



# Cross-border payments interoperability and extension (PIE) taskforce

Meeting held under Chatham House Rule

*Any views expressed in this presentation, both verbal and written are those of the author and/or presenter and may not reflect those of the CPMI or BIS.*

**Public**  
20 June 2023

# Monitoring progress toward the G20 quantitative targets for cross-border payments

*Update to PIE task force*

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Member of the Secretariat, Financial Stability Board (FSB)

PIE task force meeting

Tuesday, 20 June 2023



# Targets for the cross-border payments roadmap

Challenge	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P)	Remittances
Cost	No target set	Global average cost no more than 1%, no corridors higher than 3%	UN SDG remittance cost targets reaffirmed
Speed	75% within one hour of payment initiation, remainder within one business day	75% within one hour of payment initiation, remainder within one business day	75% within one hour of payment initiation, remainder within one business day
Access	At least one option for sending + receiving cross-border wholesale payments	At least one option for sending + receiving cross-border electronic payments	90% of individuals to have access to means of sending a cross-border electronic remittance payment
Transparency	Joint target for all market segments: payment service providers to provide a minimum defined list of information concerning cross-border payments to payers and payees		

# Update on monitoring progress toward the targets

- FSB published final implementation approach on 22 November 2022
  - Revised the definition of the wholesale and retail market segments for purposes of the report
  - Consists of 33 key performance indicators (KPI) across the three market segments
    - 7 for Wholesale
    - 12 for Retail
    - 14 for Remittances
- Primary data sources for all three market segments identified
  - Gaps exist and FSB is determining approaches for filling them
- Goal of report is an objective analysis to inform direction of Roadmap programme



# CPMI ISO 20022 harmonisation requirements: consultation outcomes and next steps

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# Consultation responses

- CPMI conducted a three-month market consultation on its proposed ISO 20022 harmonisation requirements for enhancing cross-border payments, developed jointly with the industry Payments Market Practice Group (PMPG)
- The consultation yielded a large, broad and diverse range of respondents
  - 53 respondents representing operators/MIs, banks, industry associations, market practice groups, non-bank PSPs/fintechs, and other (eg IOs, SSBs, non-profits, other private sector)

## Key feedback

- Generally strong agreement that most of the proposed requirements would positively impact the speed, cost and transparency of cross-border payments
  - Only one requirement (#9) where a plurality disagreed (46%)
- However, implementation date (ie Nov 2025) was viewed as very ambitious
  - Introducing new data elements during migration would be very challenging
  - Some requests for phased approach
- Requests to clarify meaning of “requirements”

## Next steps and open questions

- Joint task force to continue to discuss how to address feedback
- CPMI to publish final report and data model by October 2023
- Open questions (and potential role for PIE?)
  - Strategy for aligning global market practice guidelines with the requirements
  - Long-term governance and maintenance of the requirements

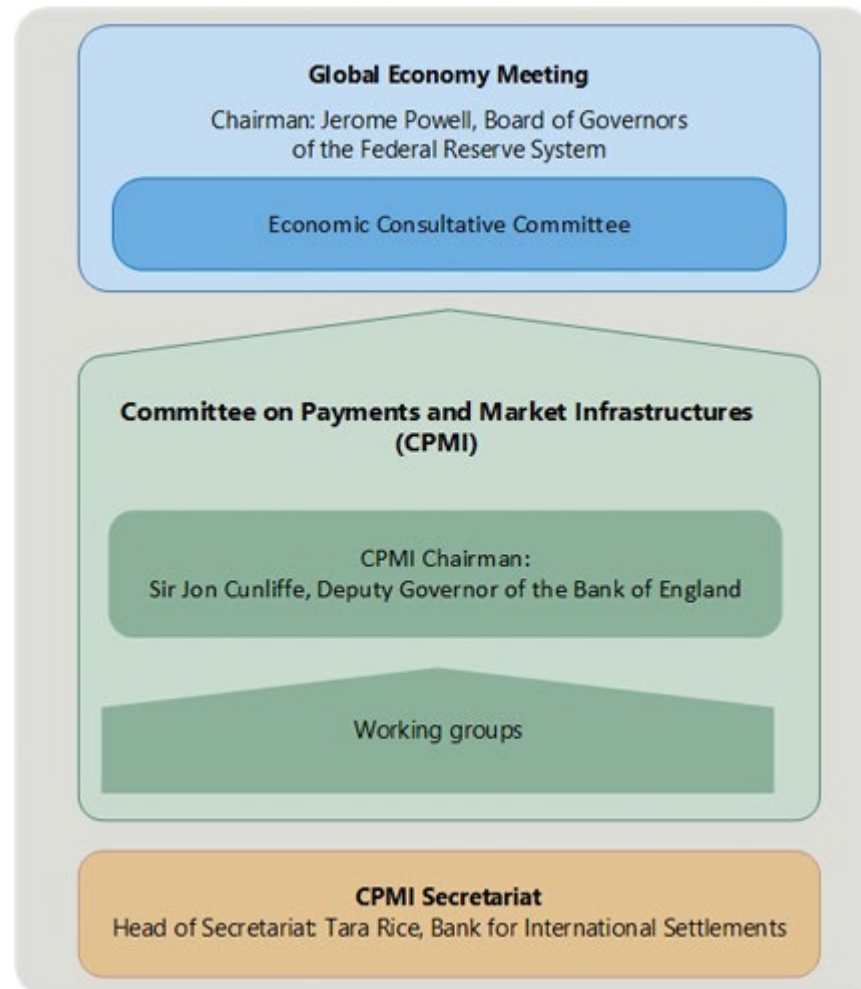




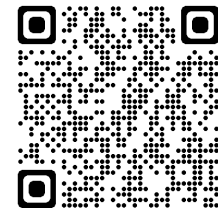
## Overview of working groups

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# Organisation and governance structure of the CPMI

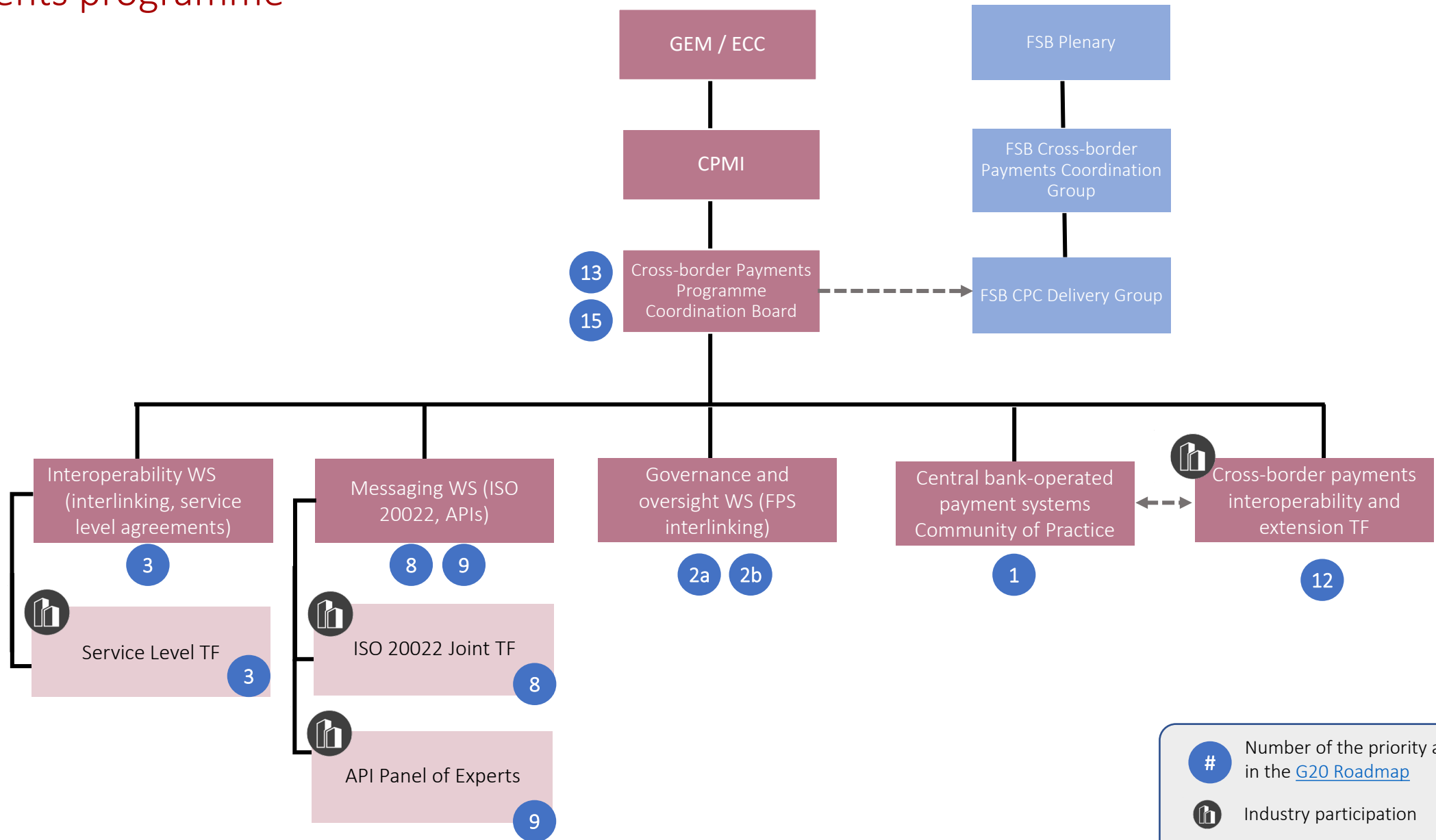


More information on the Global Economy Meeting and the Economic Consultative Committee can be found [here](#).



More information on the CPMI can be found [here](#).

# Current structure of the CPMI cross-border payments programme



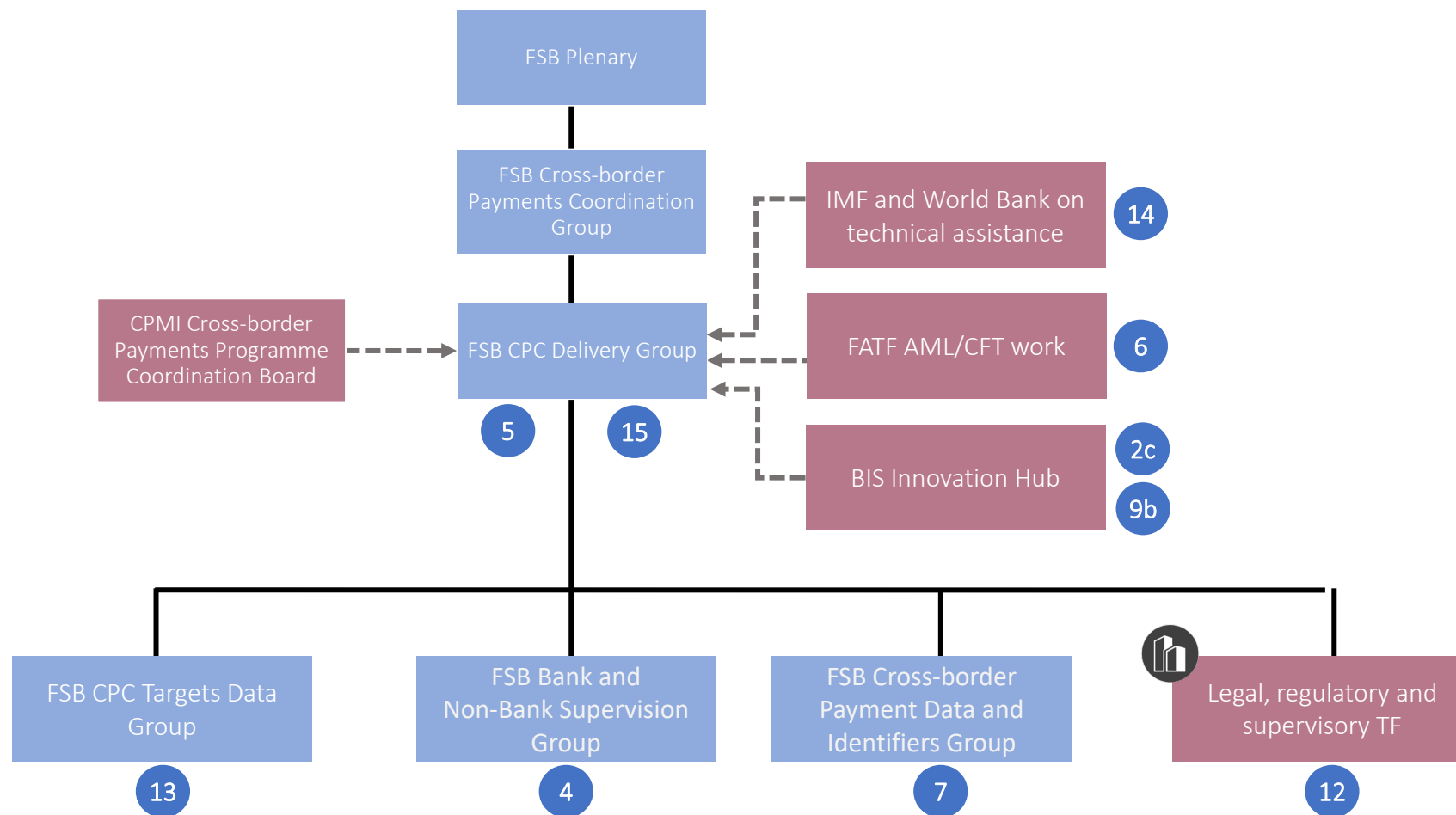
# Number of the priority action in the [G20 Roadmap](#)

Industry participation


-- Coordination, reporting on progress



# Current structure of the FSB cross-border payments programme



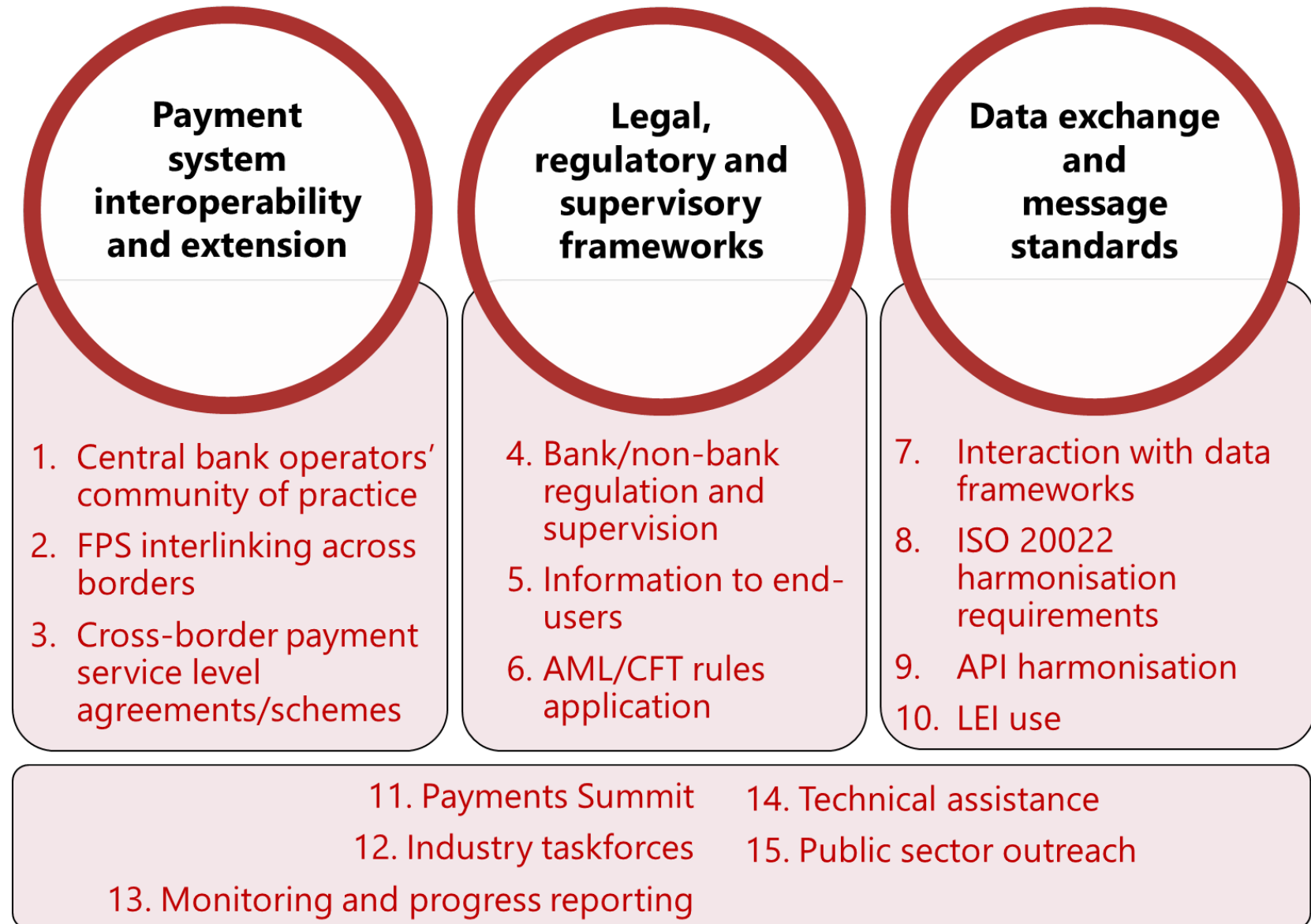
# Number of the priority action in the [G20 Roadmap](#)

 Industry participation

-- Coordination, reporting on progress




# Overview of priority actions



FSB (2023): [G20 Roadmap for Enhancing Cross-border Payments: Priority actions for achieving the G20 targets](#)







## Practical actions to realise benefits of the extension and interoperability of payments systems

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# PIE Taskforce *draft ToR* - responsibilities and tasks

## Responsibilities

- Provide advice on cross-border payment market conventions and industry practices arrangements
- Facilitate regional and/or global coordination
- Plan implementation measures among market participants

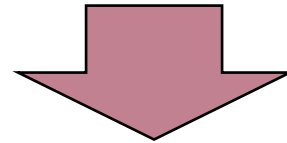
## Tasks

- Discuss approaches (scope, timelines) for the implementation of actions/technical expert group outputs and seek areas for a common approach
- Provide a forum to exchange implementation experiences, challenges and best practices;
- Address interdependencies between building blocks from a private sector perspective when planning implementation measures
- Identify specific aspects where (further) harmonisation is required
- Contribute to the progress monitoring of activities by providing timely information about changes in progress and implemented

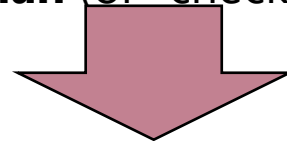


# Payments interoperability and extension taskforce - objectives and deliverables

Discover potential industry actions through the answers received from the questionnaires (April-June)



- Initial overview of possible industry actions to fully realise the benefits of longer operating hours, expanded access, harmonised messaging standards and improved interoperability based on initial PIE TF member feedback
- To discuss in this meeting and later submit in writing
  - **What?** Agreeing on the industry actions
  - **Who?** Who would **take on** which industry action(s) and contribute from the industry perspective to **monitoring** the initiatives
  - **How?** How to compile them in a **workplan** (or “checklist”) and **organise** the work going forward to deliver



- Define workplan, monitor and report progress on industry actions towards achieving the G20 targets by end-2027.

**Question:** *What practical actions would you consider essential based on the conclusions of the reports of payment system access, operating hours and interlinking and application programming interfaces (APIs) in order to achieve the cross-border payment targets endorsed by the G20 (G20 targets)? Please explain why.*  
**[23 responses]**

Possible actions on **expanding payment system access** to discuss:

1. Self-assessments based on best practices
2. Issues note on the main challenges for non-bank PSPs to access payment systems
3. Solutions for currencies that do not have access to PvP and/or multicurrency/cross-currency payment systems

**What are members' views on the proposed actions?**

**Question:** *What practical actions would you consider essential based on the conclusions of the reports of payment system access, operating hours and interlinking and application programming interfaces (APIs) in order to achieve the cross-border payment targets endorsed by the G20 (G20 targets)? Please explain why.*  
**[23 responses]**

Possible actions on **extending operating hours** to discuss:

4. Jurisdiction-level exploration of operating hours extension
5. Technical and operational approaches
6. Analysis of alternative options in the absence of 24/7 RTGS operating hours

**What are members' views on the proposed actions?**

**Question:** *What practical actions would you consider essential based on the conclusions of the reports of payment system access, operating hours and interlinking and application programming interfaces (APIs) in order to achieve the cross-border payment targets endorsed by the G20 (G20 targets)? Please explain why.*  
**[23 responses]**

Possible actions on **payment system interlinking** to discuss:

7. Identification of higher-volume and/or higher-friction corridors
8. PSPs and payment system operators to support the implementation and use of payments pre-validation APIs
9. Best practices for FPS to accept cross-border payments
10. Leverage the full potential of ISO 20022

**What are members' views on the proposed actions?**

***Question:** What practical actions would you consider essential based on the conclusions of the reports of payment system access, operating hours and interlinking and application programming interfaces (APIs) in order to achieve the cross-border payment targets endorsed by the G20 (G20 targets)? Please explain why.*  
**[23 responses]**

Points to be brought to the attention of **the legal, regulatory and supervisory (LRS) taskforce:**

- Promote standardised cross-jurisdictional criteria for fraud prevention and anti-money laundering (and possibly cyber security) in cross border payments

***Question:** What additional practical actions are important to progress towards the G20 targets? Please focus on actions other than those related to legal, regulatory, supervisory and/or data frameworks (which are covered by the respective FSB-led industry taskforce). **[18 responses]***

Possible summary actions to discuss:

1. Identification of priority pain-points for each cross-border payments corridor identified (also Q1.7) to ensure that initiatives have a specific impact on end users
2. Lay out the opportunities and benefits of the G20 programme for the supply side
3. Repository of jurisdiction-level payment conventions and technical capacities
4. Use of global unique identifiers
5. Guidance on financial crime checks, avoidance and/or recovery of funds
6. Measurement and progress monitoring and foster transparency
7. Promote capacity-building programmes, training initiatives, and knowledge-sharing platforms to enhance skills and expertise in cross-border payment
8. Conduct pilot projects and proof of concepts to test innovative solutions (eg in regulatory sandboxes) and demonstrate their viability in real-world scenarios

**What are members' views on the proposed actions?**

***Question:** What additional practical actions are important to progress towards the G20 targets? Please focus on actions other than those related to legal, regulatory, supervisory and/or data frameworks (which are covered by the respective FSB-led industry taskforce). [18 responses]*

Points to be brought to the attention of the **central bank community of practice**

- 9. Improving the national payment system is foundational for improved cross-border payments
- 10. Central banks that extend RTGS operating hours should ensure that appropriate liquidity arrangements are in place.

Points to be brought to the attention of the **legal, regulatory and supervisory (LRS) taskforce**

- 11. Exclusivity agreements or requirements, eg between remittance service providers and pay-out partners, can reduce competition and drive costs up for end user



***Question:** How could these practical actions be sequenced? What are the interdependencies among such actions? Are there any interdependencies with legal, regulatory, supervisory and/or data frameworks that should be discussed with the FSB-led industry taskforce? What key challenges need to be overcome to successfully implement the priority actions? **[20 responses]***

Possible sequencing, interdependencies & challenges to discuss:

1. Define the future state of the payments ecosystem
2. Taskforce to identify key measures that would appear to be pre-conditions for progress

*Examples suggested could include:*

- Legal and regulatory reforms require time and might be a pre-condition for other changes
- RTGS system improvements can form the foundation of further changes
- Technical and business interoperability is an important facilitator for efficient cross-border payments

**What are members' views on the proposed actions?**

***Question:** What recent developments in the cross-border payments landscape can help to catalyse or accelerate progress, or may lead to additional challenges? **[23 responses]***

### Possible opportunities

1. Changes in the way of living and/or behavioural changes
2. New providers
3. New technologies
4. Central transaction orchestration across the entire lifecycle
5. Increased and possibly mandated adoption of one-leg-out schemes
6. The pace of roll-out and adoption of FPS at jurisdiction-level and the first cross-border links
7. Central bank digital currencies (CBDCs)

### Possible challenges

8. Geopolitical developments may make international cooperation more difficult
9. Technology alone cannot solve the cross-border payments challenges
10. CBDCs could divert industry attention and resources from other projects

**What are members' views on the opportunities and challenges?**

***Question:** How could private sector stakeholders best coordinate to deliver on those actions and how could you as industry representatives, contribute to it? What role could the PIE taskforce play to help coordinate and facilitate progress more broadly? What key practical projects can the public and private sector work together on to achieve the G20 cross-border payments targets? **[21 responses]***

### Coordination and contribution:

1. Create awareness among and solicit input from domestic and international industry forums/working groups
2. Increased focus on the supply side and the underlying business processes
3. Strengthen the focus on non-G20 jurisdictions
4. Analytical work and conceptual work
5. Share information and implementation experience
6. Facilitate the update market practices
7. Develop pathways to achieve the G20 targets
8. Subgroups and cooperation with other groups

**What are members' views on the proposed actions?**



# Cross-border payments programme - monitoring

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# Monitoring

- Focused and effective monitoring plays a crucial role in the G20 cross-border payments programme.
- Measurement against the outcome targets endorsed by the G20 leaders will allow us to determine the progress made in improving the speed, access and transparency of cross-border payments and reducing their costs to users.
  - *To maintain momentum the FSB will publish annual updates on progress made toward achieving the targets, using key performance indicators.*
- Monitoring progress on the supply side changes to enhance cross-border payment arrangements is equally important and provides insights into the current status of the challenges faced.
  - *Comprehensive and timely information from central banks and other authorities about the global state of play will also help to identify actions and areas that require greater attention, allowing the programme to be adjusted as needed.*
  - *As such, engagement and updates from as many jurisdictions as possible are needed if the overall global effectiveness of the cross-border payments programme is to be measured effectively.*

## Monitoring survey among central banks (May – June 2023)

Focus on the priority themes.

Explores the current state and expected development of **RTGS system, FPS and DNS system features that have been identified to be important for enhancing cross-border payments.**

Not intended for the purpose of assessing the adequacy of initiatives at country level and will not be used in this way.

Aim is to ensure coverage of both G20 and non-G20 jurisdictions, as the more responses we receive from this voluntary exercise the more meaningful the results will be.

Responses **by 30 June**





## Should monitoring survey be complemented?

- Monitoring survey is directed to central banks (and other authorities).
- Focus is on payment systems that are most relevant for cross-border payments and likely those that are already operational.
- For horizon scanning of interesting and promising initiatives it might be useful to ask industry to self-report initiatives, even if they do not qualify as payment systems and/or are not yet operational and hence are not captured by the monitoring survey.
- Objective could be to
  - get a comprehensive and structured overview of the industry initiatives in the pipeline that have the potential to support the achievement of the G20 targets;
  - identify any complementarities with other initiatives;
  - identify what the PIE TF and the official sector could do to support the success of those initiatives.



Committee on Payments  
and Market Infrastructures



For further information, see [CPMI website](https://www.bis.org/cpmi)

