

# RTGS.global<sup>®</sup>

The world's cross-border liquidity network



**Introduction to RTGS.global**

## RTGS.global

RTGS.global is the world's cross-border liquidity network: a bank-only infrastructure that transforms cross-border transactions by locking and transferring liquidity ownership in real-time. In RTGS.global, banks use their highest quality asset to fund transactions: central bank reserves balances. Our infrastructure is cloud-native and is designed for a data-driven, digital era. We filed our patents and started our engineering in 2019.

## A Coincidental Call For Change

In June 2020, as part of the G20-led initiative to improve cross-border payments,<sup>1</sup> the Financial Stability Board (FSB) and Bank of International Settlement's Committee on Payments and Market Infrastructures (CPMI) highlighted four key deficiencies of the current system: cross-border payments today are **slow, expensive, opaque** and **inaccessible**. The FSB and CPMI point to multiple factors as the collective root cause, ranging from the cost of funding to data truncation, from the pervasiveness of legacy tech to long transaction chains. The implications negative for global trade, economic growth, financial inclusion and development.

## We deliver just-In-Time Liquidity

RTGS.global makes liquidity visible, enabling real-time, 24/7/365 atomic settlement of fiat currency transactions. Real-time visibility gives rise to a new paradigm: **just-in-time liquidity**.

Every RTGS.global transaction involves three steps: **Lock, Lock, Block**. In the first step, a sending bank acts on instructions from a business customer to identify a counterparty in the RTGS.global network for an FX trade and fulfillment of an associated payment order. At that time, RTGS.global applies a "Liquidity Lock" against necessary liquidity at the sending bank, holding it to the favour of the presumptive receiving bank should a transaction complete. This liquidity is drawn from an allocation of the bank's central bank reserves balances.



Second, as the recipient bank quotes for the trade (including all fees and rates), RTGS.global applies a similar Liquidity Lock against the receiving bank's funds (which are also drawn on a subset of that bank's central bank reserves account).

Finally, with both parties' liquidity secured – but only upon authorisation of the transaction by the sending institution's remitting customer – RTGS.global enables execution of an ISO 20022 "Liquidity Block" message, which simultaneously releases both Liquidity Locks, enabling atomic settlement and the execution of offsetting debits and credits that transfer beneficial ownership of central bank funds.

## Real-Time Bilateral Transactions

Whereas traditional Real-Time Gross Settlement (RTGS) systems require a central bank to act as a settlement agent between the two counterparties, RTGS.global has leveraged cloud, database and communication technologies to make real-time settlement possible without a settlement agent in the flow of funds.

An RTGS.global transaction is a *bilateral* transaction between two counterparty banks. It brings the benefit of traditional domestic RTGS transaction processing (instantaneous, no settlement risk) – but RTGS.global is not a party to the transaction, nor is it in the flow of funds. RTGS.global does not hold any bank's funds and only acts on secure instructions from participant banks. It is an enabler of secure, bilateral transactions.

<sup>1</sup> <https://www.fsb.org/2020/04/enhancing-cross-border-payments-stage-1-report-to-the-g20/>

## Cloud-native | Fast and Simple Integration

The RTGS.global infrastructure is cloud-native, operating in Azure. Designed as a global federated architecture, the infrastructure operates through jurisdictional hubs running *active-active-active* data centers and supporting local data residency. RTGS.global supports edge-to-edge encryption. APIs are ISO 20022 compatible, allowing transmission of rich data alongside payment orders. Bank connectivity is made easy via containerisation of core components, the use of the latest web protocol buffer technology, and partnerships with core banking system providers for pre-enablement of RTGS.global functionality. The RTGS.global platform has been developed with direct support and architectural guidance from Microsoft.



## RTGS.global – transformational with a compelling ROI

RTGS.global offers benefits to banks, their customers, and financial sector oversight authorities.

- ✓ **BANKS** see both financial and operational cost reduction. Financial costs are eased as a regime of nostro pre-funding and reliance on uncommitted lines is replaced with a new model: “just-in-time liquidity” – and also through the prospect of capital relief as the use of central bank money potentially supports a migration of asset treatment from RWA to HQLA. Similar relief is also possible on liquidity ratios (e.g. LCR) and related buffers. More generally, RTGS.global supports a move to dynamic, data-driven balance sheet management, as well as a range of operational cost savings, owing to a move from manual and analog transaction processing to automated, digital-native transactions. Most important, RTGS.global allows banks to deliver entirely new service levels to corporate and business customers of their cash management and transaction banking product lines.
- ✓ **BANK CUSTOMERS:** Businesses in the real economy – both senders and receivers of cross-border payments, from large corporates down to SMEs and below – benefit from something unavailable today: guaranteed service levels. With RTGS.global, cross-border payments are:  
**instantaneous | always on | data-rich | transparent | convenient | predictable | reliable**
- ✓ **REGULATORS & PUBLIC AUTHORITIES:** RTGS.global delivers new benefits for central banks, financial regulators, and a wide range of national and supranational public authorities with an interest in financial stability, economic growth, and financial inclusion. These benefits accrue from a model anchored in security, transparency, reliability, and efficiency – a network design that takes the key pillars of today’s financial system (fiat currency, pre-existing IT assets) and optimises them for a digital era.

## RTGS.global: Stage 1 Availability

Bank onboarding to RTGS.global is being conducted over four stages and is managed via our extranet. From the initial desktop Sandbox trials (Stage 1) we hand hold you through to the launch of commercial services (Stage 4).

The Stage 1 Sandbox is now available to commercial banks and entails simulated transaction processing using virtual representations of fiat currency. Stage 1 is conducted via web portal and requires no connectivity to live bank systems.

## To Learn More

RTGS.global is the world’s cross-border liquidity network. To learn more: [liquidity@rtgs.com](mailto:liquidity@rtgs.com).

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