How to build a business case for SWIFT gpi

A new era in cross-border payments

A largescale transformation is happening in the cross-border payments world. This transformation is being driven by fundamental shifts in client expectations and available technology, coupled with a proliferation of new payment providers and infrastructures, as well as developments taking place in the correspondent banking network itself.

This is putting payment providers under pressure. Clients demand certainty, speed, tracking, and transparency of payments. Banks can't achieve this in isolation, however. All participants must work together to improve the flow of payments across the correspondent banking network.

In addition, banks need to find new ways of providing value to their customers. New technologies can be an enabler, but so too can collaboration that further reduces frictions and offers new ways of reducing costs and adding value.

Challenges of today

⏱	Unpredictable resolution time
▤	Mounting number of queries
⚠	Frustrations and delays
👤✕	Strained customer and counterparty relations

Benefits of gpi

◕	Fast resolution time
📖	Fewer open queries
€€€	Cost saving opportunities
✓	Better customer and counterparty relations

Introducing SWIFT gpi

Banks and corporates alike are no longer willing to wait days or longer for an international payment to arrive.

Expectations are high: international payments need to reach end beneficiaries in minutes or even seconds.

Time is of the essence for your customers. If consumers and businesses can send and receive payments in as close to real time as possible, they benefit from easier cash flow management and more predictable budgeting, spending, and investing.

Faster payments keep the momentum going along the entire payments chain. In a world where everyone expects everything right now, this is a huge advantage.

For corporates transacting internationally, fast payments translate to shorter supply cycles and reduced exposure to fluctuating foreign exchange rates.

Benefits of SWIFT gpi

Fast payments
On average, 40% of SWIFT gpi payments are credited to end beneficiaries within 5 minutes 50% are credited within 30 minutes; 75% within 6 hours; and almost 100% within 24 hours

End-to-end tracking
100% of payments on SWIFT are trackable

Fee and FX transparency

Unaltered remittance information

Easy implementation

Reduced costs

Optimised liquidity

Payment confirmations

What are the strategic business drivers for adopting gpi?

Financial institutions are mobilising to stay one step ahead in the digital transformation of cross-border payments. How can you convince your organisation to do the same?

There are three key business drivers for adopting gpi:

1

Reduce costs in your back office

2

Enhance relationships with your ecosystem

3

Offer a better service to your customers and position yourself as a payments leader

1

Reduce costs in your back office

Cross-border payments can be subject to manual intervention for a variety of reasons: the sender requests a modification or cancellation; missing or incorrect information prevents the payment from being processed; the beneficiary requests a status update; just to name a few.

This process is time consuming and labour intensive, often involving multiple back-and-forth emails and phone calls before the issue is resolved.

How much time and effort does your bank exert investigating and querying missing payments?

Thanks to the end-to-end tracking functionality of gpi, you gain full visibility on payments in real-time, regardless of where they are in the chain.

Simply:

1	**2**	**3**	**4**
Log on to the gpi Tracker	Easily check the payments status	Go directly back to customer	Close the case

SWIFT gpi is empowering banking operations teams to solve cross-border payment enquiries and investigations faster and easier than ever before. **Find out how.**

"In tracking the metrics from our SWIFT gpi Financial Institutions Group clients, Wells Fargo has experienced a 39% reduction in Beneficiary Claims Non-Receipt Inquiries, an impressive result of our SWIFT gpi implementation."

Joanne Strobel, Head of Technical Sales for Global Payment Services, Wells Fargo

2

Enhance relationships with your correspondent and agent banks

"As more banks are expected to join the SWIFT gpi initiative, the exchange of information on the gpi network within the industry will be more established, opening the door to banking services with improved precision, which in turn could prove beneficial to the broader cross-border payment market as a whole."

Maggy Chou, Executive Vice President, E. SUN Commercial Bank, Taiwan

SWIFT gpi is a community solution and only through universal adoption can the full value be realised. Over 3,500 banks have pledged to adopt gpi, with 450+* now live and sending gpi payment flows.

By adopting gpi and providing confirmation of credit with the banks in your ecosystem, you can help foster better business relationships with your existing partners, as well as opening new opportunities.

When a payment operations team at a gpi bank receives an enquiry, they can look directly in the gpi Tracker to find out the payment location and status in real time. This means they can feed back to customers directly, eliminating the need to pursue other agent banks with calls, emails and faxes.

The gpi Tracker also helps operations teams quickly answer other types of questions as well. Requests for information related to payment statuses; bank fees; payment instruction information; correspondent details; and proof of payment can all be answered immediately by checking the Tracker.

This not only helps your business operate more efficiently, but helps reduce the burden on your counterparties too.

Stop and recall
Full transparency and end-to-end tracking of cross-border payments puts banks in control exactly when they need it most. At any moment, you can quickly consult the gpi Tracker to see exactly where a payment is in real time and take appropriate action to halt the funds and cancel the payment. **Find out more**.

*Figures as of April 2019

3

Deliver new value for your clients and position yourself as a payments leader

"We are now well equipped to provide our retail and corporate clients with the best-in-class quality of service for cross-border payments, which are now faster, more transparent and more traceable."

Antoine Lawandos, AGM and CIO, BLOM Bank, Lebanon

With gpi you can boost your customer service offering by guaranteeing fast, trackable and transparent payments, protecting your existing business, whilst creating further development opportunities.

Using gpi data, banks have the ability to enrich their existing services by integrating payments tracking, whilst continuing to improve cumbersome processes, resulting in increased customer satisfaction.

gpi data tools also allow you to weigh up where you and your customers do most of your business, and also where your competitors do business, giving you visibility on potential new markets to expand into or prioritise.

gpi customers can tap into the diverse range of solutions in the gpi evolution roadmap to deliver value-added services such as:

1 stopping and recalling payments
2 pre-validating key payment information
3 embedding payment initiation and tracking into banking portals
4 resolving cases
5 connecting closed trade ecosystems to provide settlement
6 providing request to pay services
7 providing visibility on incoming payments

The future of gpi
We have a bold and exciting roadmap of service evolutions powered by gpi, designed to reduce friction and add new value for customers.
Find out more.

Business Intelligence for gpi
SWIFT has a portfolio of BI products and services to support your gpi business journey from project initiation, to roll out and business development.
Find out more.

How gpi can help your business

A common question is whether gpi is only suitable for large, global transaction banks. The reality is that financial institutions of all shapes and sizes are adopting and sending gpi payments every single day. Here are some use cases for how gpi can help your bank.

SME bank offering financing solutions in the farming and agriculture sector and handling remittances

❶ Build specialised SME banking services using data
Monetise data and explore new revenue models such as cash flow forecasting with end-to-end tracking functionality. Leverage Open Banking to offer SWIFT gpi tracking on third-party environments (such as accounting packages).

❷ Provide clear, accurate and real-time information to your clients
Provide real-time information of payment status and confirmation of credit on the beneficiary's account. Provide visibility on detailed fees across the lifecycle of a payment.

❸ Shorten supply chain cycles
Deliver trust to the buyer-supplier relationship and accelerate the release of goods for SMEs involved in cross-border trade by providing confirmation that a payment has reached the end beneficiary's account.

Private bank offering wealth management, deposits and payments services

1 Move to a proactive stance in customer service
Move from reactive checks to proactive management of cross-border payments by being notified when a payment is blocked. Reduce your customer lead times on investigations and claims by having real-time status information available to take immediate action.

2 Provide real-time monitoring of business-critical payments
Reduce FX, liquidity and settlement risks through faster delivery of funds. Reassure your clients in real-time by tracking the movements of funds and by providing a view on when the beneficiary's account has been credited.

3 Boost operational efficiency
With gpi you can significantly reduce manual interventions on payment investigations. This allows you to provide better service to your internal and external clients and increase straight-through processing.

Retail bank offering current accounts, loans and other credit products

1 Provide a better customer service
Offer a leading customer service experience by providing real time information of payment status and confirmation of credit on the beneficiary's account. With gpi you can also deliver funds faster (on the same day, often in just minutes or seconds) and with transparency on fees.

2 Optimise straight-through processing
With gpi you can drastically decrease manual interventions on payment investigations. This allows you to provide better service to your internal and external clients and increase straight-through processing.

3 Position your bank as an innovation leader
Enhance your offer by displaying information and push notifications to customers on payment status via your mobile apps and digital engagement tools. Leverage SWIFT gpi to provide new features to your customers such as instant payments, visibility on incoming payments or end-to-end procure to pay solutions.

How to make the gpi case to your internal stakeholders

"By using SWIFT gpi for cross-border payments, the bank can now provide an agile and seamless experience for all transactions."

Francine Hoppe-Krasner, SVP, Head of Financial Institutions, Bank Hapoalim, Israel

What are the key pain points of the decision makers in your organisation? gpi can help tackle them.

C-level

1 gpi reduces costs and can solidify business partnerships with correspondents and customers

2 gpi can raise the profile of your organisation and position you as an innovation leader

Head of Cash Management/ Treasury

1 gpi enables the provision of better services to clients, with better traceability and transparency on payments

2 gpi will free up liquidity and make business move more freely

3 New internal services and product offerings can be built off the back of gpi

4 gpi has a rich roadmap of new features

IT

1 gpi is delivered as a cloud solution with integration into other applications

2 Uses latest technology such as APIs

3 Active engagement with vendor community for out-of-the-box support

Operations

1 gpi reduces the need for frustrating and lengthy investigations, improving job satisfaction and freeing up staff to do more value-added work

The IT impact

SWIFT gpi is delivered as a cloud solution via your existing SWIFT interfaces. With help from the community and dedicated SWIFT professional services experts, some banks have gone live on gpi in as little as three months.

Tracking payments is made easy via the SWIFT gpi GUI, and our API technology means you can integrate gpi into your other back-office applications.

Our goal is to unlock the full value of gpi for our whole community. For SWIFT-connected banks, that means by the end of 2020, all financial institutions must provide a credit confirmation to the gpi Tracker when funds have been sent to the end beneficiary's account.

The main technical component is configuring your back office to provide payment confirmations. To do this, SWIFT provides a number of manual and automated options for handling payment confirmations.

Options for confirming payments

1 MT 199 confirmations – use your existing SWIFT infrastructure to send automated confirmations to the Tracker

2 API calls – embed tracking into your back-office tools using API calls

3 ISO 20022 – we're currently working on developing an ISO 20022-compliant standard to confirm payments

Moving towards global adoption
Transformation in cross-border payments can't be achieved in isolation. **Learn how SWIFT is driving gpi adoption**.

Basic Tracker
For banks who handle very low volumes of cross-border payments, a free version of the gpi Tracker, with a limited feature set, is available. The Basic Tracker allows banks to confirm payments manually.

"SWIFT gpi is the answer to the growing needs of our corporate customers as it removes the friction that used to exist in correspondent banking."

Tran Phuong, Senior Executive Vice President, BIDV, Vietnam

gpi elevator pitch

1

What is SWIFT gpi?
A global industry-based solution which is transforming the way banks send cross-border payments.

2

What does it do?
gpi ensures cross-border payments are fast and transparent. It allows banks to track cross-border payments from end to end in real time, reducing costs, improving efficiency, and delivering new value to customers.

3

What value will it add to our business?
gpi allows banks to improve operational efficiency, reduce costs, forge better relationships with their correspondents and deliver new value to customers.

4

How long will it take to implement?
gpi is delivered as a cloud solution with a light implementation footprint, meaning you can go live in as little as three months.

5

Is gpi just for large FIs?
Financial institutions of all shapes and sizes are adopting and using gpi, across a wide range of different use cases.

6

Which of our competitors use gpi?
More and more banks are joining gpi every day. Currently over 3,500 banks have adopted or are in the process of implementing the service. Find out more who is using gpi on swift.com/gpi.

7

Why should we implement it now?
Banks have no time to waste. The cross-border payments world is changing fast and you could be at risk of being left behind.

8

Is gpi future proof?
gpi is a constantly evolving platform, with new services and innovations set to be rolled out over the course of the next 12 months and beyond.

8 steps to implement gpi

1 Hold collaborative design workshops
Gather your project team to identify your customers' pain points and discuss challenges and opportunities that might arise from implementing gpi.

2 Involve stakeholders early on
Bring decision makers in your organisation on the gpi journey with you by involving them from the start. Involve people from all aspects of the business: IT, legal, marketing, operations, management, etc.

3 Build your business case
Build your business case using the materials in this book as a guide. Focus on delivering long-term value to your business and how it will help you boost customer experience.

4 Define and refine your implementation strategy
Draw up a clear plan with an achievable timeline and clear milestones. Use the gpi community and SWIFT to help support you.

5 Prepare internal systems and staff
Identify any gaps in your technology or personnel and fill them to help ease the transition.

6 Enter testing phase
Rigorously test in the SWIFT environment and then with the wider community to ensure a smooth go live.

7 Go live
Launch gpi in collaboration with SWIFT and your community of correspondents. Begin to think about future development and new services.

8 Go-to-market
Communicate to your clients about how they can send fast, trackable and transparent cross-border payments.

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 and standards for communicating, and we offer products and services to facilitate access and integration, identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories.

While SWIFT does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby supporting global and local financial flows, as well as trade and commerce all around the world.

As their trusted provider, we relentlessly pursue operational excellence; we support our community in addressing cyber threats; and we continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies.

Our products and services support our community's access and integration, business intelligence, reference data and financial crime compliance needs. SWIFT also brings the financial community together – at global, regional and local levels – to shape market practice, define standards and debate issues of mutual interest or concern.

SWIFT's strategic five year plan, SWIFT2020, challenges SWIFT to continue investing in the security, reliability and growth of its core messaging platform, while making additional investments in existing services and delivering new and innovative solutions.

Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's global office network ensures an active presence in all the major financial centres

For more information about SWIFT,
visit **www.swift.com**.

About SWIFT gpi

The SWIFT global payments innovation (SWIFT gpi) is the largest change in cross-border payments over the last 30 years and is the new standard. SWIFT gpi dramatically improves the customer experience in cross-border payments by increasing their speed, transparency and end-to-end tracking.
Hundreds of thousands of cross-border payments, totalling over $300bn, are sent every day using the new gpi standard. Payments are made quickly, typically within minutes, even seconds.

SWIFT gpi allows corporates to receive an enhanced payments service, with the following key features:

– Faster, same day use of funds within the time zone of the receiving gpi member

– Transparency of fees

– End-to-end payments tracking

– Remittance information transferred unaltered

With SWIFT gpi, the correspondent banking community, together with fintechs, corporates, and others, is collectively removing frictions and reducing the costs associated with cross-border payments. Since its launch in January 2017, gpi has dramatically improved the cross-border payments experience for corporates in over 1,100 country corridors.

Key features of SWIFT gpi include enhanced business rules and a secure tracking database in the cloud accessible via APIs. New gpi services are routinely developed with the gpi member community and rolled out to the growing network of banks.

Thanks to SWIFT gpi, corporates can grow their international business, improve supplier relationships, and achieve greater treasury efficiencies. On average, 40% of SWIFT gpi payments are credited to end beneficiaries within 5 minutes. 50% are credited within 30 minutes; 75% within 6 hours; and almost 100% within 24 hours.

Already, 3,500 banks accounting for 85% of SWIFT's total payments traffic have committed to adopting gpi and more than 55 payment market infrastructures are already exchanging gpi payments, enabling domestic exchange and tracking.

Payment market infrastructures have a critical role to play in facilitating the end-to-end tracking of cross-border payments because as soon as international payments hit the destination country, they are typically cleared through local payment infrastructures.

www.swift.com/gpi