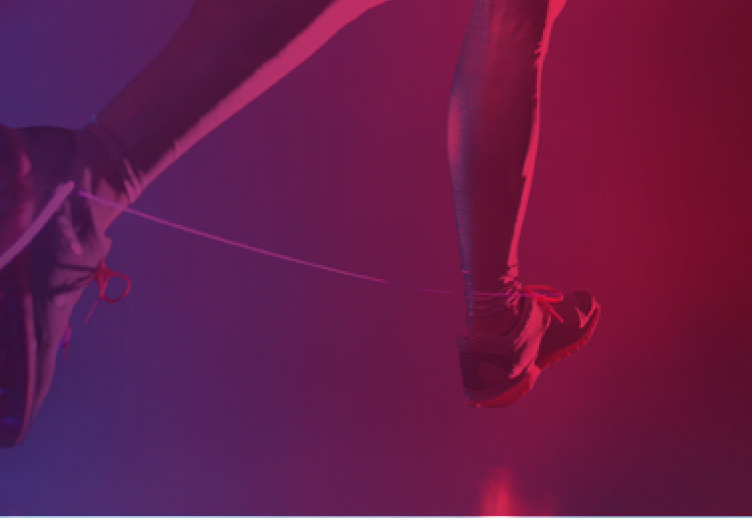
ENTERPRISE PAYMENTS ARE EVOLVING



When will you?

Four steps to successfully implementing SCT Inst

While SEPA Instant Credit Transfer (SCT Inst) was introduced in 2017 to enable real-time payments between financial institutions across Europe and streamline the fragmented payments system, it remains an optional SEPA scheme. Despite that SCT Inst still requires financial institutions to accommodate both “slow” and “instant” rails to ensure full reachability, more and more banks prefer to use SCT Inst.

Part of the increased preference for instant payments may stem from market demand, as more users (particularly corporate clients) become accustomed to the idea of paying quickly and digitally. But the European Payments Initiative (EPI) will play a key role. Because its objective is to leverage infrastructure like SCT Inst and Target Instant Payment Settlement (TIPS) to unify the European payments landscape and potentially reduce the amount of card and cash payments made in the region, it will soon greatly accelerate instant payments use.

The question of whether to accommodate SCT Inst is no longer one of “if,” but “when.” For those financial institutions who want to remain competitive and able to serve corporate clients, the time to start implementing SCT Inst is now.

Keep these four factors top of mind to streamline an SCT Inst implementation.

1. Ensure an always-on customer experience.

Traditionally, payment-related systems in banks have been batch-oriented, to accommodate the limitations presented by mainframe computer systems and old payment schemes. Migrating to an instant world means all systems must be able to continue running 24/7 and remain resilient, without downtime for service or maintenance windows. Customers might shop online in the middle of the night or initiate payments on their app any time of the day or night. An SCT Inst migration cannot interrupt their experience.

2. Consider all the systems that interface with payments.

A financial institution’s payment systems interface with many different types of purpose-specific applications and systems, including: core banking systems, screening apps (OFAC/AML/Sanctions), CRM systems (customer data and agreements/products/contracts), general ledger applications, data warehouse systems, data archiving systems, foreign exchange applications and billing systems.

Any SCT Inst migration plans must consider how all these systems will be impacted before, during and after implementation.

3. Determine where SCT Inst fits in the infrastructure.

Financial institutions now face a proliferation of channels, payment instruments, payment rails, and associated payment chains throughout the IT infrastructure, and back and front office applications. Because it's rare for any system to be deprecated or decommissioned, implementing yet another new payment scheme can further complicate the infrastructure without a proper strategy.

4. Ensure the technology you'll use is future-proofed.

Payments continue to evolve and so does the technology that supports them. Financial institutions often struggle to determine which technology is both fit for the job that's needed today and can easily accommodate future changes. This confusion tends to result in disparate technology stacks across the IT landscape, and the many undesirable consequences that come with them.

With the support of a financial technology partner that knows how to overcome these challenges, SCT Inst adoption can be painless. FIS is currently implementing on-premise integrations and Payments as a Service platforms for financial institutions across Europe, with the expertise you need to start your move to SCT Inst. To learn more about how FIS can help you evolve your enterprise payments, click here or contact us at getinfo@fisglobal.com.

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