FSB FINANCIAL STABILITY BOARD

Developing the Implementation Approach for the Cross-Border Payments Targets

Interim report

6 July 2022

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Executive summary

A foundational step in the G20 roadmap for Enhancing Cross-border Payments[1] was the setting of quantitative targets at the global level that are directly related to the challenges faced by cross-border payments: cost, speed, transparency and access. The targets define the Roadmap's ambition and create accountability. However, measuring progress toward these targets will not be straightforward because no comprehensive data sources currently exist. To conduct the work, the FSB established a working group of experts from FSB member organisations to develop specific proposals for Key Performance Indicators (KPI) and to identify existing and potential sources of data for calculating those KPIs and monitoring progress toward the targets going forward. This interim report is an opportunity for the FSB to share with the public and receive feedback on the working group's preliminary observations and recommendations as it works to finalise the approach to be taken forward.

The three market segments (wholesale, retail and remittances) for which targets have been set differ substantially in their end-users, infrastructures, processes, and payment mechanisms, which influences the working group's proposed KPIs and the databases that are available.

For the wholesale segment, the working group is proposing segment-wide KPIs and views private-sector network providers as the most promising data sources for monitoring speed and access. The working group is evaluating the use of surveys and proxies for monitoring transparency.

For the retail market segment, the working group is proposing differentiated KPIs across the segment's heterogeneous use-cases (e.g., business-to-business (B2B), business-to-person (B2P), person-to-business (P2B), and non-remittance person-to-person (P2P)) that could potentially be aggregated into a segment-wide KPI. This would increase the KPIs' representativeness and allow for a better understanding of how the four challenges and progress toward meeting the targets differ among those use-cases. The enormous variety of end-users and payment service providers (PSPs) in the retail segment make collecting comprehensive data infeasible. Instead, the working group is evaluating the feasibility of collecting representative samples, for instance from private-sector data aggregators.[2]

Finally, for the remittances segment, the public sector's long-standing goal of improving conditions in this segment has led to the establishment of multiple high-quality databases, most notably the World Bank's Remittance Prices Worldwide (RPW) database (especially useful for measuring the cost, but also the speed, access to and transparency of remittance flows) and Global Findex database (especially useful for measuring access and financial inclusion). The working group is proposing to leverage these, and similar, public-sector databases to calculate segment-wide KPIs.

The targets have been set and will be monitored at a global level. In addition, in order to assess where progress is being made and where challenges remain, collection and publication of at

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1 FSB, *Enhancing cross-border payments roadmap,* October 2020.

2 For the purposes of this report, the term "data aggregators" refers to firms that collect data from one or more sources, standardising and otherwise enriching the data, and repackaging the result in a usable form.

least some form of disaggregated data (e.g. by region, by jurisdiction, by type of payment or type of payment service provider) will also be conducted to the extent feasible.

While the working group has made significant progress, data gaps remain and the proposals for measuring the KPIs need to be operationalised through further discussions with potential providers of data. For example, few PSPs or infrastructures have visibility into the end-to-end (payer to payee) payment chain, which is necessary for calculating the true end-to-end speed or cost of a cross-border payment in the way the targets require. Moreover, it is as yet unclear to what extent data availability may be greater for some corridors than others, leading to a potentially biased picture.[3] As part of its next steps, the working group will dimension remaining data gaps across the targets and articulate specific strategies and priorities for enhancing existing databases or creating new databases to fill them.

As is true for the Roadmap broadly, strong commitment and coordination will be critical to success. The involvement of the private sector will be key to support the monitoring of progress toward the targets. The FSB invites feedback from the public on the preliminary proposals in this report. In particular, feedback is appreciated on the following questions that will assist in finalising the approach to measurement of the KPIs.

1. Has the FSB identified appropriate potential sources of data for efficiently monitoring progress toward the Roadmap's targets? What, if any, additional or alternative public or private data sources should the FSB also consider and for what KPIs?

2. Has the FSB defined the KPIs appropriately, such that they are closely and meaningfully tied to the relevant target? What, if any, additional considerations should inform the calculation of the KPIs so that they provide sufficiently representative measurements of progress toward the targets without being overly burdensome?

3. The FSB is evaluating the use of proxies for monitoring progress toward some of the targets. Are the proxies proposed appropriate? What, if any, additional or alternative proxies should the FSB consider that are sufficiently representative and simplify monitoring?

Feedback should be sent to fsb@fsb.org by 31 July 2022 with the title "Monitoring progress toward cross-border payments targets". The responses are for the purpose of informing the FSB's Targets Data Group in its further work and will not be published.

In particular, the responses will help to inform the FSB's report in October 2022 to the G20 and the public with further details of the implementation approach and the KPIs. Estimates of current performance of cross-border payments based on the KPIs are likely to take some months further to develop, based on collaboration with potential data providers to develop reliable estimates, and will be published once available.

[3] For the purpose of this report, corridor refers to country corridor, which is the combination of a specific sending country and a specific receiving country.

1. Introduction

The G20 made enhancing cross-border payments a priority during the Saudi Arabian Presidency in 2020. Making cross-border payments, including remittances, faster, cheaper, and more transparent and inclusive, while maintaining their safety and security, would have widespread benefits for citizens, businesses, and economies worldwide, supporting economic growth, international trade, global development, and financial inclusion.

In October 2020, the G20 endorsed the Roadmap for Enhancing Cross-border Payments, which the FSB developed in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other international organisations and standard-setting bodies. The Roadmap is a comprehensive, high-level plan designed to address four challenges: high transactions costs;[4] low speed in end-to-end processing times;[5] limited access for users accessing PSPs as well as PSPs accessing payment systems and other arrangements; and limited transparency about costs, speed, processing chains, and payment status for end-users and PSPs alike.

Subsequently, in 2021, the FSB published the Targets for addressing the four challenges of cross-border payments: Final report (Targets report).[6] The Targets report set 11 targets at the global level that are directly related to the four challenges across three segments of the cross-border-payments market – wholesale cross-border payments, retail cross-border payments, and remittances.[7] The targets provide a common vision for the improvements sought under the Roadmap and establish expected outcomes. The targets were set in an inclusive manner, including through a public consultation that was launched in May 2021,[8] and were endorsed by the G20 Leaders at the October 2021 Summit.

In addition, the FSB committed to providing a report in October 2022 to the G20 and the public with further details of the implementation approach, and with KPIs providing estimates of current performance of cross-border payments to provide a baseline against which future progress toward the targets can be monitored. If the findings by October 2022 should indicate a need, adjustments to the definition of the targets may be made at that stage. To conduct the work, the FSB established a Targets Data Group (TDG) of experts from FSB member organisations to develop specific proposals for measuring progress toward each of the targets, including which breakdowns could complement the global-level measurements (e.g., by region or by payment type), and to make recommendations on how to operationalise the monitoring exercise, including which organisation(s) would be best suited for sourcing the data. The TDG's work is guided by the principles articulated in the Targets report:

- Light approach where possible: Time consuming and excessive reporting should be avoided

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4 The challenge of cost refers to total transaction costs incurred by end-users (including costs incurred both by the payer and by the receiver of funds), and comprises various elements including transaction fees, account fees, applied FX conversion rates, and fees along the payment chain.

5 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.

6 FSB Report (2021), *Targets for Addressing the Four Challenges of Cross-Border Payments (Final Report), October.*

7 *See* Annex 1: Targets for the Cross-Border Payments Roadmap.

8 FSB, *Targets for Addressing the Four Challenges of Cross-Border Payments: Consultation Report,* May 2021.

- Data should be aggregated to protect firms' confidentiality[9]
- Existing data collection should be leveraged where relevant
- Existing channels should be used where possible
- Any new data collection required should be limited in size and scope
- Collected data should be representative of underlying market trends
- Indicators should be representative of the different contexts of end-users

The working group has also collected input through outreach events. In April, the working group held an outreach event with a diverse group of industry participants followed, in May, by an outreach event organised by the FSB with official-sector representatives from the FSB's Regional Consultative Groups.[10]

This interim report provides an update on the TDG's work toward establishing KPIs and identifying sources for the data necessary for their calculation and seeks feedback from stakeholders to this preliminary work.

2. Data sources and collection methodology

Measuring progress toward the targets is not straightforward because there are no existing data sources that comprehensively capture data about cross-border payments globally for any of the three market segments. In addition, the cross-border payments ecosystem is diverse and multi-layered, and the payment arrangements used to support the three market segments differ greatly, which results in many fragmented and heterogeneous data sources, few of which capture cross-border transactions end-to-end from payer to payee. This section provides an overview of how these challenges have informed considerations related to potential data collection methodologies and of the existing data sources that have been identified.

2.1. Data collection methodology

The Targets report identified two potential data collection methodologies for the TDG to consider: Option 1: Comprehensive collection and aggregation of data from individual PSPs; and Option 2: Surveys of PSPs or sampling of transaction data.

As the working group has evaluated the landscape of existing data sources, the challenges and costs associated with pursuing a comprehensive collection of data from individual PSPs across a wide section of the market likely preclude the first option from being the primary methodology for collecting the requisite data, at least in the short term. Certain data may be available from a few key service providers and data aggregators. Furthermore, consideration is being given to what, if any, opportunities exist for the official sector in different jurisdictions to play a role in

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9 No data that can either directly or through inference allow non-public information about specific firms to be identified will be published, including, for example, aggregated data about highly concentrated markets.

10 For more information on the FSB's six Regional Consultative Groups, see FSB website.

supporting the collection of certain data. However, feedback from the May outreach event with FSB RCG representatives suggested the opportunities may be limited as many jurisdictions do not systematically capture data about cross-border transactions in the form that would be necessary for calculating KPIs. Therefore, other approaches will be needed as a complement, and surveys and sampling will likely play an important role in this regard.

In addition to the two methodologies identified in the Targets report, the TDG is evaluating the use of proxies as an indirect but efficient way of monitoring progress toward some of the targets. For example, in the context of transparency in the retail segment, the information that end-users receive depends on their specific service provider, the number of which makes even sampling a likely overly burdensome approach. However, some jurisdictions and payments schemes have legal and regulatory requirements stipulating what information must be provided to end-users. The presence of these regulations or rules (or lack thereof) may be able to serve as a proxy for the transparency target.

2.2. Summary of existing data sources identified during the development of the interim report

Wholesale

During discussions on wholesale segment data sources, one necessary clarification that was considered was which transactions should be included in this segment. Wholesale payments are made for several reasons including securities and FX settlement, margin payments for derivatives and liquidity transfers between entities of the same banking group. The decision regarding which types of payments to include not only has a bearing on data sources but also on the relevance of the targets themselves (e.g. intragroup payments would likely already meet certain targets).

For the wholesale segment, the working group is proposing segment-wide KPIs and views private-sector network providers as the most promising data sources for monitoring speed and access. In addition, CPMI's annual correspondent banking data[11] and the BIS Red Book data were considered as potentially useful for the access target, while industry bodies could be helpful for speed. Identifying data sources for monitoring transparency has been particularly challenging, leading the working group to consider the use of proxies or firm-level surveys.

Retail

The retail payments segment represents a variety of use-cases, such as B2B, B2P, P2B, and P2P. Capturing data about the different use cases, to the extent possible, across jurisdictions is important because differences among their market-structures, payment arrangements, and end-users' needs or expectations could reduce the representativeness of any global aggregate that does not take them into account. This market-segment heterogeneity also increases the challenges associated with sourcing the requisite data, including having to account for inconsistent definitions across databases to allow for comparison and aggregation, and different

[11] See here.

jurisdictions' heterogeneous level in data quality and availability. Another complicating factor is the challenge of distinguishing remittances from non-remittance person-to-person transfers when PSPs generally do not have information on the purpose for the payment. To this end, the working group has identified a number of potentially relevant data sources, including network providers, and selective sampling of global and regional PSPs. In addition, the working group is evaluating using data available from private-sector data aggregators, at least in the short term.

With regard to the access and transparency KPIs, the working group is evaluating the use of a variety of World Bank and IMF databases, including the World Bank Enterprise Survey, World Bank Global Findex, World Bank GPSS, and the IMF Financial Access Survey.

Remittances

The working group considers the World Bank's Remittance Prices Worldwide Database (RPW) a key source of data for the remittances market segment.[12] While the RPW primarily monitors the cost of sending remittances as a percentage of the amount sent, it also collects data on speed, access (focused on four types of Remittance Service Provider (RSP) access for end-users: banks, post offices, mobile operators & money transfer operators (MTOs)) and transparency (RPW database includes mystery shopping to judge whether services are identified as transparent or non-transparent).[13]

Beyond the RPW, several other existing sources were evaluated, indicating that the remittances segment has significant coverage already. For access, the World Bank Global Findex Survey, the annual IMF Financial Access Survey and the World Bank Global Payment Systems Survey (GPSS) (which surveys national and regional central banks and monetary authorities on the status of payment systems) might provide useful information. The GPSS was also considered as a possible source for transparency information. The survey includes questions on transparency requirements across jurisdictions including indicating where transparency is high (e.g. in providing receipts) and where it is low (such as in the standardization of the format of receipts).

3. Key performance indicators, data gaps, and potential options going forward

For each of the targets, the TDG has been working to define the KPIs that will be used to monitor progress over time and to identify existing and potential sources of data for calculating those KPIs. The tables in this section summarise the TDG's work in this regard. For each target, the table identifies the following:

- **KPI** – the indicator that the TDG proposes for measuring progress toward the target over time

[12] For information about the World Bank's RPW Database see here.

[13] Mystery shopping is a technique commonly used by market researchers to test the provision of services through the use of trained persons acting as normal customers and engaging in actual transactions.

- **Potential options for supporting data** – proposed data sources that could be used to calculate the KPIs and how the data will be used. The proposed data sources either exist or could potentially be developed in the near term
- **Scope of supporting data** - the extent of the coverage that the supporting data provides.
- **Proposed metrics for KPIs** - the metrics that are potentially able to be calculated given the data limitations that exist
- **Technical notes** – material technical details about how the KPIs will be calculated
- **Remaining gaps** – the gaps that exist between the KPIs and the metrics due to data limitations

3.1. Wholesale segment

For the wholesale segment, the following tables illustrate the KPIs, potential supporting data and relevant considerations which are being proposed. However, gaps would remain. For example, related to speed, network providers only have data about a payment from the time an originating bank submits a payment to them. The initiation phase, which is the time between a payer initiating a payment with their originating bank and the originating bank submitting that payment to the network provider, would not be covered. Similarly, no single network provider can provide data about the entirety of the market. This could create biases in the data as an estimate of the global market, and any gaps might be filled longer term through firm-level surveys or by expanding or modifying existing surveys like the World Bank's GPSS survey.

Table 1: Wholesale target for speed

Target: 75% of cross-border wholesale payments to be credited within one hour of payment initiation or within one hour of the pre-agreed settlement date and time for forward-dated transactions and for the remainder of the market to be within one business day of payment initiation, by end-2027. Payments to be reconciled by end of the day on which they are credited, by end-2027	
KPI	1. Percentage of cross-border wholesale payments credited within one hour of payment initiation, or within one hour of the pre-agreed settlement date and time for forward-dated transactions[14] 2. Percentage of cross-border wholesale payments credited within one business day of payment, or within one business day of the pre-agreed settlement date for forward-dated transactions. 3. Percentage of cross-border wholesale payments reconciled by the end of the day on which they are credited
Potential options for supporting data	• Aggregated data from the network providers to calculate both the numerators and denominators for KPIs 1 and 2 • Survey of banks, financial institutions and trade associations on percentage of cross-border wholesale payments outside of network

[14] Where a pre-agreed time is not stated on a forward-dated payment, we assume the end of the business day in the recipient jurisdiction.

	providers that are (not) credited within 1 hour or 1 business day of the pre-agreed settlement date and time
Scope of supporting data	• Payments that are initiated through the network providers are a subset of the overall network. • Data from network providers would not cover the time between a payer initiating a payment with their originating bank and their originating bank submitting that payment to them
Proposed metrics for KPIs	• Percentage of cross-border wholesale payments through the network providers that are credited to the payee's account within one hour of input • Percentage of cross-border wholesale payments through the network providers that are credited to the payee's account within one business day of input
Technical notes	• Percentages are based on number of transactions • Percentages for KPIs 1 and 2 are based on jurisdiction-level nested averages (weighted by volume)
Remaining Gaps	• Data from network providers would not capture the time associated with either payment initiation (the period of time before the payment message is submitted to them) • KPI 3 not covered

Table 2: Wholesale target for access

Target: All financial institutions (including financial sector remittance service providers) operating in all payment corridors to have at least one option and, where appropriate, multiple options (i.e. multiple infrastructures or providers available) for sending and receiving cross-border wholesale payments by end-2027	
KPI	1. Percentage of payment corridors with no option for financial institutions for sending and receiving cross-border payments (all types of service providers) 2. Percentage of payment corridors with no option for financial institutions for sending and receiving cross-border payments divided by region
Potential options for supporting data	• CPMI Correspondent Banking Study • BIS Red Book • Bankers' Almanac data could be another source of information on correspondent banking relationships
Scope of supporting data	• BIS Red Book
Proposed metrics for KPIs	• Number of payment corridors with no option globally for financial institutions for sending and receiving cross-border payments (all types of service providers) via network providers • Number of payment corridors with no option for financial institutions for sending and receiving cross-border payments via network providers divided by region and jurisdictions

Technical notes	• Percentages are relative to total number of payment corridors covered in respect of both KPI 1 and KPI 2
Remaining Gaps	• Jurisdictions with correspondent banks only able to be reached outside of the responsive network providers would not be covered

Table 3: Wholesale target for transparency

Target: All payment service providers to provide at a minimum the following list of information concerning cross-border payments to payers and payees by end-2027: total transaction cost (showing all relevant charges, including sending and receiving fees including those of any intermediaries, FX rate and currency conversion charges); the expected time to deliver funds; tracking of payment status; and terms of service)	
KPI	1. Percentage of PSPs providing the following sets of information to payers and payees: a. Expected time to fund delivery b. Payment tracking status c. Terms of service Note: For consistency with the decision not to have a cost target for wholesale payments, we propose to exclude the information on total transaction cost from the transparency KPI for the wholesale segment
Potential options for supporting data	• Sample survey of banks (TBD)
Scope of supporting data	• Survey would ensure good representativeness at least at the regional level
Proposed metrics for KPIs	• Same as KPI
Technical notes	• KPI could be weighted by component to account for degree of transparency (TBD)
Remaining Gaps	• Surveys would not cover entire market

3.2. Retail segment

For the retail segment, the following tables illustrate the KPIs, supporting data and relevant considerations which are being proposed for each of the targets. The retail payments segment is highly heterogeneous in terms of end-users, service providers, and payment mechanisms. Furthermore, cost and speed may vary significantly across different jurisdictions, types of payment service provider and use cases (e.g., B2B, P2B, B2P and non-remittance P2P), which makes disaggregating the KPIs based on use cases and, potentially, regions and types of payment service provider, important. In addition to the amount of heterogeneity, the commercially sensitive nature of the relevant data, and various jurisdictions' legal frameworks makes obtaining the necessary data through a centralised process directly from PSPs and payments infrastructures challenging; this is particularly relevant for cost data.

To an even greater degree than for the wholesale market, data from individual network providers would only give a partial view of the retail market, increasing the possibility of biases in data. The working group is evaluating as a complement to any partial datasets that may be leveraged, the feasibility, burden, and cost of sampling data from a collectively representative group of PSPs. The working group is also evaluating the possibility to leverage private-sector data aggregators that rely on various methods to collect and standardise this data, including the use of mystery shoppers and APIs.

Table 4: Retail target for cost

Target: Global average cost of payment to be no more than 1%, with no corridors with costs higher than 3% by end-2027	
KPI	1. Average (global) cost of the cross-border payment transaction (aggregated for all retail payment types) (TBD) 2. Average (global) cost of cross-border payment transaction (disaggregated by use case) (TBD) • B2B (large corporate); B2B (MSME); B2P; P2B; P2P (non-remittances) 3. Average (regional or corridor level) cost of cross-border payment transaction (aggregated for all retail payment types) (TBD) 4. Average (regional or corridor level) cost of cross-border payment transaction (disaggregated by use cases) (TBD) • B2B (large corporate); B2B (MSME); B2P; P2B; P2P (non-remittances) Note: Regional measurement and leveraging on regional breakdowns existing in supporting data, where available
Potential options for supporting data	• Sample survey of banks and non-bank PSPs (TBD) • Payment data aggregators (TBD)
Scope of supporting data	• PSP survey and payment data aggregator data would ensure good representativeness at least at regional level: the survey may involve regional major players in cross-border payments; payment data aggregators may provide data/results per corridor for which a representativeness level of at least >70% is estimated
Proposed metrics for KPIs	• Average cost to be calculated as a percentage of the transaction size • Average transaction size as proxies for use cases (TBD) • Weighted averages to be used while keeping in mind the risk of over-weighting the largest corridors (TBD) • Nesting to allow for more-granular monitoring (TBD)
Technical notes	• Can be a sample from a representative set of countries (TBD). • Average transaction size may indeed be the best proxy to identify different use cases as providers do not have other means to identify whether a payment is P2B or P2P; or B2B or B2P • Cost may depend on different payment methods used at the origin and/or receiving end within each use case • Current considerations by the working group include building an aggregated KPI from disaggregated ones to build in the possibility of

	monitoring at a more-granular level without having multiple KPIs per se (TBD) • The working group has been discussing the use of weighted averages. However, data availability on potential weights remains unclear at this stage; the weighting system would need to be carefully designed in order not to overweight the largest corridors (TBD) • The target is total; nevertheless, to the extent feasible, cost should be monitored by separating fees from FX margins, so as to assist in understanding the underlying challenges. (TBD)
Remaining Gaps	• Examples of P2P (non-remittances) will be further clarified Most of this data at the provider level is captured as remittances. • There are currently no commonly accepted definitions of (proxies for) use cases • Differentiating between payments initiated by MSMEs and payments initiated by individuals is not always possible because many MSMEs use personal accounts for business purposes (TBD)

Table 5: Retail target for speed

Target: 75% of cross-border retail payments to provide availability of funds for the recipient within one hour from the time the payment is initiated and for the remainder of the market to be within one business day of payment initiation, by end-2027	

KPI	1. Percentage of services transferring within one hour (TBD)
	2. Percentage of services transferring within one hour, disaggregated by use case (TBD):
	  • B2B (large corporate); B2B (MSME); B2P; P2B; P2P (non-remittances)
	3. Percentage of services transferring within one business day (TBD)
	4. Percentage of services transferring within one business day, disaggregated by use case (TBD):
	  • B2B (large corporate); B2B (MSME); B2P; P2B; P2P (non-remittances)
	Note: Regional measurement could also be considered, leveraging on regional breakdowns existing in supporting data, where available

Potential options for supporting data	• Aggregated data from network providers (TBD) • Payment data aggregators (TBD)
Scope of supporting data	• The representativeness of payment data aggregators' data (including across both bank and non-bank payment service providers) will need to be evaluated
Proposed metrics for KPIs	• Percentage of cross-border retail payments via network providers that are credited to the recipient within one hour of submission • Percentage of cross-border retail payments via network providers that are credited to the recipient within one business day of submission

	• Aggregation of time spent on the network providers with sample data on time elapsed outside the network providers. • (Transactions outside of network providers) Percentage of cross-border retail payments that are credited to the recipient within one hour of initiation • (Transactions outside of network providers) Percentage of cross-border retail payments that are credited to the recipient within one business day of initiation
Technical notes	• Can be a representative sample from a representative set of countries (TBD) • May need to establish average transaction size to proxy for different use cases as PSPs may not be able to differentiate otherwise (TBD) • Definition of payment initiation needs to be clarified. Based on the discussions with providers, it became clear that the providers may not necessarily have data on the end-user perspective for end-to-end speed of transactions
Remaining Gaps	• Speed data needed for use cases involving payment cards and other payment instruments • Data from network providers would not capture the time associated with either payment initiation (the period of time before the payment message is submitted to the network providers). Examples of P2P (non-remittances) need to be clearly identified. Most of this data at the provider level is captured as remittances. • Need to clarify how it will be possible to aggregate across various use cases (e.g., volume weighted, nesting, etc.)

Table 6: Retail target for access

Target: All end-users (individuals, businesses (including MSMEs) or banks) to have at least one option (i.e., at least one infrastructure or provider available) for sending or receiving cross-border electronic payments by end-2027	
KPI	1. **MSME demand-side data**: MSME with account at a formal financial institution (%) 2. **MSME supply-side data**: MSME deposit accounts (as % of non-financial corporate borrowers) 3. **Individuals/demand-side data**: Adults with an account (% age 15+) 4. **Individuals/supply-side data**: Number of transaction accounts provided by regulated PSPs 5. **Regulatory perspective (individuals)**: Regulation mandates offering of basic accounts by PSPs and allows for international remittances to be disbursed in basic accounts
Potential options for supporting data	• (1) World Bank Enterprise Survey for MSME demand-side data • (2) and (4) IMF Financial Access Survey for MSME/individual level supply-side data

	• (3) World Bank Global Findex for data on individuals demand-side data • (5) World Bank GPSS
Scope of supporting data	• (1) World Bank Enterprise Surveys: demand-side surveys conducted in approx. 140-150 countries (mostly emerging markets) every 3-4 years. Availability of data on developed countries from national authorities needs to be verified • (3) Global Findex – demand-side survey in approximately 140 countries conducted every 3 years • (2) and (4) Regulator surveys with data from 120 – 150 countries, conducted every year (FAS). The coverage of the database for these indicators needs to be verified • For (5) Regulator survey conducted every 2 years (GPSS)
Proposed metrics for KPIs	• (2) Number of MSMEs and number of MSMEs with accounts needed for supply side data • (4) Adult population and number of individuals with accounts needed for supply side data • (1) and (3) Demand side data directly includes the KPIs above[15] • (5) Regulatory perspective: GPSS includes information on basic account mandates and whether these can be used for remittances (but no information is available for whether these accounts can be used to make/receive retail cross-border payments such as P2B, P2P and B2P)
Technical notes	• Access is an issue for individuals and MSMEs, hence the KPIs target the measurement of access for these two groups • While demand-side indicators (1) and (3) are in general preferred for measuring access, they are not frequently available due to the cost of these surveys. In their absence, supply-side data (2) and (4) and regulatory data (5) can be used for more frequent measurement. Hence, (1) and (3) are recommended as primary indicators with (2), (4) and (5) as secondary • Transaction accounts as defined in CPMI and WBG (2016).[16] • Basic accounts: A bank account that is typically focused on payment services and characterized by low-cost and no-frill features. These accounts are often offered in combination with a debit card • The proxy might bias results as surveys most often measure access to domestic financial services.
Remaining Gaps	• Global Findex/Enterprise Surveys cannot differentiate whether these accounts can be used for sending/receiving cross-border payments. This is specifically an issue for individuals and microenterprises that may have access to only basic accounts. For example, some jurisdictions restrict the termination of remittances into mobile money accounts. This may

[15] Please refer to https://globalfindex.worldbank.org and https://enterprisesurveys.org for glossary and questionnaires.

[16] CPMI and World Bank Group (2016). *Payment Aspects of Financial Inclusion.*

	likely be the case for cross-border P2B, B2P and non-remittance P2P payments • For KPI (4), data not readily available. In calculating this, raw data needs to be aggregated. Potential issues due to differences in definitions may arise • Coverage for KPI (2) needs to be verified • For measuring access to an account, demand-side data is considered the most reliable measure. However, it is quite costly to collect demand side data frequently. In addition, repeated cross-section sampling does not necessarily produce reliable time trends when frequently done. Hence, for measuring access for remittances, KPIs (1) and (3) are recommended as primary, while KPIs (2), (4) and (5) as secondary • Need to clarify how it will be possible to aggregate across jurisdictions and various use cases (e.g., volume weighted, nesting, etc.) • Source data for developed economies on MSME access indicator needs to be clarified for KPI (1) as World Bank's Enterprise Surveys cover developing economies only

Table 7: Retail target for transparency

Target: All payment service providers to provide at a minimum the following list of information concerning cross-border payments to payers and payees by end-2027: total transaction cost (showing all relevant charges, including sending and receiving fees including those of any intermediaries, FX rate and currency conversion charges); the expected time to deliver funds; tracking of payment status; and terms of service.)	
KPI	1. Percentage of jurisdictions with laws/regulations, market practices and industry agreements requiring transparency measures (TBD)
Potential options for supporting data	• World Bank Global Payment Systems Survey (GPSS) for laws and regulations
Scope of supporting data	• GPSS is a survey of regulators with data from 100-120 responding jurisdictions • Binary data on the existence of a law or regulation requiring transparency (Source: GPSS)
Proposed metrics for KPIs	• Regulatory data of transparency collected via GPSS, a survey of regulators
Technical notes	• Binary data on the existence of market practices and industry agreements requiring transparency (TBD).
Remaining Gaps	• World Bank GPSS covers the KPI on legal and regulatory measures, but not on market practices or industry agreements. • GPSS data can be complemented by jurisdiction level data on industry agreements/ code of conduct (TBD). • Need to clarify how it will be possible to aggregate across jurisdictions and various use cases (e.g., volume weighted, nesting, etc.)

3.3. Remittances segment

For the remittances segment, the following tables illustrate the KPIs, supporting data and relevant considerations which are being proposed for each of the targets. Remittances have been an area of focus among numerous international organisations and official-sector bodies for many years, making it the segment with the fewest data gaps. The World Bank's RPW database is the best single source of data available. However, gaps remain for certain targets. For example, as it pertains to access, while World Bank's Global Findex has an indicator that directly measures the percentage of adults with an account who are 15 or older, it is not clear if these accounts can be used for sending/receiving international remittances. In addition, some jurisdictions restrict the flow of remittances into mobile money accounts. The working group is evaluating the representativeness of the data available and ways to address any identified gaps.

Table 8: Remittances target for cost

Target: 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%	
KPI	1. Average cost of sending **$200** remittance: global, regional, jurisdictional (sending and receiving) – Existing UN SDG 10.c.1 indicator 2. Average cost of sending **$200** remittance, corridor level (SmaRT [17] averages) – Existing UN SDG 10.c.1 indicator
Potential options for supporting data	• World Bank Remittance Prices Worldwide (RPW)
Scope of supporting data	• RPW coverage is currently 367 corridors, which account for 80-85% of remittance flows globally • RPW includes data on different payment methods and access options on the sending and receiving side, and a breakdown of cost between fees and foreign exchange margins
Proposed metrics for KPIs	• Same as KPIs
Technical notes	• RPW is mainly collected via mystery shopping and in some instances via APIs verified by mystery shopping
Remaining Gaps	• RPW collects data on $200 and $500. Retail working group discussions suggest that it may be good to add two additional KPIs, similar to (1) and (2) above, for $500 (TBD) • RPW collects data on the sending side. Cost incurred by beneficiaries are not always available on the sending side as originating PSPs work with several disbursing PSPs, and depending on the PSP and the pickup method, fees may differ (e.g., in case of disbursing to an account, there may be specific fees for different types of accounts offered by the disbursing PSP)

[17] SmaRT is a World Bank Group measure that "represents the average total cost that a well-informed consumer should expect to pay, in any given corridor, to send the equivalent of USD 200, adjusted for the likelihood of the accessibility of services in that corridor." Getting SmaRT about remittance price monitoring, available here.

Table 9: Remittances target for speed

Target: 75% of cross-border remittance payments in every corridor to provide availability of funds for the recipient within one hour of payment initiation and for the remainder of the market to be within one business day, by end-2027.	
KPI	1. Percentage of services transferring within one hour 2. Percentage of services transferring within one business day
Potential options for supporting data	• Remittance Prices Worldwide, World Bank
Scope of supporting data	• RPW has service level information on speed of transaction, categorized as: – <1 hour – Same day – Next day – 2 days – 3-5 days – 6 days or more • RPW coverage is currently 367 corridors, which account for 80-85% of remittance flows globally
Proposed metrics for KPIs	• Same as KPIs
Technical notes	• Speed information as provided by RSPs to senders
Remaining Gaps	• RPW covers 367 corridors

Table 10: Remittances target for access

Target: 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	
KPI	1. **Demand-side data**: Adults with a transaction account (% age 15+) 2. **Supply-side data**: Number of transaction accounts provided by regulated PSPs 3. **Regulatory perspective**: Regulation mandates offering of basic accounts by PSPs and allows for international remittances to be disbursed in basic accounts
Potential options for supporting data	• Global Findex, World Bank • Global Payment Systems Survey, World Bank and Financial Access Survey, IMF • Global Payment Systems Survey, World Bank
Scope of supporting data	• Global Findex – demand-side survey in approximately 140 countries conducted every 3 years

	• Regulator surveys with data from 120 – 150 countries, conducted every 2 years asking annual data (GPSS) or every year (FAS) • Regulator survey conducted every 2 years (GPSS)
Proposed metrics for KPIs	• Metric directly available from Global Findex • Needs aggregation across relevant data points • Combination of two different metrics from the GPSS: Basic accounts are mandated (0/1) AND Remittances can be disbursed into basic accounts (0/1)
Technical notes	• Please refer to Global Findex definitions[18] • Transaction accounts as defined in CPMI and WBG (2016)[19] • Basic accounts: A bank account that is typically focused on payment services and characterized by low-cost and no-frill features. These accounts are often offered in combination with a debit card
Remaining Gaps	• Discussion in progress in general for access indicators. • Global Findex cannot differentiate whether these accounts can be used for sending/receiving international remittances. For example, some jurisdictions restrict the termination of remittances into mobile money accounts. Global Findex would not have this information • For KPI (2), data not readily available. In calculating KPI (2), raw data needs to be aggregated. Potential issues due to differences in definitions may arise • For measuring access to an account, demand-side data is considered the most reliable measure. However, it is quite costly to collect demand side data frequently. In addition, repeated cross-section sampling does not necessarily produce reliable time trends when frequently done. Hence, for measuring access for remittances, KPI 1 is recommended as primary, with KPIs 2 and 3 as secondary

[18] Available here.

[19] CPMI and World Bank Group (2016). *Payment Aspects of Financial Inclusion.* Basel: Bank for International Settlements and Washington, DC: World Bank.

Table 11: Remittances target for transparency

Target: All payment service providers to provide at a minimum the following list of information concerning cross-border payments to payers and payees by end-2027: total transaction cost (showing all relevant charges, including sending and receiving fees including those of any intermediaries, FX rate and currency conversion charges); the expected time to deliver funds; tracking of payment status; and terms of service.)	
KPI	Regulatory level: 1. Law/regulation requires provision of receipt containing transaction details 2. Disclosure of fees required by law/regulation 3. Disclosure of FX rate required by law/regulation Service Level: 1. RSP discloses breakdown between fees and FX margin
Potential options for supporting data	• Remittance Prices Worldwide, World Bank • GPSS, World Bank
Scope of supporting data	• GPSS is a survey of regulators with data from 100-120 responding jurisdictions • RPW includes data on over 5,000 services across 367 corridors, accounting for 80-85% of remittance flows globally
Proposed metrics for KPIs	• Same as KPIs
Technical notes	• RPW transparency definition is at the service level. Information is collected on the sending side on the breakdown of costs by FX margin and fees. If this information is provided by the RSP to the sender, then the service is considered transparent. If the breakdown is not provided, then it is not transparent. • GPSS includes regulatory level data on whether RSPs are required to disclose the breakdown of cost between FX margin and fees and other details such as applicable taxes, speed, providing receipt, receipt contents
Remaining Gaps	• N/A

4. Next steps

This report sets out the FSB's consideration to date on details of the implementation approach for monitoring progress toward meeting the targets for the G20 Cross Border Payments Roadmap. When the 2021 Targets report was delivered to the G20, the FSB said that it would provide a report in October 2022 to the G20 and the public with further details of the implementation approach and with KPIs providing estimates of current performance of cross-border payments in order to provide a baseline against which future progress toward the targets can be monitored. Based on the work to date, the lack of pre-existing indicators and the need for further discussions and collaboration with potential data providers to develop reliable estimates, it seems unlikely that the October 2022 report will be able to contain a full set of estimates of current performance. When available, these estimates will be based on the data available at the time and so will necessarily have wide confidence intervals, but the group will

look to reduce the confidence intervals over time as improvements to data are made or further data becomes available.

Having articulated the KPIs and the sources of currently available data for doing so, the working group will now move to operationalise the collection of data across the data sources specified in this report. The possibility of leveraging private-sector data aggregators will also be explored further to determine the feasibility of this option. Once all data are collected, the working group will also move to finalise calculation methodologies to calculate the initial baseline estimates and to support ongoing monitoring. In the course of this work, the working group will continue to engage with PSPs and other stakeholders about available data and approaches for potential future data collection to fill gaps, including potential surveys. This will enable the working group to articulate specific strategies and priorities for enhancing existing databases or creating new databases to fill identified gaps.

Annex 1: Targets for the Cross-Border Payments Roadmap

Challenge	Payment Sector		
	Wholesale	Retail (e.g. B2B, P2B/ B2P, other P2P[20])	Remittances
Cost	No target set[21]	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	75% of cross-border wholesale payments to be credited within one hour of payment initiation[22] or within one hour of the pre-agreed settlement date and time for forward-dated transactions[23] and for the remainder of the market to be within one business day[24] of payment initiation, by end-2027. Payments to be reconciled by end of the day on which they are credited, by end-2027.	75% of cross-border retail payments to provide availability of funds for the recipient within one hour from the time the payment is initiated[25] and for the remainder of the market to be within one business day[7] of payment initiation, by end-2027	75% of cross-border remittance payments in every corridor to provide availability of funds for the recipient within one hour of payment initiation and for the remainder of the market to be within one business day[24], by end-2027
Access	All financial institutions (including financial sector remittance service providers) operating in all payment corridors to have at least one option and, where appropriate, multiple options (i.e. multiple infrastructures or providers available) for sending and receiving cross-border wholesale payments by end-2027	All end-users (individuals, businesses (including MSMEs) or banks) to have at least one option (i.e. at least one infrastructure or provider available) 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 the following list of information concerning cross-border payments to payers and payees by end-2027: total transaction cost (showing all relevant charges, including sending and receiving fees including those of any intermediaries, FX rate and currency conversion charges); the expected time to deliver funds; tracking of payment status; and terms of service.)		

20 "Other P2P" refers to P2P payments other than remittances.

21 Due to the difficulty of estimating average costs across the wholesale market where transactions are typically not individually priced, a target has not been set for this segment. See section 5.1.

22 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.

23 The settlement date and time are agreed and contracted between the two counterparties of the transaction at the point the transaction is agreed. On this date and time, there will be an exchange of payments between counterparties in each of the currencies contracted for exchange.

24 In cases where the hours or dates of the business days in the locations where the initiation and receipt do not coincide, the payment should be credited within a period that, in each location, includes one business day.

25 For this purpose, a retail or remittance payment is considered initiated when the payment order is received by the payer's payment service provider. The transaction is considered complete once the recipient is able to access the funds.