



Targets for Addressing the Four Challenges of Cross-Border Payments - Consultative document

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?

One of the key design features is that the targets are set at the global level. To create actionable evidence, however, the monitoring should **go beyond global targets** and publish the **indicators per country**. Additionally, one element that is in our opinion missing is that targets should be **measurable (either with existing or newly collected data)**. As of now, it is quite unclear how these targets will be measured over time, which seems to be the biggest challenge at this point. In our view, this **needs to be addressed before the targets are finalized and approved**.

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?

Wholesale: Although it is clear from reading Table 1 that remittances service providers are to be considered in the wholesale segment, this should be made clearer in Section 2. For example, what is meant by “financial sector remittance service providers”? Are all financial intermediaries taken into account in the wholesale segment, or only the supervised ones? These clarifications are relevant for the targets (in particular for access) and hence, in the end, for the access to the international payment system for end-customers.

Retail / Remittances: It would be preferable to **combine the two market segments “retail payments” and “remittance payments”**. Remittance payments are a sub-segment of retail payments, and, as such, they should be included in the market segment of retail payments involving individuals. This inclusive definition of the retail payments segments does not preclude the option of setting and assessing specific targets for remittance payments (see table below). It would also simplify the exercise of measuring the retail segment’s targets.

In contrast, **the payments involving corporates (B2B) should be a separate market segment from those involving private individuals (P2P/P2B)**. The reason for this separation is that the pain points identified and the service providers covering this market segment differ and that B2B transactions are much larger than P2P/P2B transactions.

Clarity could be improved on the description of retail payments, and explicitly state that card payments (especially in P2B transactions from paying abroad at the point of sale or via e-commerce) are included. Generally, it would be useful to **refer as much as possible to the CPMI Red Book Statistics** for methodology of payments analyses (and not “reinvent the wheel”).

Finally, while we support that a minimum of targets are set and that goals should be attained on a global level, we would suggest, wherever possible, to **disaggregate cash-based and digital transactions when monitoring progresses**. The results in measuring the four factors can be quite different depending on transfer options and could contribute to better target the actions taken.

Segment	Wholesale	Retail		
		B2B	All P2P & P2B payments (incl. remittances)	Remittances
Targets	As being developed by FSB/CPMI	As being developed by FSB/CPMI	As being developed by FSB/CPMI	As defined and monitored by the World Bank

3. Do you have any comments on the target metrics proposed?

If the wholesale segment includes all FI (incl. non-bank FI and remittances service providers), **we would be skeptical about the target that all FI should have access to all corridors.** This might not be feasible in some specific corridors, and might not even per se be more efficient. We would hence suggest the following target: “All financial institutions (including financial sector remittance service providers) in all payment corridors to have at least one option without too high barriers if the access is economically justified (in terms of infrastructures and providers) and, where appropriate, multiple options for sending cross-border wholesale payments by end-2027”.

It would be preferable to set a **cost target also for wholesale transactions**. Average prices are meaningful even in market segments where transactions are priced individually.

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?

It would be preferable to **combine the two market segments “retail payments” and “remittance payments”**. Remittance payments are a sub-segment of retail payments, and, as such, they should be included in the market segment of retail payments involving individuals.

As noted above, this inclusive definition of the retail payments segments does not preclude the option of setting and assessing targets for remittance payments. In fact, we would suggest to continue monitoring the remittances sector with the existing and additional proposed targets, as there are specific challenges in this sector, especially in relation to digital service (last mile reach, especially at the receiving end, e-ID, access of digital RSPs to correspondent banking, limited e-KYC options, market access regulations).

Defining retail payments in such an inclusive way would **avoid the problem of having to distinguish between “remittance retail payments” and “non-remittance payments”**, which would be difficult both for conceptual reasons (because remittance payments *are* retail payments, and because of the growing development of digital solutions, which will most certainly blend both segments) and for data-availability reasons.

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?

In general, the targets are objective. However, **the current targets are set an abstract level without defining the actual, concrete measurements and the data source.** For this reason, it is difficult to assess whether they are objective and measurable.

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 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?

We would suggest to **introduce a transaction amount in the target**. The amount should reflect today's global mean/median of current payments. When reporting on progress, it would be useful to inform on the evolution both of the average amount and on the cost (to illustrate with a *fictitious* example: "in 2024 the global average of retail payments amounted to 950\$ (against 1200\$ as set in target), for an average transaction cost of 1.75%").

The current targets are set at an abstract level without defining the actual, concrete measurements and the data source. For this reason, it is difficult to assess the current status of cross-border payments (stock-take of the status quo) and hence it is difficult to assess whether the level of ambition is appropriate. **Prima facie, the cost of 1% seems highly ambitious.**

There should be **two different amounts for retail payments**, those involving individuals (P2P/P2B) and retail payments involving only corporates (B2B), because the latter are typically much larger and may not have the same priorities regarding the four challenges as P2P/P2B payments (also mentioned in question 2). The transaction amounts should reflect the current median transaction value.

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?

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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?

The current targets are set an abstract level without defining the actual, concrete measurements and the data source. For this reason, it is difficult to assess the current status of cross-border payments (stock-take of the status quo) and hence it is **difficult to assess** whether the level of ambition is appropriate.

Prima facie, the current **speed targets seem highly ambitious** and they would require major innovations.

We also note that **the proposed timeline differs from the one set for the remittances sector in the SDG (2030)**. Given that remittances targets and monitoring should remain as stable as possible, however, we agree to keep both timelines different.

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?

We see this as the main challenge in setting the targets for the Roadmap, and in our view, this **needs to be addressed before the targets are finalized and approved.**

A good data source would be **an assessment analogous to World Bank remittance data** (design a new analysis based on existing data or data to be newly collected).

SWIFT would probably be the most logical actor to obtain data from, provided that the organization is willing to do so. However, even if SWIFT data (especially those drawn from the SWIFT gpi) would be a great source for the desired information, they might not cover all the aspects defined in the targets.

Central banks and the International Bank for Settlement could also be approached for regional and country level data. CPMI Red Book statistics might be a good data source to begin with, as it has an established methodology and existing time-series.

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?

We welcome the fact that the FSB will also develop an **implementation approach for monitoring** the targets that will set out how progress toward meeting the targets will be monitored and the frequency of data collection and publication. We would suggest to have regular status updates, as this will not only allow for a better comprehension of the remaining challenges to be addressed, but also support better measurement of the progresses. The experience made in the context of the FSB Correspondent Banking Coordination Group and the analysis based on SWIFT data show that regular updates can help refine and improve the way developments are measured.

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?

We would not set specific targets in this regard, as it is unclear in which direction the future of cross-border payments will develop. However, progress reports could entail a section in which the greatest and most innovative developments in the area of cross-border payments are described.