

# THE IMPACT OF INSTANT PAYMENT AND INTRADAY LIQUIDITY ON THE CORPORATE LIQUIDITY MANAGEMENT SYSTEM

Key opportunities for corporates in a real-time economy

- ≡ **Instant finality of payments** reduces counterparty risk for corporates.
- ≡ **Just-in-time supply chain optimisation** leads to process efficiency gains which will help enable the Internet of Things\*.
- ≡ **Instant treasury will improve capital and liquidity management**, thus optimising credit lines.

## Actions by banks to incentivise corporate migration to instant payments

Empowering their corporate clients to realise the benefits outlined above requires banks to develop value-added products such as:

- ≡ **standardised payment confirmation messages**
- ≡ ways to efficiently **combine or replace bulk payments with instant payments**
- ≡ support in **real-time cash flow forecasting**
- ≡ **real-time bank reporting** into treasury management systems via APIs for corporate visibility on liquidity and associated costs

## Increased adoption of instant payments will improve the use of intraday liquidity

To date, the adoption of instant payments for business-to-business transactions remains limited. However, it is likely that over time there will be a shift from a batch-oriented economy to a real-time ecosystem.

Corporates and banks stand to gain by cooperating and sharing information in the expectation that this will allow both sides of the ecosystem to improve their use of intraday liquidity in a real-time economy.

At the same time, this development will constitute a major change programme:

- ≡ **Corporate treasurers** will need to move towards a real-time treasury to help to manage intraday liquidity fluctuations, if higher transaction volumes are booked instantly.
- ≡ **Banks** must further invest into instant payments and prepare for 24/7/365 banking now to ensure continued delivery of state-of-the-art services.

\* For more information, see „The Internet of Things and Smart Payments“ by the EBA Cryptotechnologies and Smart Payments Working Group [▶](#)

## Learn more: download the report

The report 'Impact of instant payment and intraday liquidity on the corporate liquidity management ecosystem' is available for download [here](#) [▶](#)

