

The OCT Inst scheme – possibilities and boundaries



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Instant payments are pivotal in the evolution of the payment landscape...

Retail payments strategy (European Commission and Eurosystem)

Leverage on instant payments to modernize and strengthen the EU payment market

Regulation (EU) 886/2024

Accelerate the take-off of instant credit transfers in euro and set requirements for instant payments in the EU

G20 Roadmap for enhancing cross-border payments

*Foster the evolution of international payments
Defined targets to enhance cross-border payments: speed, access, transparency, cost*

One-leg out Instant Credit Transfer (OCT Inst)

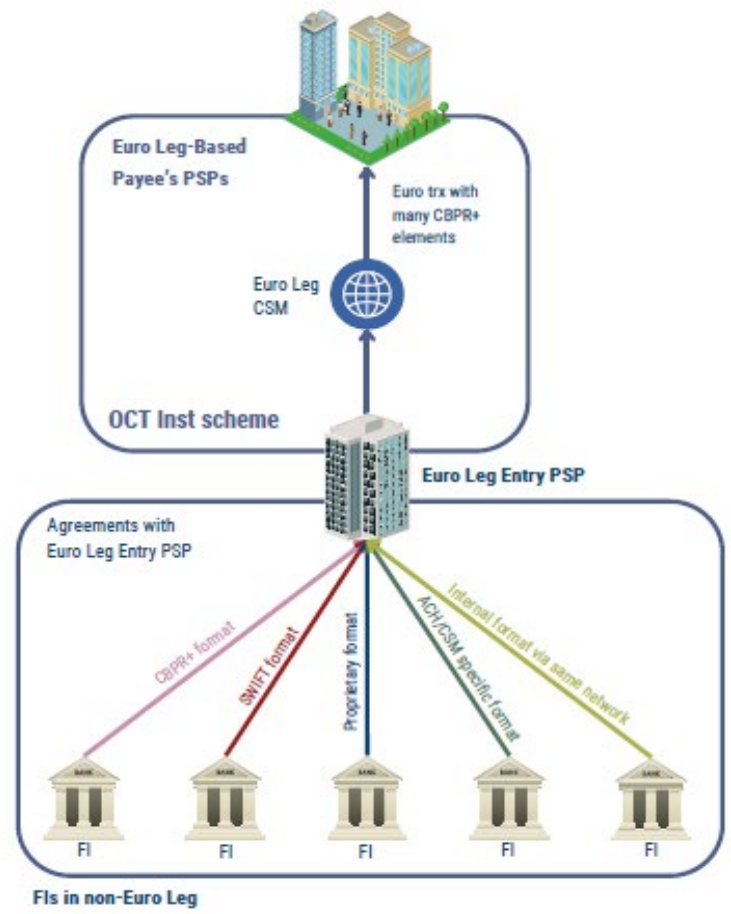
Scheme defined by the EPC, live as of November 2023 (6 PSPs participating)

OCT Inst: it allows processing incoming and outgoing international instant credit transfers

Euro-leg

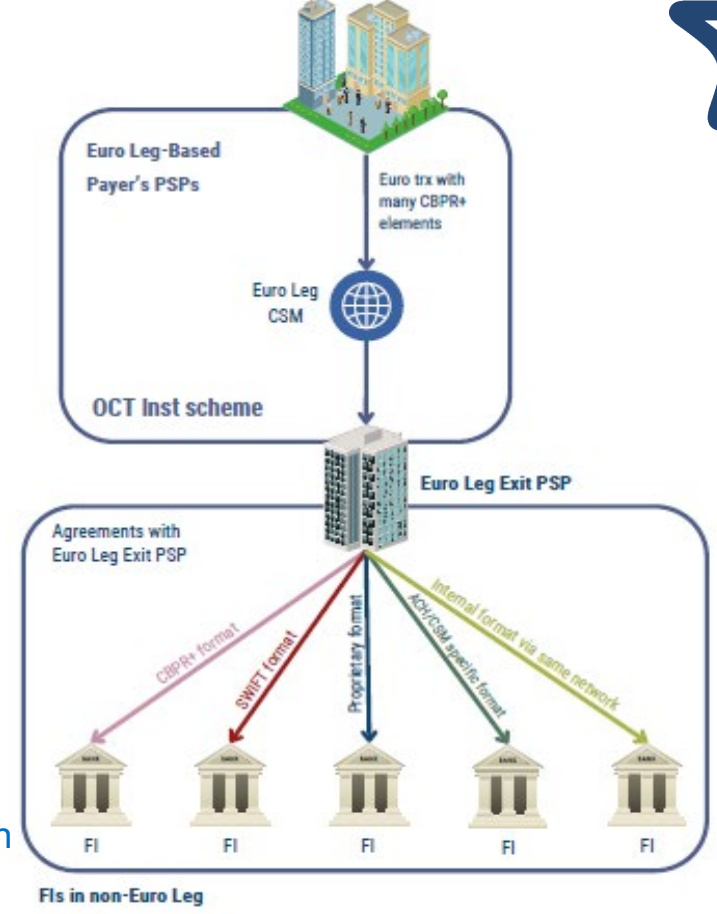
Non-Euro leg

INCOMING FLOWS



FIs in non-Euro Leg

OUTGOING FLOWS



FIs in non-Euro Leg








Scheme (multilateral contract)







Corresponding Bank-like approach



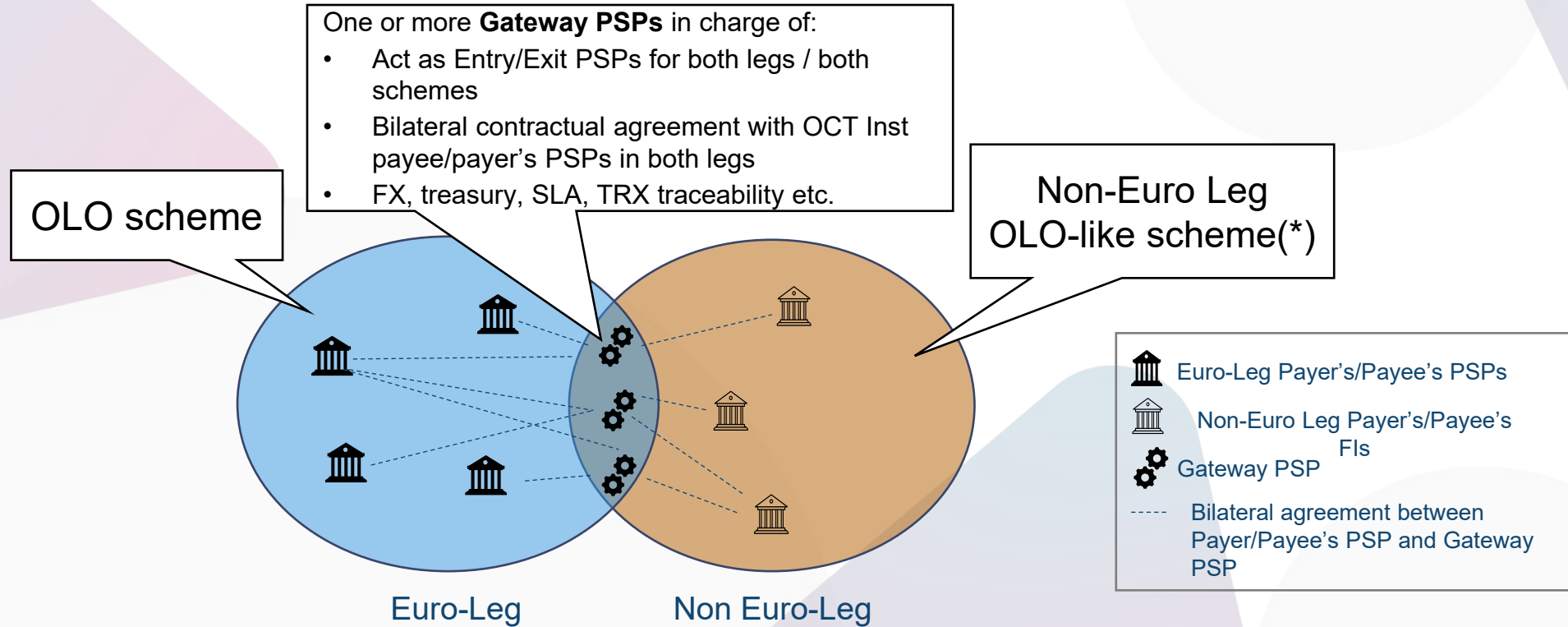
OCT Inst: How it works and its benefits



ONE-LEG OUT INSTANT CREDIT TRANSFER (OCT INST)		
BENEFITS FOR PSPs		
 <p>Allows PSPs to offer account-to-account based payment solutions supporting both incoming and outgoing international instant credit transfers</p>	 <p>Easy implementation and little investment needed for PSPs already adhered to SEPA Instant Credit Transfer (SCT Inst)</p>	
<p>Helps PSPs to answer to the G20 roadmap for enhancing cross-border payments</p> 	 <p>Benefit from the international roll-out of the ISO 20022 standard by various payment schemes and systems outside SEPA</p>	
BENEFITS FOR CUSTOMERS		
 <p>More transparency on costs and all parties involved in the payment chain</p>	 <p>Faster execution of cross-border transactions</p>	 <p>Better payment status traceability (e.g. via UETR*/inquiry use cases)</p>

HOW IT WORKS	
 <p>Instant payment scheme separate from SEPA payment schemes Euro Leg PSPs do not necessarily have to be SCT Inst scheme participants</p>	 <p>Follows business rules and procedures close to SCT Inst</p>
 <p>Sets only rules for financial institutions in the Euro Leg of the international credit transfer chain Does not set rules on how to process the non-Euro Leg of an international credit transfer</p>	
 <p>Financial institutions in the non-Euro Leg can continue using their existing business rules and procedures to process the non-Euro Leg of the credit transfer</p>	
<p>Supports processes and attributes in SWIFT's CBPR+ and IP+ guidelines e.g., :</p> <ul style="list-style-type: none"> • An account identifier other than an IBAN • Currency conversion details • The initial amount in a currency other than euro • More charging options • Unique End-to-End Transaction Reference (UETR)* • Inclusion of all international compliance-related data (e.g., about all parties involved in the chain) 	<p>↓</p> <p>Non-Euro Leg may or may not be processed instantly</p> <p>⚡</p> <p>↓</p> <p>Opportunity for Euro Leg Entry and Exit PSPs to work out offers for their non-Euro Leg client-FIs</p> 
 <p>Based on the 2019 version of the ISO 20022 XML messaging standard</p>	
<p>For information on the adherence process, implementation guidelines and more, have a look at our website or contact us at secretariat@epc-cep.eu</p>	

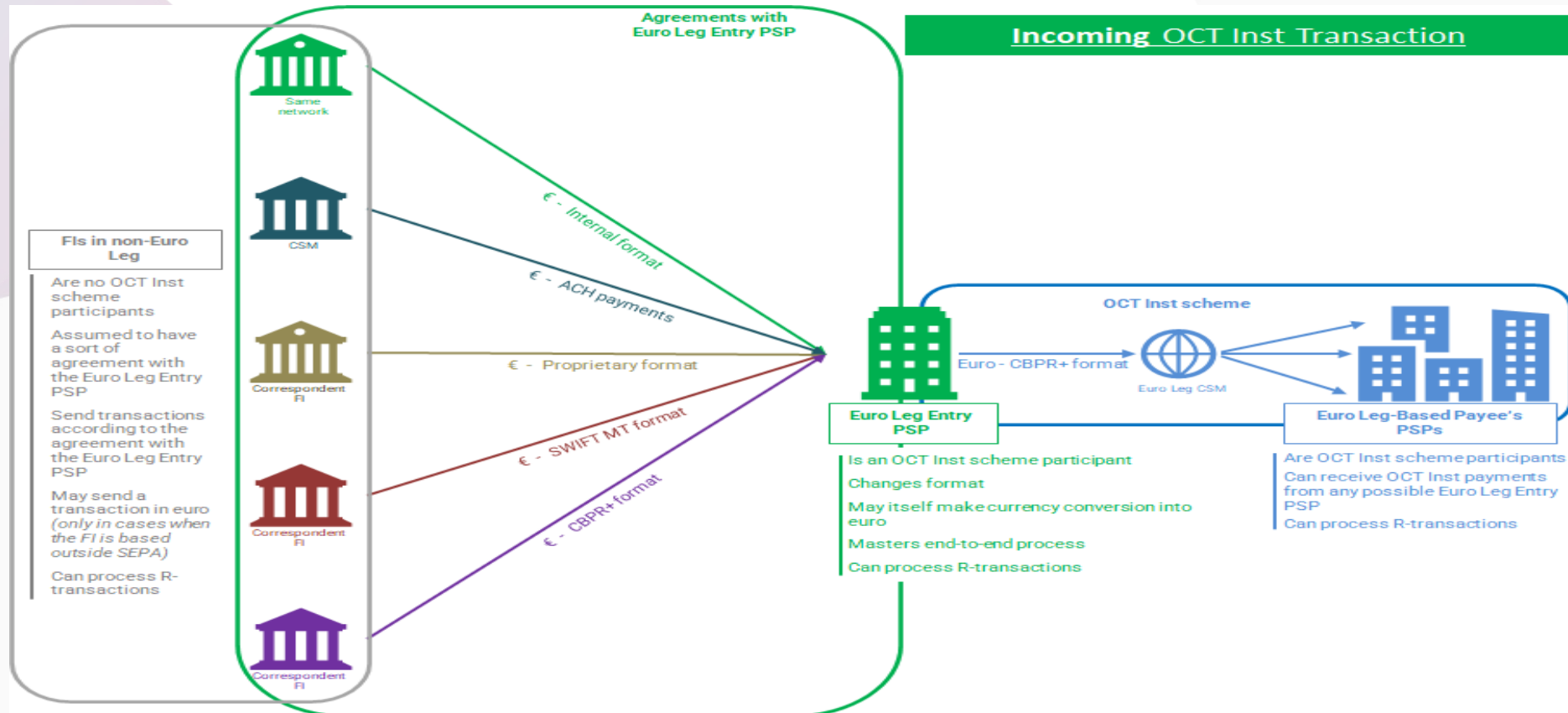
OCT Inst: How to deal with reciprocity (twin scheme)



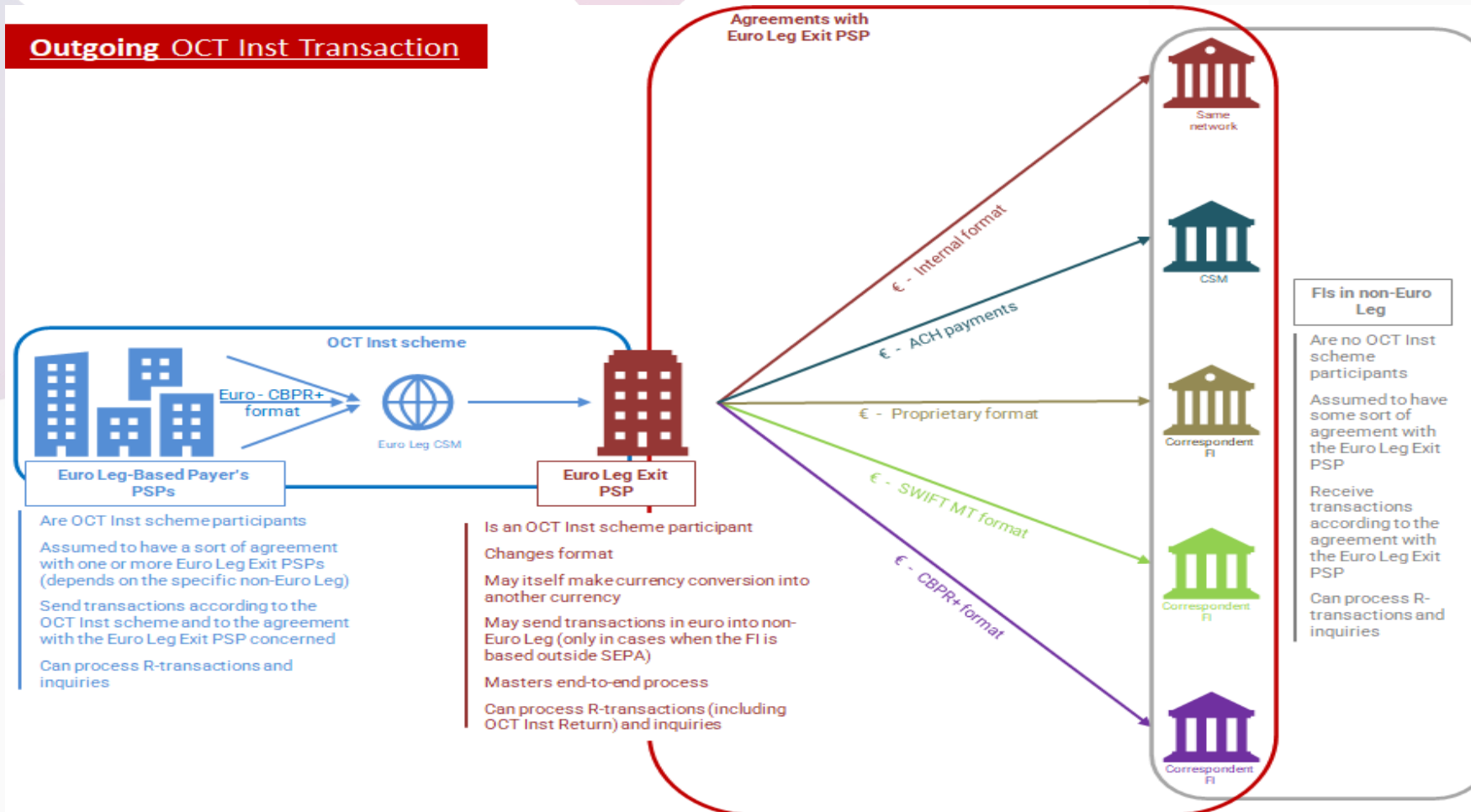
(*) e.g. based on EPC OLO scheme (OCT Inst) rulebook licensed to a national or regional payments association different from the EPC

BACKUP

OCT Inst: it allows processing incoming international instant credit transfers...



...and outgoing international instant credit transfers



Thank you to speakers

- Daniele Astarita, Principal Solution Consultant, Real Time Payments, ACI Worldwide
- Damien Godderis, Head of Payments Industry Engagement - Payments & Receivables - Cash Management, BNP Paribas
- Xavier Herrero, Manager Operations Groups, CaixaBank
- Michael Knetsch, Tribe Lead Instant Payments, Cash Management, Deutsche Bank

Moderator: Rita Camporeale, Vice Chair, European Payments Council