

Real Time Payments

In Market Deployment

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AGENDA

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What Mastercard implements



In line with Mastercard's multi-rail strategy; Mastercard, as the Payment System Provider, will deliver service(s) to the Scheme. Typically, these services are sold as Managed Services (hosted and run by Mastercard). Where possible, these Managed Services are hosted from relevant regional HUB that has been set-up by Mastercard. In some territories, on-soil deployments and software sales may be implemented to meet regulatory/local needs of the Scheme.

Typical services:



IPS

Instant Payment Service

A real-time clearing and settlement infrastructure for bank account-based payments with ISO 20022 messaging capabilities. Other technologies may be used to leverage this service within markets using other messaging capabilities.



BPS

Batch Payment Service

A file-based clearing and settlement infrastructure capable of disaggregating, processing and settling large volumes of 'batched' transactions. Leverages ISO 20022 technology but can also be adapted to support other messaging capabilities.



MPS

Multi Proxy Service

An independently deployable service that enables P2P transactions using only a mobile number (or other local identifier). Service requires a payment processing solution to integrate with, such as IPS, BPS or an existing local equivalent.

Typical deployment approaches :

Managed Service (In HUB or deployed locally)

Service is deployed either into regional hub or on-soil for Scheme, then managed by Mastercard once live; reducing Scheme effort across Onboarding and Operational activity.

Software Sale

Service software is packaged and provided to Scheme (or alternate Payment System Provider on Scheme's behalf) for implementing within their own solution. Most support activities are heavily reduced.

Partnering approach

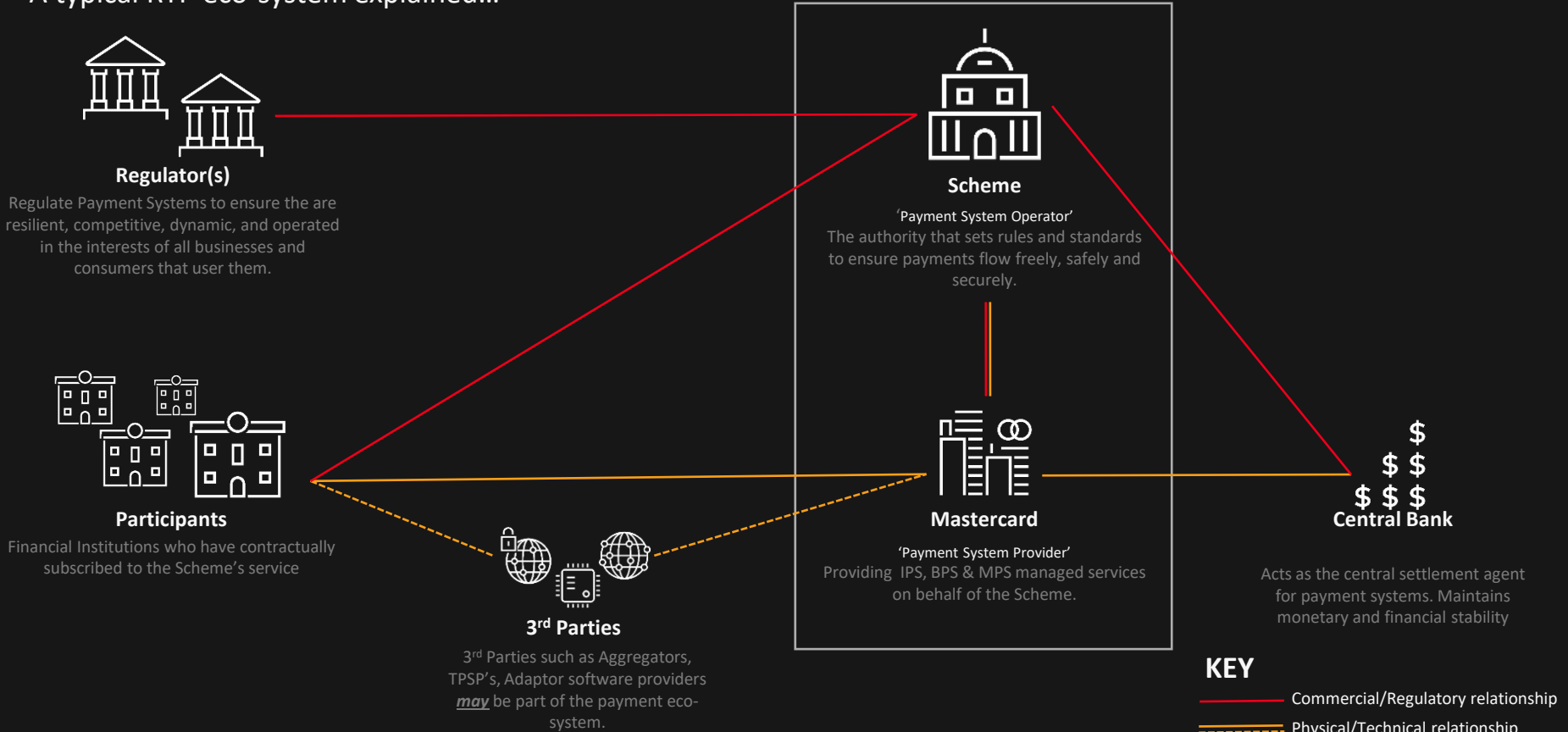
Delivery partners may be integrated into service offering to improve deployment speed, reduce project complexity or align to local resourcing regulations.



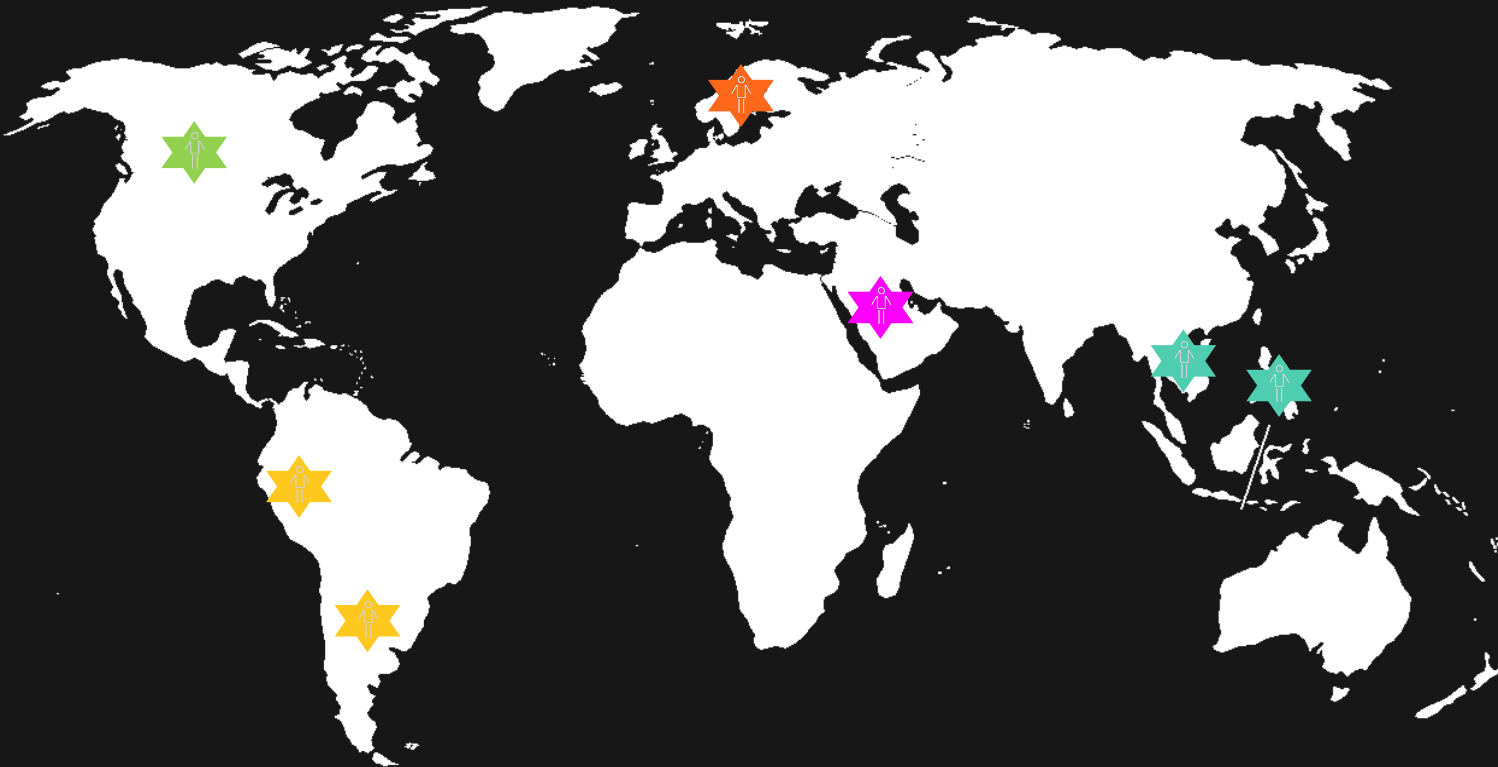
Where Mastercard resides in RTP Ecosystem



A typical RTP eco-system explained...



Mastercard's RTP Manage Services Landscape



- Nordics
- Canada
- Peru
- Argentina
- Philippines
- Thailand
- Saudi

8 Schemes | 600+ Participants | 10 Central Bank's

How Implementations can vary



Service(s) being offered

Implementations vary from 1 to many services being offered, including IPS, BPS, MPS, Applications & Services... all increasing programme complexity and timelines. These implementations may be packaged or staggered.

Legacy interoperability

Some Schemes have existing payment processing capabilities or infrastructure which they ask to be interoperable/integrated with the service(s) we're implementing as part of the project.

Service localisation

Some Schemes are happy with 'standard' product offering, whereas some require heavy localisation to comply with existing settlement approaches or local market expectation etc.



Engagement approach

Depending upon the culture, ability and relationships that each Scheme has with its Participants...

Scheme ability

A scheme's capability, size, maturity.

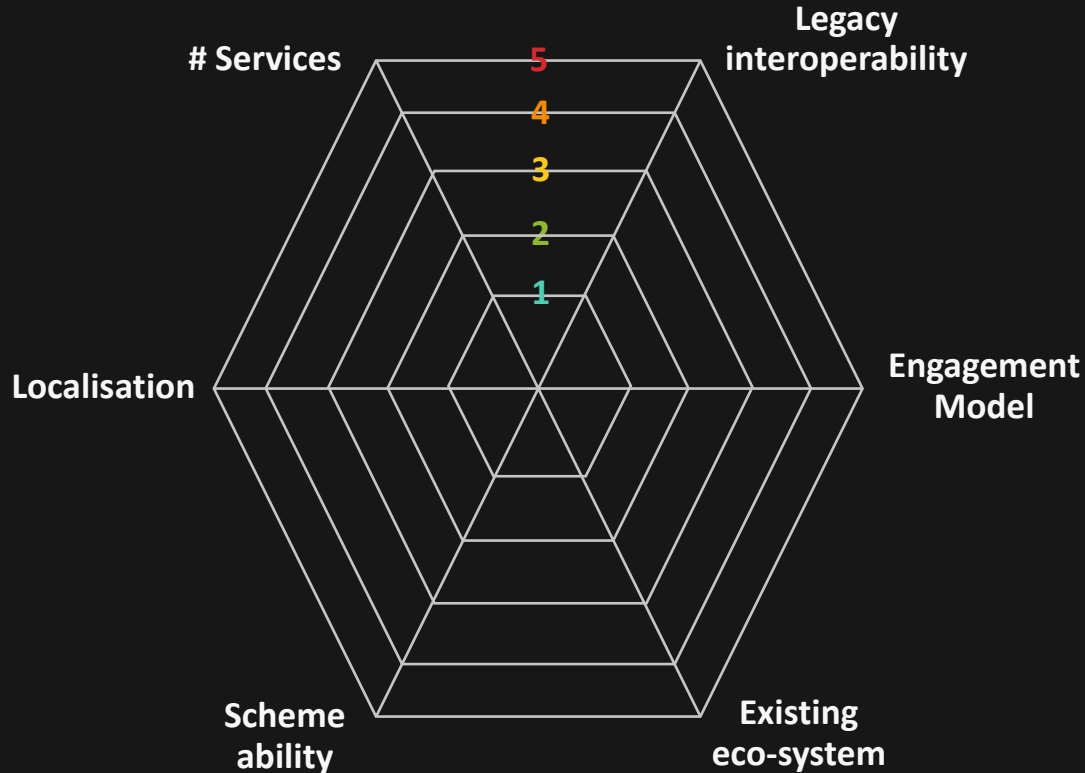
Existing eco-system

Number/Type of Participants and Service Providers already existing in the eco-system into which we're implementing our services impact the scale and complexity of the project

Measure Variation



Project complexity will impact time and effort required to deliver. Complexity should be factored into project timelines and resource allocation on all sides of the program.



The 'standard' Implementation Model



From the BID process to Go Live there are several key areas which are critical in keeping to the original plan.

Plans & Governance	Design & Specs.	Build/Test	Training	Integration Testing	Industry Testing	Go Live
Kick Off Workshops	Localization req.	Localization Dev	Training Planning	Connectivity testing	Data collect & config.	Data collect & config.
Detailed Pgm Plans	Services Specification	SIT/UAT Internal Test	Content Development	Aggregators testing	Connectivity testing	Connectivity proving
Reporting & Control	Change Mgt Support		Delivery		Self Certification	Central Bank proving
					Bank Industry Test	End to End proving
					Central Bank testing	
					Service acceptance	

Additional Key Areas to Focus on during the initial planning:

- *Ensure during the elaboration phase that legacy requirements are covered but, be aware of a like for like approach.*
- *As a scheme, clearly define the level of support and timelines required for the Banks during Industry testing.*
- *Move away from a big bang approach choose instead the largest 4-6 banks for a pilot phase. Not only is this more manageable but, will also encourage other banks to join.*
- *Phase approach with Services and requirements.*
- *Ensure future Central Bank Compliance and Mandates are taken into account.*

The Rise of Real Time Payments



I'm sure most of us have heard the saying "Cash is King" and for some markets it still is. However, with the explosion of ways to move money around via Contactless to Smartphones, Wearable's and Bitcom. Cash is under threat more than ever and with COVID, we saw Cash becoming increasingly undesirable with Businesses and consumers.

Enter Real Time Payments. With the roll-out in the Philippines early 2021 we saw a dramatic increase in volumes, far more than historically processed on their legacy platform and far more than what was projected for the coming years.

Real Time Payments are the closest payment type to Cash that provides that feeling of trust and reliability. It covers P2P, B2B supplier payments, C2B payments such as utility payments and B2C, insurance claims and wages. Consumers and Business alike are requiring more and more the need to have a solution for small and large value payments which can be settled instantaneously.

Q & A

