



Payables and Receivables

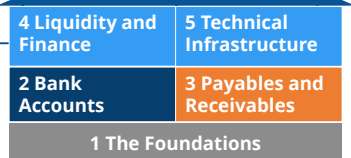
Domestic and International Clearing Systems

At a high level, the availability of these settlement systems and payment instruments dictate the basic building blocks of cash and treasury management structures

Domestic and International Clearing Systems

Cash / Cards / Mobile (ApplePay, SamsungPay)	Cheques	Domestic Automated Clearing Houses (ACHs): direct credits and direct debits – BACS, NACHA	Faster Payments – UK FPS plus many other countries (known as Instant Payments)	Single Euro Payments Area (SEPA): SCT / SDD Pan European Automated Clearing House/SEPA Card Clearing and SEPA Instant Payments in 2018	End of Day and Intra Day Net Settlement - CHIPS	Real-Time Gross Settlement - (RTGS) CHAPS/TARGE T2 /Fedwire	Continuous Linked Settlement (CLS)
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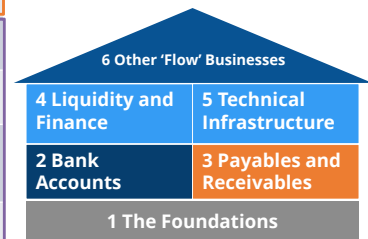
6 Other 'Flow' Businesses



The Corporate goal:
maximisation of in-border flows, minimisation of cross border flows

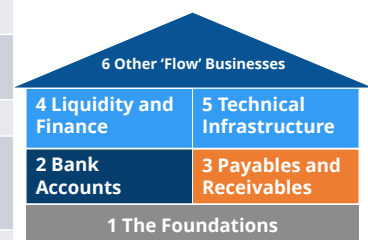
Domestic and International Clearing Systems

		Receivables		Payables
Domestic	Cash / Cards / Mobile	Cash in Card Acquiring		Cash out Card Issuing
	Cheques	Lockbox		Cheque Issuance
	Automated Clearing Houses (ACHs)	Direct Debits	BACS SEPA NACHA	Direct Credits /Instant Payments
	Wire Transfers	Inward Wire Transfers	CHAPS Target 2 Fedwire	Outward Wire Transfers
International	Cash / Cards / Mobile	Cash in Card Acquiring		Cash out Card Issuing
	Cheques	Global Lockbox		Global Cheque Issuance
	Automated Clearing Houses (ACHs)	Global Direct Debits	BACS SEPA NACHA	Global Direct Credits / SEPA Instant Payments
	Wire Transfers	Inward Wire Transfers	CHAPS Target 2 Fedwire SWIFT CLS	Outward Wire Transfers



Domestic and International Clearing Systems

Instant Payments	
UK - GBP only	<p>UK Faster Payments Scheme launched in 2008</p> <p>Scheme limit per transaction GBP250,000, although individual member banks are permitted to set this much lower</p> <p>1.70 billion payments in 2017, 16% up on 2016</p> <p>GBP 1.40 trillion in value in 2017, 18% up on 2016</p>
Euro-Zone - EUR only	<p>SEPA Instant Credit Transfer [SCT Inst] launched in November 2017</p> <p>Scheme limit per transaction EUR15,000</p>
USA - USD only	<p>The Clearing House Real-Time Payments System launched in November 2017</p> <p>Scheme limit USD25,000 per transaction</p>
Australia - AUD only	<p>New Payments Platform launched February 2018</p>



Domestic and International Clearing Systems

Clearing systems: How do they work? Risk?

End of Day Net Settlement systems (EDNS)
 Intra-Day Net Settlement systems (IDNS)
 Real Time Gross Settlement systems (RTGS)
 Continuous Linked Settlement systems (CLS)

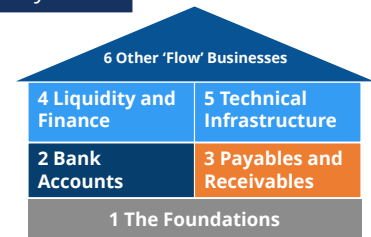
The critical and increasing role of Central Banks and Regulators in Settlement systems

When does receipt/payment actually take place?

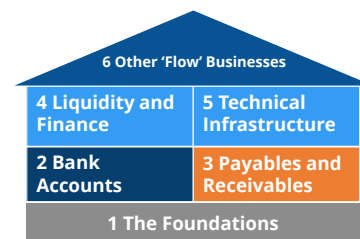
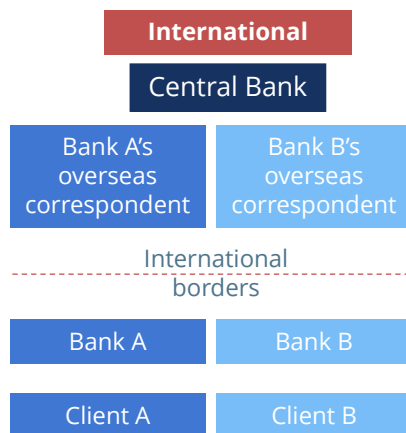
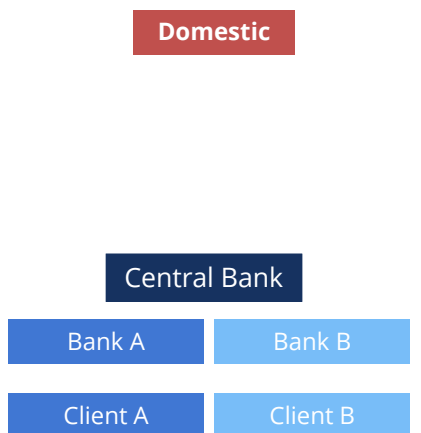
Finality!!!

Two contentious statements:

"All money is really held in Central Bank accounts!!"
 "All Dollars are in New York!!"



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