



IPF for deployment in regional financial integration initiatives

Rio de Janeiro



Agenda

- Background of IPFA
- Where are we now?
- Additional market requirement being considered
- Regional integration initiatives
- Lack of market practice and standards
- Role IPF can play in regional integration



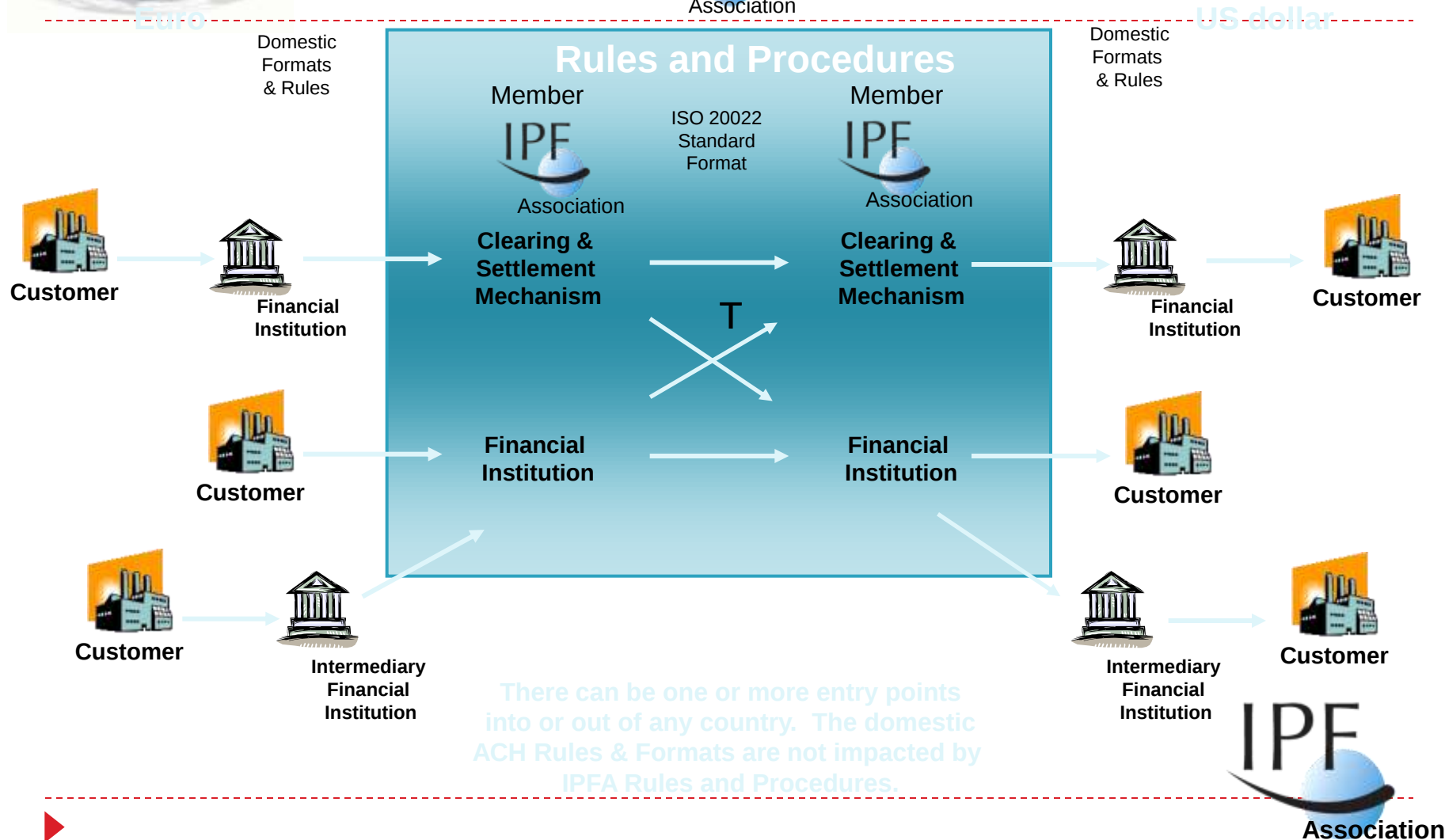


IPF Concept

- ▶ An Organization defining rules, standards and operating framework
- ▶ Simplifying non-urgent cross-border credit transfers
- ▶ Leveraging existing payment networks (such as SWIFT) and international standards e.g. ISO 20022
- ▶ Enabling interoperability between domestic and regional non-urgent payments systems and banks



The IPF Concept





Where are we now?

- ▶ Association formed in February 2010 with 21 members
- ▶ Membership now 29 and 6 Observer members have also signed agreements (mainly central banks)
- ▶ Went live with USD/Euro in October last year
- ▶ Non-STP issues have been picked up on inward transfers to US. Work group dealing with causes. Outward leg OK.
- ▶ Lesson learned; Non-STP in the US seems to be accepted on inward cross-border transfers.
- ▶ GBP and CHF also now in framework.
- ▶ South African Rand, Brazilian Real, Australian Dollar and
- ▶ ⁵ Canadian Dollar to be mapped this year.



Additional market need being considered – regional deployment



Lack of market practice and standards in low-value payments space in regional developments

- ▶ While great strides have been made in the area of high-value payments in regional developments over the last 10 years the retail or low-value area has little in the way of suitable market practice and standards.
- ▶ The IPFA has developed suitable rules, standards and technical recommendations, which if adopted, will lead to standardised and cost effective processing of low value payments both regionally and globally



Regional integration initiatives

- ▶ West African Monetary Zone
- ▶ Southern African Development Community
- ▶ East African Community
- ▶ COMESA
- ▶ South Asia Payments and Securities Settlement (SAPI)
- ▶ Integrated Payment System in Central America and Dominican Republic
- ▶ Commonwealth of Independent States Payment Initiative (CISPI)
- ▶ Arab Payments and Securities Settlement Initiative API
- ▶ SEPA



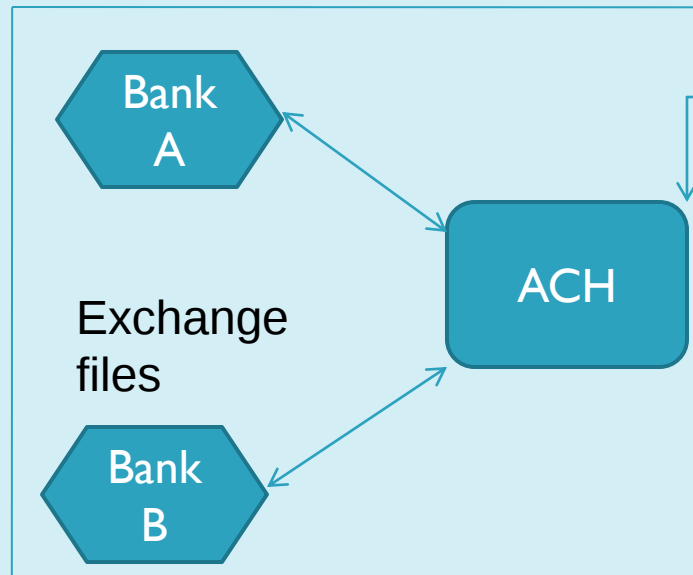
Rules and frameworks for various regional (retail) scenarios

- ▶ The following flows will be covered;
- ▶ - Linked ACH'S (CSM'S)
- ▶ - Central regional ACH (CSM)
- ▶ - bilateral file exchange



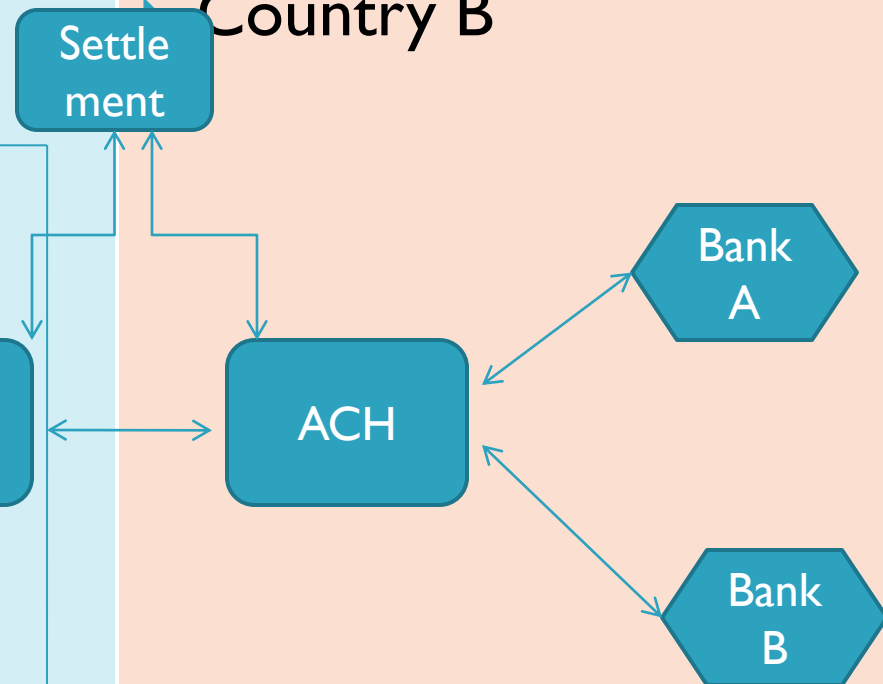
IPF in a regional integration development Model 1 Inter-linked ACH's

► Country A



Banks/ACH can use IPF
rules/standards/technical
recommendations

Country B

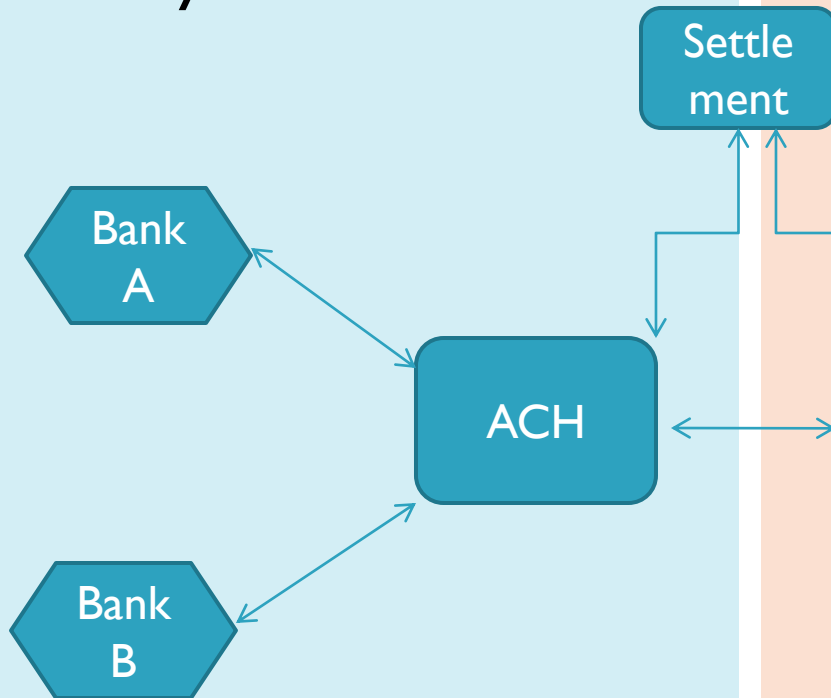




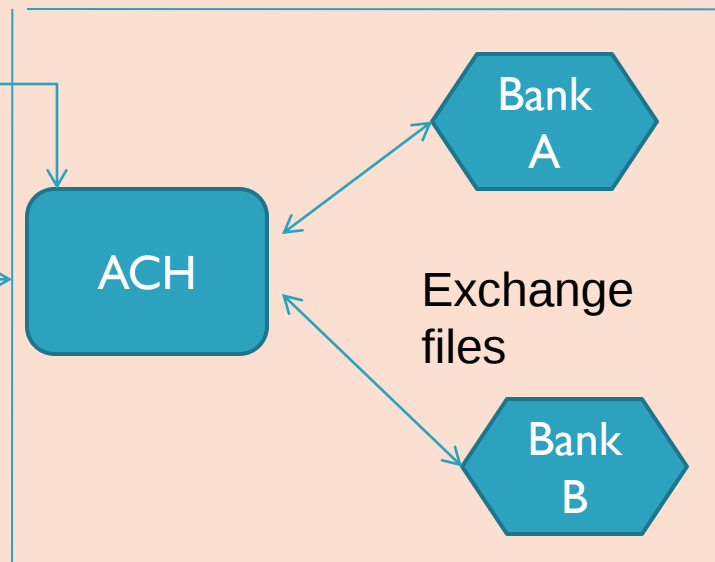
IPF in a regional integration development

Model 1 Inter-linked ACH's

► Country A



► Country B



Banks/ACH can use IPF Rule book/standards/technical recommendations



IPF in a regional integration development Model 1 Inter-linked ACH's

► Country A

Bank A

Bank B

ACH

Country B

Bank A

Bank B

ACH

Settle
ment

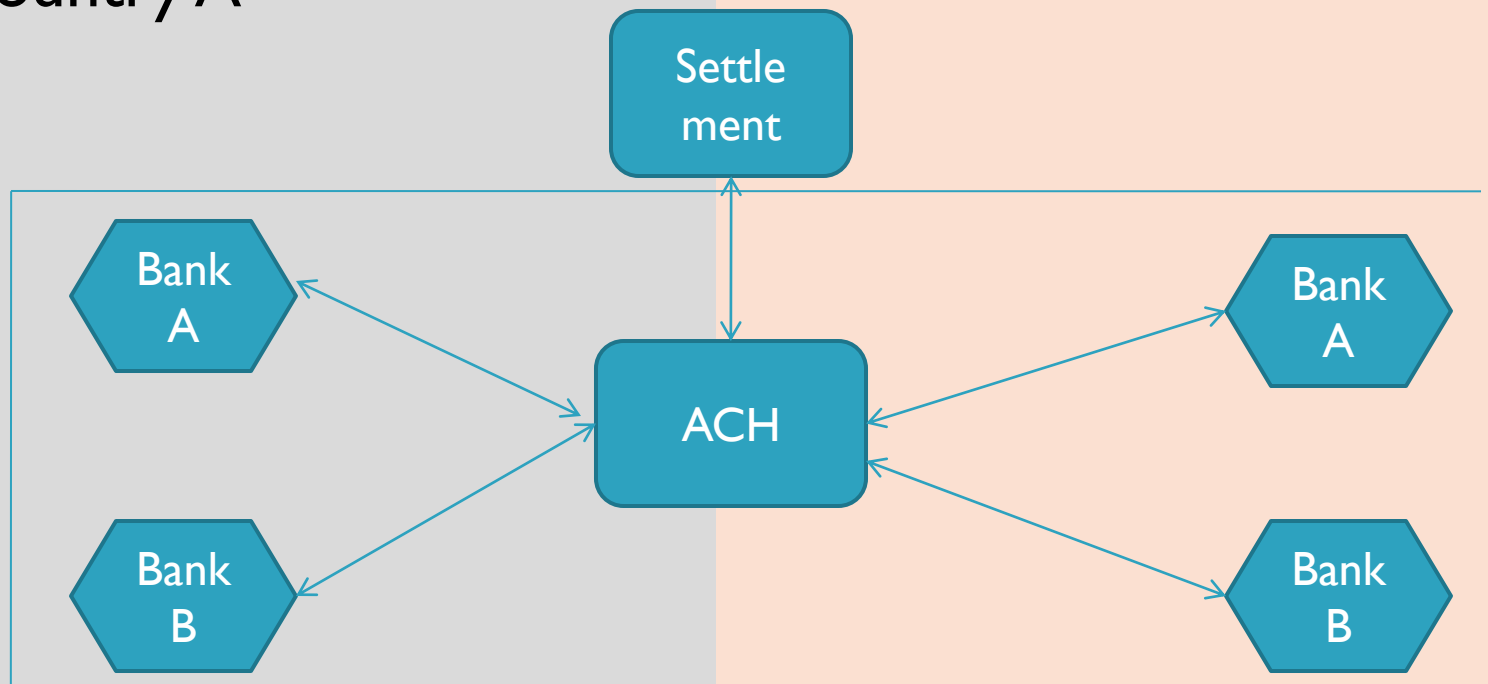
The ACH's can use the IPF Rule book, standards/ technical recommendations



IPF used in a regional integration development Model 2 use of a regional ACH

► Country A

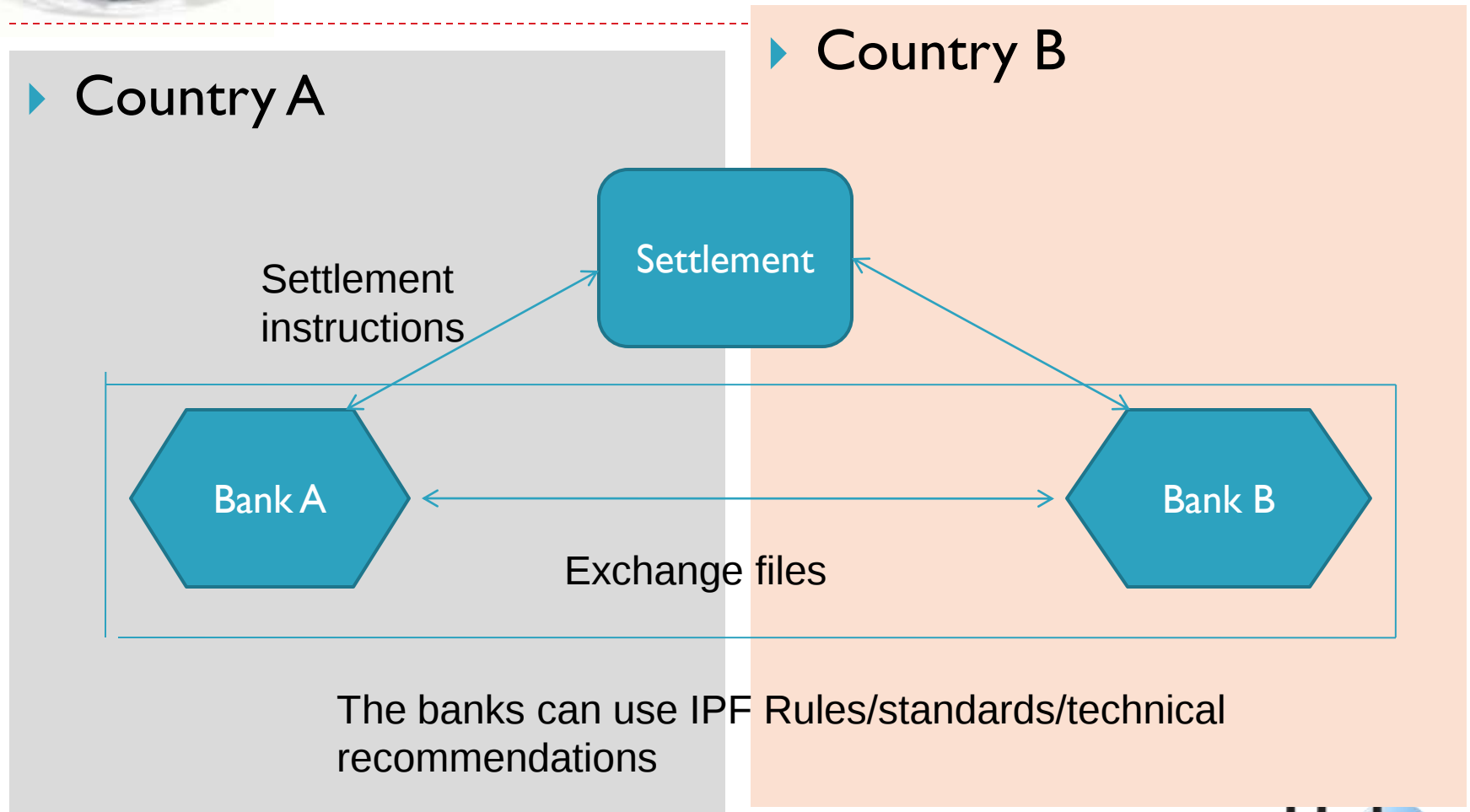
► Country B



Banks in all countries and regional ACH can use IPF
Rules/standards/technical recommendations



IPF in a regional integration development Model 3 Bi-lateral file exchange





Regional link to global scheme

- ▶ There is also the possibility to link regional banks to global members of the IPFA under a type of sponsorship agreement.
- ▶ This arrangement is under construction at present and recommendations will be made to the membership in June.

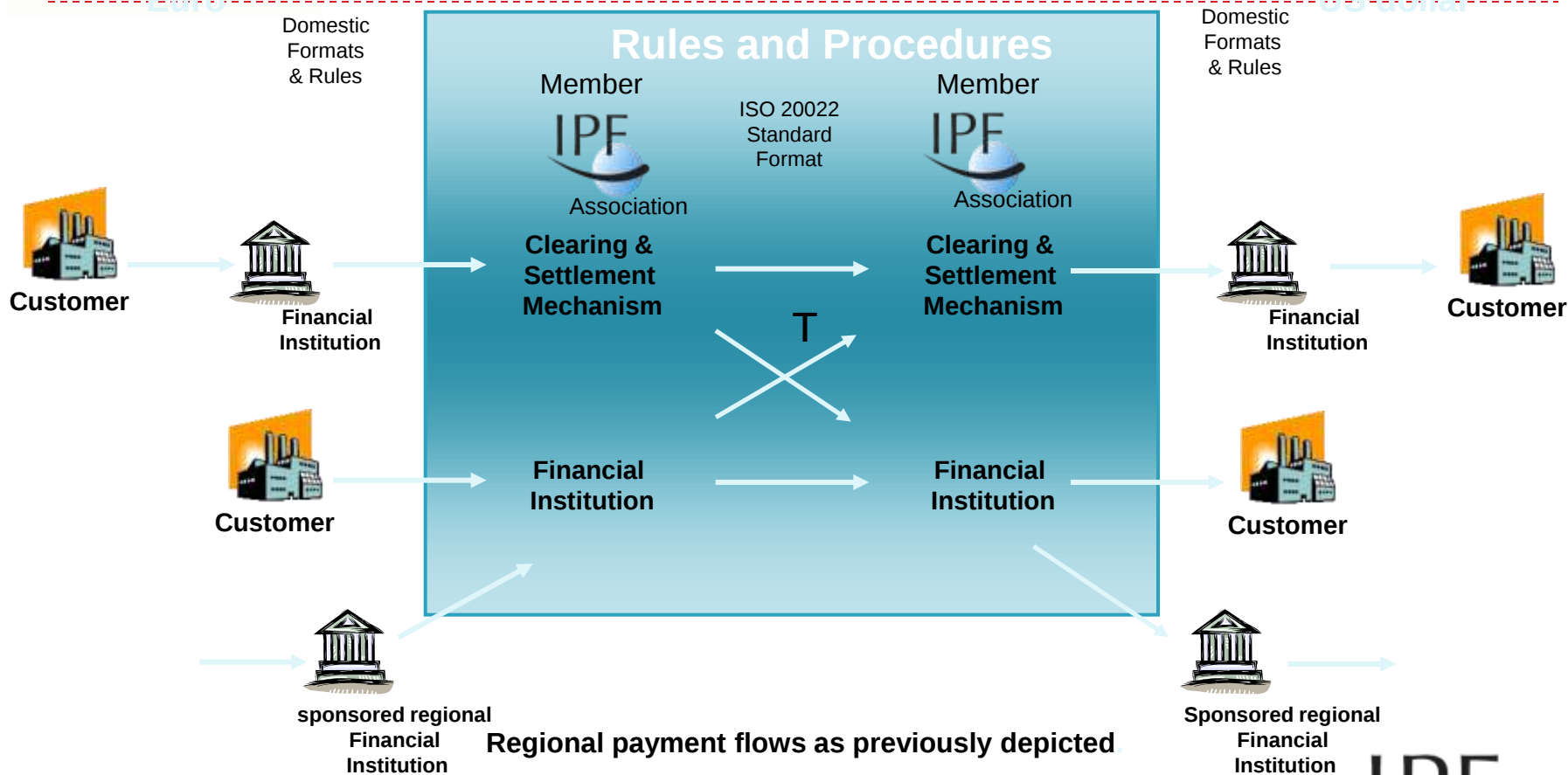


The Enhanced IPF



Euro

US dollar





IPFA actions to address regional deployment

- ▶ Received member approval 14 February 2011
- ▶ Workgroup to review rules to ensure all aspects covered
- ▶ Membership criteria and fee structure is being developed
- ▶ Marketing material will be developed
- ▶ IPFA will work closely with organizations like the World bank, regional monetary authorities and other interested parties to create awareness and hopefully move forward with deployment.