



# The SWIFT global payments innovation initiative

October, 2016

SWIFTgpi

# The journey so far

December 2015

January 2016

April 2016

June 2016

September 2016



## SWIFT announces Global Payments Innovation

*Delivering a new standard in cross-border payments*

Brussels, 10 December 2015 – SWIFT announces the Global Payments Innovation initiative, a new service designed to dramatically improve the customer experience in correspondent banking and predictability of cross-border payments.

Designed in collaboration with the industry, the Global Payments Innovation initiative will focus on a business-to-business payments service supported by participants.

The new service will help corporates grow their international relationships, and achieve greater treasury efficiencies. It will enhance payments service directly from their banks, with the following:

- Same day use of funds
- Transparency and predictability of fees
- End-to-end payments tracking
- Transfer of rich payment information

It will operate on the basis of 'business rules' captured in multiple (SLAs) between participating banks. The innovative new service customer needs, without compromising banks' abilities to meet their credit and liquidity risk requirements. It will operate on SWIFT's secure and participation will be open to any supervised financial institution that adheres to its business rules.

Gottfried Leibbrandt, CEO, SWIFT, said: "Correspondent banking is a secure cross-border payments day in, day out, with the Global Payments Innovation initiative, we are providing real benefits to end customers. This is a critical innovation."

Yawar Shah, Chairman, SWIFT said: "The Global Payments Innovation initiative will further engage the FinTech community and explore the use of real time payment status tracking, the use of peer-to-peer technology."

Following the pilot focused on cross-border payments for corporate additional innovations and deploy new technologies as part of the initiative. SWIFT will work together with the industry to define additional that will cater for other client groups, further reducing the costs and liquidity and processing efficiency considerations involved in cross-border payments.

Wim Raymaekers, Head of Banking Markets, SWIFT, adds: "The initiative is an important first step in driving cross-border payments innovation. We will continue to develop new and enhanced service initiatives to further engage the FinTech community and explore the use of real time payment status tracking, the use of peer-to-peer technology."

The pilot of the new initiative will start from early 2016.

To join the Global Payments Innovation initiative, or to find out more,



## 45 leading banks sign up to SWIFT's innovation initiative

*Major banks around the world take action to drive customer experience in cross-border payments.*

Brussels, 21 January 2016 – SWIFT announces that 45 leading banks have signed up to the Global Payments Innovation initiative, announced at the end of December 2015.

The 45 participating firms include major transaction banks from Europe, Asia, and the Americas. More banks are expected to join this initiative in the coming months.

Christian Sarafidis, Chief Marketing Officer at SWIFT, said: "Such a large number of banks all around the world is proof of the importance of this global payment initiative and their commitment to offering greater speed, transparency and predictability of cross-border payments."

The vision of the global payments innovation initiative is to enhance the customer experience by leveraging SWIFT's proven messaging platform and global reach. Together with the participating banks, SWIFT has created a new service level agreement (SLA) rulebook, providing collaboration between banks. In its first phase, the new service will help corporates grow their international relationships, and achieve greater treasury efficiencies, the initiative will enhance payments service directly from their banks, with the following:

- Same day use of funds
- Transparency and predictability of fees
- End-to-end payments tracking
- Transfer of rich payment information

Wim Raymaekers, Head of Correspondent Banking at SWIFT, said: "This initiative will enable banks to dramatically improve their payments experience. Leveraging SWIFT's global community and the proven technology, the new service should find rapid adoption and make the global payments landscape."

The pilot of the new initiative will start from early 2016. Following payments pilot programme, SWIFT aims to incorporate additional technologies to its global payments innovation initiative. SWIFT will work with the industry to define additional service level agreements that will cater for other client groups, further reducing the costs and frictions arising from compliance, liquidity and process involved in cross-border payments.

For more information or to join this initiative, visit [swift.com/gpi](http://swift.com/gpi)



## SWIFT kicks off pilot for global payments innovation initiative

*21 banks piloting SWIFT's new initiative to improve cross-border payments experience with greater speed, transparency and predictability.*

Brussels, 5 April 2016 – SWIFT announces today that 21 banks have started piloting SWIFT's new initiative, intended to improve the customer experience in cross-border payments by increasing the speed, transparency and predictability of cross-border payments.

The pilot is planned to run through to December, the first results of which will be announced in early 2016. The banks participating in the pilot include: Merrill Lynch, Bank of China, Bank of New York Mellon, Bank of Tokyo-Mitsubishi, BNP Paribas, Citigroup, Danske Bank, DBS, ING Bank, Intesa Sanpaolo, Mizuho, Nordea, Royal Bank of Canada, SMBC, Standard Chartered, UniCredit, and others.

Wim Raymaekers, Global Head of the Banking Market and project lead for the initiative, said: "The light knit group of leading banks will help to spearhead the testing beyond. Their commitment is testament to the initiative and our joint ambition to improve the cross-border payments experience for corporate customers. As we incorporate additional innovations and deploy new technologies to this global initiative, and define additional service level agreements that will cater for other client groups, further reducing the costs and frictions arising from compliance, liquidity and process involved in cross-border payments."

Following our earlier announcement in January 2016, 51 banks are now signed up to the initiative. SWIFT is working with these banks to create a new service level agreement (SLA) rulebook for providing an opportunity for smart collaboration between banks. The banks in the initiative are Standard Bank, Investec, Resona Bank, Tadmor Bank, Kasikornbank, and the Bank of the Philippine Islands (BPI).

In response to requests from the banks, SWIFT is offering an on-boarding pilot, to ensure that all banks signed up for the initiative can prepare for live go-live of the pilot for all participating banks in 2017.

In its first phase, the new service will focus on business-to-business payments. The initiative will help corporates grow their international business, improve supplier relationships, treasury efficiencies; the initiative will enable corporates to receive an enhanced payments service directly from their banks, with the following key features:

- Same day use of funds
- Transparency and predictability of fees
- End-to-end payments tracking
- Transfer of rich payment information

"This is a smart way to address some major pain points with the current process," says Magnus Carlsson, Treasury and Payments Manager at the A&P Professionals (AFP). "Through the global payments innovation initiative, banks can improve their customer experience."



## SWIFT's global payments innovation initiative transform cross-border payments

*More than 70 banks worldwide collaborate to dramatically improve cross-border payments experience with greater speed, transparency and predictability.*

Brussels, 28 June 2016 – SWIFT announces today that 73 banks have joined the initiative. The banks participating in the pilot include: Alfa-Bank, Axis Bank, Banco de Brasil, Bangkok Bank, Bank of Nova Scotia, Banque Européenne du Commerce, Credit Agricole, CIBC Bank, Citigroup, ICICI Bank, Itaú Unibanco, Mashreq Bank, Promontoria, Handelsbanken, Swedbank, TMB Bank and U.S. Bank.

"It is great to see so many banks from all corners of the globe joining the initiative," says Wim Raymaekers, Global Head of the Banking Market and project lead for the initiative. "Together, they do nearly 75% of all SWIFT network. We welcome additional banks to join this open initiative."

As a part of the initiative, banks will enhance their approach to cross-border payments by giving their corporate clients a dramatically improved experience. The initiative will be able to give their corporate clients a dramatically improved experience by giving them a same day use of funds, transparency of fees, end-to-end tracking information.

To enable the end-to-end tracking, SWIFT is developing a database to give end-to-end visibility on the status of a payment transaction. It is confirmed - similar to tracking services provided by international air carriers.

Raymaekers adds: "This new payments tracker is a great example of the first time, banks will be able to give their customers precise information in real-time, including confirmation of credit to beneficiary's account."

The first phase of the initiative is well underway with a pilot for payments. The first phase of the pilot will be presented at [Sibos](http://Sibos), SV event, in September 2016, with the go-live planned for early 2017.

In addition to this first phase, over 40 banks participated in a series of workshops in Singapore, London and New York in April and May, and defined banking dubbed "the digital transformation of cross-border payments" and pragmatic roadmap was established to deliver an additional service, creating more value for customers as well as further reducing costs.

"SWIFT's global payments innovation initiative is a real game-changer," says Christian Sarafidis, Chief Marketing Officer, SWIFT. "The large number of banks, the



For immediate release

## SWIFT successfully completes first phase of global payments innovation initiative pilot

*Global banks prepare for go-live in early 2017*

Sibos – Geneva, 27 September 2016 – SWIFT announces today it has successfully completed the first phase of the global payments innovation (gpi) initiative pilot, clearing the way for the go-live of the service in early 2017.

During the pilot, 15 global banks representing more than 30 percent of cross-border payments successfully tested the design and core functions of the gpi, while in parallel, ten additional global banks started to prepare for the service's launch.

"The gpi pilot banks prove that our innovative approach to cross-border payments works," says Wim Raymaekers, Global Head of the Banking Market and project lead for the initiative. "Based on their feedback, we know the implementation period for gpi can be quick – within six months. This is great news for SWIFT and the banking community. Through innovative thinking, which is the backbone of this initiative, and collaboration, we are empowering banks to use existing platforms and combined that with innovative technology provided by SWIFT to facilitate end-to-end payments tracking."

A new initiative from SWIFT and the global banking community, [SWIFT.gpi](http://SWIFT.gpi) is designed to significantly improve the customer experience in correspondent banking by increasing the speed, transparency and end-to-end tracking of cross-border payments. In addition, the gpi initiative will deliver another major innovation with the provision of end-to-end payments tracking. The payments tracking service will be hosted in the cloud, based on a global tracking database hosted by SWIFT. The new SWIFT gpi tracker will be demoed at [Sibos](http://Sibos) 2016.

"The early success of the pilot is a great milestone for SWIFT and the participating banks," says the SWIFT gpi project leader at Bank of China, one of the most advanced banks in the SWIFT gpi implementation. "It is amazing to see how much we can accomplish as an industry in just a short period of time. Collaboration is key, and the speed to which SWIFT and the pilot banks mobilised the banking community to change their approach to cross-border payments and follow a set of innovative business process rules has been a herculean effort."

"The preliminary results from the gpi pilot are encouraging," says Michael Pavlovic, VP, Payment and Trade Operations at Royal Bank of Canada. "We are pleased to be an active participant in the development of a service that can create an improved user experience for our clients."

In total, more than 80 global banks have now signed up to participate in the gpi initiative. Banks that have recently joined include BNP Paribas, Bank of China, China Construction Bank, Commonwealth Bank of Australia and Helaba Landesbank Hessen-Thüringen – and additional banks are joining each month.

See [swift.com/gpi](http://swift.com/gpi) for more information and the full list of participating banks.

About SWIFT

SWIFT is a global member-owned cooperative and the world's leading provider of secure financial messaging services. We provide our community with a platform for messaging, standards for communicating and we offer products and services to facilitate secure and integrated, identification, analysis and financial crime compliance. Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructure



SWIFT gpi overview - October 2016

# The correspondent banking model is under pressure



**Customers and regulators push for better payments service**



**End customers increasingly demanding**



**Domestic payments going real-time**



**Banks rationalize their correspondent banking networks**



**Regulatory intensity and increasing costs**



**Network rationalization**



**Digital innovators offer new disruptive solutions**



**Disintermediation**



**Enhanced value proposition**

# Objective: deliver a better customer payment experience

## “Before”

### Traditional correspondent banking

1. Slow, can take multiple days
2. Expensive, multiple deducts
3. Secure and compliant
4. No transparency on cost and time
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

## “After”

### The SWIFT global payments innovation (gpi) initiative

1. Fast(er) (start with “same day”)
2. Higher efficiency & less intermediaries
3. Secure and compliant
4. Transparent, with payments tracking
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

The objective is to first fix these key pain points

Note regarding prices: it will be at the discretion of each SWIFT gpi member to decide the pricing strategy vis-à-vis its customers, including other financial institutions



# The SWIFT global payments innovation (gpi) initiative

## Delivering the future of cross-border payments

- Proactively respond to evolving customer needs for more **speed, transparency and traceability** in cross-border payments
- **New multilateral rulebook**, initially focused on business-to-business payments
- Building on the foundation that banks provide in **security, resiliency and compliance**
- **Delivering real-world innovation**: building on existing platform, embrace new technologies along a strategic roadmap
- **Global reach**, collaborative industry-wide initiative, organised by SWIFT
- **Open model**, participation based on operational quality

✓ **Fast**

✓ **Transparent**

✓ **Traceable**

✓ **Secure**

✓ **Resilient**

✓ **Compliant**

✓ **Real-world innovation**

✓ **Global reach**

✓ **Open model**



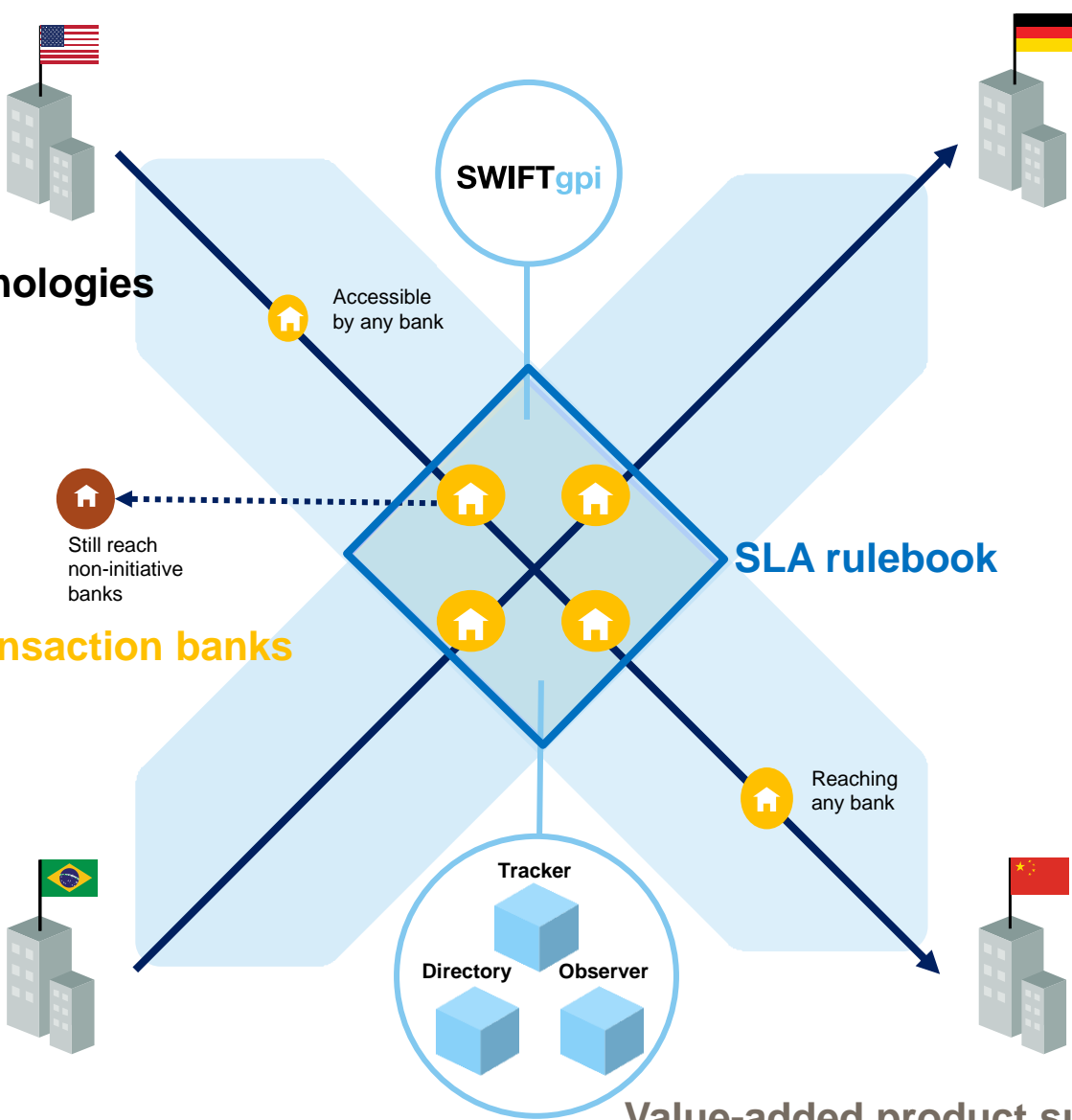
# SWIFT gpi concept

Messaging technologies

Core transaction banks

SLA rulebook

Value-added product suite



# SWIFT gpi product suite

## Directory

- Providing operational info on gpi members, BICs, currencies, cut-off times
- Essential reference data to calculate best gpi payment route

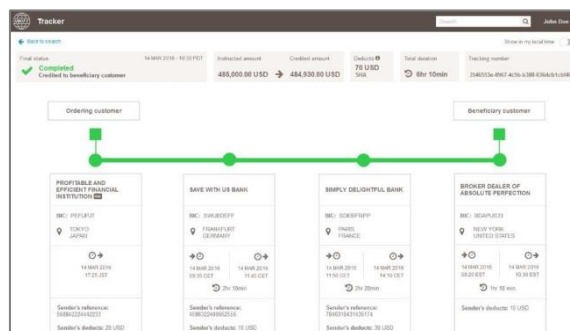
SERVICE NAME	PARTICIPANT ID	PARTICIPANT NAME	COUNTRY	CURRENCY	CUT-OFF TIME
GP11 001	ANZBAU30XXX	AUSTRALIA AND NEW ZEAL AU	AU	AUD	16:00+10:00
GP11 001	ANZBAU30XXX	AUSTRALIA AND NEW ZEAL AU	EUR	EUR	16:00+10:00
GP11 001	ANZBAU30XXX	AUSTRALIA AND NEW ZEAL AU	USD	USD	16:00+10:00
GP11 001	ANZBAU30XXX	AUSTRALIA AND NEW ZEAL AU	CAD	CAD	16:00+10:00
GP11 001	BOFAUS30XXX	BANK OF AMERICA, N.A.	US	USD	18:00-06:00
GP11 001	DABADKK0XXX	DANSKE BANK A/S	DK	DKK	13:45+01:00
GP11 001	DABADKK0XXX	DANSKE BANK A/S	DK	EUR	13:45+01:00
GP11 001	DABADKK0XXX	DANSKE BANK A/S	DK	EUR	13:45+01:00
GP11 001	DABADKK0XXX	DANSKE BANK A/S	DK	USD	13:45+01:00
GP11 001	UNCRITM0XXX	UNICREDIT SPA	IT	EUR	16:00+01:00

## Availability

December 2016 via SWIFTRef

## Tracker

- End-to-end payments tracking database to monitor progress of a gpi payment
- Allows to track a payment's path in real time, obtain transparency on deducts and confirmation that payment was credited



## Availability

- GUI: November 2016
- MT 199 / API: Q1 2017

## Observer

- Business Intelligence dashboard showing bank compliance with gpi SLA.
- Ensure control, monitoring and enforcement of SLA, and, consequently, service quality

Compliant

Non compliant

Non compliant

Suspended

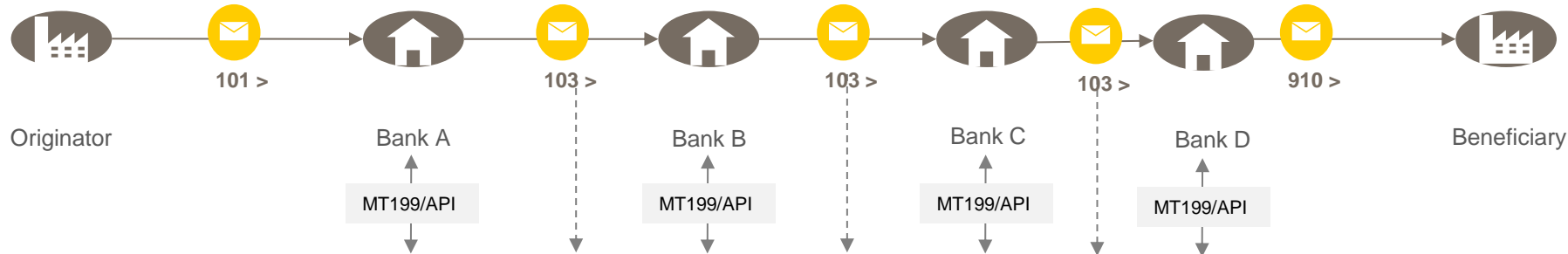
Terminated

## Availability

- Approach to be finalised: Q4 2016
- Basic version: April 2017
- Advanced version: Q4 2017



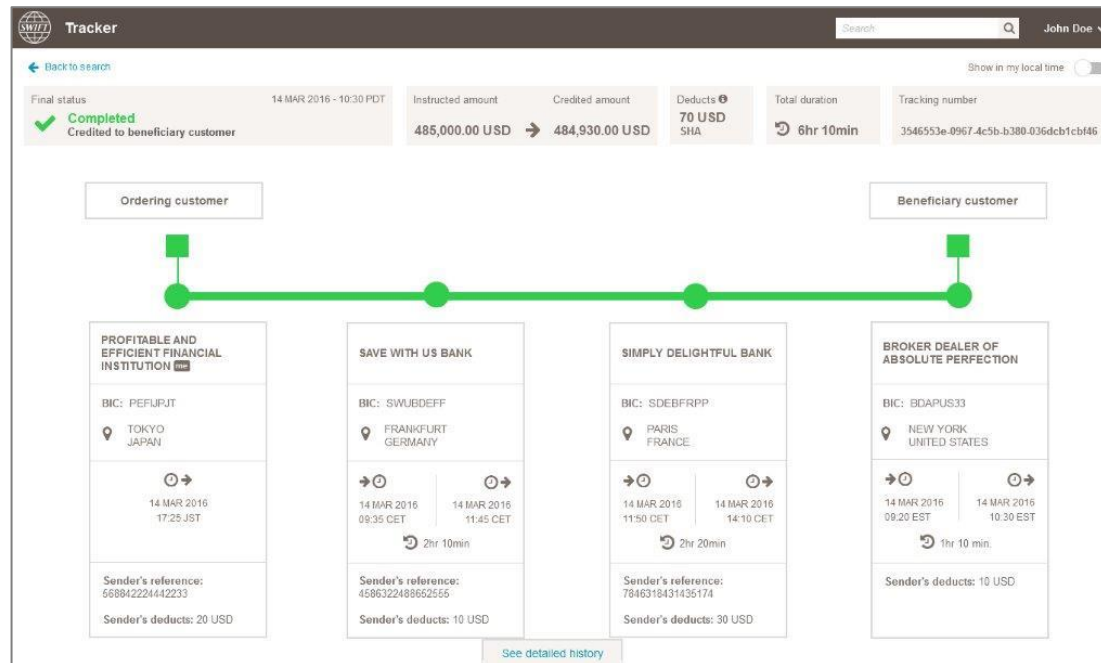
# SWIFT gpi tracker “in the cloud”



“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)





# SWIFT gpi customer credit transfer – Value proposition for corporates

## Key features

**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

## Benefits for a corporate



# SWIFT gpi customer credit transfer - Value proposition for banks



## Grow volumes

- Offer distinctive payments service
- Retain and attract new customers
- Protect and grow transaction volumes
- Comply with regulation (Dodd-Frank, PSD2, ...)
- Sell payments services to third parties



## Reduce cost

- Lower network management cost, avoid proprietary connections in non-strategic countries, access global quality network
- Enhanced compliance practices
- Optimised intraday liquidity flows
- Increased straight through processing



## Lead innovation

- Reputational benefit
- Leader in global payments innovation

# SWIFT gpi initiative banks

1. ABN AMRO Bank
2. ABSA Bank
3. Alfa-Bank
4. Australia and New Zealand Banking Group\*
5. Axis Bank
6. Banco Bilbao Vizcaya Argentaria
7. Banco Bradesco
8. Bangkok Bank
9. Bank of America Merrill Lynch\*
10. Bank of China\*
11. Bank of New York Mellon\*
12. Bank of Nova Scotia
13. Bank of the Philippine Islands
14. Bank of Tokyo-Mitsubishi UFJ\*
15. Banco Santander
16. Banco de Crédito del Peru
17. Banco do Brasil
18. Banque Européenne d'Investissement
19. Barclays\*
20. Bidvest Bank
21. BNP Paribas\*
22. Budapest Bank
23. CaixaBank
24. Canadian Imperial Bank of Commerce
25. China Construction Bank
26. China Merchants Bank
27. Citibank\*

## 85+

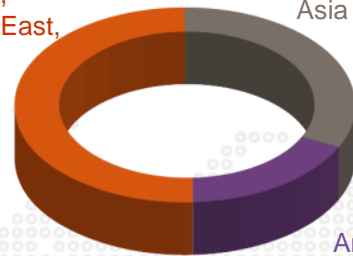
**initiative banks**

Channelling payments into **224** countries

Representing **71%** of all SWIFT cross-border payments

28. Commonwealth Bank of Australia
29. Commerzbank
30. Crédit Agricole
31. Crédit Mutuel-CIC Banques
32. Credit Suisse
33. CTBC Bank
34. Danske Bank\*
35. DBS Bank\*
36. Deutsche Bank
37. DNB Bank
38. Ecobank
39. E.Sun Commercial Bank
40. Erste Group Bank
41. Fifth Third Bank
42. FirstRand Bank
43. Handelsbanken
44. Helaba Landesbank Hessen-Thüringen
45. HSBC Bank

**50%**  
Europe,  
Middle East,  
Africa



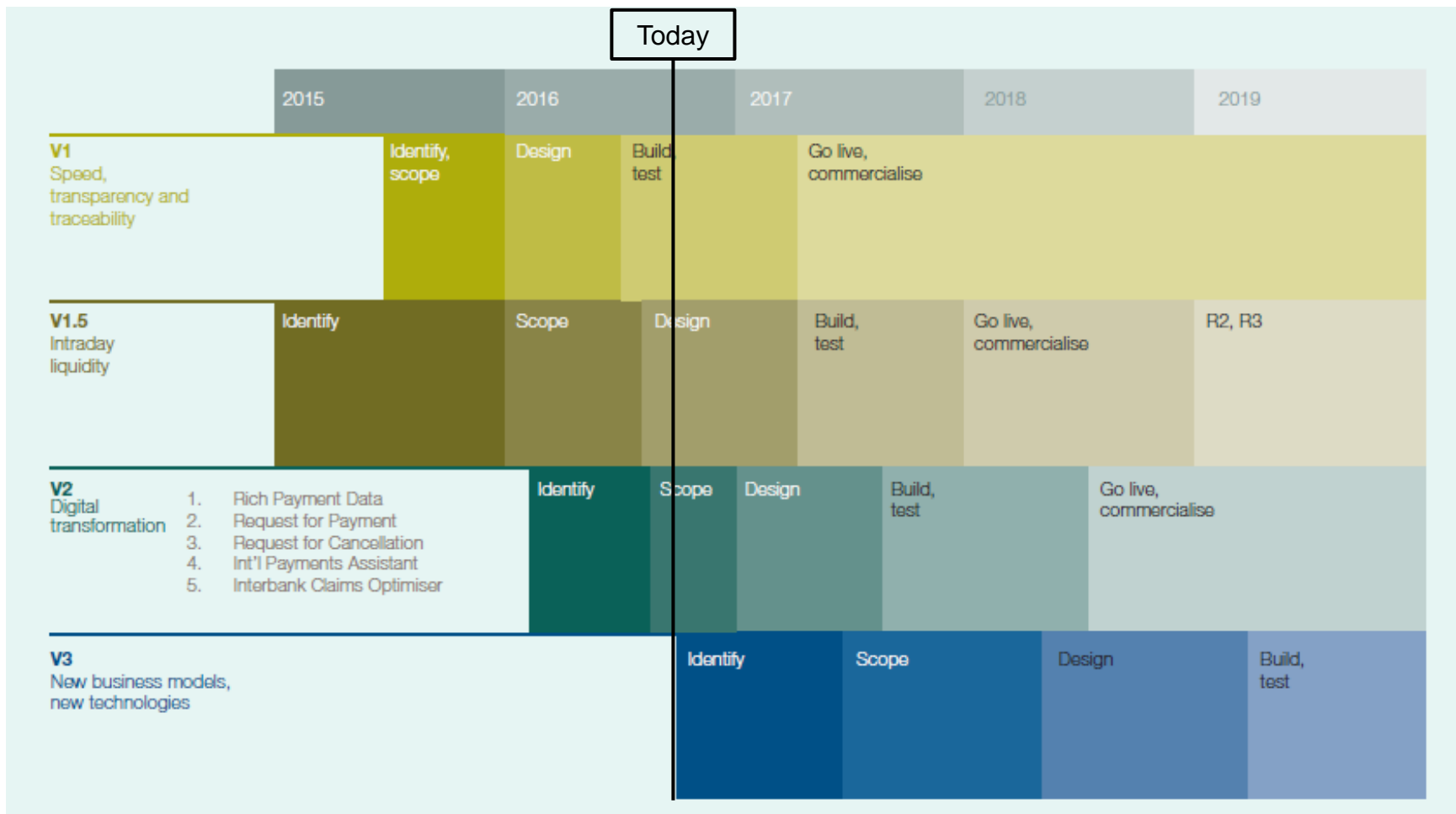
**Regional representation of SWIFT gpi banks**

46. ICICI Bank
47. IndusInd Bank
48. Industrial and Commercial Bank of China\*
49. ING Bank\*
50. Intesa Sanpaolo\*
51. Investec
52. Itaú Unibanco
53. JPMorgan Chase Bank\*
54. Kasikornbank
55. KBC Bank
56. KEB Hana Bank
57. Lloyds Bank
58. Mashreq Bank
59. Maybank
60. Mizuho Bank\*
61. National Australia Bank
62. Natixis

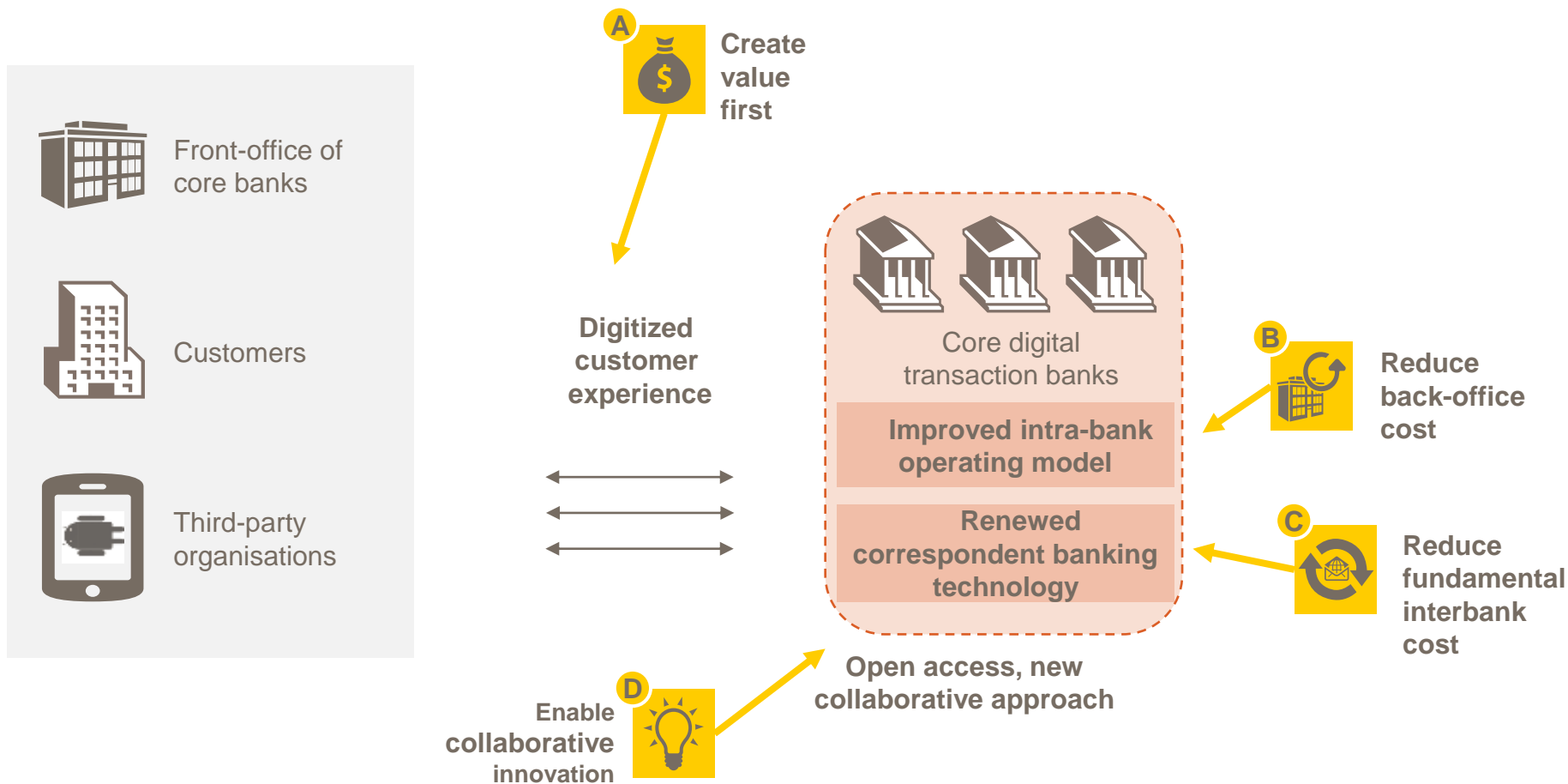
63. Nordea Bank\*
64. Oversea-Chinese Banking Corporation
65. PKO Bank Polski
66. Promsvyazbank
67. Rabobank
68. Raiffeisen Bank International
69. Resona Bank
70. Royal Bank of Canada\*
71. Royal Bank of Scotland
72. Sberbank
73. Siam Commercial Bank
74. Silicon Valley Bank
75. Skandinaviska Enskilda Banken
76. Société Générale
77. SpareBank 1
78. Standard Bank of South Africa
79. Standard Chartered Bank\*
80. Sumitomo Mitsui Banking Corporation\*
81. Swedbank
82. Tadamon International Islamic Bank
83. TMB Bank
84. Toronto-Dominion Bank
85. UBS
86. U.S. Bank
87. UniCredit\*
88. United Overseas Bank
89. Wells Fargo\*



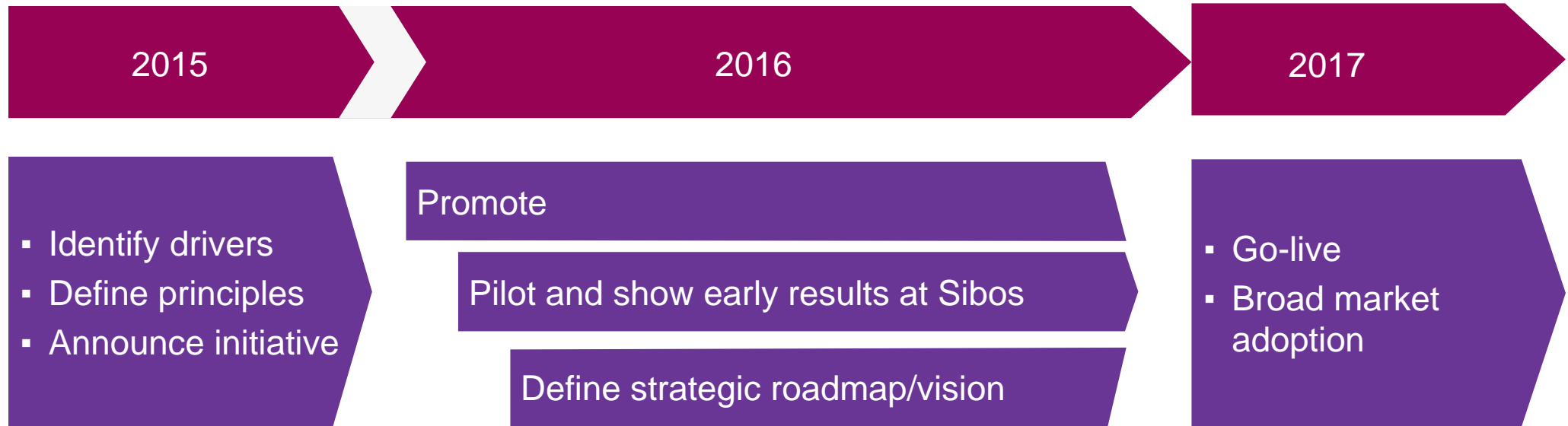
# SWIFT gpi roadmap – Draft proposal



# SWIFT gpi v2 : The digital transformation of cross-border payments



# Timeline





Interested?

Contact us

[swiftforbanks@swift.com](mailto:swiftforbanks@swift.com)

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

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