Cross-Border Tracked Payment Initiation
Payment Method

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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

95% of payments credited within 24h

(*) within the timezone of the receiving gpi member
SWIFT gpi Tracked Payment

300,000,000,000,000 USD
sent daily via SWIFT gpi

SWIFT gpi will be the standard for all cross-border payments by the end of 2020
Key element: a unique end-to-end tracking identifier

A unique end-to-end tracking identifier is included payment request and carried across the payments route up until the beneficiary bank.

Ordering Customer: PEFIJPJ
MT 103: SWUBDEFF
MT 103: SDEBFRR
Beneficiary Customer
Key features

**The Tracker**

- End-to-end payments tracking database
  - to monitor progress of a gpi payment in real time
  - to obtain transparency on deducts
  - to receive confirmation that payment was credited thanks to unique end-to-end tracking identifier.

- Accessible via GUI, MT 199 and APIs

**The Observer**

- Business Intelligence dashboard showing gpi bank and community compliance with gpi SLA
  - to ensure control
  - to monitor and enforce SLA
  - to guarantee service quality

- Observer Insights, available as part of the standard gpi service. Observer Analytics, upon demand

**The Directory**

- Directory providing operational info on gpi members, BICs, currencies, cut-off times
  - to calculate best gpi payment route
Cross-Border Payments flow

1. CustomerCreditTransferInitiation
   - The Payer's Bank executes the FOREX from the currency of the Debtor's account to the currency of transfer.

2. (Internal Process) Execute FOREX for Debtor

3. BankToCustomerDebitCreditNotification (Booked/Debit)

4. FToFCustomerCreditTransfer
   - The DebtorAgent instructs the payment to the beneficiary (the Creditor) through a credit transfer to the CreditorAgent. Both DebtorAgent and CreditorAgent do not have a direct relationship in the currency of the credit transfer, and will therefore use the "COVER" payment method, through their correspondents (not illustrated here).

5. FToFPaymentStatusReport (Accepted)
   - The CreditorAgent books the funds on the Creditor's account and confirms to the DebtorAgent that the funds have been credited through a status message to indicate a successful payment.

6. BankToCustomerDebitCreditNotification (Booked/Credit)
   - The CreditorAgent informs the Creditor that the funds have been credited on the Creditor's account.

Cross-border credit transfer flows. Instructed amount is in a currency different from the Debtor's account currency.
End-to-end Tracked Payment flows

1. Ordering customer generates and includes UETR in the payment initiation instruction
2. Bank initiates interbank payment (MT103) including UETR generated by the ordering customer
3. Tracker delivers Bank-To-Customer specific tracker updates / confirmations to Instructing bank
4. Instructing bank relays back to ordering corporate as-it-happens

Ordering Customer may only be a business today
POC Proposal for a Payment Handler

1. Ordering customer requests for the payment. **Payment Handler** generates and includes UETR in the payment initiation instruction.

2. Bank creates Interbank Payment (MT103) including UETR generated by the ordering customer. **Payment Handler**

3. Tracker delivers Bank-to-Customer specific tracker updates / confirmations to Instructing bank

4. Instructing bank relays back to ordering corporate as-it-happens