



# CASH MANAGEMENT **DAGEN**



Swifts rolle i en interaktiv verden

Atle Fjereide

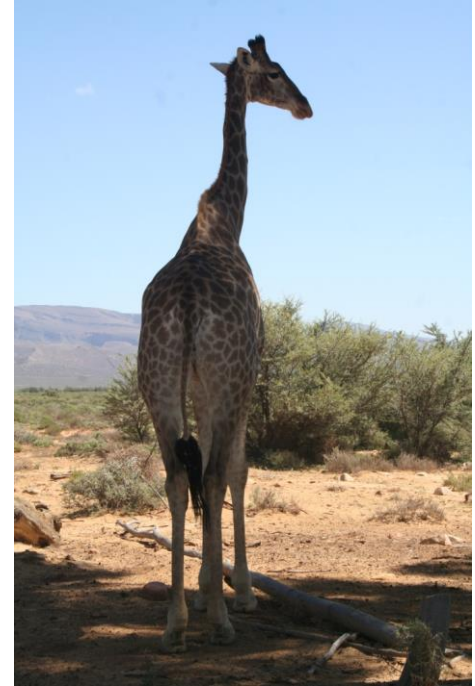




# An overview of what we shall talk about....



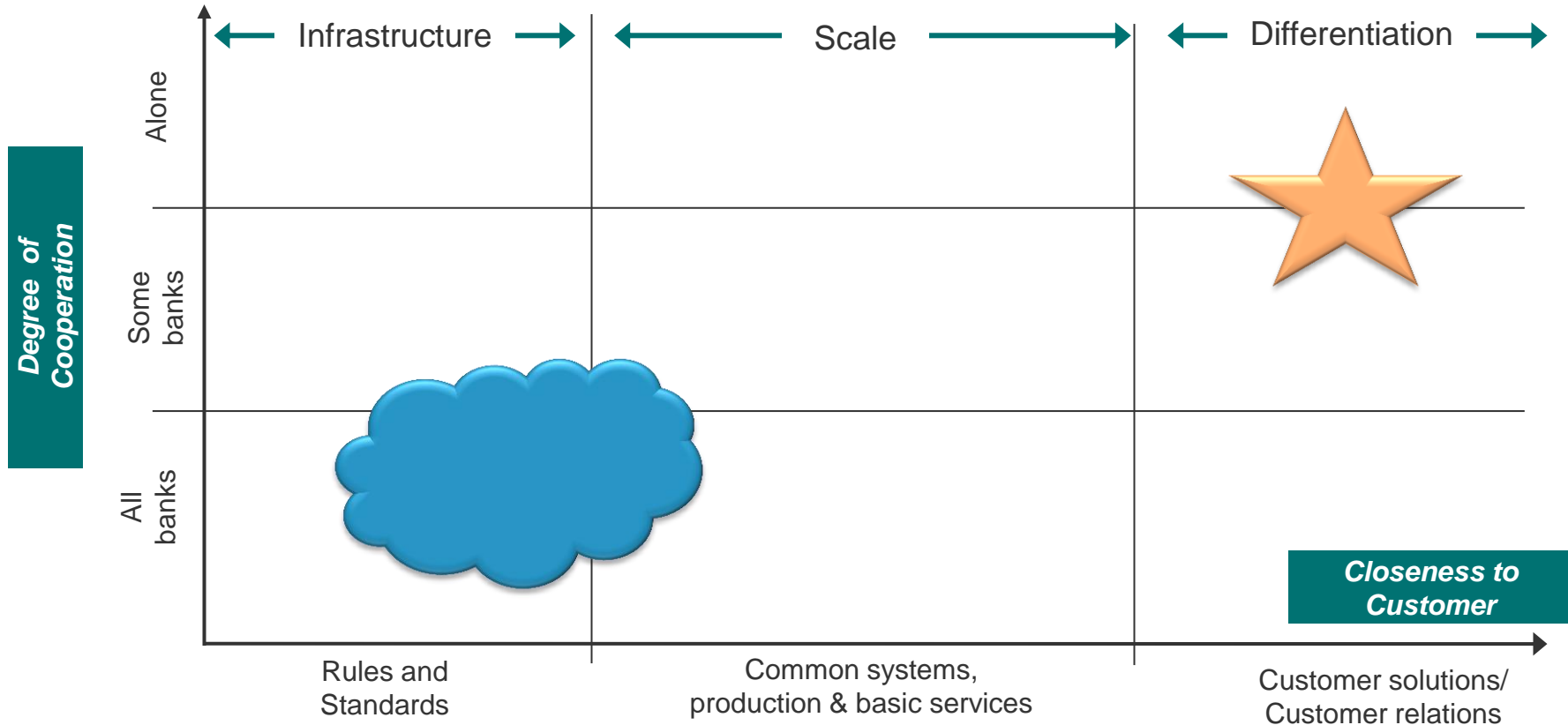
- Why you should bother with Financial Infrastructures like Swift....
- ... maybe you can learn something from Swift and their experiences...
- A little bit about new technology...



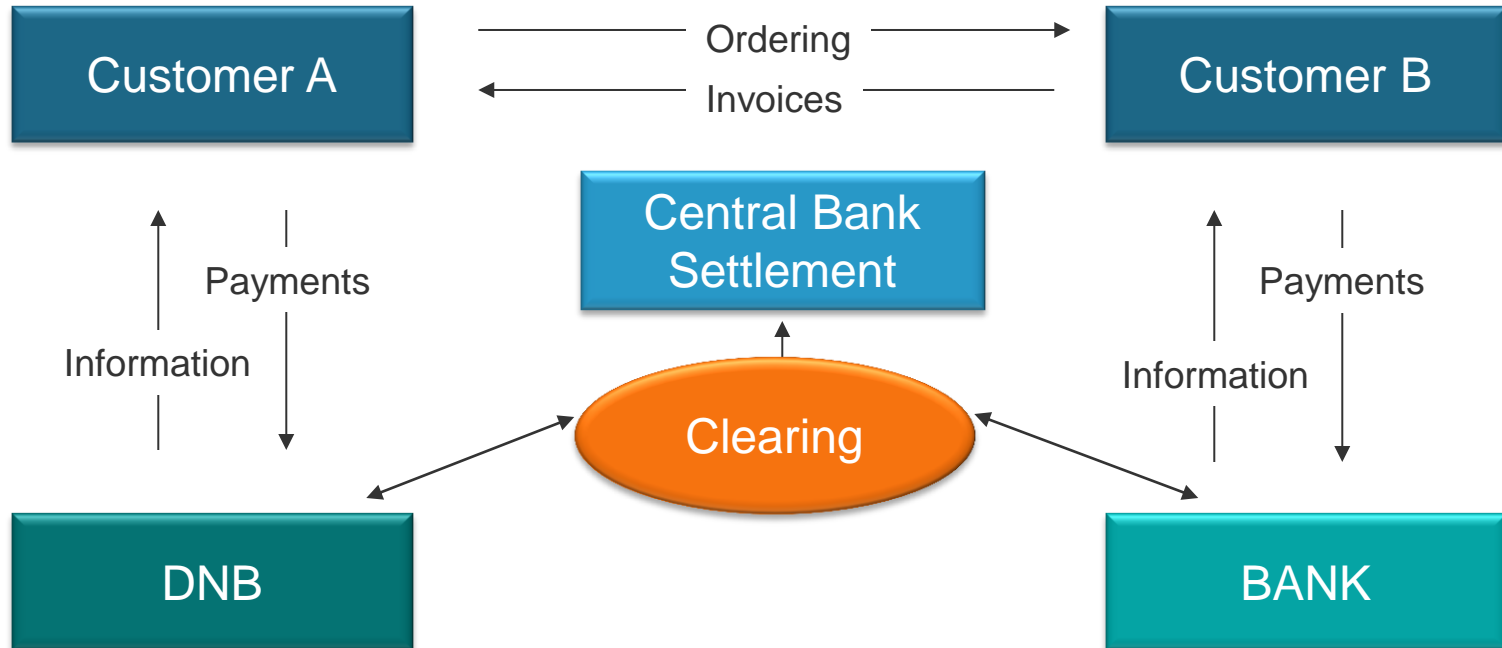
# What is Financial Infrastructures...

- Financial Infrastructure is defined as; *tasks the industry has decided to solve together within the cooperative space* – domestic and globally
- Typical activities are *development and maintenance of standards* for; messages, communication, networks and security; and clearing and settlement
- Sometimes infrastructure may also include a wider definition and also include *common services* the industry has decided to offer to the customers together; and also *recommended market practices*

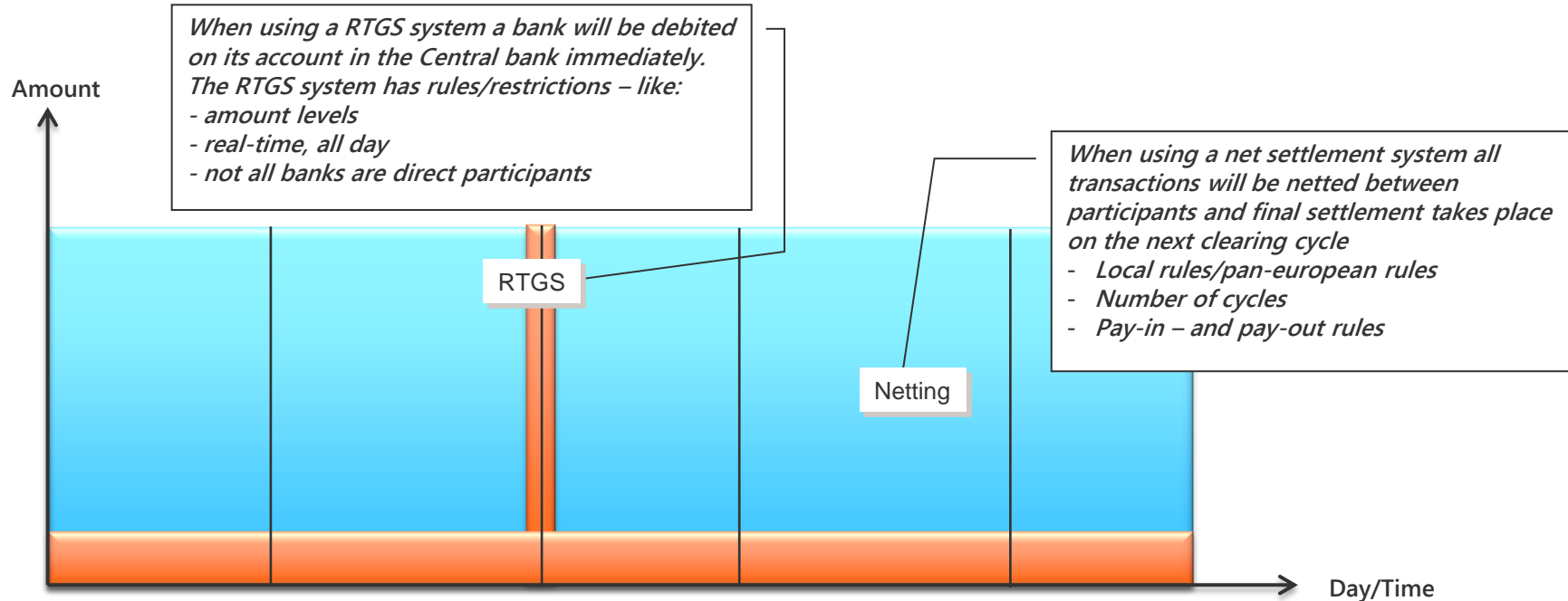
...if you want to go fast...go alone....if you want to go far....go together



# Clearing and Settlement....Central Bank money



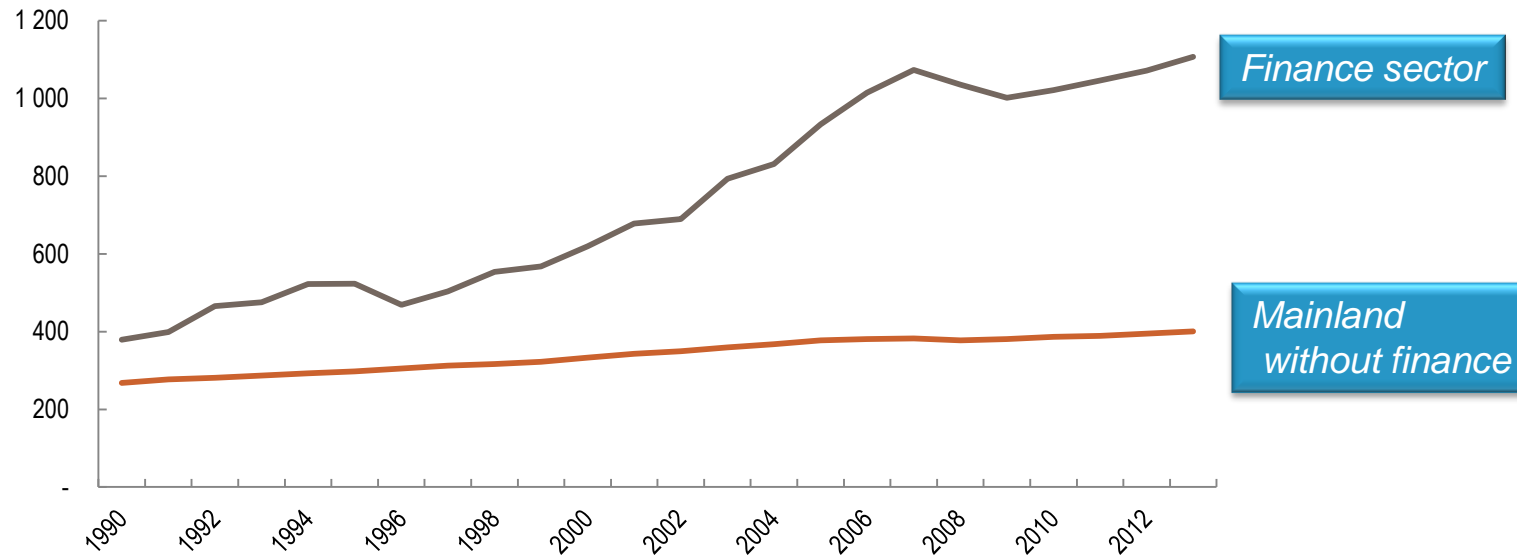
# Principles – Net or Gross Settlement...and now Instant payments...



\*) RTGS: realtime gross settlement

**Netting:** a reduction of many transactions to a few

# Finance Sector in Norway -Gross Product per man hour





..SWIFT enables its customers to automate and standardize financial transactions...





# The importance of robust infrastructures...and fall back solutions...



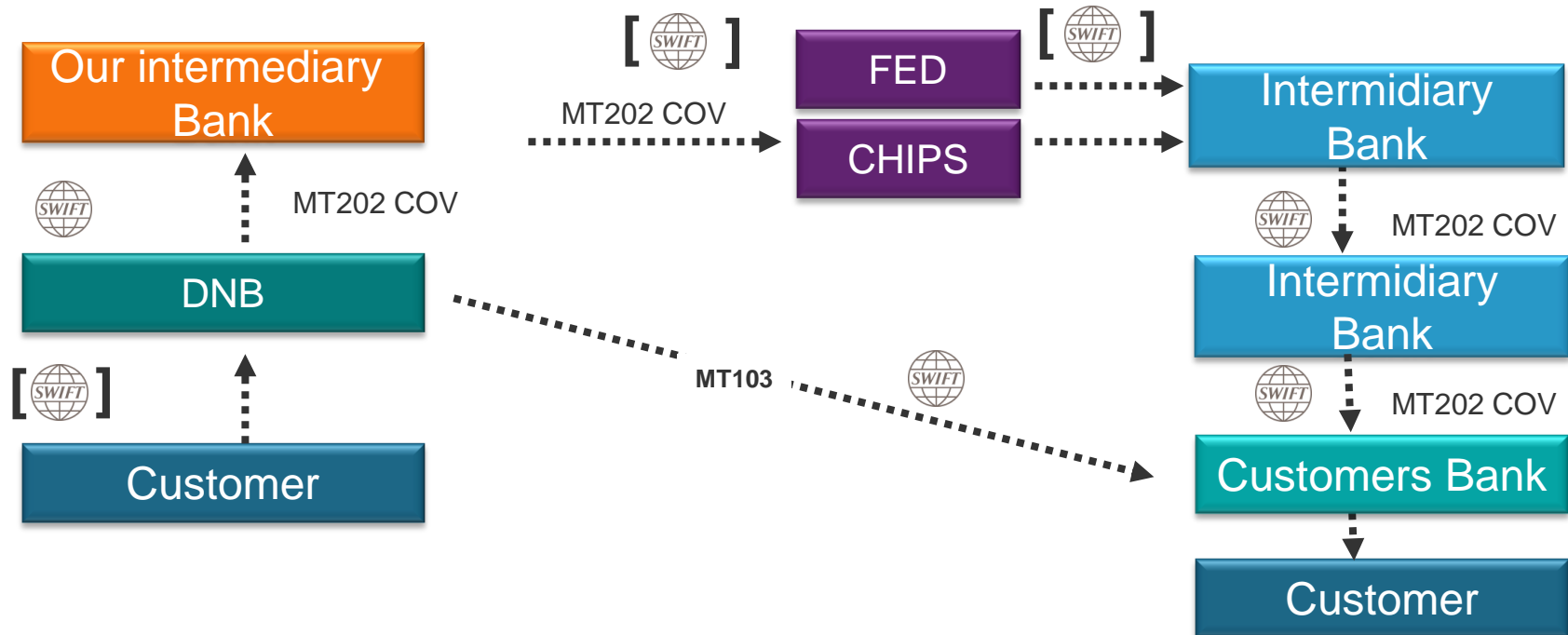
5 x 9



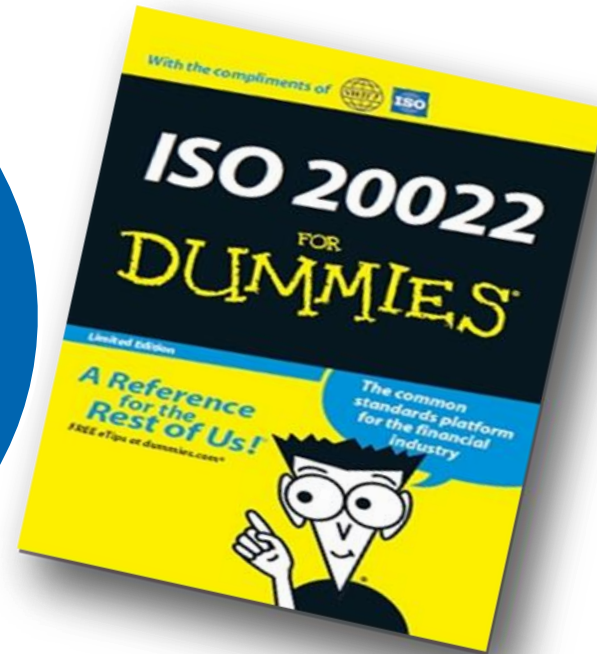
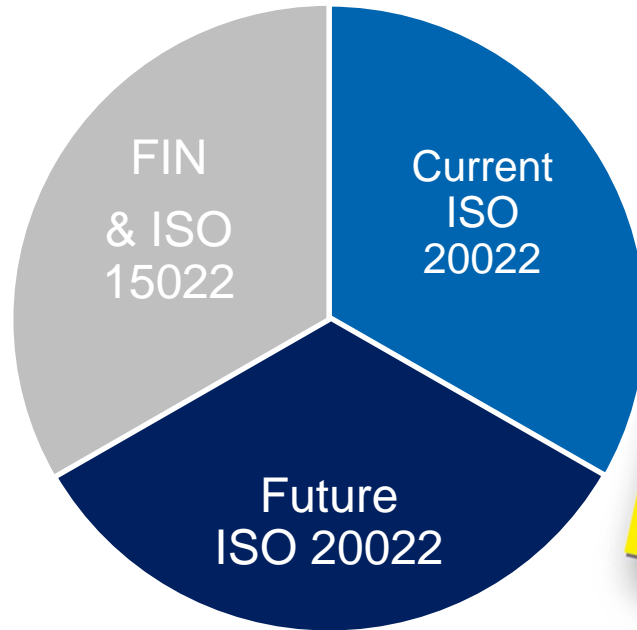
99,999%

*Stamveien mellom Bergen og Oslo*

Swift Community:  
Correspondent bank model for USD...traditional way..  
- *outgoing payments...and vice versa for receivables*



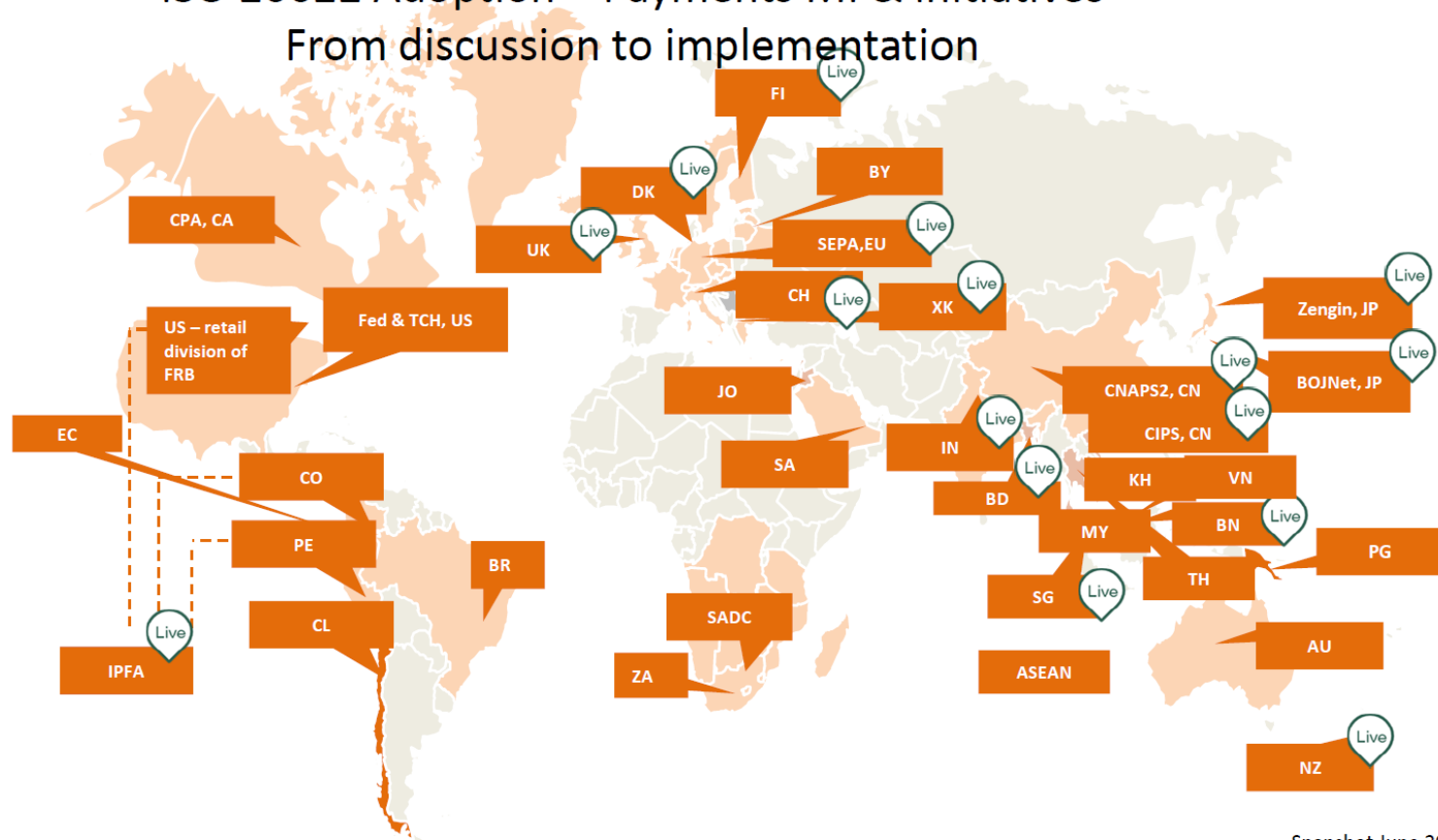
# All the standards we need...



....and domestic proprietary standards....

## ISO 20022 Adoption – Payments MI & initiatives

### From discussion to implementation



# Market practice...local differences...



The global provider of secure financial messaging services

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## Payments Market Practice Group

A truly global forum to drive better market practices

...gender equality...



...kissing is considered a romantic act in fewer than half of the world's cultures...

*The Washington Post*  
27th July 2015



# KYC...AML...Anti Terror Financing...and lots of regulations

**FATF** HOME ABOUT COUNTRIES PUBLICATIONS Calendars Search...

**Latest News**

**Outcomes of the Plenary of the FATF, Paris, 21-23 October 2015**  
23 Oct 2015  
During the first Plenary under the Korean Presidency, the FATF focused on terrorist financing, the top priority for the FATF. Among other issues it discussed mutual evaluation updated statements with strategic AMIA.

**FATF takes action to tackle de-risking**  
23 Oct 2015  
The FATF continues to de-risking, with...

**Emerging Terrorist Risks**

**BANK FOR INTERNATIONAL SETTLEMENTS**  
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**Correspondent banking - consultative report**  
October 2015  
essential component of the global payment system, especially for cross-border transactions, banks can access financial services in different jurisdictions and relationships, inter alia, international trade and financial inclusion. relationships, but there are growing concerns that some countries are cutting back the...

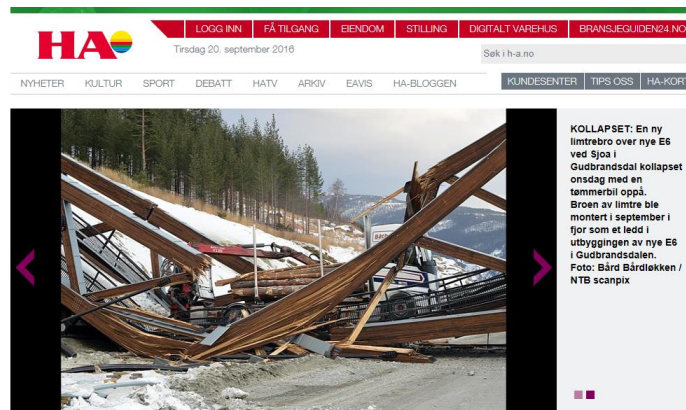
**LEI** GLOBAL LEGAL ENTITY IDENTIFIER FOUNDATION



One in four lap dancers has a degree.  
Daily Telegraph, 27th August 2010



Secure Network:  
Cyber threat requires industry-wide cooperation...  
...Central Bank of Bangladesh and other break ins...Barby dolls and  
CEO fraud ...Yahoo email...



**Beregningsfeil førte til  
at Moelven-bru  
kollapset på nye E6**

*With cyber security...  
only the paranoid  
survives!*

– Gottfried Leibbrand, CEO Swift

*....Trust is good ...but  
money saved is  
better...*



# As Swift sees it

## Cyber Threat Evolution

The current cybersecurity landscape is shifting from traditional models that focus on solving yesterday's threats to context-aware technologies



*"...so the rule is not to count on opponents not coming; but to rely on having ways of dealing with them; not to account on opponents not attacking; but to rely on having what cannot be attacked..."*

*Sun Tzu, The Art of War*

## News from Swift

**SWIFT**<sub>gpi</sub>

A light gray world map serves as the background for the lower half of the slide. It shows the continents of North America, South America, Europe, Africa, Asia, and Australia. Overlaid on this map are two text elements in blue: '80+ banks' positioned over North America and '71% of SWIFTs cross-border payments' positioned over Europe and Asia.

**80+ banks**

**71% of SWIFTs  
cross-border  
payments**

# New from Swift: Global payments initiative - GPI

Objective: deliver a better customer payment experience

## “Before”

### Traditional correspondent banking

1. Slow, can take multiple days
2. Expensive, multiple deducts
3. Secure and compliant
4. No transparency and predictability on cost and time
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

## “After”

### The global payments innovation initiative

1. Fast(er) (start with “same day”)
2. Higher efficiency & less intermediaries
3. Secure and compliant
4. Transparent and predictable, with payments tracking
5. Convenient and ubiquitous
6. Open and inclusive (global reach)

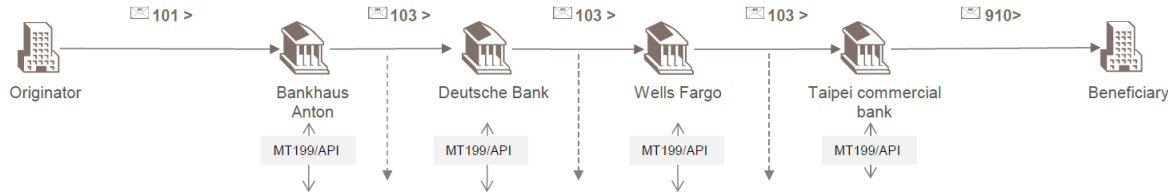
The objective is to first fix these key pain points

Note regarding prices: it will be at the discretion of each gpII member to decide the pricing strategy vis-à-vis its customers, including other financial institutions



# Follow your payment end to end...

## A gpII payments tracker “in the cloud”



**“One-glance” status overview**

**Track path, in real time**

**Details of banks along the chain**

**Transparency of total fees and time**

**Unique, end-end tracking number**

**Central payments database, hosted at SWIFT**

**Updated via MT199 or API**

**Data consumption via GUI, via MT199 (push) or via API (pull)**

**Payments Tracker**

Locales: **London completed** **Global at Swift Corporation**

Indebted amount: 486,000.00 USD → Credited amount: 484,930.00 USD

Charges: 70 USD Shared

Total duration: 8hr 10min

SWIFT tracking number: 3546553e-0967-4c5b-b386-036dc1cb466

Originator: Bankhaus Anton

Beneficiary: Taipei Commercial Bank

**BANKHAUS ANTON**  
BIC: BANK2233  
17 MAR 2016 14:00:00  
17 MAR 2016 14:00:00  
Internal reference n°: 4860000000000000  
Fee: 70 USD

**DEUTSCHE BANK AG**  
BIC: DEUTDE33  
17 MAR 2016 14:00:00  
17 MAR 2016 14:00:00  
Internal reference n°: 4860000000000000  
Fee: 10 USD

**WELLS FARGO BANK, N.A.**  
BIC: WFTB33USA  
17 MAR 2016 14:00:00  
17 MAR 2016 14:00:00  
Internal reference n°: 4860000000000000  
Fee: 30 USD

**TAIPEI COMMERCIAL BANK, LOS ANGELES BRANCH**  
BIC: TPCB33USA  
17 MAR 2016 14:00:00  
17 MAR 2016 14:00:00  
Internal reference n°: 4860000000000000  
Fee: 10 USD



...and then there was blockchain...or Distributed Ledgers...DLT...

- *FoMo – fear of missing out...and Amaros law..*



...*"Rather than developing a product which an entrepreneur believes solves an actual problem, then raise money for marketing and growth, in techland the money and marketing comes first, and the R&D to create the product comes next "....*

Izabella Kaminska, FT

*"...remembering the -90'ies?  
...and today's 5 % versus 95 %....  
..the winner takes it all...  
...PayPal..."*

# Swift

«...Swift, has existed for 40 years...it has significantly reconfigured the core structure of transaction banking and securities businesses, becoming *the most prominent standards body in the global banking community* with standards that permeate every corner of international financial messaging

....performing at 99,999 percent reliability - *Five Nines Culture* – the cooperative has provided remarkable dependability and efficiency in the financial service infrastructure....

...and produced... *the world's most trusted third party secured network....*» \*



\* Susan V. Scott and Markos Zachariadis; Global Institutions «Swift's history»