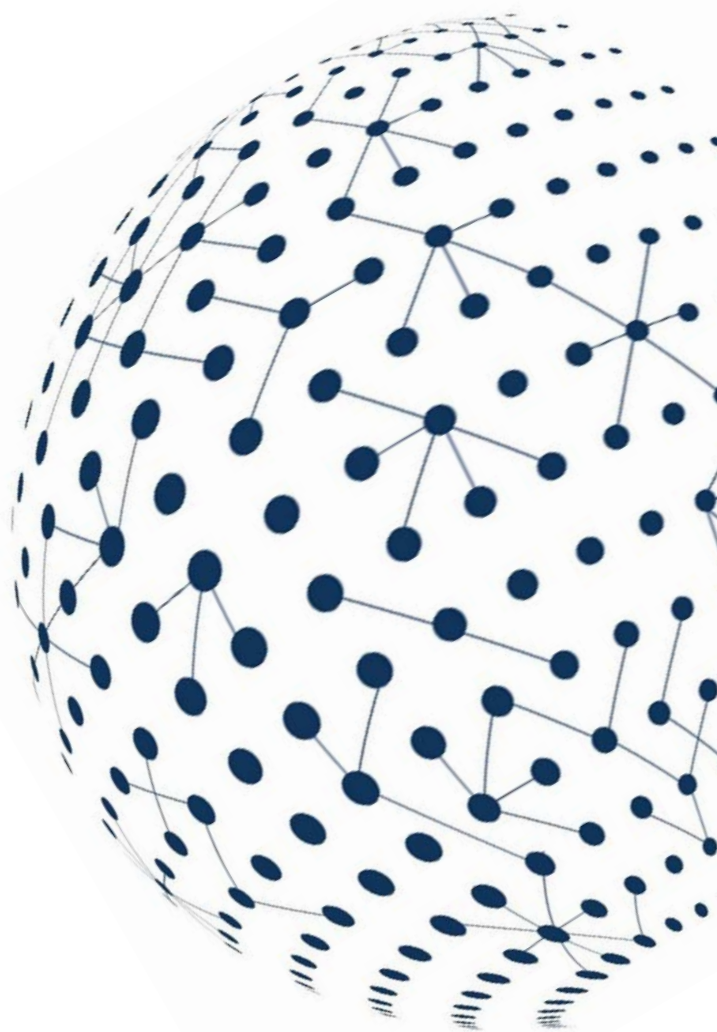


Targets for Addressing the Four Challenges of Cross-Border Payments

Consultative document

31 May 2021



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Preface and consultation questions

The G20 has made enhancing cross-border payments a priority. Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, which would have widespread benefits for citizens and economies worldwide, support economic growth, international trade, global development and financial inclusion. A roadmap was developed by the FSB, in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other relevant international organisations and standard-setting bodies to address these challenges.

Financial innovation is creating opportunities to make payments more efficient. Innovation in technology and business models in payments has put the focus on further enhancements in payments systems. New technologies have the potential to facilitate fast, low cost, transparent and scalable payments for a broad range of users through the banking system. Public authorities have an important role to play, working with the private sector to leverage opportunities and address challenges in both existing and new arrangements supporting cross-border payments.

The G20 Leaders endorsed the Roadmap in the form of 19 Building Blocks and related Actions for Enhancing Cross-border Payments¹ at their November 2020 Summit.

A foundational step in the Roadmap consists of setting quantitative targets at the global level for addressing the challenges of cost, speed, transparency and access faced by cross-border payments, which will play an important role in defining the ambition of the work and creating accountability. They are intended to provide a common vision for the improvements that are being sought through the collaborative work of the private and public sectors. These targets are being set in an inclusive manner, including through this public consultation.

This consultation document (i) describes the principles, and key design features underpinning, the targets and target metrics; (ii) proposes three market segments for which targets be set across the four challenges; (iii) considers factors in setting the targets; and (iv) proposes a set of targets that are high-level, simple, small in number and focused on end-users.

The FSB is inviting comments on this consultation document and the questions set out below. Responses should be sent to fsb@fsb.org by Friday 16 July 2021. Responses will be published on the FSB's website unless respondents expressly request otherwise.

1. What are your comments on the key design features applied in designing the targets (section 1)? Are there any design features that you consider are missing?
2. Do you agree with the market segments as described? Are they sufficiently clear? Do they reflect the diversity of cross-border payments markets, while providing a high-level common vision for addressing the four roadmap challenges?
3. Do you have any comments on the target metrics proposed?
4. Do you agree with the proposal in the definition of the market segments to separate remittance payments from other types of cross-border person-to-person (P2P) payments because of the greater challenges that remittances in some country corridors face? If so, can you suggest data sources that can distinguish between the two types?
5. Are the proposed numerical targets suitable? Are they objective and measurable, so that accountability can be ensured by monitoring progress against them over time?
6. What are your views on the cost target for the retail market segment? Does it reflect an appropriate level of ambition to improve on current costs while taking into consideration the variety of payment types within the segment? Should reference transaction amounts be set for

¹ FSB (2020), [Enhancing cross-border payments roadmap](#), October.

the target (in the same way as \$200 has been set for the current UN Sustainable Development Group targets for remittances) and, if so, what amount would you suggest?

7. What are your views on the speed targets across the three market segments? Are the proposed targets striking the right balance between the ambition of having a large majority of users seeing significant improvements, the recognition that different types of user will have different speed requirements, and the extent of improvements that can be envisaged from the actions planned under the roadmap?
8. Are the dates proposed for achieving the targets (i.e. end-2027 for most targets) appropriately ambitious yet achievable given the overall time horizon for the Actions planned under the Roadmap? Would an alternative and more ambitious target date of end-2026 be feasible?
9. What data sources exist (or would need to be developed) to monitor the progress against the targets over time and to develop and set key performance indicators? Do you have relevant data that you would be willing to share for this purpose either now or during the future monitoring?
10. Do you have further suggestions or questions about the detailed definition and measurement of the targets and their implementation? Which types of averages can be constructed to help to measure progress?
11. Do you have any suggestions for more qualitative targets that could express ambitions for the benefits to be achieved by innovation that would be in addition to the proposed quantitative targets for the payments market as a whole?

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Executive summary

A foundational step in the G20 Roadmap for Enhancing Cross-border Payments consists of setting quantitative targets at the global level for addressing the challenges of cost, speed, transparency and access faced by cross-border payments. The targets will play an important role in defining the ambition of the work, creating accountability. Measuring progress over time in meeting the targets will help to indicate whether the existing roadmap actions are sufficient or additional actions may be needed.

The FSB proposes here for public consultation a set of targets based on the following principles: the targets should be directly related to the challenges, provide a clear indication of the extent of progress, be appropriately ambitious, be able to be readily communicated, and be meaningful to the wide range of stakeholders. Targets would be set at a global level. Additionally, the task force agreed on key design features, which are included under section 1.

The proposed targets are based on a consideration of the current payment landscape and publicly available data from multiple sources for the four challenges across three market segments – wholesale, retail (e.g. business-to-business (B2B)/ person-to-business (P2B) business-to-person (B2P)/ person-to-person (P2P) payments (other than remittances)), and (as a separate category from other P2P payments) remittances. This split between remittances and other P2P payments is proposed in recognition of the greater challenges and frictions that some payment corridors in the remittance market face.

By the time of the October final report on the targets, the FSB will also develop an implementation approach for monitoring the targets that will set out (i) how targets will be measured and data sources and data gaps to be filled, (ii) how progress toward meeting the targets will be monitored and (iii) the frequency of data collection and publication. A wide set of stakeholders will be consulted in this process to gain their insights, learn from their practical expertise and to assist as a key source of data. Their involvement will be key to monitoring improvements over time.

End-2027 is proposed as a common target date across the individual targets, with the exception of the remittance cost target, where a 2030 date has already been set as a United Nations Sustainable Development Goal (UN SDG) and endorsed by the G20.² As detailed in the Roadmap, the indicative timelines for the actions in the individual building blocks in the Roadmap extend through 2025. The end-2027 target date provides a six-year period during which actions under the Roadmap will be taken and stakeholders will be operationalising the changes to infrastructures and operations as follow-up. As a result, it is anticipated that the improvements set out in the targets can be credibly achieved on behalf of end-users through the implementation of the Roadmap. Stakeholders who are able to pursue faster implementation are encouraged to do so. A phased approach to setting further, more ambitious targets after 2027 could also be adopted to aim for additional further improvements over time and take into account market developments that take place over the coming years.

The proposed targets for the four challenges (cost, speed, transparency and access) across the three market segments are as follows:

² <https://www.un.org/en/observances/remittances-day/background> and <https://www.gpfi.org/g20-national-remittance-plans>

Table 1: Proposed targets for the Cross-Border Payments Roadmap

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P ³)	Remittances
Cost	No target set ⁴	Global average cost of payment to be no more than 1%, with no corridors with costs higher than 3% by end-2027	Reaffirm UN SDG: Global average cost of sending \$200 remittance to be no more than 3% by 2030, with no corridors with costs higher than 5%
Speed	Large majority (e.g. 75%) of cross-border wholesale payments to be within one hour of payment initiation ⁵ , by end-2027 and for the remainder of the market to be within one business day	Large majority (e.g. 75%) of payments to provide availability of funds for the recipient within one hour from the time the payment is initiated ⁶ , by end-2027 and for the remainder of the market to be within one business day	Large majority (e.g. 75%) of remittance payments in every corridor to provide availability of funds for the recipient within one hour of payment initiation ⁷ by end-2027 and for the remainder of the market to be within one business day
Access	All financial institutions (including financial sector remittance service providers) in all payment corridors to have at least one option (in terms of infrastructures and providers) and, where appropriate, multiple options for sending cross-border wholesale payments by end-2027	All end-users (individuals, businesses (including MSMEs) or banks) to have at least one option (in terms of infrastructures and providers) for sending or receiving cross-border electronic payments by end-2027	More than 90% of individuals (including those without bank accounts) who wish to send or receive a remittance payment to have access to a means of cross-border electronic remittance payment by end-2027
Transparency	All payment service providers to provide at a minimum a defined list of information concerning cross-border payments to payers and payees (including e.g. total transaction cost (showing FX rate and currency conversion charges), time to deliver funds, funds tracking, and terms of service) by end-2027		

³ “Other P2P” refers to P2P payments other than remittances.

⁴ Due to the difficulty of estimating average costs across in the wholesale market where transactions are typically not individually priced, it is proposed not to set a target for this segment, see section 4.1.

⁵ For this purpose, a wholesale payment is considered initiated at the moment of entry into a payment infrastructure or correspondent bank as defined by their applicable rules.

⁶ For this purpose, a retail or remittance payment is considered initiated when the payment order is received by the payer’s payment service provider.

⁷ See footnote 6.

Introduction

The G20 made enhancing cross-border payments a priority during the Saudi Arabian Presidency. Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, while maintaining their safety and security, would have widespread benefits for citizens and economies worldwide, supporting economic growth, international trade, global development and financial inclusion.

In October 2020, the FSB published the Roadmap for enhancing cross-border payments. The Roadmap was developed in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other relevant international organisations and standard-setting bodies. The Roadmap was endorsed by the G20 at the October 2020 Summit and the G20 has committed to its timely and effective implementation.

The Roadmap⁸ described four challenges to be addressed:

- **High costs:** the challenge of cost comprises various elements including transaction fees, account fees, compliance costs, applied FX conversion rates and fees, fees along the payment chain, and liquidity cost for prefunding;
- **Low speed:** the challenge of speed involves the processing time of a payment from end to end, including factors such as the time required for dispute resolutions, reconciliations and searches, possible slow processes for funding and defunding, daily cut-off times and closing times, as well as Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) checks;
- **Limited access:** the challenge includes limitations for users in accessing services and for PSPs in accessing payment systems and other arrangements;
- **Limited transparency:** limited transparency about costs, speed, processing chain, and payments status present challenges for end-users and (other than single-platform proprietary services) for providers alike.

A foundational action under the Roadmap is to reinforce momentum, by setting specific quantitative targets for addressing the four challenges for endorsement at the October 2021 G20 Summit. This will establish a shared understanding of the targeted improvements in users' experience with cross-border payments and act as a commitment mechanism to drive change. These targets will therefore need to be monitored and publicly reported on over time.

The FSB established the Cross-border Payments Coordination Group Task Force on Targets (CPC-TFT), composed of senior FSB representatives, to develop a proposal for specific quantitative targets including target dates for a public consultation to be launched in May 2021.

⁸ See FSB Report (2020), [Enhancing Cross-border Payments - Stage 1 report to the G20: Technical background report](#), April.

1. Objectives and key design features for the cross-border payments targets

The targets have been set in line with the following principles: they are directly related to the challenges, provide a clear indication of progress, are appropriately ambitious, can be readily communicated and are meaningful to the wide range of stakeholders.

The targets have been developed with the following design features in mind:

- **Direct and meaningful relationship to the four challenges to be addressed.** The proposed targets relate to each of the challenges: cost, speed, access and transparency and are designed to be meaningful across the diverse range of cross-border payment types and uses.
- **The overall number of targets should be small.** Setting only a small number of targets enables stakeholders to have a clear focus on achieving these targets.
- **Targets should be simple.** The Roadmap is intended to remain flexible in how it addresses the four challenges. Targets that avoid excessive granularity support such flexibility in how the overall goals are achieved.
- **Targets should focus on end-user experience.** Targets that focus on end-users are directly meaningful to the users of financial services.
- **Target dates should be set for achieving the goals.** Clear target dates are key for accountability.
- **Targets should be quantitative** whenever possible, in order to be able to objectively measure whether or not they have been achieved.
- **Targets will be set at the global level, and progress should be objectively measured at the global level (and, where appropriate, at regional levels).** For this purpose, a set of key performance indicators would need to be developed, with appropriate public or private sector data sources identified that either already exist or, if necessary and if the costs are justified by the benefits, developed.
- **International targets for remittances set as a UN SDG have already been agreed to and endorsed by the G20, and should remain.**

2. Market segment definitions

Globally, the ecosystem supporting cross-border payments is diverse and multi-layered. Cross-border payments are often categorised as retail or wholesale. These segments differ greatly in terms of volume and values of transactions performed, and the payment arrangements typically used. The targets that are set for them should therefore differ.

It is proposed that targets be set for three market segments: wholesale, retail and remittances (as defined further below). This approach would facilitate setting goals that address the

challenges for different types of end-users and purposes of transactions. However, in order to keep targets small in number and simple in design, the market is not further segmented beyond that.

For the purposes of this paper, the end-user is defined as the ultimate payer or receiver of funds in a transaction: this could be an individual, a business, a public sector entity, or a financial institution.

2.1. Wholesale payments

Wholesale payments between financial institutions are by far the majority of the total cross-border payments market by value, being typically high value/ low volume interbank payments, often via correspondent banking. The sector includes several major service providers, including global and regional settlement systems for FX transactions.⁹ For the purpose of these targets the wholesale market segment is proposed to be defined as transactions between financial institutions (including both banks and non-banks).

Major service providers: Examples are central bank owned and operated large value payment systems, privately operated large value payment systems, messaging network providers, multi-currency settlement systems, major correspondent banks.

Payment types: payments are typically interbank.

2.2. Retail payments (involving non-financial corporates or public sector entities as payers or receivers and other P2P payments)

Typically, **retail payments** are low value/ high volume although some corporate B2B payments can be of similar size to wholesale market transactions between financial institutions. This sector includes cross-border traditional commerce and e-commerce (both P2B/ B2P and B2B), tourism, payment of bills to a provider abroad, cross-border electronic transfers and P2P payments other than remittances ('other P2P payments').¹⁰ Retail payments have shown continuous growth in recent years, mainly in AEs, and in some sectors are now significant amounts e.g. cross-border e-commerce P2B estimated at \$404bn in 2018, B2B at \$2.5-4tn.¹¹ Non-financial corporate payments of wholesale market size are included under retail payments. This segment therefore covers both:

- payments involving individuals (either as payer or payee);
- payments involving corporates or public sector (but not involving individuals).

⁹ M Bech and H Holden (2019), "[FX settlement risk remains significant](#)", BIS Quarterly Review, December.

¹⁰ Examples of such cross-border P2P payments would be: a person-to-person sale facilitated by an online website, realised through a transaction with (the same or interconnected) digital wallet(s); an exchange of services online (e.g. a direct payment for an online tutorial or paying a musician directly for a performance).

¹¹ UNCTAD (2020), [Global e-Commerce hits \\$25.6 trillion – latest UNCTAD estimates](#), April.

Major service providers: Examples are international card schemes, commercial banks, non-bank P2P payment providers.

Payment types: retail and P2P payments (other than remittances) between individuals, businesses (including Micro, Small and Medium Enterprises (MSMEs)) and public sector entities.

2.3. Remittances

Remittance payments are low value/ high volume (in similar fashion to many transactions in the retail category above) and primarily (though not exclusively) to receivers in emerging market and developing economies (EMDEs). Remittances and other P2P payments have been separated for the purposes of these targets in order to reflect the different priorities that end-users in these different segments may have, and the reality of the greater challenges that payment arrangements in some cross-country corridors for remittances face including limited implementation capacity in some jurisdictions.

Remittances totalled around \$540 billion in 2020. With the trend increase in labour mobility, remittance flows to low- and middle-income countries are of ever-growing importance, and are higher in aggregate than both foreign direct investment and official development assistance.

Major service providers: Examples are international money transfer operators, commercial banks, post offices, mobile money operators.

Payment types: Low-value transfers of money between individuals (P2P) typically to family members/ friends abroad, which may be recurring or non-recurring.

3. Factors to be considered in setting the targets for the four challenges

Factors to be considered in setting the targets for each of the four challenges for the three market segments have been identified. This section summarises some of the information publicly available on the current state-of-play, the main data sources used in doing so and the considerations towards setting the targets all of which feeds into the explanations behind each relevant target proposed, as detailed in section 4. In setting and operationalising the targets, an important factor considered was the feasibility of collecting data to measure progress over time (potentially at a relatively granular level across regions and across types of payment).

3.1. Cost

The cost should include all the elements that determine the price paid by end-users for cross-border payments (including costs incurred both by the payer and by the receiver of funds). Cost is often difficult to define and varies greatly by market segment, by service level and by region. This presents the following challenges:

- It can be difficult to measure an average cost for wholesale payments (or indeed to define cost at all, if the payment service is bundled with other services provided to financial institutions).
- Costs associated with retail payments vary widely, for example for card payments with card issuer or merchant/ processor fees ranging from below 2% in Europe to over 7% in Latin America¹² with charges levied on both sender and receiver.
- Similarly, remittance fees vary by region, by provider and by how a payment is sent/ received. Remittances are currently typically higher in cost than other payments. They are typically sent to EMDEs, and these corridors can suffer from the highest frictions, such as volatile currency, legacy technology and de-risking. Remittance costs vary significantly between corridors. The UN SDG has acknowledged this by setting separate global and individual corridor targets (i.e. to reduce the average cost to 3% for remittances globally, with no individual payment corridors higher than 5%).

Table 2: Cost

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P)	Remittances
Current costs	Individual costs vary per bank e.g. due to volume, value discounts or time-based charges (to incentivise early settlement).	For card issuers, up to 10% depending on the card issuer/ merchant fee and FX margin (excluding taxes). ¹³	Global Average 6.38% (\$200 payment) (Q1 2021). ¹⁴
Considerations in target setting (including target dates)	Average costs are difficult to estimate.	Operational changes to reduce cross-border fees and FX margins needs support of major players. Costs of compliance with requirements in different jurisdictions (e.g. local data privacy policies, AML/CFT and know-your-customer (KYC) checks).	Lack of economies of scale and other frictions for certain payment corridors.

3.2. Speed

Speed varies depending on a number of issues, including time zone differences (West to East slower than East to West), number of intermediaries in the payment chain, pay-out method and

¹² FXC Intelligence (2021), [Understanding the economics of cross-border card payments](#), May.

¹³ Merchant Maverick (2020). [What is a cross-border fee for credit card processing](#), March.

¹⁴ World Bank (2021), [Remittance Prices Worldwide](#), March.

real-time gross settlement (RTGS) opening hours. Recent research on SWIFT gpi (Global Payments Innovation) payments indicates that among the factors causing delays in the ultimate crediting of the end-user by the beneficiary bank are compliance checks, capital controls imposed on the sender, the bank’s value dating policy and non-operational banking hours.¹⁵ Compliance checks are typically more challenging for cross-border payments compared to domestic payments.

Table 3: Speed

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P)	Remittances
Current speed	FX transactions may be same-day where RTGS hours overlap, or may be T+2 settlement in other cases. 48 hours or longer (traditional correspondent banking).	As an example, 92% of payments that use SWIFT gpi MT103 primarily B2B payments are processed in less than one business day (i.e. not including bank holidays or weekends). ¹⁶ Normally card payments take 2-5 business days to clear through an automated clearing house.	By current services offered (out of 5000 serving 367 corridors, representing 85% of remittance flows globally): 53% is <1 hour 65% is <same day 76% is <next day 84% is <2 days
Considerations in target setting (including target dates)	Difficulties in aligning RTGS operating hours across time zones, market conventions for settlement pairs can impact speed, inability to introduce Straight Through Processing (STP) due to data quality issues.	Technically faster processing times possible but need to consider barriers (compliance, local data privacy policies, AML/CFT and KYC checks and so on).	Similar considerations as retail payments, additionally need to consider other factors e.g. capital controls, sanctions screening.

3.3. Access

In line with the key design feature agreed, targets for access to cross-border payments only consider end-user perspectives and do not address access to payment systems by banks/non-banks.

¹⁵ It should be noted that SWIFT gpi represents less than 50% of SWIFT traffic, and SWIFT was used by 40% of RTGS traffic in the most recent World Bank [Global Payment Systems Survey](#).

¹⁶ SWIFT (2020), [SWIFT gpi: driving a payments revolution](#), October.

Table 4: Access

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P)	Remittances
Current access	Not all currencies are eligible for settlement in multilateral settlement systems (e.g. the legal framework lacks settlement finality). Some domestic RTGS allow access to non-banks.	Most end-users have multiple options and providers ¹⁷ including banks (P2B, B2B), international card schemes (P2B) and other service providers (P2P). Access problems nevertheless exist for some MSMEs and individuals (as for remittances).	World Bank Remittance Prices Worldwide (RPW) analysis focuses on four types of channels for end-users: banks, post offices, mobile operators & MTOs. Mobile money, despite having the lowest market share, has the widest reach in some countries and its use has increased access to financial services (although for example post offices also have wide networks). ¹⁸
Considerations in target setting (including target dates)	Decline in correspondent banking relationships results in some jurisdictions facing inadequate access to the global financial system. The number of correspondent banks fell by 22% between 2011 and 2019 even though the value of payments increased. ¹⁹	Decline in correspondent banking relationships impacts in particular EMDE MSMEs for B2B. For multinational corporations, multiple payment arrangements in different countries may be needed to support customer payments.	The decline in correspondent banking relationships can affect banks' ability to service MTOs. KYC, data issues. Lack of digital IDs for some end-users as well as lack of access to transaction accounts (69% of adults worldwide had a transaction account – either a financial institution or mobile money provider in the most recent Global Findex study in 2017). ²⁰

¹⁷ See McKinsey/ SWIFT (2018), *A Vision for the future of Cross-Border Payments*, Exhibit 4, for examples.

¹⁸ IMF (2020), *2020 Financial Access Survey*, 9 November.

¹⁹ BIS (2020), *New correspondent banking data - the decline continues at a slower pace*, August.

²⁰ <https://globalfindex.worldbank.org/>

3.4. Transparency

Transparency can include not only transparency over the terms of the transaction, but also transparency of the progress in the transaction when in it is underway. The importance of transparency about progress is closely linked to speed i.e. the faster the payment, the less tracking is required (except in those cases where problems arise).

Table 5: Transparency

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P)	Remittances
Current transparency	Many payments include information on processing fees, exchange rate costs and processing times.	Many payments include information on processing fees, exchange rate costs and processing times. International card schemes have extensive terms and conditions but may lack transparency in some areas (such as costs).	RPW database ²¹ includes mystery shopping to judge whether services are identified as transparent or non-transparent. World Bank GPSS includes questions on transparency requirements across jurisdictions, which indicates high transparency in providing receipts and disclosing fees/ FX rates, low in standardising the format of receipts and up to date national level information.
Considerations in target setting (including target dates)	Targets should be appropriate for transactions both through multilateral infrastructures and for bilateral transactions.	Current payment transaction information is inconsistent in its content and availability depending on the end-user, service provider and local requirements.	Limited national level information (often not frequently updated) to compare costs, speed and options for sending remittance payments. Sites that offer more frequently updated data do so via APIs, thereby covering only digital providers (i.e. a small minority of the market).

²¹ <https://remittanceprices.worldbank.org/en>

4. Proposed targets in detail

This section provides further explanations, for each proposed market segment, on the targets for each challenge that are outlined in the table in the executive summary.

4.1. Wholesale payments targets

Cost – Due to the difficulty of estimating average costs across the market, and given they are highly individualised (i.e. costs depend also on individual participants' volumes and values), it is proposed to set no target for this segment. Nevertheless, many of the actions to be undertaken under the roadmap will, when implemented, reduce costs in the wholesale market.

Speed – With an increased proliferation of domestic fast or instant payment systems, and connections being already established or explored between them, within one hour of payment initiation for a large majority (75%) of all cross-border wholesale payments would be an ambitious but feasible goal.

Access – All financial institutions should have at least one reliable option (in terms of infrastructures and providers) and, where appropriate, multiple options to send interbank payments.

Transparency – For all three market segments (wholesale, retail and remittances), a minimum defined list of information ensures a floor of transparency across the market while avoiding unintended consequences of data provision (e.g. increased costs due to having to source and provide data).

4.2. Retail payments (B2B/ P2B/ other P2P) targets

Cost – An average cost target can be established, in similar fashion to the current UN SDG target for remittances, with a global average percentage (or common average percentage for each payment corridor) agreed and tracked. More ambitious targets have been set for the retail market segment than for remittances due to the already lower cost of such payments in the main sectors (e.g., in the case of e-commerce and tourism) and in recognition of the greater challenges and frictions that some payment corridors in the remittance market face.

Speed – With the end-user in mind and considering the increased proliferation of domestic fast or instant payment systems and connections being established or explored between them, receiving funds within one hour of payment initiation for 75% of payments would be a considerable improvement on the current situation, notably for P2B instruments.

Access – Similar to wholesale, the focus is that multiple options should be available in particular for B2B as market competitiveness is strong in P2B/B2P.

Transparency – For all three market segments (wholesale, retail and remittances), a minimum defined list of information ensures a floor of transparency across the market while avoiding unintended consequences of data provision (e.g. increased costs due to having to source and provide data).

4.3. Remittance targets

Cost – The existing UN SDG goal is well known and not yet achieved, so it would be simplest and show consistency of ambition to retain it. Nevertheless, significant cost improvements have already been made since the UN SDG goal was first set, and many of the Actions in the Roadmap will help to address the challenges that the remittance market faces. Therefore, substantial cost improvements by end-2027 are anticipated here too (in the same way as with respect to other targets proposed in this report). For instance, in many cases steps to reduce frictions in the retail market segment are likely to reduce frictions in the remittance market also.

Speed – As over 50% of service providers are already processing payments in less than an hour, an ambitious but realistic goal could be for 75% of payments to be processed within one hour of the payment being initiated.

Access – The Global Findex database indicates that 94% of adults in high income countries have a transaction account, versus 63% in developing countries – this lack of presence in the formal financial system creates additional challenges for customer identification - the target aims to allow the vast majority of adults globally who send or receive remittances (including those that do not have a bank account) to make cross-border payments for legal purposes via services that conduct proper AML/CFT checks.

Transparency – For all three market segments (wholesale, retail and remittances), a minimum defined list of information ensures a floor of transparency across the market while avoiding unintended consequences of data provision (e.g. increased costs due to having to source and provide data).