2023 Chicago Payments Symposium
Panel Session: Global Payments
What are the key challenges to make cross-border payments in line with the G20 agenda?

And how can exposing Swift capabilities and related benefits to help?
What is Swift doing to support the G2O objectives?

**Speed**

Gpi continues to be adopted and using Swift gpi

- 48% of payments are credited to the end beneficiaries within 5 minutes
- Over 60% within 30 minutes
- Almost 100% within one day

Swift’s new transaction management platform

Orchestrates transaction from end-to-end, leading to mutualised services such as pre-validation of essential data, anomaly detection, data analytics and transaction tracking, using ISO 20022 data and API technology

**Transparency**

By embedding a unique tracking code in every transaction, we enabled banks to have full transparency on status, costs, real-time tracking

Hence, allowing us to see the impact of hurdles such as capital controls, processing capabilities like batch processing, RTGS opening hours, etc.

ISO 20022 will allow as well for much more data to be provided about the transaction in a much structured way

**Costs**

Incorrect beneficiary information – typos and transposed account numbers – require manual intervention and hence drive up costs.

API-based pre-validation service allowing banks to verify data upfront with the beneficiary or pre-check account details against pseudonymised and aggregated data from more than 4 billion accounts

**Choice**

Not only focusing on high value payments but also on SME and Consumers

SWIFT Go focusing on SME and Consumers using a tighter SLA with over 500 banks adopting and 320+ live becoming the standard for account-to-account cross-border payments

Interlinking instant payment systems, building with our key customers a potential interlinking blueprint

Swift is opening up new ways to access its capabilities with cloud and API-based connectivity options, both for messaging and full transaction services powered by Swift’s new transaction manager
Which new trends (e.g. embedded finance, CBDC, B2B platforms, interoperability, etc.) will most likely shape the future cross-border payments landscape?
Global Market trends: developments over the last 6 months and alignment to SWIFTs Strategy

- Interoperability continues to gain momentum for Payments Market Infrastructures (PMI), CBDC, Tokenised Assets, and Trade platforms
- Low value payments growth continues to attract investment from Fintech, Big Tech, & traditional payment players
- Digital Currencies show momentum as more central banks experiment with CBDCs and private tokenized value
- Continued focus on post-trade transformation in securities markets for shorter settlement times
- Digital transformation continues at pace with Trade Digitisation, Embedded Finance, API Enablement, Digital IDs

Examples are illustrative, non-exhaustive
1. **Cash and liquidity management**, including visibility of balances and efficient management of working capital, is #1 priority in times of rising interest rates and uncertain economic conditions. Next big attention is on **cash forecasting**, to “kill the spreadsheet”. And this is moving to “**Instant Treasury**” where information is on demand, real-time data, using APIs (reporting, payments, FX, …)

2. **Payment digitization and automation**, ‘getting it right first time’, access to services to pre-validate payees, formats, enable ‘inflight’ payment management and tracking are in demand as they drive operational cost-efficiencies

3. **Fraud** - as treasurers are faced with potential cases “every day”, and **compliance** + need for better **KYC**

4. **Centralisation** into regional treasury centres and payment factory, **outsourcing** of operations to third-party providers
What is next for us in Payments Strategy

**Foundational**
- Continued roll out of Platform and support of ISO 20022
- Payment Pre-validation
- Upgrading SWIFT Go to become a global solution is our main approach to retail payments.
- Corporates: Instant treasury to monitor positions in real time via API-based solutions.
- AI powered financial crime support for instant and frictionless payments
- Supporting Payment MI migration: Payment MIs, particularly high-value payment solutions, form an important part of our market.

**Core & Interoperability**
- PMI interlinking: particularly for real-time PMIs, is increasingly seen as a new solution for cross-border payments
- Vital area for SWIFT to lead standardising solutions and enabling interoperability between markets and infrastructures.
- Building a bigger partner ecosystem with new services: Leveraging partners
- API framework, for the future

**Advanced**
- Focus on new technology (e.g. APIs, AI/ML) to help banks improve the experience they offer their customers
- Engaging and integration with upstream markets and platforms – focus on market-places B2C and B2B
- Actively experimenting with CBDC and tokenised assets. Our immediate focus is interoperability and standards
- Collaborative innovation to enhance risk and anomaly scoring effectiveness