Why you should adopt SWIFT gpi in 2018 to future-proof your payment operations

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Jamy Maigre

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Webinar

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In this webinar…

1 **Benefits of SWIFT gpi for payment operations teams**

2 **SWIFT gpi implemention requirements**

3 **Integrating SWIFT gpi into your customer channels**

Q&A

Benefits of SWIFT gpi for payment operations

Stanley Wachs, Head of Bank Engagement, SWIFT

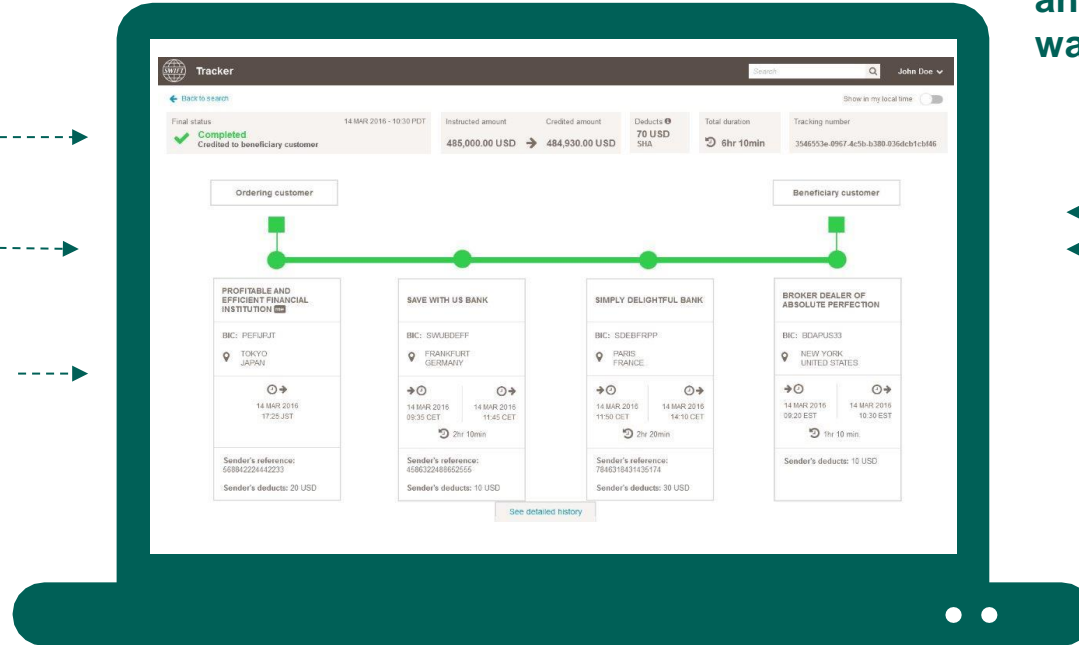# How does SWIFT gpi improve operational efficiency?

SWIFT gpi Tracker

Track payments end-to-end in real time

One-glance status overview

Track path, in real time

Details of banks along the chain

Full transparency on deducts and confirmations that payment was credited
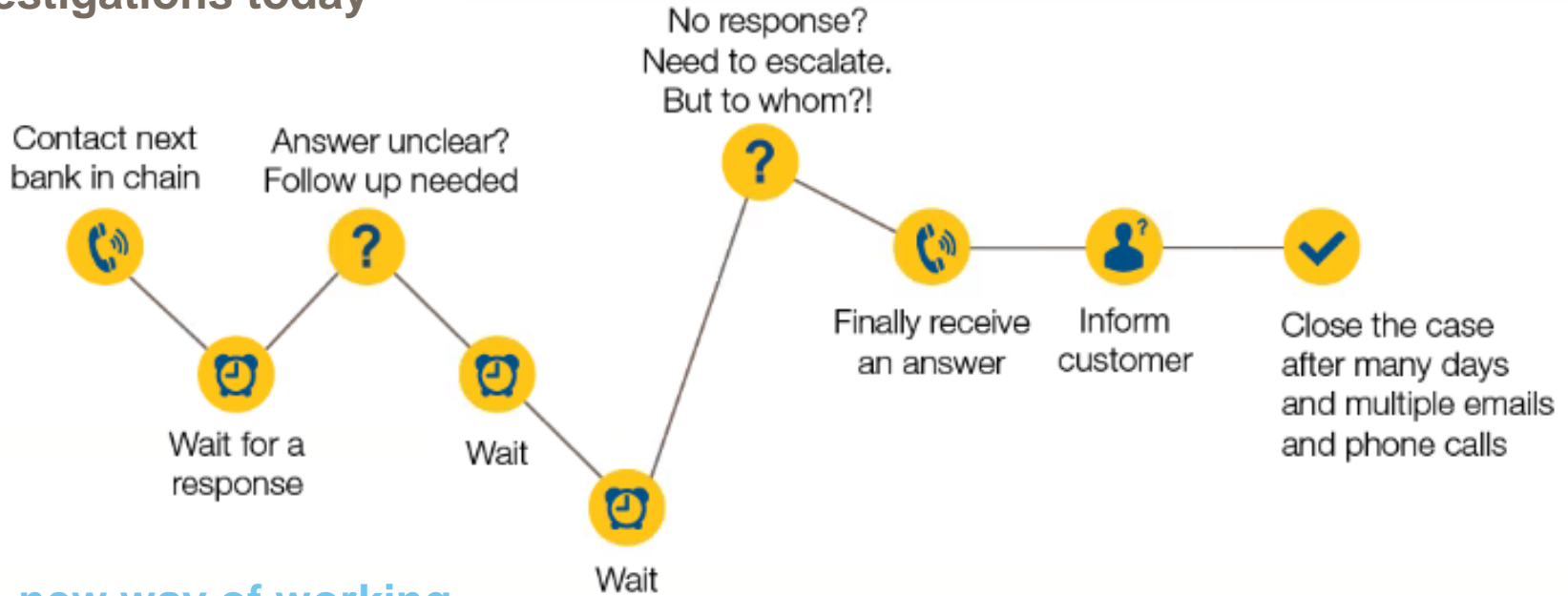
Transparency of total fees and time

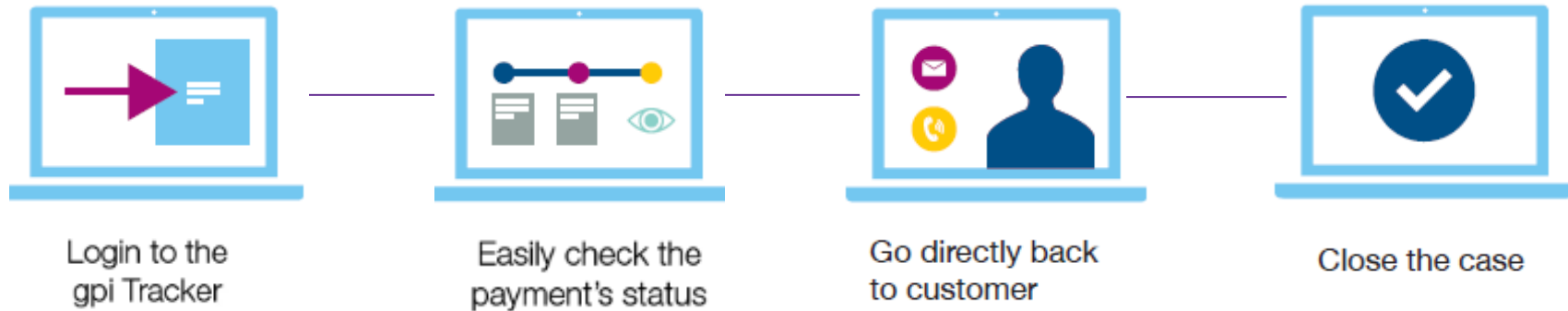Unique, end-end tracking number

Result

Much more efficient investigations and enquiries management

Payment investigations today

Contact next bank in chain

Answer unclear? Follow up needed

No response? Need to escalate. But to whom?!

Finally receive an answer

Inform customer

Close the case after many days and multiple emails and phone calls

Wait for a response

Wait

Wait

SWIFT gpi: A new way of working

Login to the gpi Tracker

Easily check the payment's status

Go directly back to customer

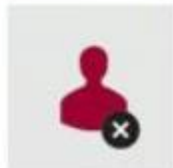Close the case

Challenges 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

"*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

SWIFT gpi in numbers

Large and growing **community**

270+
banks committed to implement

Millions of **live** payments

30+%
cross-border payments sent via
SWIFT are now sent as gpi

Enabling **fast** cross-border payments

50+%
gpi payments credited to
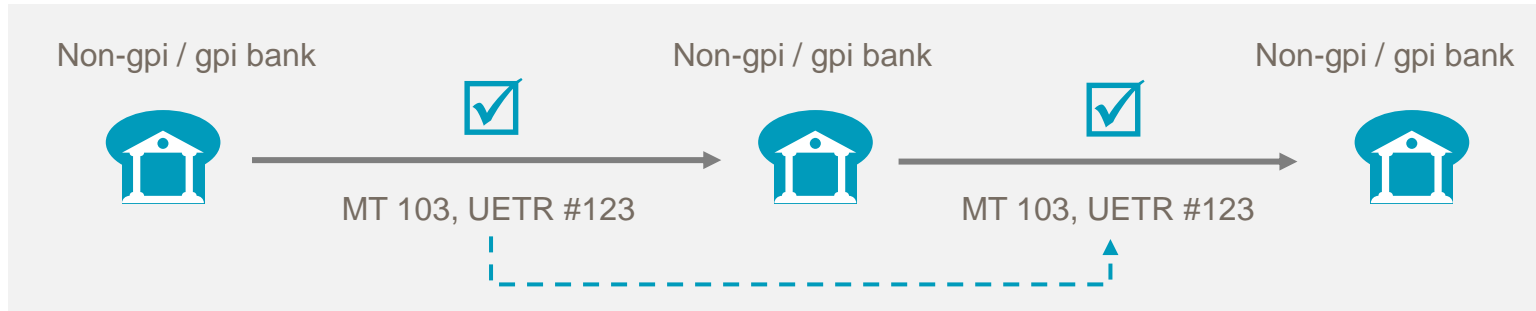end beneficiaries within 30 minutes

SWIFT gpi – implementation requirements

Jamy Maigre, SWIFT gpi expert – EMEA, SWIFT

SR 2018 mandates all SWIFT users to add and pass on UETR on ALL key payments

Non-gpi / gpi bank   Non-gpi / gpi bank   Non-gpi / gpi bank

☑   ☑

MT 103, UETR #123   MT 103, UETR #123

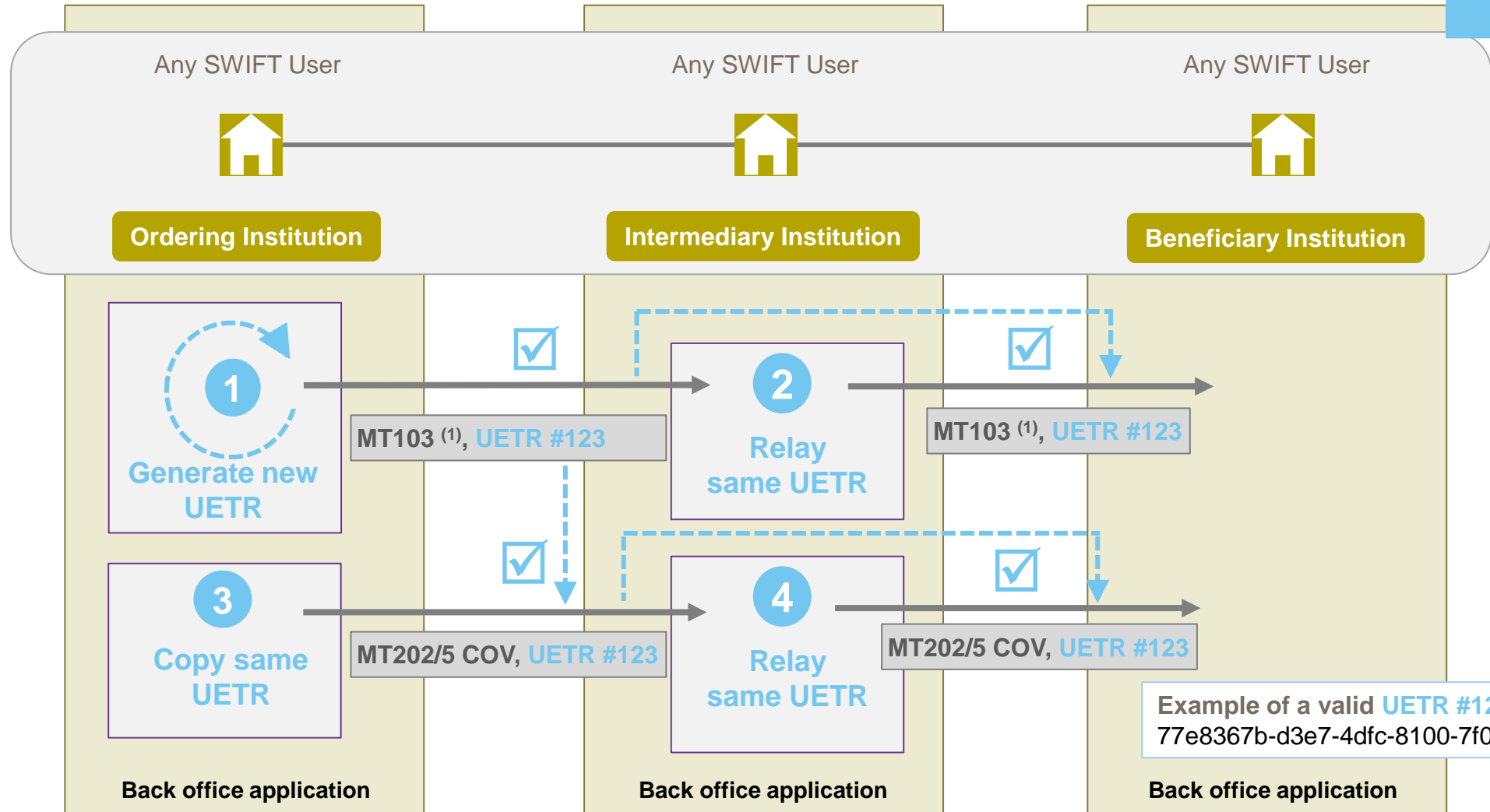**All SWIFT Users**, including non-gpi members, must **add and pass on a UETR (**Unique End to End Transaction Reference) in all MT 103, MT 103 STP, MT 103 REMIT, MT 202, MT 205, MT 202 COV and MT 205 COV messages

All SWIFT Users must be able to **receive the gpi fields 111** (Service Type Identifier) **and 121** (UETR) in block 3 of any Category 1 and Category 2 FIN message

➔ Non-compliance will generate a NAK

SR 2018 impact on back-office applications

Any SWIFT User

Any SWIFT User

Any SWIFT User

Ordering Institution

Intermediary Institution

Beneficiary Institution

1 Generate new UETR

MT103 [1], UETR #123

2 Relay same UETR

MT103 [1], UETR #123

3 Copy same UETR

MT202/5 COV, UETR #123

4 Relay same UETR

MT202/5 COV, UETR #123

Example of a valid UETR #123:
77e8367b-d3e7-4dfc-8100-7f041c4058d3

Back office application

Back office application

Back office application

(1) Mandatory UETR applies to MT103, MT 103 STP, MT 103 REMIT, MT 202/205 and MT 202/205 COV

Cost/benefits of being a gpi member

Cost/Effort

SWIFT gpi
SR 2018

- gCCT, incl. confirmations, fees, unaltered remittance
- Support gSRP
- Support gCOV

- Generate UETR
- Pass on UETR
- UETR in Cover payments
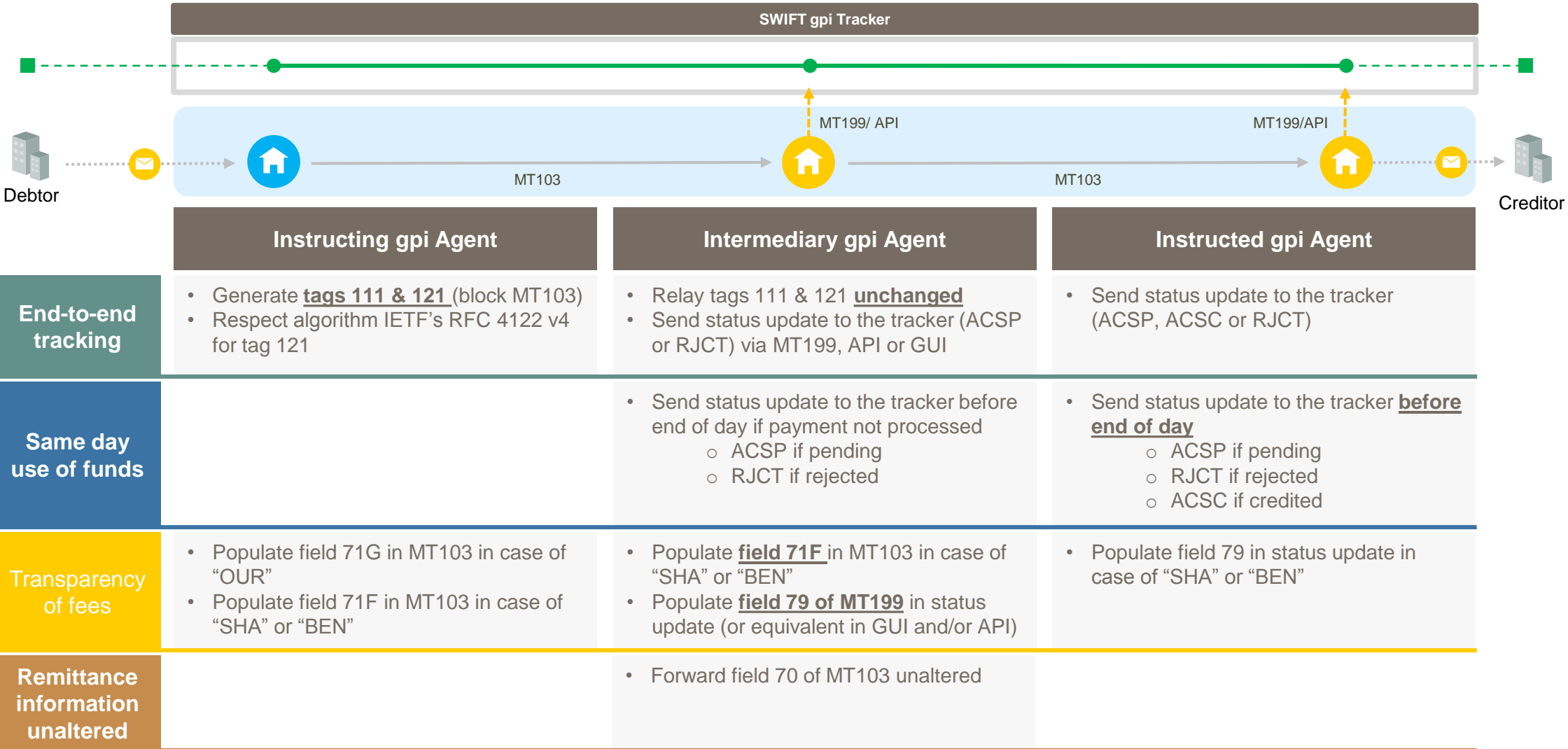
Benefit

SWIFT gpi
SR 2018

- Remain competitive
- Access tracker with extended tracking
- Better service clients
- Reduce investigations costs
- Immediately stop a payment
- Improve cover payments management
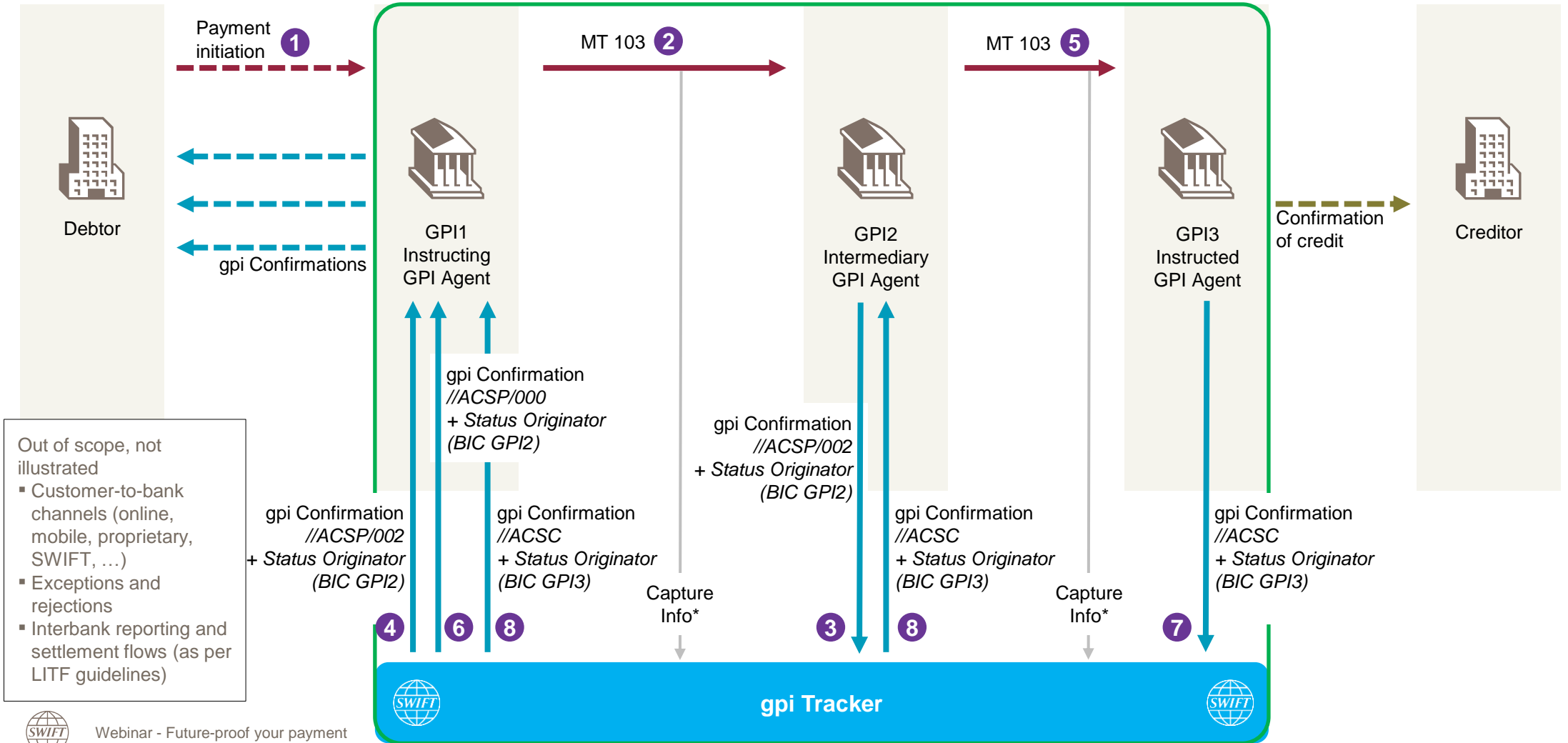- Get more value with product roadmap

- UETR eg: emails

gCCT – Implementation impact

SWIFT gpi Tracker

Debtor → (Instructing gpi Agent) → MT103 → (Intermediary gpi Agent) → MT103 → (Instructed gpi Agent) → Creditor

MT199/ API

MT199/API

	Instructing gpi Agent	Intermediary gpi Agent	Instructed gpi Agent
End-to-end tracking	• Generate **tags 111 & 121** (block MT103) • Respect algorithm IETF's RFC 4122 v4 for tag 121	• Relay tags 111 & 121 **unchanged** • Send status update to the tracker (ACSP or RJCT) via MT199, API or GUI	• Send status update to the tracker (ACSP, ACSC or RJCT)

Same day use of funds		• Send status update to the tracker before end of day if payment not processed
		    o ACSP if pending
		    o RJCT if rejected
			• Send status update to the tracker **before end of day**
			    o ACSP if pending
			    o RJCT if rejected
			    o ACSC if credited

Transparency of fees	• Populate field 71G in MT103 in case of "OUR" • Populate field 71F in MT103 in case of "SHA" or "BEN"	• Populate **field 71F** in MT103 in case of "SHA" or "BEN" • Populate **field 79 of MT199** in status update (or equivalent in GUI and/or API)	• Populate field 79 in status update in case of "SHA" or "BEN"
Remittance information unaltered		• Forward field 70 of MT103 unaltered	

gpi Message flows – Payment processing pending scenario

Payment initiation **1**

MT 103 **2**

MT 103 **5**

gpi Confirmations

Debtor

GPI1
Instructing
GPI Agent

GPI2
Intermediary
GPI Agent

GPI3
Instructed
GPI Agent

Confirmation of credit

Creditor

gpi Confirmation
//ACSP/000
+ *Status Originator*
(BIC GPI2)

gpi Confirmation
//ACSP/002
+ *Status Originator*
(BIC GPI2)

gpi Confirmation
//ACSP/002
+ *Status Originator*
(BIC GPI2)

gpi Confirmation
//ACSC
+ *Status Originator*
(BIC GPI3)

gpi Confirmation
//ACSC
+ *Status Originator*
(BIC GPI3)

gpi Confirmation
//ACSC
+ *Status Originator*
(BIC GPI3)

Capture Info*

Capture Info*

4 **6** **8**

3 **8**

7

gpi Tracker

Out of scope, not illustrated
- Customer-to-bank channels (online, mobile, proprietary, SWIFT, …)
- Exceptions and rejections
- Interbank reporting and settlement flows (as per LITF guidelines)

* Automatic status update for flows on SWIFT

Sample gpi confirmation of credit: ACSC

MT 199*

SENDER: Instructed GPI Bank BIC
MT Confirmation
RECEIVER: Instructing GPI Bank BIC
User Header Block includes
:111:001
:121:eb6305c9-1f7f-49de-aed0-16487c27b42d

:20:message1
:21:ABC123 (ref. of MT 103)
:79://date and time
//ACSC
//BIC (of Status Originator)
//currency & amount
//EXCH//USD/EUR/0,91 (if applicable)
//:71F:USD10,

ACSC (= ISO 20022 code for "settlement completed")

New field in MT 199 header, identifying the message as gpi

UETR (unique end-to-end transaction reference): new field in MT199 header.

Status ACSC: the <u>beneficiary</u> has been credited and can use the funds..

FX rate (if applicable)

Deducts (if SHA or BEN). Mandatory (0 if no deducts)

*for illustration purposes only, not in technical format

Sample gpi confirmation of pending: ACSP/xxx

MT 199*

SENDER: Instructed GPI Bank BIC
MT Confirmation
RECEIVER: Instructing GPI Bank BIC
User Header Block includes
:111:001
:121:eb6305c9-1f7f-49de-aed0-16487c27b42d

:20:message1
:21:ABC123 (ref. of MT 103)
:79://date and time
//ACSP/002
//BIC (of Status Originator)
//currency & amount
//EXCH//USD/EUR/0,91 (if applicable)
//:71F:USD10,

ACSP (= ISO 20022 code for "settlement in progress" followed by reason code /000/ (= payment pushed to next GPI Agent or gpi-compatible MI
– no further updates from Status Originator))

New field in MT 199 header, identifying the message as gpi

UETR (unique end-to-end transaction reference): new field in MT199 header.

PENDING at my bank
Status ACSP (in progress), with reason code:

/002 ➜ pending. Generic reason code

/003 ➜ pending. Additional documentation is required and has been requested to beneficiary

/004 ➜ pending. Awaiting funds (provided by or on behalf of the Instructing or Intermediary gpi Agent)

FX rate (if applicable)

Deducts (if SHA or BEN)

*for illustration purposes only, not in technical format

B.O. activities and incremental efforts to become gpi-enabled

Legend:
- SWIFT gpi (dark green)
- Required by SR 2018 (red)
- Incremental effort to be gpi (light blue)

		Instructing bank	Intermediary	Instructed bank
gCCT	End-to-end tracking	Generate UETR*	Receive & Relay UETR	Receive UETR
				Confirm credit status update
			Pending/Rejected status update	
	Transparency of fees	Fees populated in case of "SHA" or "BEN"		
	Remittance information	MT 103 field 70 unaltered		
gCOV	Cover	Copy UETR from MT 103	Receive & Relay UETR	Receive UETR
		No deducts from transaction principal amount		Status update
gSRP	Stop & Recall		Receive & Respond gSRP request	

(*) FIN interface must generate and add a random UETR if not present in message received from back-office, this requires installation of new SR 2018 version of FIN interface and configuration

Options to implement gpi

Manual	Complement B.O with integration	Full blown implementation in B.O
What ○ Swift Interface generates gpi tags ○ Confirmation is done manually via gpi Tracker GUI	**What** ○ Complement the B.O capabilities ○ Middleware (IPLA/SIL) or batch update as a tool to update the tracker	**What** ○ B.O able to generate & pass-on gpi tags ○ B.O sends gpi confirmation to tracker
Advantages ○ No impact on B.O ○ Quick go-live	**Advantages** ○ Minimise impact on B.O ○ Less dependencies on B.O readiness	**Advantages** ○ gpi embedded in core system ○ Easier integration with customers channels
Requirements ○ No intermediary traffic ○ Limited volumes	**Requirements** ○ Ad-hoc discussions to understand B.O capabilities	**Requirements** ○ B.O vendor's is gpi ready (if vendor system)
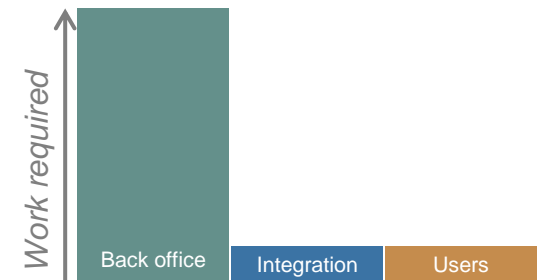
Reduced efforts if you use a gpi-ready vendor application

Today 14 application vendors have a gpi-ready application:

- ACI Worldwide
- CBA
- CFT Russia
- CGI
- China Systems Corporation
- ECS Financials
- EdgeVerve Systems Ltd
- Fiserv
- Finastra
- FIS
- Montran Corporation
- Oracle
- Surecomp
- Tata Consultancy Service

SWIFT gpi

SR 2018

ACI Worldwide is the First Application Provider to be Certified for SWIFT gpi

By GlobeNewswire, December 12, 2017, 08:00:00 AM EDT

Vote up A A A

ACI's UP Real-Time Payments solution allows banks to quickly experience gpi benefits—including expediting international funds transfers

Naples, FLA., Dec. 12, 2017 (GLOBE NEWSWIRE) -- ACI Worldwide (NASDAQ:ACIW), a leading global provider of real-time electronic payment and banking solutions, announced today

Integrating SWIFT gpi intro your customer channels

Alex Coutsouradis, SWIFT gpi Marketing, SWIFT

gpi Portal integration

Customer

Online Banking Portal

Tracker database

MT199 / API
Data visualisation done by the Bank
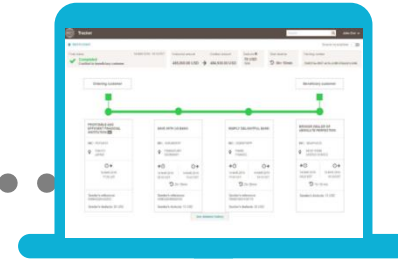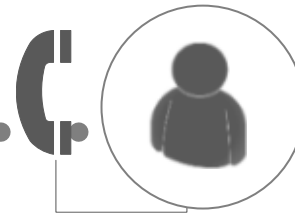
How does the customer visualise Payments Tracking Status ?

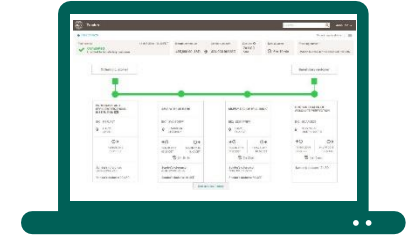# Banks are leveraging APIs to integrate the Tracker into customer channels

MNC

ERP / TMS

SME

Automated channels

11 banks in corporate pilot

MT 101/ pain.001

MT 199 /pain.002

H2H

APIs

55 banks with gpi APIs live or in implementation

gpi connector

Front-end applications

Back-end applications

Web portal

e-Banking portal

14+ with live portal integration

gpi system integration

Customer

Investigation staff

Tracker database

MT199 / API

Investigation application

Inbound status

Middleware / Micro-services container
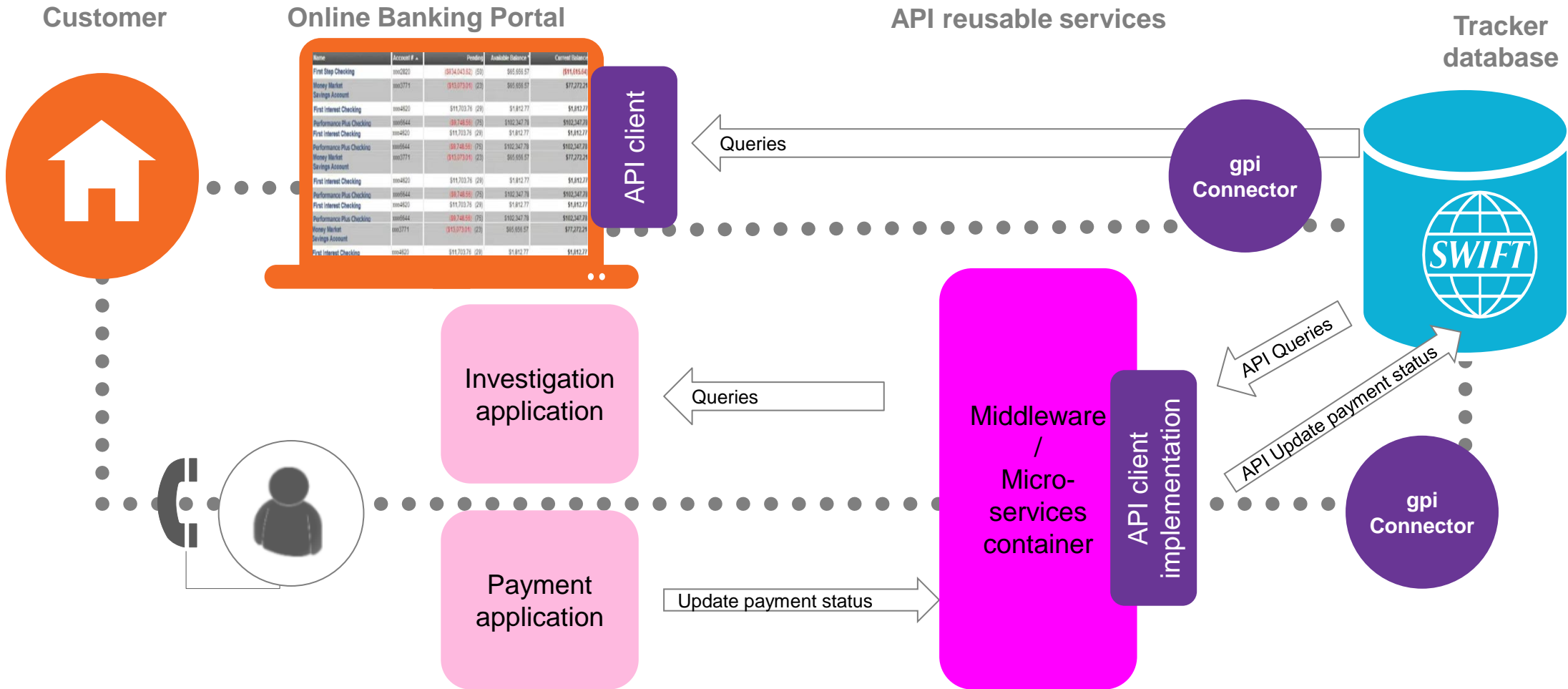
SWIFT

Payment application

Inbound payments

Update payment status
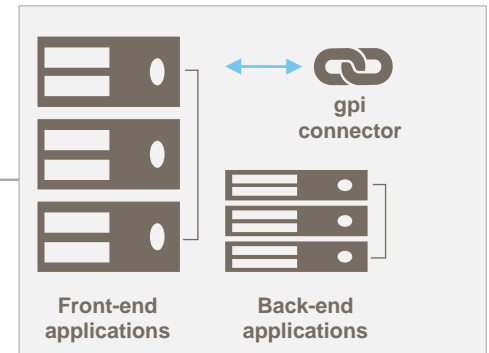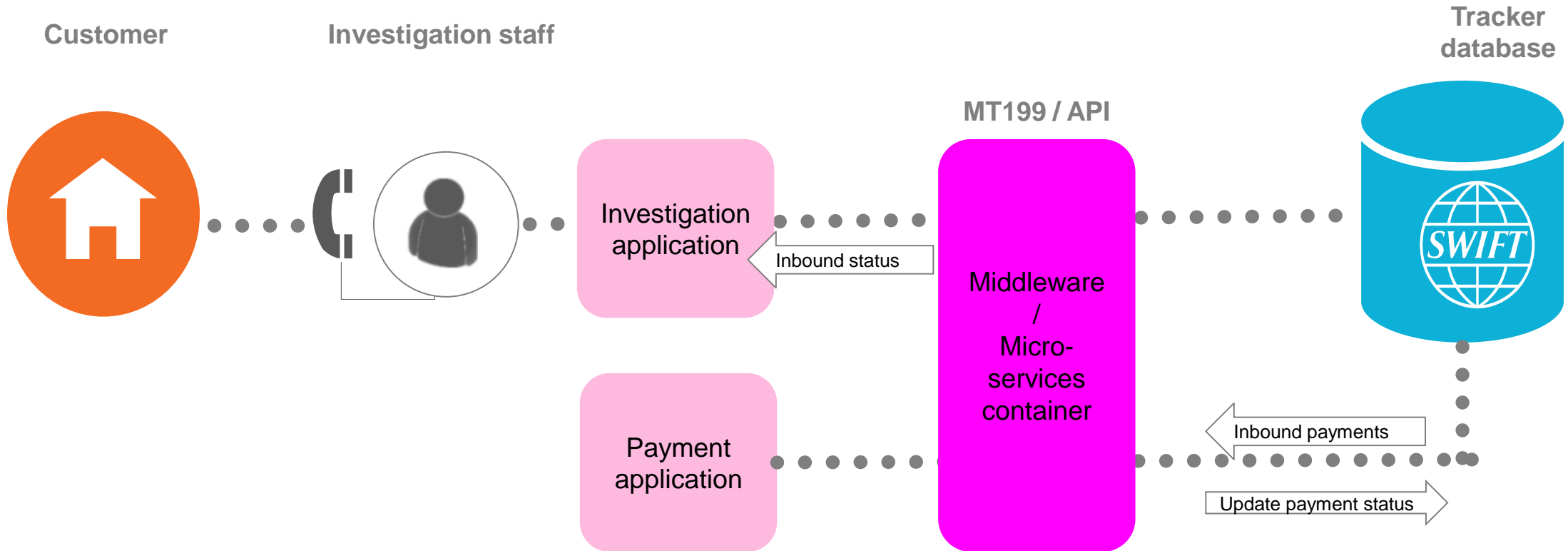
Your staff from different locations responding to clients in real-time
Optional: consolidate the Tracker information behind your middleware
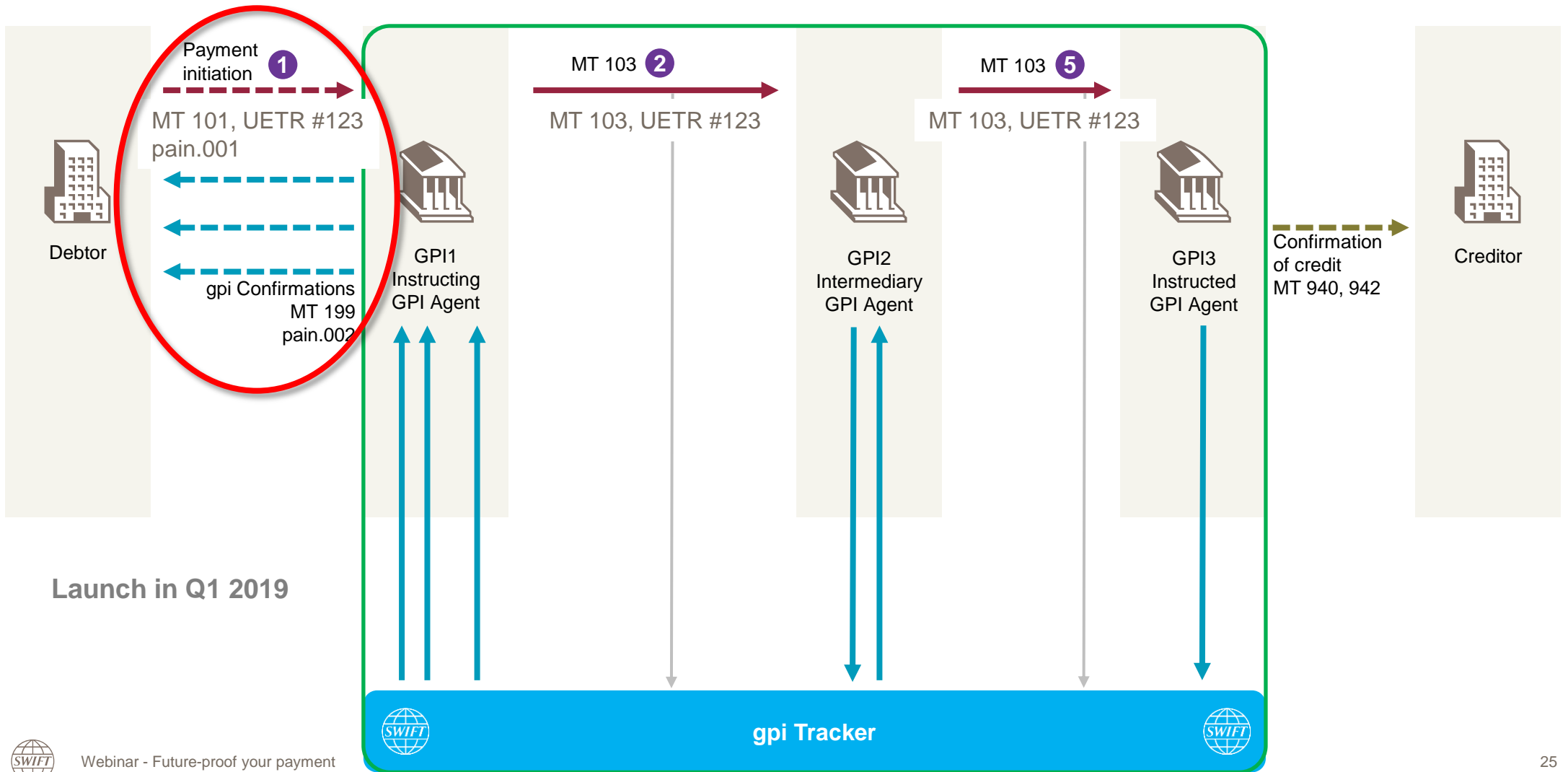
Benefits of the gpi APIs

Customer

Online Banking Portal

API reusable services

Tracker database

API client

Queries

gpi Connector

Investigation application

Queries

Payment application

Update payment status

Middleware / Micro-services container

API client implementation

API Queries

API Update payment status

gpi Connector

APIs are LEAN: real-time access, no need of intermediary storage
Alternate use case: local database can be synchronized with the Tracker via API

24

Extend the gpi Message flow with Instructions from the Corporate with a UETR

Payment initiation **1**

MT 101, UETR #123
pain.001

gpi Confirmations
MT 199
pain.002

Debtor

GPI1
Instructing
GPI Agent

MT 103 **2**

MT 103, UETR #123

GPI2
Intermediary
GPI Agent

MT 103 **5**

MT 103, UETR #123

GPI3
Instructed
GPI Agent

Confirmation
of credit
MT 940, 942

Creditor

Launch in Q1 2019

gpi Tracker

SWIFT

SWIFT

* Automatic status update for flows on SWIFT

Different ways to integrate gpi

MT 199/299 or API

Receive MT 199/299 sent by the Tracker and consolidate this information in your database to be consulted by internal applications

Call the Tracker API in real-time and receive the latest on each transaction or in bulk

Enable Portal integration

Expose the payment details to Corporate customers

Enhance the Corporate user experience by adding the gpi information at their fingertips

Bring gpi to your first line

Allow your Investigation staff to access gpi status during customer calls. Allow your investigation tool(s) to integrate with gpi Tracker database

gpi does help reducing your investigation costs

SWIFT does help you

A local team of SWIFTgpi experts is available to help you during the entire implementation phase

Test cases are proposed by SWIFT to help the bank assessing the proper execution of the gpi Rulebook

Q&A

THANK YOU!

www.swift.com/gpi

Contact:
Your SWIFT Account Manager or swiftforbanks@swift.com