BIS Representative Office for the Americas

Payment systems in the Americas: what have we achieved and what is left to do?

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Introduction

Thank you very much to the Bank of Mexico for the kind invitation. It is an honour to be here.

Central banks play a critical role, not only in shaping monetary policy but also in fostering the development and stability of payment systems. Central banks supervise the integrity of the payment system and, in many cases, operate them themselves. Payments receive less public attention than monetary policy or, when things go wrong, financial regulation and supervision. But this does not mean that they are not important. Quite the contrary. Without efficient payments, our monetary and financial system would not be trustworthy, reliable, secure and accessible to all.

I am delighted to join you today to discuss payment systems in the Americas. In my remarks, I will provide an overview of what we have achieved in this space so far, as well as the challenges and opportunities that lie ahead.

Digital payments foster economic development

Let me begin by emphasising the importance of digital payments, which have grown significantly in recent years. Digital payments are not only important for the functioning of the financial system itself. They are also a key driver of economic development and inclusion.

In particular, digital payments are associated with greater access to accounts (Graph 1.A) and borrowing from formal financial institutions (Graph 1.B). Digital payments are also linked to a lower share of the workforce that is informally employed (Graph 1.C).

In research conducted at the BIS Americas Office (Aguilar et al (2024)), my co-authors and I find that digital payments can even support economic growth and development, by formalising informal activities[2] and improving access to credit. Specifically, we find that a 1 percentage point increase in digital payment use is associated with an increase in the growth of GDP per capita of 0.10 percentage points over a two-year period, and a 0.06 percentage point decline in the share of

[1] The views expressed are my own and not necessarily those of the BIS. I thank Jose Aurazo and Christian Upper for their input, and Pablo Tomasini for research support.

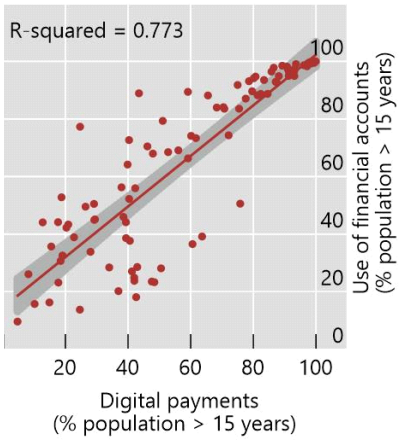
[2] The informal sector refers to economic activities that are not recorded in official statistics. This often comprises small firms operating in cash, without formal labour contracts.

informal sector employment.[3]

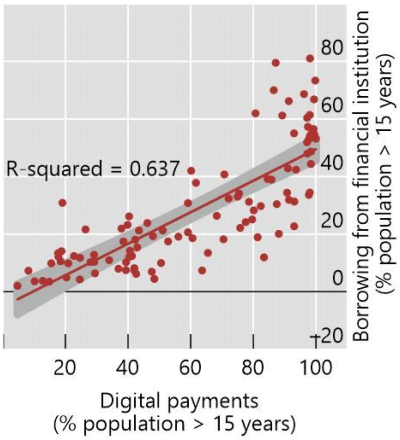
Digital payment use is associated with greater access to accounts and credit and less informality

Graph 1

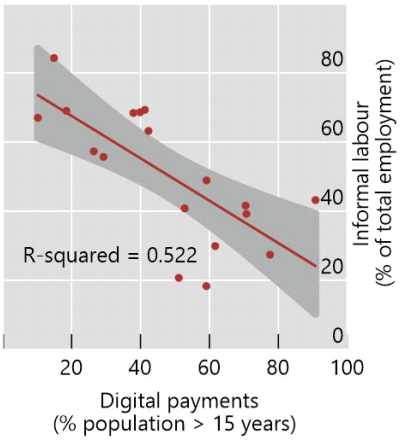
A. Digital payments and access to accounts are positively correlated



B. Digital payments are also linked to higher access to credit



C. Digital payments are linked to lower labour informality



Sources: Aguilar et al (2024); World Bank, Global Findex Database; BIS.

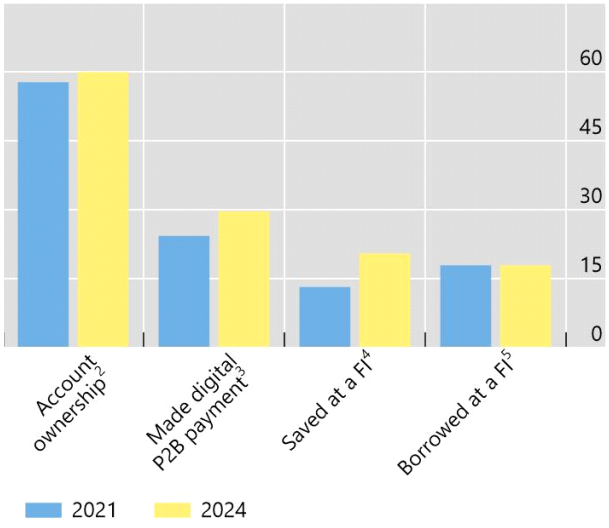
Regarding financial inclusion, access to financial services and products has continued growing in most Latin American countries. According to the World Bank's Global Findex Database 2025, nearly 60% of adults now have access to a bank account, marking substantial progress. Yet only 15% of adults have savings accounts or have obtained loans from the formal financial system (Graph 2.A). In addition, mobile money accounts have also seen remarkable growth over the past four years, although bank accounts remain more common. Argentina, Brazil and Peru are notable examples of how mobile money is advancing in our region (Graph 2.B).

[3] Digital payments do not appear to be significantly associated with rises in total factor productivity, once controlling for general measures of digitalisation and government effectiveness.

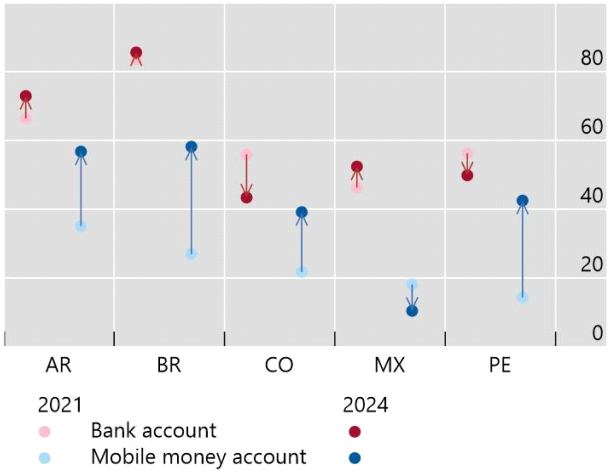
Access to financial services and products has continued growing in Latin America and the Caribbean

As a percentage of adults — Graph 2

A. Saving and borrowing lag behind account ownership in the region[1]



B. Mobile money accounts are closing the gap with bank accounts



AR = Argentina; BR = Brazil; CO = Colombia; MX = Mexico; PE = Peru.

[1] Average of AR, BZ, BO, BR, CO, CR, DO, EC, SV, GT, HN, MX, NI, PY, PE and VE. [2] Percentage of adults (those aged 15 years or more) who hold a financial institution or mobile money account. [3] Percentage of adults who made a digital merchant payment. [4] Percentage of adults who saved in a financial institution. [5] Percentage of adults who borrowed via a financial institution.

Sources: World Bank, Global Findex Database; BIS.

From digital to fast payments

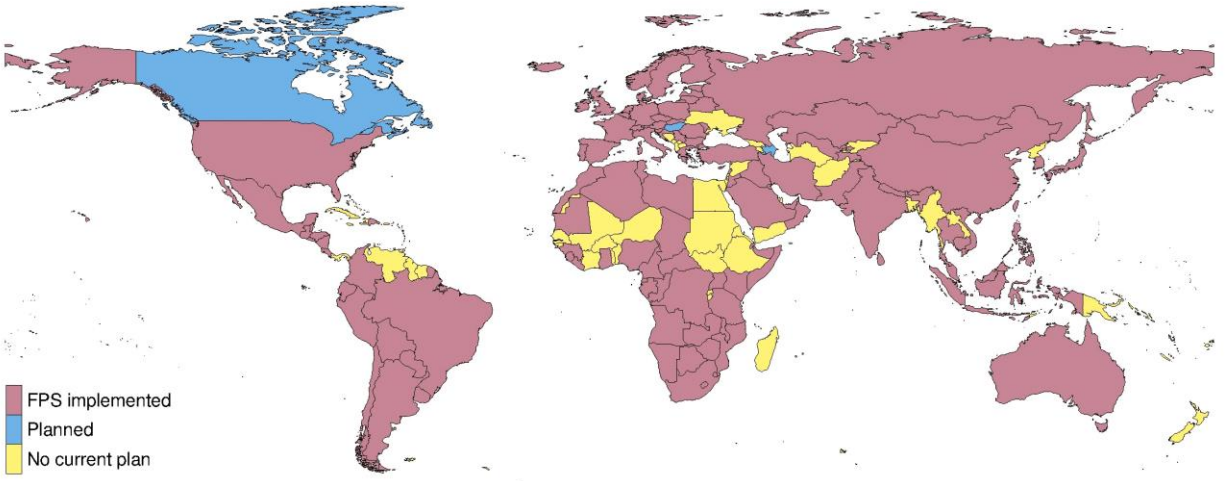
Payments need to be not only digital, but also fast, cheap and convenient. As I will show you in a moment, there has been significant progress in this regard.

Fast payment systems allow for near-immediate availability of final funds to the beneficiary. They should be simple to use, offering enhanced convenience compared with conventional payment instruments. Today, most fast payment systems (FPS) allow end users to initiate payments by scanning quick response (QR) codes. Many allow the use of beneficiary aliases or mobile phone numbers instead of the more traditional account numbers and bank codes. Fast payments can also be cheaper for individuals and businesses, especially when provided by or in collaboration with the public sector and on a cost recovery basis.

Fast payments are a potential key driver for financial access and have served as a gateway to broader financial inclusion, including access to loans and savings. Research by my colleagues Jose Aurazo, Cecilia Franco, Jon Frost and Jamere McIntosh (Aurazo et al (2025)) show that introducing an FPS is associated with a 3.9 percentage point increase in the share of the population accessing loans and a 3.0 percentage point increase in access to savings accounts.

FPS are becoming more widespread, including across the Americas. More than 15 jurisdictions in Latin America and the Caribbean have adopted an FPS (Graph 3). To name a few, the Bank of Mexico launched SPEI for instant retail transactions in 2004 and added CoDi (payments through QR codes) and DiMo (payments through cell phone numbers) in 2019 and 2023, respectively. In 2020, the Central Bank of Brazil (BCB) launched Pix and Peru launched 24x7 ACH immediate transfers, while Argentina launched Transferencias 3.0. Most recently, the Central Bank of Colombia introduced Bre-B to complement private sector initiatives.

Over 15 countries in Latin America have already implemented an FPS — Graph 3



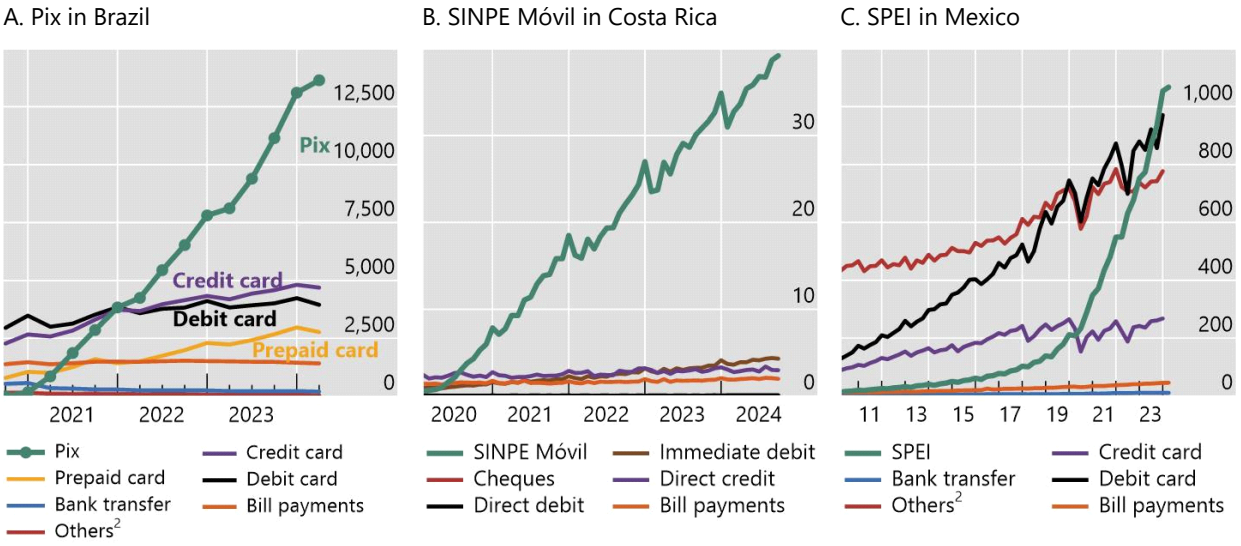
The use of this map does not constitute, and should not be construed as constituting, an expression of a position by the BIS regarding the legal status or sovereignty of any territory or its authorities, the delimitation of international frontiers and boundaries, and/or the name and designation of any territory, city or area. Updated as of July 2025.

Sources: Aurazo et al (2025); CPMI; World Bank; BIS.

Such systems can be provided by either the public or private sector. Let me focus on the central bank-owned systems, such as Brazil's Pix, Costa Rica's SINPE Móvil and Mexico's SPEI (along with CoDi and DiMo). The adoption of these systems has been remarkable. By July 2024, Pix accounted for 43% of cashless payment transactions in Brazil, surpassing credit and debit cards, according to the BCB (Graph 4.A). In Costa Rica, transactions through SINPE Móvil steadily rose, reaching 506 million in 2023 (Graph 4.B). In Mexico, the use of SPEI, CoDi and DiMo has grown significantly since the Covid-19 pandemic and they are now the leading retail payment instruments (Graph 4.C).

FPS are gaining market share rapidly in a growing digital payments market[1]

In millions of transactions Graph 4



[1] Number of transactions for each payment instrument, excluding recurrent utility payments. [2] Includes cheques.

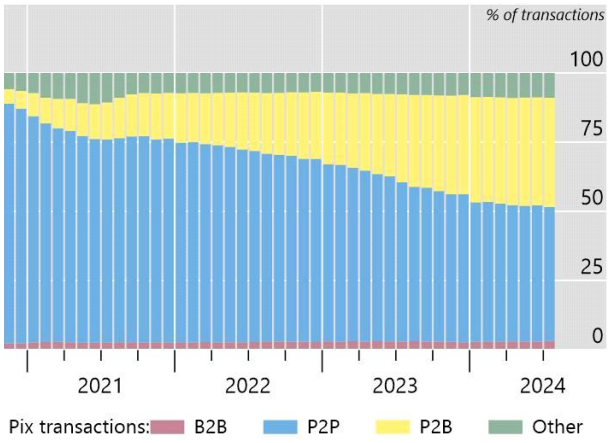
Source: Aurazo et al (2025).

Let me go a bit deeper into the role of central banks in implementing their FPS, emphasising the case of Brazil, my home country. The legal foundation of Pix is Law 12,865 of 2013, which represented a landmark in the modernisation of retail payments in Brazil and provided a basis for subsequent innovation. Empowered by this legislation, the National Monetary Council and the BCB introduced a set of rules governing payment schemes and payment institutions. This includes the entry of non-banks into the market and the prohibition of exclusive bilateral agreements between banks and corporates. These rules, applicable to payment schemes and institutions, and now part of the Brazilian Payments System, delineate the roles of financial institutions and payment institutions.

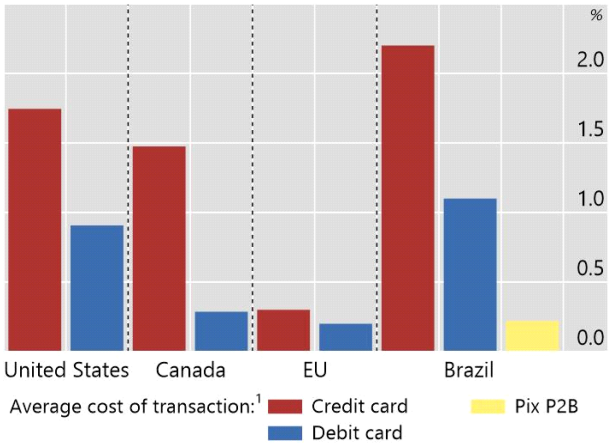
Pix enables end users to make transactions from current, savings or prepaid accounts via online banking or mobile apps. Payments can be initiated using QR codes or recipient aliases, such as email addresses or mobile phone numbers. While person-to-person (P2P) payments dominate, person-to-business (P2B) transactions now account for around 40% of total Pix activity (Graph 5.A). One of the most remarkable factors driving Pix's success is its zero or low-cost structure for end users. Transactions initiated by individuals are free of charge, while merchant fees average just 0.22% – significantly lower than credit and debit card fees (Graph 5.B).

Merchant payments are becoming more common, and are much cheaper on Pix Graph 5

A. P2P payments still dominate, but P2B are growing



B. Average cost to merchants, by payment method[1]



B2B = business-to-business; P2P = person-to-business; P2P = person-to-person.

[1] For the United States, Canada and the EU, average of interchange fees on credit and debit cards. Total cost to merchants may be higher.

Sources: Duarte et al (2022); Central Bank of Brazil; BIS.

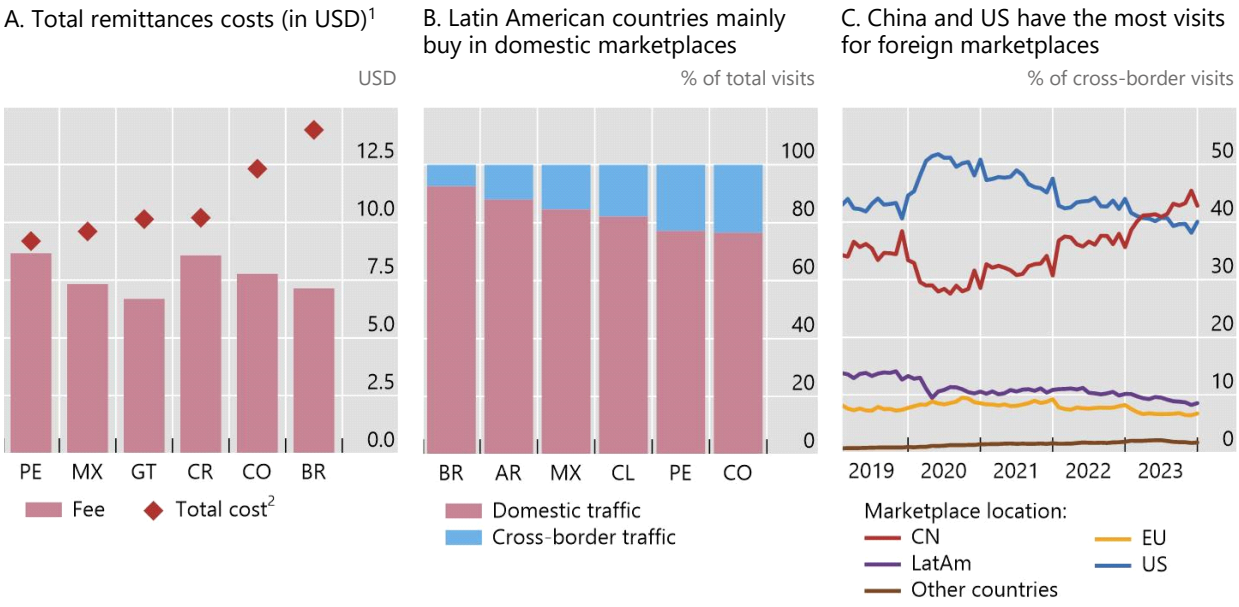
What is next?

The successful implementation of an FPS by central banks and the private sector has been a significant achievement. I am confident that this will drive financial inclusion, and we can anticipate remarkable progress in the near future.

So, what comes next? Let me unwrap the crystal ball and focus on three developments. First, while most countries have fast and efficient domestic payment systems, cross-border payments remain slow, cumbersome and expensive. Take the example of remittances, an important issue in our region. The cost of sending USD 200 from the United States to our peers remains high, at around 9 to 14 US dollars, including the cost of exchange rate, which are often hidden from the user (Graph 6.A). This is not only a major burden on migrants and their dependants at home. High transaction costs increase the expenses associated with exporting and importing goods, hindering the growth of cross-border commerce in the region. It helps explain why e-commerce in Latin America remains largely domestic, with only 5–25% of total traffic directed to foreign online marketplaces (Graph 6.B). A closer look reveals that most online marketplace traffic in Latin America originates from websites based in China and the United States, while only about 10% comes from Latin American marketplaces (Graph 6.C).

Cross-border payments landscape in Latin America and the Caribbean faces challenges in fees and integration

Graph 6



[1] For sending USD 200 from US to each country. [2] The total cost of sending a remittance transfer including the fee and the exchange rate margin.

Sources: World Bank, Remittances Prices Worldwide database; ECLAC, Latin America and the Caribbean Marketplace Explorer; BIS.

What can we do? One possibility is to expand the reach of domestic payment systems. Some first steps have been made in this direction. For example, Brazilians can use Pix in Argentina and Uruguay. Since 2005, Directo a México has enabled payments from US financial institutions to Mexican bank accounts via SPEI. Similarly, since 2011, Sistema de Interconexión de Pagos (SIPA) in Central America has facilitated low-cost US dollar transfers.

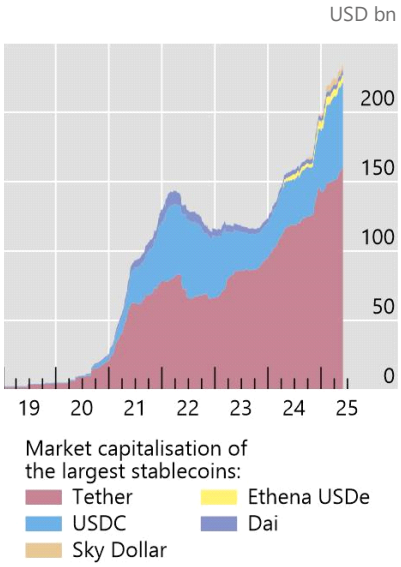
Globally, the BIS Innovation Hub has been at the forefront of addressing cross-border payment challenges. One key initiative, Project Nexus, connects domestic FPS to enable instant cross-border transactions. Nexus, involving central banks from India, Malaysia, the Philippines, Singapore and Thailand, overcomes scalability issues of bilateral FPS linkages by creating a single connection for all participating countries. Now governed by an independent institution, Nexus is a promising a step forward.

Now, let me turn to the second topic: stablecoins. Stablecoins have been peddled as a solution to a large variety of problems, ranging from accessing crypto markets to cross-border payments. They also have experienced remarkable growth in recent years (Graph 7.A). However, as we argued in our latest Annual Economic Report, published in June, they have serious shortcomings that reduce their ability to function as money. They face three main issues.

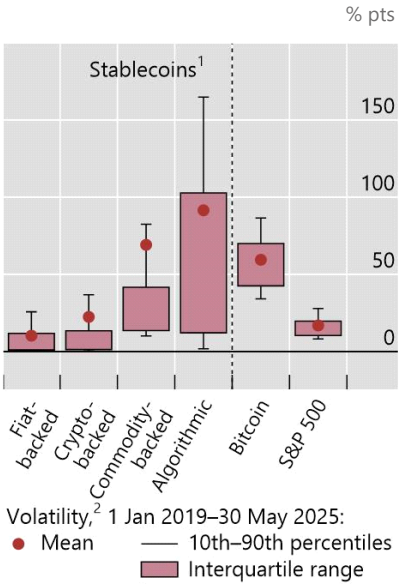
First of all, stablecoins are cryptoassets designed to maintain their value at par with underlying assets, such as those denominated in the US dollar. However, they have struggled to consistently achieve this goal. While small deviations may not matter that much in practice, it turns out that at times these deviations can be quite substantial (Graph 7.B). Unlike central bank money, stablecoins fail to uphold the principle of the "singleness" – the ability to convert different forms of money into each other without any loss or gain (BIS (2025)).

Stablecoins are increasing but pose challenges for policymakers Graph 7

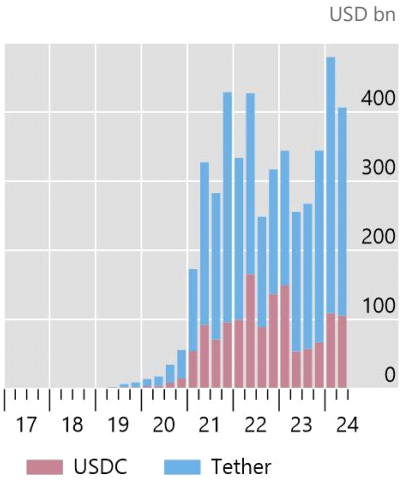
A. Stablecoin market cap growing quickly amid high concentration



B. Volatility is lower for fiat-backed stablecoins than crypto, but still not absent



C. Cross-border stablecoin flows back on the rise



[1] Based on data availability and the classification by Kosse et al (2023) Algorithmic stablecoins are those that maintain their value through algorithms that mint or burn tokens and adjust their supply based on market demand. [2] Volatility is defined as the annualised standard deviation of daily returns computed on 21-trading day moving windows.

Sources: BIS (2025); Kosse et al (2023); Bloomberg; CoinDesk Data; BIS.

Second, the supply of stablecoins is inherently inelastic and less flexible, especially in the short term. Unlike central bank money, stablecoins cannot adjust the money supply in response to economic activity. Central banks offer more money when the demand is high and less when it is low. Stablecoins, however, may react to lower-frequency fluctuations in demand by issuing more stablecoins and purchasing the underlying assets, but they cannot deal with short-term shocks as well as central banks do.

The third and last shortcoming is integrity. As digital bearer instruments, stablecoins can circulate freely across borders, moving between different exchanges and self-hosted wallets. This characteristic makes them vulnerable to know-your-customer (KYC) compliance weaknesses. As a result, individuals may remain anonymous until they are required to meet KYC obligations when converting stablecoins into fiat currency.

To conclude this discussion on stablecoins, I believe a more substantial conversation about their role in cross-border payments is necessary. While stablecoins are addressing a gap created by the lack of connectivity between payment systems, we can argue that they represent, at best, a second-best solution (Graph 7.C). While they are promising, their role in the monetary and financial system remains unclear.

The third topic I would like to discuss is tokenisation. Tokenisation is the process of recording claims on real or financial assets onto a programmable platform (Aldasoro et al (2023)). Imagine a system where money and assets operate jointly and fluidly. This would integrate messaging, clearing and settlement. Today these activities are performed in separate systems, leading to

inefficiencies. Thus, tokenisation offers increased efficiency, transparency and accessibility.

The BIS, through its Innovation Hub, is advancing projects leveraging tokenisation. Project Agorá, a public-private collaboration, operates on a programmable tokenised platform (ie unified ledger) that integrates tokenised central bank reserves and tokenised deposits. This approach could enhance the monetary system by enabling smart contracts and programmability while preserving its two-tier structure. Project Agorá represents a promising step towards next-generation correspondent banking (Garratt et al (2024)). It facilitates cross-border payments by combining the correspondent banking model with unified ledgers.

As highlighted in Chapter III of our latest Annual Economic Report (BIS (2025)), the next-generation monetary system, anchored by central bank reserves, could bring transformative benefits. A key milestone in this evolution is the integration of tokenised central bank reserves, tokenised commercial bank money and tokenised government bonds on a unified ledger. Together, these components could lay the foundation for a dynamic tokenised financial system, delivering greater efficiency and innovation. Tokenised central bank reserves would serve as a stable and trusted settlement asset for wholesale transactions, ensuring the singleness of money and enabling monetary policy implementation within a tokenised framework. Tokenised commercial bank money could leverage the established two-tier system, introducing new functionalities while maintaining trust and stability. Meanwhile, tokenised government bonds, as a cornerstone of financial markets, could enhance liquidity and support a range of financial activities, from collateral management to monetary policy operations.

The role of the BIS in the Americas

Before I finish my presentation, let me highlight the work done by the BIS in the Americas, especially in the field of payments. The BIS supports dialogue among central banks and encourages disruptive innovations in the financial and payment systems through its committees, its research and the BIS Innovation Hub.

The BIS Americas Office fosters strong collaboration among central banks in the region through its consultative groups. For example, the Consultative Group on Innovation and the Digital Economy (CGIDE), established in February 2020, focuses on technological innovation and the digital economy. It has published several insightful reports, including a trilogy on application programming interfaces (APIs), the design of retail central bank digital currencies (CBDCs) and an exploration of theoretical and practical use cases of tokenisation. I encourage you all to explore these valuable resources.

The BIS Innovation Hub underscores the BIS's commitment to advancing the global financial system. By fostering collaboration among central banks, it explores innovative financial technologies to address critical challenges, including digital currencies, cyber security, green finance and regulatory technology, leveraging research, experimentation and knowledge-sharing.

In the region, the Innovation Hub operates a centre in Toronto and maintains a partnership with the Federal Reserve Bank of New York. I would like to highlight three very promising projects. First, Project Pine, a collaboration between the New York Fed and the Innovation Hub, explores the potential of a fully tokenised financial system. In a simulated environment, it demonstrates how monetary policy implementation could function with tokenised central bank reserves, commercial bank deposits and other financial assets. Using smart contracts on a programmable platform,

central banks can calculate, accrue and pay interest, as well as exchange tokens to manage liquidity in the wholesale financial system. Second, Project FuSSE, led by the BIS Innovation Hub Toronto Centre, focuses on modernising financial market infrastructures to meet the needs of the digital age, offering an open source solution. Third, Project AISE, also based in Toronto, seeks to develop a flexible AI-driven toolkit to assist financial supervisors in managing the growing complexity of regulatory oversight.

Concluding remarks

To conclude, digital payments are important for economic development, promoting financial inclusion. Fast payments in particular have the potential to further enhance inclusion while becoming the preferred payment choice for end users. As I mentioned, central banks are pivotal in this transformation. Looking ahead, cross-border payments remain a challenging area for the Americas, while the financial system will be shaped by developments in stablecoins and tokenisation. In such a context, central banks must be ready to navigate these opportunities and challenges.

The BIS remains committed to fostering dialogue among central banks and encouraging disruptive innovations in financial and payment systems through its committees, research and Innovation Hub.

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