

ACT Middle East: Unlocking Real Payment Innovation



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Payments are changing: key trends are transforming the industry

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Increasing
regulatory
drivers



2

Market
infrastructure
changes



3

FinTech &
digital
innovation



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Emerging
Technologies
& models



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Payment Services Directive 2 (PSD2) - Europe

Competition and Markets Authority - UK

General Data Protection Regulation (GDPR) - Europe

UAE Value Added Tax – Implication on financial services

Purpose of Payments UAE

UAE Digital Payments Framework

Wire Transfer II Regulations - UK

Arab Regional Payment System

Increasing regulations: what is open banking?



Open banking is how financial services can be delivered through third parties using open source technology (APIs, for example) that are integrated into traditional banking infrastructure.

Third parties will now have access to the same data that banks have traditionally had. This gives them the opportunity to develop more integration solutions based on client data sourced from multiple locations.



Opportunities

- Improved access and visibility of transactional data – information becoming more ‘real-time’
- Creation of value added services (such data analytics, cash flow forecasting, trend analysis, etc.)
- Wider choice of interface solutions, tailored to clients specific needs
- Greater opportunity for integrated solutions – moving into an API economy.



Considerations

- Access to data – ensuring the right levels of consent are given when sharing data
- Security of information – ensuring the use of strong customer authentication
- Transfer of liability between parties when sharing data and making payments
- Use of Registered/Regulated Third Party Providers – governed by local competent authorities.

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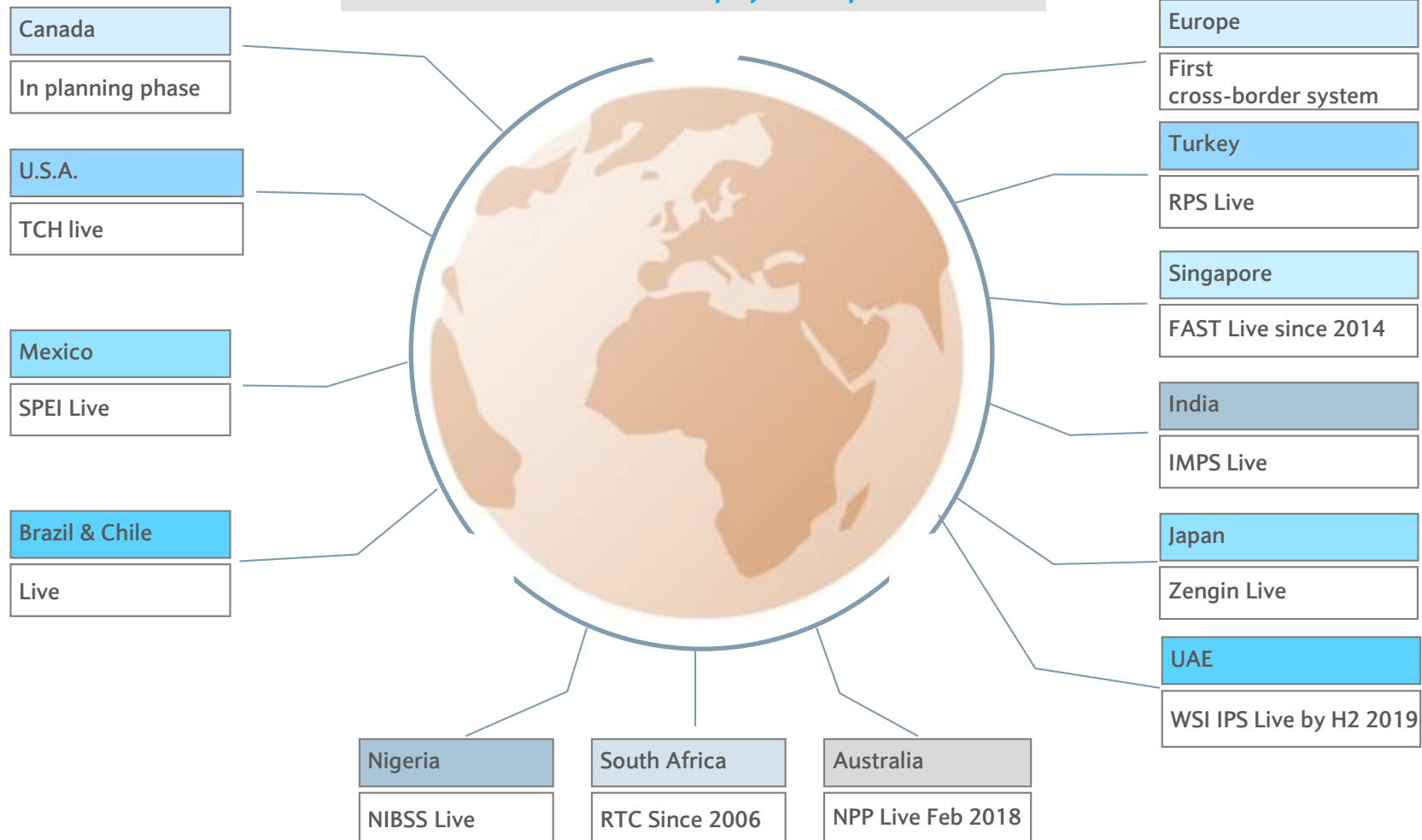
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Market infrastructure: global proliferation of instant payment schemes

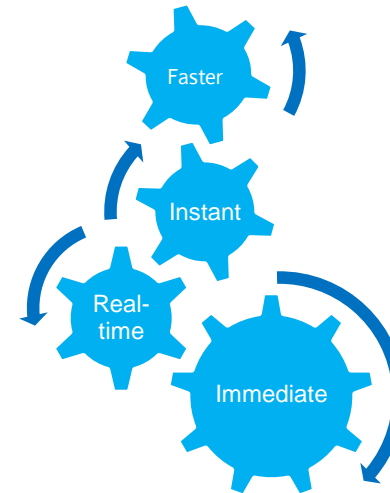
Global roll-out of instant payment products



Market infrastructure: € instant payments sample use case

What is immediate?

- 1 – 10 seconds, e.g. Denmark/Poland
- 30 seconds, e.g. India
- 15 seconds – 2 hours, e.g. UK
- 6 seconds to 4 minutes, e.g. UAE



09:00
Employee **can't**
see his pay on
his account



09:05
Employee calls his
employer

Employer promises to
pay NOW by SCT Inst



09:10
Employer pays by
SCT Inst



09:12
Employee **can**
see his pay on
his account



09:15
Employee
withdraws some
of his pay

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Market infrastructure: drivers for SWIFT gpi initiative



SWIFT gpi – transforming cross-border payments

The purpose of the global payments innovation (gpi) initiative is to improve the customer experience in cross-border payments by increasing the speed, transparency, and end-to-end tracking of cross-border payments.

Corporate expectations vs. cross-border bank services



Uncertainty after payment initiation

Predictability of the payment reaching the beneficiary account



Inconsistencies between amount sent and received

Fee transparency, including FX costs and deducts



Cumbersome handling of exceptions and investigation

Payment traceability and automation (STP)



Incomplete or missing remittance information

Simple reconciliation of invoices and payments



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Consumer payments trends

"mobile everywhere"

NFC/
Digital wallets/
wearables



Invisible
"In App"
payments



Proliferation
of data



New forms
of security



"Grab & Go"



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Top 10 innovation technology themes

IoT

AI

Blockchain

Biometrics

VR/AR

APIs

Cloud

Mobile

5G

3D printing

Big, successful companies have been optimised to win in an industrial economy

A confluence of technology trends have changed the corporate landscape

The rules have changed, and the things that made incumbents successful are often anchors

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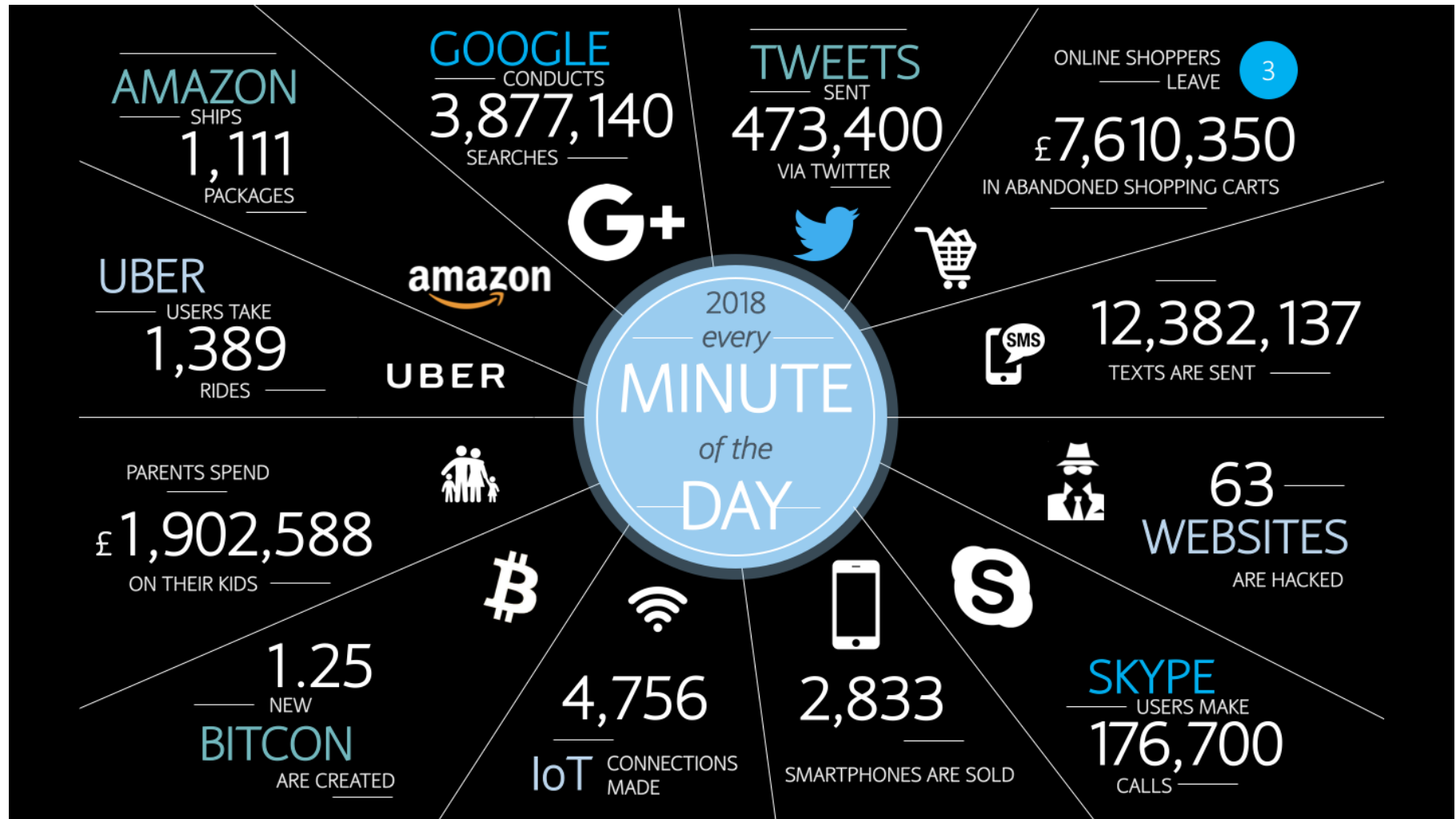
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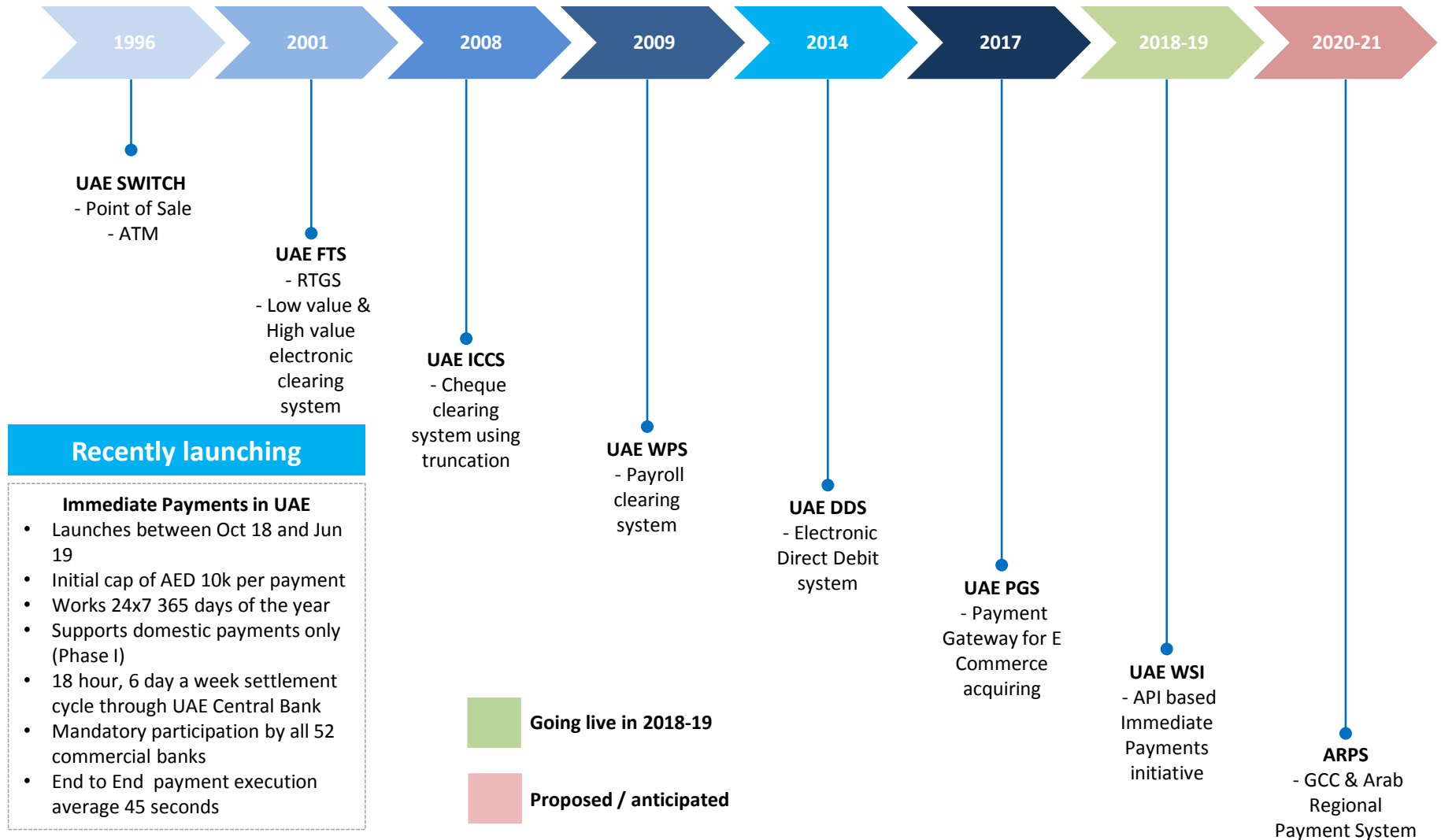
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Data Omnipresent

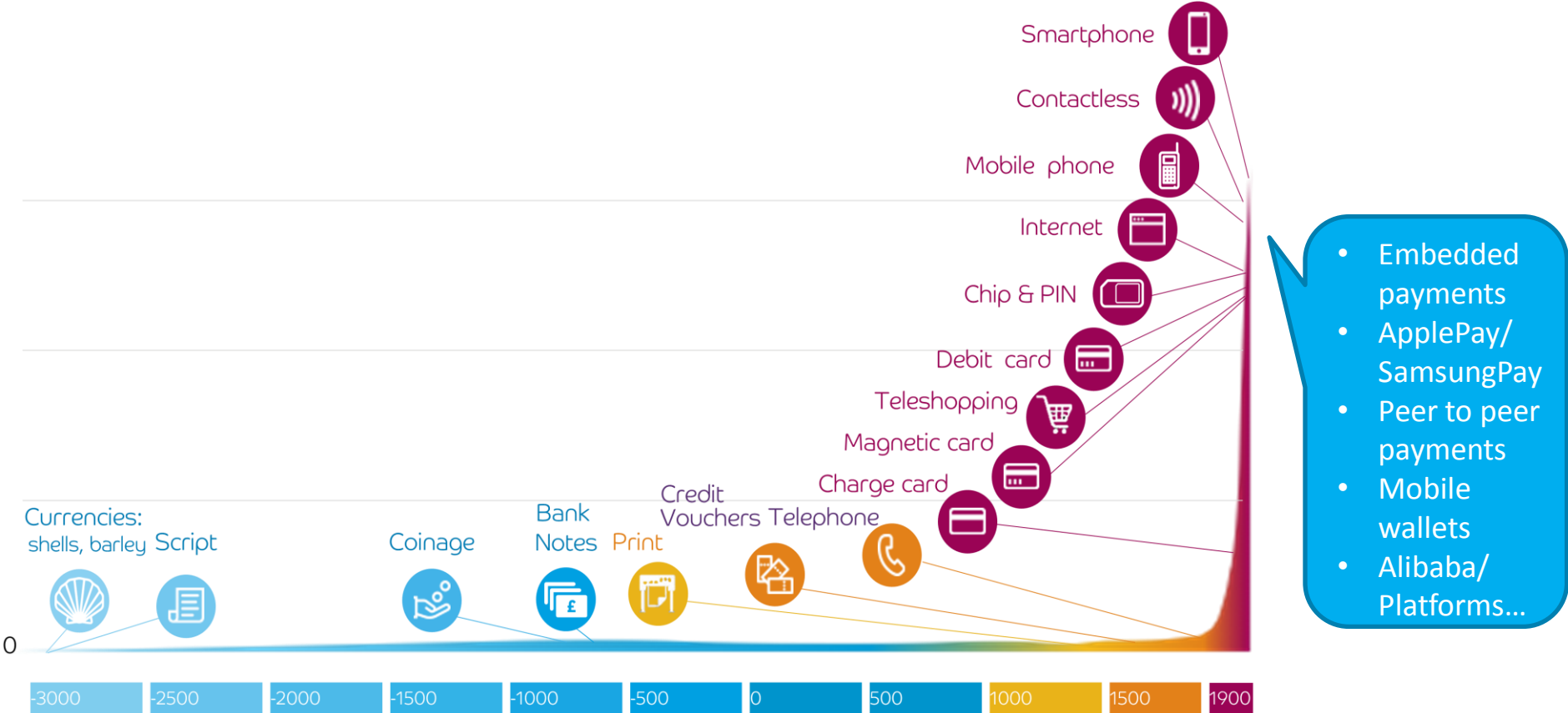




UAE Payment landscape: Evolution



Payments: more change in the past 10 years than in the previous 1000



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