



New Frontiers in Cross-Border Payments and Implications for Asia- Pacific

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G20 targets (2027) — and where we are (2025)

Progress made, but end-user outcomes still falling short of targets.

Metric	2025	Target
Corridors with retail cost >3%	18.3%	0%
Remittance cost (USD 200)	6.5%	≤3% (SDG 2030)
Wholesale credited <1 hour	54.6%	75%
Retail services credited <1 hour	35.4%	75%

Sources: FSB Consolidated Progress Report (9 Oct 2025); FSB 'G20 targets' (2021). Summarized by IMF staff

2023–2025: What's moving and what's stalling

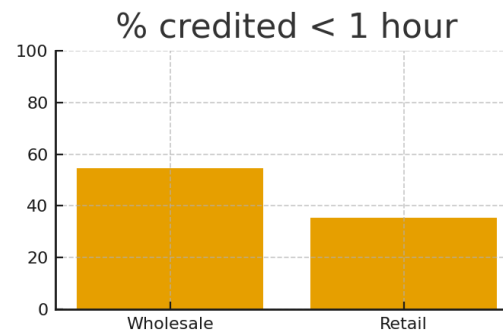
Policy work advanced; translating to user outcomes is the bottleneck.

Moving (implementation actions) ►►

- FPS interlinking momentum; ISO 20022 adoption; longer RTGS hours.
- Non-bank PSP access expanding in more jurisdictions.

Stalling (end-user outcomes)

- Costs remain elevated; transparency limited in many services.
- Country/corridor implementation slows impact (legal/data, conduct, competition).



Source: FSB 2025 KPIs (regional highlights). Summarized by IMF staff

Progress is uneven: focus the effort

Outcomes lag most in Sub-Saharan Africa, Pacific Island Countries, and the Caribbean.

Sub-Saharan Africa (SSA)

- Last-mile cash-out issues.
- Remittance receipt faster but costs remain high.

South Africa → Zimbabwe

High retail cost; cash-out & CDD frictions.
(11.9%)

Pacific Island Countries (PICs)

- Small scale; thin FX/liquidity.
- ID/AML gaps constrain progress.

Australia → Tonga

Among Pacific’s costly corridors;
CBR/de-risking pressure. (7.3%)

Caribbean

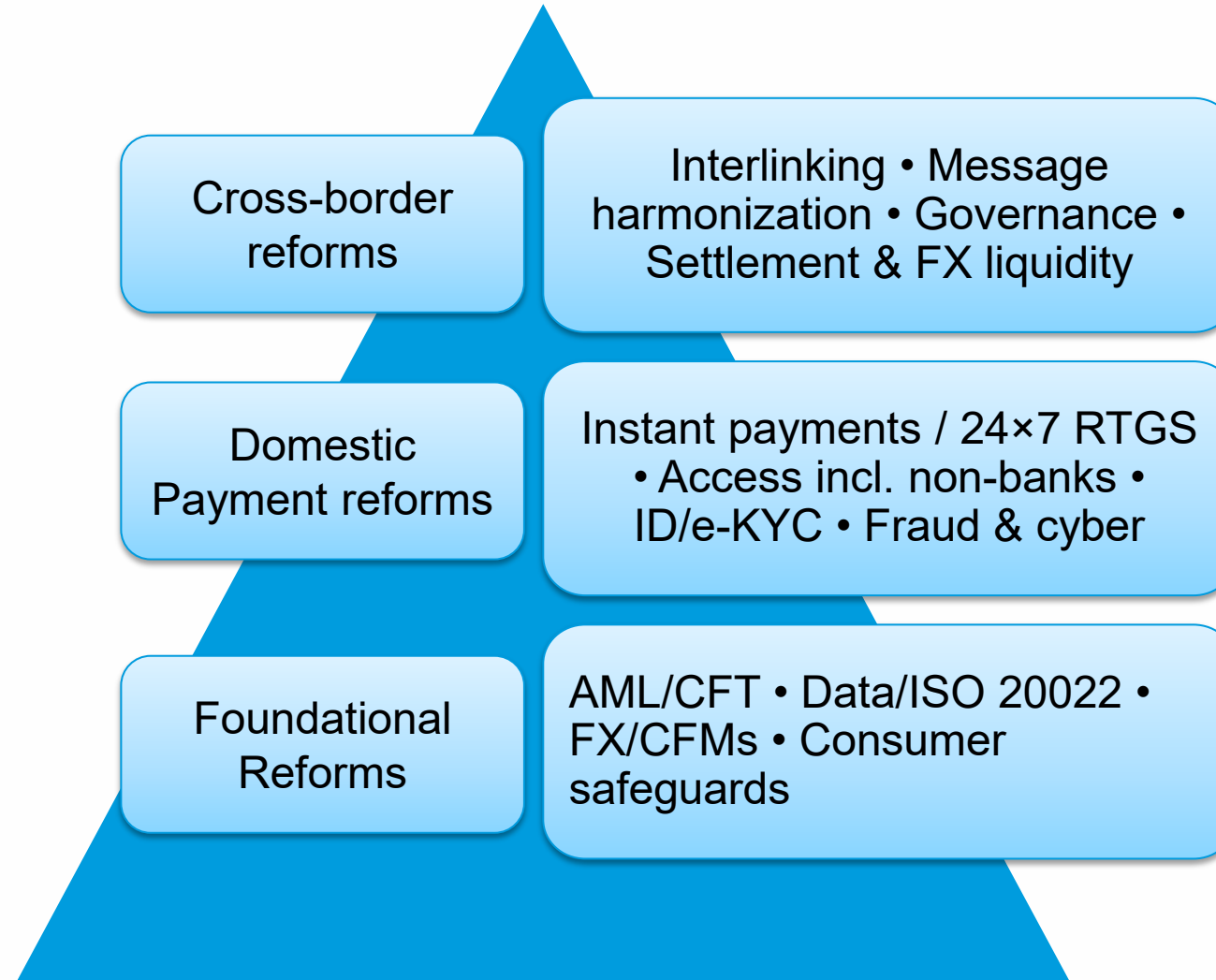
- Correspondent banking retrenchment.
- Last-mile cash-out issues.

United States → Haiti

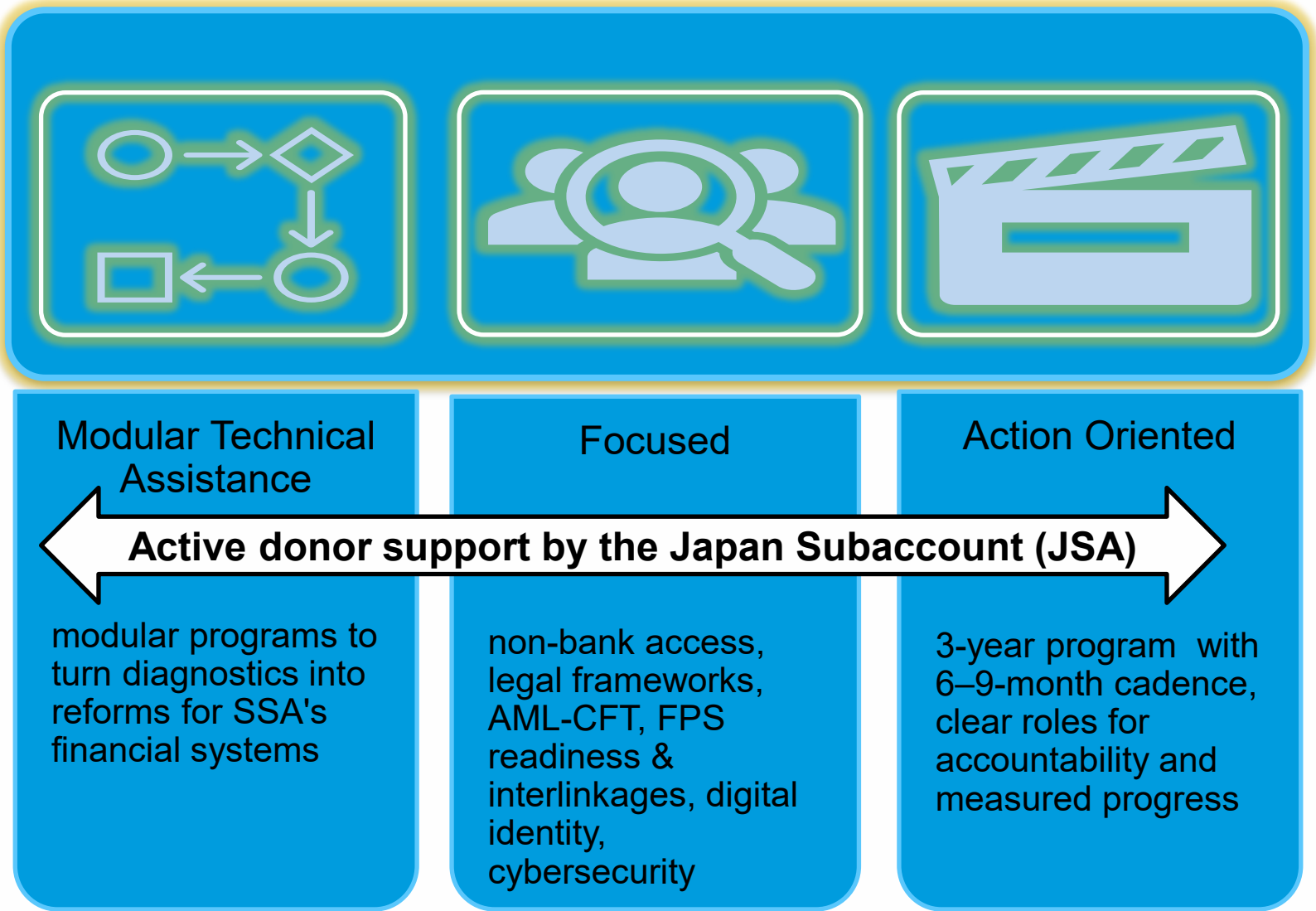
Costs >3%; cash payout; thin FX & limited competition. (5.4%)

Source: FSB 2025 KPIs (regional highlights) & RPW data. Summarized by IMF staff

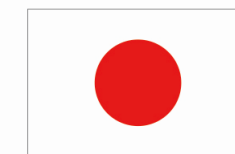
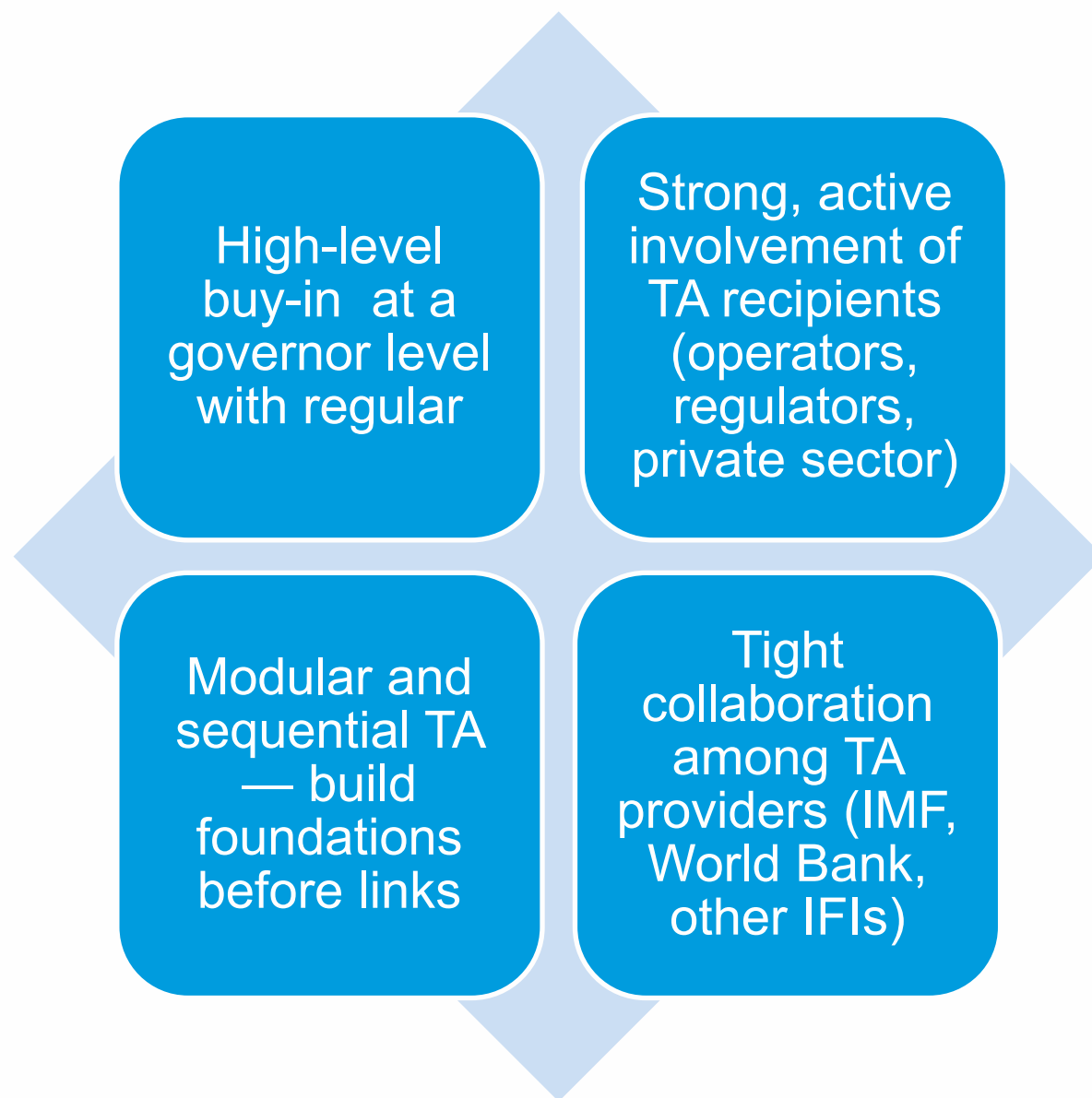
Where the IMF fits — Targeted, Tiered & Modular Technical Assistance



What we're doing in Sub-Saharan Africa (SSA)



From SADC — the 'Secret Sauce' of IMF TA



JAPAN GOV
THE GOVERNMENT OF JAPAN

Asia's uneven frontier — leaders and gaps



Success of Major Economies

Top Asia-Pacific economies utilize interoperable payment systems combined with robust identity frameworks to ensure secure transactions.

Obstacles for Smaller Nations

Smaller island countries encounter liquidity and scale constraints, which impede the efficient deployment of cross-border payment solutions.

Opportunities in New Technologies

Technologies like DLT, AI and tokenization present potential for growth but depend on solid foundational systems for success.

Importance of Customized Approaches

Bridging gaps requires strategies tailored to the specific challenges and capabilities of each nation.

Asia examples — interlinking that delivers



Singapore–Thailand Payment Corridor

PayNow and PromptPay enable instant account and QR code transactions between Singapore and Thailand, enhancing speed and ease.

Singapore–India Payment Expansion

Since 2025, PayNow-UPI links 19 Indian banks for seamless cross-border payments with Singapore.

BIS Project Nexus Initiative

BIS Project Nexus aims to connect payment systems in five Asian countries by 2026 for instant transfers and transparent fees. Nexus Global Payments was activated as a payment scheme.

Pacific Island Countries (PICs) — corridors and needs



Key Cross-Border Corridors

PICs transact with several large partners – Australia, US, New Zealand, Japan and China

Challenges in Payments

PICs face issues like small economies of scale and lack of private sector interest, limited FX liquidity, correspondent banking fragility, and compliance hurdles such as AML/CFT


User Experience Pain Points

Users experience high costs, transparency problems, limited access

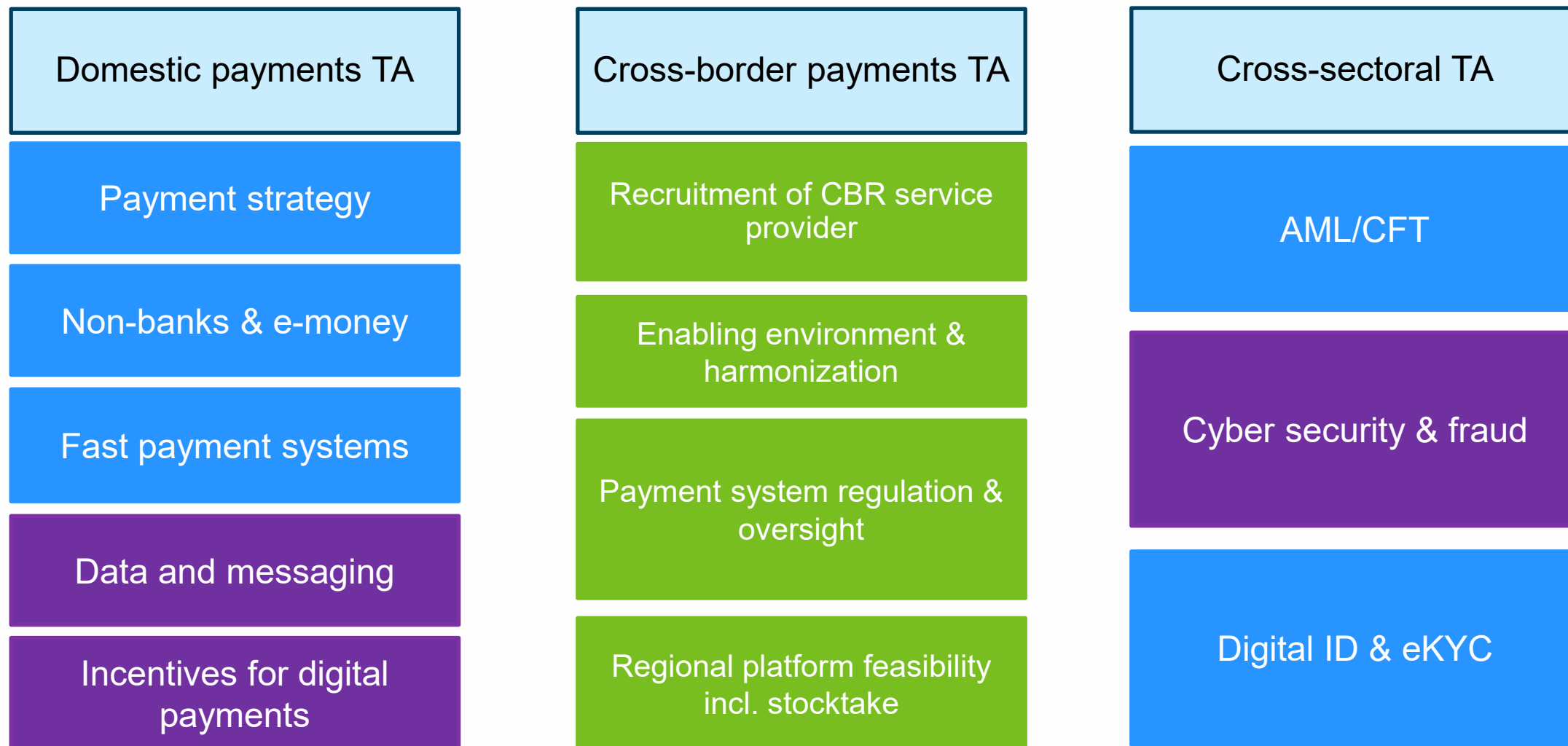
Tailored Solutions and Cooperation

Addressing issues requires customized approaches leveraging regional cooperation and donor support for resilient systems.

Factors for success of PICs cross-border payments work


- Opportune timing:
 - **International:** focus on G20 agenda and support from trading partners (AU, NZ, US)
 - **Regional momentum:** created through the WB Pacific CBR project and the Sydney event
 - **Funding:** Financial support from donors, notably the Government of Japan
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- **Joint approach for IMF and WB technical assistance** under the G20 Roadmap for Enhancing Cross-border payments
- **Standards & institutions:** FATF proportionality and low risk simplification; AUSTRAC's enhanced risk-based approach
- **Opportunity:** Emerging new technology and business models
- IMF, World Bank and ADB – common front to support PICs
- Relying on existing structures for governance (Pacific De-risking Group - PDG)

PICs – Ongoing and possible future TA



 = Cross-border payments focus under WB CBR project

 = multi-agency TA (ongoing)

 = examples of possible future TA modules

How partners (G7/G20, donors) can help



Financial Support and Technical Assistance

Partners provide financing for technical assistance and pilot programs to close cross-border payment implementation gaps.

Standardization and Coordination

Partners convene regulators and operators to align standards, access, and onboarding procedures for smoother payments.

Championing Regional Solutions

Partners promote regional initiatives like BIS Project Nexus and harmonized QR code systems to enhance payments.

Donor Engagement Impact

Donor support, such as Japan's SSA program contribution, exemplifies impactful donor-driven progress.