

## Treasury Essentials: SWIFT gpi in 60 seconds

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In, 2015 SWIFT was keen to provide a new standard in global payments and asked the banking community to suggest how cross-border payment services could be improved. The result of their co-operation was the SWIFT Global Payment Innovation (gpi) initiative which is based on four principles: fast payments; end-to-end tracking of each payment in real time; fee and FX transparency; and unaltered remittance information on payments provided by the client.

It first went live in 2017 and effected an immediate transformation of banks' cross-border payments, ensuring speed, certainty and transparency.

This first iteration of gpi was only available to banks, but SWIFT was also interested in developing its global payments services for corporates. In 2018 it enlisted large multinationals to help define new services for their international payments.

Twenty-two corporates and banks ? including Airbus, Booking.com, GE, BNP Paribas, Deutsche Bank and Citi ? collaborated to assess the project, define the standard and test it within their treasury systems. Participating corporates were particularly interested in the payments tracker, which can be used to provide corporate treasury departments with real-time, end-to-end information on the status of each payment, ending with confirmation that the beneficiary's account has been credited.

Following success with a closed user group of early adopters, SWIFT officially launched gpi for Corporates in July 2019, after which banks were able to provide the service to all their corporate clients. More than 50 of the world's largest corporates, including LVMH, Microsoft and Petronas, have now signed up to the service.

As well as fast (think seconds or minutes, not days), users of gpi for Corporates benefit from traceable and transparent cross-border payments, they now benefit from transparent fees - with regard to both deductions and exchange rates, reduced payments' investigations, improved supplier relationships, speedier invoice reconciliation and greater capital efficiencies.

Developments in the gpi pipeline include an Inbound Tracking Proof of Concept, which will enable corporates to track inbound payments and give greater visibility on collections, as well as better forecasting. All of this is bringing SWIFT closer to fulfilling its stated aim of achieving universal adoption of gpi for cross-border payments in 2020, with all the 10,000-plus banks and financial institutions on its global network using the service.

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