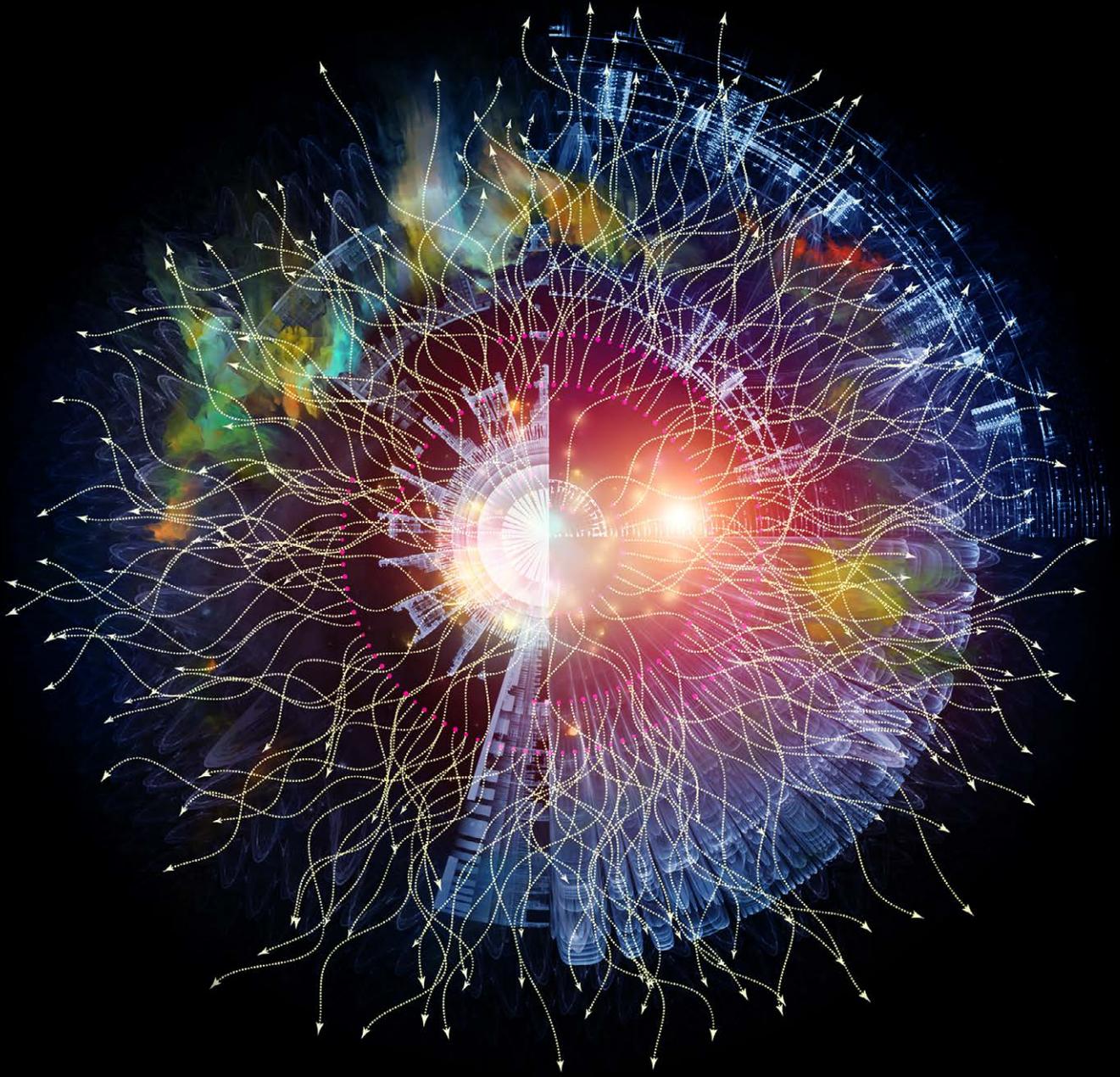


Deloitte.



SEPA Instant Credit Transfer
The time to act is now!

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SEPA Instant Payments - The time to act is now!



SEPA Instant Credit Transfer (SCT Inst) has been launched since Nov 2017 across EU as an optional Payment scheme for banks to participate in. Adoption has been mixed across the EU due to PSD2/Openbanking implementation deadlines.

However many countries have taken a pro-active stance and have implemented SCT Inst at a domestic level with collaboration between banks and involvement of the Central Bank.

These countries have a head start and have already started looking beyond SCT Inst to start offering various overlay services like making payments using Proxy details (Mobile Number/ Email addresses), reducing the time limit for execution of instant payments, developing new services like Request to Pay to support wide variety of use cases.

It is clear from countries where SCT Inst is already live that collaboration between banks is a key factor for successful launch.

With the final deadline for PSD2 passed, banks need to start looking at SCT Inst in conjunction with Open Banking to maximise the opportunities both offer.

What is SCT Inst and what are key use cases?

SCT Inst allows instant payment transactions in EUR currency to any beneficiary within Euro Zone within 10 seconds. SCT Inst has potential applications in a variety of customer segments. Banks will have to develop a value proposition taking into considering existing use case, solutions available in the market and the characteristic of the service made available to target customers. Following are some of the relevant use cases

Peer-2-Peer (P2P)

Instant payments are likely to replace cash and checks for everyone with a bank account. The most suitable use case for SCT Inst in the P2P segment includes: emergency money transfer, remittance, rent payment, restaurant bill split, and payment for second-hand good during

non-business hours. Banks can achieve significant cost savings by reducing cash costs arising from the distribution of cash, ATM maintenance and security costs. Increased usage of instant payments solution in the P2P segment will ultimately lead to a cashless society.

Consumer-2-Business (C2B)

A merchant can provide consumers with an alternate payment instrument to cards for e-commerce and PoS retail transactions. This will lower the payment costs for merchants and reduce credit risk for e-retailers on the sale of digital content such as music, movies and books. The merchant can then pass the cost savings to customers in the form of loyalty rewards. Likewise customers also have convenience with paying bills at last minutes without

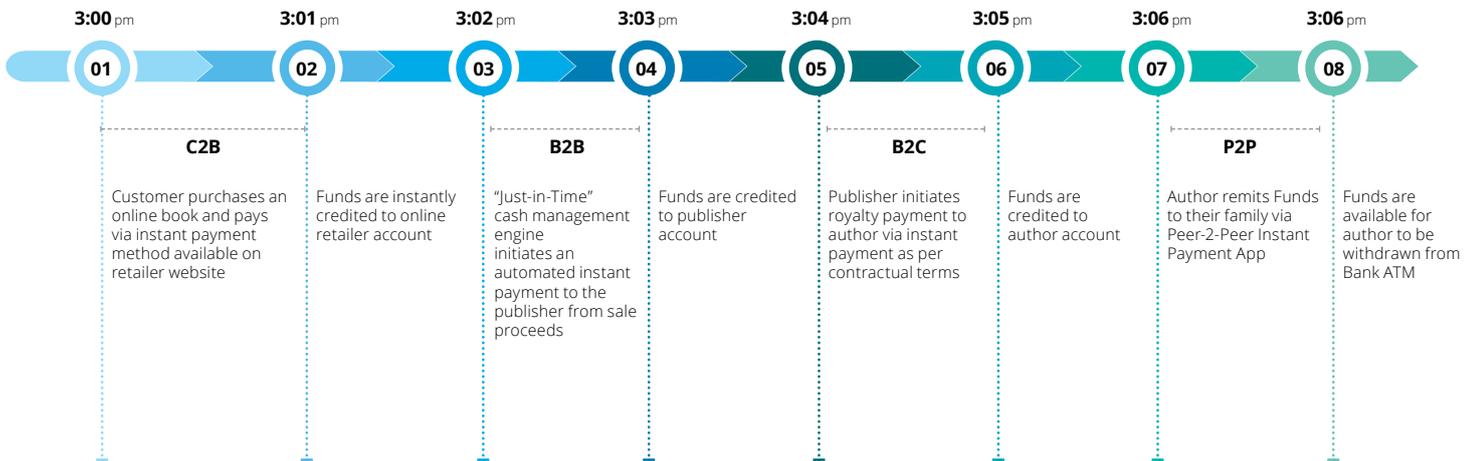
incurring any penalties. Other use cases of C2B also include 'pay-on-delivery' of physical goods and 'pay-per-use' services.

Business-2-Business (B2B)

SCT Inst will be widely accepted for corporate payments if limit is increased (>€15,000). Banks can develop overlay services around B2B invoice payments for corporates to implement 'Just-in-time' cash management practices. Firms can achieve cost savings by efficient use of cash and the streamlining of the reconciliation process.

Business-2-Consumer (B2C)

Organisation can use instant payments for salary and pension payments. This would provide the recipient with faster access to funds.



Stats: European Payments Council 09/09/2019

Figure 1. SCT Inst – Use Cases

What are Key drivers for SCT Inst?

The psychology of Instant gratification is defining the characteristics of modern society. The expectation of the tech-savvy generations and digitalisation have resulted in greater speed in all areas of life. Furthermore, regulations like PSD2 are opening up banking ecosystem, fuelling the development of real-time payment platforms by FinTech firms.

Changing Customer Preferences

'Power of Now' – The demand for instant services has forced the customer to look for real-time solutions in social and commercial spaces. Consumers increasingly expect convenience, 24*7 availability and money that moves as fast as an email. Furthermore the adoption of mobile for daily activities and use of digital wallets solutions to transfer funds have increased drastically due to ease of use.

Market Demand

Changing customer preferences has given rise to new service delivery model. The last decade witnessed the emergence of firms focussed on providing services that are instant, easily accessible and available 24*7. Likewise there is increasing pressure from the market for instant payment for services rendered at low processing cost.

Digitalisation and technological advancement

The adoption of new technology has drastically transformed the payments landscape over the past few years. The emergence of virtual currencies like Bitcoin and Ripple with near real-time settlement

has provided organisations with a cheaper alternative to traditional payment methods. Leading money transfer services and online retailers are increasingly looking to provide virtual currency as an additional payment option to its customers.

Evolving regulatory landscape and alternative to card payments

PSD2 and SCT Inst will bring more competition to the cards market by offering alternate payment options compared to traditional card payments offering range of choices to consumers and merchants. If the card industry fails to innovate at a similar pace, PSD2 and Instant Payments will start giving a tough competition to existing card payments.

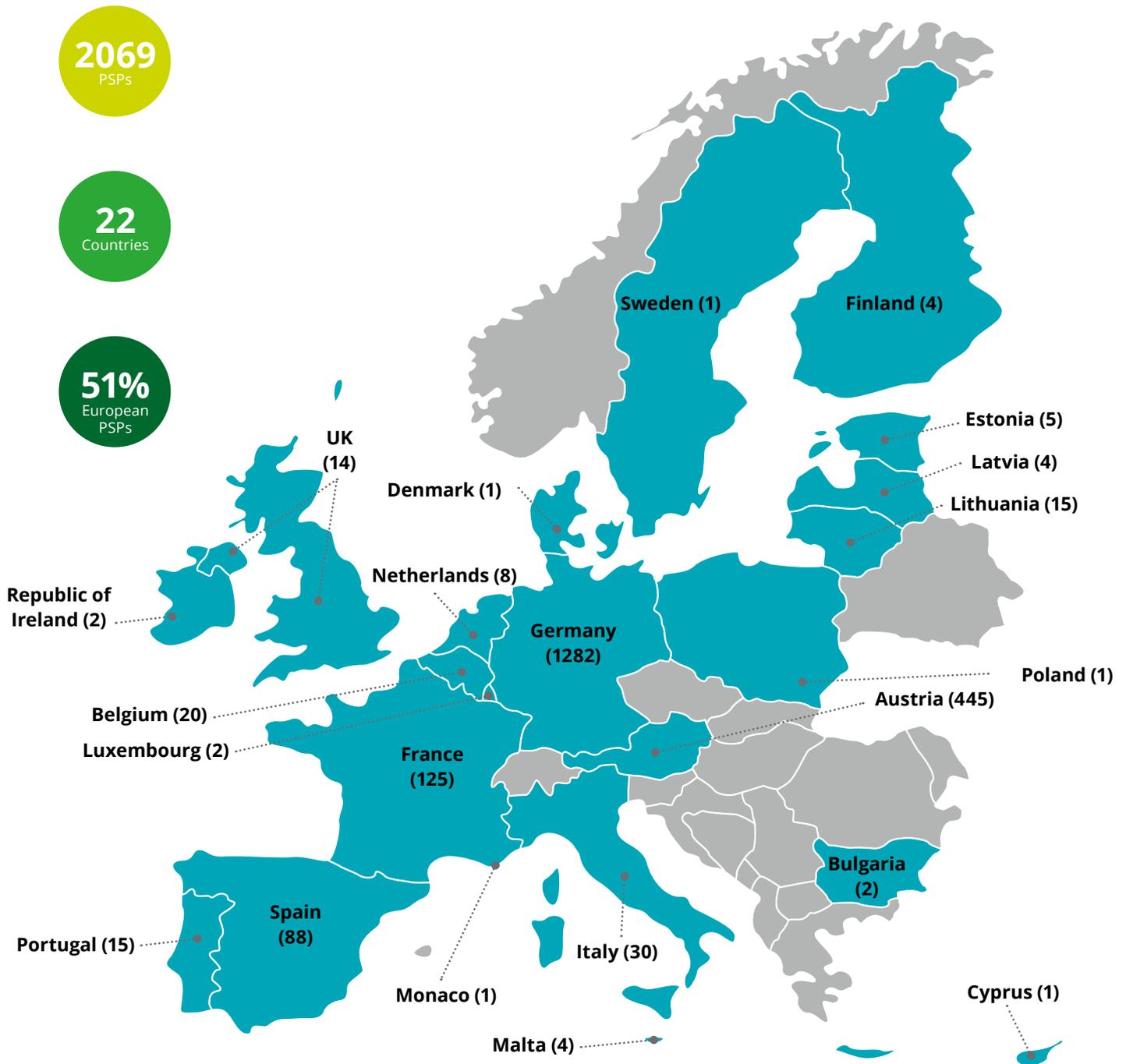
EC has defined a clear objective to have pan-European instant payment solutions, such as paying for goods with a mobile device or allowing money to move from any account to any account, anywhere in Europe in real time and 24/7. These are seen as alternative to Cash and Card payments.

To support this objective, ECB developed a pan-European Instant Payment system called TIPS which offers final and irrevocable settlement of instant payments in euro, at any time of day and on any day of the year.

“TIPS could have the capacity to disrupt existing payment solutions - including cards, at least for euro denominated payments. With Instant Payments and the PSD2, Europe has launched two ambitious initiatives. Now we need to work together to create a fully digital European payments system that is open and fair for existing and new operators.”

Valdis Dombrovskis, VP Financial services, EC

SCT Inst – Current Participation Statistics across SEPA Zone



Source: European Payments Council 04/11/2019

Figure 2. SCT Inst – Adoption across EuroZone

Route to Instant Payments adoption across Europe

Banks across Europe have adopted a collaborative approach for implementation of SCT Inst to reap full benefits of the scheme. Below are some chosen examples on how banks have taken up the instant payments journey in Europe.

Netherlands

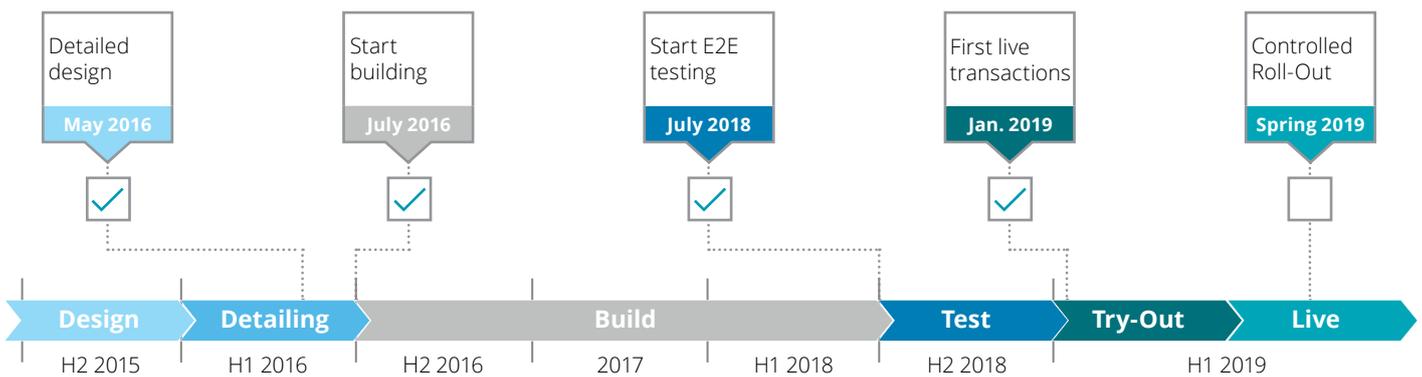
The four largest Dutch banks committed in early 2015 to build an instant payments infrastructure under the programme guidance of the Dutch Payments Association. All relevant stakeholders, including the Dutch Central Bank, have been involved from the start. From the beginning, the view has been that instant payments should become the new normal. Customers – both consumers and businesses – expect to get service instantly, 24/7 from there, especially when it comes to payments.

After a period of extensive end-to-end (E2E) testing, the instant payments infrastructure went into production. Since then, banks have been gradually turning up the volume: opening to more and more customers using mobile and internet banking channels. The potential single instant payment volume in these channels amounts to one billion transactions annually. The implementation approach is based on a controlled, stepped rollout rather than a big bang.

Currently 4 banks are member of the SCT Inst scheme participating through Equens Worldline as choice of CSM. Equens provides pan European reach through its TIPS Gateway offering. Domestic transactions within Netherlands have a SLA of 5 seconds for processing compared to 10 seconds required by SCT Inst

Scheme. Similarly hard timeout deadline is 7 seconds compared to 20 seconds under the SCT Inst Scheme. Also there is no maximum amount limit for transaction within Netherlands.

The E2E performance is more than satisfactory: almost all transactions (>99.5%) are within 5 seconds. Uptime (24/7) is high and stable (>99.5%) and Reject rate is well below half a percent.



Source: Dutch Payment Association

Figure 3. Netherlands – Road to Instant Payments

Emergence of P27 – Nordics

P27 is a project driven by six major Nordic banks (Danske Bank, Handelsbanken, Nordea, OP Financial Group, SEB and Swedbank). The overall vision of P27 is to create the world's first integrated region for instant payments in multiple currencies, which is SEK, DKK, EUR and ideally NOK, through an open access infrastructure capable of delivering state of the art payment services to customers across the Nordics. The name refers to the 27 million people who live in the Nordics.

One concrete deliverable of P27 will be to allow for instant cross-border payments across the Nordics. This would really be breaking new ground in terms of being able to do cross currency payments in real time. Payments would instantly transform into the other specific currency and P27 would execute the foreign exchange transaction and accompanying screening in real time. In a highly integrated region as the Nordic countries, this will provide huge benefits to both consumers and businesses. This is particularly the case when such a service is supplemented by functionalities to enable

interoperability between existing solutions like the current mobile payment schemes in the Nordics that are very popular, but used only domestically.

On the governance of P27, the six banks have established a company named P27 Nordic Payments Platform which will be responsible for the operational activities, including outsourcing towards vendors, and act as a system owner. P27 NPP has been registered in Sweden, but will be true Nordic company. Yet, being a Swedish aktiebolag, AB, the company should apply for a clearing license from the Swedish Financial Supervisory Authority, which is being prepared.

Another key legal entity is the Nordic Payments Council (NPC) which has been established as a separate non-profit association by the Nordic bankers associations. The NPC will manage the Nordic payment schemes to be used in P27. Members of the NPC will be payment service providers that adhere to the Nordic payment schemes. Earlier

in June, as another important milestone, NPC launched an open consultation on its rulebooks that will continue until 6 September, 2019.

P27 rulebooks will mimic SCT Inst to the extent possible to harmonise payment products, but some deviations would be required.

Mastercard, through the acquisition of Vocalink and its expertise in building bank account real-time payments infrastructures, was recently selected as the trusted partner for the P27 project. Mastercard/Vocalink's real time payment technology will help to connect Nordic into one regional payment area, transforming how money moves across the markets for consumers, businesses and governments.

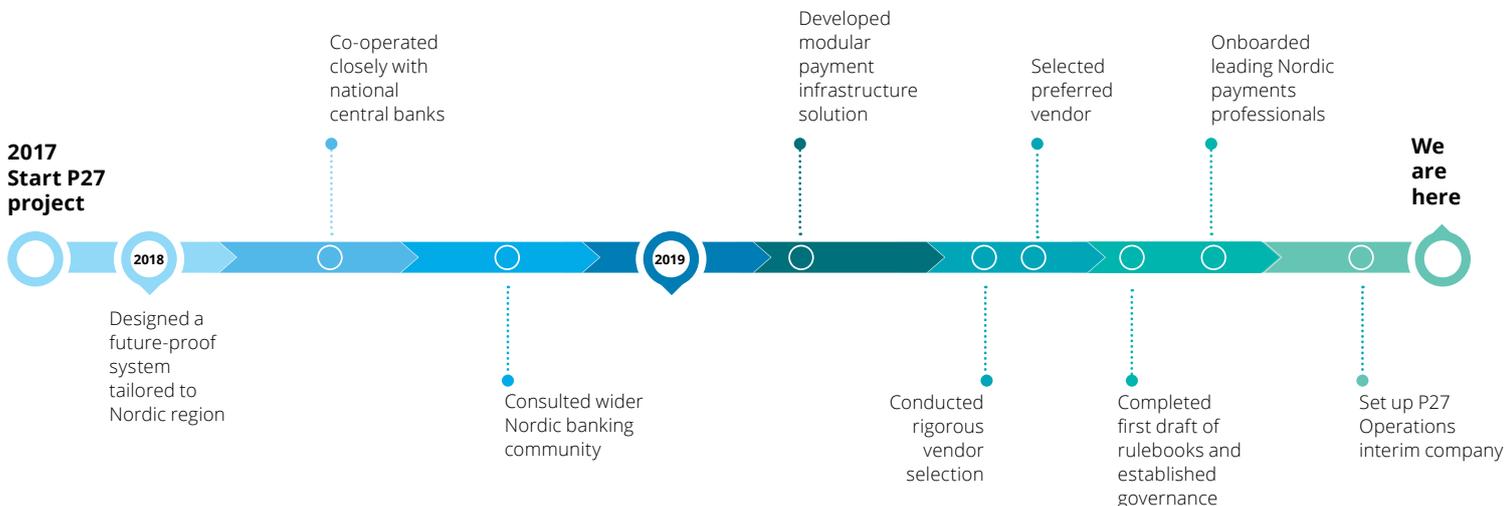


Figure 4. P27 - Roadmap

Irish Outlook

Ireland is one of the few countries in Europe in which none of the Domestic banks have a SEPA SCT Inst offering. In a market where over 90% of SEPA payments are domestic in nature, it can only make sense for an Irish bank to deploy SEPA instant when the majority of other Irish banks can at least receive SEPA instant payments (as Beneficiary Bank).

Overlay Service

While the Irish Banks are considering SEPA instant deployments, Irish Consumers have started using faster payment overlay services where available. This can be seen in the rise of Revolut and N26's Irish consumer base and the usage of their respective P2P services. Indeed the term 'I will Revolut you the money' is fast becoming a term for Irish consumers transferring payments between each other instantly.

While these are closed loop payment offerings (both payer & payee need to be Revolut customers), they are steadily gaining market share through their perceived broad reach. Given its customer base, there is still an opportunity for Irish Banks to collaborate on a mobile payments solution that would leverage a SEPA SCT Inst platform. Many European countries have successfully developed such a solution; Jiffy in Italy, Payconiq in Belgium, Vipps in Norway, and Swish in Sweden are some of the mobile payment solutions worth mentioning.

The EPC is actively encouraging such innovation and is providing key pieces of infrastructure such as the SPL (standard

proxy lookup) to facilitate pan European mobile account to account payments.

Key Challenges

While there a lot of considerations listed further in this document for banks to consider when implementing SEPA SCT instant, the key challenge for any institution is the prioritisation of the implementation against other change projects. As SCT Inst is not mandatory it needs to be prioritised against many mandatory regulatory change projects such as, for example, PSD2. Given that payments will be instant, many banks will have to review their current payment infrastructure and evaluate its suitability for high volumes of instant payments. Considering that many payment platforms have evolved over many years in a batch payment environment, this evaluation may uncover that a platform upgrade is required. This may add substantial cost and deployment effort to Banks in their SEPA SCT instant implementation.

A SEPA SCT Inst implementation should not be treated as a technology-only project. It is key for institutions to develop their payment strategy on how they will leverage the infrastructure and look at what compelling services it will offer to both its retail and corporate customers. Lessons should be learnt from other jurisdictions where SPEA SCT instant services were initially offered as a premium service and priced as such to end consumers. This pricing quickly reduced with active competition between the banks in that market.

"The five main retail banks here recently provided BPFi with a mandate to examine the development of an industry-wide consumer and merchant mobile-based payment proposition for the Irish market."

- Richard Walsh, Head of Digital & Payments Strategy, Banking and Payment Federation of Ireland.



Request to Pay – A game changer?

One of the most talked about overlay service for instant payments is Request to Pay (R2P). R2P offers wide range of use cases across consumers and businesses. It also offers an alternate option to traditional Direct Debits and Card Payments. Some of the standard use cases of R2P include P2P payments, E-billing/Invoicing, E-commerce payments, Point of sale payments, etc.

R2P in near future will give alternate means of payments for E-Bill payments, Card Transactions and also traditional Direct Debits.

Countries which have mature instant payments infrastructures are already offering R2P services. E.g. 'UPI Collect' option in India, using underlying UPI infrastructure, offers both P2P and B2C use cases. Customer can request for funds from their friends and Businesses can request payments for any purchases from customers.

There are lot of R2P initiatives which have been launched recently in Europe to maximise full potential of instant payments. In the UK, Pay.UK is leading the development of secure messaging service for R2P with draft specification to be ready by summer of 2019. At pan-European

level EPC has setup a Request to Pay Multi-Stakeholder group in 2019 with an objective to analyse R2P messages and its inter-operability between various actors with option to include these messages in the SCT and SCT Inst Schemes.

However to fuel the adoption, there are lot of challenges which needs to be addressed like feasibility of Recurrent R2P, Pay Later R2P, addressing customer protection issues like Refund Rights similar to Direct Debits and Chargebacks similar to Card transactions.

Banks need to understand the benefits and challenges these overlay services offers and include it in their long term Instant Payment Strategy.

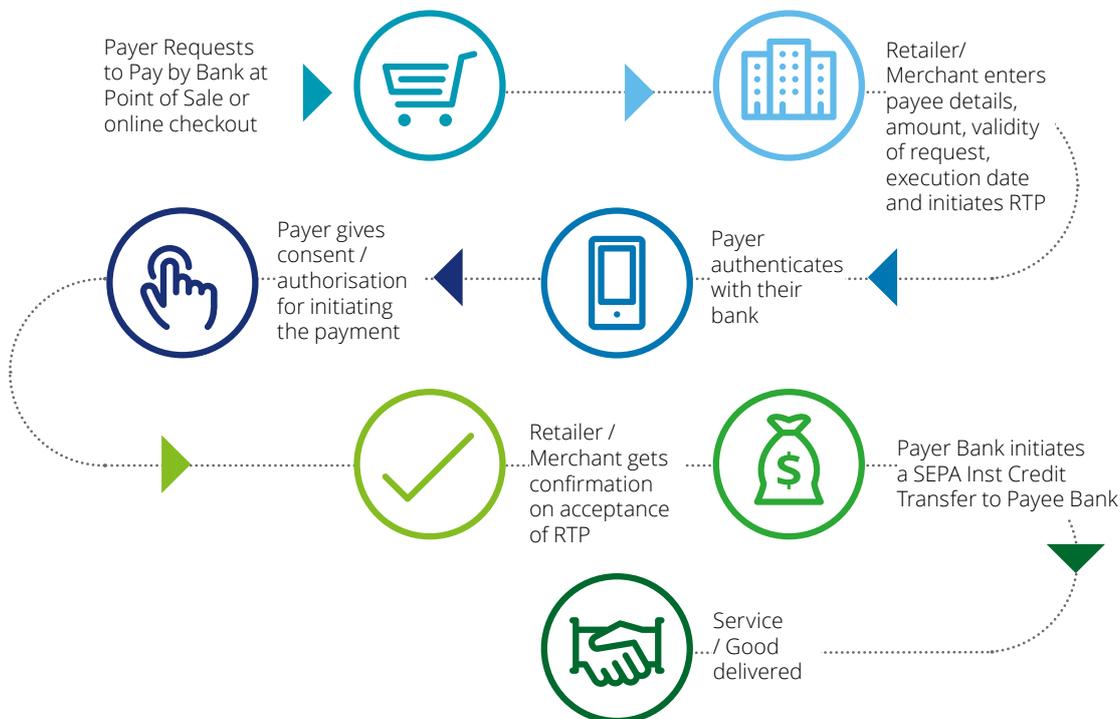


Figure 5. A typical request to pay journey (Ecommerce/Point of Sale)

Offering Instant Payments

Considerations for Banks

Most of the banks aiming to provide instant payments through the SCT Inst scheme will face one major challenge: how to handle a payment in less than 10 seconds when current payment processes run in minutes for the most efficient, and hours or days for the rest. In particular, we identified few main aspects to analyse.

Low latency

Until recently, payments were executed by completing a series of actions on a sequential basis. Payment processing used to take a few days in its entirety when cross-border and cross-currency transactions were involved. Even though the entry into force of the revised Payment Services Directive (PSD2) is decreasing the execution time to one business day for EEA-currency payments, some progress is still needed to reach the 10-second target. The process will

inevitably have to be redesigned to enable the simultaneous performance of some actions. Furthermore, these actions, even if performed at the same time, will have to be carried out within a drastically shorter timeframe. In fact, the clearing and settlement of payments will take no more than one second. Some clearing and settlement mechanisms (i.e., CSM) that are fully compliant with the SCT Inst have already been established to enable the processing of these real-time payments.



Figure 6. Instant Payments consideration for banks

Availability

Instant payments do not only need to be executed in real-time, they must also be accessible on a 24/7 basis. This implies a constant availability of payment systems to enable the initiation of payments outside regular business hours. However, many commonly used payment systems are incompatible with the execution of real-time payments, since they rely on the processing of transactions in batches. Payments are collected during the day and reconciled for processing through a batch-based system on a cycle basis. When providing instant payments, systems need to be able to submit payments to clearing services at a transaction level. Instead of processing batch files of payments at specific times of the day, banks must have the capability to process a large volume of individual transactions at any time. In order to remain constantly available, banks' payment architecture could rely on multiple datacenters that would allow one datacentre to go down while the other(s) take(s) over processing the payment transactions. This active/active processing would require the core banking system to stay online at all times.

Liquidity management

For banks, one of the main day-to-day challenges is liquidity management. This challenge takes on more weight when offering instant payments. The processing of payments through a batch-based system has so far allowed banks to have foreseeable liquidity flows. With real-time payments, liquidity management becomes an important factor of uncertainty. Even though the challenge of striking a thoughtful balance between keeping sufficient liquidity to process incoming payment orders and not keeping useless cash that could be used to make investments remains the same, it is intensified with the provision of instant payments. Inflows and outflows occur at any time of day and are unpredictable. Therefore, liquidity has to be effectively managed on a much more frequent basis and banks will attempt to accurately

forecast instant payment patterns. To tackle this liquidity concern, the ECB is revising its Central Liquidity Management (CLM) by 2020 to provide a harmonised and standardised management of liquidity in the European payment framework. High volume payments will be settled through the Real-Time Gross Settlement (RTGS), while low-value instant payments will be through TIPS. Financial institutions will be able to allocate their liquidity to each service (i.e., TIPS, RTGS and T2S) in which they hold a Dedicated Cash Account (DCA). Connectivity with the various clearing and settlement mechanisms (e.g., TIPS, RT1) should be ensured by core systems' gateways. The connectors could be multiple in case the bank decides to participate in various CSMs to reach a wider network.

Fraud/AML prevention

As the speed of execution decreases, so does the time dedicated to anti-money laundering (AML) analysis and fraud detection. Although this time becomes almost insignificant in the execution of instant payment transactions, it remains a major step that banks must perform in order to ensure a secure payment environment for both customers and financial institutions. In an instant payment scheme, in just a few seconds, banks will match customer and transaction information against sanction high risk lists and fraud rules. The implementation of instant payment shall in no case be a legitimate excuse to jeopardise an efficient AML compliance screening or fraud detection process. Therefore, banks processing real-time payments shall optimise their AML screening and Fraud detection processes while efficiently managing client-related risk. In order to fill this gap, an increasing number of third-party providers are offering real-time payment fraud detection software that enables the AML checks and sanctions screening processes to be carried out within seconds by using cutting-edge technologies such as artificial intelligence.

"Real time payments solutions in the United States have passed an inflection point, driven by a significant increase in awareness and 'pull' from those who have the most to gain, large corporate billers, corporates and merchants.

The banks that are live on the primary US system today, and the processors that will provide access to these solutions have stepped up their investment in the rollout schedule Deloitte is helping to lead across the largest financial institutions and their consortiums."

Brian Shniderman, Global and US Cross-industry Payments Practice Leader, Deloitte Consulting US.

Choice of CSM and participation model

Banks will have to decide which route to take to participate in the SCT Inst scheme. Various CSMs offer direct and indirect participation model. Depending on the existing technical capabilities, future payments strategy, banks will have to decide which participation model aligns best to its needs.

There are multiple CSMs which offer SCT Inst across Europe. At a Pan-European level EBA Clearing's RT1 was the front runner in terms of offering SCT Inst services from Nov 2017. ECB came up with TIPS in Nov 2018 to foster competition in this space. Then there are domestic players within Europe like Equens, STET, etc.

Depending on the market they operate in, banks will have to consider all the participation models and all the CSMs as they plan to adopt SCT Inst.

Implementation Strategy

To overcome all these challenges and technological prerequisites to providing instant payments, banks have various options. Some of them will decide to treat Instant Payment separately, by implementing additional modules independent from their existing payment processes, while others will undertake a complete redesign of their payment architecture. In a nutshell, banks could decide to go through one of the three following solutions:

- **Implementation of a new payment hub** able to handle all types of payments, including instant ones. This solution consumes time and money, but it offers

an efficient improvement to the payment chain and an opportunity to modernise the whole payment architecture.

- **Implementation of a parallel payment chain** that will be dedicated to the processing of the SCT Inst messages. It will be completely independent from the other current payment chains and will therefore have a limited impact on them. There has been emergence of Payment solutions which offer Cloud based Payment as a Service (PaaS) offerings for SCT Inst. Depending on the banks' cloud strategy that can be one of the option to explore and adopt.
- **Enhancement of the legacy system** by adding additional components that will take over when the back-end systems are not available. The major benefit of this solution is the low investment and rapid time-to-market; nevertheless, it is not a suitable long-term strategy since it will only add more complexity in an already complex architecture. Regardless of the chosen solution, an instant payment architecture shall demonstrate both agility and scalability for the simple reason that real-time payment is expected to be the new standard.



Considerations for Corporates

Corporates who are planning to adopt SCT Inst need to take into consideration a variety of factors to ensure they fully utilise the benefits SCT Inst offers. SCT Inst allows for immediate payment of a supplier for delivery against merchandise, to instantly correct a wrong payment or even to repay a customer directly upon return of their purchase.

Internal considerations

1. Building a case for change

Building a strong case is critical in successfully operationalising Instant Payments using SCT Inst in any organisation. The first step in this regard is to assess the current state payment options and identify the associated gaps. Understanding the cost and benefit drivers associated with Instant Payments and socialising them within the organisation can help corporates build a case for implementing and offering Instant Payments to their customers. Corporates can assess benefit drivers such as impact on bill presentment costs, traditional payment methods, working capital management, reconciliation and operational efficiency. Cost drivers can be measured as one time set up costs and recurring costs associated with offering Instant Payments as an option for customers. Corporates also need to take into consideration the transaction limit offered under SCT Inst.

2. Planning the roll out in a phased manner

A corporate may choose to offer Instant Payments as a payment method to selective customer cohorts based on internal parameters (e.g. payment history – customers from low income groups, customers with high number of NSFs etc.) and have a phased roll-out for other cohorts over a defined period. Depending on the internal parameters identified by the corporate, multiple cohorts may also be selected for the roll-out. However, corporates may also choose to offer Instant Payments as a payment method to all its new customers signing up for the first time.

It is critical to define the customer cohort(s) to roll out Instant Payments before making internal technological and operational changes.

3. Building technology and operational readiness

Introduction of a new payment method affects the existing technology infrastructure and internal operations within an organisation. Assessing the impact of Instant Payments technology infusion on business processes, current IT infrastructure and payment operations (internal processes such as reconciliation, cash flow management etc., and internal functions such as accounting, finance etc.) can give

corporates a head start in their journey towards operationalising Instant Payments.

Technology and operational impact should be assessed across the payments value chain starting from capturing payment preferences and payment generation to clearing and settlement, reconciliation and posting. This assessment exercise can help corporates build a roadmap to transition to a new payment process, identify additional cost and resource requirements and ensure a consistent customer experience across channels.

Small-sized corporates whose banking partners do not have the technical capability, or the required expertise, can work with a third-party payments processor to gain a better understanding of how existing payments systems may be impacted by the adoption of Instant Payments, and how workflows can be configured to mitigate any potential risks.

External considerations

1. Choosing the right banking partner

Selecting the right bank is quintessential in building the Instant Payments capability within an organisation. Corporates need a well-defined framework to evaluate the services provided by the banks that will support and accelerate their Instant Payments roadmap. While many banks offer similar

services, corporates need to weigh several factors to determine which bank best aligns with their organisation's objectives, payments strategy and customer needs.

Below are the key drivers for selecting a bank as an Instant Payments service provider –

Key drivers for selecting a bank as an Instant Payments service provider		
	Cost	Initial implementation and ongoing maintenance costs of the API / bank interface provided
		Cost of additional services/ modules and flexibility in selecting the services/ modules with minimum disruption to existing business processes / technical infrastructure
	Time	Launch time for a prototype for the selected use case
		Time to market for the solution
	Technical depth	Core payment capabilities offered
		Additional payment capabilities offered (e.g. directory services, real time APIs)
		Fraud and risk monitoring services
		Alignment with global messaging protocols for the payment solution
		Omnichannel integration
		Level of technology support offered (SLAs adhered to)
	Alignment with payments strategy	Fit with broader payments and IT strategy
		Deployment options (e.g. on-premise, cloud)
	Solution maturity	Experience with Instant Payments
		Number of corporates already working with the bank for Instant Payments implementation (success stories etc.)

2. Educating the customers

With multiple competing payments services in the market, it becomes difficult for customers to clearly distinguish one from another. Creating top of mind recall requires significant investment in educating the customers. For Instant Payments to be brought to market, the industry needs a broad-based education program aimed at customers that outlines the myriad opportunities and benefits of Instant Payments. To effectively drive the adoption, education must address two key challenges – lack of understanding of what “Instant Payments” really is, and lack of awareness of its benefits to end customers.

3. Setting up regulatory and security controls

While there are multiple benefits associated with Instant Payments, there may be potential associated risks as well. Implications of operationalising Instant Payments on customer data should be understood by working with regulators, financial institutions, processors, as well as other payments service providers, and additional security measures and controls should be set up accordingly. Corporates can collaborate with their financial institution or payments processor to enhance real-time monitoring and alerting capabilities for their business.

These internal and external considerations can be used as guidelines by corporates to move ahead in their journey towards Instant Payments. Success in operationalising Instant Payments will depend on how effectively corporates can work with different stakeholders in the ecosystem to provide customers with a simple, easy, quick and seamless payments experience across different payments channels.



What does the future hold for Instant Payments?

As domestic Instant payments schemes across the globe (including pan-European SCT Inst) gain momentum in terms of adoption, International cross-border Instant Payment Transfers will be the new norm in future. SWIFT gpi initiative is already proving to be a game changer for cross border payment transfers across the globe. With many of the global countries along with Europe on cusp of offering domestic Instant Payments, sending funds from USA to France instantly will be as easy

as sending funds within a country. Recently SWIFT released the results of a global trial to integrate SWIFT gpi Instant, its cross-border instant payments service, into Singapore’s domestic instant payment service, Fast And Secure Transfers (FAST).

The successful trial, which involved 17 banks across seven countries, saw payments across these continents settling within 25 seconds, with the fastest between Australia and Singapore in just

13 seconds. SWIFT carried out a similar trial with SWIFT gpi Instant and TIPS with involvement of 19 Banks across EMEA, Europe and US. Payment was initiated from Australia and credited to beneficiary in Madrid in 59 seconds.

Below is the world map of various instant payments initiatives across the globe.



Countries with live instant payment schemes			
Austria - NPP (2017)	Ghana - GhIPSS (2016)	Nigeria - NIP (2011)	Sri Lanka - SLIPS (2013)
Bahrain - EFTS (2015)	Hong Kong - FPS	Poland - ELIXIR (2012)	Thailand - PromptPay (2017)
Brazil - SITRAF (2002)	India - IMPS (2010)	Singapore - FAST (2014)	Turkey - BKM (2013)
Chile - TEF (2008)	Italy - Jiffy (2014)	South Africa - RTC (2006)	United Kingdom - FPS (2008)
China - IBPS (2010)	Japan - Zengin (1973)	South Korea - HOFINET (2001)	United States - RTP (2017)
Colombia - CENIT (2014)	Kenya - PesaLink (2017)	Spain - Bizum (2016)	
Denmark - NETS (2014)	Latvia - ZIBMAKSÁJUMI (2017)	Sweden - BIR (2012)	
Finland - Siirto (2017)	Mexico - SPEI (2004)	Switzerland - SIC (1987)	

Figure 7. Instant Payments initiatives across the globe

Ending Notes

The emergence of instant payment along with the entry into force of PSD2 and the trend toward Open Banking is leading banks, and especially traditional credit institutions, to make major changes to their payment Architecture and business processes. Some players have already decided to go beyond SCT Inst scheme requirements by offering proxy overlay services like allowing the initiation of instant payment where phone numbers

or email addresses replace the traditional IBAN; while others are reducing the time limit for banks to instantly execute payments.

These examples demonstrate that cooperation between banks could be a non-negligible alternative to being at the forefront of the race toward instant payments.

No matter how banks decide to stay in the instant game, the long-term strategy should be considered carefully in the decision-making process, since instant payment is undoubtedly here to stay.

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