



International Payments Framework Association

IPFA - Simplifying International Credit Transfers through Global Standards





IPFA Concept

- ▶ Defining rules, standards and operating framework
- ▶ Simplifying non-urgent cross-border credit transfers
- ▶ Leveraging existing payment networks and international standards e.g. ISO 20022
- ▶ Enabling interoperability between domestic and regional non-urgent payments systems and banks

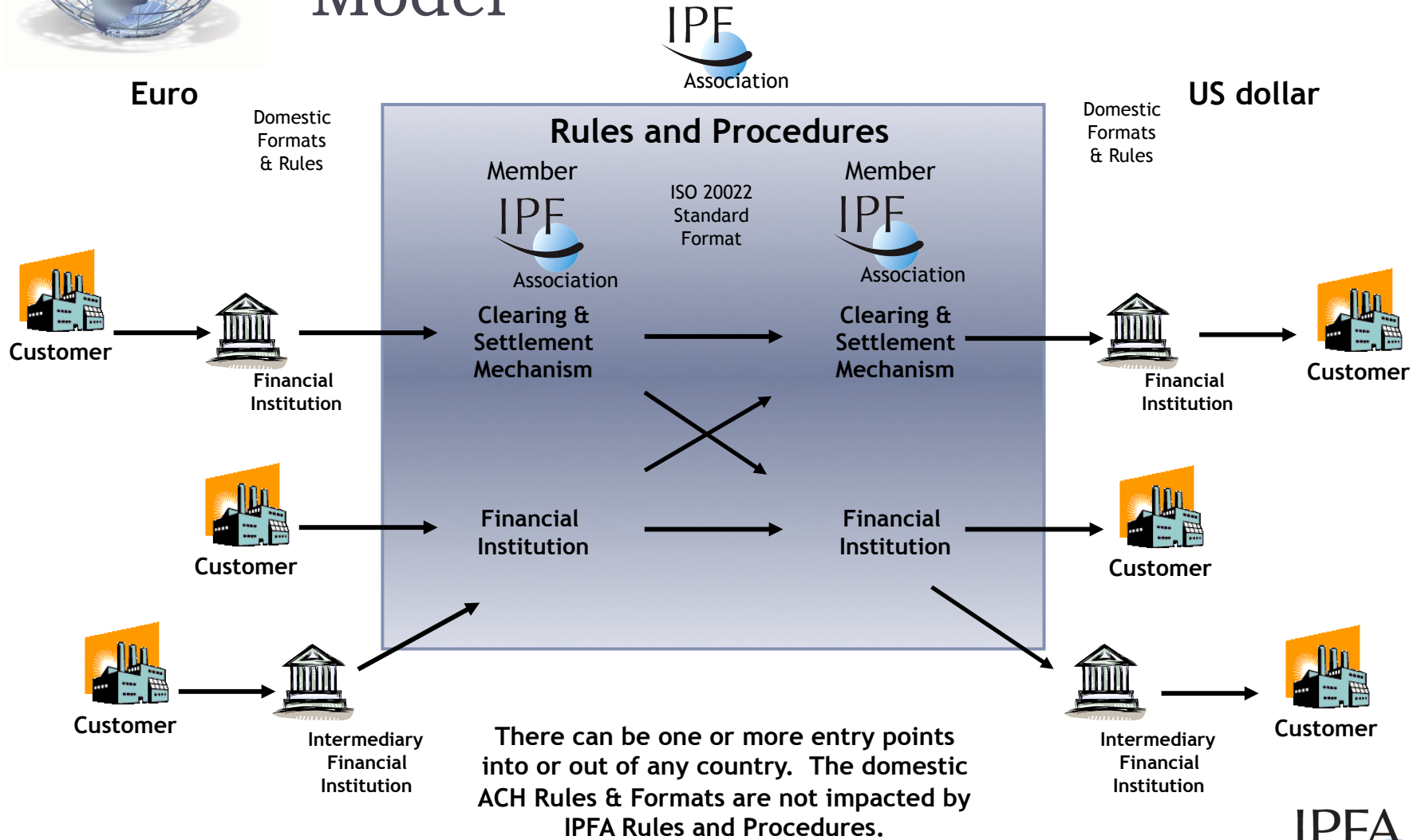


Why?

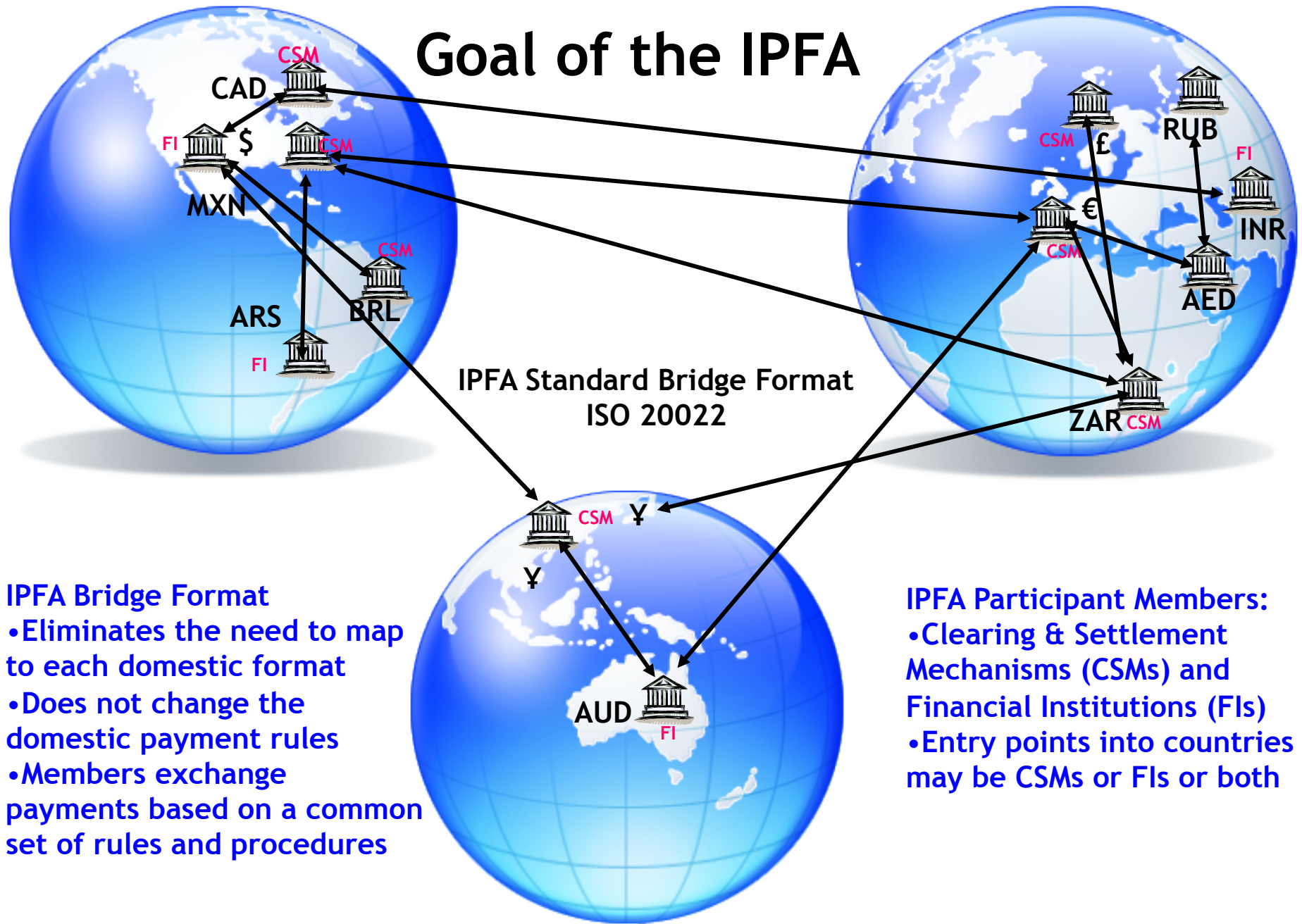
- ▶ Globalization is continuing to drive a broader base of clients who demand cost-effective, less complex payment services with a wider reach.
- ▶ The IPFA approach is to enable locally originated non-urgent credit transfers to reach markets around the world.
- ▶ Leverage existing “railways”, existing “rules” and existing “standards”



Example of Overlay Structure Model



Goal of the IPFA



IPFA Bridge Format

- Eliminates the need to map to each domestic format
- Does not change the domestic payment rules
- Members exchange payments based on a common set of rules and procedures

- ## IPFA Participant Members:
- Clearing & Settlement Mechanisms (CSMs) and Financial Institutions (FIs)
 - Entry points into countries may be CSMs or FIs or both

There can be one or more entry points into or out of any country.



New IPF Association

- ▶ IPF Association was established as a U.S. not-for-profit association in February 2010
- ▶ Two membership categories
 - ▶ Primary Member – financial institution or a clearing & settlement mechanism
 - ▶ Affiliate Member – an association that represents one or more FIs (but is not a FI) a standard-setting body, an industry vendor or a user of payment services.
- ▶ Has a 9 member board of directors
 - ▶ 5 directors who are directors, officers or employees of a Primary Member Financial Institution
 - ▶ 2 directors who are directors, officers or employees of a Primary Member Clearing and Settlement mechanisms
 - ▶ 2 directors who are directors, officers or employees of a Primary Member organization (either a CSM or FI)





IPFA Board of Directors

- ▶ Arthur Cousins, Standard Bank of South Africa is Chairman of the Board of Directors,
- ▶ Michael Steinbach, Equens is Vice Chair
- ▶ Board Members:
 - Peter Mack, Fifth-Third
 - Colin Peachment - JPMorgan
 - Kevin Brown - Royal Bank of Scotland
 - Rodney Gardner - Standard Chartered Bank
 - Korlin Scott - PNC
 - Joaquim Kavakama, CIP



Status

- ▶ **IPFA Credit Transfer Rule Book - Completed**
 - ▶ Technical
 - ▶ Mapping from IAT to/from ISO IPF formats completed
 - ▶ Mapping from SCT to/from ISO IPF formats completed
 - ▶ Mapping from the IPF to/from SWIFT MT 103+ formats completed
 - ▶ Technical Implementation guide has been completed



Federal Reserve/Equens Program

- ▶ Europe/U.S. transactions between the Federal Reserve and Equens will begin processing in 2010.
- ▶ Service supports bi-directional credit transactions in USD/EUR/GBP
- ▶ Transactions from Europe have access to accounts at all U.S. banks.
- ▶ Transactions from the U.S. to Europe have access to accounts at all banks in 22 European countries



Primary Member Benefits

- ▶ Influence the rules and shape the organization
- ▶ Business as usual with Global Reach
- ▶ Back-Office simplification
- ▶ Certainty of service
- ▶ Improved ROI
- ▶ Risk mitigation
- ▶ Deeper client relationships



Affiliate Member Benefits

- ▶ Influence the rules and shape the organization
- ▶ Provide a local geography perspective to help support seamless global commerce by primary members in your geography





Benefits for Corporate Originators

- ▶ Ease of executing payments around the world
- ▶ Cost-effective service
- ▶ Standard formats
- ▶ Payment reference / remittance information delivery
- ▶ Integration into accounts payable and receivable



IPFA Current Members

- ▶ BCSIS
- ▶ Canadian Payments Association
- ▶ Camara Interbancaria de Pagamentos
- ▶ CBI Consortium
- ▶ Clear2Pay
- ▶ Equens
- ▶ Eurogiro
- ▶ Federal Reserve Bank of Atlanta
- ▶ Fifth Third Bank
- ▶ J.P. Morgan
- ▶ NACHA
- ▶ PayPal
- ▶ PNC
- ▶ Royal Bank of Canada
- ▶ Royal Bank of Scotland
- ▶ Standard Bank of South Africa
- ▶ Standard Chartered Bank
- ▶ SWIFT
- ▶ The Clearing House
- ▶ U.S. Bank
- ▶ VocaLink
- ▶ Wells Fargo
- ▶ World Savings Banks Institute





Additional Information

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