



Instant Payments Acceleration Solution

Helping financial institutions and service providers
offer instant payment options to their customers



Solutions

Safety. Science. Transformation.™

Adoption of instant payment systems

Driven by consumer demand for an enhanced payment experience and the financial industry's shift toward a global standard for financial operations systems, the adoption of instant payment systems is accelerating. Instant payment systems, also called real-time payment (RTP) systems, facilitate the immediate transfer of funds, immediate confirmation of the transaction and constant availability.

The definition of instant payment varies depending on the context and country in which it is used. For example, the European Central Bank (ECB) defines instant payment as a payment method that results in immediate debiting of the debtor's account, immediate crediting of the creditor's account, immediate confirmation of the transaction, and constant availability — 24 hours a day, 365 days of the year. While other payment innovations may offer some of these features individually, instant payments are unique in offering them all.

By offering immediate transfer of funds, instant payment systems help facilitate large-value, urgent and multicurrency payments, improving global reachability and the experience of both merchants and consumers. Instant transactions empower customers to capitalize on market conditions without relying on credit, make large purchases more quickly, and optimize money management and cash flow while reducing brokerage firms' and financial institutions' credit risk. Instant payment removes the potential for returned payments, saving both payer and payee costs and inconvenience. Instant payments also eliminate settlement-related credit risk because settlement occurs before the payment is posted to the payee's account.

Advantages of instant payment systems

There are several types of transactions that can benefit from instant payments, funds transfers and funds availability. These include:

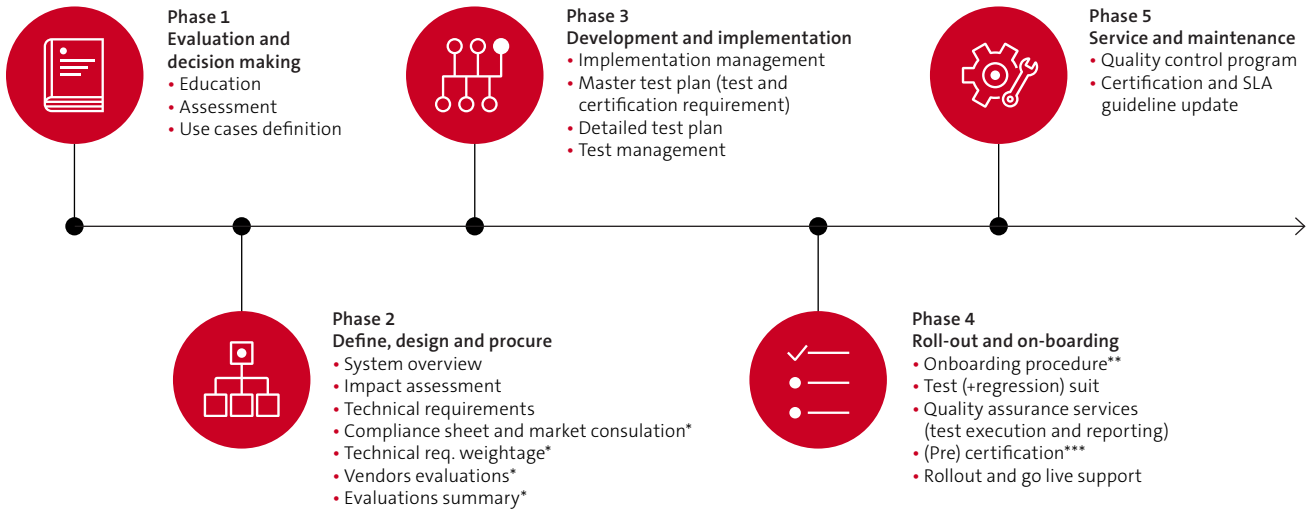
- **Person-to-person (P2P) payments** — such as reimbursing a roommate for shared rent or paying the neighbor to watch your dog
- **Person-to-business (P2B) payments** — such as paying a coffee shop for a cup of coffee
- **Person-to-government (P2G)** — such as paying government taxes or paying for a driver's license
- **Government-to-person (G2P)** — such as tax refunds, social service benefits or stimulus payments
- **Business-to-person (B2P) payments** — such as a business refunding money to an individual for a returned purchase or paying employees their wages
- **Business-to-business (B2B) payments** — such as payment to vendors for their services
- **Business-to-government (B2G) payments** — such as country, state or city tax payments
- **Account-to-account (A2A) transactions** — a transfer of funds from an individual's account to another account, typically owned by the same individual



UL Solutions instant payments services

Implementing instant payments comes with the opportunity to create new service offerings or update existing services for your customers. However, this may involve requirement and payment architecture updates that can trigger integration and certification projects.

UL Solutions industry experts offer services to help financial institutions and payment service providers integrate instant payments into their processes and systems and promote customer adoption. Our industry experts not only provide best practices, insights into trends, and security guidance regarding authentication and onboarding, but they can also help customers design their own processes, procedures and APIs. We assist our customers with building trusted security, compliance and interoperability into their operational infrastructures globally and locally.



* Vendor selection specific deliverables and activities (for the solution vendor as well test tool vendor selection)

**Incase of (external) multi-stakeholder project

***Scheme/customer specific certification requirements

Instant payments masterclass

About:

- One to two days of training on instant payments implementation (depending on customer's situation)
- Best practices from the global implementations

Topics:

- Journey from any messages to ISO 20022
- Journey from batch processing to instant
- Use cases: new payment type, new product(s), etc.
- 24/7 operational and fraud management aspects

Benefits: Understanding the instant payments rollout module and proof of concept for new forms of products.



Instant payments readiness program

About:

- Assessment and requirements of regulations into your existing infrastructure
- Support in design, build, test and certification for existing use cases in scope for migration
- Support in design, build, and test cases for the new market offering
- Production rollout and post-production maintenance

How: Training and workshops, documenting process and procedures and quality assurance program

Benefits: Understanding the instant payments rollout module and proof of concept for new forms of products.

Instant payments pre-compliance program

About: Technical advisory to accelerate pre-compliance testing and faster go-to-market

How:

- Clarifications regarding instant payments scheme specifications
- Analysis of interoperability with multiple schemes globally with ISO 20022
- From migration to pre-compliance support
- Analyzing the gap in the failing test cases and helping to fix them

Benefits: Better understanding of the specifications, smoother and faster pre-compliance process and tailored support during setup and pre-compliance.



Host Testing Solution for Instant Payments

Host Testing Solution (HTS) for Instant Payments is designed to support automated backend testing for instant payment implementations.

- Sandbox environment for simulating messages from any part of instant payment systems
- Configurable project scope and test case customization through the Web UI to cover multiple functional scenarios (regression, partner onboarding and interface, etc.)
- Authorization rule engine to generate message responses in the user interface
- Automatic message interpretation and validation based on ISO 20022 and API specifications, reducing the effort to create test conditions
- Support for multiple instant payment messages over multiple protocols (instant payment scheme specifications)
- Reporting to simplify testing analysis and remediation
- Support for multiple connections to the systems under test
- Collaboration platform (multi-team testing) for automated testing

Benefits:

- Automates and scales up the testing process for real-time payment implementations and migrations
- Remove dependencies to external systems and allow independent testing
- Simulation and validation against different instant payment system specifications
- Centralized management of the overall instant payment testing process

To learn more, visit [UL.com/instant-payments](https://www.ul.com/instant-payments).



[UL.com/Solutions](https://www.ul.com/solutions)

© 2023 UL LLC. All rights reserved.

IMS23CS1289259
071.01.1023.EN.CYB