



Faster Payments

How Banks & Corporates Can Benefit from SWIFT gpi

March 2017

Co-Presented By:





Coming Up...



[2017 B2B Payments & Working Capital Management Survey](#)



[2017 Liquidity Risk Survey](#)



[Quarterly Treasury Landscape Webinar: What's New and Upcoming in Technology](#)



[Quarterly Compliance Webinar | Basel III: What You Need to Know](#)





About the Presenters



Craig Jeffery, CCM, FLMI
Founder & Managing Partner
Strategic Treasurer

Strategic Treasurer is a consulting firm advising on treasury, financial risk and risk technology issues. Their seasoned treasury consultants efficiently work alongside financial executives in treasury, finance, and other related areas within corporate, government, education, and not-for-profit entities.

Advise

- Treasury Technology
- Working Capital Optimization
- Treasury Security
- Financial Risk Management
- Compliance
- Bank Connectivity & Onboarding
- Bank Fee Management

Inform

- Industry Surveys
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Jacob Aruldhas
Founder & CEO
ECS Fin

ECS Fin produces innovative software solutions for managing messages and automating transaction processing workflows. Founded as a consulting firm, ECS Fin advised many Fortune 100 companies, coordinating business divisions and technology groups in the areas of enterprise messaging, transaction processing, workflow automation and process optimization





Topics of Discussion

 **Current State of the Payments Landscape**

 **Corporate Payment Priorities & Drivers**

 **Bank Payment Drivers & Challenges**

 **SWIFT gpi: Purpose & Roadmap**

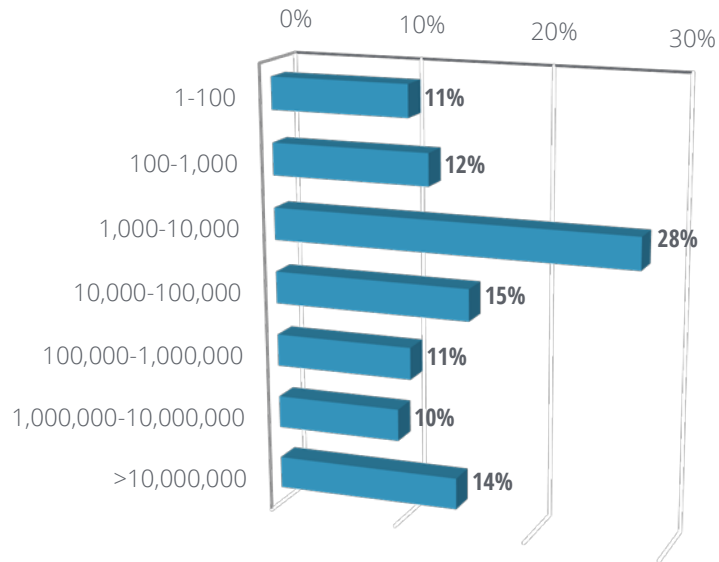
 **Final Thoughts**



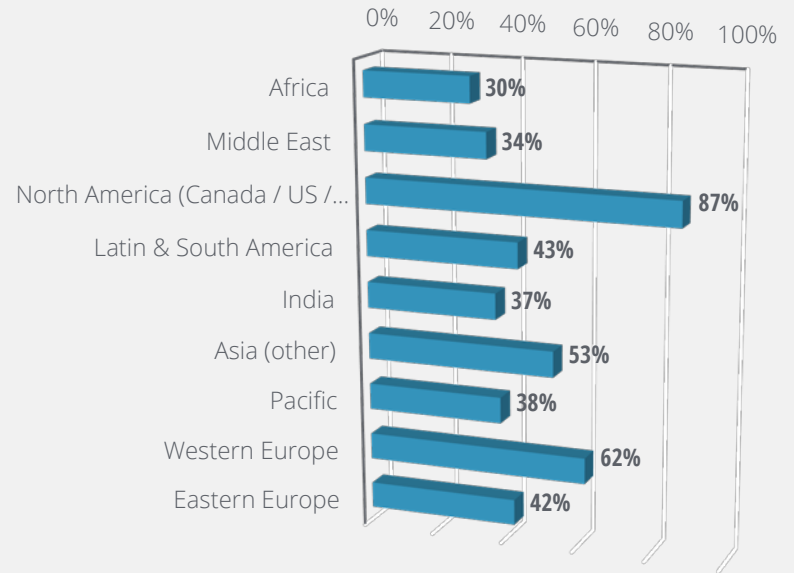
Current State of the Payments Landscape

The current state of the payments landscape is one of increasing complexity, as organizations generate high volumes of payments and conduct business on a global scale.

Corporates: What is the approximate volume of payments you generate globally per month (check, ACH, wire, etc.)?



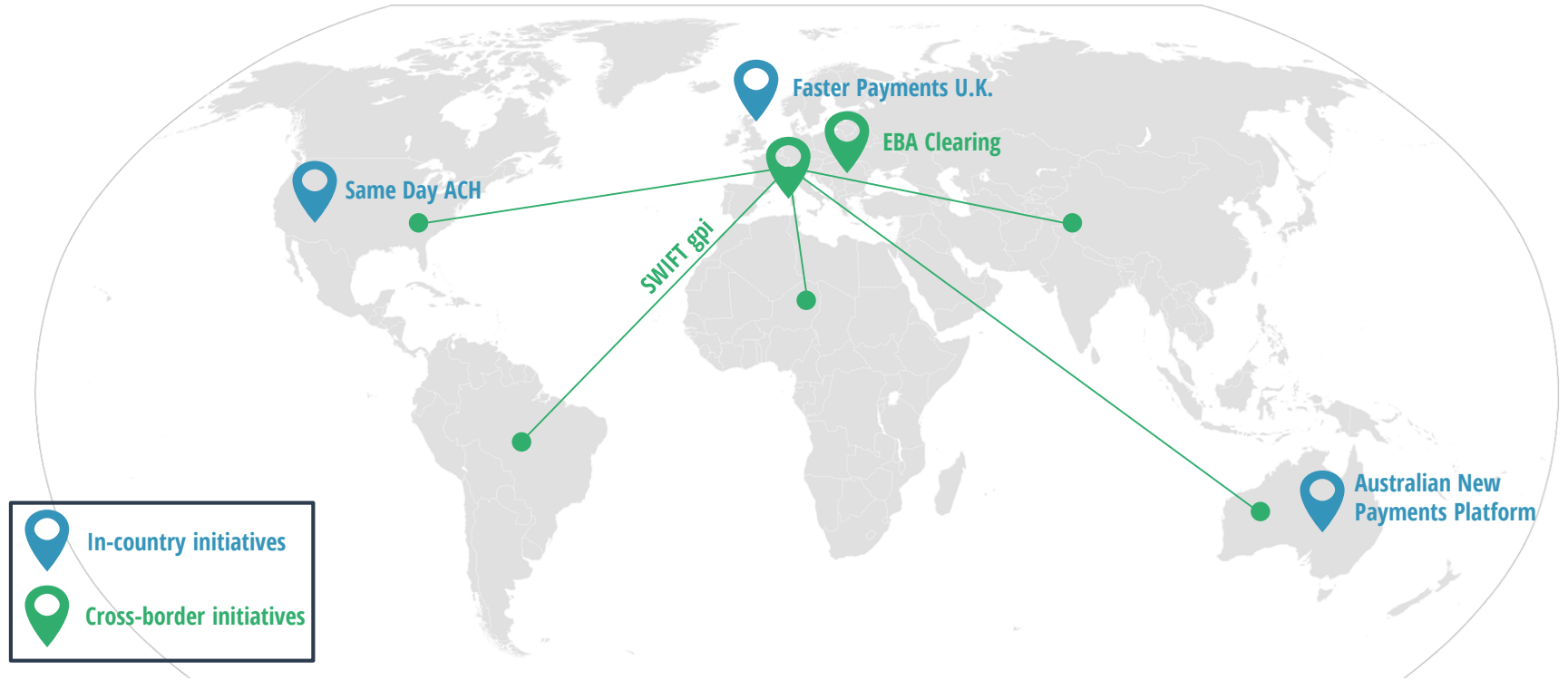
Which region(s) does your company operate in? (Select all that apply)



Strategic Treasurer & Fides 2016 Global Payments Survey

Payments Initiative Landscape: Current Environment

There are currently a number of faster payments initiatives taking place across the globe, both for in-country and cross-border payments.





Payments Landscape: Corporate Priorities

Corporates overwhelmingly indicated their focus was on adopting and implementing faster payments initiatives.

55%

Of respondents said in country faster payments (Same Day ACH [US], Faster Payments [UK]) was a top priority

50%

Of respondents said cross-border faster payments (GPII from SWIFT) was a top priority



Payment Landscape: Corporate Drivers

For corporates, payment drivers center around efficiency, cost reduction, and fraud prevention.

- 1** Efficiency – Reducing Internal Costs
- 2** Control – Reduce Fraud
- 3** Efficiency – Reducing Errors
- 4** Efficiency – Reducing External Costs
- 5** Speed



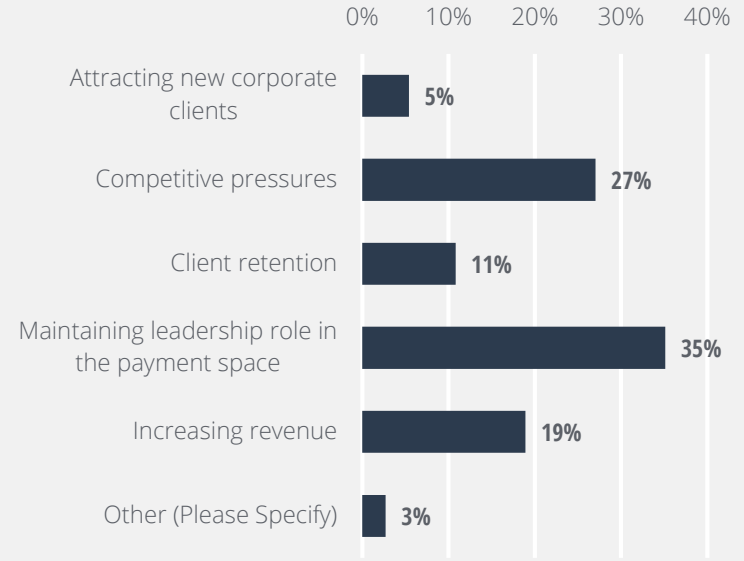
Payment Landscapes: Bank Drivers

Banks tend to approach new payment technology and initiatives from a standpoint of competition, as they strive to maintain a leadership role in the payments arena.

How are new payment initiatives typically viewed by your bank?



What general drivers push you to adopt new payment technology?



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Payments Landscape: Bank Challenges

**Fraud, regulation,
and competition are
the top concerns for
banks regarding
changes to
payments.**

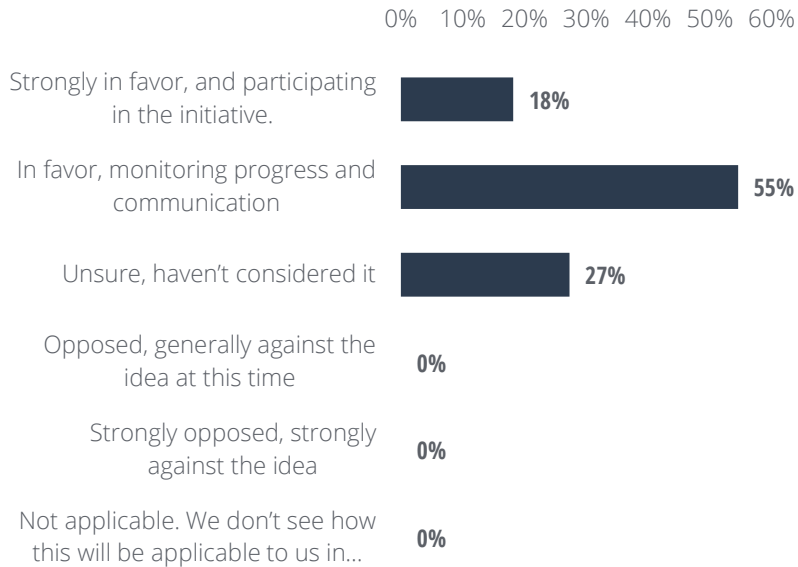
- 1** Fraud
- 2** Amount of Regulation
- 3** Competition from non-banks
- 4** Competition from banks



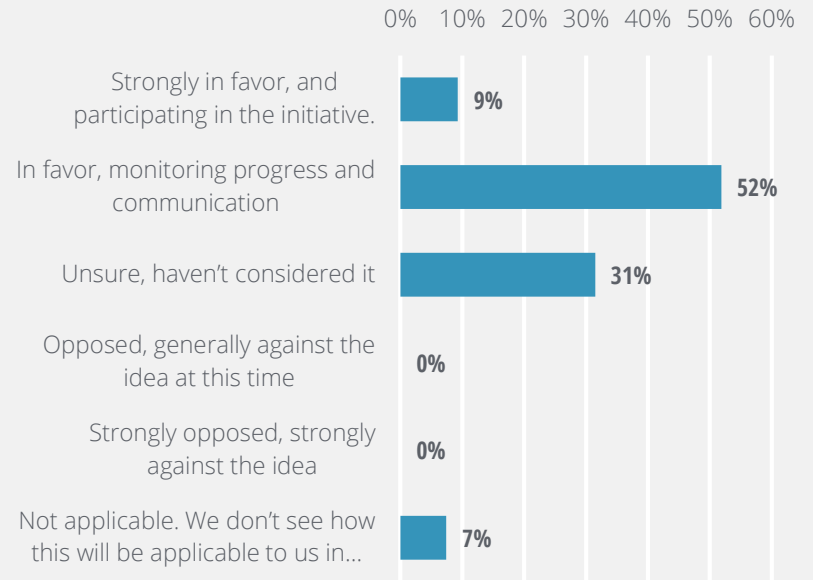
SWIFT gpi: Bank & Corporate Attitudes

Both corporates & banks have demonstrated strong favor towards the use of SWIFT gpi to improve cross-border payments

Bank Attitude – What is your attitude about GPI as a way to improve cross-border payments?



Corporate Attitude – What is your attitude about GPI as a way to improve cross-border payments?



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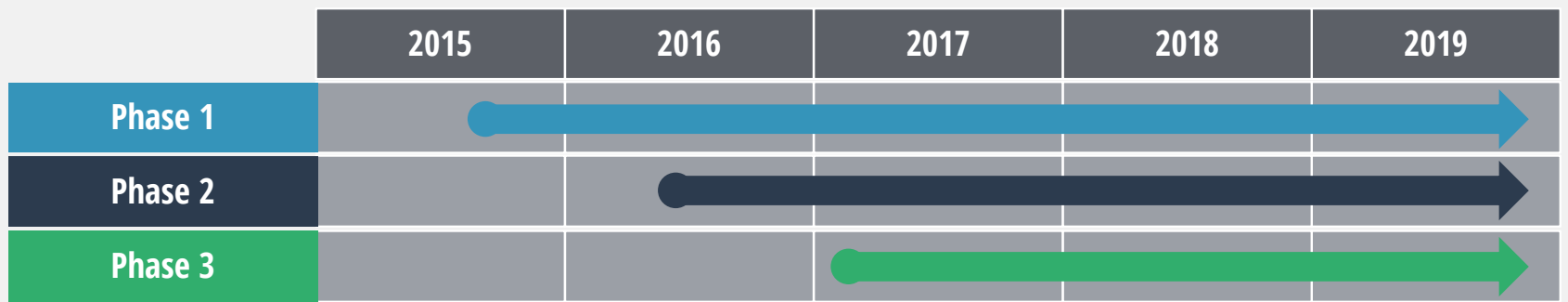


SWIFT gpi: Purpose & Roadmap

According to SWIFT, “SWIFT GPI dramatically improves the customer experience in cross-border payments by increasing the speed, transparency, and end-to-end tracking of cross-border payments.”

SWIFT GPI’s introduction is scheduled to be rolled out in 3 distinct phases.

- Corporate Phase
- Bank Phase
- Ongoing Development Stage





SWIFT gpi: Phase 1 – Corporate Focus

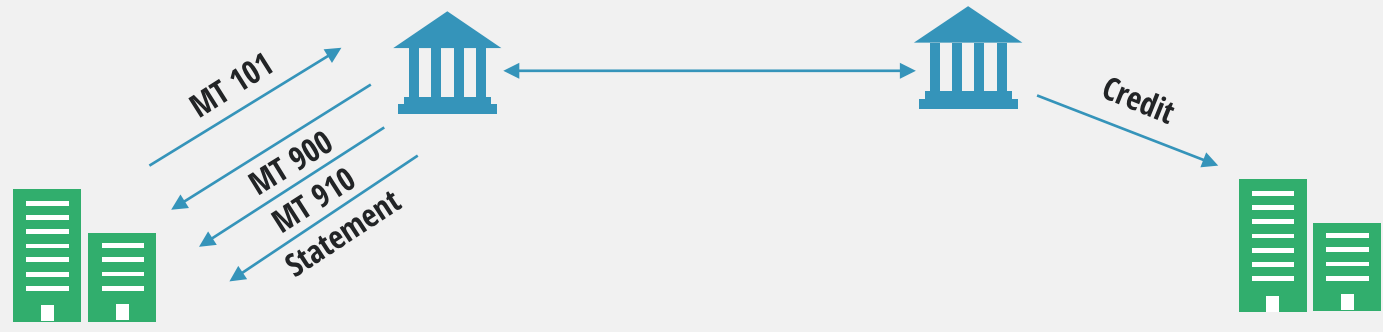


Phase 1 will focus on B2B payments, and is designed to help corporates grow their international business, improve supplier relationships, and achieve greater treasury efficiencies.

- Faster, same day use of funds.
- Transparency of Fees.
- End-to-end payments tracking.
- Remittance information transferred unaltered.



SWIFT gpi: Phase 1 – Corporate Readiness



MT 101 – Funds Transfer
MT 900 – Debit Advice
MT 910 – Credit Advice



SWIFT gpi: Phase 2 – Bank Focus

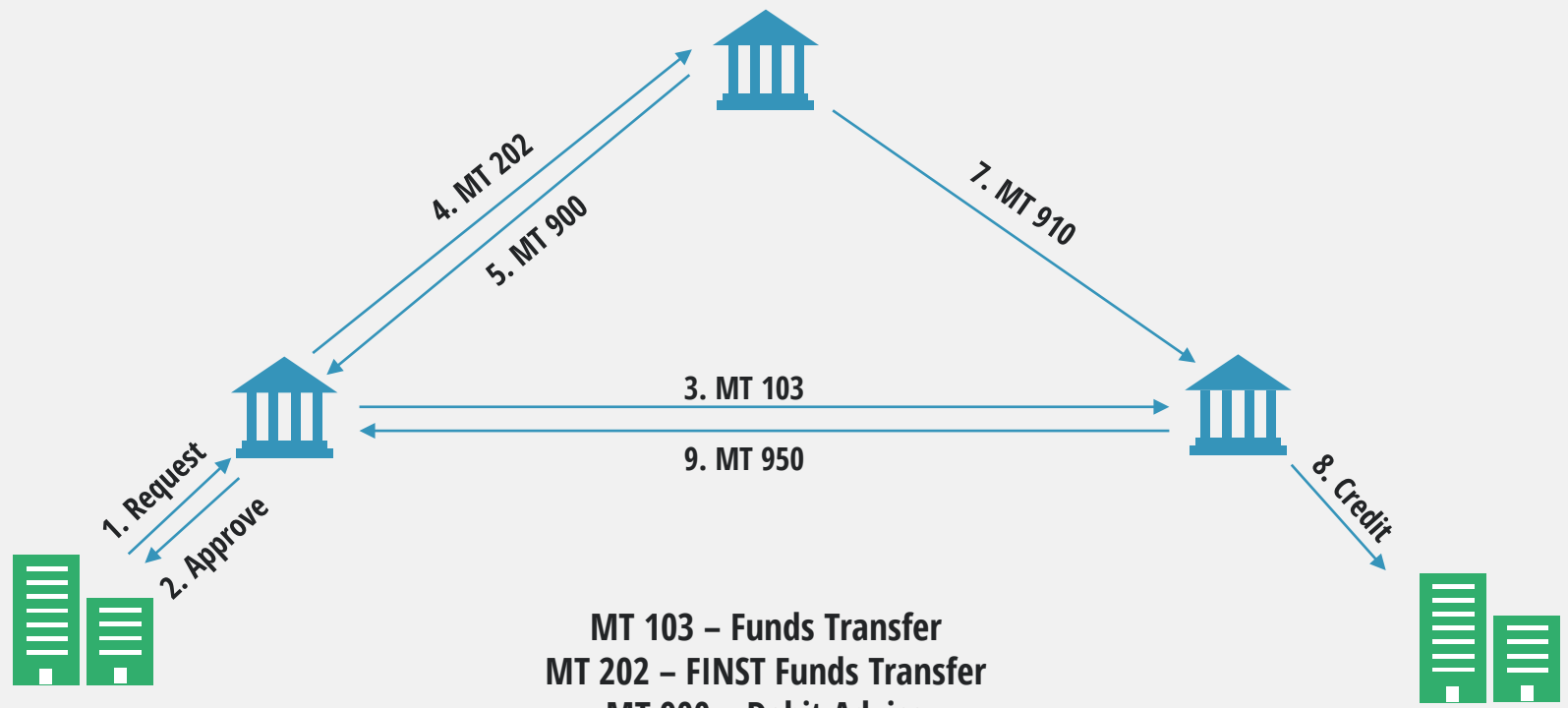


Phase 2 will focus on the digital transformation of cross-border payments by allowing banks to:

- **Immediately stop a payment, no matter where it is in the corresponding banking chain.**
- **Transfer rich payment data along with payments, including line item details for compliance checks.**
- **Use an international payment assistant to increase STP rate of cross-border payments at origination.**



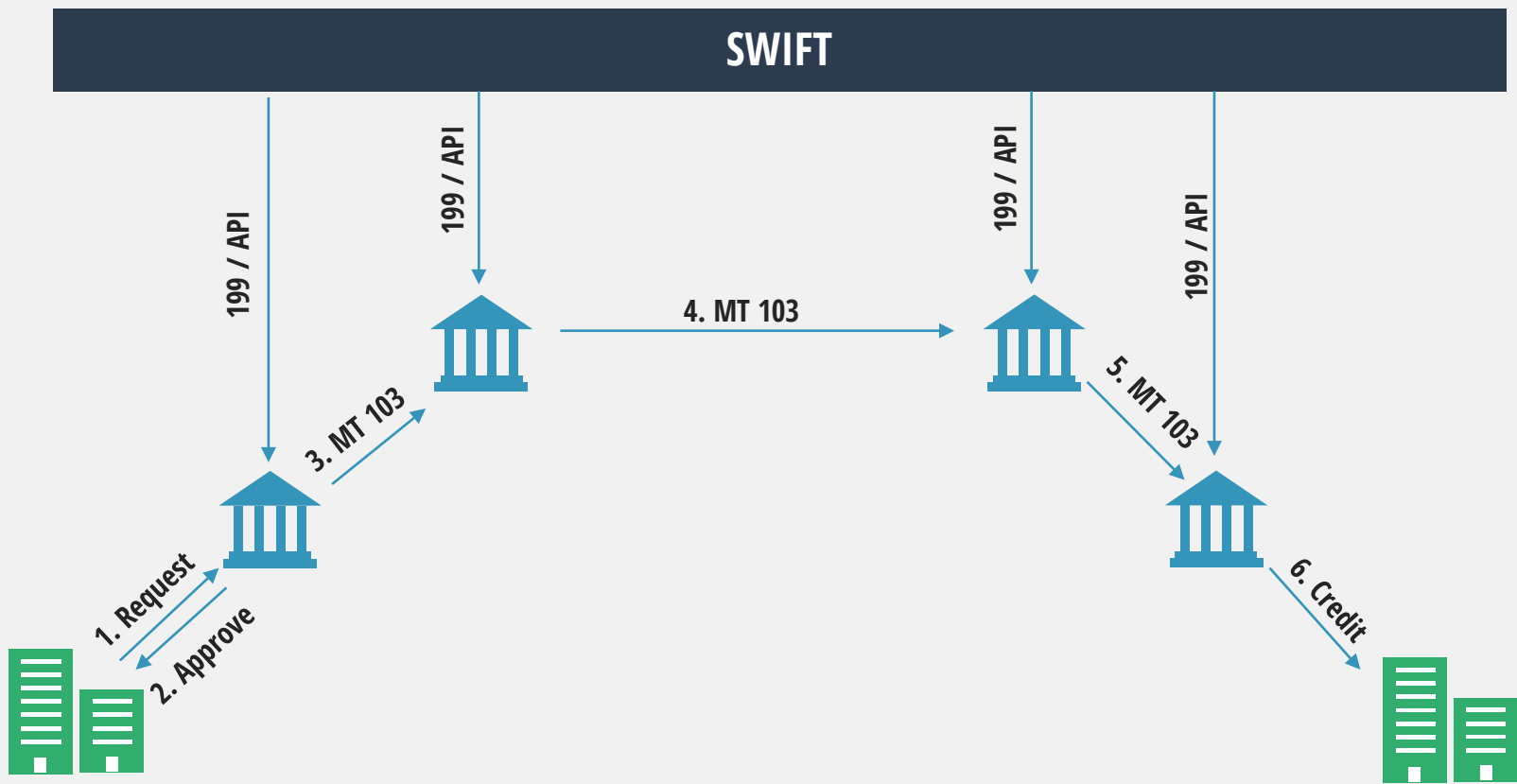
SWIFT gpi: Phase 2 – Current Workflow



MT 103 – Funds Transfer
MT 202 – FINST Funds Transfer
MT 900 – Debit Advice
MT 910 – Credit Advice
MT 950 – Similar to 940,941; Bank Statement



SWIFT gpi: Phase 2 – Proposed Workflow



MT 103 – Funds Transfer
199 / API – Freeform Message Format



SWIFT gpi: Recent Milestones & Next Steps



February 2017: Major global transaction banks are live with SWIFT gpi



January 2017: SWIFT explores blockchain for gpi



September 2016: SWIFT completes 1st phase of gpi Pilot.





SWIFT gpi is now live, with over 100 global transactions banks actively participating.

SWIFT intends to release new features and payment services in the coming months.

Corporates looking to adopt SWIFT gpi should speak with their bank or bank connectivity provider for more details.



Final Thoughts

-  Corporates are looking for payment methods that increase efficiency, prevent fraud, and reduce costs – faster payments are a top priority.
-  Due to competitive pressure, banks are quick to build out payment technologies that their corporate clients require.
-  Banks are also concerned about fraud & regulatory challenges.
-  SWIFT gpi will offer drastic improvements to the transparency, efficiency, & security by which both corporates & banks can conduct cross-border payments.



About the Firms



Strategic Treasurer was founded in 2004 by Craig Jeffery, a financial expert and trusted advisor to executive treasury teams since the early 1980's. Partners and associates of Strategic Treasurer span the US, the UK, and continental Europe.



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