



CONGRATULATIONS



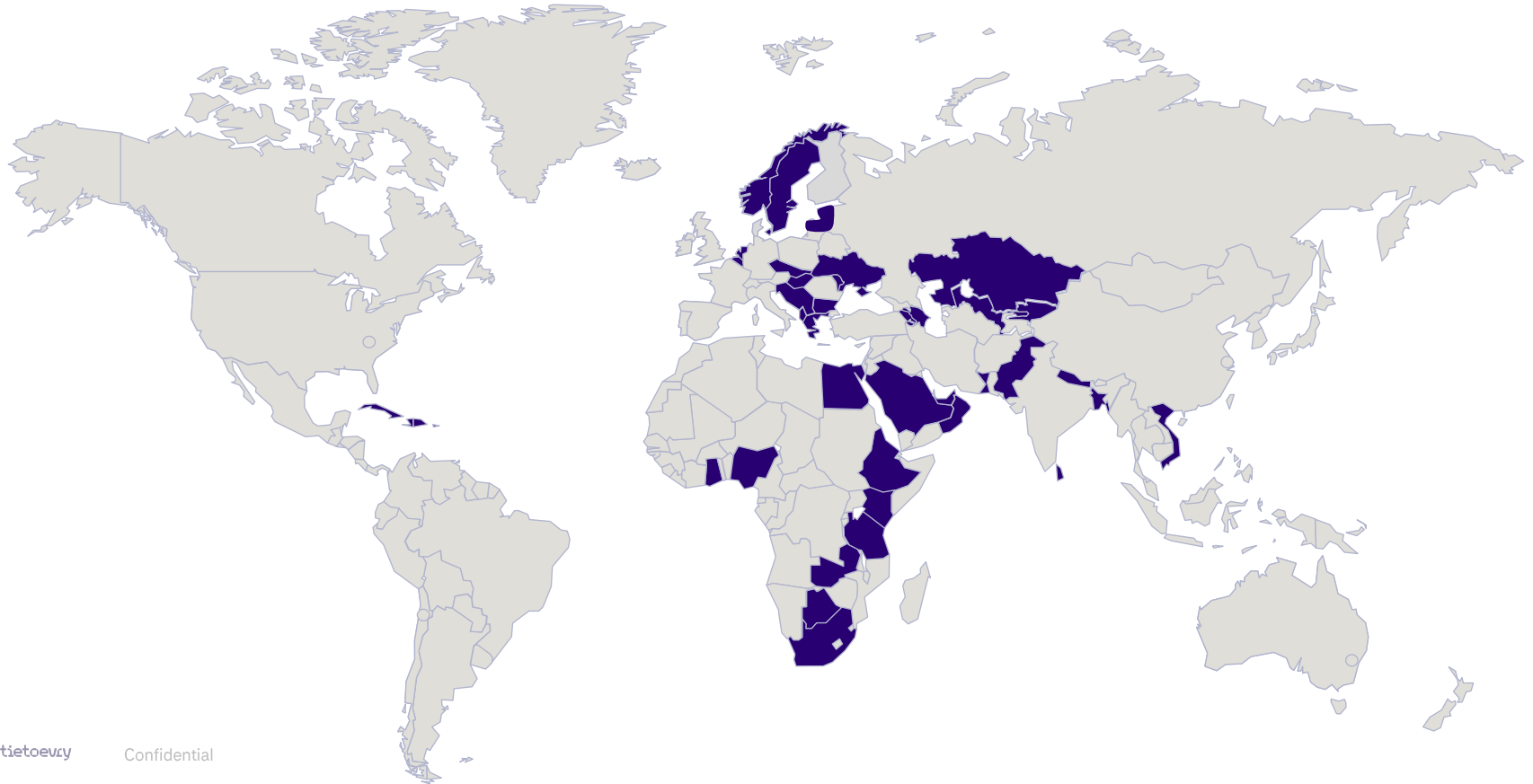
# Instant Payments

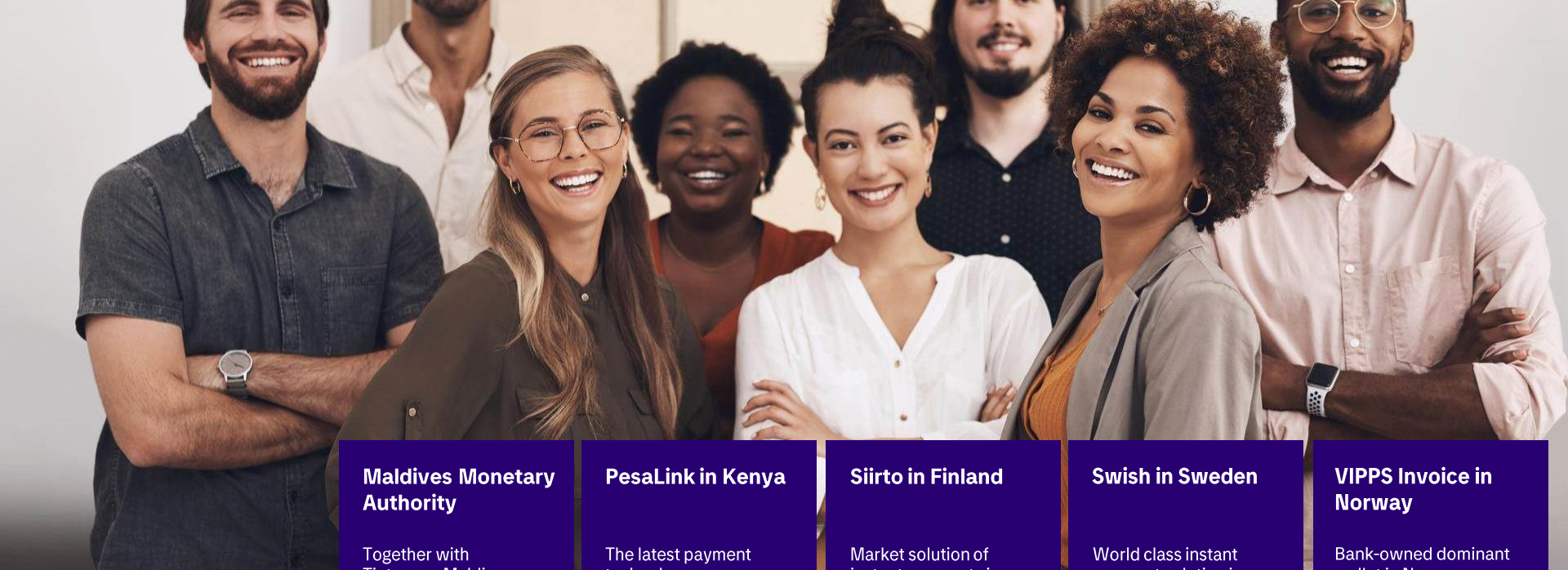
## Optimizing Adoption and Maximizing Benefits

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# Locations for Tietoevry card & retail payments platform





## Instant payments Customer success stories

### Maldives Monetary Authority

Together with Tietoenvy, Maldives Monetary Authority brings Instant Payments Solutions to the unbanked population.

### PesaLink in Kenya

The latest payment technology powers new system, advancing global transformation agenda for payment infrastructure modernization and real-time payments based on ISO 20022.

### Siirto in Finland

Market solution of instant payments in Finland. Started from P2P, now offered for e- and m-commerce. Tietoenvy provides the central solution and facilitates the ecosystem in Finland.

### Swish in Sweden

World class instant payment solution in Sweden that paves the way to the first cashless society. Used for P2P, e- and m-commerce as well as physical POS. Tietoenvy provides the central solution.

### VIPPS Invoice in Norway

Bank-owned dominant wallet in Norway, launched in 2015. Launched several services in e-comm and in-store environment, moved into e-invoicing, also includes e-identity. Tietoenvy is the key partner.

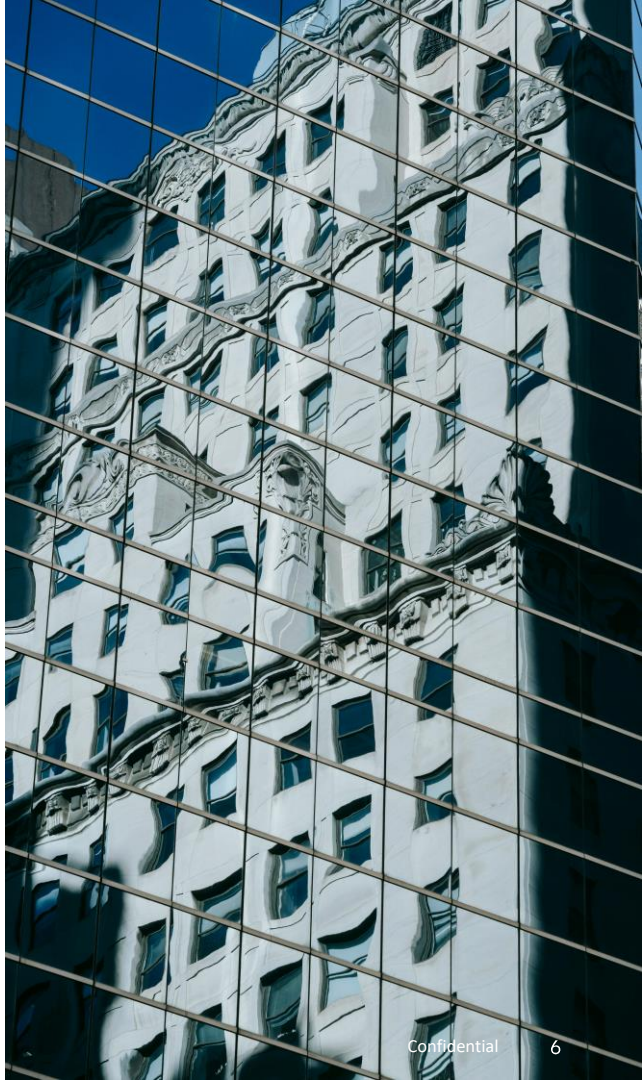


# My as a central banker journey

2011	Started at the Central Bank of Latvia Head of Payment Systems Policy Author and coordinator of the National SEPA plan
2014	Latvia joined SEPA. Introduced EURO
2015	Latvian Presidency of EU Council General agreement on PSD2
2017	Launch of Instant Payments 3 months ahead of SEPA Manager of National Instant Payments project
2019	Launch of Proxy/Addressable alias service
2021	Launch of Request to Pay engine

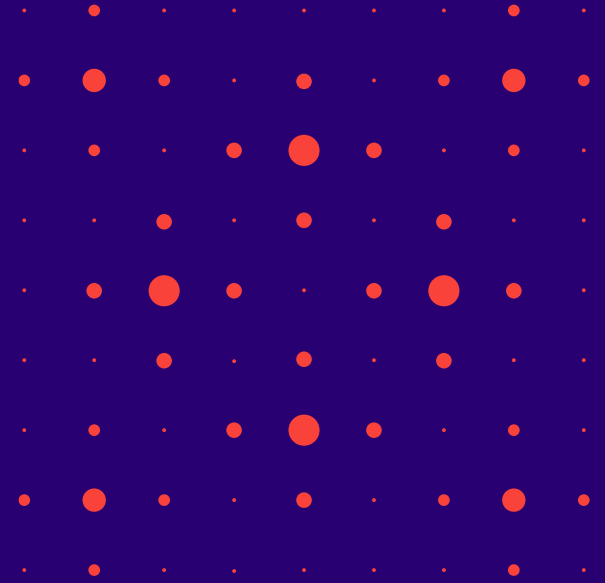
# Key Considerations

- **24/7** will become one of biggest challenges of the market in the context of Instant payments. Need for a dialogue and a common strategy. Similar with Financial Crime Prevention.
- **Volume of Payments** through the local central bank may decrease. **Risks of euro runs** in case of economic instability increases.
- **Financial Inclusion** remains a national responsibility. The gap between tech savvy users and cash lovers might grow
- **Lack of Support for Local Business and Government Initiatives** from Pan-European point of view. Having local capabilities will enable much more flexibility
- **Payment Service Availability Risks** due to geopolitical aspects will increase



Efficient instant payments are essential for a competitive national payments infrastructure.

Value-added services is the main enabler for the Instant Payments uptake



# My experience: Proxy or Alias service

- **Market elephant was hesitant** and tried to monopolize *Pay by phone number*
- Central Bank had long discussions to accept **Market intervention**
- **Awaited European approach**, i.e. EPC Proxy lookup service appeared not to be an option – **expensive and complex**

**More 900 000** phone number/IBAN links registered at the moment. Used by local Latvian banks and some from Estonia



# My experience: Proxy or Alias service

- Requires extra IT effort
- Not legally binding, requires substantial promotion/sales
- Huge pressure on efficiency. Market and scaling is limited

**If it is not possible to transfer the price on the customer how much the bank is ready to pay for the service?**

# My experience: Request to Pay

- There is a **only general scheme** with **suboptimal fit** into national specifics
- **Centralized Pan-European solutions expensive**
- Central Bank had long discussions to accept **Market intervention**

Central Bank invested and delivered solution. The uptake requires substantial effort in promotion and development of Business cases.

Similar lessons learned + Someone shall explain and promote Business cases (Mobile payments, QR payments)

# My experience: Mobile payments

Value-added services are not only complementary to the core infrastructure. They are important enabler of the use cases for Instant Payments

- Central Bank needs to build local mobile payments schema and enable relevant use cases for Mobile Instant payments, esp. in the customer-to-business domain
  - Scenario & Technology (QR, NFC, BLE) analysis
  - Market alignment
  - Market participant engagement and commitment
  - Centralized processing
  - Wallet Management

# My experience: e-Commerce



Uptake of Instant payments in e-commerce was straightforward once PSD2 API started to work. Open Banking was fundamental enabler of Pay by Account in e-commerce.



C2Gov and Gov2C came later and still lack full integration into a single interaction flow with the payment option

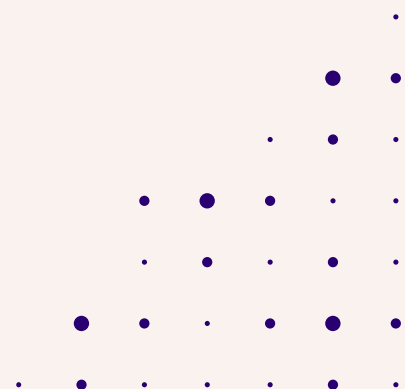


Lesson learned: Centralized and unified API interfaces based on Open Banking would allow to create frictionless digital economy

# Instant payments is not a destination, it's a journey

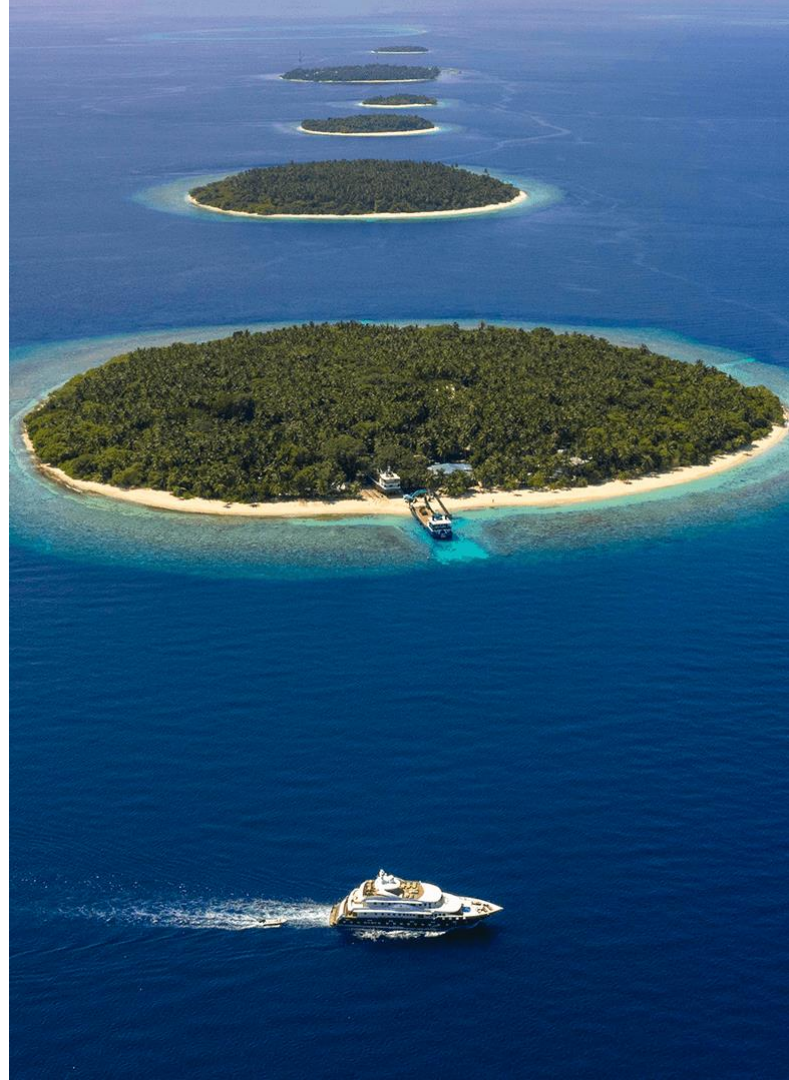


Next stop: Verification of Payee





Maldives probably have the most advanced Instant Payments ecosystem in the world



# Reimagine Partnerships

1. Drive Albania's economy through modern digital payments and innovative collaborations
2. 3<sup>rd</sup> party solutions can be very efficient due to economy of scale
3. Platform (plug-n-play) approach allows to efficiently address particular needs
4. Vendor paradigm has changed. It is a partner who makes you better. Your Innovation Coach.



Thank you

