



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Instant payments for businesses

---

Meeting with the ERPB  
business representatives  
and Eurosystem NCBs

31/3/2021

ECB-RESTRICTED



**Andreja Birsa**

# Background

- Instant payments for businesses not examined to the extent that instant payments for consumers are
- The real value of instant payments will come from expanding their usage from P2P to additional use cases, such as B2B and B2C through provision of better services for business customers
- To ensure the uptake of instant payments for businesses there is a need to discuss and address potential barriers affecting the implementation of instant payments for businesses

# Trends in payments for business customers

- Digital transformation and e-commerce drives the growth of B2B and B2C payments
- Staggering volume, growth and opportunities, especially for cross-border B2B payments
- International card schemes and fintechs are leading the way in this growing market segment
- Cards are together with SCT, SDD and cheques (in countries where still used) the most common means to make B2B and B2C payments

# The value of instant payments for businesses

---

## Some of the main benefits

Optimisation of cash management and liquidity management

---

Just-in-time invoice payments

---

Wages and pension payments

---

Insurance claims

---

Refunds

---

Supporting new business models like dropshipping

---

# Potential barriers and solutions related to the implementation of instant payments for businesses

## Barriers

- Potentially unattractive fee level
- The lack of availability
- The amount limit
- Individual payments processing
- Instant payment specificities

## Solutions

- Promotion of SCT Inst
- Pan-European reach
- Increase in the transaction amount
- Bulk functionalities
- Implementing additional services (e.g. RTP, EIPP)

# Issues identified by the Eurosystem for further consideration



## Amount limit:

- Banks to communicate possibility of raising the limit to businesses and propose additional changes if advised so by businesses
- If the limit was raised, the possible additional risk of rising fraud and money laundering issues should have been carefully addressed
- Banks to publish amount limits ideally in a format that could easily be integrated in the business' payment interface



## Processing:

- Banks to develop solution(s) to process individually the bulk payments files received from businesses
- To analyse the possibility for CSMs of opening the bulk package and settle each SCT Inst individually

# Issues identified by the Eurosystem for further consideration



## **Communication:**

- Additional efforts of banks to further promote instant payments among businesses



## **Interaction with representatives of the business communities:**

- To discuss requirements for instant payments and any obstacles to implementation

# The planned next steps

- To gather additional input on the amount limit and bulk processing actions a stocktake has been shared with NCBs
- Based on the stocktake outcome and today's discussion, concrete next steps to address shortcomings regarding instant payments for businesses could be proposed





EUROPEAN CENTRAL BANK

EUROSYSTEM

**Thank you for  
your attention!**

---

**31/03/2021**

European Central Bank