

# FPS IMPLEMENTATIONS AROUND THE WORLD



- Instant and 24/7 transmission of payment messages – allowing beneficiaries to receive funds in real-time
- Integrate banks and non-banks,
- Various payment instruments, use cases, & access channels

Low-and-Middle Income countries (LMICs) are still lagging, and most live FPS are at nascent stages of development, and will require iterative innovations and new use cases

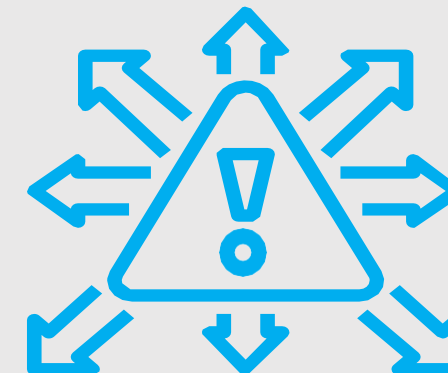
# BENEFITS AND CHALLENGES OF FPS



**Boost financial inclusion**



**Foster competition and innovation**



**Improve time-critical payments in times of crises or emergency**



**Deepen the acceptance and lowers cost of digital payments**

**Prevent fraud**



**Balance public and private interests**

**Define inclusive governance**



**Foster an enabling environment**

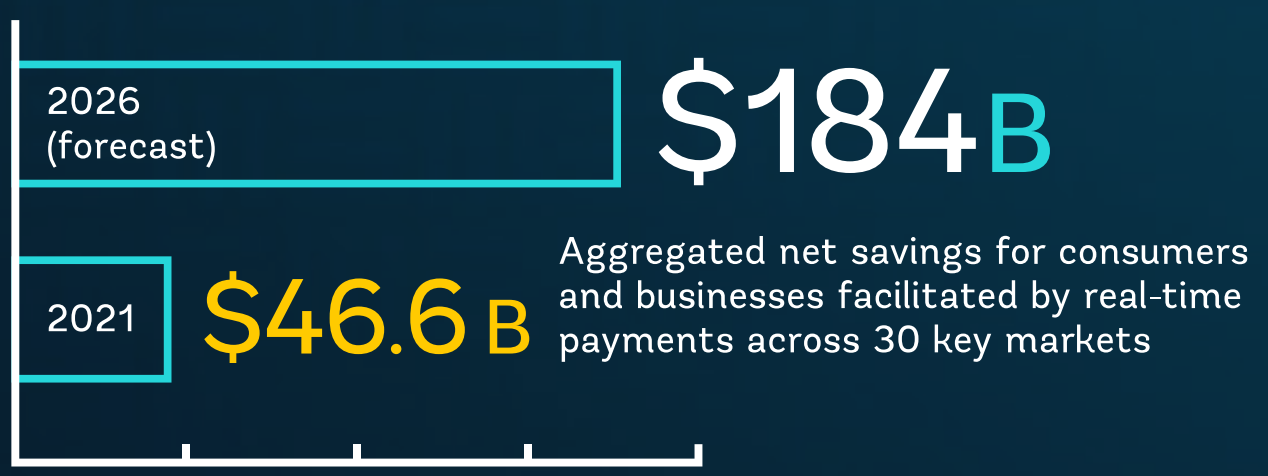


# KEY IMPACTS OF FAST PAYMENTS



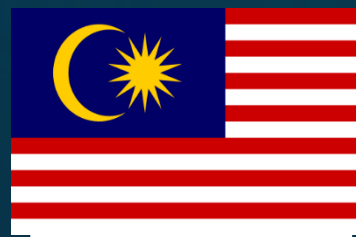

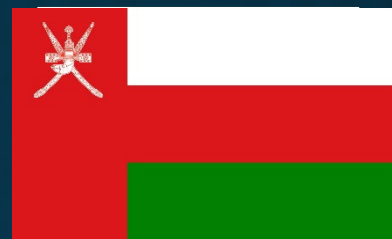

There were   
**118.3B**

real-time payments made globally in 2021.  
 That's year-on-year growth of 64.5%.

Real-time payments are saving consumers  
 and businesses money.



Top-five fastest-growing real-time markets:  
 (where IP share of all electronic payments is at least 10%)

Country	CAGR (IP Volume, 2021-26)
Brazil 	56.8%
India 	33.5%
Malaysia 	26.9%
Thailand 	
Oman 	41.0%
Philippines 	31.7%

In Thailand, PromptPay is expected to generate an extra 2% of GDP by 2026

# IMPORTANT SUCCESS FACTORS FOR FPS

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Support for all payment instruments and use cases, as well as overlay services (e.g., aliases)



Standardization and interoperability with other payment systems, services, and access channels



Efficient communication and superior user experience



Sound governance and operating structure, as well as sustainable pricing and business model



# KEY TRENDS AND HOT TOPICS



## CROSS-BORDER FPS INTEROPERABILITY

Blueprints and design choices are emerging for scalable cross-border payments to connect FPS in multiple countries, on a bilateral or multilateral basis. Several projects are ongoing, between central banks or led by institutions such as the BIS (e.g., Project Nexus).



## CENTRAL BANK DIGITAL CURRENCIES (CBDC)

As central banks continue to explore the development of CBDC, the interplay between CBDC and FPS is likely to receive further attention. CBDC and fast payments do not necessarily have to compete and synergies can be leveraged.



## OPEN BANKING AND OPEN FINANCE

APIs already play a strong role in the interactions between banks, merchants, third parties, and payment systems. As many countries start to explore Open Finance, FPS can play a central part in these new ecosystems.



## FPS INNOVATION: NEW SERVICES

While the evolutionary roadmap of FPS typically starts from P2P and expands towards P2M and P2G, other services can be embedded such as Buy Now Pay Later, deferred payments, Request-to-Pay, digital lending solutions, and .B2B.

PROJECT  
**FAST**

FRICTIONLESS • AFFORDABLE • SAFE • TIMELY • TRANSACTIONS

THANK YOU



# OVERVIEW OF THE FPS DEVELOPMENT FRAMEWORK

## LIFECYCLE—FAST PAYMENTS ARRANGEMENTS

Conceptualize

Design & Implement

Go-Live & Post-Implementation



ASSESS



DESIGN



LAUNCH & SCALE

**A** Objectives

FPS Stakeholders

Funding

Pricing

Collaboration & Innovation

**B** Current State Technology

System Development

Technical Specifications & Network

Clearing & Settlement

Inter-operability

**C** Customer Requirements

Aliases & Overlay Services

Payment Instruments, Use Cases, Services

Access Channels

User Adoption

**D** Legal & Governance Considerations

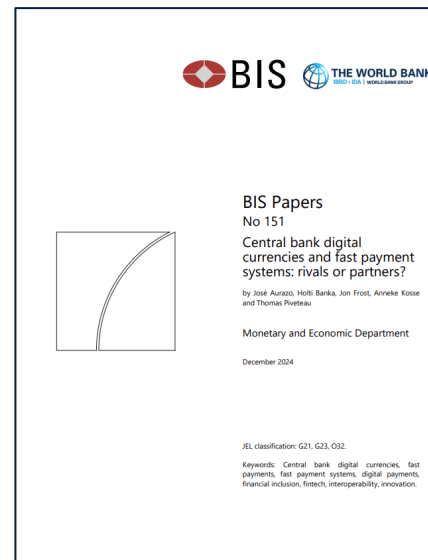
Legal & Regulatory

Risk Management

Dispute Resolution & Customer complaints

Safety & Security

# INTEGRATION BETWEEN FPS AND CBDC



## CENTRAL BANK DIGITAL CURRENCIES AND FAST PAYMENT SYSTEMS: RIVALS OR PARTNERS?



### SIMILARITIES

- Innovative payment services resulting from technological innovation
- Enabling instant availability of funds to the beneficiary
- Available on a 24/7/365 basis

### DIFFERENCES

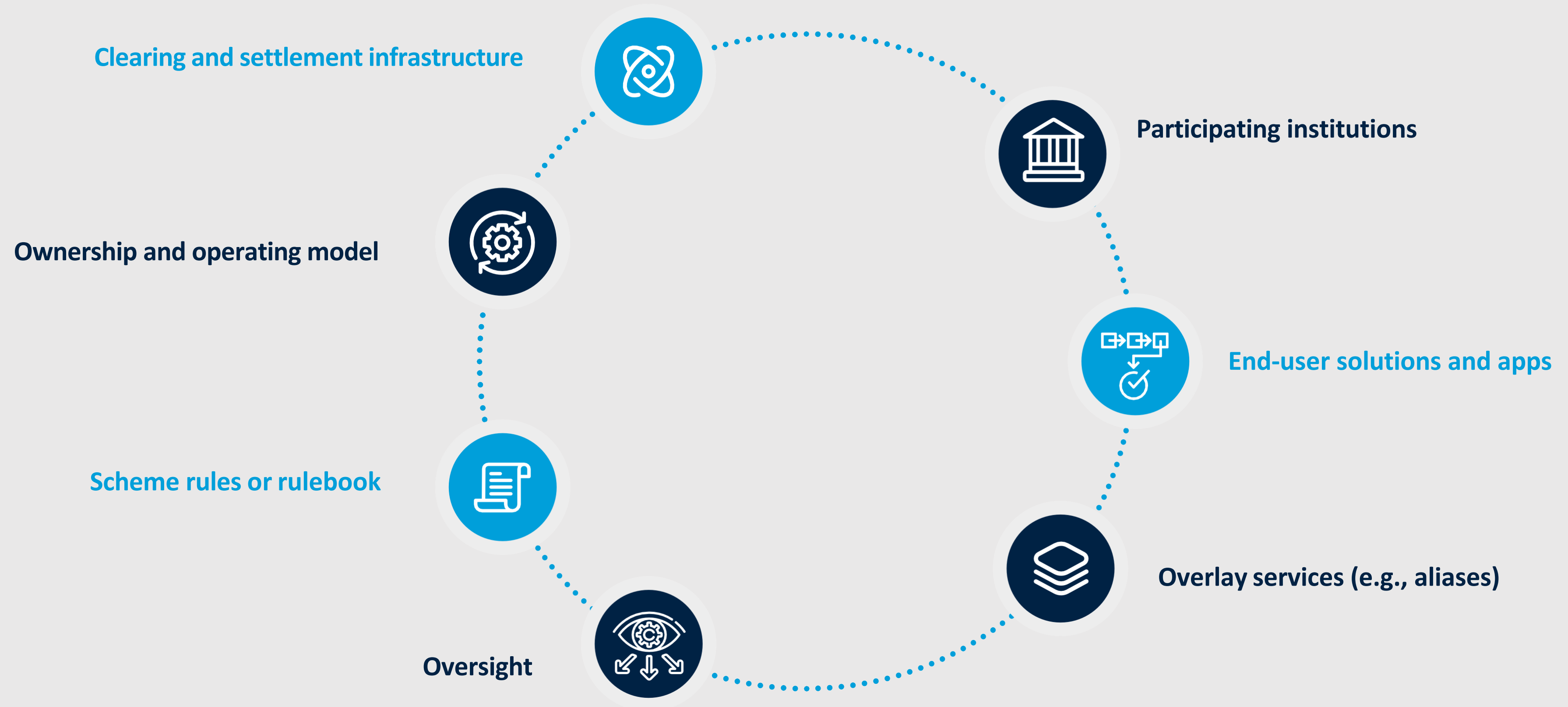
- **Liability:** CBDC is a direct liability of the central bank unlike private money
- **Anonymity:** CBDC can be designed to enable full anonymity (FPS cannot)
- **Experience:** FPS have a solid track record, evidence is more limited on CBDC (3 ongoing implementations)
- **Risks:** CBDC might present risks such as disintermediation (those risks have been proved to be mitigated by FPS)

### KEY LESSONS

- Policy objectives should be clearly defined and aligned with the legacy infrastructure / existing ecosystem
- The coordination role of the central bank is key and needs to factor in the readiness of banks and non-banks
- The choice between FPS and CBDC is contextual and market-specific, but FPS should be prioritized as a proven solution if resources are limited
- FPS and CBDC can be complementary rather than substitute / create synergies



# COMPONENTS AND LAYERS OF FPS



# GEOPOLITICS OF CROSS-BORDER PAYMENTS



CROSS-BORDER (FAST) PAYMENTS ARE RECEIVING INCREASING SCRUTINY....



What is Project Agorá?



**Project Nexus**

Enabling instant cross-border payments



... BUT ARE ALSO FACING AN EVOLVING LANDSCAPE AND GEOPOLITICAL CHALLENGES

