Cross-border payments beyond the G20 2027 deadline

The G20 roadmap has created a common framework and delivered important reforms, but progress remains uneven and benefits for end users have not yet met expectations. The discussion focused on translating these foundations into practical improvements beyond 2027 through more targeted implementation, sustained cooperation and innovation that preserves trust and interoperability.

1. Progress under the G20 roadmap

An international policymaker considered the roadmap itself a major achievement. Recalling the decision around Bretton Woods not to establish a global payments regulator, he explained that cross-border payments had long developed as an extension of domestic systems without a global authority or international policy framework. The emergence of Libra and threats to correspondent banking in regions such as the Pacific had prompted concern about fragmentation. The roadmap had successfully initiated a global policy response, taking into account the dynamic environment created by new technologies and innovation.

1.1 A common framework and measurable objectives

A central bank representative recalled that, in 2020, there was broad agreement that payments needed to improve, but less clarity about the main frictions, priorities and measures of success. A major contribution of the roadmap had been to establish a common framework and shared objectives across jurisdictions.

An international policymaker highlighted the key performance indicators (KPIs), which had focused the global discussion on the outcomes to be achieved. Results remained below the level sought, but the data enabled a better-informed assessment of progress. He also acknowledged significant limitations in that data.

The same policymaker stressed the work undertaken to coordinate the CPMI, the World Bank, the International Monetary Fund (IMF), the Financial Action Task Force (FATF), the Organisation for Economic Co-operation and Development (OECD) around the Financial Stability Board (FSB). This had included an effort to coordinate with data protection regulators.

1.2 Stronger foundations and remaining implementation barriers

A central bank representative observed that investigating the original problems had revealed further issues. Many barriers reflected differences in legal frameworks, policy objectives and market structures. Addressing them required sustained international cooperation and action plans at jurisdiction level.

An international policymaker said that work with the Committee on Payments and Market Infrastructures (CPMI) had progressed a number of issues at the global policy level, bringing other implementation problems into focus. He gave the example of the postponement of implementation of SWIFT's structured address requirements, despite what he considered reasonable implementation targets by SWIFT, raised concerns about market participants' agility.

A central bank representative remained optimistic. Broader adoption of international standards, longer payment system operating hours and updated FATF standards were important building blocks. More targeted implementation was now needed to turn stronger foundations into faster progress. An industry representative shared this positive assessment of the roadmap's contribution to understanding where improvements could be made.

2. Remaining barriers to better cross-border payments

An industry representative emphasised that customers make payments to support their businesses, families and other activities. He compared a payment with air travel: a first mile before departure, an interbank leg from take-off to landing, and a final journey to the destination. As he put it, "Landing is not the same as arriving."

2.1 Delays in the last mile

The industry representative reported that, on his network, 75% of cross-border payments reached the beneficiary bank within ten minutes, many within seconds, across 40,000 corridors and 12,500 endpoints. However, his organisation's research indicated that 80% of the total time was spent in the final stage before funds reached the beneficiary. He identified five main frictions:

- Divergent regulatory and reporting requirements, including purpose-of-payment codes that can require manual intervention.
- Foreign exchange (FX) conversion and capital controls that can delay the release of funds.
- Fraud and compliance checks, which protect the ecosystem but may require manual intervention when a payment is flagged.
- Inconsistent standards and data quality.
- Domestic infrastructures that do not always operate 24/7 or support cross-border payment flows.

The same representative stressed that collecting richer data at the first mile increases predictability to avoid difficulties at destination and facilitate faster credit.

Customers also needed transparency and predictability about where their money would go, when it would arrive and what the payment would cost. An international policymaker confirmed the growing focus on last-mile issues.

2.2 Aligning infrastructure with schemes and legal frameworks

A central bank representative stressed that infrastructure alone was insufficient. Market practices, pricing, payment schemes and legal frameworks also had to support its effective use. He illustrated the impact of European rules on euro-payment charges with a transfer from Denmark to Sweden. In his example, converting Danish kroner into Swedish kronor via the euro could cost less than a direct transfer, despite two FX margins. Implementation and market adoption should now ensure benefits for citizens and companies.

An international policymaker agreed that some regions had built infrastructure that attracted little payment volume. He also identified foreign exchange as a significant challenge in many emerging markets, perhaps requiring further attention.

2.3 Making effective use of ISO 20022

An industry representative reported that 98% of payment volumes on his network were already in ISO 20022 format, the international standard used for payment messages and data. On that network, the priority had shifted from adoption to effective use. Rich, structured customer data needed to flow throughout the payment process to support automation and better screening.

The same representative warned that adopting a common standard would not ensure effective communication if market practices and data conventions differed. He compared this with speakers of British and American English using the same words with different meanings. ISO 20022's potential use in application programming interfaces (APIs) and smart contracts increased the need to coordinate changes across the ecosystem.

2.4 Persistent foreign exchange settlement risk

An industry representative argued that settlement risk was as important as cost and speed. He highlighted progress in reducing the proportion of FX settlement exposed to risk, including through payment-versus-payment arrangements, in which one currency is paid only when the other is received. According to the Bank for International Settlements (BIS) data he cited, about 10% of the gross value of FX obligations settled daily in April 2025, approximately $1.4 trillion, still settled bilaterally without risk mitigation. Despite the reduced share, the amount remained of a broadly comparable order of magnitude to that recorded two decades earlier.

The same representative highlighted substantial growth in emerging-market FX trading, citing the renminbi's rise from a marginal position two decades earlier to the fifth most traded currency. He called for three actions:

- Keep FX settlement risk high on the public-private agenda, as a recent BIS report had urged.
- Measure the risk more frequently than the BIS Triennial Survey, noting that FX market committees were already working on more frequent updates.
- Develop solutions for emerging market and developing economies.

3. Priorities for the next phase

A central bank representative considered the roadmap an effective tool. With many actions due to expire in 2027, he noted there may be a need for a more targeted next phase. On implementation, he highlighted the need to:

- Address the frictions that most constrain progress and where international coordination can add the greatest value.
- Translate global commitments into regional and jurisdictional action plans focused on outcomes for users.
- Maintain close public-private cooperation, since industry must deliver many of the improvements.

An industry representative emphasised that frictions varied by corridor and that solutions must vary accordingly. An international policymaker stressed jurisdictional capacity and regional integration, particularly in emerging markets: the global system also needed to work effectively at local level.

3.1 Open questions for the next roadmap

An international policymaker recalled that the first roadmap had aimed both to improve payments and to prevent a significant deterioration. That defensive objective remained relevant. There was no established playbook, and some initiatives would fail while providing useful lessons. Expectations that global policy and competitive pressure would suffice to deliver good outcomes had not been completely vindicated. He also cautioned against overconfidence in technological forecasts, noting that projections for 2030 often came from those who had previously made forecasts for 2025.

The same policymaker called for a discussion of where a further roadmap could add value, including the relative priority given to speed, cost, access and transparency benchmarks. He also asked whether the strictly technology-neutral approach should become somewhat more supportive of technological change by encouraging or facilitating some innovations. His organisation was in listening mode, and he invited all participants in the ecosystem to contribute ideas. He welcomed the fact that the CPMI was preparing to put their perspective into the public domain to inform the debate.

3.2 Trust and financial integrity

A central bank representative placed trust at the centre of the agenda. Innovation must not create new opportunities for fraud or illicit finance. Financial integrity required a coherent international approach, with the FATF playing a key role alongside the FSB and

with political support from the G20. New forms of money would succeed only if users were as confident in them as in existing forms of money.

An international policymaker stressed the importance of a lasting framework for financial institutions to exchange data systematically and automatically to combat fraud and inform regulators. An industry representative also emphasised trust and the increasingly complex threats associated with frontier artificial intelligence and other market developments.

3.3 Central bank leadership

An international policymaker highlighted the value of central bank leadership, citing the Bank of England, the European Central Bank and Brazil. He attributed Brazil's transformation in significant part, though not exclusively, to its central bank. A central bank representative noted that his institution had recently received a secondary objective to support innovation in money and payments and was working with industry through a sandbox and a distributed ledger technology (DLT) innovation challenge.

4. Innovation and interoperability in cross-border payments

A central bank representative described an evolving multi-money system in which different forms of money, payment infrastructure and assets would coexist. Jurisdictions were pursuing different approaches, including privately issued stablecoins, new forms of central bank money and tokenised deposits. These developments could strengthen competition and efficiency but required consistent standards to prevent fragmentation and preserve resilience.

An industry representative likewise envisaged multiple assets and payment infrastructures, with growing use of same-day and instant settlement. Tokenised reserves, regulated stablecoins and tokenised deposits were beginning to coexist with traditional money. An industry representative stressed that customers primarily wanted a seamless, efficient experience, regardless of the underlying technology.

4.1 Interlinking instant payment systems

A central bank representative presented the cross-currency service developed for TARGET Instant Payment Settlement (TIPS). It enabled payments between currencies already supported by the system: the euro, Swedish krona and Danish krone. He said the technical work was complete, and the service was ready for use. There were also plans to include the Norwegian krone and Icelandic króna.

The same representative explained that settlement in central bank money removed credit risk from the chain and supported a level playing field for small banks, large banks and other payment service providers. Building on existing infrastructure, he saw interlinking instant payment systems internationally as an efficient way to improve cross-border payments.

4.2 Interoperable systems and compatible regulatory frameworks

A central bank representative warned that isolated ecosystems were unlikely to deliver the benefits envisaged. Tokenised assets and money needed to operate alongside existing infrastructure, supported by compatible regulatory frameworks. Firms required legal clarity and certainty to innovate, while the cross-border nature of these markets made international cooperation on standards essential.

An industry representative said interoperability must be built in from the outset. He described his organisation's integration of a blockchain-based ledger to support the movement of value across existing and future infrastructure.

An industry representative identified three emerging models:

- Convergence: unified platforms on which assets are issued and settled, illustrated by the BIS Innovation Hub's Project Agorá.
- Orchestration: separate infrastructures linked by a synchronisation operator, an approach being developed by the Bank of England.
- Federation: autonomous networks connected through gateways and common standards.

4.3 Settlement and liquidity challenges

An industry representative noted that digital assets, new infrastructures, shorter settlement cycles and geopolitical developments were changing the risks to be addressed. He referred to discussions about T+1 in Europe and the possibility of moving towards same-day or instant settlement. Choice created opportunities, alongside challenges: synchronising payments across platforms through atomic settlement, limiting liquidity fragmentation, and preserving multilateral netting to reduce the amounts that participants need to fund.

The Chair concluded that the roadmap had provided a substantial foundation for improving cross-border payments. The challenge for the next phase was to translate those efforts into measurable benefits for users.