

PRESS RELEASE

London, 19 September 2019

From real-time treasury to smart payments – new reports by Euro Banking Association stress collaboration needs as financial ecosystems adapt to instant payments and digitalisation

At its Global Seminar on “Real-Time Payments and Open Banking: New Realities, New Challenges” today, the Euro Banking Association (EBA) presented the latest research delivered by its working groups on liquidity management and on cryptotechnologies and smart payments.

Exploring how instant payments will affect corporate intraday liquidity management, the report of the Liquidity Management Working Group highlights the importance of ecosystem cooperation. The majority of B2B transactions is not yet processed instantly. But as companies revise their business models and as banks are migrating their clients from batch-based to instant payments, corporate treasurers will have to re-evaluate their forecasting processes and operating procedures. Banks, on the other hand, will have to balance managing their own intraday liquidity and providing sufficient liquidity for the instant processing of time-sensitive payments.

Instant payments are changing the dynamics between banks and their corporate clients. To understand interdependencies and to use intraday liquidity more efficiently on both sides, banks and corporates need to exchange information on requirements, expectations, and objectives of payments processing, the report concludes.

The Cryptotechnologies and Smart Payments Working Group finds that the key to getting smart payments ready for digital economy is the collaboration between the financial services industry and industries leading the charge on the Internet of Things (IoT). The IoT is on its way into businesses and consumer lives, and smart payment functionality will be a necessary enabler of a full machine-to-machine IoT. Banks have laid the ground for IoT-enabled smart payments by adopting instant payments and open banking. As IoT ecosystems mature, banks stand to gain by positioning themselves at the intersection of data exchange, commerce, and financing.

The working group suggests that new partnership models with fintechs, retailers, corporates, banks and other players can help banks meet the evolving needs of their customers while they adapt their business models and operational requirements for the new digital economy.

The full reports entitled “The Internet of Things and Smart Payments” and “Impact of Instant Payment and Intraday Liquidity on the Corporate Liquidity Management System” are available for [download](#) for EBA members. Non-members have access to a [summary](#).

Visit www.abe-eba.eu for more information on the working groups.

– ends –

Press Contact

Annick Moes

Phone: +49 151 1631 1526

E-mail: association@abe-eba.eu

About the Euro Banking Association (EBA)

The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

For additional information about the Euro Banking Association, please visit www.abe-eba.eu or follow us on www.linkedin.com/company/euro-banking-association or www.twitter.com/EBA_Association