

VolPay Suite: Supporting SWIFT gpi

What is SWIFT Global Payments Innovation (SWIFT gpi)?

Payments are innovating. Mobile, Open Banking, Real time, are some of the new mechanisms which are innovating payments processes to enhance the customer experience in terms of speed, certainty, transparency and accountability. Whilst these concepts are being pursued by banks and domestic clearings alike, the industry is looking at the bigger picture – to apply these to cross-border payments which by and large are made using the conventional correspondent banking model.

Reflecting on these global trends, SWIFT is looking to innovate the traditional model of correspondent banking, using SWIFT gpi. This has been launched as a multiphase program with over 100 institutions signed-up as of October 2017 and is expected to deliver innovation in multiple phases with the first aimed to:

- » Provide enhanced payment tracking capability
- » Transparency of charging
- » Certainty of payment delivery in the correspondent banking chain

The need for SWIFT gpi

The traditional correspondent banking model before gpi meant that, once a payment is sent on the SWIFT network, apart from the network acceptance, there is no further tracking or confirmation of the payment as it moves through the correspondent banking network. Ultimately the beneficiary would receive the payment, but there is no visibility of the location and fees being applied within the remitting and remitted amount to the parties in the payment cycle. All this meant:

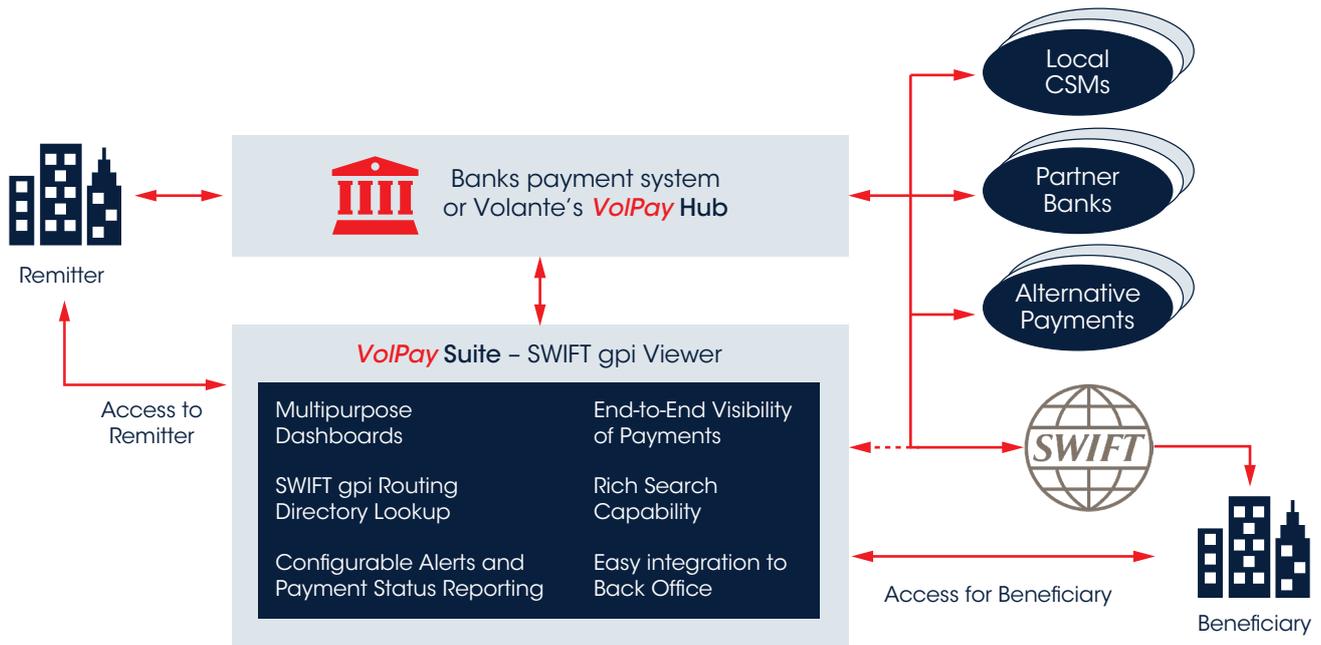
- » The bank's treasury would not have visibility of payments (unless rejected/returned by the receiving bank)
- » Likewise the bank's customers had no view of their payments
- » Operations teams would have to manually handle all queries raised by customers
- » The queries would have to be resolved manually by calling banks in the correspondent chain

The VolPay Suite converts the new SWIFT gpi features into value propositions by addressing some core issues – both for the bank and their customers. The fully SWIFT gpi compliant suite enables the bank to adopt it, without the need to re-engineer their existing complex systems.

VolPay Suite product features supporting SWIFT gpi

Independent modules within the VolPay Suite of payment processing products enable the bank to choose an adoption model which works either as a full proposition in the VolPay Suite, or as a standalone module, based on the banks preferred deployment model - features include:

- » **SWIFT and gpi API Integration** – VolPay enables full orchestration and transformation of payment data with the SWIFT gateway. In addition it uses the gpi API's to expose the rich data provided by SWIFT gpi
- » **Directory Lookup** – VolPay maintains a directory of gpi enabled entities and ensures that every time a payment is submitted to SWIFT, it retrieves the tracking UETR to a gpi enabled bank
- » **Dashboards** – VolPay provides rich dashboards with full search facilities (e.g. Incoming, Sent, Beneficiary, Currency, etc.) for the bank to analyze and drill down into the specific details of the gpi payments (e.g. charges, FX rates, etc.)
- » **Status reporting** – The system provides full status reporting back to the Channels including the transient statuses of the payment as it moves through the banking chain, including the delivery to the beneficiary
- » **Alerts** – VolPay enables the configuration of alerts e.g. Email/SMS for the tracking and statuses to be sent to the remitter and the beneficiary



Business benefits for banks and their customers

- » **Liquidity management for bank treasurers** – VolPay offers a full dashboard which allows the users the search 'gpi enabled' payments. This means that the treasurers can track not only the outgoing payments remitted by the bank, but also the incoming payments. This combined with the central SWIFT SLA Observer service, means that the bank can forecast and manage the liquidity appropriately
- » **Simplify operational processes** – The bank's operations team can now respond to queries with much greater ease, by simply logging into the tracker and identify the location and the status of the payment
- » **Service monitoring** – The rich dashboard allows the bank to monitor the performance of their transaction banking value chain, to identify and seek improvements in their correspondent banking relationships
- » **Create new business models** – The rich data provided by the VolPay Suite of payment products can be used in data analysis activities to create new value propositions e.g. analysis of the Fees and FX rates being applied to the payment through the correspondent banking chain
- » **New customer propositions** – The bank can develop new propositions for their corporates clients. For example:
 - » Enhanced cash management services - Expose tracking data directly via VolPay channel for the corporate treasurers to manage liquidity more efficiently by tracking payments
 - » Improvements in operational efficiency – the VolPay Channel business application can generate alerts e.g. Email/SMS to beneficiaries with a link to the payment tracker so that the beneficiary can track progress of their incoming payment

SWIFT gpi product roadmap considerations

Volante's VolPay Suite of payment processing products will also provide for future SWIFT gpi roadmap features, such as:

- » Payment Stop and Recall
- » gpi Rich Data Transfer (aimed at improving payment reconciliation)
- » Integration to SWIFT DLT Nostro account reconciliation (currently under evaluation)