Deutsche Bank

flow briefing

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Topic
Instant payments

Date
23 July 2025

Instant payments for corporate treasurers and their clients – what's in our toolbox?

As global adoption accelerates, instant payments are reshaping the payments landscape – delivering real-time, 24/7 transactions that meet rising expectations for speed and convenience. While initially driven by retail demand, their impact on corporate clients prompts a rethink of how businesses send, receive, and manage payments.

The May 2024 *flow* briefing set out how the Instant Payments Regulation (IPR) aims to take instant payments in the Single Euro Payments Area (SEPA) to the next level by tackling challenges hindering widespread adoption. With the first milestone of the regulation now complete – and the second due in October 2025 – this briefing examines the progress made so far and highlights the business-to-consumer and business-to-business use cases where instant payments can deliver real benefits.

The story so far

The IPR, which came into force in April 2024, aims to ensure that payments across the European Union (EU) are affordable, secure, and processed without delay. To support this goal, the regulation mandates that all payment service providers (PSPs) offer instant payment capabilities, with implementation taking place in phases through to 2027. The first milestone on this journey was completed on 9 January 2025 and the key changes are:

1) **Full reachability in SEPA:** A key requirement of the IPR is that all PSPs in the EU can receive instant payments. To support this, Deutsche Bank has expanded its instant payment reachability over the past year to include Portugal, Belgium, and Italy – building on its already extensive coverage across SEPA and globally.

2) **Cost effectiveness:** Charges for receiving instant euro transfers must not exceed those for standard SEPA credit transfers. In response, Deutsche Bank now offers corporate clients instant payments at the same cost as traditional credit transfers.

3) **Improved sanctions screening:** All PSPs – including Deutsche Bank – now verify customers at least once per day against the European Commission's consolidated list and re-verify immediately when a new sanction is enforced.

Initial results suggest these early measures have led to tangible improvements. From January to April 2025, SEPA instant payments saw steadily rising adoption, with transaction volumes increasing by 27%, 34%, and 44% compared to the same months in 2024 (see Figure 1).

Corporate adoption is typically slower, as treasury teams take time to adapt and align new processes with their operational needs – so this corporate uptake is encouraging. However, these numbers are only an early indication and determining overall corporate adoption will require further analysis.

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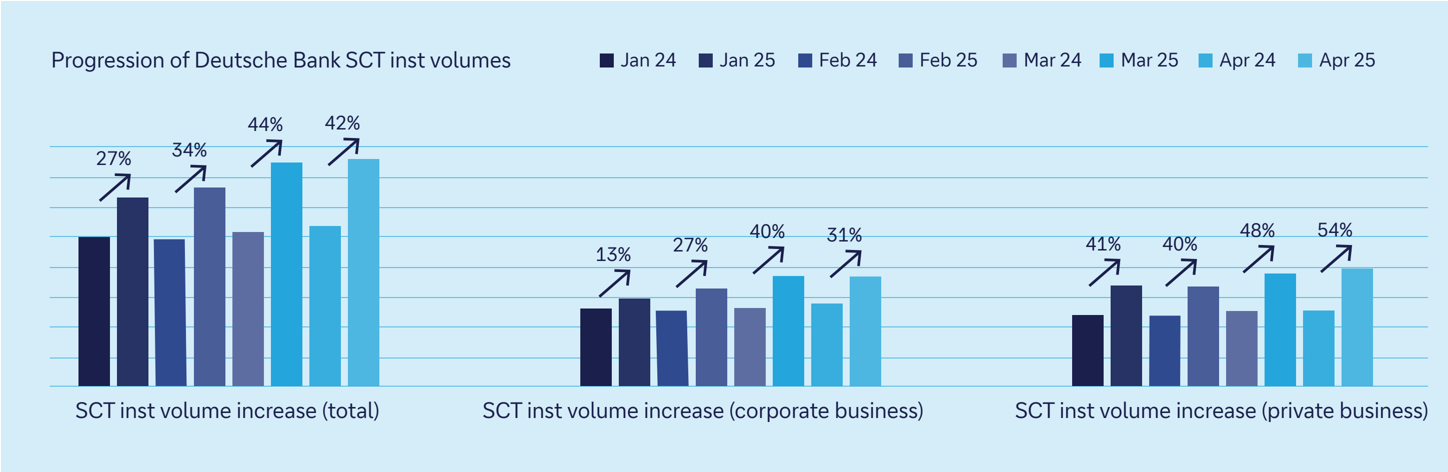

Figure 1: Impact of the IPR on SCT Inst volumes — Source: Deutsche Bank

What's next?

The next milestone is set for 9 October 2025 and should drive broader acceptance of instant payments (see Figure 2). Key developments are:

Figure 2: IPR October 2025 milestone — Source: Deutsche Bank

1) **Improved availability.** A defining feature of instant payments is their 24/7/365 availability. This always-on functionality supports the speed and immediacy users expect. Extended availability is now being applied to batch payments as well – allowing them to be processed beyond traditional cut-off times unless otherwise specified.

2) **Improved fraud prevention**. A major change introduced by the regulation is the enhanced prevention of authorised push payment fraud through the mandatory implementation of Verification of Payee. Payment service users can now verify beneficiary details before initiating a transfer, helping ensure funds are sent to the correct recipient – delivering significant benefits, particularly for retail customers. This change is not only relevant for instant payments but also for classic SEPA credit transfers. Improved reliability and confidence in the transaction should help enhance market-wide fraud prevention and reduce the need for returns and reversals.

3) **Lifting of limits.** Lifting the €100,000 scheme limit opens the door for higher value transactions, allowing both private and corporate customers to move their liquidity freely and more efficiently.

Following on from the market push for greater reachability, Deutsche Bank – in conjunction with the market – will work to extend its instant payments offering to all customer channels where SEPA credit transfers are currently offered. This puts both products on an equal footing and gives customers the freedom to choose their preferred payment type.

Instant payment use cases tailored to you

Starting in October 2025, all PSPs will be able to send and receive instant payments – affecting cash management at every level from large multinational companies to a self-employed businessperson. Figure 3 summarises some use cases that can be tailored to your needs via Deutsche Bank client service channels.

API integration

Customers can settle instantly by calling our competitive APIs or including our SAP Adapters to provide a direct connection to their enterprise resource planning system. Leading use cases include gig economy payouts or e-commerce refunds.

For example, a food delivery platform could make daily settlements with delivery partners or a fast fashion platform could significantly increase the speed of refund requests, improving the overall experience for employees and customers alike.

Payments at scale

To complement APIs, payments can be initiated with other technical capabilities, such as via the Host2Host (H2H) network or the EBICS server. Customers can also send payments by establishing a direct connection with Deutsche Bank Direct Connect, a SWIFT FileAct connection, and more.

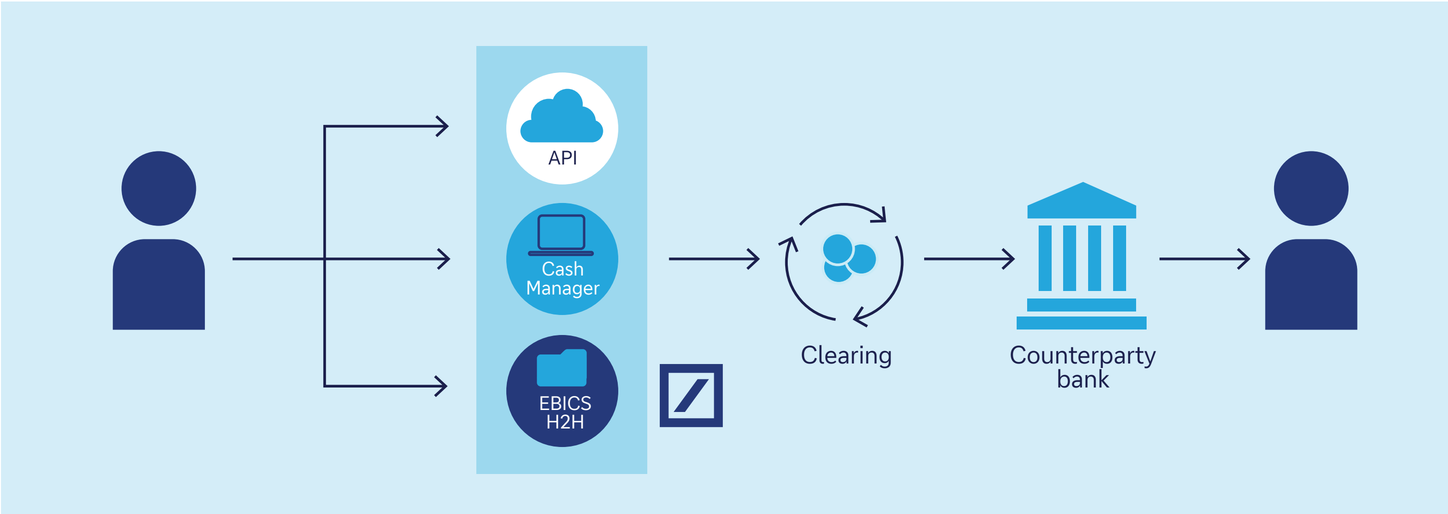

Figure 3: Instant payments client channels for corporates

Source: Deutsche Bank

Removing the €100,000 scheme limit expands the number of relevant use cases for corporate treasury services – and is especially interesting to corporate customers who send batch payments.

A common example is a large manufacturing company that receives shipments from multiple vendors and must pay for them before unloading. The company can initiate a batch transaction via a H2H connection channel and speed up the settlements from days to minutes, allowing shipments of materials to be unloaded immediately.

An additional scenario is disaster management support. Here a government agency, disaster relief fund or organisation needs to distribute immediate financial aid during a natural disaster, such as a flood or earthquake. The institution or organisation can use one of the bulk upload channels to immediately send money to the affected people's accounts, reducing the wait time to receive relief payments.

Peer-to-peer payments

As a corporate or as a private client, technical channels are not the only capability. The online banking feature is also available to corporate customers via Deutsche Bank Direct Internet/ Cash Manager, as well as through a plethora of additional options, such as online banking, mobile banking or pass-through mobile wallets.

With instant payments, funds are transferred immediately – delivering timely support when it matters most. The practical applications of this are vast, from emergency bill payments to settling with vendors or sole traders, and supporting friends and family in urgent situations.

Making instant payments the new normal

While the implementation of the IPR brings challenges for PSPs and corporates alike, it also provides a real opportunity to reimagine payments. In the near future, instant payments are expected to enhance liquidity optimisation, free up capital, and accelerate cross-border fund transfers – potentially driving increased spending and economic growth.

As financial planning, treasury management, and risk assessment evolve, corporates will need to innovate to stay ahead – with new payment methods potentially paving the way for new business models. For smaller businesses and private customers, the regulation brings more cost-effective and accessible payment options than ever before.