

Press release

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FSB reports on its work to develop a roadmap to enhance global cross-border payments

The Financial Stability Board (FSB) today published the [Stage 1 report](#) of its project to develop a roadmap to enhance cross-border payments. This report, which is being delivered to the G20, provides an assessment of existing arrangements and challenges for global cross-border payments.

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

Enhancing cross-border payments requires addressing frictions in existing cross-border payment processes. These frictions include: fragmented data standards or lack of interoperability; complexities in meeting compliance requirements, including for anti-money laundering and countering the financing of terrorism (AML/CFT), and data protection purposes; different operating hours across different time zones; and outdated legacy technology platforms. A number of public sector initiatives have sought to address these challenges and frictions by enhancing existing payment arrangements.

Financial innovation is creating opportunities to make payments more efficient. Technological innovation could build on existing cross-border and domestic payment arrangements or take the form of new structures and ecosystems. However, the use of new technologies and business models in cross-border payments also involves challenges and risks.

Global cross-border payments are carried out through a diverse multi-layered set of networks. A roadmap for enhancing cross-border payments, therefore, will need to encompass a variety of approaches and time horizons. Some building blocks that form part of the roadmap, which may be shorter-term actions, should benefit a number of different types of existing arrangements. Other building blocks, which may be more medium-term, may go beyond adjustments to existing arrangements by proposing actions that should eventually improve the structure of the system.

The report concludes with some preliminary thoughts on areas to consider when developing the eventual roadmap, which will include practical steps and indicative timeframes. These include questions to explore a range of topics that fall under four broad categories: operational improvement of payment infrastructures; standardisation of data and market practice; legal, regulatory and oversight framework; and progress monitoring and information sharing.

Notes to editors

The G20 at its February 2020 Finance Ministers and Central Bank Governors meeting asked the FSB to coordinate a three-stage process to develop a roadmap to enhance cross-border payments:

- **Assessment (Stage 1):** In the report published today, the FSB, in coordination with relevant international organisations and standard-setting bodies has assessed existing arrangements and challenges. The report is being submitted to G20 Finance Ministers and Central Bank Governors ahead of their virtual meeting next week, together with a [technical background report](#) providing further details.
- **Building Blocks (Stage 2):** The Committee on Payments and Market Infrastructures (CPMI) is leading the work on creating building blocks of a response to improve the current global cross-border payment arrangements. This will set out areas where further public sector work could assist in moving to an improved cross-border payments system and in public goods or removing unnecessary barriers, and accordingly provide an update to the G20 in July 2020.
- **Roadmap (Stage 3):** Building on the previous stages, the FSB will coordinate, with CPMI and other relevant international organisations and standard-setting bodies, the development of a roadmap to pave the way forward. In particular, the FSB will report to the G20 on practical steps and indicative timeframes needed to do so. The three-stage process will be submitted as a combined report to the G20 in October 2020.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Vice Chairman, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.