



Services

Serving the Always-On Investor: A Payments Playbook for Broker-Dealers

Instant payments are transforming how broker-dealers compete, manage risk, and win the next generation of investors

Real-time payments can offer strategic advantages to broker dealers helping them optimize liquidity and risk, make their operations more efficient, and serve the modern investor. The growth of instant payments is reshaping the competitive landscape for broker-dealers with the speed and efficiency of money movement becoming key differentiators.

Taking a proactive approach to adopting instant payments should be a strategic imperative for broker-dealers.

Driving the global payments transformation

Customers increasingly expect real-time experiences across all services and their financial interactions are no exception – and the growth of instant payments around the world is clear evidence. Instant payments schemes have swept the globe, transforming the way people transact in the global economy and speeding up the movement of money. By adopting real-time payments, broker-dealers can unlock operational efficiency, enhance liquidity, and modernize their investor experience. Taking a proactive approach to embracing this transformation should be a strategic imperative.

Enhancing the client experience and winning over Gen Z investors

Instant payments for investor deposits and withdrawals offer broker-dealers opportunities to enhance the investor experience. Instant trading with deposited funds is becoming recognized as an industry standard among many broker-dealers, enabling investors to swiftly capture opportunities in fast-moving markets.

While instant brokerage withdrawals, on the other hand, help to mitigate anxiety and instill trust in their investor base by enabling access to trade proceeds without delay. A key driver for the demand of instant payments is catering to the convenience-driven, digitally native Gen Z. Elena Casal, Chief Client Officer at The Clearing House, explains: “They’re digital-first, and they also have a philosophy of ‘Let’s do something now, or let’s not do it.’ There’s not a case for ‘later.’ The time is ‘now’ to transact.” This has generated demand for instant payments and account visibility as well as digital wallet integration – for example, there were 83 million digital wallet payouts to bank accounts in the past year, exemplifying Gen Z’s preference for real-time transactions.”¹ The implication is clear: invest in intuitive, mobile-first technology or risk losing the next generation of investors. As Gen Z enters the workforce and begins investing in financial markets, providing an instant experience can be pivotal in capturing the next generation of investors.

Optimizing liquidity management for broker-dealers

Instant payments can unlock value for broker-dealers by optimizing liquidity and reducing risk. Many broker-dealers already enable their clients to trade immediately after depositing funds, even though the underlying fund transfers may take multiple days to settle, depending on the market

and payment method. While instant access to funds for investments is a key benefit for investors, it can create liquidity and risk management considerations for broker-dealers. By receiving deposits in real-time with immediate confirmation, instant payments can help mitigate liquidity risks from delayed settlements and market exposure during clearing windows.

Unlocking operational efficiency

Broker-dealers inherently have high transaction volumes, which can make operational challenges such as settlement delays, payment returns and rejections costly and time-consuming. Instant payments can offer operational benefits by minimizing settlement delays. Payment validation services can reduce payment returns and rejections by enabling broker-dealers to validate investor bank details. Another key operational challenge for broker-dealers is reconciliation of investor deposits. Assigning unique virtual account numbers to investors can help broker-dealers to streamline reconciliation by reducing manual matching and simplifying reporting at scale.

¹ PYMNTS.2025 “The Five Rules of Engagement for Gen Z Spending and Payments.” PYMNTS.com. July 14

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Providing broker-dealers with scalable payments platforms

Citi's comprehensive Instant Payments solution is designed to scale, efficiently managing the large transaction volumes in broker-dealers' payment flows.

- **Advanced payment infrastructure:** Citi® Payments Express, Citi's cloud-based high-capacity payment platform that connects to various instant payment networks. This platform is scalable, secure, and operates 24/7.
- **API-first design:** Lightweight JavaScript object notation (JSON) APIs for payment initiation, validation, refund, payment status, and compliance review are developer friendly and globally scalable.
- **Validation services:** Citi® Verify, our payment validation service, can support broker-dealers to validate investors' account details at onboarding or before each withdrawal.²
- **Reconciliation tools:** Effective cash reconciliation for broker-dealers is vital for compliance and accurate financial reporting matching inbound funds with corresponding investor accounts. Citi's Payer ID and Virtual Accounts are solutions that can make this process more efficient by assigning unique identifiers at scale to investors streamlining reconciliation across both instant and traditional (ACH, wire) rails.
- **Digital instant payment acceptance:** Instant payment acceptance via QR Code, Request to Pay, or Instant Direct debit offers convenient, fast, and user-friendly experience that can efficiently integrate with online broker-dealer trading platforms for instant deposits.

Working with the right provider

Citi's global scale and comprehensive instant solutions can help broker-dealers to deliver better investor experiences, stronger liquidity management, and leaner operations. Citi now processes more than 10 million instant payments daily³ and is a direct participant in more than 40 instant payment schemes around the world, leaving us well-positioned to both understand and actively shape the evolving global instant payments landscape.

²Availability of Citi Verify subject to review, dependent on nature of payment flows

³Citi; Citi 2024 Services Investor Day

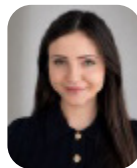
“Webull Securities is an online brokerage that enables Thai investors to trade U.S. equities with a wide range of features, including 24-hour trading. By integrating with Citi, we are not only offering seamless and convenient user experience but also empowering investors with instant access to funds to help them compete and capture opportunities in today's fast-moving markets.”

Chonladet Khemarattana
CEO of Webull Securities, Thailand

Contact your Citi representative to learn more about how Instant Payment solutions can help you.



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