A world without blockchain

28 December 2016 :: 33C3
Mark van Cuijk :: @phedny
This talk is not about politics
Banks have departments
Payment department
Risk averse
Financial model
Book transfer
Risk averse
Interbank messaging
SWIFT

Society for Worldwide Interbank Financial Telecommunication
Communication network
ECB (ECBFDEFF)

SWIFT

ABN Amro (ABNANLA2)

ING (INGBNLA2)
Message definitions
MT and MX
MT for Message Type
MTxxx

MT103, MT202, MT910, …
MX in XML

PACS.008, PACS.009, CAMT.054, …
MT103

Single Customer Credit Transfer
FRANZ HOLZAPFEL GMBH
VIENNA

C. KLEIN
BLOEMENGRACHT 15
AMSTERDAM

SHA
USD10,
USD10,
/INS/CHASUS33
PACS.008

FIToFICustomerCreditTransfer
ABN Amro
@ ECB T2
-->
500

ING
@ ECB T2
-->
500

ABN Amro
@ ECB T2
-->
Alice
500

M- ABN Amro
@ ECB T2
-->
500

M- ING
@ ECB T2
-->
Bob
500

ING
@ ECB T2
-->
500
TARGET2 is RTGS

Real-Time Gross Settlement system
TARGET2 transactions are expensive

Option A: EUR 150/month + EUR 0.80/transaction
Option B: EUR 1875/month + EUR (0.125 ~ 0.60)/transaction
Netting batches
(a) After customer submits payment order, set money aside
(b) Clearing house instructs T2 to transfer central bank money
(c) After banks receive batch from clearing house and notification from T2, credit beneficiary accounts
International cross-currency payments
Risk averse
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