



ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS

2022 AFP®

# DIGITAL PAYMENTS SURVEY REPORT

KEY HIGHLIGHTS

*Underwritten by*

**J.P.Morgan**



2022 AFP®

# DIGITAL PAYMENTS SURVEY REPORT

## KEY HIGHLIGHTS

This summary report includes highlights from the *2022 AFP® Digital Payments Survey Report*. The complete report comprising all findings and detailed analysis is exclusively available to AFP members.

**Learn more about AFP Membership at**

**<https://www.afponline.org/membership/explore-afp-membership/join>**

*Underwritten by*

**J.P.Morgan**

# J.P.Morgan

## Welcome . . .

to the 2022 AFP® Digital Payments Survey. Once again, J.P. Morgan is proud to sponsor this year's report.

In the three years since the last survey, the world has faced considerable major global challenges, many of which have fueled the advancement of payments technology. The implementation of digital payment solutions that were previously a lesser priority, including digital treasury management, real-time payment capabilities and contactless payments, suddenly became critical initiatives.

This year's survey provides insights into wide-ranging data, uncovering the impact of these many changes on the payments environment today and moving forward. For example:

- Sixty-nine percent of respondents globally stated that business-to-business (B2B) transactions will benefit most from **real-time payments**. (page 31)
- A majority (54%) cites **speed of payment** as a primary driver in their choice of payment method, especially with current supply chain woes and frequent pricing adjustments due to heightened inflation. (page 19)
- Thirty-three percent of all respondents are unfamiliar with the **ISO 20022 payments standard**. Of those familiar with it, 70% outside of North America and 44% from the U.S. and Canada consider it valuable. (page 37)
- Sixty-one percent of organizations (versus 68% in 2019) state that **email is the most extensively used platform** for sending remittance information. (page 24)
- Thirty-three percent of organizations' **B2B payments in the U.S. and Canada continue to be made by check**—a 9% decline from the 42% reported in 2019. (page 20)
- **Overall check usage is on a rapid decline**, with the gap between paper and electronic payments to major suppliers in North America widening to 13%; 39% use ACH credits, while 26% use checks. That's an 11% increase since 2019, when the gap was only 2%

And statistics like these are just the beginning.

We hope this survey will spark new ways to improve your treasury efficiency, benefit from today's rapidly evolving payments innovation and gain new business opportunities. At J.P. Morgan, we're transforming the future of payments—offering seamless, secure, end-to-end payment solutions that can empower your business to thrive.

Sincerely,



Lori Schwartz  
Managing Director  
Corporate & Investment Banking  
Payments  
J.P. Morgan



## **TOPICS COVERED IN THE COMPREHENSIVE 2022 AFP® DIGITAL PAYMENTS SURVEY REPORT**

BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

CROSS-BORDER PAYMENTS

DIGITAL PAYMENTS

CARD PAYMENTS

FASTER PAYMENTS

ISO 20022 AND PAYMENT FILES/REPORTS



## INTRODUCTION

The payments landscape has evolved significantly. This is evident in both business and consumer payments. Digital payments are becoming more the norm, while traditional payment methods such as checks are becoming less common. There are several external factors shaping the payments realm. The impact of COVID-19 is still being felt; many survey respondents are possibly working remotely. The Ukraine/Russia conflict continues to spur interruptions in product and supply flow. The U.S. economy is registering levels of inflation which have not been experienced in decades. In addition, global supply chains are in disorder as China grapples with severe restrictions due to COVID-19.

One common denominator of these disparate external forces impacting organizations is payments. Companies have altered their payments processes in order to respond to such external factors and to be nimbler and more efficient, moving from paper to digital payments throughout the pandemic. Organizations are also improving vendor/supplier relationships to support the supply chain, using early-pay discounts for working capital needs, and making faster payments in response to greater price fluctuations in raw materials. Providing more straight-through processing via digital payments produces more satisfied customers with correct application of payments; it also provides for more economy of scale as treasury and payments departments continue to do more with less and rely on their systems and banking partners to enable these capabilities as the external factors change.

To examine the extent to which organizations are adopting digital payment methods and to gauge the benefits and barriers financial professional are dealing with in the current complex business-to-



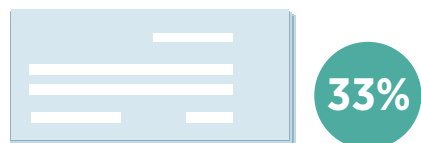
business environment, the Association for Financial Professionals® (AFP) conducted a survey of its corporate practitioner members and prospects in June 2022. The *2022 AFP® Digital Payments Survey*, formerly titled the *AFP® Electronic Payments Survey*, is conducted every three years and is designed to identify changes in business payments practices. The survey gathered data on business-to-business payment trends, cross-border payments and their benefits, and the barriers to realizing a more “digital payments” future. The survey results highlight trends, identify best practices and reveal solutions for advancing the automation of business-to-business payments.

The Research Department of the Association for Financial Professionals® sent the survey to corporate practitioner members and prospects globally, both within and outside of the U.S. To better report the variation in responses between

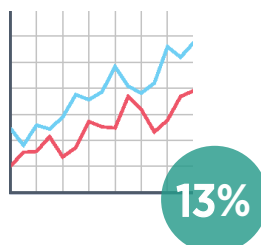
regions, responses have been segmented—i.e., those from the U.S. and Canada are reported together and referred to as “North America,” while responses from other regions are labeled “International.” This is the first year we have included responses from countries other than the U.S. in the report; consequently, any 2019 data cited in this report pertain to responses solely from financial professionals within the U.S. The survey generated a total of 256 responses which are the basis of this report; we received 178 responses from financial professionals in the U.S. and Canada and the remaining 78 from other countries.

AFP thanks J.P. Morgan for underwriting the *2022 AFP® Digital Payments Survey*. The Research Department of the Association for Financial Professionals®, which designed the survey questionnaire, analyzed the survey results and authored the report, is solely responsible for its content.

## KEY FINDINGS



Thirty-three percent of organizations' B2B payments in U.S. and Canada continue to be made by check. This is a nine percentage-point decline from the 42 percent reported in the 2019 AFP® Electronic Payments Survey.



Within North America, when paying major suppliers, the gap between paper and digital payments has widened to 13 percentage points, with 39 percent of organizations using ACH credits while 26 percent continue to use checks. This gap has increased by 11 percentage points since 2019, when the gap between ACH and checks was only two percentage points. With check usage on a rapid decline, it is not surprising that the use of digital payments has overtaken the traditional check, this is an unseen observation in the payments realm.

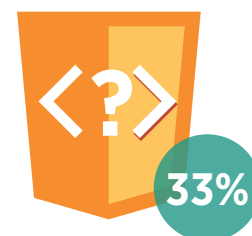


Organizations employ a variety of methods when sending or receiving ACH payments. Email is used most extensively to send remittance information by 61 percent of organizations (lower than the 68 percent in 2019). The second-most widely used method is EDI/CTX or EDI/CCD+, used by 26 percent of organizations, while 17 percent use regular mail.

A majority (54 percent) of survey respondents cite speed of payment as a primary driver in their choice of payment method. Speed of payment is even more vital in the current business environment where supplier relationships are critical as supply-chain woes are a concern as well as suppliers adjusting pricing frequently due to heightened inflation.



Faster/real-time payments are more beneficial to some payments categories than others. Fifty-nine percent of respondents in North America report that B2B transactions will benefit the most from faster/real-time payments, while internationally, 69 percent indicate the same.



A third of all respondents (33 percent) are unfamiliar with the ISO 20022 payments standard. While 36 percent of respondents from North America indicate they were unfamiliar with the standard, only 29 percent of respondents from other regions state the same. Of those familiar with the standard 70 percent of respondents regions outside of North America consider it valuable while 44 percent of practitioners from U.S. and Canada report they believe the payment standard valuable.



## BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

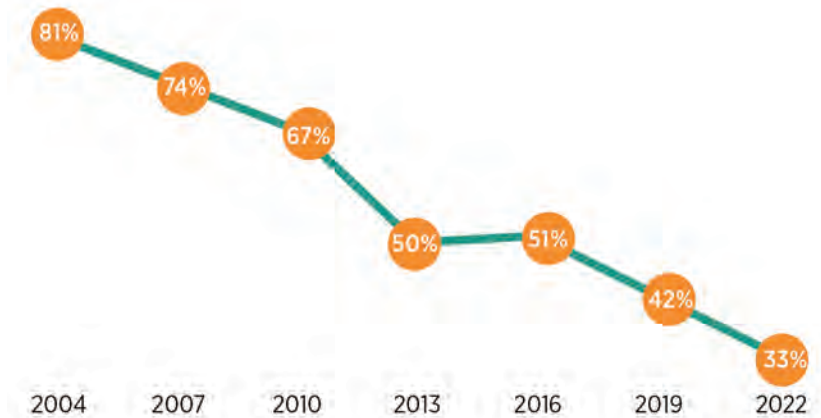
### Transactions by Checks

#### Disbursements Made by Checks

Thirty-three percent of organizations' business-to-business (B2B) payments continue to be made by check. This is a 9-percentage-point decline from the 42 percent reported in the *2019 AFP® Electronic Payments Survey*. Check usage had been declining steadily since 2004, but in 2016 there was a one-percentage-point increase in check usage since 2013—a surprising interruption in the downward trend. But the data from 2019 and 2022 indicate that a decline in check usage for B2B transactions has resumed. This year's survey results suggest companies in the U.S. are actively shifting their payment methods from checks to digital alternatives. This shift is likely due to the continuous trend of organizations moving away from paper to digital formats. Also, the COVID-19 pandemic provided the necessary tailwinds that pushed the use of digital payment formats to unseen levels as check payments were often hard to manage since employees were not in their offices; thus maintaining the segregation of duties was more challenging.

#### Percentage of Organizations' B2B Payments Made by Checks: U.S. and Canada

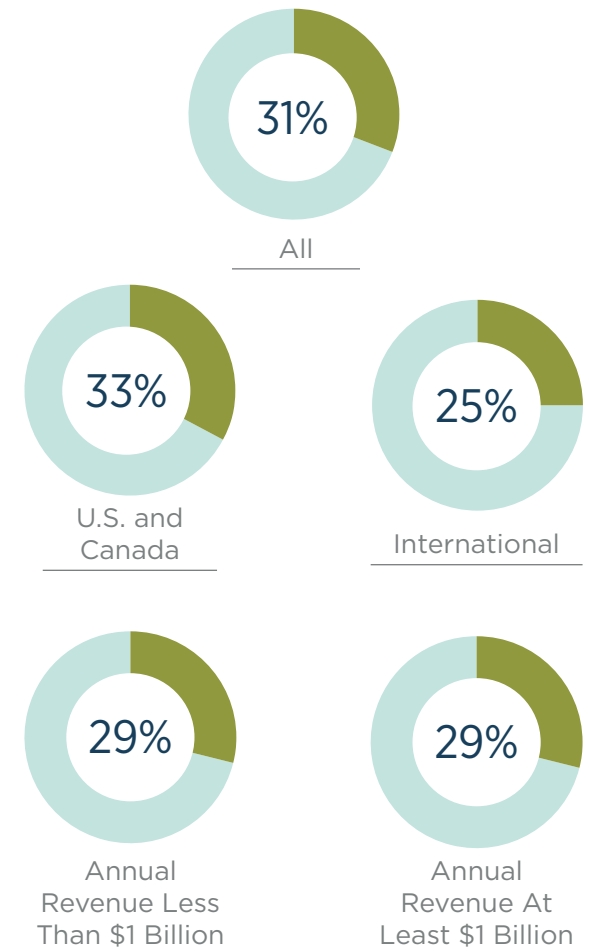
(Percentage of B2B Payments Made by Checks)



Globally, 31 percent of organizations continue to make payments by check. As noted above, 33 percent of organizations within North America continue to use checks for payments, while 25 percent of organizations outside of the U.S. and Canada are using checks to make payments. Checks are largely a U.S. convention, whereas in many other countries checks are often utilized as a last resort if digital methods are unavailable or too cumbersome to process.

#### Percentage of Organizations' B2B Payments Made by Checks

(Percentage of B2B Payments Made by Checks)





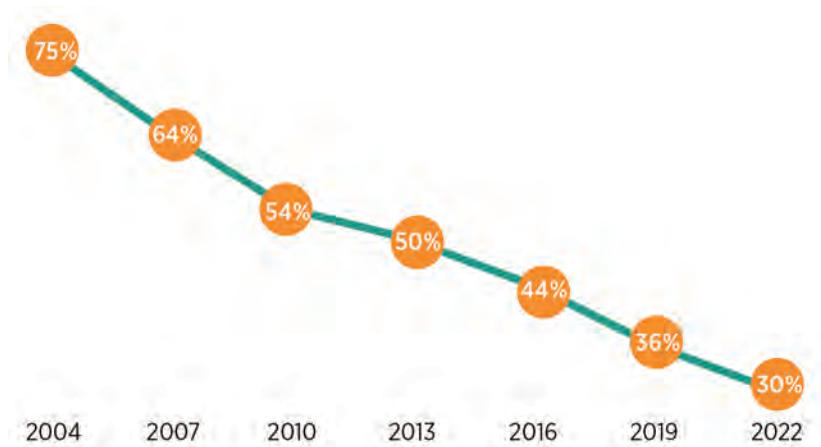


## BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

### Collections

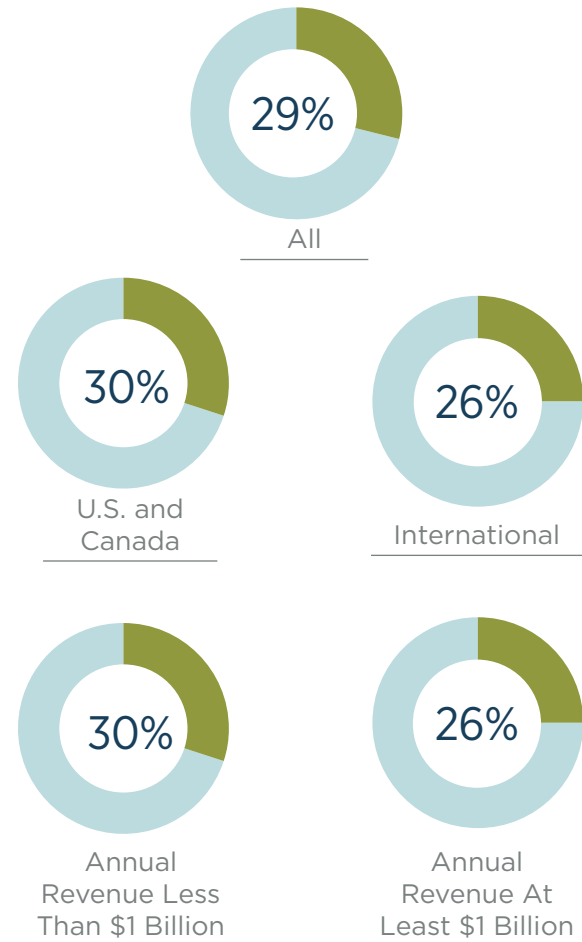
The use of checks by organizations' suppliers is also decreasing at a rapid pace. In 2022, 30 percent of organizations within North America receive payments via checks—a 6-percentage point decrease from 2019 and 14 percentage points lower than the figure reported in 2016. This follows the same trend observed with payables: i.e., fewer checks being issued represents fewer checks being collected. Also, as companies look inward to expense management, the cost of check processing is higher than for most other payment methods (see *2022 AFP® Cost of Payments Survey*)—a consequence of fewer checks in the overall system.

**Percentage of Organizations' B2B Payments Received by Checks: U.S. and Canada**  
(Percentage of B2B Payments Received by Checks)



Thirty percent of organizations within North America receive checks from suppliers. A smaller share of organizations in regions outside North America—26 percent—receives checks from their suppliers.

**Percentage of Organizations' B2B Payments Received by Checks**  
(Percentage of B2B Payments Received by Checks)



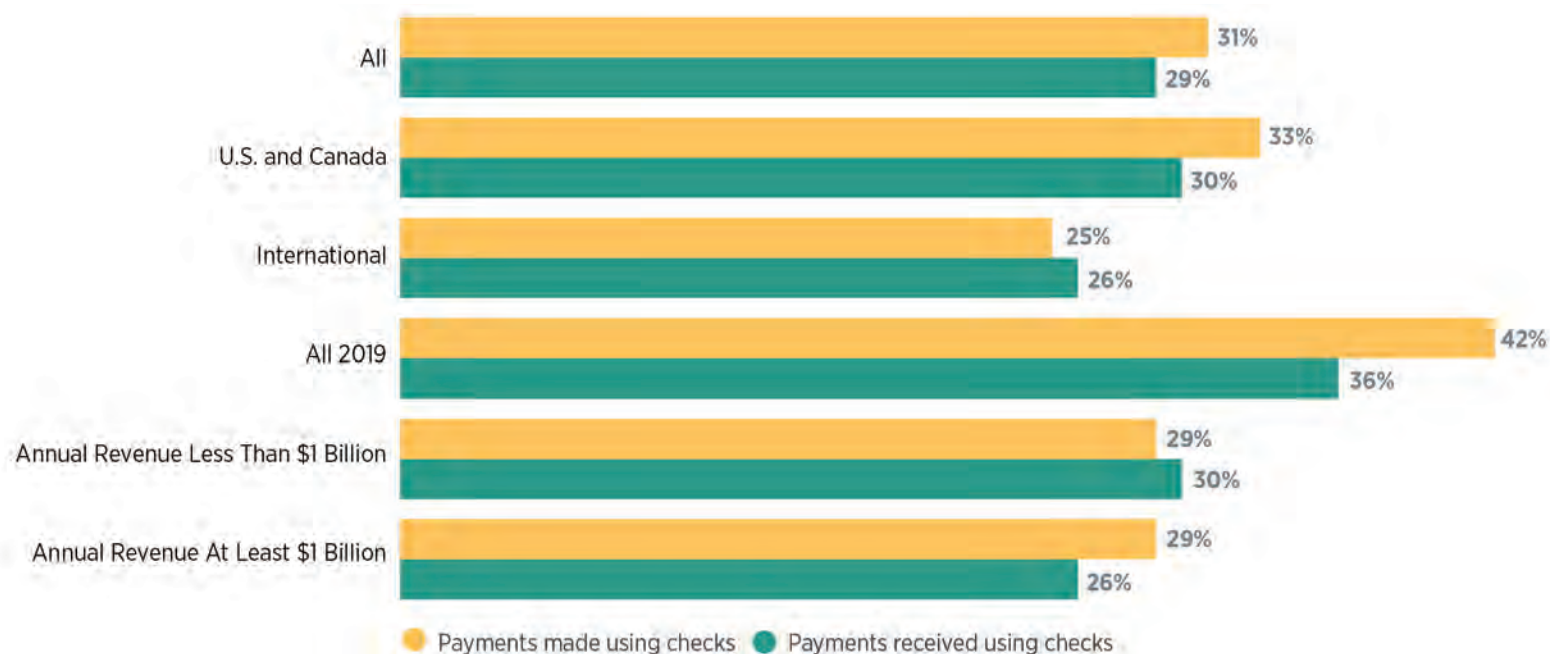




## BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

### B2B Payments Made and Received by Checks

(Percent of Organizations)





## BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

### Payments Methods for Business to Business (B2B) Transactions

#### Major Suppliers

The use of checks for paying major suppliers is also on the decline. In 2019, organizations within the U.S. and Canada made 38 percent of their payments to major suppliers using checks, down slightly from 41 percent in 2016. According to the current survey, the average organization globally makes 22 percent of its payments to major suppliers via checks. Twenty-six percent of organizations in North America use checks to pay suppliers, while 11 percent of organizations outside of North America do the same.

Thirty percent of payments to major suppliers are made using ACH credits. Only 9 percent of international organizations (those outside the U.S. and Canada) use ACH credits for their payments to major suppliers, while 39 percent of organizations within the U.S. and Canada use ACH credits for their payments to major suppliers—a three-percentage-point increase from 2019. The vast difference in the use of ACH credits by region can be attributed to the ACH network being a primarily U.S.-based domestic transfer system. There are international ACH networks, but this year's survey did not ask specifically about the transaction type. (For more info on the ACH network, please visit *ACH Network Volume and Value Statistics / Nacha*)

Within North America, the gap between the use of paper and digital payments has widened—to 13 percentage points for ACH credits in 2022 compared to two percentage points in 2019. With check usage on a rapid decline, it is not surprising that the use of digital payments has overtaken the use of checks, something not seen before in previous survey results. Also notable is the 12 percent of transactions being made via wire transfers; however, 20 percent of international organizations use domestic wire transfers, while only 9 percent of organizations in North America do the same. Legacy international wire transfers and enhanced international wires (SWIFT Genuine Process Indicator, aka SWIFT gpi) are used more internationally than in North America. Since Nacha

#### Payment Method Used to Pay Major Suppliers (Mean Distribution)

	ALL	U.S. AND CANADA	INTERNATIONAL	ALL 2019
Automated Clearing House (ACH) credits	30%	39%	9%	36%
Checks	22%	26%	11%	38%
Domestic Wire transfers	12%	9%	20%	9%
Legacy International Wires (SWIFT)	6%	3%	14%	3%
ACH debits (vendor debits my account)	5%	7%	2%	5%
Same-Day ACH Debits	4%	3%	6%	--
Enhanced International Wires (SWIFT gpi)	4%	1%	10%	1%
Physical Cards	3%	3%	2%	4%
Single Euro Payments Area (SEPA) Payments	2%	2%	4%	--
Real-time Payments (Such as RTP)	2%	1%	5%	--
Virtual Cards	2%	3%	1%	4%
Such as Same-Day ACH Credits	2%	2%	3%	--
Trade Finance/Letters of Credit	2%	1%	6%	--
IAT or country equivalent	1%	--	1%	--
Local Solutions: Giro, Post Office, etc.	1%	--	3%	--
eWallets	--	--	1%	--
Other	2%	1%	4%	--

*Other includes merchant services, log into company websites and pay online, bank slips, EFT in Canada.*

*Note: Emerging International Transfers (Ripple, etc.) and crypto currencies were not selected as payment methods by any respondents.*

increased the same-day ACH limit to \$1 million per transaction as of March 2022, not only has the dollar volume in ACH also increased (based on the latest quarterly report dated Q2 2022, link provided above), but also has the number of B2B transactions. In addition, because of the COVID-19 pandemic, organizations have increasingly been using digital formats over

paper formats, and this has helped drive the difference in digital usage. In terms of wire payments, those payment types typically are used for larger, more time-sensitive payments. With the rise in supply-chain challenges that companies continue to face, demand for quick and timely payments may be helping drive up wire volume, especially on a cross-border basis.



## BUSINESS-TO-BUSINESS (B2B) DISBURSEMENTS AND COLLECTIONS

### Major Customers

#### U.S. and Canada

Organizations' major business customers utilize a range of payment methods. Thirty-five percent of all B2B payments to organizations within North America from major customers are received via ACH credits—a slight decrease from the 37 percent reported in 2019. But that percentage is significantly higher than the 25 percent of

payments by checks from major customers collected by the typical organization in North America reported in 2019, although lower than the 39 percent reported in 2016. In fact, this is only the second time since this survey has been conducted in which a digital payment method—ACH—is reported as being used to a larger extent than checks by organizations' major customers. Other payment methods used by U.S. and Canada organizations' major customers are domestic wire

transfers (13 percent, compared to 12 percent reported in 2019) and ACH debits (7 percent).

#### International

Organizations outside of North America are more like to receive payments from major customers via domestic wire transfers and legacy international wire transfers (SWIFT) (22 percent). Thirteen percent of payments received are via checks and 5 percent are made via ACH credits.

### Payment Method Used by Major Business Customers (Mean Distribution)

	ALL	U.S. AND CANADA	INTERNATIONAL	ALL 2019
Automated Clearing House (ACH) credits	26%	35%	5%	37%
Checks	21%	25%	13%	32%
Domestic Wire transfers	16%	13%	22%	12%
Legacy International Wires (SWIFT)	9%	4%	22%	3%
ACH Debits (vendor debits my account)	6%	7%	3%	5%
Same-Day ACH Credits	5%	4%	6%	--
Physical Cards	4%	3%	5%	7%
Same Day ACH Debits	3%	3%	4%	--
Enhanced International Wires (SWIFT gpi)	3%	1%	7%	1%
Virtual Cards	2%	2%	1%	2%
Real-time Payments (Such as RTP)	2%	1%	6%	--
Emerging International Transfers (Ripple, etc.)	1%	1%	1%	--
Crypto Currency	--	--	--	
Other	2%	1%	3%	1%

*Other includes cash, PayPal, bank slips, EFT in Canada.*

*Note: No respondent selected crypto currencies as a payment method used by respondents' major customers.*



Financial professionals weigh various factors when selecting a payment method for cross-border transactions. A majority (54 percent) of survey respondents cites speed of payment as a primary driver in their choice of payment method. Speed of payment is even more vital in the current business environment since supplier relationships are critical with supply chain woes a concern as are suppliers adjusting pricing frequently due to heightened inflation. This is not surprising given that traditional cross-border payments are conducted with decades-old technology and correspondent banking through the SWIFT system. Cross-border payments can take days and there is usually no transparency or certainty of exactly when a payment will arrive since it is dependent on what banks and what route the payment has to follow in order to reach the payee. Cross-border payments are also plagued with high and unpredictable fees that can sometimes exceed the agreed-upon total cost, potentially creating friction between business partners. Other factors that complicate cross-border business include currency risk which could be significant depending on world events—something outside the control of financial professionals. Most

Other factors noted by survey respondents:

- Transaction cost (cited by 43 percent of respondents)
- Certainty of payment (42 percent)
- Risk of fraud (41 percent)
- Depends on size and purpose of transaction (33 percent)
- Currency risk (34 percent)

Perhaps the significant difference between organizations in the U.S. and Canada and those located internationally is determined by the clearing systems through which the payments are settled. In Canada there is no check float; checks are batch cleared through the same system similar to ACHs and then back dated for same-day settlement. There are many fewer banks in Canada as well, so the complexity between North America/International is much more simplified. Getting a payment on time to where it needs to be is critical for all companies, but when paying cross border for goods and services—especially raw material purchases, for example—time is of the essence.



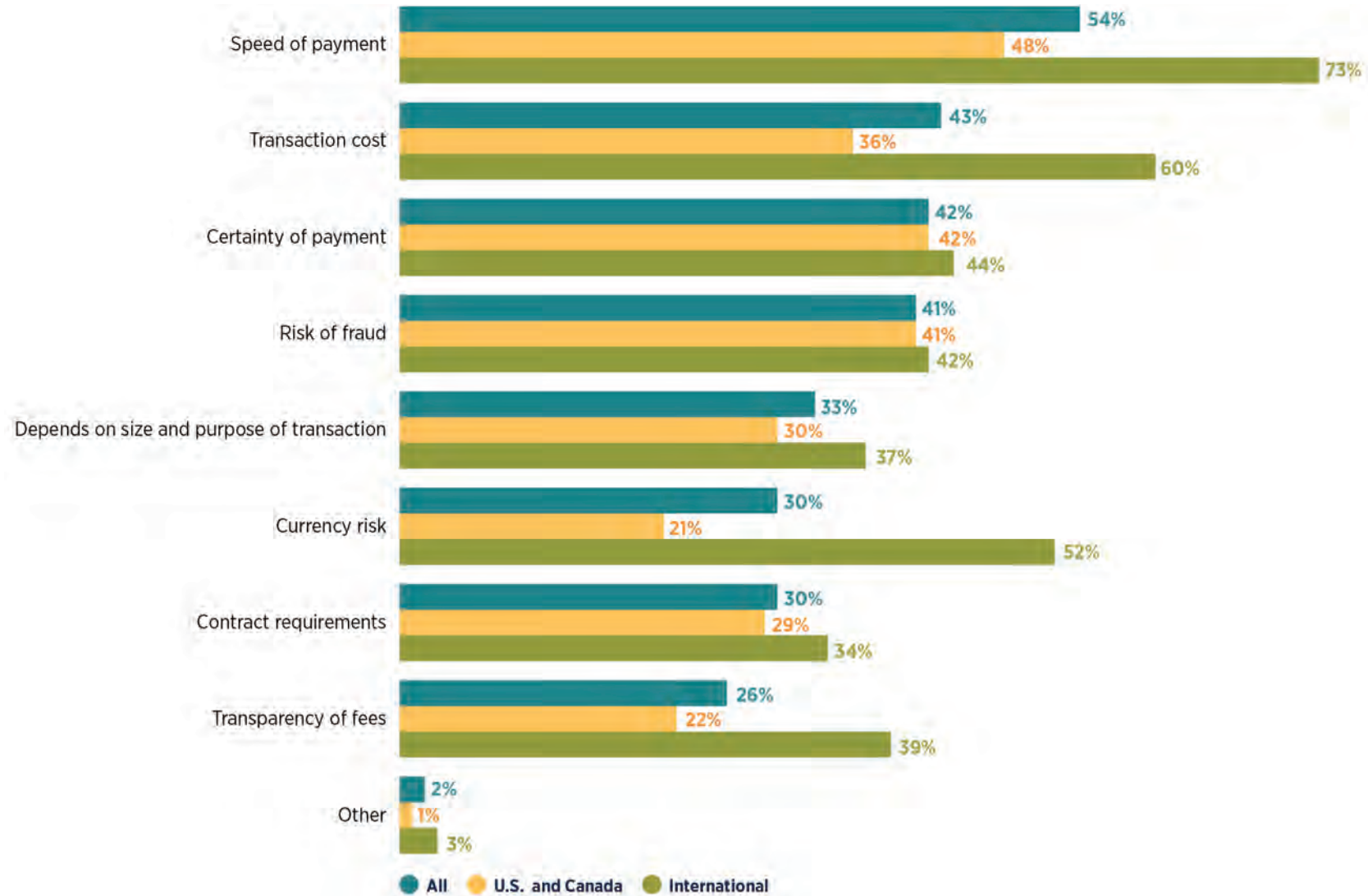




## CROSS-BORDER PAYMENTS

### Primary Factors Considered When Choosing Methods for Sending Cross Border/International Payments

(Percent of Organizations)



Other: Central bank regulation, have international bank accounts, prefer to send payments within the country, reliance on third parties to facilitate transactions to unbanked employees, method available on banking platform.



## DIGITAL PAYMENTS

### Trends in Sending and Receiving Remittance Information with ACH Payments

Organizations employ a variety of methods when sending or receiving ACH payments. Email is used most extensively to send remittance information by 61 percent of organizations (lower than the 68 percent in 2019). The second-most widely used method is EDI/CTX or EDI/CCD+, used by 26 percent of organizations, while 17 percent use regular mail.

Organizations receive ACH remittances in a similar manner as they send them. Fifty-six percent of companies receive remittance information via email (compared to 62 percent in 2019) and 24 percent receive the information by EDI/CTX or EDI/CCD+ transmission (compared to 35 percent in 2019).

Using email as a vehicle for sending remittance information makes sense; it is a very fast way of sending information to a recipient. However, since this information does not follow the payment (due in many cases to size restrictions—i.e., the number of characters allowed in the field), any information

attached to an email would have to be manually reconciled with the payment once the payment arrives. Another reason email is used to such a large extent is cost: email is (basically) free. Banks and payment providers typically charge for sending remittance data with the payment and not all systems can receive the information, making it a very disjointed email friendly format. On the other hand, email has its own issues, especially from a Business Email Compromise perspective. Consequently, having the right parameters in place to guard sensitive data is a goal for many organizations.

### Organizations' Method of Sending and Receiving ACH Remittance Information

(Percentage Distribution of Organizations)

	2022 (Global)		2019 (U.S. and Canada)	
	SENDING REMITTANCES	RECEIVING REMITTANCES	SENDING REMITTANCES	RECEIVING REMITTANCES
Email	61%	56%	68%	62%
EDI/CTX or EDI/CCD	26%	24%	31%	35%
Mail	17%	18%	14%	23%
Customer's website	12%	13%	12%	21%
Third-party website	12%	17%	11%	21%
ISO 20022	10%	11%	7%	9%
My organization's website	10%	8%	7%	6%
Fax	5%	7%	5%	14%
Other	4%	3%	2%	2%

Other includes:

- Verbally verified with a known contact or someone from the organization. Internal process via digitally secured email with form and signature with bank information.
- Government and other agencies send an ACH with no detail and we have to figure it out.
- Via invoices and checks, local Govt. needs dual signatures to submit a payment, not willing to wire or ACH payments, loss of dual control.
- Banking platform.



## FASTER PAYMENTS

### Faster Payments

In recent years, a couple of faster payments initiatives have been conducted. The Faster Payments Task Force and the Secure Payments Task Force completed their work in 2017. They made recommendations for improving the U.S. Payments System and set up the Faster Payments Council (FPC) to continue the work of building use cases and to provide overall support for new and faster payments systems in the U.S. The Federal Reserve has since joined the FPC to continue the work on Faster Payments Initiatives. A number of faster payments and real-time payments systems have become operational in the United States, most notably Nacha's Same-Day ACH and The Clearing House's RTP (Real-Time Payments). In addition, the Federal Reserve announced that it, too, intends to implement "round-the-clock real-time payment and settlement service" called FedNow next year.<sup>1</sup> In the cross-border area, SWIFT is operating the SWIFT Genuine Process Indicator (gpi) which makes funds available the same day, has end-to-end tracking capabilities and greater transparency and predictability of fees. These transfers will also be able to carry rich remittance information together with payments.

These developments are particularly important for businesses in the U.S. since many other countries already have highly enhanced payment systems. The U.K. has had great success with its Faster

Payments System. The European Union introduced the Single Euro Payments Area (SEPA) a few years ago and has continued to develop instant payment: SEPA Instant Credit Transfers.

Over 60 percent of financial professionals are optimistic about the impact of faster payments on their organizations, with 24 percent expecting the impact to be very positive and 38 percent anticipating the effect will be somewhat positive. Thirty-seven percent of respondents are not expecting faster payments to have any impact, and a very small share (two percent) believes that faster payments will have a negative effect on their organizations' payments strategy.

Faster and more transparent payments will definitely have an effect on treasury departments. With faster payments, timing will be easier to predict and should create benefits in areas such as cash management. There is also potential to save money—for example, being able to pay on the last day of discount availability. Other use cases include emergency payroll and quicker settlement of merchant acquiring proceeds.

There are also challenges. With real-time payments, current routines will have to change to accommodate systems that operate on a 24/7/365 basis. This could cause staffing issues for off-business hours and new procedures for funds that can arrive at any time.



<sup>1</sup> About the FedNow Service ([frbsservices.org](https://frbsservices.org))



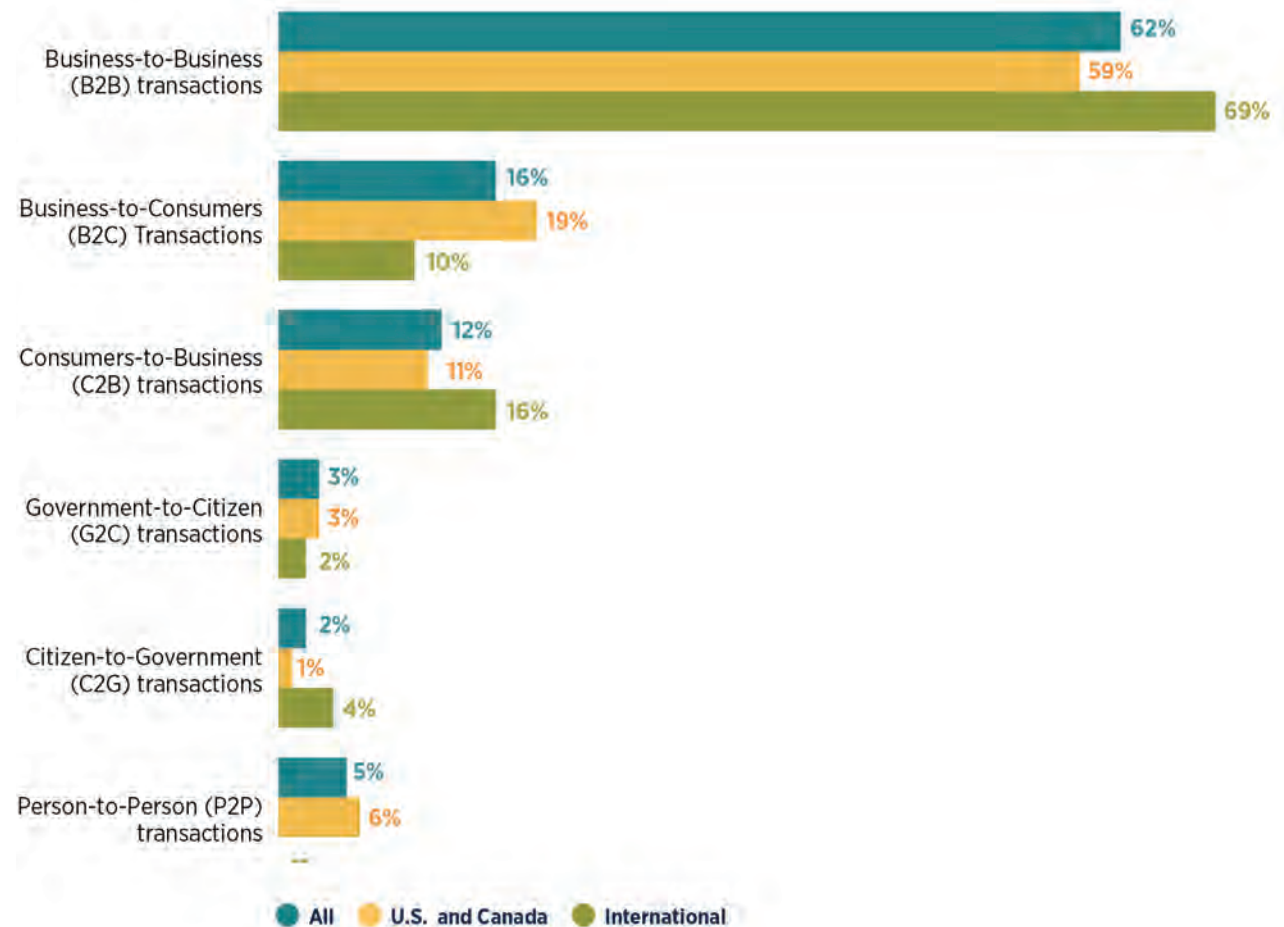
## FASTER PAYMENTS

### Benefits of Faster/Real-Time Payments

Faster/real-time payments are more beneficial to some payments categories than to others. Sixty-two percent of respondents report that B2B transactions will benefit the most from faster/real-time payments, 16 percent believe the same for business-to-consumer (B2C) transactions, and 13 percent believe that the most benefits will devolve to consumer-to-business transactions.

A larger share of financial professionals from organizations outside of North America (69 percent) believes B2B transactions will benefit from faster/real-time payments than those within North America (59 percent). Additionally, a greater share of financial professionals from North America believes B2C transactions will benefit from faster payments than those from international organizations. Regarding consumer-to-business (C2B) transactions, organizations in other regions of the world are significantly further ahead of the U.S. And those who have implemented real time payments are optimistic about the functionality. The key will be the remittance information and how well that moves with the transaction as the U.S. adopts more B2B real-time payments in the future—especially with FedNow coming on board next year.

Category of Payments that Will Benefit Most from Faster/Real-Time Payments  
(Percentage Distribution of Organizations)







## FASTER PAYMENTS

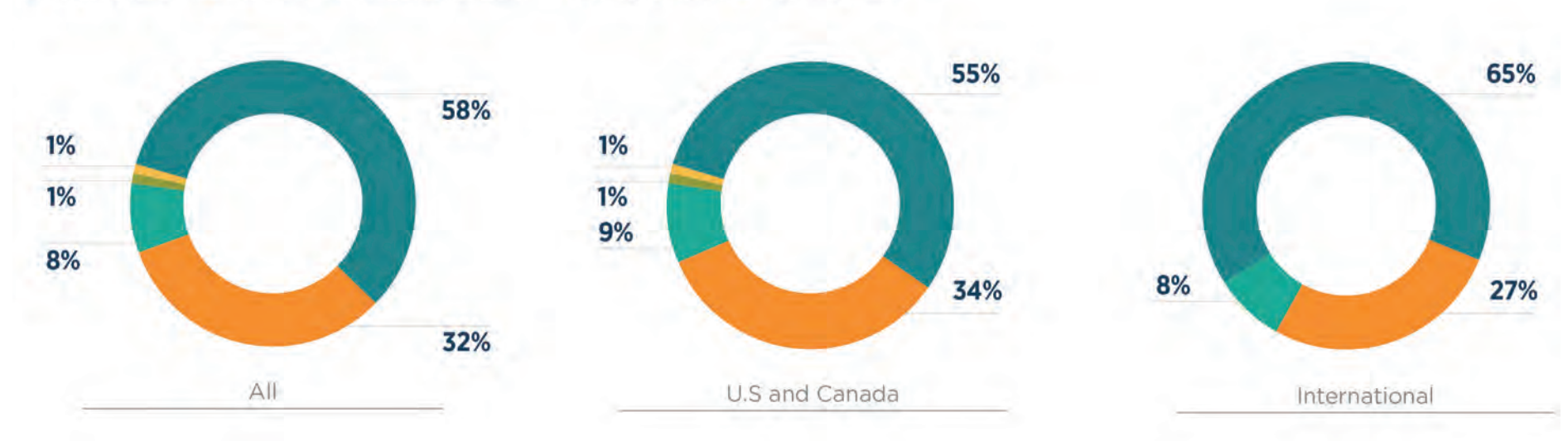
A vast majority of financial professionals representing global organizations (90 percent) indicates that it is important or very important that faster payments are “smart” and are able to carry extensive remittance information; 8 percent feel it is somewhat important. The primary reasons respondents believe that faster payments

are important in carrying smart extensive remittance/information is that faster payments provide more information on payment details; this allows for the funds to be applied correctly and assists in tracking delivery of funds and reconciliation. Respondents also suggest that it adds efficiency to the process.

### Importance of Faster Payments Carrying Smart Extensive Remittance Information

(Percentage Distribution of Organizations)

Very important   Important   Somewhat important   Not very important   Very unimportant





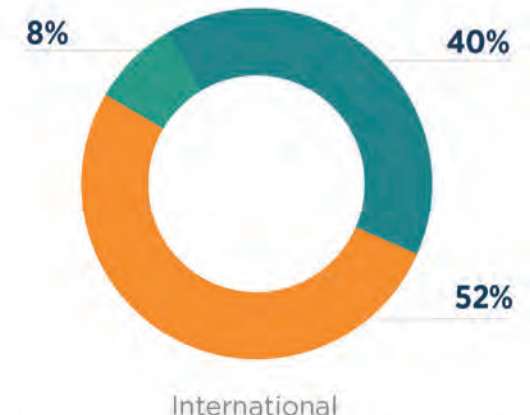
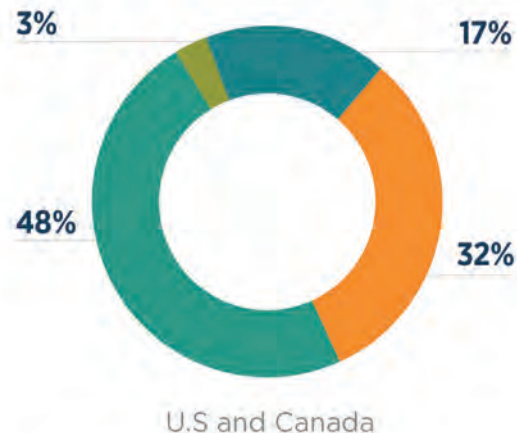
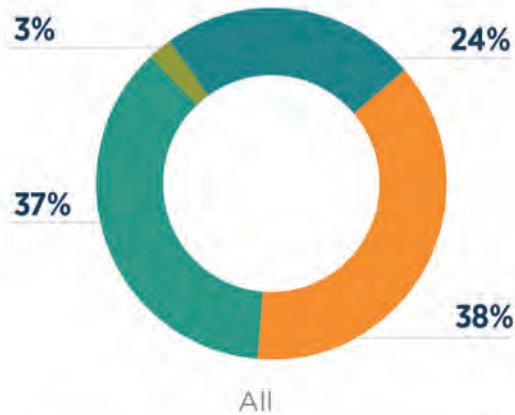
## FASTER PAYMENTS

Over 60 percent of all respondents believe faster payments impacts their organizations positively. A vast majority of respondents (92 percent) from international organizations believes that faster payments has impacted their organizations positively compared to the 49 percent of those within the U.S. and Canada who hold this view. Nearly half of all respondents (48 percent) within North

America do not believe faster payments has had an impact on their organizations. As the U.S. catches up to the rest of the world with real-time payments capabilities, the difference in attitude between the U.S. and the rest of the world will shrink. Since adoption rates are higher internationally, companies outside North America are already reaping the benefits

### Anticipated Impact of Faster Payments on Organizations (Percentage Distribution of Organizations)

● Very positively ● Positively ● No impact ● Adversely





## ISO 20022 AND PAYMENT FILES/REPORTS

### ISO 20022

As mentioned earlier, many of the benefits of faster-payments systems, such as straight-through-processing, will only be possible if organizations' business partners use standardized formats for their payment files. New payment systems developed around the world—such as SEPA—rely on the ISO 20022 payments standard. The ISO 20022 is basically a global dictionary of standardized messages that can be used for payments. Any new payments system developed for U.S. businesses will most likely be based on this standard. Consequently, it may be wise for financial professionals to stay abreast of these payments standards and be cognizant of what this may mean for them and their organizations' internal systems going forward.

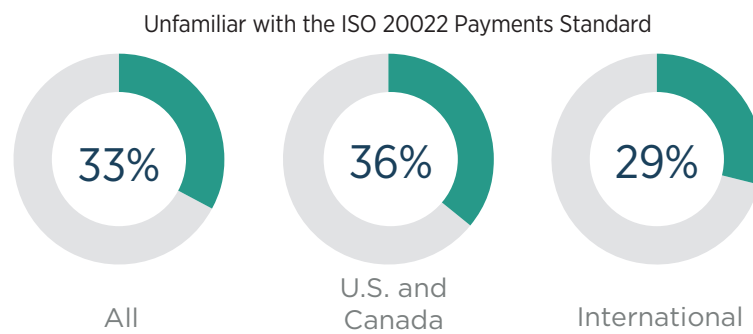
When asked to share their views regarding the adoption of the ISO 20022 payments standard in a new faster payments system, 33 percent of all survey respondents indicate that they were unfamiliar with the standard. A greater share of practitioners from the U.S. and Canada were unaware of the ISO 20022 payments standard (36 percent) compared to the share from other regions (29 percent). In 2019, 42 percent of respondents from the U.S. were unaware with the ISO 20022 standard.

ISO 20022 has been around for several years, but the adoption of and focus on ISO 20022 by U.S. organizations have been mainly from those companies that send/receive cross-border payments. If a company is purely domestically focused, ISO 20022 might be introduced to them

by their payment/bank provider, but the benefits of switching from current payment file formats would be hard to justify. Respondents from larger organizations (those with annual revenue of at least \$1 billion) are more aware of the ISO 20022 payments standard than are their peers from smaller organizations.

Since ISO 20022 has been used in virtually all new payments developments, it is not surprising that the awareness of this standard has increased in the past three years.

### Familiarity with ISO 20022 Payment Standard (Percentage Distribution of Organizations)





## ISO 20022 AND PAYMENT FILES/REPORTS

The current survey findings suggest that the value and importance of ISO 20022 has increased. Notably, 51 percent of respondents report the payment standard is either very valuable or valuable, while 38 percent indicate it is somewhat valuable. Seventy percent of financial professionals representing international organizations believe ISO 20022 is valuable, while 44 percent of their peers from North America are of the same opinion.

The two primary networks that are ISO 20022 supported are the CHIPS network and the new FedNow network expected next year. The ACH network does not directly support ISO 20022, but it does support the integration/translation of ISO messages to ACH and vice versa.

ISO 20022 is not as broadly adopted in the U.S. as it is Internationally. Eventually ISO 20022 will become the industry payment file format. SWIFT will be retiring some of its MT formats in place of ISO 20022 in years to come.

### Value of ISO 20022 for Organization

(Percentage Distribution of Organizations)

	ALL	U.S. AND CANADA	INTERNATIONAL
Very valuable	24%	20%	32%
Valuable	27%	24%	38%
Somewhat valuable	38%	44%	22%
Not very valuable	9%	10%	8%
Not at all valuable	2%	2%	--





## CONCLUSION

It is clear from this year's findings that organizations—regardless of their location—are steadily moving towards using digital payments increasingly. One-third of organizations' B2B payments continue to be made by check. With the exception of 2013, check usage has been declining steadily since 2004. This year's survey results suggest companies in the U.S. are actively shifting their payment methods away from checks to digital alternatives. The use of checks by organizations' suppliers is also decreasing at a rapid pace. The use of checks for paying major suppliers is also on the decline. This trend is likely to continue.

Within North America, the gap between the use of paper and digital payments has widened—to 13 percentage points for ACH credits in 2022 compared to two percentage points in 2019. With check usage on a rapid decline, it is not surprising that the use of digital payments has overtaken the use of checks—an observation unseen previously in the payments realm. Legacy international wire transfers and enhanced international wires (SWIFT gpi) are methods being used more internationally than in North America.

Financial professionals do anticipate that their organizations will be increasing the use of digital payments in the coming years. Over 40 percent of survey respondents indicate it is very likely that their organizations will convert the majority of B2B payments to digital payment methods for their suppliers in the next three years.

A majority of organizations continues to operate across borders. Eighty-one percent of companies make at least some cross-border payments, a result unchanged from 2019.

A majority (54 percent) of survey respondents cites speed of payment as a primary driver in their choice of payment method. As organizations increasingly use digital payments for their transactions, they are also realizing the benefits of doing so. Speed of settlement is the top benefit of using digital payments, especially for cross-border payments.

With the increasing shift towards digital payments, organizations are facing some headwinds. Those barriers are varied but included among them are customer and supplier acceptance of digital transactions, scarcity of IT resources and a lack of integration between systems.

The challenges organizations face when transitioning from checks to digital payments have shifted over the past three years. Shortage of IT resources for implementation is the most-often cited major barrier. Difficulty in convincing customers to pay digitally is also a major issue for some organizations.

Organizations continue to integrate their payments and accounting systems, and consequently are able to realize cost savings and processing efficiencies. Financial professionals report that with new faster/real-time payments operational, their organizations are staying current with new developments and potentially aim for adoption of such processes where they can establish benefits.

The payment landscape is changing rapidly as the external factors such as supply-chain challenges and inflation continue to shape the payment industry's dynamics. Finance leaders at organizations need to be informed and stay updated so they are able to take advantage of the payment methods available to them. In addition to ensuring that their organizations have the necessary systems in place, it is essential they have their teams trained to adapt to the evolving environment and build for future growth.

## About the Survey Participants

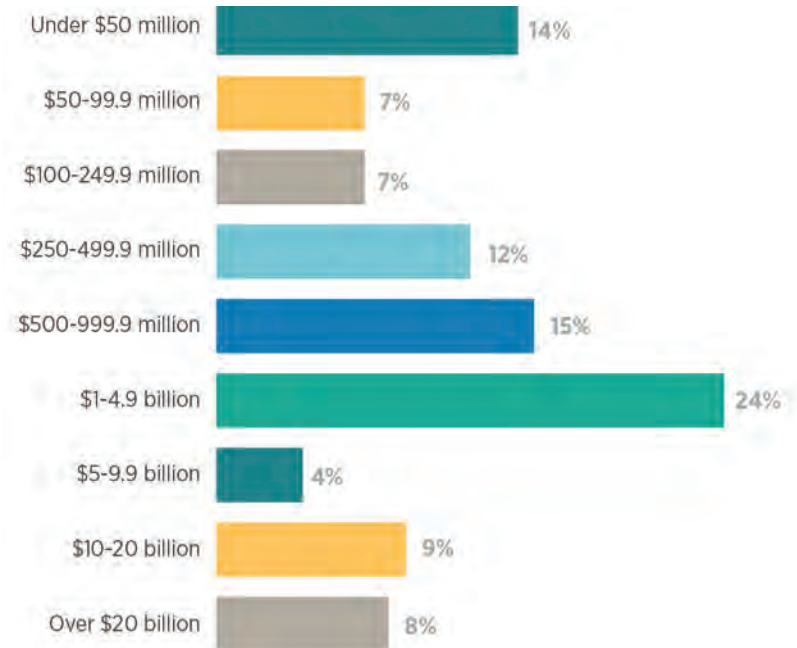
In June 2022, the Research Department of the Association for Financial Professionals® (AFP) conducted a survey on how treasury and finance professionals are taking advantage of payments innovations to accommodate the pace of change in the current complex business-to-business environment. The survey was sent to corporate practitioners with the following job titles: Vice President & Treasurer, Treasurer, Assistant Treasurer, Director Treasury, Manager Treasury, Cash Manager and Treasury Analyst. We sent this survey to corporate practitioners globally. AFP received a total of 256 responses from its corporate practitioner

members and prospects, with 178 of the responses from corporate practitioners in the U.S. and Canada and 78 responses from treasury practitioners representing other countries.

AFP thanks J.P. Morgan for once again underwriting the 2022 AFP® *Digital Payments Survey*. Both the questionnaire design and the final report, along with its content and conclusions, are the sole responsibilities of the AFP Research Department. The demographic profile of the survey respondents mirrors that of AFP's membership. The following tables provide a demographic summary of the survey respondents.

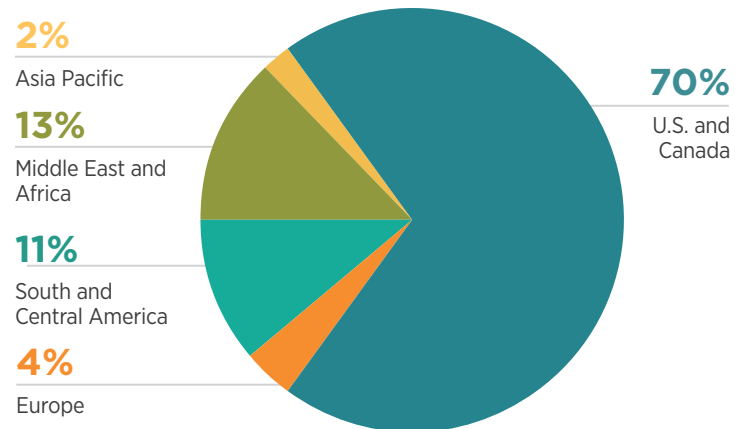
## Annual Revenue (USD)

(Percentage Distribution of Organizations)



## Geography

(Percentage Distribution of Organizations)



## Ownership Type

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE AT LEAST \$1 BILLION
Publicly owned	32%	23%	45%
Privately held	51%	61%	38%
Non-profit	6%	6%	6%
Government	11%	11%	11%

## Industry Classification

(Percentage Distribution of organizations)

	ALL
Agricultural, Forestry, Fishing & Hunting	3%
Banking/Financial Services	16%
Administrative Support/Business Services/Consulting	2%
Construction	4%
E-Commerce	1%
Education	1%
Energy	6%
Government	7%
Health Care and Social Services	7%
Hospitality/Travel/Food	2%
Insurance	4%
Manufacturing	18%
Non-Profit (including Education)	3%
Professional/Scientific/Technical Services	3%
Real Estate/Rental/Leasing	5%
Retail Trade	3%
Wholesale Distribution	2%
Software/Technology	5%
Telecommunications/Media	1%
Transportation and Warehousing	3%
Utilities	4%

**AFP 2022 Digital Payments Survey Report**  
**Copyright © 2022 by the Association for Financial Professionals (AFP).**  
**All Rights Reserved.**

This work is intended solely for the personal and noncommercial use of the reader. All other uses of this work, or the information included therein, is strictly prohibited absent prior express written consent of the Association for Financial Professionals. The *AFP 2022 Digital Payments Survey Report* the information included therein, may not be reproduced, publicly displayed, or transmitted in any form or by any means, electronic or mechanical, including but not limited to photocopy, recording, dissemination through online networks or through any other information storage or retrieval system known now or in the future, without the express written permission of the Association for Financial Professionals. In addition, this work may not be embedded in or distributed through commercial software or applications without appropriate licensing agreements with the Association for Financial Professionals.

Each violation of this copyright notice or the copyright owner's other rights, may result in legal action by the copyright owner and enforcement of the owner's rights to the full extent permitted by law, which may include financial penalties of up to \$150,000 per violation.

This publication is not intended to offer or provide accounting, legal or other professional advice. The Association for Financial Professionals recommends that you seek accounting, legal or other professional advice as may be necessary based on your knowledge of the subject matter.

**All inquiries should be addressed to:**

Association for Financial Professionals

4520 East West Highway, Suite 800

Bethesda, MD 20814

Phone: 301.907.2862

E-mail: [AFP@AFPonline.org](mailto:AFP@AFPonline.org)

Web: [www.AFPonline.org](http://www.AFPonline.org)



ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS





ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS

### AFP Research

AFP Research provides financial professionals with proprietary and timely research that drives business performance. AFP Research draws on the knowledge of the Association's members and its subject matter experts in areas that include bank relationship management, risk management, payments, FP&A and financial accounting and reporting. Studies report on a variety of topics, including AFP's annual compensation survey, are available online at [www.AFPonline.org/research](http://www.AFPonline.org/research).

### About AFP®

Headquartered outside of Washington, D.C. and located regionally in Singapore, the Association for Financial Professionals (AFP) is the professional society committed to advancing the success of treasury and finance members and their organizations. AFP established and administers the Certified Treasury Professional® and Certified Corporate FP&A Professional® credentials, which set standards of excellence in treasury and finance. Each year, AFP hosts the largest networking conference worldwide for more than 7,000 corporate financial professionals.

4520 East-West Highway, Suite 800

Bethesda, MD 20814

T: +1 301.907.2862

[www.AFPonline.org](http://www.AFPonline.org)

INTUITIVE EFFICIENCY

\$44,766

CO-CREATION MINDSET

¥76,000,089

€8,544,540

\$47,360

# Every payment speaks volumes.

We invest in billions in new technologies today, so your business can help shape tomorrow's conversations.

As a trusted innovator and industry leader, we can help your business unlock the potential in your payments. Our integrated solutions empower businesses to diversify and thrive in a rapidly evolving world. Join companies around the globe that trust us to solve both complex and everyday challenges.

---

## Discover payment solutions customized for your business

Whether your business is a large multinational or a small business enterprise, we can support you through every stage of growth with award-winning client service, global reach and local expertise.

COMPETITIVE EDGE

£20,813,176

END-TO-END

SIMPLIFICATION

Get started at [jpmorgan.com/payments](https://jpmorgan.com/payments)

**J.P.Morgan** PAYMENTS