

Survey

2023 CBP PIE TF

Survey Details

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Compilation of initiatives contributing to the G20 cross-border payments targets

Purpose

- To get a comprehensive and structured overview of relevant initiatives (private sector, public sector or public-private partnerships) that are underway or planned, and that have the potential to support the achievement of the G20 cross-border payments targets.
- Relevant initiatives are those which are expected to have a material positive impact on reaching the 2027 cross border payments target published by the FSB and affecting other stakeholders (end users and/or supply side actors) and initiatives synergistically complementing and/or being materially interdependent with other initiatives.
- Compiling such initiatives is to help raise visibility within the payments interoperability and extension (PIE) taskforce (and the public more generally) and to help indicate where the PIE taskforce could further assist towards their success.
- Commercial or other sensitive information should not be included in the submissions; if it is included, redactions for publication should be clearly noted.
- Relevant responses will be shared within the PIE taskforce and could be published as such or in a summarised version. Relevant responses will also be shared with the CPMI and the workstream on Governance and oversight.

Completion of the questionnaire is voluntary and your participation is appreciated.

Name of the industry initiative:

Project IZZI

Organisation(s) leading the initiative:

IZZI, Inc

Name(s) of primary contact person(s):

Lawrence M. Sweet

Contact email address(es):

Lawrence.Sweet@izzi.global

References to public information available on the initiative:

1) www.izzi.global

2) U.S. Patent No. 11,354,662

Description and scope of the initiative and its key design principles.

Please limit your answer to 2,000 characters:

The Project IZZI vision is a safe, efficient, and truly global payment system that delivers instant, seamless, 24×7 account-to-account payments domestically, across all borders, and across all currencies.

Project IZZI will achieve this vision and meet the G20 call for faster, cheaper, more transparent, and more inclusive cross-border payments, including remittances, by leveraging the time-tested strengths of the international banking system.

The Project IZZI solution is patented interbank payment infrastructure with four key elements:

- 1) A novel form of commercial bank money matched by central bank balances that is a demand deposit liability of any authorized deposit-taking bank or nonbank payment service provider (PSP).
- 2) Real-time payment processing by industry-run payment systems that deliver instant, 24×7 single-currency payments and integrated pricing, funding, and settlement of cross-currency payments.
- 3) Streamlined KYC/AML/CFT compliance through a minimum identity standard for each currency's payment system and centralized enforcement of all system-wide and bank/PSP-specific rules.
- 4) Easy to access state-of-the-art technology that integrates with existing bank/PSP internal systems, including batch platforms, through simple APIs.

Timeline/milestones (historic and future ones).

Please limit your answer to 2,000 characters:

- 1) IZZI, Inc was granted a patent for the IZZI payment infrastructure in June 2022.
- 2) The Project IZZI website (www.izzi.global) went live in July 2022, which marks the formal launch of this initiative.
- 3) The Project IZZI vision, approach, and solution (including the enhanced processes for enforcing each jurisdiction's KYC/AML/CFT requirements and for competitively pricing and funding cross-currency payments) have been discussed in-depth with a number of globally important commercial banks, globally important payment service providers, key central banks, and other key public-sector organizations that are actively promoting the G20 objectives for cross-border payments.

4) Based on very positive feedback by key players in both the public and private sectors, the next milestone is to identify and to organize a sufficient number of strategic investors that are willing to build and to test the IZZI prototype/proof of concept.

5) It is expected that following the successful demonstration of the IZZI prototype/proof of concept, it will take 3-4 years to build and to "go live" with the full-scale, fully operational IZZI infrastructure.

Specific questions

1a. Which *type* of cross-border payments (wholesale, retail and/or remittances) are expected to benefit, directly or indirectly, from the initiative?

Please select all that apply:

	Direct benefits	Indirect benefits
Wholesale cross-border payments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Retail cross-border payments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Remittances	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1b. How the type of cross-border payments (wholesale, retail and/or remittances) selected in question **1a** are expected to benefit, directly or indirectly, from the initiative?

Please limit your answer to 2,000 characters.

Wholesale cross-border payments:

IZZI will settle cross-border single-currency wholesale payments in real-time, 24x7, and for the same cost as a domestic payment, and will do so no matter how long the correspondent chain may be that connects the payer to the payee. Furthermore, none of the intermediary banks/PSPs in the correspondent chain will need to process the payment instruction nor to reconcile/handle potential exceptions and errors, which will reduce the end-to-end costs of cross-border wholesale payments.

IZZI will settle cross-currency wholesale payments in real-time, 24x7, and at a transparent foreign exchange rate derived from real-time market competition. By integrating the cross-currency payment and the underlying FX trade into a single transaction, IZZI will provide end-to-end "tri-party" payment-versus-payment protection for the payer, the payee, and the relevant FX trader. This integrated transaction also means that any bank/PSP can offer its wholesale customers multicurrency payment services without the need to fund, to trade, or to manage the risks of handling multiple currencies.

Retail cross-border payments:

IZZI will settle cross-border single-currency retail payments in real-time, 24x7, and for the same cost as a domestic payment, and will do so no matter how long the correspondent chain may be that connects the payer to the payee. Furthermore, none of the intermediary banks/PSPs in the correspondent chain will need to process the payment instruction nor to reconcile/handle potential exceptions and errors, which will reduce the end-to-end costs of cross-border retail payments.

IZZI will settle cross-currency retail payments in real-time, 24x7, and at a transparent foreign exchange rate derived from real-time market competition. By integrating the cross-currency payment and the underlying FX trade into a single transaction, IZZI will provide end-to-end "tri-party" payment-versus-payment protection for the payer, the payee, and the relevant FX trader. This integrated transaction

also means that any bank/PSP can offer its retail customers multicurrency payment services without the need to fund, to trade, or to manage the risks of handling multiple currencies.

Remittances:

IZZI will settle cross-border single-currency remittance payments in real-time, 24x7, and for the same cost as a domestic remittance payment, and will do so no matter how long the correspondent chain may be that connects the payer to the payee. Furthermore, none of the intermediary banks/PSPs in the correspondent chain will need to process the payment instruction nor to reconcile/handle potential exceptions and errors, which will reduce the end-to-end costs of cross-border remittances.

IZZI will settle cross-currency remittance payments in real-time, 24x7, and at a transparent foreign exchange rate derived from real-time market competition. By integrating the cross-currency payment and the underlying FX trade into a single transaction, IZZI will provide end-to-end "tri-party" payment-versus-payment protection for the payer, the payee, and the relevant FX trader. This integrated transaction also means that any bank/PSP can offer its retail customers multicurrency remittance services without the need to fund, to trade, or to manage the risks of handling multiple currencies.

2a. To which of the G20 quantitative targets for 2027 could the initiative contribute?

Please limit your answer to 2,000 characters.

IZZI will allow banks/PSPs not only to meet, but to exceed, all of the G20 targets for faster, cheaper, more transparent, and more inclusive cross-border payment services, including remittances.

2b. What could be the impact on the target(s) (eg in terms of corridors, regions, quantitative improvements)?

Please limit your answer to 2,000 characters.

IZZI's single-currency payment process is "generic" and so can be adopted by any currency to allow real-time, 24x7 payments in that currency both domestically and across any borders/jurisdictions where payments in that currency are permitted.

Since the IZZI single-currency payment process is designed to inter-operate with the "generic" IZZI cross-currency payment process, each IZZI single-currency system operator can offer cross-currency payments with any other currency that has also adopted the IZZI single-currency system, where such cross-currency payments are permitted.

2c. Which key performance indicators (KPIs) could be improved by the initiative, and what is the timeline for those expected improvements?

Please limit your answer to 2,000 characters.

IZZI has the potential to improve all KPIs, including those related to access and financial inclusion. The speed and extent of that positive impact will depend on how quickly the IZZI payment infrastructure will be built and used by banks/PSPs for cross-border and cross-currency payments in each currency/corridor.

3. Are there any important *interdependencies* with other *initiatives* to note (private, public or public/private ones)?

Please limit your answer to 2,000 characters.

There are no interdependencies with other initiatives.

However, there may be significant opportunities to "combine forces" with other initiatives that have similar objectives as IZZI to achieve more quickly the desired scale, network effects, and overall improvements in cross-border and cross-currency payments.

4. What challenges does this initiative foresee?

Please limit your answer to 2,000 characters.

Attracting a sufficient number of initial investors that are willing to take the risk of developing new, global, payment infrastructure in the current environment where multiple initiatives are seeking to do likewise.

5. What role does/could the *public sector* play to facilitate the initiative's success?

Please limit your answer to 2,000 characters.

Section 5.4, "Potential roles for the public sector," in Exploring multilateral platforms for cross-border payments, which was published by the BIS, CPMI, BISIH, IMF, and WBG in January 2023, lays out a number of possibilities. Any/all of them could potentially be very helpful to IZZI's success.

6. How could the work of the *PIE taskforce* or *other groups* support the initiative?

Please limit your answer to 2,000 characters.

Related to questions 3 and 4 above, the PIE taskforce could identify and encourage major initiatives that have similar objectives to IZZI to consider combining forces in order to reach more quickly the desired scale, network effects, and overall improvements in cross-border and cross-currency payments. This would reduce the overall risk of investing in and developing new, global, payment infrastructure that would meet and exceed the G20 objectives.

Thank you very much – you have reached the end of the survey!

Please click "Next" and then "Send answers" to submit your responses.

After you click "Send answers", it will not be possible to edit any of your responses.

**If you have completed the survey and do not need to edit any further questions,
please click the "Send answers" button below.**