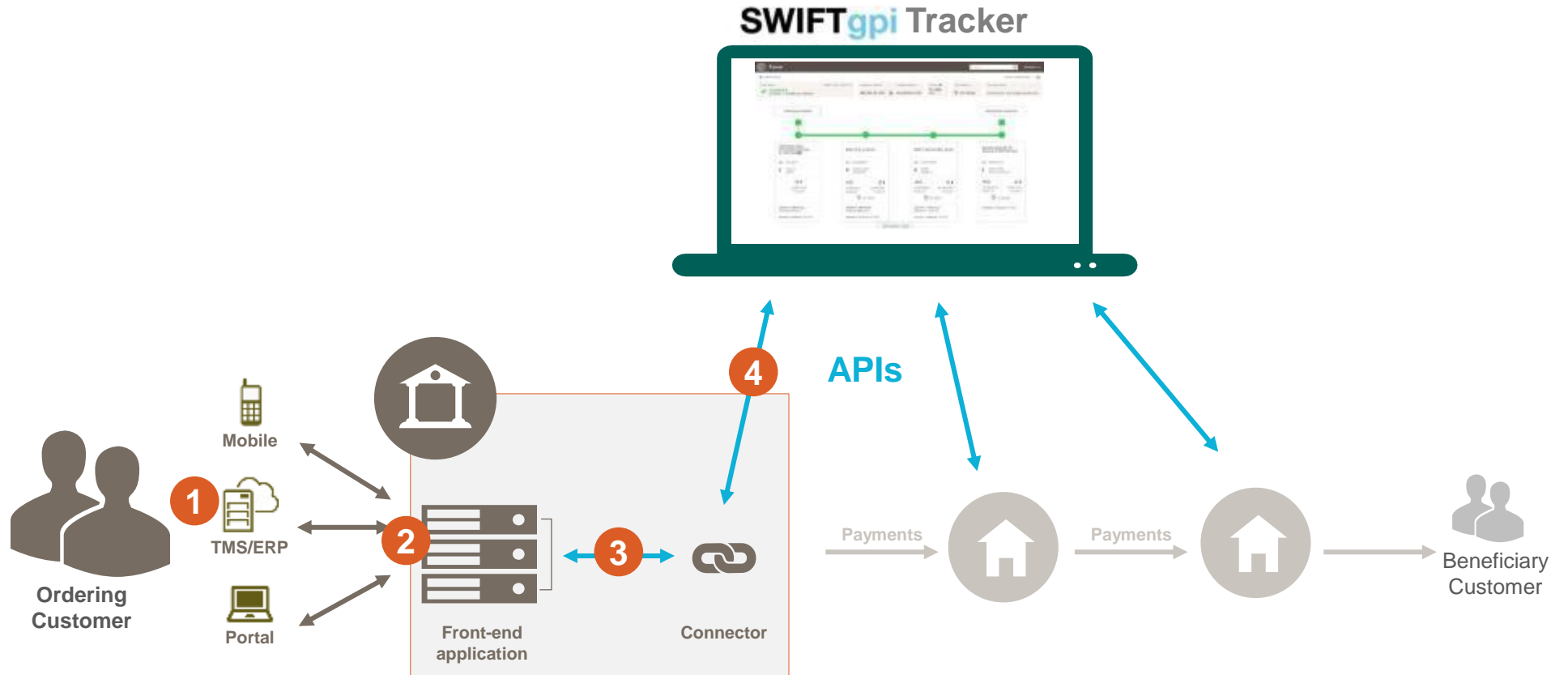
Transparency of total fees and time

Unique, end-end tracking number

- Central payments database, hosted at SWIFT
- Updated via MT199 or API
- Data consumption via GUI, via MT199 (push) or via API (pull)



# Leveraging APIs to integrate the Tracker into customer channels



# Key features

## The SWIFT gpi Observer

### Function

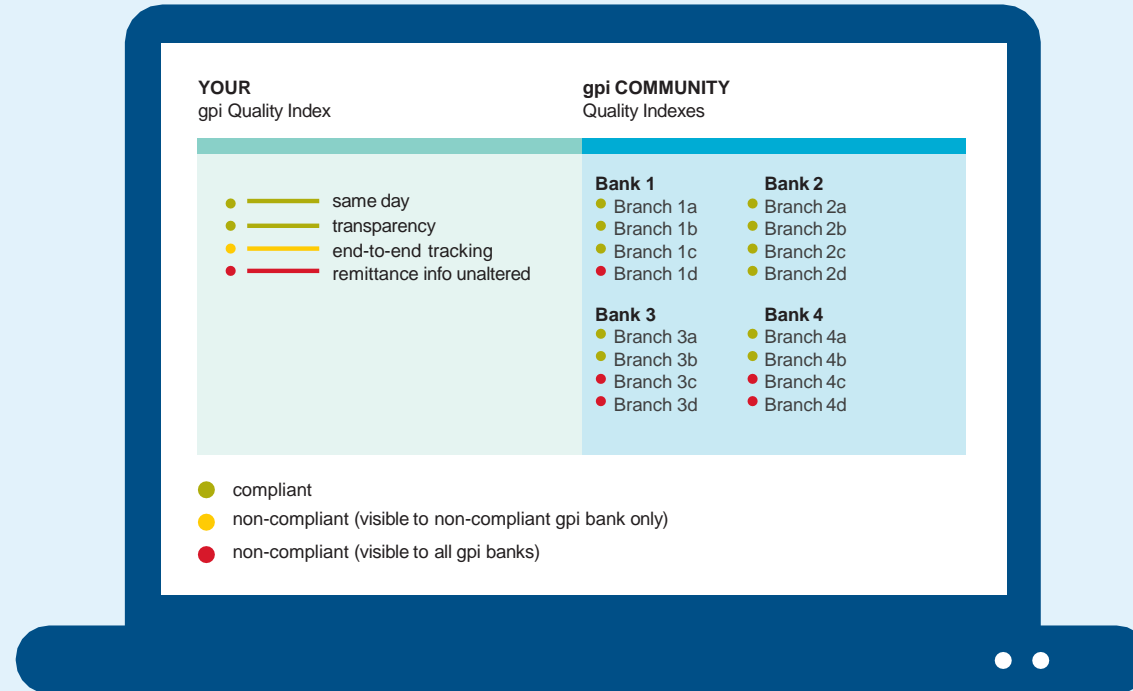
**Business Intelligence dashboard** showing bank compliance with gpi SLA.

### Benefits

**Ensuring** control, monitoring and enforcement of SLA, and, consequently, **service quality**.

### Availability

Observer Insights : Today  
Observer Analytics : Q1 2018



# Key features

## The SWIFT gpi Directory

### *Function*

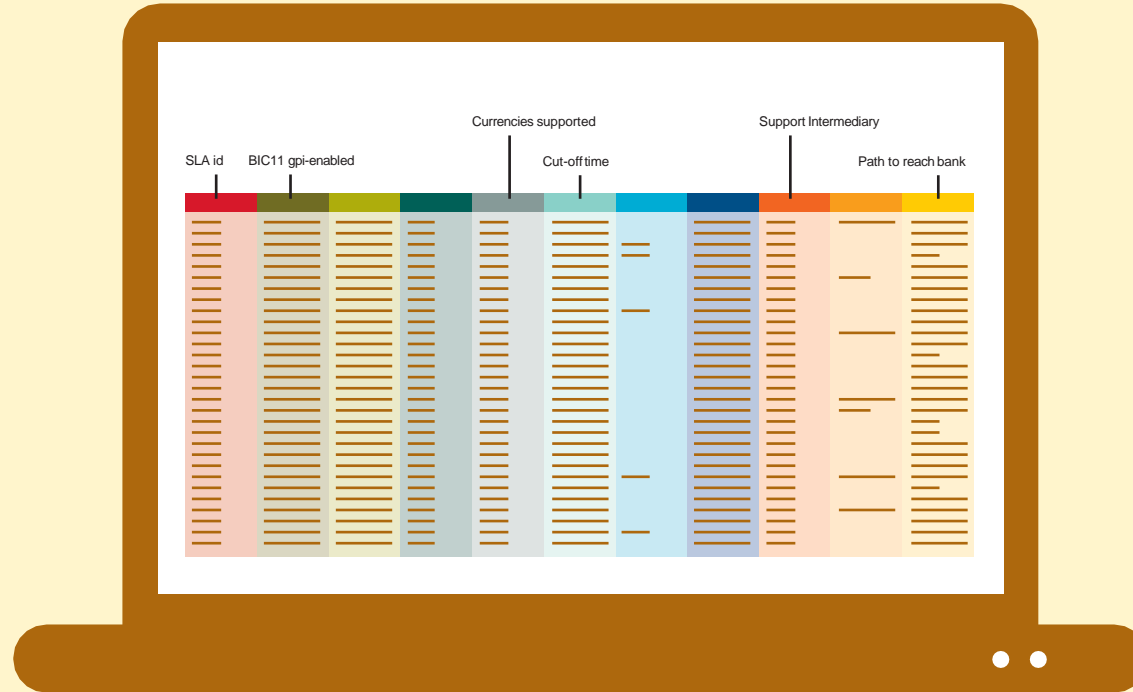
Providing **operational info on gpi members, BICs, currencies, cut-off times**

### *Benefits*

Essential reference data to **calculate best gpi payment route**

### *Availability*

*Today*



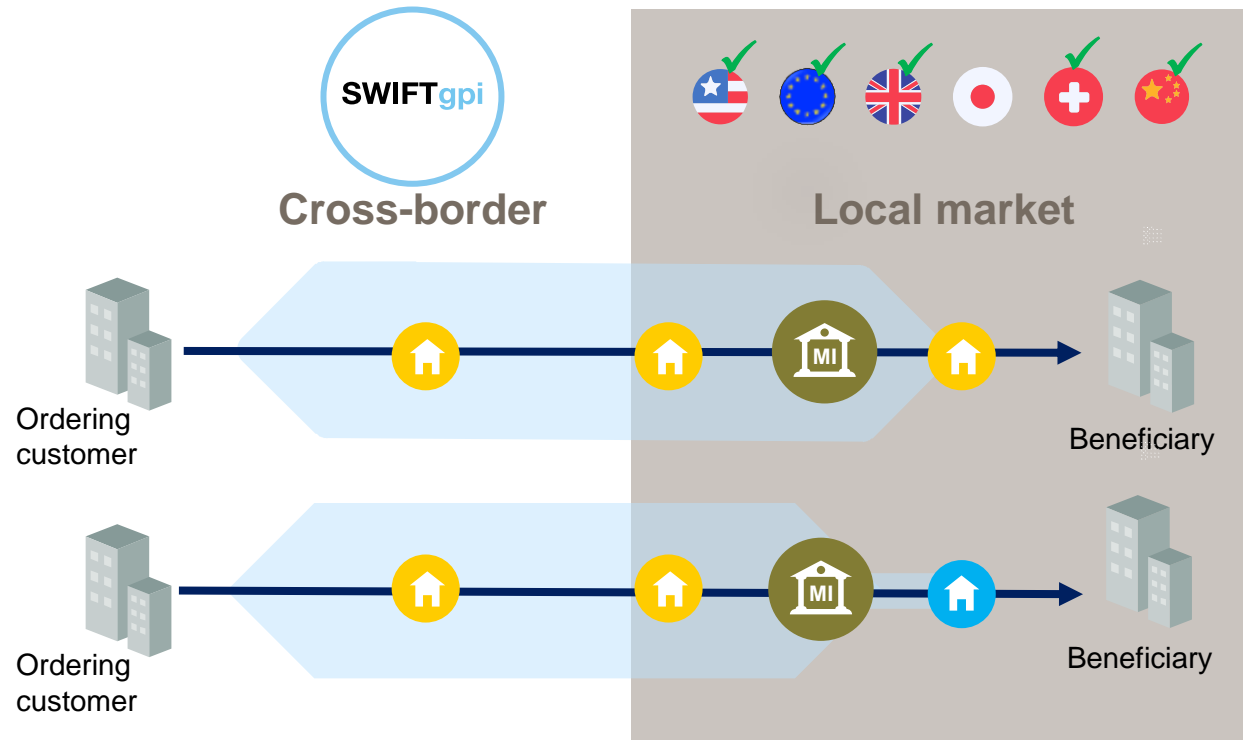
# Key participants: The market infrastructures

## Market infrastructures play key role in:

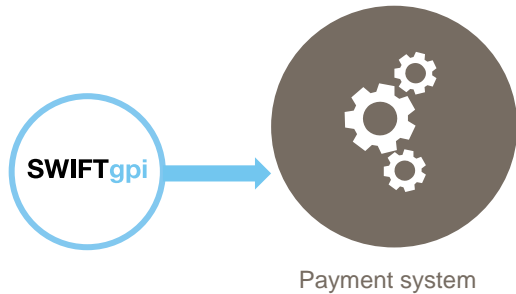
1. **SWIFT gpi clearing:**  
To pass on unique gpi identifier and data between gpi banks
2. **SWIFT gpi tracking:**  
To pass on unique gpi identifier to local non-gpi member banks

## 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



## Key enablers: Payment application vendors



### Payment application vendors play key role in gpi-enablement:

1. Convert corporate payment requests into SWIFT gpi payments
2. Encapsulate gpi business logic and SLA in payment transactions



### Certification label ensures vendor applications support gpi by default

1. Compliance with gpi rulebook
2. Commitment to gpi roadmap
3. Speeds up and reduces costs of gpi adoption for banks

# Over 140+ global transaction banks signed up for gpi

## 100+

country corridors

## 100K+

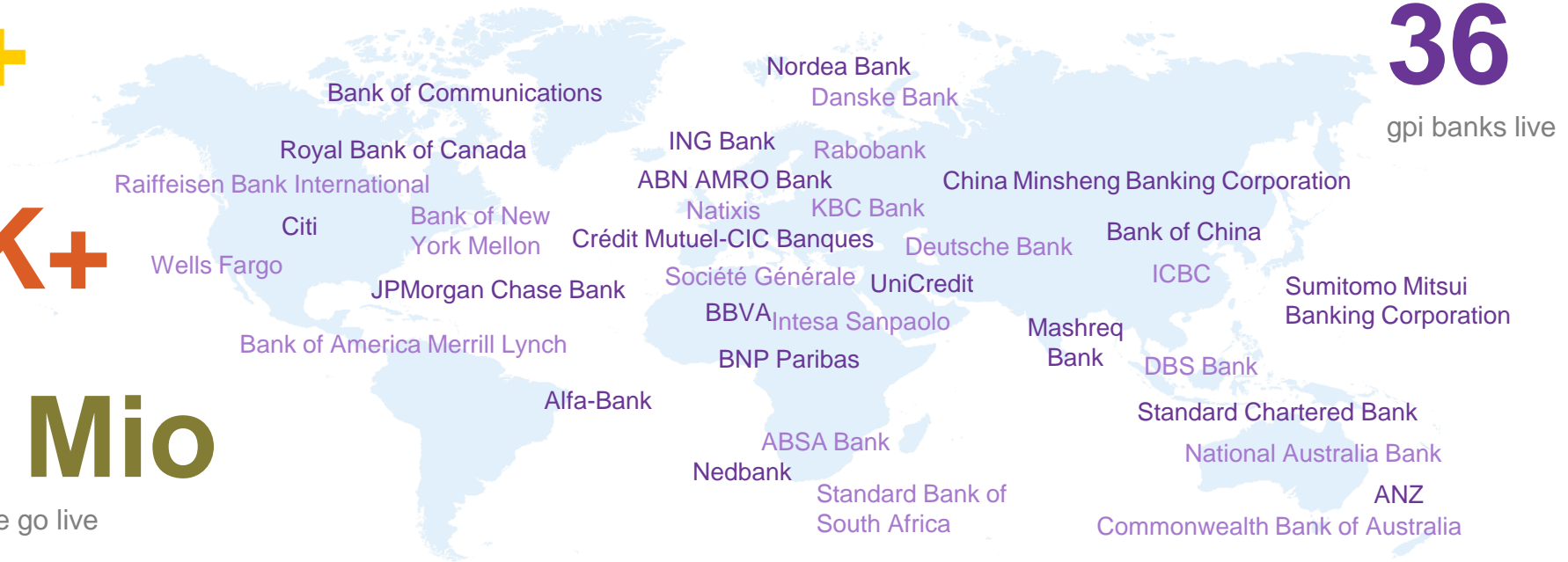
gpi payments/day

## 6,5+ Mio

gpi payments since go live

## 36

gpi banks live



**140+** Banks

**200+** Countries

**75%** SWIFT cross-border payments



Agricultural Bank of China  
Akbank  
Al Baraka Bank  
Asociación Popular de Ahorros y Prestamos  
Associated Foreign Exchange  
Axis Bank  
Banco de Chile  
Banco de Crédito del Perú  
Banco de Galicia  
Banco de Reservas de la República Dominicana  
Banco del Pacífico  
Banco Económico  
Banco Inbursa  
Banco Sabadell  
Bangkok Bank  
Bank al Etihad  
Bank for Investment and Development of Vietnam  
Bank of Georgia  
Bank of Hangzhou  
Bank of Jiangsu  
Bank of Montreal

Bank of Ningbo  
Bank of Shanghai  
Bank of Tokyo-Mitsubishi  
Bank of Zhengzhou  
Bank Pekao  
Bank Sinarmas  
Bank Uralsib  
Banque Centrale Populaire  
Barclays  
Bayerische Landesbank  
Bidvest Bank  
Budapest Bank  
CaixaBank  
Cajamar Caja Rural  
Cambridge Mercantile Canada  
Canadian Imperial Bank of Commerce  
Central Africa Building Society  
China Citic Bank  
China Construction Bank  
China Guangfa Bank  
China Zheshang Bank

Chong Hing Bank  
Commercial Bank of Kuwait  
Commerzbank  
CRDB Bank  
Crédit Agricole  
Credit Suisse  
CTBC Bank  
Dah Sing Bank  
Denizbank  
Diamond Trust Bank  
DNB Bank  
Ecobank  
Ebury  
Erste Group Bank  
Emirates Bank  
E.SUN Commercial Bank  
FirstRand Bank  
GCB Bank  
HSBC  
ICICI Bank  
Industrial Bank  
INTL FCStone

Ipagoo  
Kapital Bank  
Kasikorn Bank  
KCB Kenya  
KEB Hana Bank  
Kookmin Bank  
Landesbank Hessen-Thüringen  
Lek Securities Corporation  
Lloyds Bank  
Mizuho Bank  
National Bank of Kuwait  
National Commercial Bank  
National Microfinance Bank  
NIC Bank  
Oversea-Chinese Banking Corporation  
Ping An Bank  
Piraeus Bank  
PKO Bank Polski  
Postal Savings Bank of China  
Promsvyazbank PJSC  
Riyad Bank

Santander  
Sberbank  
Scotiabank  
Shanghai Pudong Development Bank  
Shanghai Rural Commercial Bank  
Siam Commercial Bank  
Skandinaviska Enskilda Banken  
Skye Bank  
Tadhamon International Islamic bank  
TEB  
Toronto-Dominion Bank  
Turkiye Cumhuriyeti Ziraat Bankasi  
Turkiye Garanti Bankasi  
Turkiye Is Bankasi  
UBS Group  
United Overseas Bank  
Vietcombank  
VTB Bank  
Westpac Banking Corporation  
Yapi Ve Kredi Bankasi  
Yinzhou Bank  
Zhejiang Rural Credit Cooperative Union

## Value for banks

Reduce Costs	Delight Customers	Grow Business
<p>Increase operational efficiency in your customer claims and investigations management</p> <p>Ability to do <b>cash forecasting</b> and <b>optimise your liquidity management</b></p>	<p>Significantly increase customer <b>satisfaction</b> by offering speed, certainty, transparency and a confirmation of credit for cross-border payments</p> <p><b>Build a reputation</b> of leader in global payments innovation</p>	<p>Retain and attract new customers</p> <p><b>Sell payments services to third parties</b></p>

## Value for corporates

Accounting & core functions	Budgeting, planning and forecasting	Treasury & Cash Management
<p>Better cash flow management</p> <p>Speed and visibility on critical payments</p> <p>Certainty for buyers and sellers</p> <p>Transparency on bank fees</p> <p>Reduced exception handling &amp; investigations</p>	<p>Enhanced predictability and traceability</p> <p>Greater planning and decision making</p> <p>Improved reconciliation and forecast reporting</p>	<p>Reduced settlement time</p> <p>Leverage investment opportunities</p> <p>Higher visibility for capital and credit management</p> <p>Reduced FX risk</p>

# SWIFT gpi phase 2:

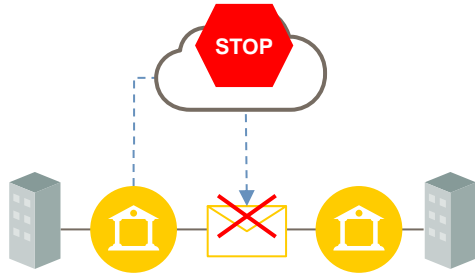
The digital transformation of cross-border payments





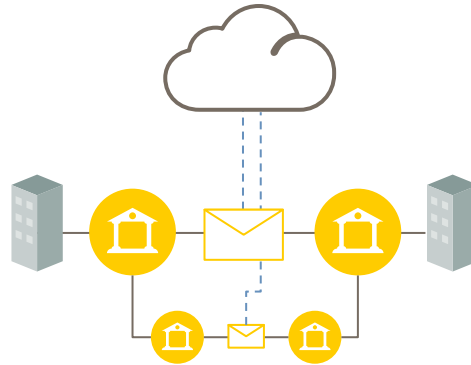
# New gpi services for deployment in 2018

## Stop and recall



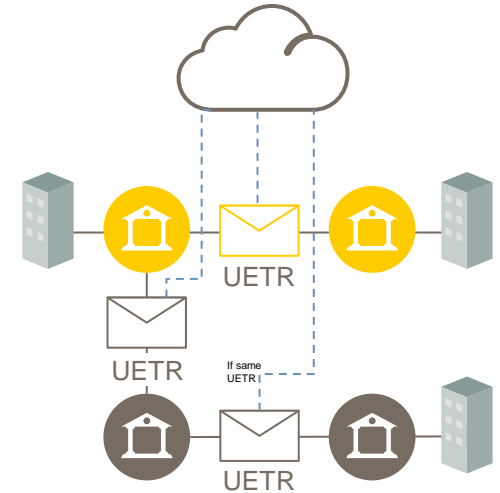
Immediately stop payment (fraud, error), no matter where in gpi transaction

## Cover payments



Timely transfer of payment, also if no direct relationship sender-receiver

## Extended tracking



All users benefit from unique reference and gpi banks from extended tracking, on key payment messages

### Additional explorations for 2018

- Examine how gpi ISO 20022 based service would operate, in tandem with SWIFT ISO 20022 migration study
- MT 202 service to bring similar benefits for financial institution transfers
- Standardisation of bank-to-corporate tracking information, starting with a pilot for SWIFT-connected corporates

# SWIFT gpi phase 3:

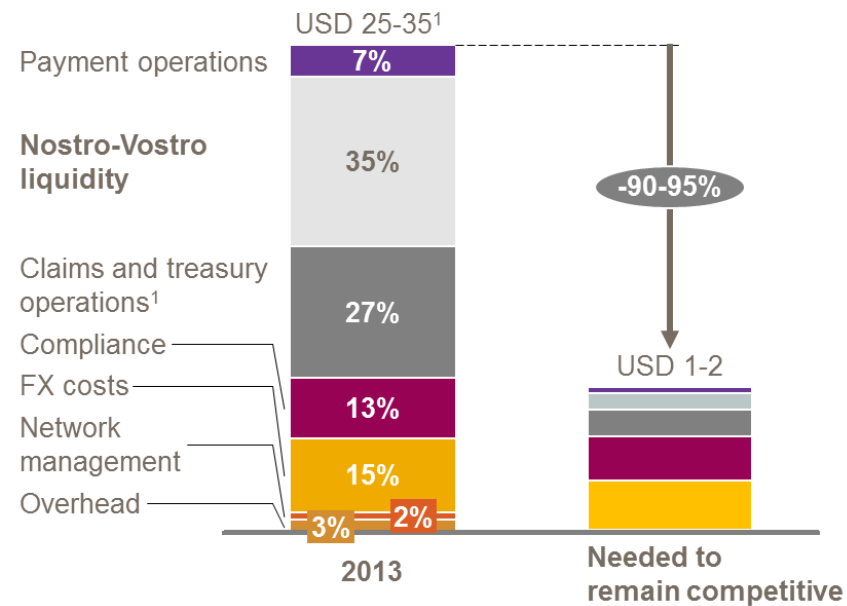
Fostering collaborative innovation to further reduce cost



# DLT PoC for real-time nostro aims to reduce cost of liquidity inherent to correspondent banking

**Challenge: Nostro-Vostro liquidity cost is 35% of cross-border payment cost**

Cost per international payment transaction



## Test approach

- 35 banks
- Project April → October
- Interim report (Sibos) – Final report (Nov)

## Preliminary results

- > PoC application and ISO20022 data model deliver business functionality
- > Encouraging progress whilst technology not mature yet
- > Remaining challenges are potential value and integration cost

## Industry challenge identifies new overlay services

- **Two-day workshop Challenge** in Singapore with 30 banks and 5 FinTechs selects two FinTech winners to develop overlay services on top of gpi, together with banks
- **Two winners:**
  - **AccessPay** – extending value to corporates with liquidity visibility
  - **Assembly Payments** – defining a request for transfer overlay service
- **Next Steps:**

FinTechs to work with SWIFT and gpi banks to further develop the winning concepts in Proof of Value  
[three months, Q4 2017 - Q1 2018]

## Getting started with SWIFT gpi

- 1 Learn more on [www.swift.com/gpi](http://www.swift.com/gpi) or on our SWIFTgpi iPad App
- 2 Contact us via [swiftforbanks@swift.com](mailto:swiftforbanks@swift.com) or [swiftforcorporates@swift.com](mailto:swiftforcorporates@swift.com)





[www.swift.com](http://www.swift.com)