

FSB taskforce on legal, regulatory and supervisory matters (LRS Taskforce)

Wednesday 26 February 2025 (Virtual)

Summary and Action Points

At its first meeting of 2025, the LRS Taskforce discussed how to improve the transparency of information to end-users in cross-border payments. The discussion supported the G20 Roadmap for Enhancing Cross-border Payments' goal for all payment service providers to provide a minimum set of information to end-users of cross-border payments, including information about the costs, speed and terms of service and information that allows users to track the payment. The meeting provided an opportunity for LRS Taskforce members to discuss public and private sector approaches that show promise in supporting greater transparency. In addition, the meeting allowed LRS Taskforce members to provide early feedback on an initiative of the OECD Working Party on Financial Consumer Protection, Education and Inclusion to develop guidance for the implementation of principles related to transparency in cross-border payments.

1. Approaches for enhancing transparency in payments

The Chair of the LRS Taskforce explained that the FSB is redoubling its efforts to focus on the G20 Roadmap's transparency goals this year. Transparency helps consumers make informed decisions about which payment services they use, in line with their needs, and supports competition in cross-border payments, which may lower costs and increase speed. Two private sector and one public sector entity provided presentations on approaches that have been successful in improving transparency of information to end-users in cross-border payments. They focused on the best ways to present the costs of cross-border payments so that consumers can more easily understand any transaction fees and any currency conversion costs they are charged. LRS members had divergent views on the best ways to present this information. For instance, one LRS Taskforce member emphasised how expressing FX fees in terms of a mid-market benchmark and a markup can play in improving clarity surrounding costs of cross-border payments, while other members indicated that such format may not be appropriate for all cross-border payments providers' business models. Another LRS Taskforce member noted that the discussion on transparency of costs should also include entities outside the financial sector, such as telecommunications companies that host mobile wallets and are responsible for some fees. The same LRS Taskforce member noted the need for transparency also on the costs imposed to end-users by the receiving PSP. LRS Taskforce members broadly agreed that the goal of enhancing transparency should not be interpreted to mean that fees or costs should be regulated, only that whatever fee is set should be clear. One LRS Taskforce

member pointed out that the premise of the meeting discussion – that consumers have multiple choices for cross-border payments service providers and are able to “comparison shop” – is a good sign of progress in achieving the G20 Roadmap’s goals.

2. Developing a better picture of transparency in payments

A representative of the OECD Working Party on Financial Consumer Protection, Education and Inclusion provided an overview of its work to develop guidance for the implementation of the G20/OECD High-Level Principles on Financial Consumer Protection that are related to transparency in cross-border payments. To support this work, the OECD will field a survey to public sector entities to gather qualitative information on transparency in cross-border payments, which may supplement the quantitative data that underlies the FSB’s Key Performance Indicators (KPIs). LRS Taskforce members had an opportunity to provide high-level input on the appropriate structure and content of the survey. Several LRS Taskforce urged that the timeline for the development of guidance for the OECD principles, which is expected to finish in 2026, be accelerated. However, there was recognition that the OECD must follow a careful and deliberate process to establish global benchmarks. Additionally, LRS Taskforce members agreed that the survey was just one element of the work on transparency and that there could be further discussions within the LRS Taskforce and OECD to enhance transparency in cross-border payments.

Action points:

- The OECD will provide the draft survey to LRS Taskforce members for written comments.
- FSB to continue to explore ways to enhance transparency on cross-border payments to complement the OECD’s survey.