

Get ready for OCT Inst!

An EBA white paper
on why and how
to start planning
for implementing
OCT Inst now

September 2025



Content

1. Executive summary	3
2. Introduction: Setting the scene	4
2.1 Why focus on improving cross-border payments?	4
2.2 Why focus on OCT Inst?.....	4
3. Customers' needs and expectations for cross-border payments in Europe	6
3.1 Overall customer needs and expectations	6
3.2 Relevant use cases and key requirements for different customer segments	7
4. A one-leg out approach: fulfilling cross-border payment expectations by leveraging domestic real-time infrastructure	11
5. Opportunities and challenges of a One-Leg Out Instant Credit Transfer approach	12
5.1 Capitalising on the opportunities of an OCT Inst approach	12
5.2 Identifying the challenges of an OCT Inst approach	13
6. Seizing the opportunities ahead: key points to be tackled for a successful OCT Inst roll-out	15
6.1 Joining forces to put in place the necessary elements to build reach	15
6.2 Getting ready to technically implement OCT Inst	17
6.3 Preparing to meet the related compliance requirements	18
6.4 Lessons learnt from the Spanish showcase	18
7. Conclusion and outlook	19

About the Euro Banking Association

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

The EBA is the largest cross-sectoral network of practitioners pursuing a pan-European vision for payments. Its activities include a market practices and regulatory guidance stream, which helps the European payments ecosystem to understand and implement regulation and supports the development of pan-European market practices.

The EBA has more than 170 members from the European Union and across the world.

About the EBA Expert Group on Cross-Border Payments ([EGXP](#))

The present report and the underlying survey have been created based on the guidance of the EGXP, an EBA expert group composed of representatives of 15 account-servicing payment service providers from 9 countries. Its aim is to evaluate the practical impact of selected topics on cross-border payments and develop recommendations for a suitable approach towards enhancing cross-border payments fostering harmonisation and/or avoiding market fragmentation.

1. Executive summary

The Euro Banking Association (EBA), through its Expert Group on Cross-Border Payments (EGXP), presents this white paper to encourage payment service providers (PSPs) in Europe to get ready for the implementation of One-Leg Out Instant Credit Transfer (OCT Inst) solutions. These solutions are designed to enhance cross-border payments by leveraging existing domestic real-time infrastructures, particularly within the Single Euro Payments Area (SEPA).

Driven by evolving customer expectations, global standardisation efforts and regulatory pressure – most notably the G20 Roadmap for cross-border payments – the paper outlines why OCT Inst is a promising approach to meet the targets of cost, speed, access and transparency set by the G20 Roadmap for 2027.

Key findings and recommendations include:

- **Customer-centric imperative:** Consumers, SMEs, corporates and PSP customers alike demand faster, cheaper, more transparent, and reliable cross-border payment services. OCT Inst is able to address these needs by reusing SEPA instant payment building blocks.
- **Strategic opportunity:** OCT Inst offers a fit-for-purpose, 24/7/365 solution that is user-friendly, easy to implement and aligned with global initiatives like Swift CBPR+.

- **Challenges to address:** Successful rollout requires overcoming hurdles such as limited reach and the need for harmonised market practices. A consistent end-to-end experience across payment corridors is essential.

- **Call to action:** PSPs must act now to

- join forces in a pan-European frontrunner group to build critical mass and reach, based on a public plan detailing an agreed OCT Inst delivery timeline, a list of early movers committing to this timeline and a list of other non-euro jurisdictions offering similar service levels to OCT Inst users
- begin preparations for technical implementation and the implementation of compliance requirements, in line with the EPC OCT Inst Scheme Rulebook
- start working on pan-European market practices that help ensure that OCT Inst delivers a better cross-border payment experience than existing solutions (e.g. full amount principle for the SEPA leg)
- learn from early adopters, such as the Spanish banking community, which has already implemented OCT Inst nationally.

Outlook: To meet the G20 targets by 2027, PSPs should initiate their individual implementation planning immediately and collaborate on pan-European market practices. Regulatory harmonisation and integration of value-added services will be key to delivering a superior cross-border payment experience.



"The discussions in the EGXP group have turned from what could potentially be delivered to framing some concrete next steps for European PSPs, leveraging the strengths of the OCT Inst Scheme to deliver against the G20 objectives of transparency, speed, cost and access. The next step is in our hands and I look forward to exploring with the group how to further support the call to action formulated in this white paper."

Simon McConnell

Managing Director
Head of European Clearing
& FI Payments
Citi
Chairperson
EBA Expert Group on
Cross-Border Payments

2. Introduction: Setting the scene

2.1 Why focus on improving cross-border payments?

The enhancement of cross-border payments has become top of mind among European payment practitioners over the last couple of years.

Key drivers are:

- ➊ evolving customer needs and expectations
- ➋ the implementation of real-time payment systems across the world and first practical experiences, initiatives and reflections with regard to leveraging these for cross-border payments
- ➌ the global introduction of ISO 20022 and other ongoing standardisation initiatives facilitating enhancements
- ➍ new technologies, organisational processes and market entrants challenging the status quo of cross-border payments
- ➎ the push for improvements by authorities around the globe, as manifested in the G20 Roadmap for cross-border payments.



WHAT IS THE G20 ROADMAP?

The G20 Roadmap sets targets and objectives regarding cost, speed, access and transparency, which PSPs across the world should aspire to meet by the end of 2027. It was developed in 2020 by the Financial Stability Board, in coordination with the Committee on Payments and Market Infrastructures and other relevant international organisations and standard-setting bodies.

2.2 Why focus on OCT Inst?

To support ongoing industry efforts to enhance cross-border payments and help market players in their strategic decision-making, the EBA conducted a stocktaking survey among its members in 2024. The survey zoomed in on 13 cross-border payments initiatives with a European footprint, including both infrastructure solutions and enablers or contributors, such as schemes, market practices or value-adding services. Its main goals were to assess to what extent these initiatives could address the four key challenges identified by the G20 and to identify relevant prerequisites for the market adoption of any of these initiatives.

The findings of the survey demonstrated that all initiatives were seen by respondents as contributing to improving cross-border payments to varying degrees from a cost, speed, access and transparency perspective. But the results also highlighted the need for reach to deliver their full potential.

Based on the promising potential that the survey report had confirmed for the OCT Inst -powered initiatives and the fact that, by the end of 2024, the SEPA had already seen the delivery of both a domestic (Iberpay in Spain) and a pan-European OCT Inst infrastructure solution (RT1 OCT Inst), the EBA's EGXP decided to further explore the potential of the OCT Inst Scheme and related solutions in 2025.



WHAT ARE ONE-LEG OUT INSTANT CREDIT TRANSFER SOLUTIONS?

OCT Inst solutions are payment solutions that are based on the [One-Leg Out Instant Credit Transfer Scheme](#) of the European Payments Council (EPC). The OCT Inst Scheme supports and enables real-time processing of cross-border transactions in compliance with international rules and in line with Swift CBPR+ functionalities and data. The scheme rules allow PSPs in SEPA to leverage building blocks from the existing instant payment systems, standards and procedures for the euro leg of a cross-border transaction.

Key reasons for the EGXP to zoom in on OCT Inst included:

- its perceived ability to meet customer needs and expectations for cross-border payments in an effective and cost-efficient way
- its level of maturity substantiated by the availability of a scheme, first market infrastructure solutions and the adoption by the first national community (Spain)
- its status as an industry-led initiative that could help to meet the G20 targets
- the call and interest from communities outside Europe to have instant access to Europe, particularly in the context of retail and SME-based payments.

The present white paper is the result of the EGXP's exploration into OCT Inst: it sets out why PSPs should get ready to offer OCT Inst payments and how they should go about it. The paper reiterates, underpins and expands on the initial [call to action](#) for the implementation for OCT Inst issued by the EGXP in May 2025. At the same time, however, it drills into the challenges that PSPs need to overcome to successfully roll out enhanced cross-border payment offerings based on OCT Inst and offers suggestions as to how these could be tackled.



"One-leg-out (OLO) arrangements such as OCT Inst offer one of the most immediate and scalable opportunities to improve cross-border payments. Don't be left behind. Get Ready!"

Marc Recker

Managing Director
Head of Global Client Solutions
Institutional Cash Management
Deutsche Bank



"The OCT Inst Scheme represents a pivotal advancement towards unifying global payment systems, leveraging the SEPA and SCT frameworks to deliver instantaneous, secure and cost-effective cross-border transactions. On the one hand, this initiative enhances banks' ability to provide clients with transparent, agile and more reliable payment solutions. On the other hand, it enables them to drive innovation and meet the growing demands of global commerce, aligning with the G20 objectives."

Damien Godderis

Head of Payments Industry
Engagement Cash Management
BNP Paribas
Chairman
EPC OLO Strategy
Advisory Group

3. Customers' needs and expectations for cross-border payments in Europe

Meeting customers' needs and expectations is the crucial aim of any enhancements PSPs may consider for cross-border payments. This section looks at holistic customer needs and expectations for cross-border payments before diving into the specific requirements and use cases of different customer segments that enhanced cross-border payments could support.

3.1 Overall customer needs and expectations

Describing why it is crucial to improve cross-border payments, the G20 Roadmap states: "Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, while maintaining their safety and security, would have widespread benefits for citizens and economies worldwide, supporting economic growth, international trade, global development and financial inclusion."

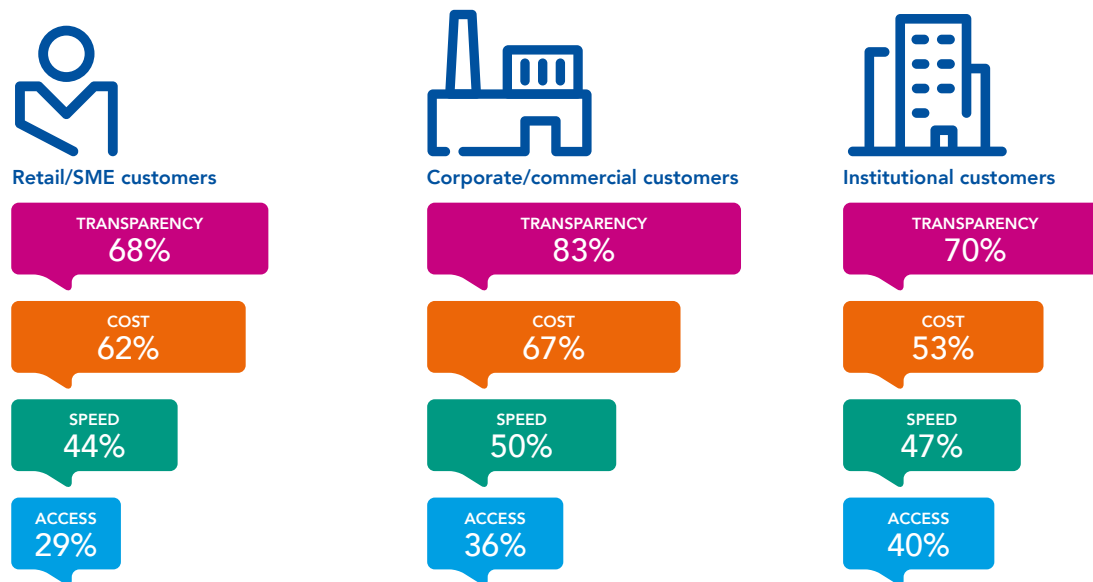
The work on the G20 Roadmap has recognised that "Cross-border payments are often perceived to face challenges of high costs, low speed, limited access and insufficient transparency"* and, as a result, specific objectives and targets for cost, speed, access and transparency have been defined to reflect the improvements that customers would like to see.

And while different customer segments may have specific additional requirements, research shows that they generally have the same or very similar priorities when it comes to these four key factors:

It should further be noted that the personal experience of retail customers has an impact on their professional expectations. This means that the speed and service levels that many customers first experience through person-to-person (P2P) payments at a domestic level will shape their expectations in the corporate payment environment too.

* [Financial Stability Board, Enhancing Cross-border Payments Stage 1 report to the G20, April 2020.](#)

Figure 1: Crucial G20 objectives for bank customers, according to banks*



* Similar results have been delivered through surveys conducted among retail/SME customers by Swift ([Small payments. Big opportunity](#), 2023) and among corporates by Capgemini ([World Payments Report 2025](#)).

(Source: [Improving cross-border payments: Findings of the EBA survey on cross-border payments initiatives](#), October 2024, p. 9)

3.2 Relevant use cases and key requirements for different customer segments

3.2.1 Overall use cases for enhanced cross-border payments

There are various use cases for cross-border payments that would be enabled by or highly benefit from more transparent, cheaper, faster and/or more accessible cross-border payment offerings:

- international remittances and P2P payments
- payments serving the digital and gig economy (including pay-as-you-use models)
- payments embedded in supply chain processes
- international mobile payment solutions offered by PSPs
- international distribution of pension payments

The following subsections will drill into specific requirements that different customer segments have for cross-border payments and how fulfilling these requirements could help these customer segments tackle relevant use cases.

3.2.2 Key requirements for consumers and SME customers

In addition to the four elements covered by G20 targets and objectives, the following requirements are of special importance to consumers and small to medium-sized enterprises (SMEs), especially in relation to some of the above-mentioned use cases:

- ease of use and reliability: a seamless, predictable, user-friendly and uniform customer experience (where possible embedded in the customer journey) is essential for adoption, particularly among SMEs with limited technical resources.
- certainty of cost: transparency of charges helps to build up-front trust between all parties and eliminates uncertainty around payment fees.
- cost efficiency: lower costs (compared to traditional cross-border methods) would be a prerequisite for a number of the above-mentioned use cases, e.g. international P2P payments.
- real-time delivery: instant and reliable settlement across borders is a critical factor for time-sensitive transactions, e.g. for insurance payouts.



INTERNATIONAL REMITTANCE USE CASE

Users of domestic retail payment schemes have gotten used to transactions being initiated, executed and credited to counterparties in real time. Over the past few years, there has been an emergence of models that achieve the same for certain cross-border flows. One example are remittance networks funded by card transactions. Consumers can initiate these remittance payments directly from their smartphones, often outside traditional banking hours. This increased accessibility allows people to support family and friends abroad more efficiently and react quickly in time-sensitive situations, such as emergencies.

The use of real-time payment rails could be an alternative account-based way of servicing these requirements.



"For small and medium-sized enterprises, cross-border payments must deliver more than just speed and cost-efficiency. What matters to SMEs is the reliability and security of each transaction – ensuring that funds arrive predictably, transparently and without risk. As SMEs often operate with limited technical and financial resources, they require absolute confidence and trust in their international payments."

Nina Frohnweiler

Senior Expert TxB –
Solutions for Corporates
DZ BANK AG

3.2.3 Key requirements for corporate customers*

Corporate and commercial customers often look to distribute or collect payments across or outside Europe – whether for their own operations or on behalf of their customers. They need solutions that enable them to do so efficiently and reliably, which is why the following requirements are of special importance to them:

- **certainty in cash forecasting:** especially for “traditional” corporates, the ability to predict cash flows accurately is essential for effective treasury and liquidity management. One central aspect in this context is certainty of payment execution despite time zone differences.
- **traceability and easy reconciliation:** for any corporate, it is key that payments can be tracked and traced back at any point in time, and that PSPs make it as easy as possible for corporate customers to match incoming payments with corresponding invoices, e.g. by passing on all relevant remittance information without any data truncation.
- **transparency and certainty of costs:** transparency of charges builds trust between all parties and eliminates uncertainty around payment fees.
- **access to immediate and 24/7 settlement:** instant and reliable settlement across borders with 24/7 availability is a critical factor for time-sensitive transactions and certain use cases in particular, e.g. related to logistics/optimisation of the supply chain.
- **optimised payment routing:** local banks should offer smart routing services that optimise payment flows - identifying the best possible route for each transaction to balance speed, cost and reliability.
- **coverage of all relevant counterparties and corridors:** advanced service levels, such as faster processing, are only of value to corporates if PSPs can offer them for (all of) the counterparties and corridors that are relevant for the business of the corporate.
- **embedded payment capabilities:** integrating payments seamlessly within specific commercial agreements or customer journeys is increasingly important to enhance automation and user experience.



DIGITAL AND GIG ECONOMY USE CASE

A growing number of corporate customers operating both within and outside the European Economic Area (EEA) are shifting to direct-selling models. Many of these customers are evolving into PSPs themselves and increasingly require low-value, cost-efficient, cross-border consumer-to-business (C2B) and business-to-consumer (B2C) payment solutions to or from beneficiaries in the EEA. Current SEPA access and scheme rules constrain the ability for PSPs to meet this need. An optional one-leg out participation scheme such as OCT Inst in its current form would not provide the necessary reachability, thereby limiting the growth potential of the digital economy within the EEA.

* The corporate customer segment includes non-bank financial institutions acting as payment service users.



INTERNATIONAL COLLECTION ACCOUNT USE CASE

A mid-tier, non-EU corporate operating in the EU may prefer its home bank to receive euro payments on its behalf, rather than establishing a separate account relationship with an EU-based PSP. Multi-currency and international collection accounts are gaining popularity – a trend that is expected to continue, especially when combined with innovations such as request-to-pay solutions.

This type of account could also be attractive for providers in the EU having to deal with different EU currencies, e.g. a tourism provider in a non-euro EU country with large customer bases in both euro and non-euro countries that wants to provide all of its customers with a pre-paid booking option allowing them to make reservations.

3.2.4 Key requirements for PSPs as customers

For PSPs operating as customers of other PSPs, the following requirements are of special importance to support effective competition:

- low cost and high certainty: PSPs are looking for routing solutions that ensure low costs and high certainty for handling retail and SME cross-border transactions and remittances.
- access to immediate and 24/7 settlement: being able to offer access to instant and reliable settlement across borders with 24/7 availability is increasingly important for PSPs of any size as it enables them to meet their customers' time-sensitive use cases.
- coverage of all relevant counterparties and corridors: advanced service levels, such as faster processing, are only of value to PSPs as customers if the coverage includes (all of) the counterparties and corridors that are relevant for the business of the PSP.
- embedded payment capabilities: there is growing demand by PSPs to support the integration of payment functionalities directly into commercial agreements and customer journeys, enabling more seamless and efficient user experiences.



PENSION PAYMENTS USE CASE

A financial institution client, which does not have a presence in Europe, seeks to utilise the SEPA schemes to send pension payments on behalf of its corporate customers to pensioners holding EEA-based accounts. However, if only a limited number of PSPs and payee accounts are reachable, this significantly reduces the appeal of the euro OLO service for the FI. As a result, many pensioners may not be able to receive more efficient and cost-effective pension payments directly into their euro accounts.

4. A one-leg out approach: fulfilling cross-border payment expectations by leveraging domestic real-time infrastructure

Most customer expectations that have not yet been met for cross-border payments are already solved through domestic payments in many countries. SEPA is no exception. This section considers how the benefits and maturity of real-time payments in SEPA and numerous other regions of the world have triggered reflections to extend the usage of the underlying rules and tools from a purely domestic environment to the cross-border space.

Within SEPA, the vast majority of key customer requirements are already fulfilled for euro payments today:

- SEPA payments are transparent, of low cost, fast and accessible.
- EU regulation, the EPC's SEPA schemes and the related payment infrastructure systems ensure certainty of execution and predictability for all SEPA transactions as well as traceability and easy reconciliation.
- Full reach of all counterparties is in place for SEPA Credit Transfers and Direct Debits – and will soon be achieved for SEPA Instant Credit Transfers (SCT Inst) as well.

Aside from these benefits, SCT Inst payments, in particular, hold considerable additional potential, thanks to the fact that they are executed and credited to the beneficiary within 10 seconds and available 24/7/365. Once instant payments reach any counterparty across SEPA, PSPs should be able to fully unlock this potential in order to meet any relevant use case for euro payments that their customers may have at a (SEPA-)domestic level.

Real-time payments are not unique to SEPA: according to Capgemini's World Payments Report 2025, they are available in more than 80 markets around the world. In some countries – mostly in the Asia-Pacific region – this has given rise to some of the first cross-border payment initiatives. These are seen as paving the way for a broader evolution towards leveraging real-time payment infrastructures for cross-border payments.

In light of the benefits of real-time payments and their widespread and growing use across the globe, a one-leg out (OLO) approach is considered by many PSPs and corporates with EU operations as an optimal way forward to deliver improvements for cross-border payments.

The main advantages of an OLO approach are the following:

- It allows the use of existing (domestic) payment schemes and systems to be extended to the cross-border space. This means that PSPs can re-use existing infrastructure and arrangements rather than having to rely on separate rails to connect to the rest of the world.
- It enables last-leg real-time payment distribution in a given jurisdiction (24/7/365).
- It enhances the cross-border user experience in terms of certainty, transparency and speed, supporting greater alignment with the domestic experience.
- It enables instant payments to carry end to end all required data to meet regulatory payment transparency obligations for international transactions.

To reap the potential of the SCT Inst rails for an OLO approach, the EPC has created the OCT Inst Scheme. Its rules enable PSPs to leverage the instant payment systems, standards and processes that are already in place for SEPA for the receipt of payments coming into SEPA and to, ideally, establish similar service levels for outbound payments with the systems and arrangements in place in other regions or countries.

5. Opportunities and challenges of a One-Leg Out Instant Credit Transfer approach

This section zooms in on the opportunities and challenges of an OLO approach involving the OCT Inst Scheme for the SEPA leg of the transaction.

5.1 Capitalising on the opportunities of an OCT Inst approach

An OLO approach leveraging the OCT Inst Scheme holds several opportunities:

- 🔵 **fit for purpose:** enabling PSPs to develop customer propositions with enhanced speed, transparency, more up-front traceability and cost certainty, OCT Inst is seen as an effective way for SEPA players to contribute to meeting the key target objectives of the G20 Roadmap by end of 2027. This was confirmed by the EBA survey results in 2024, which registered the most clear and significant improvements for OCT Inst with regard to the four G20 targets (see figure 2).
- 🔵 **available 24/7/365:** OCT Inst provides payment connectivity for payment users worldwide looking to make cross-border payments involving one euro leg.
- 🔵 **user friendly:** OCT Inst provides PSPs with the opportunity to offer a very similar user experience to customers for incoming and outgoing transaction legs of cross-border payments, thanks to the re-use of familiar end-user tools and interfaces as well as SEPA standards and processes, where possible.
- 🔵 **easy to implement:** the implementation complexity from a PSP perspective is limited for OCT Inst, since PSPs can leverage the existing cross-border payment models, real-time payment infrastructure and cross-border tools.
- 🔵 **compliant use of SEPA rails:** OCT Inst facilitates the compliant use of real-time payment rails built for SEPA, creating a level playing field between all PSPs.
- 🔵 **open for interoperability:** it is possible to boost end-to-end speed, security, predictability and traceability by linking OCT Inst with other initiatives, e.g. Swift CBPR+ on the first leg.
- 🔵 **pan-European scope:** in terms of reach and roll-out, the outlook is much more promising for an OCT Inst-based approach than for niche/ closed-loop propositions due to this approach being based on a pan-European scheme.



"The Eurozone is now at the forefront of cross-border payment processing thanks to the implementation of OCT Inst in two consolidated payment infrastructures (RT1 & Iberpay). This provides traceability, eliminates cut-off times and offers a unique customer experience."

Raouf Soussi Laghmich,
Head of International Solutions
BBVA

5.2 Identifying the challenges of an OCT Inst approach

However, there are also several potential challenges to consider. Some of these are not specific to OCT Inst or an underlying OLO approach, but rather to the fact that implementation would introduce an additional way of handling cross-border payments based on real-time payments:

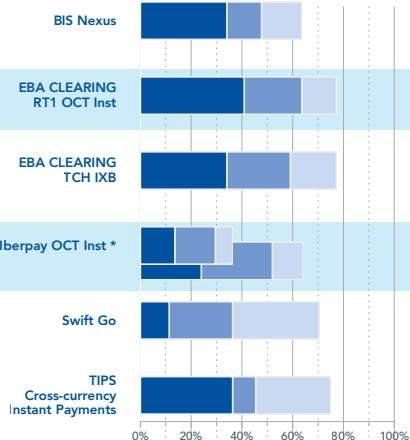
reach challenges: due to the voluntary nature of this industry-led initiative, reach for OCT Inst in Europe depends on industry-driven action to prevent the risk that it would be slow to materialise and/or very patchy. Insufficient reach would make it difficult to build commercially viable and attractive customer propositions.

investment and resource challenges: as with every other new voluntary scheme or approach in the cross-border space, deployment of OCT Inst has to compete with other market-driven or mandatory developments for budget and resources.

Figure 2: **Most clear & significant improvements expected from OCT Inst solutions**

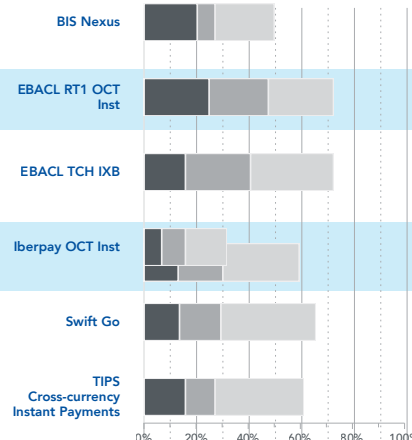
SPEED

■ Significant ■ Clear ■ Moderate



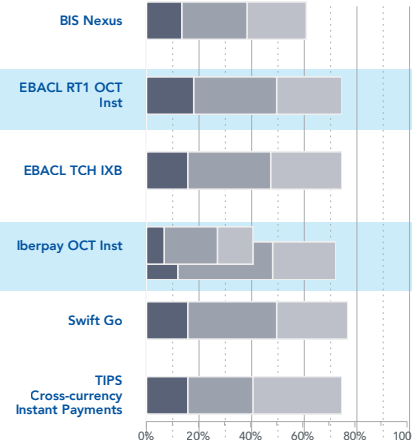
COST

■ Significant ■ Clear ■ Moderate



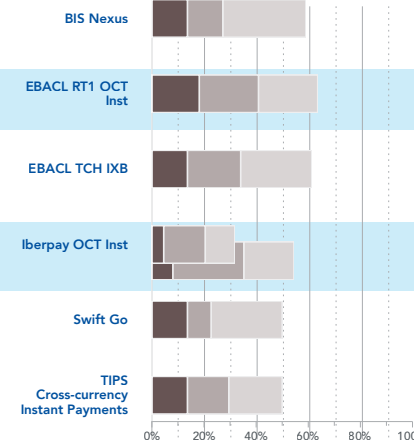
TRANSPARENCY

■ Significant ■ Clear ■ Moderate



ACCESS

■ Significant ■ Clear ■ Moderate



Base: Total sample (n=44)
Question: Q1. How do you rate the improvement that could be brought by each of the following solutions to the four key challenges for end users, as identified by the G20 for cross-border payments?

* More than 40% of the respondents consider Iberpay OCT Inst as not being relevant for their institution. For the bar in the background, these respondents have been excluded from the base sample. For the other solutions, 'not relevant' answers generally range between 7% and 14%.

Source of graph: [Improving cross-border payments: Findings of the EBA survey on cross-border payments initiatives](#), October 2024, p. 11

Answers displayed: "Significant", "Clear", "Moderate"
Answer options: "Significant", "Clear", "Moderate", "Limited", "None", "Initiative not relevant for my institution"

Other challenges, however, are specific to the OLO approach and/or the OCT Inst Scheme in particular:

- **end-to-end challenges:** by default, an OLO approach only covers one leg of a payment transaction. For a viable end-to-end proposition, including a consistent user experience fulfilling customer expectations for enhanced cross-border payments, there is a need to ensure that the other leg of the payment is subject to similar levels of service. This would need to be tackled for all relevant corridors.
- **market practice challenges:** to avoid friction and to ensure cost transparency and certainty for end users, there is a need for additional market practices that go beyond those in place for existing cross-border arrangements or defined as part of the OCT Inst Scheme Rulebook – such practices would be needed, in particular, to deliver the full benefits of the SCT Inst Scheme to cross-border payment users, as well as clarity on roles, responsibilities and liabilities.



6. Seizing the opportunities ahead: key points to be tackled for a successful OCT Inst roll-out

To be able to seize the opportunities offered by cross-border payments based on OCT Inst (see previous section), PSPs in Europe need to get active and tackle the key challenges standing in the way by:

- joining forces to put in place the necessary elements to build reach
- getting ready to technically implement OCT Inst
- preparing to meet the related compliance requirements.

This section outlines key prerequisites and practical recommendations to support the European payments ecosystem and individual PSPs in embracing the journey to OCT Inst and paving the way for valuable offerings for their customers. It also explores potential learnings from Spanish PSPs, which represent the first local community in Europe that has already adopted the OCT Inst Scheme.

6.1 Joining forces to put in place the necessary elements to build reach

While mandatory adoption may be the most reliable way to achieve pan-European reach for a payment scheme and to minimise fragmentation, a voluntary approach led by a frontrunner group could offer a pragmatic starting point towards building critical mass for OCT Inst.

"The OCT Inst Scheme is a tremendous opportunity to provide one SEPA-based solution to all non-SEPA-based banks to improve international payments into the SEPA area.

Time to discuss an agreed adherence date by PSPs within SEPA. Broad adoption of the OCT Inst Scheme in SEPA will contribute to achieving the G20 objectives regarding the improvement of international payments."

Jan Paul van Pul
Senior Payment Advisor
ING



A frontrunner group approach for OCT Inst would need to deliver the following elements:



BUILDING REACH FOR OCT INST: KEY SUCCESS FACTORS

To be delivered by a pan-European frontrunner group

- ❶ a publicly announced plan for the building of critical mass at a pan-European level with, most importantly,
 - ❶ an agreed timeline for the delivery of first OCT Inst propositions and reachability
 - ❶ a list of early movers committing to this timeline
 - ❶ a list of other non-euro jurisdictions offering similar service levels to OCT Inst users
- ❷ assurance that the practical enhancements that OCT Inst propositions bring to cross-border payments are significant enough for PSPs to make the necessary investments
 - ❶ This includes, in particular, the necessary assurance that these propositions meet customers' requirements for up-front cost certainty.

The latter could be achieved via a change request to the EPC to limit the charging options defined in the OCT Inst Rulebook for the SEPA leg to SHARE. To ensure that this charging practice is embedded from the start in any initial OCT Inst offerings across Europe, the definition and adoption of a voluntary code of practice by the frontrunner group could be considered as an interim step.



"The final step in the delivery process is the most expensive and time-consuming part of any supply chain.

This so-called 'last mile issue' makes no exception for our payments industry, as most of a cross-border transaction processing time is spent on the beneficiary leg.

However, thanks to the OCT Inst scheme, our European payments industry now benefits from a powerful tool to provide its users with a 24/7-available and accelerated cross-border payment service."

Frantz Teissèdre

Head of Public Affairs
Cash Clearing Services
Societe Generale
Group



“The new One-Leg Out Instant Credit Transfer scheme contributes to reaching the G20 and FSB objectives and to allow interoperability between cross-border payments, as well as between market infrastructures, helping ensure cross border payments are fast, frictionless, and trackable across the globe. We believe OCT Inst will enhance and evolve cross border payments for our customers, providing them with an innovative service that is tailored to their needs. We have been committed to the initiative since the beginning because we believe it will be a game changer for international instant payments.”

Juan Antonio Gómez Solís

Customer Success Officer
– EUR Payments
PagoNxt
(Santander Group)

6.2 Getting ready to technically implement OCT Inst

To implement the OCT Inst Scheme, PSPs need to adhere to a comprehensive set of operational and technical requirements detailed by the EPC OCT Inst Rulebook; these can be summarised as follows:

- Use of the 2019 version of ISO 20022: encourages the end-to-end processing of OCT Inst transactions via this standard. The euro leg must **always** be in ISO 20022.
- **Transport of more data in line with CBPR+ and Cross-Border Instant Payments Plus (IP+) guidelines, such as:**
 - the initial amount in the other currency and currency conversion details
 - other identifiers to BIC and IBAN in the non-euro leg (note: BIC and IBAN are mandatory in the euro leg)
 - more details (e.g. names and address) about the payer, payee and their respective reference parties, the payee's PSP/FI, the payer's PSP/FI, the euro leg exit/entry PSP, the intermediary PSPs/FIs
 - currency and type of accounts of the payer and of the payee
- the proxy/alias, where available, of the accounts of the payer and of the payee
- the currency requested by the payer for the funds in the non-euro leg
- Unique End-to-End Transaction Reference (UETR)
- charge option, the charges applied and the actor(s) applying them – as indicated under section 6.1, while the OCT Inst Rulebook allows the use of other charge codes, the EGXP recommends that PSPs apply the full-amount principle to the SEPA leg of the OCT Inst transaction and limit charge code usage to SHARE.
- Character set: follows the CBPR+ character set, which supports more special characters (i.e. ! # \$ % & * = ^ _ ` { | } ~ " ; < > @ [\]) than the SEPA character set

6.3 Preparing to meet the related compliance requirements

PSPs should support alignment in sanction-screening processes as part of their implementation efforts. IT implementation impact should be limited, because screening should already be done today in SCT Inst for non-EU SEPA flows (e.g. with counterparties in Switzerland or the UK). Additional screening filters need to be activated for the international OCT Inst flows in accordance with the requirements applicable to the non-SEPA leg.

6.4 Lessons learnt from the Spanish showcase

6.4.5 Joining forces to build reach in international payments

In May 2024, Iberpay and Banco Santander processed the first instant international transfer under the OCT Inst scheme, with the transaction initiated and completed in different currency areas. Iberpay became the first European payment system certified to process such transfers under the OCT Inst Scheme. Simultaneously, Banco Santander became the first European bank to adopt the scheme. Following this milestone, in November 2024, all Spanish banks unanimously adopted the OCT Inst Scheme and Iberpay's service, marking full alignment within the national banking community on instant cross-border payments.

6.4.6 Getting ready to technically implement OCT Inst

To maximise synergies between SCT Inst and OCT Inst, Iberpay has integrated OCT Inst into its instant payment platform as an additional feature, requiring minimal investment.

The same procedures, controls and liquidity monitoring tools used for SCT Inst – in place since 2017 – can be applied to OCT Inst transactions without the need for new infrastructure. A further advantage is the automatic integration of the system with the Swift GPI Tracker, ensuring full traceability of international payments.

One Spanish bank has reported that the implementation of OCT Inst only required 10% of the efforts the bank had deployed for the implementation of the Instant Payments Regulation. Practitioners from the bank also recommended that PSPs try to leverage for OCT Inst the knowledge build-up and project structure for the implementation of the IPR screening obligations; they should also ensure that they involve the necessary stakeholders from both the domestic and the international payment areas from the start.

6.4.7 Preparing to meet the related compliance requirements

A key market practice to consider for the pan-European space is the agreement between the Spanish PSPs to reject in real time any transactions experiencing a screening hit at the beneficiary PSP level and to follow up by re-sending the transaction through T2 or EURO1 at intermediary PSP level. The use of T2 or EURO1 as fallback channels for OCT Inst provide PSPs with additional time to complete the necessary compliance checks.



"Both individuals and businesses are strongly demanding improved payment services, not only locally but also in cross-border transactions. They need these services to be not only faster but also frictionless, more traceable, and secure. Now that local instant payment systems are widely spread and adopted worldwide it is time to take a step further and extend these capabilities across borders as well. The new One-Leg Out (OCT) Instant Scheme is the clearest path forward, limiting the necessary investment by reusing long-proven infrastructures that enable achieving these objectives."

Cristina Conde Yubero

Director of Banking Services Development
Caixabank

7. Conclusion and outlook

As detailed in this white paper, an OLO approach based on OCT Inst is considered by many PSPs with operations in Europe as the best available option to deliver improvements for cross-border payments, as requested by end users and in line with the G20 Roadmap.



"Take action with the OCT Inst Scheme to transform international payments. Broad adoption will determine its success, enhancing efficiency and contributing to the G20 objectives for improved cross-border transactions. Empower your ecosystem to offer 24/7 accelerated payment services. The time to act is now; be part of the transformation."

Ali Haydar Baki

Domain Expert Market Infrastructures
ABN AMRO Bank

Get ready for OCT Inst!



RECOMMENDED ACTIONS

To ensure that the 2027 target date defined by the G20 Roadmap can be met, PSPs across Europe need to get active now.

They should start their individual planning for the implementation of OCT Inst to make sure this can be taken forward and completed in the next couple of years.

In addition, they need to engage in collective action: the creation of a frontrunner group with other PSPs and the publication of a plan for the building of critical mass at a pan-European level (see details in section 6) should be key priorities for the remainder of 2025 and early 2026.

Furthermore, it will be important for this frontrunner group to push for pan-European market practices that help ensure that OCT Inst delivers a better cross-border payment experience than existing solutions. To this effect, market players should:

- maintain the full amount of the transfer, i.e. not deduct any fees from the principal amount on the SEPA leg (use of charge code 'SHARE')
- ensure continuity and speed by avoiding undue delays between the payment legs.

It goes without saying that the successful roll-out of OCT Inst-based cross-border payment offerings will require action in many other areas. One point to be mentioned is that the cross-border payment space would significantly benefit from continued efforts by regulatory authorities to further harmonise the underlying compliance and regulatory frameworks.

But there is also additional action required at the level of both PSPs and infrastructure providers. While the former will need to focus on meeting end-user expectations by enriching their OCT Inst transactions with value-added services (e.g. to enable a smooth integration of collections), the latter will need to facilitate the onboarding of PSPs and cater, among other things, to resilience-related aspects. The integration of infrastructure solutions that could substantially boost the end-to-end experience (e.g. Swift GPI) should also be taken into consideration.

In closing, the EGXP members would like to stress that the future of cross-border payments with a EUR footprint is in the hands of PSPs across SEPA. With OCT Inst, there is an opportunity for PSPs to deliver on the objectives of the G20 for the benefit of European consumers, SMEs corporates and PSP customers.



Imprint

Euro Banking Association
40 rue de Courcelles
F-75008 Paris

CONTACT

 association@abe-eba.eu

www.abe-eba.eu

GRAPHIC DESIGN

Bosse und Meinhard, Bonn

Photos

Title: floriana/istock

pp. 2, 12, 18: Johannes Haas

p. 5: Recker, Deutsche Bank

p. 6: Tineke De Vos

pp. 8, 15, 19: private

p. 16: Christophe Audebert

© Euro Banking Association (EBA) 2025