

**FSS Instant Payments**

New Payment Rails for  
Real-Time Transfers

Instant is the new norm of today's connected, digital economies. Customers expect no different from their payment services. In addition to meeting consumers' rising expectations, the banking industry is facing mounting pressure from governments to create a ubiquitous payments system that can be used by all financial institutions. Across the world, this is catalyzing the growth of immediate payments. Many countries are investing in faster payment rails to reap efficiency benefits from immediate transfers and to exploit new opportunities arising from an on-demand, always-on 24/7 digital economy.

## **Building New Payment Rails**

Real-time payments will have a transformative impact on payments. FSS, with 25+ years' experience in developing and running mission-critical payment processing and switching solutions, is working with regulators and banks in many countries to modernize payment rails.

Designed to cater to universal payment needs, FSS Instant Payments system orchestrates connections between payment service providers including banks, mobile network operators, fintech challengers and electronic money institutions to create a central payment clearing and settlement infrastructure for instant domestic and international transfers. The ability to initiate any-to-any transfers in real-time 24/7, 365 days a year improves payment efficiencies and generates network effects, triggering a virtuous cycle of innovation and growth.

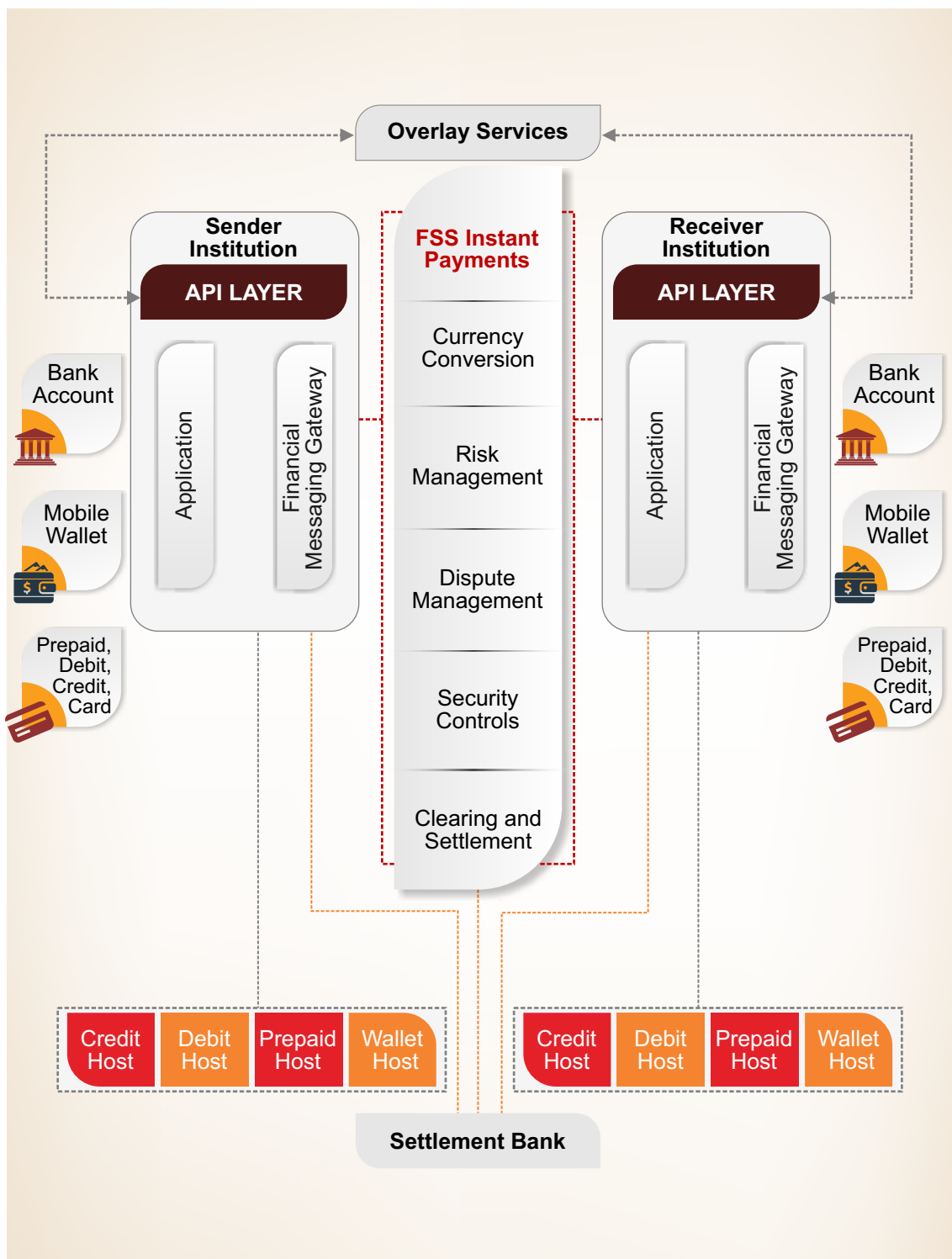
FSS works with central regulators and ecosystem participants for end-to-end system design and development of scheme rules, improving the speed of deployment and ensuring the overall efficiency of the infrastructure.

## **How FSS Instant Payments Work?**

FSS Instant Payment offers a real-time 24/7, interbank electronic fund transfer service. The service supports push and pull payment transactions. Customers of participant institutions can initiate a credit request that can be initiated through one of many channels - smart phones, tablets, digital wallets, and the web. On successful authentication, the sender institution debits the payer's account and transmits the request to the FSS Instant Payments system for routing to the beneficiary institution. In contrast, for pull payments, the payee's financial institution pulls the money from the payer's account.

At the scheduled frequency, FSS Instant Payments system clears transactions and provides reports on settlement positions to participant banks for establishing settlement finality.





The distinctive feature of FSS Instant Payments is its “multi-layered” design. Basic infrastructure, instant settlement and overlay services function in concert to drive adoption of real-time payments. The basic infrastructure provides connectivity to inter-bank services. Fast settlement services facilitate immediate settlement of obligations between participants. Overlay services offer additional value-added services to promote competition and innovation.



## Key Features

Processing payments in real-time extends far beyond payment systems to incorporate core banking, fraud, reconciliation and settlement. The key features of FSS Instant Payments include

- ✦ Multiple payment instrument support - Allows any-to-any value transfers using a range of diverse instruments - bank accounts, mobile numbers, cards and mobile wallets
- ✦ Multi-currency support - Supports currency conversion for cross-border credit transfers
- ✦ Supports standard ISO8583/87 message formats for financial transactions
- ✦ Flexible and easy-to-configure workflows - Define rules and procedures for bank registration, transmission of payments, fees, clearing and settlement for participant PSPs
- ✦ Clearing and settlement - Flexibility to define frequency of settlement cycles, which can be near real-time or periodic throughout the day. The Payment Hub supports multiple settlement windows and includes the ability to force settlement when a participating bank's daily exposure limit is reached
- ✦ Risk management - Broad set of controls to mitigate operational, transaction and settlement risk to safeguard integrity of the payment infrastructure
- ✦ Exceptions handling and dispute management - Dispute Management portal to raise as well as view the and track status of disputed transactions
- ✦ Real-time accounting, status, information, dashboards - Comprehensive statistical information available online to view real-time and historical transaction trends and settlement positions
- ✦ Security - Multi-layered security measures including file encryption, dynamic MAC key exchange to protect transactions



## Multiple Use Cases

FSS Instant Payments works in the background, underpinning a financial institution's customer facing systems for a range of propositions



## FSS Instant Payments for PSPs

FSS has extensive experience with helping payment service providers (PSPs) to affect a transition to real-time payments, having deployed its Financial Messaging Gateway to connect banks to the central infrastructure in several countries including India.

Pre-built adaptors built into the Financial Messaging Gateway connects to the central payments infrastructure, bank host as well as delivery channels of PSPs, reducing implementation cycle times for PSPs. In addition, PSPs can expose Gateway APIs to enhance existing payment services, deploy innovative overlay services to monetize infrastructure and deliver real customer value. Based on regional market trends, the use cases span a range of benefits.

## Benefits

### ➤ **Immediacy**

Instantly processes high volumes of payments 24/7, 365 days a year based on a “good funds” model. Business and consumers value the convenience and the certainty of payment and can manage cash flows more easily and with greater precision

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### ➤ **Improves Revenues**

Real-time payments generate new customers behaviors and spending patterns, improving overall volume of transactions and revenues for all ecosystem constituents

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### ➤ **Preserves Existing Investments**

Co-exists with existing payment infrastructure and can be integrated with existing payment services, to offer instant payment options, significantly improving cost efficiencies for banks

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### ➤ **Provides Assured Service**

- Designed with growth and flexibility in mind, FSS Instant Payments can scale to accommodate the exponential growth volume often experienced with the introduction of real-time payments
  - FSS Instant Payments is built on a resilient framework with high availability, guaranteeing continuous processing of payments 24x7, with minimal downtime
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### ➤ **Lays a Foundation for Future Development**

Creates a level-playing field for fintechs, banks, mobile network operators and financial institutions to rapidly address demand for innovative services, laying a foundation for democratization and adoption of digital payments

## About FSS

Financial Software and Systems (FSS) is a leader in payments technology and transaction processing. The company offers a diversified portfolio of software products, hosted payment services and software solutions built over 25+ years of experience.

FSS, end-to-end payments suite, powers retail delivery channels including ATM, POS, Internet and Mobile as well as critical back-end functions including cards management, reconciliation, settlement, merchant management and device monitoring. Headquartered in Chennai, India, FSS services leading global banks, financial institutions, processors, central regulators and governments across North America, UK/Europe, ME/Africa and APAC and has 2,500 experts on-board.

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