

# PAYMENTS MODERNIZATION

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In the payment industry, banks are being driven to innovate like never before – to evolve suites of solutions, to address a number of market forces, and evolving client demands. This new era of innovation is being driven by the convergence of several market influences, including rapidly changing technology, increasing regulatory burdens, and the need to meet evolving client demands for faster and more streamlined payment solutions.

To address these market influences and to meet evolving client needs, BNY Mellon has taken a new approach to modernizing payments in three important ways. We are evolving our suite of solutions, we are partnering within our industry to evolve payment systems, and we are partnering with fin-tech disruptors to explore new technologies. To expand our suite of solutions, BNY Mellon is working on a number of initiatives to address traditional challenges with payment systems, including end-to-end cost, transparency, and timeliness of payments. For example, our tokenized payment solution will help clients automate business-to-consumer payments through the clearXchange network while not requiring that our payer clients collect, store, and maintain payee banking account information.

BNY Mellon is collaborating within the payment industry on a number of initiatives. First, we are part of the Clearing House Real-Time Payments effort, which will be the first new payments rail in the United States in over 40 years, enabling 24/7 transaction initiation, and built for eventual interoperability with real time payment schemes around the world. Second, we are part of the Same-Day ACH effort, which will enable clients to leverage the ACH system but for faster same-day ACH payments. Lastly, the SWIFT Global Payments Innovation Initiative, which is a consortium of 40 global banks that is focused on leveraging the existing SWIFT infrastructure, but with new standards for speed, transparency, and predictability for international payments.

In terms of partnering with non-traditional competitors, we are working with a number of FinTechs to explore emerging payment technologies. For example, we are teaming with some FinTechs on the exploration of Blockchain technology, which looks to leverage shared ledgers for payment execution and the exchange of other asset types and information.

Through all of these efforts, BNY Mellon is looking to forge and create the payment systems of the future. Our goal, which we are well on our way to achieving, is to create optimal payment experiences for our clients that also anticipate and evolve with their needs over time.



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