SBS SaaS Product Description Instant Payments

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This Product Description for the "Instant Payments" SBS Offering forms part of the Agreement between SBS and Customer. For the purpose of this Product Description, the term "Product" shall mean "Instant Payments". All capitalized terms not defined in this document will have the meaning given to them in other parts of the Agreement

1.   Introduction

Instant Payments is a Product allowing Customer to participate in the SEPA Instant Credit Transfer scheme. It covers several Capabilities hereinafter described.

The Product complies with the EPC (European Payment Council) regulations, organization in charge of the SEPA Instant Credit Transfer scheme. It also complies with the derogations allowed by the EPC and imposed by local/national regulators (e.g.,max amount, max processing time...) for Belgium, the Netherlands and France.

The Product is also compliant with the specifications published by the CSM (Clearing and Settlement Mechanism) for the interbank exchange of SEPA Instant Credit Transfer scheme flows.

2.   Capabilities

2.1.   IP Initiation & Processing

This capability allows Customer to initiate unitary Instant Payments transactions or unitary recall of transactions previously sent.

When the unitary transaction is submitted, the processing starts. This processing executes several controls & checks, such as scheme compliancy verification, account status & balance checks, anti-fraud/anti-money laundering checks, sanction screening checks. Some of these checks can be deactivated upon request.

In case of a failed check, the payment is put in a status indicating that the processing could not be completed.

In case all checks are OK, the payment is put in a 'completed' status and the payment is made available: Either to:

- **IP Local/European Exchange** capability (if selected by Direct Participants); or
- to the selected partner that will take the exchange part (for Indirect Participants).

2.2.   Mass IP Initiation

Complementary to the IP Initiation & Processing capability, SBS offer the possibility to massively initiate Instant Payments transactions, through a file.

When the file is submitted, it is checked against a XSD and several functional verifications are made, e.g., duplicate verification, total amount & number of operations, verification of debtor account.

After the verification of the file, some checks on the order are made in order to ensure that it can be processed further.

- In case the verifications fail, the order is rejected and a warning is sent.
- In case the verifications are OK, the order is submitted for the processing (following the processing as indicated in SBS' **IP Initiation & Processing** capability).

This capability also generates PSR files to give feedback to the orderer.

2.3.   IP Local or European Exchange (option)

Alongside SBS' **IP Initiation & Processing** capability, you can choose either option between IP Local Exchange or IP EU Exchange. Please note these options are mutually exclusive.

Both options allow Instant Payments transactions (and other types of files) to be exchanged with a selection of CSM.

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Under option IP Local Exchange, the transactions can be exchanged with a selection of local CSM. Currently, both Equens Worldline (NL) and STET (BE/FR) are available.

Under option IP EU Exchange, the transactions can be exchanged with a selection of European CSM. Currently, TIPS and RT1 are available. Whichever CSM is chosen, the SBS Offering will need to connect to the SWIFT AGI machines. For this connectivity, Customer has two options: (i) indicating its own SWIFT AGI ATM, or indicating a SWIFT Service Bureau partner of its choice to which SBS can connect, or (ii) choose SBS' partner SWIFT Service Bureau, by selecting the SWIFT Service Desk for IP feature. This option is mutually exclusive with the Exchange Local IP option.

2.4. IP SAB Connector

This capability aims at providing Customers using the "SAB" Core Banking a connector that allows this "SAB" Core Banking to exchange payments transactions with the IP product.

2.5. Direct participant Connector

This capability allows the Instant Payment Solution of Customer to connect with a Direct Participant for the exchange of the payment messages with the Clearing Settlement Mechanism (CSM). Depending on the Direct Participant, the connector takes into account technical connections and sockets with the Instant payment engine.

3. Capabilities on the roadmap

3.1. Transaction Monitoring (option)

This capability aims at monitoring, in real-time, all the transactions made. It can check a transaction against historical data and has a Machine Learning functionality that helps improving the Model, as the draud and money-laundering techniques continuously evolve.

This capability is offered through a partnership with a third party provider.

3.2. Sanctions Screening (option)

This capability aims at screening all the transactions and the client base of Customer, using AI to reduce the false positive and, hence, reduce the amount of work for Customer.

The main public lists are automatically refreshed as well as the lists from commercial providers (with a license from the Customer). This capability also allows Customer to configure private lists.

This capability is offered through a partnership with a third party provider.

3.3. IBAN Name Check Connector

This capability allows Customer to easily integrate all the necessary call (from our IP Initiation & Processing capability but also from Customer's information system) to the interbank IBAN Name check system. This capability will make the call to the IBAN Name Check system, log the answer and all other relevant information.

3.4. Payment Dashboard

This capability allows Customer to have a high-level graphical view on the payment's status and other relevant KPIs to perfectly drive their business.

4. Transversal capabilities

4.1. Market data Management

This capability includes features for defining standard market information, e.g., country information, holiday non-working days calendars, exchange and currency rates, reference rates.

4.2. Users and access rights

This capability manages Customer's Authorized Users and their links within Customer's organisation:
- Definition of the resources that require specific permission for each application.
- Definition and management of access rights to the different applications
- Definition and management of profiles and profile groups based on these access rights (A profile is a set of access rights).