



# G20 Roadmap for Enhancing Cross Border Payments

---

Scorecard report on direct access  
and price transparency

November 2024

**7Wise**

# 1. CONTEXT

The **G20 Roadmap for Enhancing Cross-Border Payments** was created to address inefficiencies and challenges in the global cross-border payments landscape.

These challenges include high costs, low speed, limited access, and insufficient transparency for wholesale and retail payments, as well as remittances.

Improving cross-border payments is critical because it can support international trade, financial inclusion, economic growth and development.

The [G20 Roadmap for Enhancing Cross-Border Payments \(2020 - 2027\)](#) has five main priority focus areas, divided into 19 building blocks. Of these, this document will focus on building blocks 2 and 10:

## Building Block 2.

Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)

## Building Block 10.

Improving direct access to payment systems by banks, non-banks and payment infrastructures

The four pillars of the Roadmap are access, transparency, cost, and speed. This report focuses on access and transparency, as progress in these areas is essential for reducing costs and increasing speed. Despite four years having passed since the launch of the Roadmap, there remains a significant imbalance in the information available to retail consumers, which impedes their ability to make informed decisions. This, in turn, affects the competitive dynamics necessary for market change. Consequently, there are still considerable additional costs that exceed what can be reasonably attributed to the value of the service, adversely affecting some of the world's poorest consumers.

Our critique of the Roadmap lies in Building Block 2, which encompasses all elements of transparency in cross-border payments, not solely cost, making it challenging to measure meaningfully. Therefore, this report will concentrate specifically on price transparency.

This report aims to identify the position of each G20 member—both individually and in relation to one another—regarding their commitments to enhancing price transparency in cross-border payments for end users and improving direct access to payment systems for non-bank institutions. We will assess progress using a scorecard developed for each pillar, as outlined below.

# 2. CRITERIA FRAMEWORK

## Direct Access

The Committee on Payments and Market Infrastructures (CPMI) Monitoring Survey provides a detailed analysis of RTGS (Real-Time Gross Settlement) payment system, Faster Payment System (FPS) and Deferred Net Settlement (DNS) system access across different organisation types and compares domestic and foreign entities. The CPMI has categorised various organisation types, which we have grouped together for simplicity in this analysis.

CPMI organisation categorisation	Alternative categorisation
Commercial banks with a local presence	Banks
Commercial banks without a local presence	
Banks other than commercial (e.g. investment banks, payment banks)	Non-bank PSPs (NBPSPs)
Supervised non-bank financial institutions	
Non-bank e-money issuers (including mobile money providers)	
Money transfer operators	
Post office (if not licenced as a bank)	Other
Central bank(s)	
DNS system operator(s)	
Faster payments system operator(s)	
RTGS system operators	
National Treasury	
Payment cards network operator(s)	

The 'other' category - public institutions and publicly mandated institutions or organisations, as well as card operators - are not a concern for the purposes of this analysis. It will focus on NBPSP access to domestic RTGS, DNS and FPS. The nuances within the NBPSP category, based on licensing regime, terminology and local requirements, will be explored in the analysis below.

Further, the CPMI Monitoring Survey categorises levels of access to a domestic RTGS, DNS and FPS, which again we have grouped together for simplicity in this analysis.

### CPMI organisation categorisation

### Alternative categorisation

Direct access to a settlement account and central bank credit

Direct access

Direct access to a settlement account but not to credit

Can send transactions directly to the system, without having a settlement account

Indirect access

Can send transactions indirectly to the system via a direct participant, without having a settlement account

No access allowed

No access

We have defined full direct access as a firm having direct access to the payment system and in control of its own settlement account at the central bank. Any other type of access that still requires working with a sponsor has been defined as indirect access.

### Scorecard

Based on the above, we have created the following 'scorecard' system, against which we will evaluate members of the G20 on their progress towards Building Block 10:

**"Improving direct access to payment systems by banks, non-banks and payment infrastructures".**

1/5

Only licenced banks are permitted to have direct access to payment rails.

2/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

3/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

## Price Transparency

Transparency in cross-border payments is defined by the Financial Stability Board (FSB) as PSPs being required to provide a minimum list of information to end-users. The FSB outlines this as “including total transaction costs with relevant charges broken out - sending and receiving fees, FX rate and currency conversion charges; the expected time to deliver funds; tracking of payment status; and terms of service.” As outlined above, this analysis will focus specifically on price transparency, i.e. FX rates and currency conversion charges (including FX margins).

Building on this framework, this analysis takes a more technical approach to how this is both achieved and enforced in domestic and regulatory environments, based on market research. This is because the [FSB’s latest consolidated progress report for 2024](#) claims that “the percentage of services for which a breakdown of total fees and FX margin was provided by remittance service providers increased from 98% to 99% since 2023”, with the caveat that “to be included in the dataset, a payment service must be transparent about its cost.” We believe this dataset does not accurately reflect the true state of the market, and that the 99% claim significantly misrepresents what is the most common practice in industry, namely the padding of FX rates and the failure to disclose that up front, or at all.

The FSB’s consolidated progress report does not consider whether FX fees are obscured in the payment process, or if domestic price transparency regulations exist but are ineffectively enforced across the G20. We suggest that the FSB should reevaluate the KPI methodology and data gathering process and in the interim, qualify the 99% claim with a cautionary note. Additionally, the FSB’s Legal, Regulatory, and Supervisory (LRS) Taskforce should allocate sufficient resources to support an urgent review of price transparency as a priority.

We have conducted user market research across all G20 nations covered in this report. Our methodology involved analysing the payment flow of making an international transfer with both banks and non-bank

PSPs, and checking the exchange rate provided by the financial institution against the interbank mid-market exchange rate, provided by Google. We also checked through the payment flow for any tooltips or linked pages to see if any further information of FX margin padding was disclosed to the customer, up until the final execution of payment.

The country profiles in this report also feature examples of providers in each market, along with an assessment of their transparency regarding the pricing of international transfers. This evaluation employs a traffic light system based on the following definitions:

### RED

A financial institution conceals foreign exchange markups from the customer. These charges are not disclosed in the payment flow but are instead found outside of the customer experience, e.g. within the terms and conditions.

### AMBER

A financial institution obscures foreign exchange markups and/or other fees in the payment flow by promoting deceptive practices (e.g. “0% fee”, “best rate”), and using tooltips or linked web pages that customers must click on to access this information and get an accurate idea of how much a transfer costs.

### GREEN

A financial institution communicates the cost of an international money transfer upfront, clearly displaying all fees, including any foreign exchange fees or mark-ups, to the consumer in a clear and comprehensible manner.

## Scorecard

We have created the following ‘scorecard’ system, against which we will evaluate members of the G20 on their progress towards Building Block 2:

**“Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)”.**

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.

3/5

Existing regulation requires price transparency in cross-border payments, including FX markups, but this is not well enforced or the regulation is not strong enough to deliver price transparency for end users.

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.

5/5

All financial service providers are required to disclose the total cost up front to end users, including FX markups, when making a cross-border transfer.





# ARGENTINA



## Direct Access



### Existing framework & access

In Argentina, non-bank financial institutions (NBFIs) - including NBPSPs - face restricted access to national payment infrastructures. The Central Bank of Argentina (Banco Central de la República Argentina - BCRA) operates the primary national payment systems, including the Electronic Payment System (SPE) and the Immediate Debit System (DEBIN). These infrastructures serve as the backbone for carrying out electronic financial transactions within the country.

Non-bank financial institutions can participate in DEBIN, which allows them to offer direct debit services to their customers. According to the [BCRA's Ordered Text on the National Payments System](#), specifically under the Electronic Clearing Houses section, entities eligible for participation include (i) the Central Bank itself and (ii) financial institutions, as well as any other legal entities authorised by the Central Bank (point 6.1). Participation may be direct or indirect, with the latter occurring through the sponsorship of a direct participant (point 6.4). [The BCRA's Complementary Rules](#) also specify that only financial institutions can originate payment messages and receive transfers, whereas both financial institutions and NBPSPs are permitted to approve payment orders and credit incoming payments for customers. This means that NBPSPs can receive and review payment instructions from their end users (e.g. confirm if there are sufficient funds, run fraud checks, etc), but they must rely on a financial institution to originate and receive transfers through the scheme. In this sense, NBPSPs can only operate as indirect participants through the sponsorship of a direct participant which must be a financial institution.

Given that direct participation for originating and receiving transfers is reserved for financial institutions it's important to look at how the Argentinian regulation defines this concept. For this, we need to look at the [Financial Institutions Law \(Law 21.526\)](#), which defines them as 'those private or public entities that perform usual intermediary functions between the supply and the demand of financial resources'. This definition includes banks and other types of entities such as Compañías

Financieras and Sociedades de Ahorro but excludes NBPSPs, which, as per the local regulation, aren't allowed to perform financial intermediation activities. Therefore, while other types of entities that don't fall within the financial institutions category established in the regulation have some level of access to the national payment infrastructures, it is generally more limited compared to traditional banks.

### Ongoing policy developments

The regulatory environment continues to evolve, with the Central Bank of Argentina seeking to enhance financial inclusion and the integration of various financial service providers. The BCRA has been working on [regulations](#) to enable NBFIs, including NBPSPs, to access national payment systems under certain conditions. These providers must meet specific regulatory requirements to ensure security and reliability. The BCRA has also been [promoting interoperability](#) between bank and non-bank payment service providers to create a more inclusive financial ecosystem.

### Scorecard

2/5

Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.



# Price Transparency



## Existing framework & regulations

Argentina has established specific requirements for transparency and fee disclosures in the context of remittances and international payments. These measures are intended to ensure that consumers are well-informed about the costs associated with such transactions. A crucial regulatory framework in this area is the [Transferencias 3.0](#) real-time payment scheme, instituted by the Central Bank of Argentina.

Under the Transferencias 3.0 regulations, it is mandated that all fees must be disclosed upfront to consumers. Importantly, these fees cannot be calculated as a percentage of the transferred amount; instead, they must be a fixed fee per transaction. Additionally, transfers meeting specific criteria—such as those involving microenterprises or certain types of accounts—may be exempt from fees under these regulations.

The Transferencias 3.0 system thus seeks to ensure transparency by requiring clear disclosure of transaction costs, enabling senders and recipients to understand the exact financial implications of their transfers. Despite the regulatory efforts to enhance transparency, it is noteworthy that while the BCRA regulates the official exchange rate, there is no explicit prohibition against service providers applying marked-up exchange rates. Consequently, although the fees must be disclosed, the exchange rates applied by these providers may include hidden costs. This practice can result in consumers receiving less money than anticipated, as the hidden fees, embedded within the exchange rate, reduce the overall amount.

## Customer experience

The experience for consumers originating international transfers in Argentina includes a series of screens indicating the required information to complete international transfers as mandated by the regulation issued by the Central Bank of Argentina. This includes information on the recipient and transfer reason: for each transfer reason, the regulation establishes certain documents that must be provided in order for the customer to be able to complete the transaction.

Customers are shown fees associated with making an international transfer, but there is no transparency on markups on the exchange rate, with FX fees not explicitly shown to the user during the transfer process. Most consumers instead focus on the transfer fee cost surfaced during the payment journey, and aren't aware of any implicit FX cost in the exchange rate.

Significant challenges to transparency in FX pricing persist due to the disparity between the official rate from the Argentinian Central Bank and the parallel market rates, influenced by the current capital controls in Argentina. These controls also complicate the collection of user data on exchange rates through local banks, as documentation is needed to validate the [restricted reasons](#) Argentinians are allowed to send money abroad. Consequently, our user data table for Argentina reflects the mark-ups based on the parallel market rates offered by non-bank providers for outbound money movement where we have been able to validate the user flow.

## Argentinian payment providers' cross-border payment hidden fees based on customer payment journey data collected August 2024

Provider	Exchange rate markup/ hidden fee	Tranparency rating
Prex	8.7%	
Western Union	0.82%	

This information has been benchmarked against Argentina's parallel exchange rate, as opposed to Google which has been used for all other G20 members in this report. The reason for this distinction is that Google uses the Central Bank's official rate for Argentina, which does not accurately reflect the standard customer experience.

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

## Ongoing policy developments

As of now, there is no indication that the BCRA intends to review or amend the existing transparency regulations to address the issue of concealed fees within exchange rates. The current framework remains in place, with continued emphasis on upfront fee disclosure but without specific measures to regulate the transparency of exchange rate markups.

The BCRA is currently focused on sustaining low inflation rates and loosening capital controls that have been in place for the last decade.

## Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.

# G20 Roadmap for Enhancing Cross Border Payments

Scorecard report on direct access  
and price transparency

November 2024

[wise.com/g20roadmap](https://wise.com/g20roadmap)

