



# Visibility of incoming payments – Proof of Value (PoV)

Can visibility on all incoming cross-border payments help corporates achieve greater efficiency?

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# Can end-to-end visibility and transparency on all incoming cross-border payments help corporates on the seller side?

We presented this question to six gpi member banks and corporate customers<sup>1</sup> as we launched the visibility of incoming payments PoV explored with AccessPay.

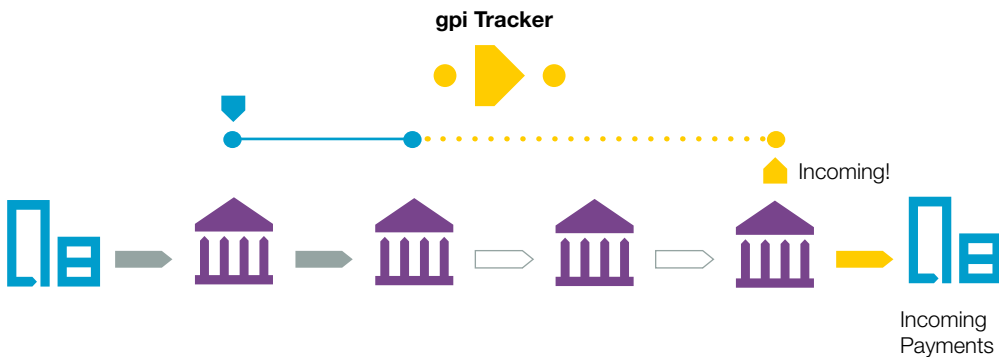
<sup>1</sup> **Participating banks:** BNP Paribas, Natixis, Citi, Deutsche Bank, Mashreq Bank, Societe Generale, UBS, Yapi Kredi  
**Participating corporate customers:** ITV and Eversheds Sutherland

**Solution investigated**

Building on the unique capabilities of SWIFT gpi, a visibility of incoming payments initiative would leverage the existing gpi Tracker to help corporates with the management of working capital as well as payment reconciliation operations.

With SWIFT gpi, member banks benefit from visibility over all incoming payments before reception of the payment message. However, the information presented does not today include the details on the buyer, the seller and any remittance details. Would SWIFT made this information available to gpi banks, the solution examined would utilise the transaction information that the buyer bank puts in the SWIFT network to enable the beneficiary bank to present these transaction details to the corporate beneficiary, ahead of payment delivery.

As a result, banks would have the capacity to offer incoming payment notification, tracking and search services to their corporate customers.



## Approach

Throughout the PoV, participating banks and corporates were invited to validate the proposed solution in the context of their institution, and provide input on possible use cases and perceived value.

The PoV was rolled out in two phases:

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# 01

The first stage gathered six gpi member banks and SWIFT to explore the initial value points, identify high level requirements to feed the tracking service and investigate standards for forecast reporting.

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# 02

After defining the foundational elements, phase 1 participants entered a second phase of the PoV aiming to discuss and validate the solution overview and the value of a visibility of incoming payments service with corporates. In phase 2 we worked with a technology vendor – AccessPay – who provides a bank dashboard app for corporates – BankSense – to illustrate what the end customer sees in the testing scenario.

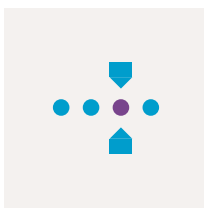
## Results of the PoV

The consultations conducted with the six gpi member banks and the corporates during the PoV demonstrated that the industry sees value in receiving advance information of incoming payments.

We entered the PoV asking whether visibility over incoming payments would help corporates with the management of their working capital by improving their receivables forecasting. Following the conversations participants engaged in during the PoV, we confirmed that **while visibility of incoming payments would help to improve accuracy for intraday credit line needs, it would provide further benefits in supporting credit control with reconciliation operations.**

Today corporates spend a significant number of hours chasing late payments and proof that payments have been initiated. Participants in the PoV indicated that benefiting from visibility over all incoming payments would help them reduce the time spent tracking payments and result in greater operational efficiency.

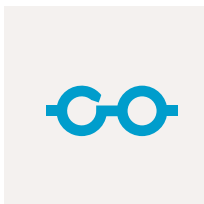
The PoV also supported the assumption that such a service would bring **significant benefits to banks:**



At **customer service level**, visibility of incoming payments would lead to more effective case resolution: bank customers would be able to **track in real-time the status of their incoming payments** in a self-service environment and, therefore, would **not need to contact the bank for this information.**



For **large corporates**, this new layer of information would help banks develop standardised incoming payment tracking **solutions that can be integrated in their customers' ERP systems.**



The new service would also benefit **banks** more directly by enabling their treasuries to **better forecast daily FX needs** and, therefore, **reduce the need to ask corporates for this information.**

## Key findings

While the PoV concluded that a visibility of incoming payment service would facilitate the management of working capital for corporates, it also highlighted additional use cases and prerequisites.

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### Liquidity forecasting

In line with the primary assumption that drove the PoV, liquidity forecasting would complement the value that gpi brings to cross-border payments. This is perceived by participants as particularly relevant on slow corridors or for specific currencies and to enhance the liquidity management of FI customers.

### Exception management

The degree of transparency provided throughout the transit of the payment means that banks would be able to inform their customers at all-times about the status of their incoming flows and, therefore, reduce enquiry resolution times. Further value is foreseen in enabling corporates to use the service, allowing them to track specific transactions directly, even when they do not have the UETR.

Whilst the exception management and the possibilities it opens is considered a key priority, enabling end users to directly search and track the payments could be harder to integrate. To deploy the feature on the end user systems would require the integration of additional information flows in their ERPs. Nevertheless, similar integrations are already being explored, as is the case with gpi for corporates.

### Legal and compliance

While the gain of transparency over incoming payments would benefit banks and corporates on various levels, the service could impact compliance in that some banks may need to screen these flows. The process, however, could be similar to that applied when sending MT 199 messages.

From a legal perspective, care would need to be applied in marketing the Visibility on Incoming Payments as the information required to offer real end-to-end tracking is provided on a best-effort basis and, therefore, should be considered as advice rather than a commitment.

### Implementation and customer service

From an implementation point of view, we would need to further explore ways to satisfy regulation for countries where the name of the customer is not sufficient and account name disclosure is mandatory, or for payments made to Payment Factory accounts for receivables.

## Next steps

Banks and corporates alike recognise the importance of transparency across the payment chain. In addition to benefitting liquidity forecasting activities, visibility of incoming payments will provide a real value add to exception management capabilities and therefore this should remain a key focus when building the new service.

The visibility of incoming payments solution received strong support from the banks and corporates involved in the PoV and it is one of the top 2019 priorities for the gpi for corporates (g4C) group. Looking at the next steps, SWIFT now intends to gather a representative group of gpi member banks and corporates to engage in a pilot where the gpi infrastructure will provide the rails for the core functionality framework and APIs.

## Benefits at a glance

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### **Improve credit control efficiency**

Reduces the time spent by corporates to reconcile proof of payments

Greater transparency also means that less time would be spent chasing late payments

### **Enhance liquidity forecasting**

Provides a more accurate view of incoming payments

Enables treasury operations to fine tune their working capital needs

Contact [swiftforbanks@swift.com](mailto:swiftforbanks@swift.com) to find out more about the initiative.  
[www.swift.com/gpi](http://www.swift.com/gpi)



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We provide our community with a platform for messaging and standards for communicating, and we offer products and services to facilitate access and integration, identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories. While SWIFT does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby supporting global and local financial flows, as well as trade and commerce all around the world.

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Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's international office network ensures an active presence in all the major global financial centres.

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