



Response to FSB consultative document regarding Targets for Addressing the Four Challenges of Cross-Border Payments

July 9, 2021

Doc: FIDA-151247800-703818-v1

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?

Finance Denmark answer: No comments, the design features seem meaningful.

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?

Finance Denmark answer: We concur with the market segmentation.

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

Finance Denmark answer: We would think that further emphasis should be made on global payment transaction format standardisation and harmonised frameworks as a way to increase both speed and transparency regarding global payments, e.g., based on the ISO 20022-standard.

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?

Finance Denmark answer: We consider it to be important to separate the specific challenges connected to remittance, and we suggest that the main focus of the continued work is on remittance, since there are substantial initiatives al-

ready on-going in several jurisdictions concerning furthering cross-border wholesale and retail payments, e.g. the discussion on one-leg in and out SEPA discussions taken place in Europe/EPC, the Commission and ECB initiatives to further instant payments in the Euro-zone; e.g. reachability on TIPS for PSPs adhering to the SEPA Instant Credit Transfer scheme. There are also Nordic initiatives to support and strengthen cross-border payments in the Nordics and between the Nordics and the Euro-zone and the corporation and consolidation of Mobile Payment Solutions.

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?

Finance Denmark answer: We find the targets suitable but optimistic, especially for cross-border payments to and between jurisdictions outside the EU, North America and Asia/Pacific regions.

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?

Finance Denmark answer: In general, we find it important that the relevant national, regional, and global authorities ensure that comparable commercial actors in retail payments use the same standards and face similar legal requirements (e.g., regarding AML and KYC) to ensure safe and efficient end-to-end payments. In our view, this could help reduce the risk profile connected to offering global payments, lower cost and thereby make the cost target more realistic.

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?

Finance Denmark answer: In general, we find it important that the relevant national, regional, and global authorities ensure that comparable commercial ac-

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tors in retail payments use the same standards and face similar legal requirements (e.g., regarding AML and KYC) to ensure safe and efficient end-to-end payments. In our view this could help reduce the risk profile connected to offering global payments, and where possible increase transaction speed and make the speed target more realistic.

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?

Finance Denmark answer: Considering the fragmented payments landscape in terms of different legislation and systems the end-2027 goal seems very optimistic. This is also considering the general worldwide ISO 20022 implementation (both for SWIFT, commercial and central bank payment systems) that, although being an enabler towards many of the targets, also requires considerable time and resource allocation among the same actors that are instrumental to achieve the described targets.

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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?

Finance Denmark answer: No comments.

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?

Finance Denmark answer: Taking into consideration the number of actors in different jurisdictions that are instrumental in reaching the targets we believe that more detailed sub-targets, for e.g., different jurisdictions, use-cases or type of actors, are needed to ensure that the targets are met.

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?



Finance Denmark answer: Concrete targets regarding standardisation, interoperability between national or regional payment systems or global or regional regulatory harmonising could be added and are in our viewpoint important enablers.

Kind regards

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