

## INSTANT PAYMENTS

# Accelerate the Pace of Commerce in Europe with SCT Inst and EBA RT1



Instant payments are a key pillar of Finastra's global payment vision. Today, our solution suite powers Sweden's Swish real-time mobile payments platform, used by over half the population, over 1.1m Faster Payments each day in the UK and nearly a quarter of Singapore FAST daily volume.”

**A global leader in instant payments, Finastra offers the most flexible solutions for SCT Inst payment processing and EBA RT1 connectivity, available either on-premise or via SaaS in the Cloud.**

November 21, 2017 was a historic date for European payments, marking the moment when the European Payments Council (EPC) launched the SEPA Instant Credit Transfer (SCT Inst) scheme. The first instant payments— defined as “available 24/7/365 and resulting in the... interbank clearing of the transaction and crediting of the payee's account with confirmation to the payer within seconds!”—started hitting receiver accounts in Europe.

Combined with the open banking mandates of the Payment Services Directive 2 (PSD2), instant payments promise to fundamentally transform the European financial services landscape. Banks can now offer real-time digital customer experiences based on immediate funds transfer anywhere in the Single Euro Payment Area (SEPA) zone. But to take advantage of this opportunity, they need to be able to connect to SCT Inst-compliant Clearing and Settlement Mechanisms (CSMs) to send and receive instant payments —and do so quickly, with minimal cost and system impact.

### **Finastra Solutions for SCT INST Payment Processing and Multi-CSM Connectivity**

Our SCT Inst solutions can be deployed to meet different customer needs. They range from smart gateway packages providing multi-network routing and connectivity, to end-to-end instant payment processing solutions with built-in digital channel integration, stand-in processing, and liquidity management.

With Finastra's modular architecture, banks can easily extend any configuration beyond SCT Inst to support other European payment types and CSMs such as SEPA CT, SEPA DD, and TARGET2—as well as SWIFT cross-border payments and various domestic schemes around the world.

All configurations are available either for on-premise installation on low-cost commodity hardware, or as Software-as-a-Service (SaaS) in our secure, compliant Microsoft Azure Cloud.

# Proven Payments Technology

As more countries look to roll out instant payment schemes, Finastra's reach continues to grow. In addition to SCT Inst, Finastra is an enabler of instant payment services with Australia's New Payments Platform, US real-time payments, and Hong Kong's Faster Payments System, among others.



Finastra's solutions can be used for stand-in processing when core systems are offline, ensuring uninterrupted processing round the clock

Whatever the deployment model, banks and countries can be confident that they are adopting payments technology that has already been production-proven in the most demanding instant payment processing environments.

## **Solution Features and Benefits**

### **Support for both Corporate and Retail Use Cases**

Instant payments are often regarded as retail payments, particularly peer-to-peer (P2P) mobile payments. But data from mature instant payments markets show that corporate use cases form a significant portion of instant payment volume—and that banks can raise revenue from corporate instant payment usage.

- Support for P2P, consumer-to-business (C2B), business-to-consumer (B2C), business-to-business (B2B) use cases in a single package
- Standing orders and forward-dated transactions to support pension payments, periodically billed subscriptions, payroll and other timed services
- Bulk file/batch initiation facilities for corporate mass payments application.

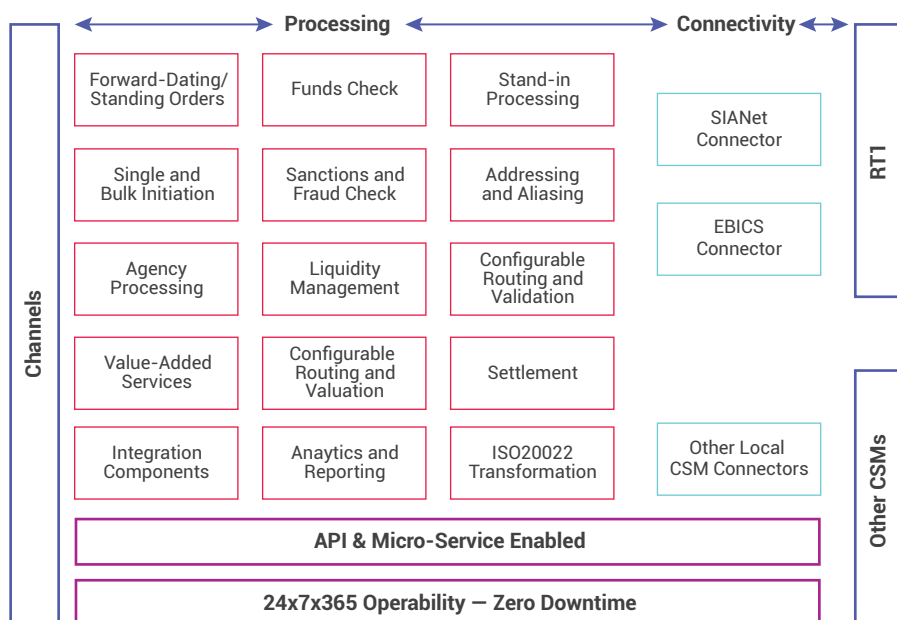
### **24x7x365 Operation and SLA-Exceeding Performance**

Modern instant payment systems are always on, and all payments need to adhere to a strict service level agreement (SLA). In the case of SCT Inst, that is 10 seconds or less from initiation to confirmation, at any time of day, regardless of how many payments are being processed per hour.

- Zero downtime—upgradeable without the need to take the system offline
- Regulatory and product updates can be applied at any time without any reduction of service capability
- Benchmark-tested to exceed SCT Inst SLA and throughput requirements
- Proven in production in Sweden, UK, Singapore and other mature instant payment environments.

### **Stand-In Processing**

Most core systems are not designed for 24x7x365 processing, because they often feature start/end of day processes that require them to be taken offline periodically. Our solutions provide account validation and posting capabilities that can stand in for core systems when they are offline, ensuring uninterrupted processing of instant payments round the clock.



## Finastra SCT Inst Payments & Connectivity Solution Suite

### Multiple Connectivity Options

Banks can participate in the SCT Inst scheme in different ways—they can go directly into the EBA RT1 platform over the network provided by SIANet, use the Electronic Banking Internet Communication Standard (EBICS), or connect via a local CSM.

We support all of these connectivity options. For multi-CSM and multi-network installations, we also offer rules-based smart routing capabilities to route SCT Inst transactions to the most appropriate CSM via the relevant network, while ensuring compliance with CSM-specific rules over and above standard EPC requirements.

### Liquidity Management

As instant payment volumes and value thresholds rise, the management of liquidity on a real-time intraday basis becomes increasingly important.

Finastra offers:

- TARGET2 clearing and settlement capability to support liquidity management of instant payment pre-funding balances
- Advanced liquidity management features for providers and consumers of liquidity
- Liquidity position notifications/alerts as provided by the CSM.

### PSD2 and Open Banking Compatibility

The Open Banking requirements of PSD2 and instant payments go hand-in-hand in Europe. Instant payments volumes will be driven by initiations from third-party providers using APIs. Our solutions incorporate a suite of micro-services and APIs that can be invoked from any API management platform, providing banks with a combination of instant payment processing, PSD2 compliance and API enablement in a single package.

### Integrated Sanctions and Fraud Screening

When payment processing becomes instant, workflow steps need to be executed in real-time as well, particularly sanctions and fraud screening. Finastra supports this:

- Sanctions—Link to any external sanctions screening solution: in-house, third party, or our own bundled screening technology
- Fraud—We integrate with many of the world's leading real-time fraud solutions, so banks can apply enterprise-level fraud checks without compromising scheme SLA performance.

### Configurable Scheme Parameters

The SCT Inst rulebook specifies key parameters—timeout period, maximum transaction amount etc.—at a global level. However, individual countries and banks can choose to modify these parameters, for example by enforcing lower transaction limits, as long as they remain within overall scheme rules. In our solution, these parameters can be configured by the bank, keeping the solution extensible and future-proofed as the scheme evolves.

### Addressing Service

New instant payment services often need layering capabilities for addressing and aliasing—such as representing payees by passport or mobile numbers—that exceed the basic account-based addressing requirements of the SCT Inst scheme. Our solution can deliver this capability by accessing third-party alias resolution or directory providers.

# Instant Payments as a Service

## Europe's Leading SCT Inst Solution – now available as a Cloud Service

Our SaaS instant payments solution offers out-of-the box coverage for all instant payment functional and technical requirements, on a scalable platform to meet any volume need.

## Future-Proofing with Trouble-Free Upgrades

We control releases and administer the platform centrally, ensuring regulatory compliance and security. Our customers can start with instant payments and add additional payment schemes when needed.

## Seamless Integration with Bank Systems

Standard components for connecting with core systems—such as channels, fraud, compliance, account lookup, balance inquiry, posting and advising—reduce integration effort, cost and time.

## Advanced Security

- Adhere to EBA RT1 requirements—ensure only authorized users can access Cloud-based applications
- Encrypt data—secure and control client sensitive data at rest and in motion
- Encryption Keys—provide clients with centrally managed, proven ownership of encryption keys.

## Open Banking Ready

RESTful API services, running in the Cloud, allow financial institutions to tap directly into standard workflows for instant payment processing, accelerating the move to open banking.

## About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit [finastra.com](https://finastra.com)

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## Control without Coding

A powerful rules-based configuration engine allows fine control over payment processing workflows, speeding time-to-market and reducing implementation cost.

## Reduced Processing Costs

Subscription-based pricing means costs can be spread out over time, customers only pay for the processing capability they need, and Capex can be transformed to Opex.

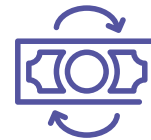
## Pre-defined Packages for Rapid Deployment

Because "one size does not fit all", we offer pre-defined deployment packages to suit banks of all sizes:

- Basic—the essential components to quickly connect to European instant payment CSMs such as RT1 and start sending and receiving SCT Inst payments
- Premium—Basic plus advanced components to support business growth
- Advanced—support for complex hosted and hybrid private/public deployment requirements

## Powered by Microsoft Azure

Our instant payments service runs on Microsoft Azure, the world's most secure, compliant Cloud for financial services. It offers unmatched scalability, availability and business continuity to our customers.



17M

17 million real-time SWISH transactions are processed by Finastra every month.



1.1M+

Over 1.1M Faster Payments per day in the United Kingdom



4

Finastra supports 4 major banks on Singapore's FAST scheme.

## Corporate Headquarters

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