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# **The End of the Waiting Period: Why Real-Time Settlement Will Redefine Global Liquidity Risk**



**Tord H. M. Coucheron**  
*Co-Founder – UNITE Global*



## The End of the Waiting Period: Why Real-Time Settlement Will Redefine Global Liquidity Risk

*For more than half a century, global financial institutions have accepted one fundamental inefficiency as unavoidable: the waiting period. Whether a securities trade settling T+2, a cross-border payment moving through correspondent chains, or an FX transaction awaiting confirmation, time itself has been the most persistent risk factor in modern finance.*

That era is drawing to a close.

With the emergence of **real-time global settlement frameworks** — and most notably, **Real-Time Super-Centralised Liquidity (RT-SCL)** as pioneered by **UNITE Global FMI** — the waiting period between transaction execution and finality can now be eliminated entirely. This evolution carries implications far beyond payments: it challenges the core assumptions of liquidity management, intraday risk, and systemic stability.

### From Settlement Delay to Settlement Risk

In traditional cross-border flows, each delay embeds liquidity risk. Payment messages traverse multiple correspondent banks, each holding prefunded balances in different currencies, often across time zones. Liquidity must be immobilised to protect against the uncertainty of timing.

For banks, that immobilisation is expensive. It distorts **Liquidity Coverage Ratios (LCR)**, increases demand for intraday credit, and inflates operational cost structures. For regulators, it represents systemic opacity — a chain of contingent obligations rather than final settlements.

Real-time settlement changes this dynamic entirely. By collapsing time-to-finality from hours or days to seconds, **RT-SCL removes the temporal gap that defines settlement risk itself.**

### Instant Finality – The Structural Risk Reducer

The safety of central bank money has always been the foundation of settlement confidence. However, even domestic RTGS systems, while final, remain national and time-bound. Cross-border transactions still depend on sequential messaging, credit intermediation, and overnight funding.

RT-SCL eliminates these dependencies. Within the **UNITE Global FMI**, every transaction — whether payment, liquidity transfer, or FX trade — is settled instantly, across currencies, with finality equivalent to central bank settlement. There are no prefunded correspondent accounts, no daylight overdrafts, and no reconciliation lag.

The systemic impact is profound:

- **Liquidity Efficiency:** Idle buffers can be reduced dramatically. Funds move only when needed, not hours in advance.
- **Credit Risk Reduction:** Intraday credit exposures between institutions disappear.
- **Transparency:** Real-time liquidity visibility replaces post-fact reconciliation.
- **Systemic Resilience:** The infrastructure itself acts as a continuous settlement utility, not a credit network.

In effect, **RT-SCL transforms liquidity from a static safety margin into a dynamic, real-time asset.**

## A New Paradigm for Liquidity Regulation

Regulators worldwide — from the BIS to the FSB — have long sought ways to reduce global settlement risk without restricting liquidity flow. UNITE Global's RT-SCL model achieves that objective technologically, rather than administratively.

When liquidity becomes instant and cross-currency finality is guaranteed, the definition of systemic liquidity itself evolves. Banks no longer need to “hold” liquidity for time gaps that no longer exist. Central banks gain a continuous, transparent view of flows and balances. The result is a structurally safer, more efficient international financial system — one aligned with the **G20 targets on cost, speed, access, and transparency**, but extending those goals into liquidity management itself.

## The End of the Waiting Period

In an environment where global finance operates continuously, the concept of “waiting for settlement” becomes obsolete. The elimination of settlement delay represents not just a technological milestone but a redefinition of financial stability.

**UNITE Global's Real-Time Super-Centralised Liquidity (RT-SCL)** stands as the first live proof of this transition: a system where **risk is measured in seconds, not days**, and where global liquidity becomes truly *real-time*.

The waiting period defined the last century of banking. Its end will define the next.