# 7WISE

# G20 Roadmap for Enhancing Cross Border Payments

# One year on:

Scorecard report on direct access and price transparency

October 2025



# **CONTENTS**

Foreword	4
1. Introduction	5
2. Criteria Framework	8
G20 Members	8
Direct Access	10
Price Transparency	12
3. 2026 review	16
Updated scorecard	17
4. Expert perspective	18
Consumers International	18
5. Executive Summary	20
Direct Access	20
Price Transparency	22
6. Policy Recommendations	24
Direct Access	24
Price Transparency	26

7. Country Profiles	28
Argentina	30
Australia	36
Brazil	42
Canada	48
China	54
India	60
Indonesia	66
Japan	72
Mexico	78
Republic of Korea	84
Saudi Arabia	90
South Africa	96
Türkiye	102
United Kingdom	108
United States of America	116
European Union	122
• France	128
Germany	132
• Italy	136
Acknowledgements	140



# **FOREWORD**



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This report provides a detailed industry perspective review of progress on two key issues across G20 jurisdictions. Such country-level analysis should not be perceived as calling out individual jurisdictions but rather as an opportunity to identify areas for further action and highlight examples of what is working well. Hence, the report serves as an important reminder that achieving the G20 targets will require renewed commitment from both the private and public sectors.

The Wise report focuses on two major aspects: access of non-bank payment service providers (NBPSPs) and price transparency for clients in cross-border payments. The G20 roadmap considers both to be important to enhance cross-border payments yet progress thus far has been uneven.

Implementation is possible, as positive developments highlighted in the report demonstrate. For instance, Wise assigns eight G20 members the highest score for direct access of NBPSPs, with the EU joining this group over the past year. On price transparency, Wise assigns one country the highest score, with two members having improved their scores overall. This suggests that the implementation of the roadmap guidance is already happening, even though legal and regulatory reforms naturally take time.

Countries, G20 members and beyond, can learn from each other while advancing their efforts, and there are areas where the private sector can take the lead without waiting for legal and regulatory reforms. For example, private-sector players can make progress by offering more transparent services to their clients.

Wise's analysis is a valuable contribution to monitoring progress and can motivate stakeholders to expand such efforts to other countries and additional key measures of the G20 cross-border payments roadmap.

# 1. INTRODUCTION

As Wise publishes the second edition of its G20 Report, the deadline for the majority of the targets in the G20 Roadmap for Enhancing Cross-Border Payments is now less than two years away. Former FSB Chair Klaas Knot in his <u>valedictory letter</u> acknowledged that the G20 is not currently on track to achieve the 2027 targets. We share his assessment that an increase in both the pace and focus of work on the roadmap is required to sustain progress up to and beyond 2027.

It is therefore encouraging to note that his successor, Andrew Bailey, has reiterated the importance of prioritising the Roadmap, particularly under the current South African Presidency. As Governor Bailey observed, the need to enhance cross-border payments has become even more apparent, especially as inefficiencies in international payments risk contributing to fragmentation in the global financial system.

This second edition of Wise's report shows that, over the past year, there has been incremental progress by certain G20 members in direct access and price transparency. Following the publication of our first report, a number of G20 members engaged with us regarding their rankings; in response, we explained our methodology and offered to collaborate on improvements in the regulatory frameworks of certain countries. However, it remains the case that many countries have yet to translate their commitments on price transparency and access, to help price reduction and transaction speed, into concrete action.

By highlighting both progress and ongoing gaps, this report aims to support countries in delivering on the commitments made in 2020. Lasting change in industry conduct will depend on the incentives and clear signal of direction provided by governments and regulatory authorities.

#### Payments as a pillar of industrial policy

In the rapidly evolving landscape of global finance, cross-border payments remain a critical area of focus for policymakers, financial institutions, and consumers alike. Payments innovations such as Pix and UPI, which have significantly democratised the economies of Brazil and India, have the power to transform the cost of trade, if they are opened up to cross-border payments. The G20 Roadmap for Enhancing Cross-Border Payments, initiated in 2020, continues to serve as a guiding framework for addressing the persistent challenges of high costs, slow speeds, limited access, and insufficient transparency in international transactions. Our 2025 global mystery shopping exercise continues to show that most of the major providers of cross border payments in G20 member countries are still hiding the mark-up on FX rates and not disclosing this to their customers. The result is that costs remain higher than they should be and consumers are not able to make informed choices.

Building on the insights from last year's report, this edition delves deeper into the advances and setbacks observed in G20 nations over the past year. It will explore new policy approaches by governments and assess progress, or lack thereof, on direct access and price transparency. Several key developments have emerged over the past 12 months: notably, India has published additional guidance on FX transparency, the European Union has made significant strides in expanding direct access to non-banks and building out a transparency framework, and the United Kingdom has made progress on the regulatory expectations for price transparency, while the United States has slid backwards on its progress on transparency, and made no progress on access to fiat payment systems for non-banks—yet. These changes, along with others detailed in this report, underscore the dynamic nature of the global payments landscape and the need for continuous adaptation and collaboration among stakeholders to drive genuine change and power growth.

#### The importance of institutional leadership

We welcome the response of the Financial Stability Board's Legal, Regulatory and Supervisory Taskforce to last year's report, in commencing work on the issue of price transparency. We also believe that the CPMI PIE Taskforce has played an important role in spurring progress towards opening up direct access to payment systems. However, we note the hiatus that has been caused to the work of the PIE Taskforce due to the change in the Chairmanship and the time taken to reconstitute the membership. We hope that both Taskforces will now see a significant increase of tempo, as called for by former FSB Chair Klaas Knot. We also look forward to hearing further from the new Chair on the FSB's priorities, and hope that the focus on the G20 Roadmap—including enhanced regional collaboration—will continue beyond 2027. The collaboration between public and private sectors in these forums remains essential to achieving the Roadmap's objectives.

# Access, transparency, and the G20 agenda

As a reminder, 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, including 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 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.

This report aims to identify the position of each G20 member—both individually and relative to one another—on their commitments to enhancing price transparency for end users and improving direct access to payment systems for non-bank institutions. Using a scorecard developed for each pillar, we assess the current state of direct access and price transparency across G20 countries, evaluate the effectiveness of existing regulatory frameworks, and provide actionable policy recommendations. Our analysis is grounded in a robust methodology that draws on both qualitative and quantitative data from a diverse range of sources, including market research, regulatory reports, and stakeholder interviews.

#### What comes next?

Having launched our scoring criteria last year, following regulatory engagement and feedback we have decided to amend our scorecard for the third iteration of this report, to be published in 2026. We will rebase our scorecard from a 1/5 to a 0/5, to allow an extra rating to better reflect nuances between policy developments, as well as including changes in market behaviour, whether through the effects of enforcement action or industry initiative. More detail and the new rating criteria can be found under the 2026 Review chapter of this report.

# **FRAMEWORK**

### **G20 Members**















France





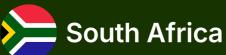




























Please note, for the purposes of this analysis, we will not be including the African Union and its 55 member states, as it does not have a fully coordinated and comprehensive financial services policy framework akin to the European Union.

Additionally, Russia is excluded from this analysis due to its current limited participation in the global financial system. Several major Russian banks have been removed from the SWIFT financial messaging network as a part of international sanctions, significantly restricting their ability to engage in cross-border financial transactions.



# **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)	
Supervised non-bank financial institutions	Non-bank PSPs (NBPSPs)
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.

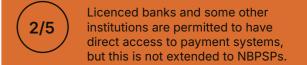
CPMI organisation categorisation	Alternative categorisation
Direct access to a settlement account and central bank credit	Direct access
Direct access to a settlement account but not to credit	
Can send transactions directly to the system, without having a settlement account	
Can send transactions indirectly to the system via a direct participant, without having a settlement account	Indirect access
No access allowed	No access

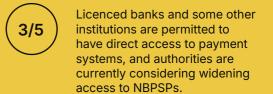
We have defined full direct access as a firm having direct access to the payment system. Any other type of access that still requires working with a sponsor has been defined as indirect access.

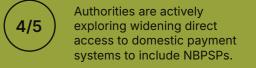
#### Scorecard

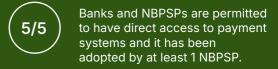
The following 'scorecard' system is what we will evaluate members of the G20 against on their progress towards building block 10:















# **Price Transparency**

Transparency in cross-border payments is defined by the Financial Stability Board (FSB) as PSPs, including both banks and non-bank 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 in its 2025 Annual Progress Report. We welcome the FSB's Legal, Regulatory, and Supervisory (LRS) Taskforce ongoing review of price transparency, and acknowledge that price transparency is just one indicator of the FSB's KPI framework, which extends broadly to cross-border transparency overall.

#### Methodology

#### Country ranking

For this report's country ranking, we reviewed existing legislation, regulations and any public consultation or ongoing review regarding FX price transparency in each G20 market. Where required, we also engaged with national regulators to understand the interpretation of existing rules and regulations. Based on this, we have then ranked each nation based on the scorecard system outlined below.

#### Hidden fees projections

Independent research company Edgar, Dunn & Company (EDC) undertook wide ranging economic analysis to assess cross-border payment volume, as well as the amount of hidden fees to move those volumes. This research was undertaken between September and November 2024. It is based on publicly available data, as well as EDC's proprietary model to make predictions from 2024 into 2029.

These projected figures are found throughout this year's report. All figures and projections are in USD, unless specified.

#### Industry mystery shopping FX rates

To evaluate market practices and examples from industry on FX price transparency, we undertook comprehensive user market research across all G20 countries featured in this report, partnering with Alderson Consulting to gather qualitative evidence from each market. Our methodology included an in-depth review of four banks and two non-bank payment service providers (NBPSPs) per market. For all research, we converted the G20 nation's currency to \$1,000 USD or the highest amount allowed if less than \$1,000 USD: for the United States, we converted

For the banking sample, we selected the four largest banks in each country based on assets held in the previous year, as reported in The Banker's Top 1000 World Banks 2024. If a top-four bank did not offer retail services or an online international remittance product, we proceeded to the next largest institution on the list, ensuring a consistent approach across all markets.

Identifying precisely the two largest NBPSPs in each market proved more challenging due to limited publicly available data. Therefore, we selected two widely used, popular NBPSPs in each market to provide a meaningful comparison with banks.

Alderson Consulting then analysed the end-to-end payment flow for making an international transfer with each provider. This included comparing the exchange rate offered by the financial institution to the mid-market rate, as published by the London Stock Exchange Group at the time of the transaction. Additionally, we reviewed the payment process for any tooltips, linked pages, or disclosures regarding FX margin padding, up to the final execution of payment. This approach ensures a robust, transparent assessment of the information available to consumers when making cross-border payments.

The qualitative research of providers are shown under the country profiles in this report, along with an assessment of their transparency regarding the pricing of international transfers. This evaluation employs a traffic light system which we have expanded from 3 categories last year to 4 categories this year, to better reflect nuanced differences in provider behaviour towards price transparency for customers.

The traffic light system based on the following definitions:



#### Red = no transparency:

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 = poor transparency:

A financial institution discloses that there is a markup in their exchange rate, but this is not disclosed as a percentage or numerical value, nor as a cost to their customers during the payment flow.



#### Light green = some transparency:

A financial institution discloses there is a markup to the customer, expressing it as a monetary value to ease customer understanding. However, this information is hidden behind a tooltip.



#### Dark green = full transparency:

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.

For the purposes of this report, we have allowed a 0.05% margin of error over the mid-market foreign exchange rate, when offered by a bank or financial institution. This level of deviation is to allow for small technical issues that may occur through our methodology (e.g. potential delays in exchange rates being surfaced to customers due to upstream system limitations) while still demonstrating both transparency and value for the customer, ensuring that the rate closely tracks real-time market movements.

#### Scorecard

The following 'scorecard' system is what we will evaluate members of the G20 against on their progress towards building block 2:

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



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



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.



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.



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.



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.





# 3. **2026 REVIEW**

Over the past year, we have continued to engage with stakeholders to ensure our assessment frameworks accurately reflect the evolving landscape across the G20 and beyond. Feedback has highlighted that our scoring system did not fully capture the nuances in how different jurisdictions enable—or restrict—direct access for NBPSPs, or price transparency in cross-border payments.

In response, we have developed expanded scorecards on a 0–5 scale, with revised and more detailed definitions. On direct access, the revised scorecard is designed to distinguish between jurisdictions where no progress has been made, those where access is being considered or implemented in stages, and those leading the way in providing full access, including a settlement account. An additional bonus "+" has also been included to encompass the added benefit of NBPSPs being able to safeguard customer funds directly at the central bank. On price transparency, the new scorecard will allow us to better differentiate between jurisdictions with no transparency requirements, those with partial or poorly enforced rules, those with robust, actively enforced frameworks, and those who take an industry-led approach.

The following tables set out the newly revised scoring definitions for full clarity. This enhanced framework will enable clearer benchmarking and more actionable insights for policymakers and industry stakeholders.

While we recognise the value of implementing these improvements as soon as possible, we have opted not to use the updated scorecard in this year's report to ensure a smooth and robust transition. By providing advance notice, we aim to uphold the integrity of our benchmarking process and allow all stakeholders to prepare for the enhanced methodology. This new scorecard system will therefore come into effect from next year's report.

#### 2026 Direct Access Scorecard



Only licenced banks are permitted to have direct access to payment rails and no work is underway to change this.



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



Licenced banks and some other institutions are permitted to have direct access to payment systems, and authorities are actively working towards widening access to NBPSPs.



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



Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP. However, this access does not come with a settlement account at the central bank.



Banks and NBPSPs are permitted to have direct access to payment systems, it has been adopted by at least 1 NBPSP, and access includes a settlement account with the central bank.



Direct access to payment systems also enables NBPSPs to safeguard customer funds at the central bank.

#### 2026 Price Transparency Scorecard



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



There are existing regulatory requirements or guidance 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.



Existing regulation or industry guidance requires price transparency in cross-border payments, including FX markups, but there is no evidence that this is enforced or the regulation/guidance is not strong enough to deliver price transparency for end users.



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



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. This can be through regulation or robust industry guidance endorsed by the regulator.



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. These rules are actively enforced by authorities, or regulator-endorsed industry guidance is fully adhered to.



# 4. EXPERT PERSPECTIVE

What's needed to achieve transparent digital finance?

A perspective from Consumers International

Digitalisation of financial services is a game changer for financial inclusion. But it is not enough for digital financial services to be available—to truly add value they must allow people to meet their financial needs in a meaningful way. Consumers International, as the global membership organisation for consumer groups around the world, works toward a vision where fair digital finance is safe, data protected and private, inclusive and sustainable.

A core component of this is transparency: providing information to consumers in a way that is relevant, timely and inclusive. This means honest, accurate information, provided to the consumer when they need it, and presented in a way they can understand. According to Consumers International research, poor transparency is a persistent problem in financial services. Close to two-thirds (57%) of consumer bodies cite a lack of transparency in fees and charges as a significant factor behind consumer distrust in digital finance.

To draw attention to this issue and support policymakers, financial service providers and consumer advocacy groups to respond, in 2024 Consumers International launched a worldwide campaign for Transparent Digital Finance for Consumers. This global call to action to improve the clarity, accessibility and consistency of information provided to consumers outlines the principles for transparent digital finance, as well as key actions for stakeholders to strengthen their responses.

Since its launch, the campaign has been endorsed by over 50 organisations, including consumer groups, regulators and industry leaders. It has also provided the impetus for reform in several markets. For example, in Barbados, new Market Conduct Guidelines were introduced for commercial banks to improve transparency and fairness in banking. In Uganda, the Microfinance Regulatory Authority launched enforcement operations against predatory digital lenders, marking a strong regulatory stance on consumer protection. And in Cambodia, the National Bank now mandates financial service providers to establish Client Protection Committees at the board level to ensure consumer insights around transparency, fair practices, and grievance redressal shape decision-making.

While progress has been made, continued action is needed from across the financial system to improve transparency for consumers further. This critical issue will continue to evolve in the face of new financial products, services and technologies. The G20 has a major role in driving meaningful change as it represents over two-thirds of the world's population and 85% of global GDP.



# **EXECUTIVE SUMMARY**

# **Direct Access**

Over the last twelve months, there has been incremental progress by certain G20 members in improving direct access to payment systems for non-bank payment service providers (NBPSPs). Improving direct access (Building Block 10 of the G20 Roadmap for Enhancing Cross-Border Payments) is essential for reducing costs and increasing the speed of international transactions.

A total of eight members of the G20 have achieved the full 5/5 direct access rating this year. These include Brazil, China, Indonesia, Mexico, the Republic of Korea, Türkiye, the United Kingdom, and the European Union. We anticipate that this number will increase to over half of the G20 members next year.

The European Union is the only market to have been upgraded since last year's report, achieving a full 5/5 rating. This advancement follows amendments to its Settlement Finality Directive (SFD), which enables NBPSPs to gain direct access to payment systems. However, the transposition and implementation of these new rules have been inconsistent across the EU. The uneven transposition across Member States has resulted in a fragmented landscape, delaying the full realisation of these benefits and consequently leading to a continued 4/5 rating for individual G20 EU Member States (France, Germany, and Italy). This delay is compounded by the Eurosystem postponing the adoption of the TARGET Guidelines, which prevents eurozone central banks from granting this access, despite France, Germany, and Italy having incorporated the necessary SFD changes into their national laws.

Conversely, countries like the United States and Saudi Arabia continue to face structural barriers that limit direct access for NBPSPs. In the US, the Federal Reserve's conservative interpretation of the Federal Reserve Act restricts access to depository institutions, and it remains the only G7 economy not to be advancing direct access for NBPSPs. Saudi Arabia's framework remains heavily bank-centric, despite regulatory commitments to expand access.

Brazil and the United Kingdom continue to set exemplary standards by facilitating NBPSP access through progressive policies and innovative systems such as Pix and the UK's Real-Time Gross Settlement (RTGS) system, respectively. The UK has been a pioneer for non-bank direct access and continues to lead the evolution of policy treatment for non-banks. Similarly, Japan, currently rated 4/5, is positioned to upgrade to 5/5, having confirmed that it will integrate its first NBPSP into the Zengin payment system, expected in November 2025. Canada, also maintaining a 4/5 rating, is close to achieving the highest score with its proposed launch of the Real-Time Rail (RTR) payment rails next year, coinciding with expanded direct access.

Australia continues to explore reforms to widen access, yet tangible progress remains limited. Meanwhile, South Africa's anticipated National Payment Systems Bill represents a critical opportunity to modernise its payment infrastructure and enhance access for non-banks, when it is finally published.

The incremental progress achieved over the past year indicates a positive direction of travel, yet fully realising the potential of direct access, which is essential for reducing costs and increasing the speed of cross-border transactions, requires an acceleration of policy implementation across lagging jurisdictions. The success of pioneering nations demonstrates that a global movement toward more inclusive and competitive payment systems is possible, provided that an increase in both the pace and focus of work on the Roadmap is sustained up to and beyond 2027.

# **Direct Access: Ranking of G20 Nations**

	2025	2024
Brazil	5/5	5/5
China	5/5	5/5
Indonesia	5/5	5/5
Mexico	5/5	5/5
Republic of Korea	5/5	5/5
Türkiye	5/5	5/5
United Kingdom	5/5	5/5
European Union	5/5 ▲	4/5
Canada	4/5	4/5
France	4/5*	4/5
Germany	4/5*	4/5
Italy	4/5*	4/5
Japan	4/5**	4/5
Australia	4/5	4/5
India	3/5	3/5
South Africa	3/5	3/5
Argentina	2/5	2/5
United States of America	2/5	2/5
Saudi Arabia	1/5	1/5

\*Although France, Germany, and Italy have incorporated the necessary changes to allow NBPSP access into their national laws, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks from granting this access. Once these guidelines are implemented and at least one NBPSP gains access through the respective Central Banks, the rating is expected to rise to 5/5.

\*\*Japan has confirmed that it will integrate its first NBPSP into the Zengin payment system soon, expected in November 2025—this rating will then be upgraded to 5/5.



# **Price Transparency**

The progress towards achieving cost transparency in cross-border payments among G20 nations remains slow and uneven, reflecting a critical area that demands urgent attention. While some progress has been made in certain jurisdictions, the fundamental market reality remains far from the perceived high levels of transparency, with widespread padding of foreign exchange (FX) rates that is frequently hidden from consumers upfront. This imbalance in information impedes consumers' ability to make informed decisions and affects the competitive dynamics necessary for market change.

The United Kingdom is the only market to achieve the highest possible ranking, upgrading two grades to 5/5. This advancement followed a market study of FX pricing under its Consumer Duty focus areas for 2025. The Financial Conduct Authority (FCA) published new guidance in May 2025 that explicitly requires FX markups to be explained as a cost to the customer during the payment journey to comply with the Consumer Duty.

Furthermore, India improved its ranking from 1/5 to 3/5. This follows a Reserve Bank of India (RBI) Notification that, encouragingly, requires an invoice to be generated showing the breakup of exchange rate and markups without ambiguity. However, this disclosure is only required at the point of invoice issuance, which comes following the execution of the payment. Similarly, Japan improved its score to 3/5 after the Financial Services Agency (FSA) clarified that cross-border payments fall under the Principles for Customer-Oriented Business Conduct, mandating detailed disclosure of all fees and charges, including FX markups.

The European Union and its major G20 members (France, Germany, and Italy) maintain a 4/5 rating as they are actively exploring new rules. The EU's Payment Services Regulation (PSR), which aims to strengthen transparency rules and requires disclosure of FX markups against a reference exchange rate, is currently under negotiation. Once the PSR is implemented (expected in Q1 2026). these jurisdictions anticipate rising to the 5/5 rating. Crucially, the enforcement of existing transparency regulations (CBPR2) remains weak in these markets.

Conversely, progress has stalled or regressed in several major economies. The United States was downgraded from 4/5 to 3/5. This regression occurred because the Consumer Financial Protection Bureau (CFPB) rescinded a circular in May 2025 that warned providers about deceptive marketing practices (such as promoting "free" transfers while applying hidden FX padding). The US retains a status quo where FX markup disclosure is not mandatory as a separate fee. US consumers are projected to collectively lose an estimated \$19 billion in obscured FX markups in 2025, rising potentially to \$46 billion by 2027.

Additionally, Australia was downgraded from 2/5 to 1/5. The country effectively has no compulsory requirements for financial service providers to disclose fees for international payments, as the ACCC's guidance is voluntary and does not mandate the disclosure of FX markups. Australian consumers are projected to lose nearly \$4 billion in hidden fees in 2025.

The uneven progress in achieving transparency underscores a critical gap in achieving the Roadmap's full objectives. While initial steps by several jurisdictions, particularly the UK, signal a positive direction of travel, achieving full price clarity requires an acceleration of policy implementation and robust enforcement across all G20 members. Sustaining an increase in both the pace and focus of work on this policy area is required to deliver a truly inclusive and fair global payment landscape.

# **Price Transparency: Ranking of G20 Nations**

	2025	2024
United Kingdom	5/5 ▲	3/5
France	4/5	4/5
Germany	4/5	4/5
Italy	4/5	4/5
European Union	4/5	4/5
Brazil	3/5	3/5
India	3/5 ▲	1/5
Japan	3/5 ▲	1/5
United States	3/5 ▼	4/5
Argentina	2/5	2/5
Canada	2/5	2/5
Indonesia	2/5	2/5
Mexico	2/5	2/5
Republic of Korea	2/5	2/5
Saudi Arabia	2/5	2/5
Türkiye	2/5	2/5
Australia	1/5 ▼	2/5
China	1/5	1/5
South Africa	1/5	1/5



# 6. POLICY RECOMMENDATIONS

# **Direct Access**

G20 members are commended for the substantial advancements made in enhancing direct access for Non-Bank Payment Service Providers (NBPSPs). With eight G20 members having already achieved the maximum 5/5 rating, the objective set out in Building Block 10 of the G20 Roadmap for Enhancing Cross-Border Payments, aimed at improving direct access to payment systems by non-banks, is demonstrably achievable.

While progress in widening access is evident, policymakers must now focus on achieving full direct access, specifically addressing the distinction between direct access that includes central bank settlement facilities and that which relies on existing banking arrangements. In many jurisdictions, NBPSPs still exhibit some form of reliance on commercial banks, particularly regarding settlement arrangements or the safeguarding of customer funds. This residual reliance compromises the competitive neutrality objectives of the G20 Roadmap.

The adoption of the 2026 Direct Access Scorecard in next year's report, which amends the highest rating (5/5) only when NBPSPs secure direct access to payment systems, adoption by at least one NBPSP, and access includes a settlement account with the central bank, reflects the necessary focus on achieving true operational autonomy for non-banks. We therefore recommend the following:

- Prioritise full operational autonomy for NBPSPs: G20 members that currently permit non-bank access without granting a central bank settlement account must establish frameworks that provide direct access to central bank settlement accounts. This step is critical to levelling the competitive playing field and enhancing the stability and efficiency of the overall payments ecosystem. The experience of jurisdictions like the United Kingdom, which is exploring granting NBPSPs access to safeguarding accounts at the Bank of England, demonstrates an advanced commitment to this principle.
- Integrate access into foundational design: Future policy formulation for payments infrastructure must proactively consider the needs of NBPSPs and fintechs from the outset of policy and infrastructure formulation. Designing innovative payment products, such as those seen in Brazil (Pix) and India (UPI), with inclusive access architecture ensures greater competition, system resilience, and faster delivery of efficiency gains for consumers and businesses.
- Address structural barriers and finalise legislative reforms: Jurisdictions maintaining highly restrictive access rules, such as the United States (2/5) and South Africa (3/5), must urgently address the structural barriers that limit NBPSP participation. In the US, reform should challenge the conservative interpretation of the Federal Reserve Act that restricts access to depository institutions. Simultaneously, countries with ongoing legislative programmes, notably South Africa with its anticipated National Payment Systems (NPS) Bill must ensure that these modernised payment rails embed comprehensive direct access—including settlement account eligibility—into their foundational legal and technical designs.







# **Price Transparency**

The persistent issue of hidden foreign exchange (FX) markups remains a central impediment to achieving the cost reduction goals outlined in the G20 Roadmap. The continued opacity in pricing hinders consumers' ability to make informed decisions and stifles the competitive dynamics necessary for genuine market change. Our ongoing global mystery shopping exercise confirms that most major cross-border payment providers in G20 markets are still hiding the mark-up on FX rates.

Globally, we observe three broad approaches emerging among G20 members seeking to enhance transparency:

- 1. Rules-led regulation: This approach relies on specific statutory or regulatory mandates, such as the EU's Cross-Border Payments Regulation 2 (CBPR2). While successful in mandating fee disclosure, this approach often suffers from ambiguous legal definitions regarding FX markups or insufficient enforcement, allowing firms to obscure true charges. The EU's follow-up requirements set out in the Payment Services Regulation (PSR) seek to correct this through clearly defining a benchmark rate from which firms need to calculate their FX markups and disclose them.
- 2. Outcomes-led regulation: This approach, exemplified by the United Kingdom's Financial Conduct Authority (FCA) Consumer Duty and subsequent guidance on FX transparency, prioritises market conduct that ensures fair outcomes for consumers. The UK achieved the highest transparency ranking by explicitly clarifying that FX markups are a cost that must be explained during the payment journey.
- 3. Market-led initiatives: This relies on voluntary industry guidance or competitive dynamics to drive change. In jurisdictions like Australia, reliance on non-binding 'Best Practice Guidance' proved insufficient, leading to a downgrade in ranking. Conversely, highly competitive market segments, such as parts of the Indonesian banking sector, have shown positive trends where transparency is adopted as a competitive differentiator.

To accelerate delivery on Building Block 2: Implementing international guidance and principles (including transparency of information provided to end users about payment transactions), the G20 must encourage members to adopt and rigorously enforce best practice standards. We propose the following recommendations:

 Mandate standardised upfront disclosure against a benchmark or mid-market rate: Authorities must mandate that all financial service providers disclose the total cost of a cross-border transfer upfront, clearly displaying all fees, including any foreign exchange markups, against a uniform benchmark rate: an independent, aggregated mid-market rate. This requirement ensures consumers receive complete information and prevents them from being misled by providers advertising "zero cost" services.

This standardised approach is necessary to close fundamental regulatory gaps observed in jurisdictions such as Brazil, where the absence of a mandated benchmark rate undermines the effectiveness of the Total Effective Value (VET) framework and allows providers to obscure costs. Similarly, emerging rules in India require markup illustration only at the invoice stage, highlighting the need for upfront disclosure based on a consistent reference rate to enable meaningful comparison shopping. We welcome the advocacy for disclosing markups against a relevant foreign exchange benchmark rate currently being negotiated within the EU's Payment Services Regulation (PSR).

Prioritise active enforcement of transparency rules:
 The global effort should be agnostic to the specific regulatory method chosen, provided the outcome is transparent pricing for end-users. Therefore, regardless of whether a jurisdiction adopts a rules-led or outcomes-led approach, active enforcement is crucial. That is why enforcement will be included in our revised criteria for 2026, in order to achieve the full 5/5 rating.

A lack of rigorous enforcement allows providers to continue obscuring fees through inflated exchange rates, even where nominal transparency regulations exist (as observed in countries governed by CBPR2, such as Germany, France, and Italy). Conversely, the UK's upgrade to a 5/5 rating demonstrates the effectiveness of supervisory action, driven by the FCA's market study and new guidance on good and bad practices. Enforcement of these rules will now be vital over the coming months. The regression in the United States, following the rescinding of the CFPB circular on deceptive marketing practices, highlights how policy uncertainty and weak enforcement undermine consumer protection efforts. To reflect the paramount importance of enforcement, we have developed a distinct rating category in our 2026 Price Transparency Scorecard to identify jurisdictions where transparency rules are actively enforced by authorities.

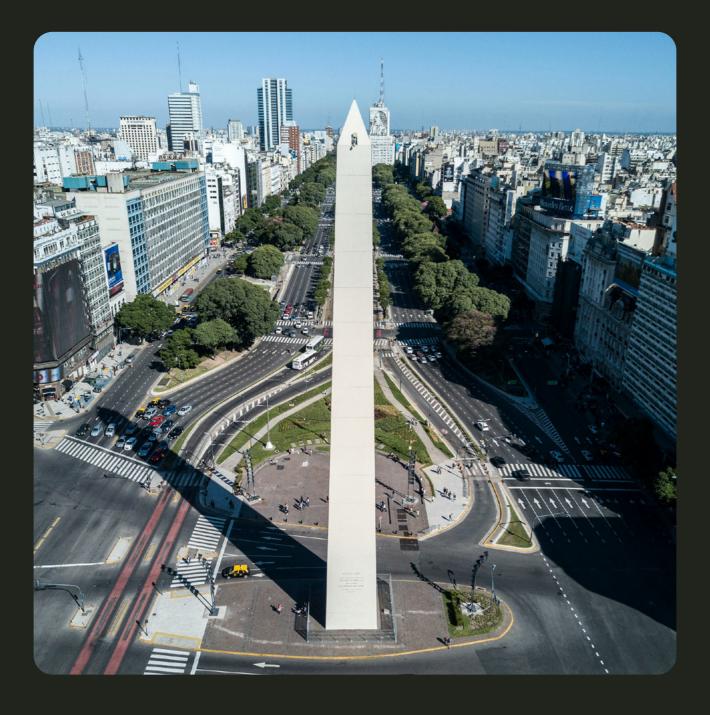
Eliminate regulatory ambiguity by defining FX markups as explicit costs: Policymakers must eliminate ambiguity regarding the nature of foreign exchange markups within regulatory frameworks and mandate that they are treated and disclosed as a separate, quantifiable cost to the end user.

Current global monitoring efforts and many domestic regulations remain ineffective because they fail to capture fees obscured within exchange rate margins. The existing Financial Stability Board (FSB) KPI methodology, which claims high transparency despite widespread hiding of FX markups, should be reevaluated to account for obscured FX fees and encourage necessary regulatory specificity across G20 members. Furthermore, relying solely on general consumer protection laws, as seen in Canada and parts of the US, is insufficient without specific provisions for FX markup disclosure. Adopting the principle that FX markups are explicitly a cost, as successfully demonstrated under the UK's Consumer Duty, is essential to drive market change and ensure consumers are fully informed of the total transaction cost.

# 7. COUNTRY PROFILES



# • ARGENTINA



# **Overview of rankings**

Argentina is actively engaged in the G20's financial services initiatives, especially in its own domestic payment system reforms. However, its ranking and overall progress on the G20's cross-border payments roadmap

are heavily impacted by internal economic factors that pose significant hurdles to achieving the G20's goals of speed, cost, access, and transparency.

# Direct Access Scorecard

# 2025 Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs. Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

Argentina maintains its 2/5 rating, reflecting a framework where traditional banks enjoy full direct access while non-bank payment service providers (NBPSPs) can only participate through registered Payment Service Provider status under BCRA oversight, particularly within the Transferencias 3.0 initiative.

# Price Transparency Scorecard

2025	2024
Existing regulation requires price transparency in cross-border payments, including FX markups, but there is no evidence that this is enforced or the regulation is not strong enough to deliver price transparency for end users.	There is existing regulation for price transparency in disclosing all fees associated with crossborder transfers, but does not specify FX markups as a fee or cost to the end user.

Argentina has made no meaningful progress toward enhanced foreign exchange price transparency over the past 12 months. While regulatory frameworks theoretically support transparency principles, the economic realities of Argentina phasing out its dual exchange rate system and persistent high inflation create fundamental challenges to achieving meaningful price clarity for consumers.





### **Direct Access in detail**



#### Governance of direct access

Argentina's payment system architecture reflects a traditional banking-centric model, with the Central Bank of Argentina (Banco Central de la República Argentina—BCRA) operating the primary national payment infrastructures, including the Electronic Payment System (SPE) and the Immediate Debit System (DEBIN). These systems form the backbone of the country's electronic financial transaction network, with banks maintaining privileged direct access through their accounts with the BCRA.

The regulatory framework governing participation is defined by the BCRA's Ordered Text on the National Payments System, which establishes clear eligibility criteria. Under the Electronic Clearing Houses provisions, participation is limited to the Central Bank itself and financial institutions, alongside other legal entities specifically authorised by the Central Bank. While the framework permits both direct and indirect participation—the latter through sponsorship arrangements—the practical reality is that NBPSPs face significant structural limitations.

The BCRA's Complementary Rules create a tiered participation model that effectively restricts NBPSPs to operational roles rather than full system participation. While NBPSPs can approve payment orders and credit incoming payments for customers, they cannot originate payment messages or receive transfers directly. This dependency on financial institution sponsorship fundamentally limits their competitive positioning and operational autonomy.

The definitional framework under the Financial Institutions Law (Law 21.526) further reinforces these limitations. By defining financial institutions as entities performing "usual intermediary functions between the supply and demand of financial resources," the law explicitly excludes NBPSPs, which are prohibited from conducting financial intermediation activities. This creates a structural barrier that extends beyond mere regulatory preference to fundamental business model restrictions.

#### Progress in the last 12 months

The past year has seen limited advancement in expanding direct access for NBPSPs, despite the continued success and growing adoption of Argentina's Transferencias 3.0 interoperable payment system. The BCRA has not introduced any substantive reforms to the direct access framework, with NBPSPs remaining dependent on traditional banking partners for clearing and settlement services.

This regulatory stasis occurs against the backdrop of significant political and economic transition. Following President Javier Milei's election victory in December 2023, the administration has prioritised comprehensive economic reforms aimed at peso stabilisation and inflation control. These macroeconomic imperatives have understandably taken precedence over payment system modernisation initiatives.

The BCRA's focus has remained on operational improvements to existing systems rather than structural reforms to access frameworks. While Transferencias 3.0 continues to demonstrate the potential for innovative payment solutions, the underlying architecture for direct access has remained unchanged.

#### Looking forward: what's next

Argentina's approach to direct access reform will likely evolve through incremental, pragmatic steps rather than transformative change. The immediate priority is implementing an open finance framework that builds upon Transferencias 3.0's success to create a more competitive and innovative ecosystem. These developments are occurring within a broader context of economic liberalisation aimed at modernising financial and foreign exchange markets.

The BCRA's 2025 Objectives and Plan framework provides a structured approach to policy development, with explicit focus on widening access and interoperability across payment types. This framework will guide regulatory priorities through the end of 2025, potentially creating opportunities for more substantive direct access reforms.

The December 2025 planning cycle for the BCRA's 2026 Objectives and Plan represents a critical juncture for direct access policy. The anticipated continuation of themes around financial system stability and development may provide the regulatory foundation for considering more comprehensive access reforms, particularly as macroeconomic conditions stabilise.



# **Price Transparency in detail**



#### Governance of price transparency

Argentina has established specific regulatory requirements for transparency and fee disclosure in cross-border payments and remittances, primarily through the Transferencias 3.0 real-time payment scheme framework instituted by the BCRA. This regulatory approach emphasises upfront disclosure and standardised fee structures designed to enhance consumer understanding and market competition.

The Transferencias 3.0 regulations mandate comprehensive upfront fee disclosure, with a crucial requirement that fees must be structured as fixed amounts per transaction rather than percentage-based calculations. This approach aims to eliminate opacity in pricing while ensuring predictability for consumers. The framework also provides fee exemptions for specific categories, including microenterprises and designated account types, reflecting broader financial inclusion objectives.

However, the regulatory framework contains a significant gap regarding exchange rate transparency. While the BCRA regulates the official exchange rate, there is no explicit requirement for payment service providers to disclose marked-up exchange rates to consumers. This regulatory silence allows providers to embed hidden costs within exchange rate margins, potentially undermining the transparency objectives of the broader framework.

The governance challenge is compounded by Argentina's complex economic environment, where multiple exchange rates and capital controls create inherent difficulties in achieving meaningful price transparency. Recent liberalisation efforts aimed at unifying exchange rates represent important steps toward a more transparent system, though implementation remains ongoing.

#### Market behaviour

#### Argentinian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Markup/difference over	Tranparency	
the mid-market rate	rating	
Top 4 retail banks by assets held in in 2024		
0.14%		
No information provided		
2.00%		
1.96%	•	
2 popular money transfer operators		
2.33%		
1.38%		
	the mid-market rate eld in in 2024  0.14%  No information provided  2.00%  1.96%  rators  2.33%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Argentina's competitive landscape reflects the reality of regulatory transparency requirements and economic complexity. While the rise of fintech companies and digital wallets has intensified competition, the focus has shifted toward user experience improvements and regulatory navigation rather than pure price transparency.

The prevalent practice of displaying buy and sell rates rather than benchmark or mid-market rates creates inherent opacity around foreign exchange padding. This approach, while technically compliant with existing regulations, obscures the true cost structure from consumers and limits effective price comparison.

For outbound international transactions, the BCRA's information collection requirements—including transfer reasons and supporting documentation—create additional complexity in the customer experience. While exchange control liberalisation is progressing, these procedural requirements continue to impact transaction efficiency and user experience.

#### Consumer impact

The dual exchange rate system historically distorted consumer understanding of true exchange rates, making it difficult to assess the fairness of provider pricing. While recent economic reforms are addressing these structural issues, the legacy effects continue to impact market behaviour and consumer expectations.

#### Progress in the last 12 months

Since President Javier Milei's economic reform programme, the Argentinian Government has begun to move towards a unified exchange rate and gradually lift capital controls, known as "el cepo," which had historically severely restricted access to foreign currency for both individuals and businesses, distorting consumer understanding of what the real exchange rate is. This easing of restrictions, including the removal of mandatory waiting periods for importers to access the official FX market, marks a significant step toward a more open and market-oriented economy.

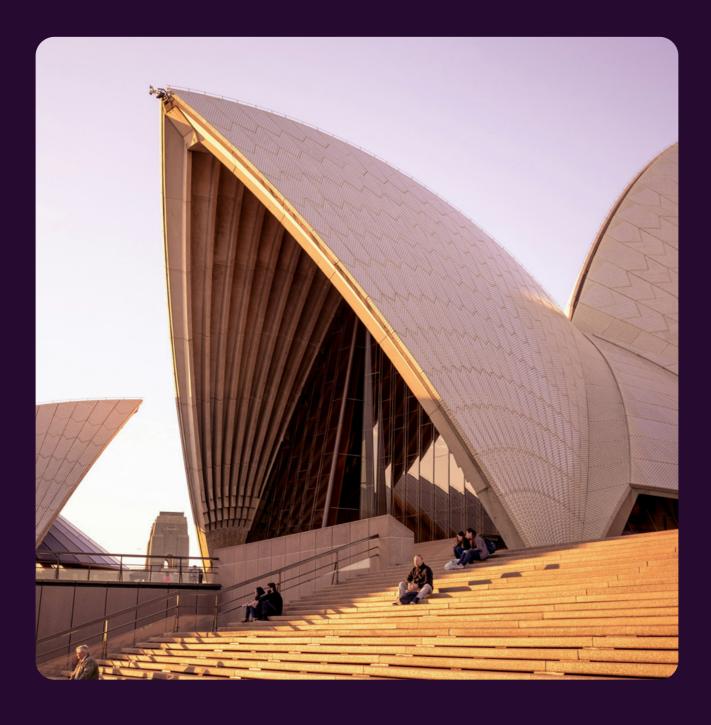
While these changes are a move in the right direction for the wider economic ecosystem, it has not made an impact on transparency in cross-border payments. Market behaviour continues to surface padded buy and sell rates to consumers rather than a benchmark or mid-market rate, and no specific regulatory reform has been proposed to tackle FX price transparency.

#### Looking forward: what's next

Argentina's economic reforms are expected to continue over the next 12 months with a clear focus on further liberalising the foreign exchange market. The Government's primary objective is to fully dismantle "el cepo"—the complex system of capital controls—with a target of 2026 for its complete removal. Simultaneously, the government is moving away from immediate dollarisation and towards a "competition of currencies." This means it will allow individuals and businesses to freely transact, invoice, and enter into contracts in any currency, while maintaining the peso for tax purposes. A key part of this strategy involves unifying the multiple exchange rates that existed under the previous system and establishing a more flexible, managed float within a defined currency band.

This combination of lifting capital controls and creating a more flexible currency system is designed to build confidence in the economy and attract much-needed foreign investment. The economic reforms are designed to address the root causes of FX market distortion and failure, with these changes expected to make existing regulations more effective over time. This may subsequently have a positive impact on price transparency on cross-border payments, as increased competition may lead to shifting market behaviour. We do not expect to see a regulatory approach to tackling price transparency over the next year given the above priorities.





# **Overview of rankings**

Australia's international payments policy landscape has experienced limited advancement over the past twelve months, with certain areas witnessing setbacks. The country's policy development has focused primarily on card payment scheme reforms, leaving other electronic payment methods with comparatively less regulatory attention. Australian non-bank payment service providers

continue to face structural barriers in accessing the New Payments Platform directly, as current requirements still necessitate a full banking licence. In addition, the absence of robust enforcement mechanisms for existing transparency guidance highlights the gap between policy intention and market reality.

#### **Direct Access Scorecard**

2025	2024
Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.	Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Australia maintains its 4/5 rating, reflecting ongoing consideration by scheme governors regarding non-bank access to the New Payments Platform. Currently, non-bank participation can only be achieved through sponsorship arrangements with direct scheme participants, though active policy discussions suggest potential future expansion.

# **Price Transparency Scorecard**

2025▼	2024
There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.	There is existing regulation for price transparency in disclosing all fees associated with crossborder transfers, but does not specify FX markups as a fee or cost to the end user.

Australia's rating has been reduced to 1/5. The Australian Competition and Consumer Commission's (ACCC) updated "Best Practice Guidance" for International Money Transfers does not specifically address FX markups and is also deemed voluntary by the ACCC. The ACCC's reluctance to encourage compliance with its own guidance relating to when fees are required to be applied, which became effective nearly twelve months ago, as well as the market's failure to act in line with voluntary guidance in the interest of their customers means there are effectively no identifiable compulsory requirements for financial service providers to disclose fees for international payments.



# 2

### **Direct Access in detail**



#### Governance of direct access

Australia's payments regulatory architecture operates under the Payment Systems (Regulation) Act 1998, which empowers the Reserve Bank of Australia to designate payment systems deemed to be in the public interest. This designation framework enables the Reserve Bank to establish rules, regulations, and standards governing access to designated payment systems, while also providing enforcement mechanisms to maintain compliance with access regimes.

The New Payments Platform (NPP), launched in February 2018, represents Australia's flagship instant payment infrastructure. Built primarily by Australian banks and owned by participating institutions under Australian Payments Plus, the NPP delivers real-time, always-on payment capabilities with data-rich processing functionality. The platform's evolution from domestic-only operations to include international payment services through the International Payments Business Service in late 2023 and early 2024 demonstrates its expanding strategic importance.

The current direct access framework for the NPP establishes stringent participation criteria that effectively limit full participation to traditional banking institutions. The current rules for direct access to the New Payments Platform include a requirement to hold a form of Banking Licence which is a considerably higher barrier to entry than the equivalent E-Money Issuers Licence which exists in other comparable jurisdictions.

While the framework provides for <u>two additional access</u> <u>levels</u> designed to accommodate different entity types within the payments ecosystem, these arrangements do not constitute full direct access. The fundamental restriction preventing non-bank direct connection to the NPP reflects a conservative approach to payment system governance that prioritises stability over competitive access.

#### Progress in the last 12 months

Progress toward expanded payment system access has stalled, with the Australian Treasury and government focusing instead on Buy Now Pay Later reforms, crypto-currency regulation, and cash acceptance and distribution challenges throughout the Australian economy.

The delay in implementing the 2024 commitment to introduce a new payments licensing regime has created cascading delays across the broader reform agenda for Australian payments. This legislative gap has particularly impacted Stored Value Facilities licensing reforms, resulting in continued higher costs for consumers and small businesses who might otherwise benefit from enhanced competition.

The absence of clear regulatory direction has created uncertainty for potential new entrants to the payments market, while existing participants face continued barriers to expanding their service offerings. This regulatory inaction occurs against a backdrop of rapid technological change and evolving consumer expectations for payment services.

#### Looking forward: what's next

The Australian Government's anticipated release of an updated <u>Strategic Plan for Australian Payments</u> in Q4 2025 or Q1 2026 represents a critical opportunity to reinvigorate the reform agenda. This strategic framework is expected to provide comprehensive guidance on payments licensing framework updates alongside other planned modernisation initiatives.

Legislative progress appears more promising, with the <u>Treasury Laws Amendment (Payments System Modernisation) Bill 2025</u> currently before Parliament. Expected passage by the end of 2025 would provide the foundational legal framework for subsequent regulatory reforms.

The next planned consultation on an updated payments licensing framework (most recent consultation here) by the end of 2025 will be crucial for determining how Australia addresses the competitive imbalances in its current system. The scope and ambition of this framework will significantly influence whether Australia can achieve meaningful expansion of direct access for nonbank payment service providers.



# **Price Transparency in detail**

#### Governance of price transparency

Australia's approach to international money transfer pricing disclosure operates without specific legislative mandates, relying instead on general consumer protection principles embedded in the Consumer and Competition Act 2010 and the Australian Consumer Law. This framework provides broad protections against misleading conduct but lacks the specificity required to address foreign exchange margin disclosure effectively.

The Australian Competition and Consumer Commission's (ACCC) "Best Practice Guidance" represents the primary regulatory instrument addressing international money transfer transparency. However, this guidance is explicitly non-binding and lacks enforcement mechanisms, creating a voluntary compliance environment that has proven insufficient to drive meaningful market change.

The current Best Practice Guidance establishes basic requirements for fixed fee disclosure, mandating that such fees be subtracted from transfer amounts and that customisable calculators be provided to consumers. However, the guidance fails to address the more significant issue of foreign exchange margins, which often represent the largest component of total transfer costs.

This regulatory gap is particularly problematic given that foreign exchange margins are frequently embedded within exchange rates without clear disclosure, making it impossible for consumers to understand the true cost of their transactions or effectively compare providers. Despite in-depth consumer research on the topic, the ACCC acknowledged that it would have been worthwhile to look at FX margins and their effect on consumer understanding in further detail, but insufficient funds prevented this research from taking place.

#### Market behaviour

#### Australian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by asset	ts held in in 2024	
ANZ Bank	3.25%	
Commonwealth Bank of Australia	3.70%	•
National Australia Bank	2.54%	
WestPac Bank	3.83%	
2 popular money transfer operators		
Western Union	2.39%	
OFX	0.35%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. The absence of comprehensive transparency requirements has enabled widespread practices that obscure the true cost of international money transfers from Australian consumers. Providers routinely embed significant foreign exchange markups within exchange rates while promoting low or zero upfront fees, creating a misleading impression of total transaction costs.

The lack of standardised disclosure requirements means that each provider can present pricing information in different formats, making meaningful comparison shopping extremely difficult for consumers. This fragmented approach to pricing presentation undermines market efficiency and prevents competitive forces from driving down costs

Recent updates to the ACCC's Best Practice Guidance, requiring that fixed fees be subtracted from the amount sent, address only a minor component of the transparency challenge. While this change enables some degree of like-for-like comparison for consumers already inclined to shop around, it does not encourage broader consumer engagement with price comparison or address the more significant issue of hidden foreign exchange costs.

#### **Consumer impact**

The failure to establish effective price transparency mechanisms in Australia's international money transfer market has created substantial economic costs for consumers and businesses. The absence of standardised foreign exchange margin disclosure prevents informed decision-making and enables providers to maintain pricing power through information asymmetries.

Independent research indicates that the lack of competitive transparency will contribute to almost \$4 billion (A\$ 5.7 billion) lost through hidden fees in 2025 alone for consumers and small businesses. This figure is projected to increase close to \$4 billion (A\$ 5.8 billion) by 2027, demonstrating the compounding effect of regulatory inaction. The economic impact extends beyond direct costs to include reduced trade efficiency and limited financial inclusion for communities that rely heavily on remittance services.

#### Progress in the last 12 months

The ACCC's publication of updated Best Practice Guidance represents the most significant development in transparency policy over the past year. The requirement that fixed fees be subtracted from the amount sent addresses a specific comparison challenge but falls short of comprehensive reform.

While this improvement enables more effective comparison shopping for consumers already predisposed to price comparison, it does not address the fundamental barriers that prevent broader consumer engagement with competitive shopping. The continued absence of foreign exchange margin disclosure requirements and of the willingness from industry to act in line with best practices in the interest of their customers means that the largest component of transfer costs remains hidden from consumers.

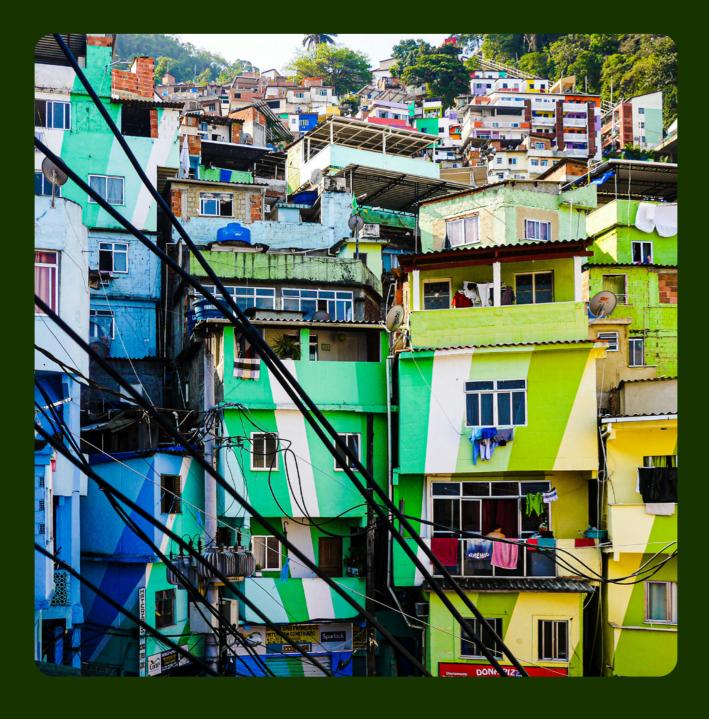
#### Looking forward: what's next

The upcoming update to the Strategic Plan for Australian Payments, expected in the second half of 2025, will be important in determining Australia's future approach to international payment transparency. Previous versions of the Strategic Plan have included commitments to monitor the ACCC's Best Practice Guidance with the objective of achieving full fee transparency, including foreign exchange margins.

The government's approach to this monitoring commitment and any subsequent policy responses will significantly influence whether Australia can address the substantial consumer detriment caused by current transparency gaps. The scale of projected future losses provides a compelling economic case for more robust regulatory intervention.

The success of any future transparency initiatives will depend on the government's willingness to move beyond voluntary guidance toward mandatory disclosure requirements with effective enforcement mechanisms. Without such measures, Australian consumers and businesses will continue to bear the substantial costs of an opaque and uncompetitive international payments market.





# **Overview of rankings**

Brazil continues to demonstrate global leadership in payments innovation, anchored by the remarkable success of its instant payments system, Pix. As the system marks its fifth anniversary since launching in 2020, Pix has delivered transformational advancement in real-time payments and established itself as a global benchmark for instant payment schemes. Brazil's histor-

ical commitment to consumer protection measures, including foreign exchange market regulations through Total Effective Value (VET) rules, reflects a sophisticated approach to financial market governance. However, significant opportunities remain to fully deliver on the G20 target of comprehensive cost transparency in cross-border payments.



2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Brazil retains the highest score of 5/5 this year. Pix's architecture currently accommodates 684 institutions as indirect participants and 251 institutions (banks and non-banks) with direct access, with recent enhancements including recurring payments and the forthcoming launch of installment payment capabilities in autumn 2025.

# Price Transparency Scorecard

2025	2024
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.	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.

Brazil retains its 3/5 rating, as no significant policy developments have emerged to improve foreign exchange price transparency for Brazilian consumers over the past year, despite the country's advanced regulatory framework in other areas.





### **Direct Access in detail**

# **Price Transparency in detail**



#### Governance of direct access

Banco Central do Brasil's (BACEN) launch of Pix in 2020 represents a notably successful implementation of a modern instant payment system, achieving high adoption rates, minimal fees, and substantial improvements in financial inclusion. Pix's success stems from its inclusive design philosophy, which has enabled direct access to payment infrastructure for authorised payment institutions since inception.

The regulatory framework governing Pix participation is established through BACEN's Resolution BCB No. 1/2020, which provides comprehensive operational procedures and participation criteria for both banks and non-bank financial institutions. This framework aims to balance inclusivity with appropriate risk management and operational standards.

The participation model reflects nuanced understanding of market dynamics and institutional capabilities. Authorised payment institutions with over 500,000 active customers face mandatory participation requirements, ensuring that significant market players contribute to system liquidity and network effects. Simultaneously, other payment institutions meeting technical and operational requirements can participate directly on a voluntary basis, promoting innovation and competition within the ecosystem.

The framework's flexibility extends to institutions not authorised by the Central Bank, which can participate as indirect participants through sponsorship arrangements. This tiered approach ensures that the system can accommodate diverse business models and institutional capabilities while maintaining appropriate oversight and risk management standards.

A notable element of Brazil's approach is the provision under Central Bank rules (Circular 3,681/2013) allowing payment institutions to safeguard customer funds directly at the Central Bank through special accounts. This capability addresses one of the most significant competitive disadvantages faced by non-bank payment service providers in other jurisdictions, where reliance on commercial bank safeguarding arrangements can create operational dependencies and competitive constraints.

#### Progress in the last 12 months

Given Brazil's already advanced position on direct access to payment schemes and customer fund safeguarding capabilities for NBPSPs, regulatory development in this area has focused on refinement and enhancement rather than fundamental structural change. The Central Bank has continued to issue policy amendments that clarify compliance requirements for different business models while introducing system improvements and new capabilities.

The launch of Pix Automático in June 2025 represents a significant functional enhancement, enabling recurring payment capabilities that expand the system's utility for both consumers and businesses. This development demonstrates the Central Bank's commitment to continuous innovation and system evolution based on market needs and user feedback.

#### Looking forward: what's next

Brazil's direct access framework has achieved a level of maturity and inclusivity that positions it as a global benchmark. Future developments are likely to focus on expanding system capabilities and enhancing integration with emerging payment technologies rather than fundamental access reforms.

The Central Bank's continued commitment to innovation suggests that new features and capabilities will be introduced based on market demand and technological developments. The success of Pix Automático and the planned introduction of installment payment capabilities demonstrate the system's capacity for ongoing evolution and enhancement. Brazil is also expected to release new regulations for stablecoins in Q4 this year. This will include the framework for operating such assets in Brazil and standardising tax treatment for such transactions.

#### Governance of price transparency

In 2022, Brazil implemented new laws (Law 14,286/21 and Resolution BCB 277/22) aimed at regulating the foreign exchange market with its objectives of modernising, simplifying and bringing greater legal certainty to business in this market. While foreign exchange rules have existed for decades, updated 'Total Effective Value' (VET) rules published in 2022 sought to simplify and enhance further transparency, with the aim of bringing Brazil in line with OECD standards.

In Brazil, providers can choose the exchange rate they provide their customer, as long as this does not constitute foreign exchange evasion, artificial formation or price manipulation. The Total Effective Value (VET) framework represents the centrepiece of Brazil's transparency approach, encompassing all charges applicable to foreign exchange transactions, including exchange rates, financial operations taxes, and additional fees. This comprehensive approach to cost disclosure reflects an understanding that meaningful transparency requires consideration of all cost components rather than selective disclosure of individual elements.

The Central Bank's establishment of a VET ranking page demonstrates commitment to facilitating cost comparison between service providers. However, the page's lack of real-time updates limits its effectiveness as a practical comparison tool for consumers making time-sensitive transfer decisions.

While the VET regulations have simplified compliance requirements and enabled some degree of cost comparison, they contain a fundamental gap that undermines their transparency objectives. The regulations do not establish a benchmark rate that providers must use to calculate the Total Effective Value, against which consumers can understand mark-up charges on foreign exchange.

This regulatory flexibility permits service providers to obscure fees within exchange rate markups by using inflated rates as the basis for VET calculations. Consequently, the prevalent market practice of embedding additional fees in exchange rates persists, reducing competitive pressure to lower costs and limiting the effectiveness of the transparency framework.

# Price Transparency in detail continued

3/5

#### Market behaviour

#### Brazilian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by a	assets held in in 2024	
Banco do Brasil	1.55%	
Banco Bradesco	3.82%	
Caixa Econômica Federal	1.21%	•
Itaú Unibanco	-0.13%	
2 popular money trans	sfer operators	
Remessa Online	0.93%	
Western Union	1.33%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

Most providers continue to hide fees in exchange rate mark-ups. While providers comply with the regulations by showing the total 'VET' amount, including the exchange rate, tax (IOF) and other provider fees, it is difficult as a consumer to compare prices because providers can choose their preferred exchange rate to calculate the VET. Banks and providers frequently advertise "no" or "low"

fees for currency exchanges but fail to clearly explain what these fees actually entail. For example, while some may claim that the IOF (Tax on Financial Operations) is waived, this is misleading, as the IOF is mandatory and must be collected. As a result, consumers are left with an incomplete understanding of the true cost of their transactions.

#### **Consumer impact**

The gap between Brazil's regulatory intentions and market reality creates ongoing challenges for consumers seeking to understand and compare the costs of cross-border payments. While the VET framework provides some improvement over previous arrangements, the absence of standardised benchmark rates means that consumers cannot easily assess whether they are receiving fair value. In 2025 Brazilian consumers and SMEs are expected to lose over \$3 billion in hidden fees when sending cross-border payments.

#### Progress in the last 12 months

Brazil's ongoing OECD accession process has driven several reforms intended to meet international standards, with particular relevance to Principle 7 of the OECD's High-Level Principles on Consumer Protection. This principle requires specific levels of disclosure, transparency, and consumer ability to compare products, creating external pressure for enhanced transparency measures.

However, despite Brazil's clear commitment to fulfilling global obligations, the Central Bank has not announced any specific initiatives to strengthen price transparency rules over the past twelve months. The persistent practice of hidden fees in cross-border payments and remittances continues without a direct regulatory response.

#### Looking forward: what's next

Brazil's demonstrated commitment to meeting international standards and fulfilling global commitments provides a foundation for potential future action on price transparency. The most impactful reform would involve clarifying VET rules to specify a benchmark rate that providers must use to calculate Total Effective Value. This change would give consumers genuine cost transparency, enabling effective comparison shopping and understanding of total payment costs, including all fees and exchange rate markups.

Such reform would align with Brazil's objectives under the G20 Roadmap for Enhancing Cross-Border Payments while building on the existing VET framework rather than requiring wholesale regulatory restructuring. The implementation of standardised benchmark rates would reduce hidden fees and foster a more competitive and transparent market for international money transfers.





# **Overview of rankings**

Canada is proactively advancing its payment system infrastructure and regulatory frameworks, demonstrating a strong commitment to modernisation and competition. Its legislative developments, particularly the ongoing implementation of the Retail Payment Activities Act

(RPAA) and the development of the Real-Time Rail (RTR), demonstrate its commitment to expanding direct access for non-bank payment service providers (NBPSPs). However, the country has yet to take any substantive action in price transparency for cross-border payments.

## 

2025	2024
Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.	Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Canada maintains its 4/5 ranking, reflecting formal legislative expansion of direct access to NBPSPs through enacted legislation, though the first NBPSP has yet to be officially onboarded to the system. The rating is anticipated to upgrade to 5/5 once onboarding for non-banks is established.

# **Q** Price Transparency Scorecard

2025	2024
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.	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.

Canada has retained its low ranking of 2/5 for price transparency. While Canada has general consumer protection regulations that promote clear disclosures for domestic payment card transactions, these regulations do not explicitly mandate the upfront, itemised disclosure of FX markups as a separate fee for cross-border transfers.

#### Direct Access in detail



#### **Governance of direct access**

Direct access in Canada is governed by the <u>Canadian Payments Act (CPA)</u> amendments made in 2001. This legislation saw the creation of Payments Canada, a modernised national payment system operator responsible for operating systems including Lynx and the Automated Clearing Settlement System (ACSS) and developing the rulesets, while the Bank of Canada is responsible for their oversight. Direct access to these systems was originally only available to licensed banks in Canada.

However, in line with its G20 commitments, Canada introduced amendments to the CPA through the <u>Bill C-59</u> (Fall Economic Statement Implementation Act, 2023). These amendments explicitly provided legal authority for expanding Payments Canada membership eligibility to regulated payment service providers, including NBPSPs. This legislative foundation ensures that the expanded access framework operates within clear legal parameters while providing certainty for potential participants.

These amendments to the CPA were deliberately made to coincide with Canada's wider payments modernisation efforts—principally the introduction of faster payments via building a new Real-Time Rail (RTR) payment scheme. NBPSPs are largely expected to onboard to the RTR when it becomes available due to its modern architecture and potentially lower barriers to entry. While the CPA amendments allow NBPSPs to access all Payments Canada schemes, non-banks will have to meet each legacy system's risk, capital thresholds and technical integration requirements which will make them longer-term developments.

#### Progress in the last 12 months

Under the Retail Payment Activities Act (RPAA), NBPSPs had a registration window with the Bank of Canada in November 2024 to express their interest in becoming full participants of Payments Canada, which would enable them to achieve direct access. The Bank of Canada then published a list of companies that applied for registration in December 2024, providing market transparency about the scope of interest in direct access, while demonstrating the regulatory commitment to open and accountable processes.

The concurrent development of the RTR system, designed to enable real-time clearing and settlement between financial institutions on a 24/7/365 basis, demonstrates Canada's commitment to building modern infrastructure that can accommodate expanded access from inception. RTR is expected to launch in 2026, following a significant build and extensive testing phases.

The legislative and regulatory groundwork established over the past year provides a solid foundation for expanded access, though full implementation remains in progress. The systematic approach to reform, with clear timelines and regulatory milestones, reflects mature policy development that balances ambition with practical implementation considerations.

#### Looking forward: what's next

September 2025 is when the Bank of Canada began to publish, on a rolling basis, the comprehensive list of successful and refused applications from NBPSPs seeking direct connection to Canadian payment systems. This publication will provide market clarity about which entities have met regulatory requirements and can proceed to operational integration.

The operationalisation of the RPAA's risk management and safeguarding frameworks in the same timeframe will complete the regulatory architecture necessary for NBPSP participation. These frameworks will address key prudential concerns while providing clear operational quidance for approved participants.

The RTR's technical completion before the end of 2025 will enable the testing phase that precedes full system launch, expected in 2026. The new infrastructure's design to support expanded access and direct settlement participation for NBPSPs through the Canadian Payments Act amendments creates the technical foundation for meaningful competition and innovation.

# Price Transparency in detail

#### Governance of price transparency

Canada's approach to financial consumer protection reflects the complexity of its federal system, with shared responsibilities between federal, provincial, and territorial authorities creating distinct regulatory requirements for different types of financial institutions. This jurisdictional complexity has historically created gaps in consumer protection, particularly for cross-border payment services.

Federally regulated banks operate under the <u>Bank Act</u> <u>1991</u> and oversight by the Financial Consumer Agency of Canada (FCAC), with general disclosure requirements under Part XII.2 providing broad consumer protection principles. This includes provisions around false or misleading information, as well as transparency on what the charge will be to send money abroad. However, these requirements prove insufficient, lacking specific provisions for price transparency and particularly failing to address foreign exchange markup disclosure.

The regulatory gap has been particularly pronounced for NBPSPs, which previously operated without federal-level supervision in many cases. The RPAA's requirement for payment service providers to register with the Bank of Canada by September 2025 addresses this supervisory gap, though the initial scope does not include specific foreign exchange markup disclosure requirements for remittances.

This fragmented regulatory approach has enabled obfuscation of foreign exchange costs while maintaining technical compliance with existing disclosure requirements. The absence of specific transparency mandates for the most significant component of cross-border payment costs represents a substantial consumer protection gap.

#### Market behaviour

# Canadian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

\*While Scotiabank does not currently show FX markups to its customers, it is demonstrating efforts and trajectory towards cross-border payments transparency. In light of this, we have decided to give them an amber rating to reflect this.

The absence of comprehensive transparency regulations has enabled widespread practices that obscure the true cost of international money transfers from Canadian consumers. Most providers embed foreign exchange markups within exchange rates without clear disclosure, making it difficult for consumers to understand the full cost of their transactions.

The lack of standardised disclosure requirements means that even consumers motivated to comparison shop face barriers to understanding relative costs across providers. This information asymmetry undermines market efficiency and prevents competitive forces from driving down costs for consumers.

#### **Consumer impact**

The practice of embedding hidden charges within unfavourable exchange rates impedes consumers' ability to make informed decisions about service providers. Independent research indicates that Canadian consumers are expected to collectively lose an estimated \$1.2 billion (C\$1.7 billion) in 2025 due to obscured foreign exchange markups. This figure underscores the urgent need for regulatory intervention to ensure upfront, itemised disclosure of all costs associated with cross-border payments.

#### **Progress in the last 12 months**

Following Prime Minister Trudeau's resignation in January this year, former Bank of Canada and Bank of England Governor Mark Carney was elected to power. While specific progress on price transparency has been limited, the <u>Canadian Government's 2024 Budget</u> under Prime Minister Trudeau included enhanced focus on eliminating "junk fees" in financial services, driven by cost-of-living concerns. Although cross-border transactions and hidden foreign exchange markups were not explicitly targeted, this broader governmental focus on consumer costs creates a policy environment that could support future transparency initiatives.

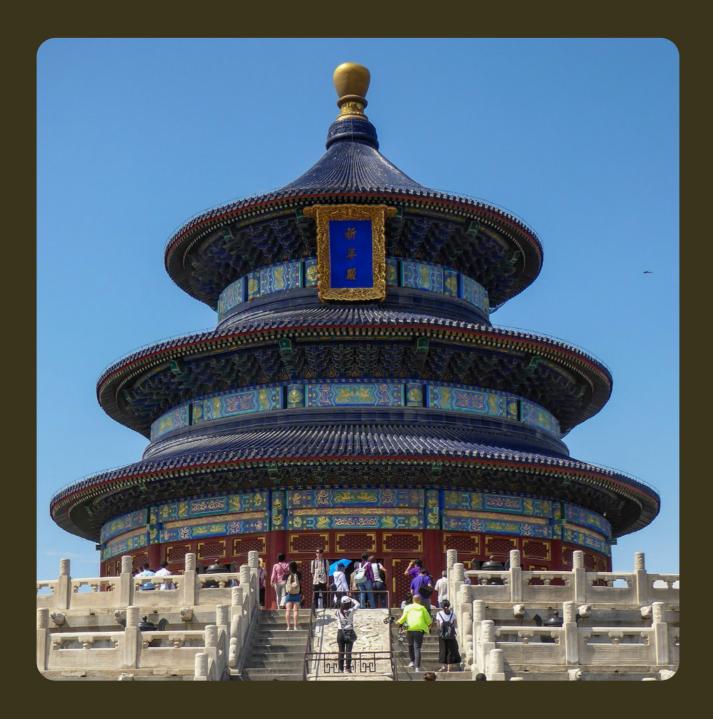
The "junk fees" initiative reflects growing political awareness of hidden costs in financial services and their impact on household budgets. This policy attention provides a foundation for potential future action on cross-border payment transparency, particularly as consumer advocacy groups and policy makers become more aware of the scale of hidden costs in international transfers.

#### Looking forward: what's next

Under Prime Minister Carney's new leadership, the Canadian government has focused on seven main priorities, emphasising affordability and bringing down costs for Canadians. The continued implementation of the previous government's "junk fees" initiative will be crucial for assessing Canada's future approach to price transparency in foreign exchange. The scope and effectiveness of this broader consumer protection effort may influence whether cross-border payment transparency receives specific policy attention.

Growing consumer demand and advocacy for clearer pricing continues to create pressure on financial institutions and regulators to adopt more transparent practices. As global efforts to enhance cross-border payments persist, Canada will face increasing international pressure to align its domestic transparency regulations with best practices that emphasise explicit foreign exchange markup disclosure.





# **Overview of rankings**

China maintains a sophisticated digital infrastructure that ensures seamless and inclusive financial services. The NetsUnion Clearing Corporation Network (NUCC), overseen by the People's Bank of China (PBC), provides a centralised platform for non-bank payment service providers (NBPSPs) and banks to process domestic and cross-border transactions efficiently. While China demon-

strates strong performance in facilitating direct access to payment systems, significant opportunities remain to enhance transparency in cross-border payments, particularly regarding foreign exchange markup disclosure. The regulatory focus continues to prioritise accessibility and system efficiency over comprehensive cost transparency for consumers.



#### **Direct Access Scorecard**

2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

China maintains its 5/5 score, reflecting its robust centralised platform and comprehensive regulatory oversight that enables seamless access for licensed NBPSPs and banks to participate directly in the national payment infrastructure.

### **Price Transparency Scorecard**

2025	2024
There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.	There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

China retains its 1/5 score, reflecting the absence of regulations mandating the disclosure of FX markups as distinct costs to consumers, despite competitive exchange rates offered by domestic banks.



### **Direct Access in detail**

#### Governance of direct access

China's internet payment and clearing platform for nonbank payment institutions is the NetsUnion Clearing Corporation Network (NUCC), established by the Payment and Clearing Association of China (PCAC) in 2017 under the supervision and regulation of the People's Bank of China (PBC). NUCC was officially launched in 2018 as the designated platform for the online settlement of non-bank payments, remaining under PBC supervision.

NUCC serves as the nationwide centralised platform for processing transactions conducted by third-party payment providers involving bank accounts. It links e-wallet providers with participating banks, enabling both local and foreign licensed NBPSPs and banks to offer faster and more efficient collection solutions. Additionally, all third-party payment companies are required to maintain direct safeguarding accounts with the PBC for the clearing and settlement of regulated payment activities within China, ensuring robust oversight and financial stability.

The Administrative Measures for Payment Services Provided by Non-financial Institutions, promulgated in 2010, defines the market access, supervision, and administration of payment institutions undertaking online payments, the issuance and acceptance of prepaid cards, and the acquisition of bank cards.

#### Progress in the last 12 months

In March 2024, the publication "Opinions of the General Office of the State Council on Further Optimising Payment Services to Facilitate Payments" introduced initiatives aimed at promoting mobile payment convenience and acceptance for both mainland Chinese citizens and foreigners utilising various payment methods, which remains ongoing. These initiatives, currently under implementation, align with China's ongoing commitment to improving payment convenience and expanding financial inclusion. Aside from enhancing adoption of modern payment methods, China generally remains committed to maintaining a transparent and accessible payment infrastructure, fostering financial inclusion and system reliability for both domestic and cross-border transactions.

#### Looking forward: what's next

China will continue to enhance NUCC's infrastructure, focusing on integrating advanced technologies like blockchain, stablecoins and digital currencies to streamline domestic and cross-border payments. This is evidenced by China's participation in Project mBridge a blockchain-based collaboration with the Bank for International Settlements' (BIS) Innovation Hub and central banks from Hong Kong, Thailand, and the United Arab Emirates. The project aims to explore a multi-central bank digital currency (CBDC) platform shared among participating central banks and commercial banks, built on distributed ledger technology (DLT) to enable instant cross-border payments and settlement. In June 2025, the PBC announced plans to establish an international operation centre for the digital yuan (officially known as e-CNY) to promote the internationalisation of the digital currency, alongside its aim to streamline payment processes, potentially enhancing NUCC's efficiency for domestic and cross-border transactions.



# **Price Transparency in detail**



#### Governance of price transparency

In China, there are no specific legislated laws that govern the disclosure of fees or ensure transparency in FX transactions. When customers send remittances abroad or make payments for services or goods outside of China, the People's Bank of China (PBC) encourages payment service providers to use FX rates quoted by banks and to convert foreign currencies into Chinese Yuan (CNY) based on non-specific circulars, which lack detailed mandates for disclosing FX markups or total transaction costs.

While positive action has been taken by the Payment & Clearing Association of China (PCAC), a self-regulatory body within the payment industry, to reduce conversion fees for Visa and Mastercard to 1.5% since 2023 (down from 2.5%-3%) there has not been any enforcement for transparency. It remains common practice for banks and other financial institutions to advertise their remittance products as "fee free" or "\$0" while incorporating hidden fees, such as the bid and offer FX spread. This practice undermines true fee transparency and obscures the actual costs from consumers.

#### Market behaviour

#### Chinese payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by assets held in in 2024		
Agricultural Bank of China	0.24%	•
Bank of China	0.22%	•
China Construc- tion Bank	0.27%	•
Industrial & Commer- cial Bank of China	0.27%	•
2 popular money transfer operators		
PayPal	3.55%	•
WeChat	No information: conversion by recipient bank	•

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Chinese banks offer competitive FX rates to retail customers, with margins generally under 30 basis points. International payment service providers like PayPal charge much higher margins which—if disclosed—would likely encourage consumers to use their bank.

Chinese banks and payment providers often promote "free" or "low fees" for converting Chinese Yuan to foreign currencies, but they embed their FX fees within the margin between the mid-market rate and their own bank rates, which is not well understood. Additionally, banks frequently advertise "promotional rates" to attract first-time consumers. However, these rates are usually one-time offers, and customers are not fully informed that subsequent FX rates will be higher.

#### Consumer impact

The lack of legislation and regulations requiring the disclosure of FX margin has hindered effective price comparison and competitiveness. Consumers are presented with fee disclosures including transfer and/ or handling fees. However, most providers present their FX rate as the mid-market rate and do not communicate the FX margin as a cost. This opacity provides incomplete information to the consumer, limiting their ability to fully understand the total cost of their transaction, effectively compare across different providers, and choose the most cost-efficient option.

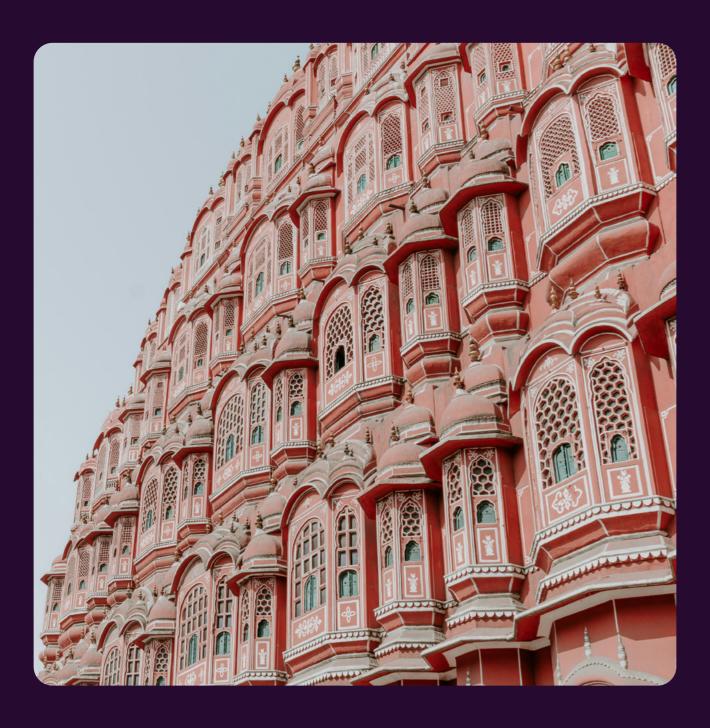
#### Progress in the last 12 months

There is limited indication that the PBC or the Chinese Government is prioritising transparency in cross-border payments. No new regulations or specific guidelines have been introduced in 2024 or 2025 to mandate disclosure of FX markups or comprehensive fee structures. Without explicit legislative actions, banks and financial institutions will likely persist in obscuring fees, limiting transparency for consumers engaged in cross-border transactions. This regulatory inaction occurs despite China's broader commitment to international standards and financial system modernisation.

#### Looking forward: what's next

Enhancing regulatory requirements to mandate clear and comprehensive disclosure of all transaction costs, including FX markups, could significantly improve consumer trust and facilitate effective comparison shopping. Alignment with the G20 Roadmap on Enhancing Cross-Border Payments may encourage China to develop standardised disclosure models, building on initiatives like increased renminbi use and digital yuan pilots. The PBC's ongoing regulatory refinements and focus on digital innovation will support a resilient payments ecosystem, but targeted action on FX transparency is needed to align with global standards.





# Overview of rankings

India continues to harness innovative digital infrastructure to foster financial inclusion, competition, and efficiency. The National Payments Corporation of India (NPCI), established by the Reserve Bank of India (RBI), drives transformative instant payment schemes like the Unified Payment Interface (UPI) and Immediate Payment Services (IMPS), enabling seamless transactions for banks and select non-bank payment service providers through strategic partnerships. However, access still remains incomplete for a number of categories of payment service providers.

While India strives to enhance transparency in cross-border payments, particularly regarding foreign exchange (FX) markups, progress remains gradual, with notifications from the RBI being supplemented by industry-led initiatives through the Foreign Exchange Dealers Association of India (FEDAI) which show early promise to tackle hidden FX margins.

# **Direct Access Scorecard**

2025	2024
Licensed banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.	Licensed banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

India retains its 3/5 score, reflecting the continued access of banks to IMPS and select NBPSPs to UPI via PSP bank partnerships, with UPI World One and international partnerships enhancing the ecosystem, though direct NBPSP access to cross-border services remains limited pending regulatory clarity.

# **Q** Price Transparency Scorecard

# 2025 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. There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

India has improved its price transparency score over the past year, moving from 1/5 to 3/5, due to new requirements from the RBI to disclose FX margins, issued through notifications made earlier in 2025 to payment service providers. This regulatory move signifies encouraging progress.



### **Direct Access in detail**

3/!

#### Governance of direct access

India has made significant strides in the field of instant payments through the establishment of two primary schemes: Immediate Payment Services (IMPS) and Unified Payment Interface (UPI). Both schemes are operated by the National Payments Corporation of India (NPCI), an organisation that was set up by the Reserve Bank of India (RBI) and is owned by a consortium of Indian banks.

IMPS was launched in 2010 as a system for interbank transfers between bank accounts. Initially, it facilitated transfers strictly between bank accounts. Over time, additional channels have been introduced, such as transfers using a mobile number, ATMs, and branch networks, to further ease account-to-account transfers. Access to IMPS remains exclusively restricted to banks, ensuring that only regulated banking entities can participate directly in this payment scheme.

UPI, introduced in 2016, builds upon the existing IMPS infrastructure and offers a versatile platform for both Person-to-Person (P2P) and Person-to-Merchant (P2M) transactions. UPI allows funds to be transferred through various modes, such as mobile numbers, UPI IDs, QR codes, and direct bank account numbers. Payments can be initiated using both push (credit transfers) and pull (money requests) mechanisms, enhancing flexibility and usability.

The UPI ecosystem includes several types of participants in a typical payment cycle: the remitter (customer or merchant), the beneficiary (customer or merchant), Third-Party Application Providers (TPAP), Payment Service Providers (PSPs—including banks or certain non-bank PSPs (NBPSPs)), and issuers (remitter banks or Prepaid Payment Instruments (PPIs)).

Several advancements have spurred the widespread adoption of UPI, including the ability to facilitate small value offline transactions, the availability of certain credit cards for P2M transactions, and international expansion efforts to increase UPI acceptance outside India. Although NBPSPs can access the UPI scheme, they must form partnerships with banks in order to do so. These NBPSPs include lending companies, investment firms, and large e-commerce or travel companies. However, there is no existing provision for NBPSPs focused on remittance services—either for sending money abroad or processing inbound collections—to access the UPI scheme directly.

#### Progress in the last 12 months

UPI has continued its rapid growth, with the <u>UPI World One initiative</u>, launched in July 2024, enabling foreign travellers to use UPI for payments in Indian Rupees (INR) during their stay in India. Partnerships with countries like Singapore, the United Arab Emirates, and Sri Lanka have expanded UPI's international acceptance, allowing Indian users to make seamless cross-border payments at merchant locations in these jurisdictions.

Recently, policymakers have introduced the "UPI World One" initiative, allowing foreign travellers to utilise UPI for payments made in INR during their stay in India. This was launched in July 2024, with five partners having been onboarded so far. This development highlights potential opportunities for other cross-border NBPSPs to access the UPI scheme in the future.

#### Looking forward: what's next

The RBI and NPCI will continue to expand UPI's domestic and international reach, with a focus on integrating new use cases, such as credit-linked transactions, and enhancing interoperability with global payment systems. Ongoing regulatory reviews may create opportunities for broader NBPSP participation, particularly for cross-border services, though clarity on Authorised Dealer regulations is needed. These efforts will balance innovation with robust risk management, ensuring a stable and inclusive payments ecosystem.

# **Price Transparency in detail**

#### Governance of price transparency

India has previously relied on an industry-led process for illustrating prices of foreign exchange products to consumers. The Foreign Exchange Dealers Association of India (FEDAI), an industry association, has published rules applicable to Authorised Dealer Category-I (AD-I) banks who are also members of the FEDAI.

These rules note that member banks are, "free to determine their own charges for various types of forex transactions, keeping in view the advice of RBI that such charges are not to be out of line with the average cost of providing services" and also that, "customers with low volume of activities are not penalised."

Members of FEDAI are asked to illustrate their daily FX rates and fixed FX fees to customers. However, this system has limitations in that not all banks are members of FEDAL not all members of FEDAL provide this information for publication, and the FEDAI requirements do not extend to non-bank payment service providers.

Recently there has been a move away from industry self-regulation with the Reserve Bank of India issuing its own Notifications to both bank and non-bank payment service providers requiring that fixed fees, applicable taxes and service fees as well as FX margins be displayed to consumers for cross-border payments. This is a positive step as consumers are expected to receive specific information about FX margins.

#### Market behaviour

#### Indian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by assets held in in 2024		
Bank of Baroda	0.33%	
HDFC Bank	1.84%	
ICICI Bank	2.05%	
State Bank of India (SBI)	0.98%	•
Instarem	0.94%	
Western Union	0.98%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Indian banks often obscure the true cost of cross-border payment services by reducing or eliminating upfront fees while increasing FX markups, concealing the total cost to consumers. These markups are frequently buried within the terms and conditions of consumer contracts, making it challenging for customers to understand the full cost of their transactions. While some providers have begun to improve transparency by calculating and displaying FX margins as a fee or percentage, this information is often hidden behind tooltips or other inaccessible formats, limiting its usefulness to consumers.

#### Consumer impact

Currently, although the FEDAI guidance is in place, consumers often execute transactions without being aware of the FX rate their bank applies or how it compares to the prevailing mid-market rate. In nearly all instances, the FX rate is subject to a markup that ranges between 0.5% to 3%. Such markups have resulted in losses for Indian consumers and small and medium-sized enterprises (SMEs) expected to total \$7 billion this year—a figure that will rise to \$8.9 billion by 2027.

While the FEDAI industry guidance which populates FX rates into the FEDAI website is available, it requires that consumers are aware of the website, that their chosen FX provider is a member of FEDAI and is an AD-I bank. and that the providers have up to the minute illustrations of their rates. In the absence of regulations ensuring transparency in fee disclosure, the overall customer experience remains inconsistent and suffers from a lack of clarity and transparency regarding the true cost of transactions.

With the RBI moving towards FX markup disclosure, consumers should become better informed about their cross-border transaction costs.

#### Progress in the last 12 months

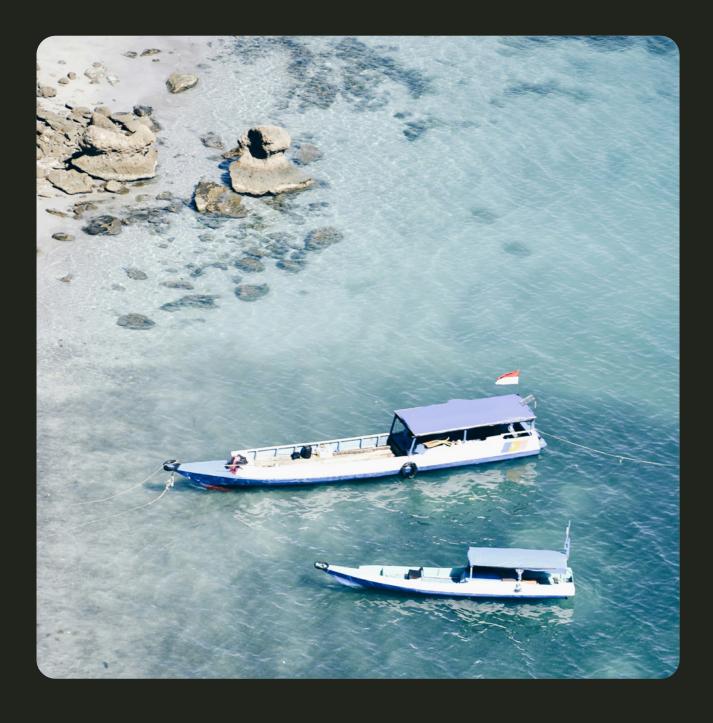
In May 2025 a FEDAI circular requesting that member banks provide hyperlinks to webpages which show, "service charges for forex and trade related services" was issued. These hyperlinks are then populated on a webpage maintained by FEDAI.

In August 2025, the RBI Foreign Exchange Department issued a circular which requires that at the invoice stage the invoice generated should show fees relating to the exchange rate. While these terms require additional clarification and the FX margin disclosure requirement comes at the invoice stage not the offer stage this is still a considerable step forward in the illustration of price transparency.

#### Looking forward: what's next

Continued alignment with the G20 Roadmap on Enhancing Cross-Border Payments should encourage the development of standardised FX disclosure models, particularly if RBI were to go further in defining FX markups for the purposes of its circulars and notifications then the results for Indian consumers remitting money outwards from India would be much greater in terms of money saved. The RBI's focus on digital innovation and international UPI expansion will strengthen the payments ecosystem, but specific regulatory action on FX margin disclosure is needed to improve consumer trust and align with global standards.

# INDONESIA



# **Overview of rankings**

The introduction of BI-FAST by Bank Indonesia has marked a significant advancement in real-time payments, with a commitment to expanding access for non-banks, reinforcing Indonesia's position in regional payments policy development. However, progress on price transparency for cross-border payments remains limited, with regulatory frameworks lacking specific guidance on foreign

exchange markup disclosure. However, competitive forces have led to low pricing and some large transparent players in the market organically. Ongoing collaboration between Bank Indonesia, the Otoritas Jasa Keuangan (OJK), and industry stakeholders positions Indonesia to address emerging challenges while supporting a competitive and inclusive payments ecosystem.



#### **Direct Access Scorecard**

2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Indonesia retains its 5/5 score, reflecting continued support for both bank and non-bank participation in BI-FAST, with recent advancements including e-money institution inclusion and new service offerings reinforcing accessibility and adoption.



### **Price Transparency Scorecard**

2025	2024
There is existing regulation for price transparency in disclosing all fees associated with crossborder transfers, but does not specify FX markups as a fee or cost to the end user.	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.

Indonesia maintains its 2/5 score due to the absence of specific regulatory guidance on disclosing FX markups as costs to consumers, despite broader advancements in digital payments infrastructure that do not directly address price transparency requirements.

# \$

## **Direct Access in detail**

5/5

#### **Governance of direct access**

Prior to 2021, Indonesia's payment systems relied on a combination of privately-owned Payment Infrastructure Providers for domestic card transactions, alongside Bank Indonesia's batch clearing system (SKN) and Real-Time Gross Settlement (RTGS) for high-value transfers. The launch of BI-FAST on 21 December 2021 represented a transformative shift toward greater efficiency, offering higher transaction limits up to IDR 250 million per transaction and lower fees compared to private switching networks.

The regulatory framework for BI-FAST, initially outlined in Bank Indonesia's PADG 23/25/PADG/2021 and later updated under PADG 14/2025, establishes a flexible participation structure. The framework permits participation by Bank Indonesia, established banks, non-banks, and other entities as determined by Bank Indonesia, demonstrating a commitment to inclusive access policies.

Direct membership requires compliance with strict criteria, including capital thresholds of IDR 6 trillion for banks, qualitative contributions to the economy and alignment with Bank Indonesia's monetary, macroprudential, and payment policies. Non-bank payment service providers with minimum capital IDR 100 billion can be an indirect participant in BI-FAST for initiating and processing payments, supported by a sponsor bank for liquidity management.

This framework promotes open participation, enabling domestic NBPSPs to engage directly in the payment system without relying on third-party processors. For foreign NBPSPs, the primary challenge lies in meeting Indonesia's licensing requirements under Bank Indonesia regulation 23/6/PBI/2021, which mandates domestic shareholding and local data processing.

#### Progress in the last 12 months

Since its launch in 2021, BI-FAST has seen significant adoption, with over 100 members onboarded across seven batches, including e-money institutions. In December 2024, Bank Indonesia introduced three new services to BI-FAST, enhancing its functionality: bulk transfers, enabling businesses to execute instant payments to multiple recipients, such as salaries or vendor payments; request-to-pay services, allowing recipients to issue direct payment requests for invoices or personal bill collections; and direct debits, facilitating automated recurring payments.

In March 2025, Bank Indonesia launched enhancements to its <u>QRIS</u> (Quick Response Code Indonesia Standard) with a service called QRIS Tap, a near field communication (NFC)-based payment solution. Bank Indonesia aims to expand this to 58 million users and 40 million merchants accepting QRIS payments by the end of 2025.

#### Looking forward: what's next

Building on existing QRIS connections with Malaysia, Thailand, and Singapore, Bank Indonesia had launched QRIS cross-border payments with Japan (Japan inbound transaction) in August 2025 and has started the sand-box experimentation for QRIS cross-border payments with China in September 2025. These initiatives are being pursued along with Indonesia's role as a "Special Observer" in <a href="Project Nexus">Project Nexus</a>, a regional initiative to standardise connections between instant payment systems in Singapore, Malaysia, the Philippines, Thailand, and India. These ongoing initiatives and developments show Bank Indonesia's focus to continue building on their payment infrastructures and improving interconnectivity for both domestic and international transactions.



# **Price Transparency in detail**



#### Governance of price transparency

Bank Indonesia, as the payment system regulator, regulates consumer protections through policy document PBI 3/2023 on Consumer Protection and its implementing quidelines under PADG 20/2023. These frameworks require payment service providers to disclose accurate, clear, honest, and non-misleading information about fees, benefits, risks, and terms of service.

The Otoritas Jasa Keuangan (OJK), which oversees the broader financial industry, mandates transparency under its guidelines POJK 1 - 2013 and further updated guidelines POJK 22 – 2023, requiring financial service providers

to provide clear information on all fees. Non-compliance with these requirements may result in sanctions ranging from written warnings to licence revocation.

However, while Bank Indonesia's consumer protection framework (PADG 20/2023) broadly requires the disclosure of all costs, the regulation does not provide explicit guidance on the calculation or presentation of FX markups. This lack of specific, granular direction can lead to inconsistent disclosure practices by providers and creates ambiguity in the regulatory enforcement of FX transparency.

#### Market behaviour

#### Indonesian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by a	ssets held in in 2024	
Bank Central Asia (BCA)	0.05% (margin of error)	•
Bank Mandiri	0.02% (margin of error)	
Bank Negara Indonesia (BNI)	0.07%	•
Bank Rakyat Indonesia (BRI)	0.10%	•
2 popular money trans	fer operators	
Flip	-0.04% (margin of error)	
PayPal	4.63%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Indonesian banks demonstrate highly competitive exchange rates, with two of the four major banks in the country—BCA and Bank Mandiri—providing full transparency to their customers regarding foreign exchange costs, and offering the mid-market exchange rate. This shift in market behaviour has created competitive downward pressure on prices, ultimately resulting in positive customer outcomes.

While some providers continue to avoid clearly communicating FX padding to their customers, Indonesia shows a positive trend driven by local firms embracing transparency as a competitive differentiator. This market-led approach to transparency demonstrates the potential for regulatory frameworks to build upon existing good practices rather than imposing entirely new requirements.

#### **Consumer impact**

While consumers of some Indonesian providers are presented with clear fee disclosures, including FX markups, such disclosures are not standardised across the industry due to the lack of mandatory regulations. When some providers present their rate as the exchange rate, consumers are given an incomplete picture of the overall transaction cost they will incur. This hinders the ability for consumers to effectively compare across providers and choose the most cost-efficient option. The consequence of this results in economic losses borne by consumers and small and medium-sized enterprises (SMEs), which we expect will result in \$2.5 billion of hidden fee losses this year, rising to \$2.9 billion by 2027.

#### Progress in the last 12 months

Bank Indonesia's Payment System Blueprint 2030 aligns with the G20 Roadmap on Enhancing Cross-Border Payments, which includes initiatives to improve transparency in cross-border transactions. However, specific guidance on FX markup disclosure remains limited, and no new regulatory updates have been introduced to address this gap. OJK's ongoing efforts under the Master Plan for the Indonesian Financial Services Sector (MPSJKI) 2021–2025 focus on consumer protection and digital financial innovation, but do not yet include specific mandates for FX transparency.

#### Looking forward: what's next

Bank Indonesia's priorities focus on scalable infrastructure development over immediate regulatory changes concerning price illustrations to consumers. These priorities include advancing BI-FAST to increase transaction volumes, expanding QRIS adoption and cross-border linkages to reach more merchants, and progressing digital rupiah pilots to enhance digital payment infrastructure.

The positive market trends toward transparency demonstrated by leading Indonesian banks provide a foundation for potential regulatory frameworks that could standardise these practices across the industry. Future policy development may build upon these market-led initiatives to establish comprehensive transparency requirements that align with Indonesia's broader financial inclusion objectives.

# JAPAN



# Overview of rankings

Japan continues to advance its payments ecosystem, leveraging a robust digital infrastructure to promote efficiency, competition, and financial inclusion. The Zengin Data Telecommunication System (Zengin System) facilitates seamless interbank transactions, with recent expansions enabling select non-bank payment service

providers (NBPSPs) such as funds transfer service providers to participate through API connections. Illustration of FX markups has been advanced with confirmation from the Japan Financial Services Agency that the Principles for Customer-Oriented Business Conduct apply to Foreign Exchange products.

# **Direct Access Scorecard**

2025	2024
Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.	Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Japan retains its 4/5 score, with the first NBPSP integration into the Zengin System nearing completion. Wise Payments Japan K.K. is expected to be onboarded in November 2025\*, at which point the rating will be upgraded to 5/5.

# Price Transparency Scorecard



Japan improves its score to 3/5 following the Japan Financial Services Agency clarifying the application of the FSA's Principles for Customer-Oriented Business Conduct to international payments noting explicitly that cross-border payments fall within the scope of the principles.

Principle Four outlines the requirement that financial service providers "disclose detailed information about all fees and charges borne by customers, regardless of their name or category." This is a clear requirement to illustrate fees and charges inclusive of foreign exchange margins.

# **Governance of direct access**

The Zengin System encompasses nearly all deposit-taking financial institutions in Japan. Since October 2018, it has supported 24/7/365 transfers, and since November 2019, it has been running on its 7th Generation Zengin System. Historically, access to the Zengin System was restricted to deposit-taking financial institutions only. However, in September 2022, the Japanese Banks' Payment Clearing Network's (Zengin-Net) Board decided to extend access to non-banks such as funds transfer service providers.

The impetus for this policy change was a statement by the Japan Fair Trade Commission (JFTC) in April 2020. To ensure equal competitive conditions, the JFTC noted that it would be advantageous to consider allowing funds transfer service providers access to the Zengin System. In response, the Zengin-Net formed a task force that conducted extensive discussions with stakeholders, including funds transfer service providers, proposing expanding participation eligibility.

The Zengin-Net has announced the launch of the API Gateway would be ready from November 2025, and also announced in October 2024 that Wise Payments Japan K.K. was approved as the first funds transfer service provider to gain direct access to the Zengin System.

For settlement, funds transfer service providers can opt to become direct-settling participants in the Zengin System, necessitating a settlement account at the Bank of Japan with their explicit approval. Alternatively, they can join as indirect-settling participants through a clearing bank.

Eligible funds transfer service providers will be governed by the Financial Services Agency (FSA) under the guidelines of the Payment Service Act, which was revised in 2022 to enhance the responsibilities and roles of participants in the Zengin System.

# Progress in the last 12 months

The Zengin-Net has advanced preparations for the November 2025 API Gateway launch, which has enabled direct access with less burden for funds transfer service providers compared to a relay computer connection which is currently available. This milestone builds on the 2022 decision to expand access, supported by collaborative efforts with the Zengin-Net and industry stakeholders to foster competition and innovation. The FSA's oversight ensures that new participants adhere to robust regulatory standards, enhancing Zengin System's inclusivity and efficiency.

# Looking forward: what's next

Japan is positioned to advance the Zengin System's capabilities through strategic collaboration and technological innovation. The Zengin-Net's ongoing taskforce and working groups for the Next-Generation Payment Systems brings together diverse stakeholders to drive system enhancements, focusing on cybersecurity and risk management while adapting to evolving user and market demands.

The Zengin-Net and taskforce draws inspiration from global payment trends, exploring international standards and practices to inform strategic upgrades. The API Gateway, scheduled for launch in November 2025, will reinforce Japan's position as a leader in payment system efficiency, fostering greater competition and financial inclusion. These developments position Japan to serve as a model for other jurisdictions seeking to balance innovation with stability in payment system modernisation.



# **Price Transparency in detail**

# Governance of price transparency

In Japan, the Japan Financial Services Agency (JFSA) has noted that the Principles for Customer-Oriented Business Conduct, particularly Principle 4 and Principle 5, encourage customer-centric operations, and the revised Financial Services Provision Act (2022) legally requires such conduct across financial products potentially including cross-border remittances.

The JFSA clarified that the application of its Principles for Customer-Oriented Business Conduct to international payments noting explicitly that cross-border payments fall within the scope of the principles.

Principle Four outlines the requirement that financial service providers "disclose detailed information about all fees and charges borne by customers, regardless of their name or category." This is a clear requirement to illustrate fees and charges inclusive of foreign exchange margins.

# Market behaviour

# Japanese payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by ass	sets held in in 2024	
Japan Post	1.68%	
Mitsubishi UFJ Finan- cial Group (MUFG)	0.22%	•
Mizuho Bank	0.75%	
Sumitomo Mitsui Bank	0.71%	•
2 popular money transfer operators		
Western Union	1.73%	
World Remit	2.41%	•

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Major Japanese banks disclose FX markups on their websites or upon inquiry, using standard banking terminology such as Telegraphic Transfer Selling Rate (TTS), Telegraphic Transfer Buying Rate (TTB), and Telegraphic Transfer Middle Rate (TTM), with markups typically ranging from 0.2% to 1.7%. This level of disclosure represents relatively good practice compared to many international markets.

However, these details are often not integrated into online payment instruction flows, requiring customers to navigate separate pricing webpages or contact banks directly. This fragmented approach can hinder accessibility and effective comparison shopping, particularly for consumers unfamiliar with banking terminology.

The absence of mandatory regulations means less transparent providers may still obscure total costs by emphasising low upfront fees over foreign exchange spreads. This mixed transparency landscape complicates informed decision-making for cross-border remittances and trade, creating barriers to effective price comparison.

# Consumer impact

At bank branches or via telephone, providers typically offer detailed explanations of fees, including transaction charges, Telegraphic Transfer Selling (TTS) exchange rates with markups, intermediary bank fees, and lifting charges, though these methods are often more costly and time-intensive, sometimes requiring up to a few hours to process. In contrast, online transactions have fee details dispersed across multiple web pages with vague references, such as "See exchange rate," complicating efforts to understand total costs. Some banks provide only approximate amounts in the destination currency and lengthy delays make comparison shopping difficult. Consequently, the impact of hidden fees on Japanese consumers and small and medium-sized enterprises (SMEs) is expected to total \$6.5 billion this year, rising to \$7.2 billion by 2027.

# Progress in the last 12 months

The Japanese authorities have clarified the scope of the Principles for Customer-Oriented Business Conduct applies to cross-border payments particularly that fiduciary duties extend to the price disclosures of these products, inclusive of FX markups and fee transparency. The FSA continues to monitor adopters of the Principles and publishes reports on monitoring results to encourage initiatives aimed at ensuring customer-oriented business conduct.

# Looking forward: what's next

Alignment with the G20 Roadmap on Enhancing Cross-Border Payments may encourage Japan to develop standardised disclosure models, building on its robust securities transparency framework. The FSA's ongoing regulatory refinements and Japan's focus on economic stability will support a resilient payments ecosystem, but targeted action on fee transparency is needed to align with global standards.

Japan's FSA may look to enforce the existing Principles for Customer-Oriented Business Conduct with regards to FX markup disclosure, or publish more explicit quidelines in this regard to spur change in market behaviour. Either option would significantly enhance consumer trust and facilitate effective comparison shopping.

# **MEXICO**



# **Overview of rankings**

Mexico has established a progressive framework for payment system access through its Fintech Law 2018, which legally enabled direct access to core payment infrastructure for regulated non-bank institutions. However, significant opportunities remain to strengthen

price transparency in cross-border payments, where existing consumer protection laws provide broad frameworks but lack specific enforcement mechanisms for foreign exchange markup disclosure.

# **Direct Access Scorecard**

2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Mexico maintains the highest score of 5/5, reflecting its progressive framework that grants direct access to core payment systems for a specific category of regulated non-bank institutions (IFPEs) through the Fintech Law, promoting financial inclusion and competition.

# **Price Transparency Scorecard**

2025	2024
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.	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.

Mexico retains its 2/5 score from the previous year. While robust consumer protection and transparency laws exist, the legal definitions remain broad enough to depend on regulatory enforcement of FX transparency specifically, for which no evidence has been observed to date.



# Governance of direct access

In Mexico, non-bank financial institutions were first granted direct access to the country's payment systems with the aim of fostering competition and innovation in the financial sector in 2019. This move was facilitated by the enactment of the Fintech Law, officially known as the "Lev para Regular las Instituciones de Tecnología Financiera" (Law to Regulate Financial Technology Institutions). The specific circular that allowed non-bank financial institutions to access the payment systems is Circular 4/2019, issued by Banco de México. This circular established the regulatory framework and operational guidelines for non-bank financial institutions to participate directly in the country's payment systems.

This initiative, overseen by the Banco de México, enables fintech companies, payment service providers, and other non-bank financial institutions to participate in key payment infrastructures such as the Interbank Electronic Payment System (Sistema de Pagos Electrónicos Interbancarios), known as SPEI. By granting these entities direct access, Mexico seeks to enhance financial inclusion, reduce transaction costs, and improve the efficiency and reach of financial services.

The Mexican payment and settlement systems have undergone significant change in the last 10 years. Mexico's Central Bank developed and operates SPEI, and went live in 2004 as a real-time hybrid settlement system for payments. This system was developed to facilitate payments between financial institutions, in addition to enabling them to offer safe and efficient retail payment services to the public. SPEI participants can transfer Mexican pesos from their own account and on behalf of their account holders, in real-time, 24 hours per day, every day of the year. Only financial institutions regulated and supervised by Mexican financial authorities are eligible to participate in SPEI to limit risks that participants generate. These institutions must comply with technical, information security and operational risk management requirements, prior to joining the system.

Circular 14/2017 from Banco de México outlines the criteria and procedures for non-bank financial institutions to access SPEI. It specifies operational, technical, and security requirements non-bank institutions must meet to participate in SPEI directly.

# Progress in the last 12 months

In the past 12 months, progress for direct access to Mexico's financial system by Non-Bank Payment Service Providers (NBPSPs) has been characterised by the continued evolution and consolidation of the existing regulatory framework, with a specific focus on cybersecurity and a clear path for growing fintechs. The key developments are not about a fundamental change in the model, but rather a maturation of the system established by the Fintech Law. This has made the ecosystem more robust, secure, and competitive.

# Looking forward: what's next

There is no specific outlook for changes in the current regulation of NBPSPs in Mexico, especially in what concerns direct access. On the other hand, new modalities like "Comisionista de Base Tecnológica" may become a key feature of Mexico's evolving financial landscape, allowing non-traditional players to offer a range of financial services. This licence, governed by a framework from the Comisión Nacional Bancaria y de Valores (CNBV), lets a company act on behalf of a financial institution, like a bank, to offer its products through a digital platform. This model is essentially a form of Banking as a Service (BaaS) and was already adopted by relevant digital players such as Amazon. These developments suggest Mexico's continued commitment to innovation in financial services while maintaining appropriate regulatory oversight and consumer protection standards.

# Q

# **Price Transparency in detail**



# Governance of price transparency

Mexico's approach to price transparency operates within a framework where financial service providers maintain freedom to set their own exchange rates, subject to broader consumer protection requirements. The <u>Law for the Transparency and Regulation of Financial Services</u> (Ley para la Transparencia y Ordenamiento de los Servicios Financieros) mandates that financial institutions provide clear and accurate information about the terms and conditions of their services, including exchange rates.

<u>Circular 3/2012</u> issued by Banco de México provides information on how exchange rates should be disclosed to customers. Financial institutions must inform the public

about the exchange rates or prices at which they are willing to buy or sell foreign exchange. The rates must be prominently displayed next to transaction windows or counters and can also be displayed in other areas within the premises. However, the current rules do not extend beyond basic disclosure requirements and permit providers to continue hiding fees in exchange rate markups by using inflated rates. The Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF) oversees these regulations, ensuring consumer rights in remittance transactions are protected.

# Market behaviour

# Mexican payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by asse	ets held in in 2024	
Banco Inbursa	0.24%	
Banco Santander México	1.84%	•
Banorte	1.43%	
BBVA Bancomer	2.49%	
2 popular money transfer operators		
Global66	0.00%	•
Western Union	2.96%	•

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

For Mexican consumers, the practice of hiding fees in international transfers is prevalent, embedding hidden fees in exchange rate mark-ups. Most providers do not specify the extent of the mark-up, leaving consumers with an incomplete understanding of the true cost of their transactions. The customer experience in Mexico varies significantly based on the method used. Mexican customers can send money abroad through their bank branch, online banking platform, or mobile application. Each of these options have different costs for international transfers depending on the bank, making it very difficult for customers to effectively compare between providers. The rise of fintechs and digital wallets has created downward pressure on FX padding from traditional market players. Newer fintech players often employ business models that rely on low, upfront fees or mid-market exchange rates, which customers can easily compare, driving some competitive improvements in the market.

# **Consumer impact**

The lack of standardised disclosure requirements means that varying degrees of transparency is seen across market participants, limiting the overall effectiveness of existing consumer protection measures. In 2025 alone, this opacity is expected to cost Mexican consumers and SMEs \$4 billion in hidden FX fees, which is expected to rise to \$4.6 billion by 2027.

# Progress in the last 12 months

Mexico has made no meaningful progress on price transparency for cross-border payments over the past 12 months. Despite the country's advanced regulatory framework in other areas of financial services, no new initiatives have been introduced to address foreign exchange markup disclosure or strengthen enforcement of existing transparency requirements.

CONDUSEF has not taken visible enforcement action against providers who obscure fees through exchange rate markups, despite having the authority to protect consumer rights in remittance transactions. The absence of specific regulatory guidance on FX transparency means that market-led improvements in disclosure practices remain voluntary and inconsistent across providers.

# Looking forward: what's next

Mexico's approach to price transparency in cross-border payments is expected to evolve gradually through market-driven initiatives rather than immediate regulatory intervention. The planned expansion of the Open Banking framework represents the most significant opportunity for enhanced transparency, as it will enable customers to securely share financial data and allow third-party applications to provide more accurate and personalised comparisons of cross-border service costs.

However, the absence of specific regulatory timelines or announced policy initiatives suggests that meaning-ful transparency improvements will depend largely on competitive pressures and voluntary industry adoption. The continued growth of the fintech sector, supported by the mature Fintech Law framework, may drive further market-led transparency improvements as newer players use clear pricing as a competitive advantage.

CONDUSEF's role in consumer protection provides a potential avenue for enhanced enforcement of existing transparency requirements, though no indication has been given that this will become a priority area. The regulator could strengthen its oversight of exchange rate disclosure practices without requiring new legislation, but such action would represent a significant shift from current enforcement patterns.

Mexico's broader commitment to financial inclusion and competition, demonstrated through its progressive approach to payment system access, suggests that transparency reforms may eventually align with these objectives. However, without explicit policy signals from authorities, the timeline and scope of any comprehensive transparency initiatives remain uncertain.



# REPUBLIC OF KOREA



# **Overview of rankings**

The Republic of Korea (South Korea) continues to advance its payments ecosystem, leveraging a mature digital infrastructure and progressive regulatory frameworks to foster competition, innovation, and financial inclusion. However, despite significant advancements in digital

payment infrastructure and cross-border initiatives, the country has yet to address fundamental gaps in foreign exchange price transparency, where regulatory frameworks lack specific guidance on markup disclosure as a distinct cost to consumers.

# Direct Access Scorecard

2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

South Korea retains the highest 5/5 score, reflecting the continued accessibility of the Korea Financial Telecommunications and Clearings Institute's (KFTC's) open banking system to banks and NBPSPs, with recent enhancements including cross-border QR payment capabilities and expanded API functionality.

# Price Transparency Scorecard

2025 ▲	2024
There is existing regulation for price transparency in disclosing all fees associated with crossborder transfers, but does not specify FX markups as a fee or cost to the end user.	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.

Due to the lack of progress in introducing specific regulatory guidance on disclosing FX markups as a cost to consumers, South Korea retains its 2/5 score, despite advancements in digital payments and cross-border initiatives like Project Agora, which do not directly address transparency in FX costs.

# \$

# **Direct Access in detail**

5/5

# Governance of direct access

The KFTC is a non-profit organisation established in 1986, jointly owned by member banks including the Bank of Korea. The KFTC owns and operates most of the retail payment systems in Korea, which include the Electronic Banking System, the Cheque Clearing System, the Interbank Remittance System, and the ATM Network, creating a comprehensive national payments infrastructure.

The Financial Services Commission (FSC) launched a <u>pilot</u> <u>open banking system</u> in the banking sector in October 2019 in an effort to foster greater competition and innovation in the financial sector. Following its successful pilot phase, the FSC <u>announced in December 2019</u> that the open banking system would be extended to fintech firms. This move allowed non-bank payment service providers (NBPSPs) direct access to the KFTC's infrastructure which acts as a gateway to the open banking system.

To gain access, NBPSPs are required to register and enter into an agreement with the KFTC to designate their gateway bank account. Once NBPSPs secure access, they can connect through the KFTC-operated platform to all participating banks, thereby accessing account and transaction information held by these banks, subject to customer consent. This system enables NBPSPs to directly initiate and process a range of payment types, including e-commerce transactions, peer-to-peer transfers, bill payments, and virtual account services, through the KFTC's Electronic Banking System and open banking APIs, with clearing managed by the KFTC and final settlement executed via banks' accounts at the Bank of Korea.

# Progress in the last 12 months

The Korean government and KFTC have continued to refine regulatory frameworks and expand open banking, ensuring robust security, compliance, and seamless operation for banks and NBPSPs accessing domestic and cross-border payment systems. In 2024, the KFTC <u>launched a cross-border QR payment system</u>, directly connecting NBPSPs and banks to overseas networks in countries like Indonesia, with plans for Vietnam and Japan, enabling cardless payments and ATM withdrawals. The <u>FSC's KRW500 billion Fintech Innovation Fund (2024–2027)</u> has further supported NBPSPs by reducing API transaction fees, enhancing direct access to international systems. These policy efforts underscore South Korea's commitment to fostering a competitive and innovative financial sector, with open access to critical financial infrastructure.

# Looking forward: what's next

The FSC and KFTC will continue refining the open banking framework to enhance security, compliance, and interoperability, with a focus on integrating emerging technologies like Al and 6G networks, as part of the K-Network 2030 strategy. Ongoing support for regulatory sandbox initiatives will further promote innovation, ensuring South Korea remains a leader in digital payment systems. The success of cross-border QR payment expansion and continued API fee reductions will provide valuable insights for future policy development and international cooperation initiatives.





# **Price Transparency in detail**



# Governance of price transparency

In South Korea, banks are required to disclose fixed fees and service charges for cross-border payments, but there are no specific regulations mandating disclosure of FX markups included in exchange rates. The Korean Federation of Banks has made publicly available comparative information of 17 commercial banks based in South Korea, which provides consumers with visibility into fees and indicative exchange rates across providers.

However, these platforms do not consistently display FX markups as a distinct cost, and banks are not required to provide real-time retail FX rates or detailed markup breakdowns. The Financial Consumer Protection Act (2021) sets broad guidelines for fair treatment, but its application to FX transparency remains limited.

# Market behaviour

# Korean payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by as	sets held in in 2024	
Hana Bank	0.49%	
KB Kookmin Bank	0.66%	•
NongHyup Financial Group (NH Bank)	0.52%	•
Shinhan Bank	0.49%	
2 popular money transfer operators		
SentBe	0.74%	
Hanpass	0.21%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Major South Korean banks demonstrate competitive exchange rate practices, with markups typically less than 1%. This represents relatively favourable pricing compared to many international markets, reflecting the competitive dynamics within South Korea's banking sector. Banks generally disclose total fees for cross-border payments on their websites and within payment flows, often presenting aggregated costs that include transaction and intermediary fees.

However, the presentation of fee information lacks clear itemisation of individual components, with FX markups consistently obscured within exchange rate margins rather than disclosed as separate, quantifiable costs. While some providers offer detailed explanations through customer service channels, the absence of standardised disclosure requirements means that consumers face varying degrees of transparency depending on their chosen provider and transaction method.

# **Consumer impact**

In South Korea, the customer experience for sending money abroad differs greatly depending on the method used. Customers can transfer funds through bank branches, online banking, and mobile apps. However, the differences in costs between various banks and the lack of standardised disclosure of fees make it difficult for consumers to compare and choose the most cost-efficient option. Consequently, decisions can be made based on incomplete information, resulting in losses for South Korean consumers and small and medium-sized enterprises (SMEs) of \$5 billion this year, a figure expected to rise to \$5.6 billion by 2027.

# Progress in the last 12 months

South Korea's financial sector has prioritised expanding digital payment infrastructure, with the FSC and KFTC enhancing open banking and cross-border payment services, such as the Extended Korea Payment Network. to foster financial inclusion and competition. Efforts to improve FX transparency for cross-border payments have remained secondary to broader infrastructure development priorities. No new regulations introduced to mandate disclosure of FX markups or comprehensive fee structures.

# Looking forward: what's next

Enhancing regulatory requirements to include consistent FX markup disclosure could significantly improve consumer trust and facilitate effective comparison shopping. Alignment with the G20 Roadmap on Enhancing Cross-Border Payments may encourage South Korea to develop standardised disclosure models, building on initiatives like the Extended Korea Payment Network. The FSC's ongoing regulatory refinements and South Korea's focus on digital innovation will support a resilient payments ecosystem, but targeted action on FX transparency is needed to align with global standards.



# **SAUDI ARABIA**



# **Overview of rankings**

Saudi Arabia continues to advance its payments ecosystem as part of the ambitious Vision 2030 transformation programme, demonstrating strong commitment to financial sector modernisation and innovation. The Saudi Arabian Monetary Authority (SAMA) has established comprehensive regulatory frameworks for non-bank payment service providers, pushing the Kingdom towards greater

adoption of digital financial services. However, significant opportunities remain to translate this infrastructure investment into meaningful direct access for non-banks and enhanced price transparency for cross-border payments, where current frameworks lack the specificity required to deliver tangible consumer benefits.



# **Direct Access Scorecard**

2025	2024
Only licensed banks are permitted to have direct access to payment rails.	Only licensed banks are permitted to have direct access to payment rails.

Saudi Arabia maintains its 1/5 ranking, reflecting a framework where traditional banks enjoy exclusive access to core payment systems while non-bank payment service providers remain restricted to indirect participation models, despite regulatory commitments to expand access.

# **Price Transparency Scorecard**

2025	2024
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.	There is existing regulation for price transparency in disclosing all fees associated with crossborder transfers, but does not specify FX markups as a fee or cost to the end user.

Saudi Arabia retains its 2/5 score, with existing regulatory frameworks requiring fee disclosure but lacking specific guidance on foreign exchange markup transparency, limiting consumers' ability to understand the true cost of cross-border transactions.



1/5

# Governance of direct access

In line with Saudi Arabia's Vision 2030 national plan which aims to diversify the economy, the Saudi Central Bank (SAMA) introduced the Payments Services Provider Regulatory Guidelines in January 2020. These guidelines were designed to facilitate market entry for non-bank firms and foster innovation and efficiency within Saudi Arabia's payment landscape. This framework was strengthened through the Law of Payments and Payment Services in February 2022 and the Implementing Regulation of the Law of Payments and Payment Services in June 2023, providing further clarity on procedures, licensing, supervision, and oversight requirements. As of August 2025, SAMA has granted a total of 27 E-Money Institution (EMI) and Payment Institution (PI) licences to non-banks to operate within the ecosystem, but these entities cannot access core settlement functions directly, creating a fundamental competitive disadvantage compared to traditional banking institutions.

The establishment of Saudi Payments in 2019 as a wholly owned subsidiary of SAMA represents a strategic commitment to developing secure and interoperable payment infrastructure. Saudi Payments was mandated to develop a secure and interoperable payment infrastructure while ensuring technical standardisation and a level playing field between banks and non-banks. In 2021. Saudi Arabia launched its first 24/7 instant payment system, Sarie. Sarie allows customers of local banks to send and receive fund transfers of up to SAR 20,000 in real-time and offers features such as proxy payments. enabling fund transfers to alternative identifiers like mobile numbers, national ID numbers, or email addresses. There are currently 11 participants in Sarie, all of which are banking institutions. Besides Sarie, Saudi Payments operates Mada (national payment scheme for ATMs and POS terminals), SADAD (electronic bill payment system), and Esal (digital invoicing, integrated with SADAD). These systems are also only available only to licensed banks.

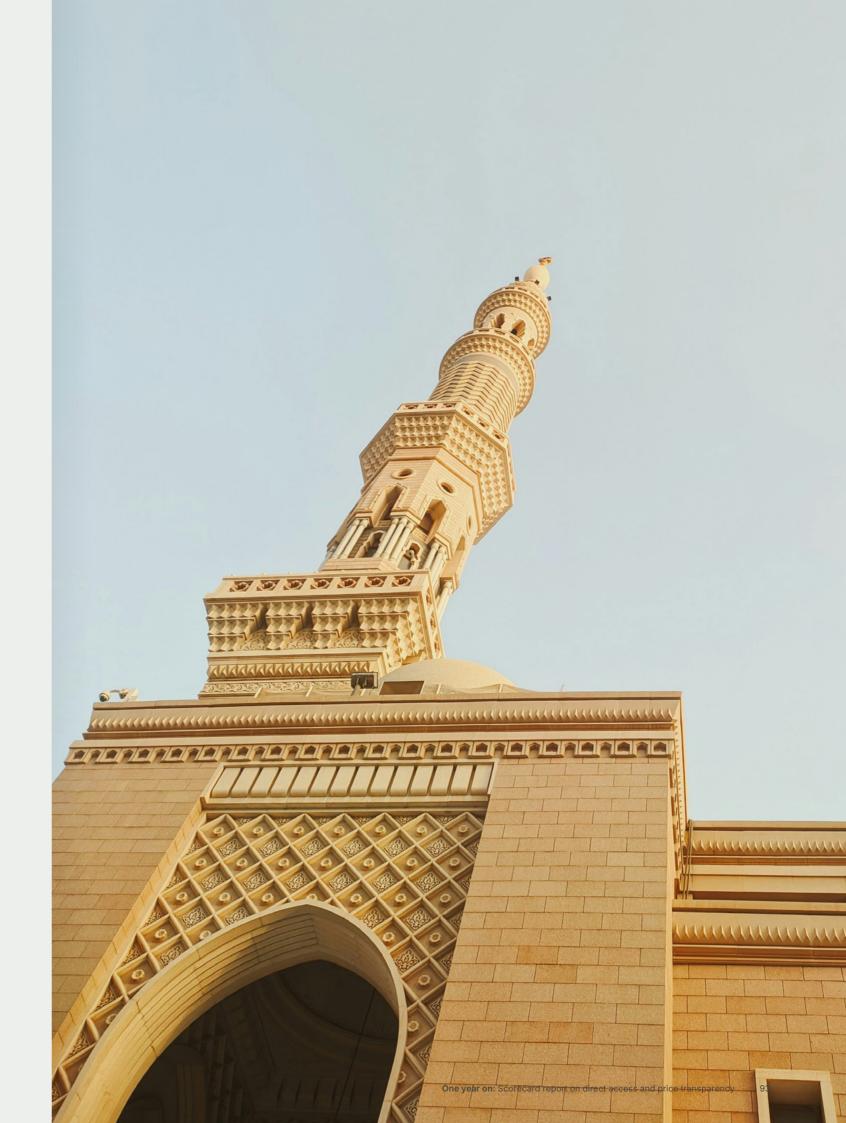
# Progress in the last 12 months

While Saudi Arabia has achieved significant milestones in modernising its payments landscape and enhancing domestic payment system capabilities, progress toward establishing a clear framework for non-bank direct access has been limited. SAMA has confirmed that the Sarie payment system plans to expand direct participation to include non-banks, contingent upon completion of an appropriate regulatory review. However, this review process remains ongoing without clear timelines or interim milestones.

The absence of concrete progress on direct access occurs against a backdrop of substantial investment in payment infrastructure and regulatory capacity building. The continued expansion of licensed non-bank entities demonstrates market demand for enhanced access, while the sophisticated technical capabilities of systems like Sarie indicate that the infrastructure foundation exists to support broader participation. Saudi Arabia's focus on aligning with international best practices and leveraging financial technology will be crucial in driving the next wave of growth and achieving the ambitious targets set out in Vision 2030.

# Looking forward: what's next

The completion of SAMA's regulatory review for non-bank participation in Sarie represents the most critical near-term milestone for advancing direct access in Saudi Arabia. The scope and timeline of this review will significantly influence whether the Kingdom can deliver on its Vision 2030 commitments to foster innovation and competition within the financial sector. Continuous policy development will be essential to address the current regulatory gap and establish a clear, inclusive framework for non-bank direct access to payment systems. Such reforms would not only promote fair competition but also foster a more dynamic and innovative financial ecosystem aligned with the Kingdom's broader economic transformation objectives.





# Q

# **Price Transparency in detail**



# Governance of price transparency

In Saudi Arabia, the <u>Payment Services Provider Regulatory Guidelines</u> issued by the Saudi Central Bank (SAMA) mandate that all payment service providers disclose a schedule of fees, charges, and commissions to their customers. While providers must disclose fee schedules, the regulations do not explicitly require disclosure of

conversion markups as distinct fees or costs to end users. This regulatory flexibility permits service providers to embed additional charges within currency conversion rates, obscuring the true cost structure from consumers and limiting the effectiveness of comparison shopping.

# Market behaviour

# Saudi Arabian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by ass	sets held in in 2024	
Al Rajhi Bank	0.21%	
National Commercial Bank (NCB) (Saudi National Bank)	0.48%	•
Riyad Bank	0.22%	
Saudi British Bank (SABB) (Saudi Awaal Bank)	0.11%	•
2 popular money transfer operators		
STC Pay	1.78%	
Western Union	0.72%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

The Saudi Arabian cross-border payments market demonstrates a mixed transparency landscape where competitive exchange rate pricing coexists with incomplete disclosure practices. Major Saudi banks offer competitive foreign exchange rates, with many providers maintaining markups of less than 50 basis points over the mid-market rate. This competitive pricing reflects the sophisticated nature of the Kingdom's banking sector and creates genuine value for consumers when compared to international benchmarks.

However, despite these favourable exchange rates, transparency challenges persist in how pricing information is communicated to consumers. While banks offer competitive conversion rates, the practice of embedding markups within exchange rates without clear disclosure as separate costs remains prevalent. Transaction limits requiring physical branch visits for larger transfers compound these transparency challenges, forcing consumers into higher-cost channels while limiting their ability to comparison shop effectively across different service providers. While newer market entrants have begun offering improved customer experiences and more competitive fee structures, the fundamental gap in markup disclosure practices persists across the market.

# Consumer impact

The Kingdom's fixed exchange rate regime, pegging the Saudi Riyal to the US Dollar at 1 USD = 3.75 SAR since 1986, provides financially sophisticated consumers with a clear reference point for assessing provider markups on USD transactions. However, consumers less familiar with foreign exchange concepts often fail to recognise that providers routinely add margins to conversion rates for non-USD currencies, limiting their ability to make fully informed decisions across all currency corridors.

This additional FX padding is estimated to cost Saudi consumers and SMEs \$7.1 billion in lost hidden fees in 2025. This number is expected to rise to \$7.9 billion in 2027 without meaningful policy reform on price transparency.

# Progress in the last 12 months

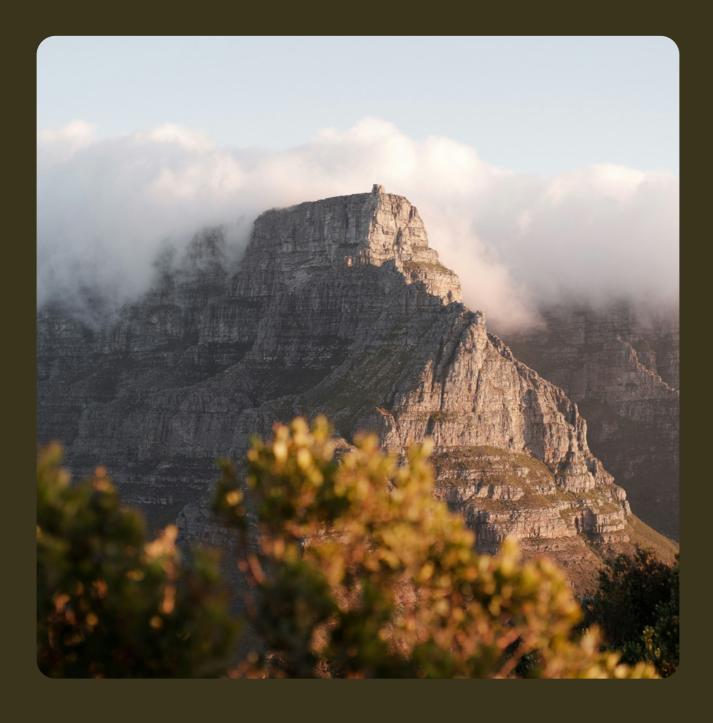
There have been no substantial policy initiatives from the central bank or the government specifically targeting the enhancement of transparency within the cross-border remittance sector over the past year. However, given the strategic direction outlined in Saudi Arabia's Vision 2030—which seeks to bolster financial inclusion, foster the development of the fintech industry, and modernise regulatory frameworks—there exists a significant opportunity to reevaluate and potentially enhance transparency in this domain to align with and support these broader ambitions. Vision 2030's comprehensive reform agenda underscores the importance of creating a dynamic and transparent financial sector, suggesting that future policy considerations may increasingly prioritise transparency in cross-border remittances as part of its overarching goals.

# Looking forward: what's next

SAMA has not given any public indication of policy efforts to evolve its regulatory framework to enhance price transparency over the coming 12 months. The alignment of transparency reforms with Vision 2030's broader objectives presents the most promising pathway for meaningful progress in cross-border payment transparency. SAMA's commitment to regulatory modernisation and consumer protection, demonstrated through comprehensive licensing frameworks and infrastructure investment, provides a foundation for potential transparency enhancements.

The development of specific regulatory guidance requiring explicit disclosure of FX markups as distinct costs would represent a significant advancement in consumer protection. Such reforms could build upon existing fee disclosure requirements while addressing the fundamental information asymmetries that currently characterise the cross-border payments market. The implementation of standardised transparency requirements would support Vision 2030's objectives of fostering competition and innovation while protecting consumer interests in an increasingly digital financial ecosystem.

# > SOUTH AFRICA



# Overview of rankings

Under South Africa's current Presidency of the G20, the country has led the organisation through themes of "Solidarity, Equality and Sustainability," positioning itself as a champion of inclusive economic development. However, South Africa's domestic progress on the G20 Roadmap for Enhancing Cross-Border Payments has been constrained by prolonged legislative delays and

regulatory uncertainty. While the South African Reserve Bank (SARB) continues to engage constructively with industry stakeholders on modernising financial services legislation and regulation, the anticipated reforms remain in extended consultation phases, preventing meaningful advancement in both direct access frameworks and price transparency mechanisms.

# **Direct Access Scorecard**

## 2025 2024 Licensed banks and some other Licensed banks and some other institutions are permitted to institutions are permitted to have direct access to payment have direct access to payment systems, and authorities are systems, and authorities are currently considering widening currently considering widening access to NBPSPs. access to NBPSPs.

South Africa maintains its 3/5 score for direct access. While SARB has committed to opening up access to its payment schemes to non-banks through the upcoming National Payments System Act reform, this has not yet been presented to the South African Parliament.

# **Price Transparency Scorecard**

2025	2024
There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.	There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

South Africa maintains its 1/5 score for price transparency. Stronger consumer protection mechanisms which may tackle FX price transparency are expected in the upcoming Conduct of Financial Institutions (COFI) Bill, but it has been significantly delayed.

# Governance of direct access

Direct access to South Africa's National Payment System (NPS) has traditionally been governed by the National Payment System Act (NPS Act 78 of 1998), which restricts participation primarily to banks or non-banks sponsored by banks. Non-banks may act as third-party payment providers under Section 7 of the Act, provided payments are not considered deposits and both the non-bank and its sponsoring bank obtain authorisation from the South African Reserve Bank (SARB). SARB's Directives 1 and 2 of 2007 further define the permissible activities and risk management requirements for non-banks and system operators acting as intermediaries in the payment ecosystem.

Despite these provisions, access for non-bank entities remains limited, reflecting a broader policy challenge to expand participation and foster competition. In response, the 2018 Review of the NPS Act recommended significant reforms, including allowing both banks and non-banks to provide retail payment, clearing, and settlement services—subject to appropriate risk controls. These recommendations are intended to promote innovation, financial inclusion, and reduced costs for end-users.

# Progress in the last 12 months

The most significant development over the past year has been the publication of the Draft Authorisation Framework and the Draft Exemption Notice under the Banks Act in March 2025, designed to address immediate modernisation needs within the existing legislative structure. These frameworks allow NBPSPs to apply for direct clearing arrangements with SARB without requiring them to register as banks, representing a meaningful step toward expanded access within current legal constraints. A further draft for public consultation is expected in Q4 2025, providing additional opportunities for stakeholder input and refinement.

Separately, the Competition Commission's unconditional approval in 2025 for SARB's acquisition of a controlling stake in BankservAfrica, the payment clearing house system operator, represents a key development. This acquisition grants SARB full control of PayShap, South Africa's instant payment system, and establishes the foundation for creating a National Payment Utility (NPU) that will operate as a public service, prioritising innovation and financial inclusion over profit maximisation.

The draft Conduct of Financial Institutions (COFI) Bill, first developed in 2018 and intended to modernise payments and consumer protection in financial services, expanded in scope to such an extent that it became impractical to manage as a single piece of legislation. Consequently, the provisions relating to payments regulation and licensing have been extracted and incorporated into a separate new National Payment Systems (NPS) Bill, as mentioned in the SARB's NPS Regulatory and Oversight Report 2024. The Bill is expected to open the NPS infrastructure to non-bank fintechs and mobile money operators. To manage the risks associated with this, SARB has confirmed it will apply a proportionality principle, meaning fintechs will have to meet regulatory requirements (including for governance, capital, and anti-money laundering) that are appropriate to their size and risk profile, rather than facing the same burden as traditional banks. It is anticipated that a draft of this Bill will be released for public consultation in 2026 and will include provisions to expand direct access for non-bank entities, including enabling them to hold settlement accounts directly at the central bank. However, the precise timelines for the Bill's enactment and implementation remain unconfirmed.

Until then, the current regulatory model—centred on bank sponsorship and SARB oversight—remains in effect, with only gradual improvements possible through the Draft Authorisation Framework until comprehensive legislative reform is completed.

# Looking forward: what's next

South Africa's payment landscape stands at a critical juncture, with the anticipated publication of the National Payment Systems Bill for public consultation representing a pivotal moment in the country's journey toward a more open and competitive payments ecosystem. The Bill is expected to introduce a modernised framework for direct access, enabling non-bank payment service providers to participate more fully in the payments industry without relying on traditional banking partnerships.

The legislative process ahead will be extensive, involving multiple rounds of consultation, stakeholder engagement, and parliamentary scrutiny. The complexity of South Africa's legislative procedures, combined with the technical nature of payments regulation, suggests that final implementation may extend well into 2027 or beyond.

In parallel, the Draft Authorisation Framework and forthcoming revisions will continue to provide incremental improvements to the regulatory environment, addressing immediate modernisation needs and supporting innovation. It is hoped that these rules will become finalised and enforced before the end of 2026.

# **Price Transparency in detail**

# Governance of price transparency

At present, there is no regulatory framework specifically addressing transparency in cross-border payments within South Africa. The Consumer Protection Act 68 of 2008, while aimed at establishing national norms and standards for consumer protection, enhancing standards of consumer information, and prohibiting unfair marketing and business practices, does not encompass transparency standards regarding fee disclosure, foreign exchange (FX) margin transparency, or the enforcement thereof.

The anticipated Conduct of Financial Institutions (COFI) Bill represents the most significant opportunity to address these transparency gaps through comprehensive market conduct legislation. The Bill proposes to consolidate and refine conduct requirements for financial institutions, replacing fragmented provisions across various financial sector laws with a robust, coherent framework for all entities engaged in financial activities.

# Market behaviour

# South African payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating	
Top 4 retail banks by	Top 4 retail banks by assets held in in 2024		
ABSA Bank	0.99%		
First Rand Bank (FNB)	1.00%	•	
Nedbank	1.07%		
Standard Bank	0.49%		
2 popular money transfer operators			
Mukuru	1.22%		
WorldRemit	1.92%		

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. While major banks offer somewhat competitive exchange rates in absolute terms, the combination of multiple fee categories and opaque foreign exchange practices creates challenges for effective cost comparison. A consumer typically encounters various charges when transferring funds internationally through traditional banks, including commission fees, SWIFT fees, intermediary and beneficiary bank fees. These fees are often fixed and are not proportionate to the transfer amount, which makes sending smaller sums of money particularly expensive.

The market structure reflects broader systemic issues beyond simple pricing transparency. Consumers must navigate exchange control regulations and tax implications, processes often compounded by substantial paperwork requirements that add administrative complexity to international transfers. This regulatory complexity, while serving macroeconomic policy objectives, creates additional barriers to transparent cost comparison and efficient market functioning.

# **Consumer impact**

While large banks do offer competitive exchange rates, the combination of high upfront fees and untransparent FX can detract from the overall customer experience. Without a clear price transparency framework, consumers and SMEs in South Africa are expected to lose a combined \$757 million in hidden FX fees this year, according to research compiled by independent research agency Edgar, Dunn & Company.

# Progress in the last 12 months

Progress toward enhanced price transparency has been minimal over the past year, with the COFI Bill remaining in draft form without formal publication for further consultation or established legislative timeline. The Bill's continued delay reflects the complexity of developing comprehensive market conduct legislation that addresses diverse financial sector activities while maintaining appropriate regulatory standards. It is hoped the Bill will be published in 2026.

The absence of interim transparency measures means that current market practices continue largely unchanged, with providers maintaining discretion over fee disclosure practices and foreign exchange markup presentation.

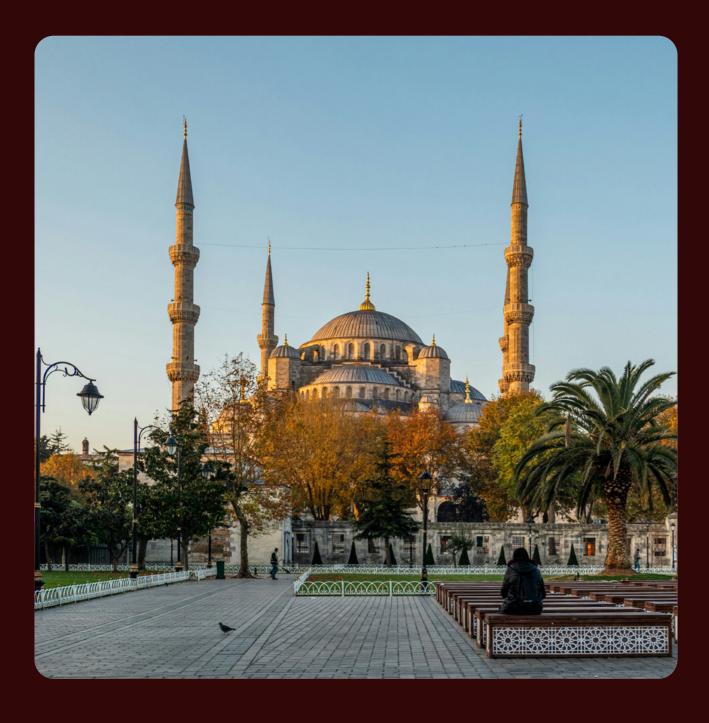
# Looking forward: what's next

The anticipated publication of the COFI Bill in 2026 represents the most significant opportunity for advancing price transparency in South Africa's cross-border payments market. The Bill's comprehensive approach to market conduct regulation, including specific provisions for consumer information and fee disclosure, could establish robust transparency requirements that align with international best practices.

Sections 60(2)(a), 60(2)(c), and 60(2)(d) of the draft Bill specifically address consumer understanding and transparency requirements before, during, and after financial transactions. If effectively implemented and enforced, these provisions could mandate clear disclosure of all transaction costs, including foreign exchange markups, enabling consumers to make informed decisions and fostering competitive market dynamics.

The success of any transparency reforms will depend critically on SARB's enforcement approach and the development of specific regulatory guidance that translates broad legislative principles into practical disclosure requirements. The integration of transparency requirements with broader financial sector reforms, including the National Payment Systems Bill, will be essential to ensure coherent and effective consumer protection across all aspects of cross-border payments.

# C\* TÜRKIYE



# Overview of rankings

While Türkiye has been successful in opening up access and competition to its national payment schemes, little meaningful policy progress has been made over the past 12 months with regards to price transparency. As Türkiye grapples with persistently high inflation rates, the

Central Bank of the Republic of Türkiye (CBRT) remains focused on using monetary policy to anchor economic expectations, and therefore have not progressed their G20 Roadmap commitments on price transparency in cross-border payments.

# **Direct Access Scorecard**

2025	2024
Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.	Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Türkiye has maintained its 5/5 ranking for direct access. As of July 2025, 13 non-bank institutions, including electronic money institutions, payment institutions, and the national postal service, have direct access to the FAST (Instant and Continuous Transfer of Funds) system. This access enables them to issue IBANs and facilitate seamless transfers within the FAST network, which demonstrates strong functional parity with banks.

# **Price Transparency Scorecard**

2025	2024
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.	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.

Turkey has maintained its 2/5 ranking, reflecting limited progress in broader policy and market practices for FX pricing transparency. The Central Bank of the Republic of Türkiye (CBRT) mandates that payment service providers (banks and non-banks) clearly state in customer contracts the applicable exchange rate and the calculation method for determining it. PSPs must also notify if additional fees are charged for a payment transaction. While these measures strengthen contractual disclosure, the CBRT does not prescribe a standardised methodology or require display of FX markups. As a result, customers may still face inconsistent presentation of FX costs, and transparency in practice may vary across providers.

# Governance of direct access

Direct access to the FAST (Instant and Continuous Transfer of Funds) payment system in Türkiye is governed by the Central Bank of the Republic of Turkey (CBRT), which operates the scheme and sets participation criteria. operational rules, and technical standards. Since 2020, CBRT has held consolidated authority over both payment systems and payment services, following the transfer of responsibilities from the Banking Regulation and Supercision Agency. This unified regulatory structure has enabled more coordinated and efficient implementation of initiatives such as FAST and its direct access framework.

Participation is open to licensed banks, electronic money institutions, and payment institutions that meet CBRT's requirements for operational resilience, risk management, and compliance with payment system regulations, with NBPSPs first admitted in 2022. Applicants must complete certification and testing to demonstrate interoperability with the FAST infrastructure and adherence to the scheme's service level agreements. CBRT also oversees ongoing compliance, including transaction monitoring, reporting obligations, and periodic reviews to ensure that participants maintain the operational and security standards necessary to support 24/7 instant payments across the network.

# Progress in the last 12 months

Non-bank participation in the FAST system continued to increase. By enabling non-banks to issue IBANs and participate fully in instant payments, these non-bank entities benefit from improved service reliability and reach. This capability positions them more competitively alongside banks, particularly in offering seamless, 24/7 payment solutions. In turn, the broader payments ecosystem becomes more inclusive and dynamic, fostering service innovation and potentially lowering costs for end-users.

Over the past year, the FAST system saw a significant increase in transaction limits and expanded features such as the FAST Request-to-Pay overlay service, enhancing its utility and appeal. The limit per transaction for FAST money transfers was doubled from TRY 50,000 to TRY 100,000, while retail payments via the FAST-TR QR Code increased from TRY100,000 to TRY 250,000. This elevation in limits reflects CBRT's commitments to enhancing FAST as a versatile payments infrastructure accessible to both banks and non-banks.

# Looking forward: what's next

Looking ahead, the CBRT is expected to continue broadening direct access to include a wider range of payment service providers, in line with global trends toward more inclusive payment systems. At the same time, CBRT's rollout of value-added overlay services signals an ongoing commitment to enhancing functionality, with potential developments such as API-based integrations, advanced business-to-business (B2B) payment features, and programmable payment capabilities.



# **Price Transparency in detail**



# Governance of price transparency

Türkiye's framework for price transparency in cross-border payments sits primarily in the Central Bank of the Republic of Türkiye (CBRT) Regulation on Payment Services, Electronic Money Issuance and Payment Service Providers (Law No. 6493). Payment service providers must inform customers of the total fees to be paid, with a breakdown, and where applicable, the

foreign exchange conversion rate. However, the rules do not require disclosure of the FX conversion markup as a distinct cost, nor do they anchor disclosures to a public reference rate. This gap leaves room for firms to embed margins inside their quoted exchange rates, creating ambiguity over what constitutes a conversion cost and limiting customers' ability to see the true, all-in price.

# Market behaviour

# Turkish payment providers' cross-border payment hidden fees based on customer payment journey Data collected May and July 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating	
Top 4 retail banks by ass	Top 4 retail banks by assets held in in 2024		
Türkiye Halk Bankası	1.06%		
Türkiye İş Bankası	1.23%	•	
Vakıflar Bankası	1.44%	•	
Ziraat Bankası	1.50%		
2 popular money transfe	r operators		
TransferGo	0.97%		
Paycell	0.80%		

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. In practice, the CBRT's transparency and fairness objectives provide a baseline, but outcomes are uneven. Providers commonly publish separate buy/sell rates that already include variable markups, which can fluctuate during the week. Customers then encounter additional fees on top (e.g. correspondent charges). With many consumers relying on banks' SWIFT transfers and/or exchanges for international payments, effective price comparison remains difficult and decision-making is hindered.

# Consumer impact

The lack of transparency means Turkish consumers are often unable to make like-for-like comparisons across providers. This can lead to significant hidden costs, with consumers disproportionately affected when sending international remittances or making online purchases in foreign currency.

Without a standardised disclosure model, comparing providers is extremely difficult. Consumers are expected to independently check CBRT reference rates (or third-party benchmarks such as Reuters or Bloomberg mid-market rates) to estimate markups—an unrealistic expectation for most. This opacity has suppressed competition and entrenched banks' pricing power.

# Progress in the last 12 months

In Türkiye, there has been limited tangible progress over the past 12 months in enhancing pricing transparency, particularly regarding FX markups in payment services. While the regulatory framework under Law No. 6493 continues to govern payment and e-money institutions, no new rules or supervisory guidance have been introduced to mandate clearer disclosure of fees or exchange rates. Similarly, under Law No. 1567 which has provisions for banks on foreign exchange, no additional measures have been taken. Although the CBRT publishes daily reference rates, banks continue to apply FX margins. While certain fintech firms provide greater visibility into their FX pricing, they remain largely dependent on banks, resulting in bank rates prevailing across the digital finance market. Going forward, strengthening regulatory guidance on transparency and fostering more competitive FX pricing practices could help enhance market efficiency and consumer confidence.

# Looking forward: what's next

There are no current plans by the Turkish government or CBRT to review regulations managing FX price transparency. To drive higher standards akin to outcomes-based regimes elsewhere, Türkiye could strengthen governance by requiring explicit disclosure of the FX markup (versus a transparent benchmark), mandating an all-in pre-transaction quote in local and destination currency, and introducing 'consumer understanding' tests to ensure information is clear, comparable, and not misleading.

# UNITED KINGDOM



# **Overview of rankings**

The UK continues to demonstrate leadership in payments policy, combining robust regulatory frameworks with a commitment to innovation and consumer protection. Recent developments have signalled additional access to central bank facilities for non-banks and transparency in cross-border payments, reinforcing the UK's position

as a global benchmark for payments governance. With a dynamic regulatory environment and ongoing engagement between policymakers, regulators, and industry, the UK is well-placed to address emerging challenges and support a competitive, resilient, and consumer-focused payments sector.

# **Direct Access Scorecard**

## 2025 2024 Banks and NBPSPs are permitted Banks and NBPSPs are permitted to have direct access to payment to have direct access to payment systems and it has been systems and it has been adopted by at least 1 NBPSP. adopted by at least 1 NBPSP.

The UK has maintained its 5/5 ranking for direct access. As a pioneer for non-bank direct access to payment schemes, the Bank continues to lead the evolution of policy treatment of non-banks.

# **Price Transparency Scorecard**

# 2025 🔺 2024 All financial service providers Existing regulation requires are required to disclose the price transparency in crosstotal cost up front to end users, border payments, including FX including FX markups, when markups, but this is not well making a cross-border transfer. enforced or the regulation is not strong enough to deliver price transparency for end users.

The UK has successfully upgraded its ranking two grades to 5/5, having started and completed a market study of FX pricing over the past 12 months, as part of its Consumer Duty focus areas for 2025. As a result, the FCA published new guidance on good and bad practices on FX pricing for consumers. This explicitly includes FX markups as a cost to the customer that should be explained during the payment journey in order to comply with the UK's Consumer Duty. These guidelines were published in May 2025, and makes the UK the first G20 nation to achieve the 5/5 ranking.



# Governance of direct access

The UK has led the way in expanding its governance framework for direct access to payment systems for non-banks, reflecting a commitment to fostering competition, innovation, and resilience in the financial sector. In October 2016, HM Treasury confirmed that non-bank payment service providers (NBPSPs), including fintech firms, would be brought within the scope of the Settlement Finality Regulations. This change enabled payment institutions to participate directly in central bank settlement at the Bank of England and to become members of the UK's main retail payment systems.

In July 2017, the Bank of England extended Real-Time Gross Settlement (RTGS) accounts to NBPSPs, supported by amendments to its access policies and procedures. This move was closely aligned with the objectives of the Payment Systems Regulator to enhance competition and innovation in payment services. As a result, entities such as e-money institutions and payment institutions gained the ability to hold settlement accounts with the Bank and access RTGS services directly.

The first NBPSP to achieve direct access was Wise (formerly TransferWise), which became a direct settling participant in the Faster Payments System in April 2018. This milestone marked a significant expansion of competition and diversity in the UK's payments landscape. Where only 11 banks were directly connected to Faster Payments prior to these reforms, by June 2025, this number had grown to 28 banks and 17 NBPSPs.

NBPSPs are now successfully able to secure direct access to payment schemes in the UK, and secure a settlement account at the Bank of England.

# Progress in the last 12 months

Over the past year, there has been noteworthy progress in the Bank of England's approach to broadening access to its core infrastructure, particularly for non-bank payment institutions. In April 2025, the Bank published its response to the earlier 2024 discussion paper on reviewing access to RTGS accounts for settlement. Significantly, the response included a dedicated section examining the possibility of granting non-banks access to safeguarding accounts at the Bank. The response directly acknowledged that "reliance on a small number of commercial banks for safeguarding has made it harder for NBPSPs to obtain access to safeguarding accounts and may put NBPSPs at a competitive disadvantage relative to banks."

Importantly, for the first time, the Bank confirmed that "work is underway to explore whether, and if so on what terms, we could offer NBPSPs settlement accounts with safeguarding facilities." This represents a significant step forward, as the Bank recognises that enabling NBPSPs to safeguard client funds directly at the Bank "could help to enhance growth opportunities and innovation by levelling the playing field in the payments ecosystem". The Bank also noted the operational advantages of such a move, observing that it "would also decrease operational risk as back and forth movements between an NBPSP's RTGS client funds settlement account and a commercial bank account would no longer be required."

This step is the result of sustained industry engagement and advocacy, and represents meaningful momentum towards a more level playing field in the UK payments ecosystem. The Bank's ongoing openness to consultation and its incremental approach to reform continue to underscore its world-leading commitment to innovation, competition, and the resilience of the financial system.

# Looking forward: what's next

The next phase will likely centre on the practical and regulatory considerations necessary to implement safequarding accounts for NBPSPs at the Bank of England. This will require close engagement with industry stakeholders to ensure that any new framework maintains robust standards for risk management, operational resilience, and consumer protection, while also supporting the diversity and competitiveness of the UK payments sector. The Bank's consultation process will be critical in surfacing technical, legal, and supervisory challenges such as how safeguarding accounts would interact with existing prudential requirements, and what operational standards would need to be met by NBPSPs to qualify for direct safeguarding.

Separately, as part of the UK's National Payments Vision, a modernisation regime of the payment infrastructure has received renewed momentum. After the failed New Payments Architecture programme, which was meant to renew the UK's interbank payments infrastructure, the upgrades to the Faster Payment System were reprioritised by the Payment Vision Delivery Committee. The new payments infrastructure aims to future proof the UK payment system, establish true cloud connectivity, provide more payment certainty and aid interoperability. This solid base layer should make it easier for providers to innovate on top, similar to projects like Pix in Brazil or UPI in India.

# **Price Transparency in detail**

# Governance of price transparency

The UK's framework for price transparency in cross-border payments has evolved over time. The Cross-Border Payments Regulation 2 (CBPR2), onshored after Brexit, requires firms to disclose estimated currency conversion charges and the actual exchange rate before a transaction. Similarly, the Payment Services Regulations (PSRs) 2017, implementing the EU's second Payment Services Directive, set out broader transparency obligations for payment services. However, both regimes have limitations—CBPR2 only applies to payments involving GBP and EU currencies, and both sets of rules have been undermined by ambiguities around what constitutes a 'currency conversion cost', allowing firms to obscure true charges.

The main vehicle for price transparency is now the Financial Conduct Authority's (FCA) Consumer Duty, effective from July 2023. The Duty introduces a 'price and value' pillar, requiring firms to ensure that fees and charges are fair and reflect the value of the service provided. It also contains a 'consumer understanding' pillar, mandating clear, accessible information to help consumers make informed choices and avoid being misled. It provides a robust framework for intervention, with the potential to drive higher standards and better outcomes for consumers across the payments market. The flexibility of such outcomes-based regulation enables the FCA to adapt to changing consumer and industry behaviours over time.

# Market behaviour

# UK payment providers' cross-border payment hidden fees based on customer payment journey Data collected July 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating	
Top 4 retail banks by ass	Top 4 retail banks by assets held in in 2024		
HSBC Holdings	3.71%		
Natwest Group	2.78%		
Barclays	2.75%		
Lloyds Banking Group	3.60%		
2 popular money transfe	r operators		
Remitly	0.65%		
Moneygram	0.30%		

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Some banks continue to obscure the true cost of their services by lowering or eliminating upfront fees, only to compensate by increasing foreign exchange (FX) markups. Many banks continue to hide these fees deep within the Terms & Conditions of consumer contracts, making it difficult for customers to understand the true cost of their transactions. Some providers such as Barclays and Lloyds have begun to move towards greater transparency by calculating and displaying their FX margins as a fee or percentage clearly to the customer. While this information is currently only accessible through tooltips, further enhancing its visibility will help them achieve a full transparency rating.

With the introduction of the Consumer Duty, there is hope for a significant shift in how banks and financial service providers operate. This new regulation aims to ensure that companies act in the best interests of their customers, promoting transparency and fairness. As a result, we expect to see a change in behavior, with more banks and financial institutions moving towards clear and upfront disclosure of fees and exchange rates. The Consumer Duty provides an opportunity for all providers to align with the spirit of transparency and fairness, and a framework for enforcement for the FCA should it wish to do so—ultimately benefiting consumers by making it easier to understand and compare the true costs of financial services.

# Consumer impact

For transparency to have a strong customer impact, it is crucial that the entire market adopts a standardised model. This would facilitate comparison shopping and foster effective competition, leading to better prices for consumers. The Consumer Duty could be a catalyst for this change, encouraging financial institutions to embrace full transparency and standardisation, thereby enhancing consumer trust and market efficiency. The wider lack of price transparency in the market is expected to result in \$11.3 billion in lost hidden fees for consumers and SMEs in 2025.

# Progress in the last 12 months

There has been measurable progress towards achieving greater transparency in FX practices. In December 2024, the FCA confirmed its H1 2025 focus areas for Consumer Duty enforcement would include "Clarity of foreign exchange (FX) pricing in payment services". This work concluded in May 2025 with the publication of the FCA's guidance on good and bad practices following their market study on FX transparency.

Encouragingly, the FCA has clearly identified and addressed poor practices, with half of these related to FX markups. The guidance highlights several key issues that firms are advised to avoid, such as failing to clearly communicate that their conversion rates include a markup over the reference rate. Additionally, there is often a lack of clarity that this markup is a cost borne by the consumer and retained by the firm. Some firms have also been found to misleadingly promote transactions as 'zero cost' due to the absence of fixed fees, despite applying markups. Furthermore, there is a need for clearer disclosure of the overall transaction cost, including any markups applied to the exchange rate.

However, there are still areas that require further clarification. The FCA's examples of good practice involve disclosing markups over a "reference rate," which is currently defined as "a benchmark rate used by a firm to calculate its pricing." It remains unclear whether this allows banks to use their own rates and still claim zero markups. This ambiguity needs to be addressed to ensure consistent and fair practices across the industry.

Overall, the FCA's guidance represents a positive step forward in promoting transparency, but further clarification and enforcement is necessary to ensure that all firms adhere to these standards and that consumers are fully informed about the costs associated with their transactions. As firms work to comply with these new guidelines, we will continue to monitor if meaningful change is delivered for consumers.

# Looking forward: what's next

How the FCA looks to enforce its new guidance on FX price transparency over the next 12 months will be critical in understanding if this outcomes based approach is effective. Robust and visible enforcement will be essential to demonstrate that the FCA's expectations are not merely advisory, but are driving tangible improvements in market conduct and consumer outcomes. In particular, the FCA's supervisory and enforcement actions will provide valuable insights into whether firms are genuinely enhancing transparency for end users, or if further regulatory intervention may be required to achieve the desired outcomes.

In parallel, the regulatory landscape for payment services in the UK is set for potential transformation. Following the 2023 consultation on the future of the Payment Services Regulations (PSRs) 2017, HM Treasury is anticipated to clarify its intended course of action within the next six months. The government will decide whether to migrate elements of the PSRs into the FCA's regulatory handbook—potentially allowing for more flexible, principles-based supervision—or to pursue a legislative model similar to the Financial Services and Markets Act 2000, which provides a comprehensive statutory framework for financial regulation in the UK.

Irrespective of the approach, any transition away from the current PSR framework must be carefully managed to achieve three core objectives: streamlining regulatory requirements, ensuring regulatory consistency across the payments sector, and strengthening consumer protection. Of particular importance is the need to retain safeguards around FX price transparency, so that consumers benefit from clear, reliable information and are protected from opaque pricing practices. The next phase of regulatory reform presents a significant opportunity to reinforce the UK's reputation for high standards in financial services, while fostering innovation and competition in the payments sector.



# UNITED STATES OF AMERICA



# Overview of rankings

The US has achieved advancements in payments speed and modernization, particularly through the Federal Reserve's introduction of the FedNow Service and the Trump administration's pro-innovation agenda. However, the fundamental architecture for direct access to core settlement accounts remains the exclusive privilege of depository institutions, as defined in the Federal Reserve Act. The United States' upcoming presidency

of the G20 in 2026 presents both a significant opportunity and responsibility to demonstrate leadership on the very commitments the country helped establish through the G20 Roadmap for Enhancing Cross-Border Payments. Concerningly, there has been a reversal of progress on price transparency and weakened consumer protections that had begun to address hidden costs in cross-border payments.



# **Direct Access Scorecard**

# 2025 Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs. 2024 Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

The United States maintains its 2/5 ranking for direct access. Direct access to payment schemes remains the exclusive right of banks, with NBPSPs operating primarily through indirect sponsor bank models. While there is continuous advocacy from industry and exploration by authorities concerning payment modernization generally, these efforts have not yet translated into meaningful policy developments with regards to direct access for non-banks.

# **Q** Price Transparency Scorecard

2025▼	2024
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.	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.

The United States has been downgraded from last year to 3/5 for price transparency. Last year, the Consumer Financial Protection Bureau had issued a <u>circular</u>, warning providers that they could be liable for deceptive marketing practices around remittance transfers that claimed to be "free" or have "no fee" when there is actually a cost incurred—including FX padding. However, the circular was rescinded in May 2025, reverting back to the status quo where the disclosure of the exchange rate and fees are mandated, but there is no requirement for the FX markup to be disclosed as a separate, quantifiable fee.





# Governance of direct access

The United States operates one of the most restrictive direct access frameworks among G20 nations. Although the Federal Reserve revised its Master Account access quidelines in 2022 to introduce a three-tiered approval system—ranging from minimal scrutiny for traditional banks (Tier 1) to heightened scrutiny for non-federally insured entities (Tier 3)—the core requirement that Master Account holders must meet the definition of depository institutions under the Federal Reserve Act remains unchanged.

This structural restriction forces payment-focused NBPSPs to undergo comprehensive business transformation, such as becoming trust banks or accepting deposits, simply to access basic payment infrastructure. The practical effect is that the United States stands alone among G7 countries in neither permitting nor planning for direct NBPSP access to its national payment system, creating a fundamental competitive disadvantage for innovative payment providers and limiting consumer choice.

The Federal Reserve's 2022 guidelines, while introducing procedural clarity, have not addressed the underlying policy question of direct access for NBPSPs. This approach reflects a conservative interpretation of the Federal Reserve Act that prioritises traditional banking models over payment system innovation and competition.

# Progress in the last 12 months

The Trump administration has demonstrated interest in financial innovation and payment system modernization, particularly regarding digital assets and novel payment technologies. The President's Working Group on Digital Asset Markets published a roadmap in July 2025 to establish US leadership in digital finance, explicitly recommending modernization of bank regulation to facilitate access to bank charters and Reserve Bank Master Accounts.

However, the roadmap's focus on digital assets rather than traditional payment firms leaves significant uncertainty about broader direct access policy. The recommendations lack specific implementation mechanisms and timelines, making it unclear how the administration intends to translate these aspirations into concrete regulatory reform. The emphasis on digital assets, while important for emerging technologies, does not address the fundamental barriers facing established payment service providers seeking direct access to core infrastructure.

The absence of comprehensive payment system reform legislation or clear Federal Reserve policy signals suggests that meaningful progress on direct access will require sustained political commitment and potentially congressional action to overcome existing regulatory constraints.

# Looking forward: what's next

The implementation of recommendations from the President's Working Group on Digital Asset Markets represents the most immediate opportunity for advancing direct access policy, though the scope and timeline remain uncertain. The administration's continued focus on financial innovation may create momentum for broader payment system reforms, but translating policy aspirations into regulatory reality will require broad consensus within the Federal Reserve and Congress.

The Federal Reserve's institutional conservatism regarding Master Account access suggests that unilateral expansion of direct access is unlikely to occur without explicit political direction or legislative mandate. While the Federal Reserve possesses legal authority to broaden access criteria, historical precedent indicates that significant policy changes require clear political backing and comprehensive risk assessment processes.

Congressional action to expand payment access to NBPSPs faces considerable structural obstacles due to concerns among Democrats about the lack of federal-level prudential supervision of payment systems—currently regulated at the state level—and Republicans often favoring traditional banks. Although Representative Ritchie Torres's (D-NY) Bill to increase federal payment system access for affordable remittance providers demonstrates legislative interest, it lacks a clear pathway to enactment given current political dynamics.

# **Price Transparency in detail**

# Governance of price transparency

The Consumer Financial Protection Bureau (CFPB) oversees international money transmitters to ensure compliance with the Remittance Rule. This rule mandates the disclosure of certain fees in a consumer cross-border payment, including the amount sent, the amount received, and any fees associated with the transaction. However, the Remittance Rule does not require that an exchange rate markup be presented as a separate fee. This omission allows payment providers to charge hidden fees through inflated exchange rates.

The Remittance Rule's consumer protection scope is further limited by its exclusion of small business transactions, leaving a significant segment of cross-border payment users without basic transparency protections. This gap is particularly concerning given that small businesses often lack the resources and expertise to navigate complex fee structures independently.

## Market behaviour

# American payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by	assets held in in 2024	
Bank of America	2.69%	
Citibank	3.03%	
JPMorgan Chase Bank	2.93%	•
Wells Fargo	3.08%	
2 popular money transfer operators		
PayPal/Xoom	3.51%	
Western Union	1.48%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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. Currently, when a customer initiates a cross-border payment, they are informed of the amount being sent, any associated fees, the exchange rate, and the amount the recipient will receive. The primary issue is that the declared total fees do not need to account for any exchange rate markups. As a result, providers can apply hidden fees through marked-up exchange rates, making it difficult for customers to comparison shop effectively. Consumers regularly experience costs listed as "\$0", but experience fees within the inflated exchange rate. Since the CFPB's circular regarding remittance transfers was rescinded in May 2025 after less than one year of being in effect, providers did not change their practices, meaning these 'zero fees' and inflated exchange rates persist.

# **Consumer impact**

The practice of embedding hidden charges within unfavourable exchange rates directly impedes consumers' ability to make informed decisions about service providers, resulting in significant financial losses that disproportionately affect households dependent on international transfers.

Research indicates that US consumers are projected to collectively lose an estimated \$19 billion in 2025 due to obscured foreign exchange markups, with this figure projected to increase substantially to \$46 billion by 2027 as cross-border payment volumes grow. These losses not only represent individual financial harm, but also systemic market failure where information asymmetries prevent competitive forces from driving down costs and improving service quality.

# Progress in the last 12 months

In May 2025, the Consumer Financial Protection Bureau (CFPB) rescinded the "Consumer Financial Protection Circular 2024-02: Deceptive Marketing Practices About the Speed or Cost of Sending a Remittance Transfer", which warned providers that they may be liable if they market their services as having zero fees or promotional rates, despite marking up the exchange rate and charging a hidden fee. Although this reversal is a step in the wrong direction for improving price transparency in cross-border payments, it was part of a larger rollback of 67 regulatory guidance documents by the CFPB on the basis of reviewing the CFPB's consistency with statutes and regulations.

Counterbalancing this regression, the Treasury's endorsement of updated Financial Action Task Force's (FATF) updated payments standards in June 2025 specifically recognized "the role of non-bank financial institutions in payments and seeks to promote transparency and efficiency in cross-border payments." This international commitment suggests diverse perspectives within the administration regarding transparency priorities, though concrete domestic policy implementation remains unclear.

# Looking forward: what's next

The future of price transparency in US cross-border payments will largely hinge on whether regulatory bodies, particularly the CFPB, adopt more stringent requirements for explicit foreign exchange markup disclosure. The ongoing review of the CFPB's withdrawn guidance documents could lead to new guidance or rules, and the direction of these revisions will be critical in determining whether transparency requirements are strengthened or relaxed. The administration's broader digital asset policies, while primarily focused on market structure and innovation, could indirectly influence transparency discussions, especially if new payment rails or stablecoin frameworks offer inherent transparency advantages.

# **EUROPEAN UNION**



# **Overview of rankings**

The EU has been actively working in recent years on enhancing the efficiency of the European retail payments market, fostering competition and innovation, as well as supporting the uptake of instant payments in the EU. Recent regulatory developments have improved

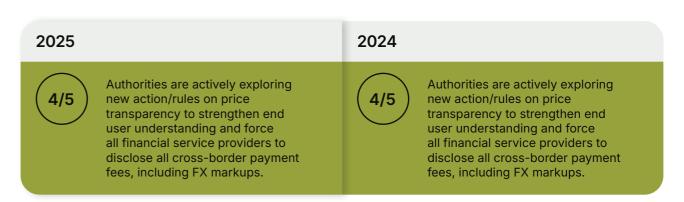
NBPSP access to payment systems as well as signalled the importance of full fee, including FX markup, price transparency for cross-border payments. Consequently, it's one of the leading jurisdictions in implementing the G20 Roadmap.

# **Direct Access Scorecard**

# 2025 🔺 2024 Banks and NBPSPs are permitted Authorities are actively to have direct access to payment exploring widening direct systems and it has been access to domestic payment adopted by at least 1 NBPSP. systems to include NBPSPs.

The EU's ranking has improved to 5/5 following the changes to the EU's Settlement Finality Directive (SFD), which came into effect on April 9, 2025. These changes allow NBPSPs to have direct access to payment systems, and the first NBPSP-SIA xpate, an e-money institution licensed in Latvia—has successfully joined the Bank of Latvia's Electronic Clearing System (EKS) in April 2025. However, the transposition and implementation of the new rules have been inconsistent across the EU. As of August 2025, only 18 out of the 27 EU Member States have implemented the laws, leading to the Eurosystem delaying the adoption of its access policy to the ECB's payment systems. This has resulted in an uneven playing field for NBPSPs across Europe.

# **Price Transparency Scorecard**



The EU's transparency rating remains unchanged as the Payment Services Regulation (PSR), aimed at strengthening price transparency rules, is still under negotiation. The PSR is expected to be adopted in the first quarter of 2026. Once these new rules are in effect, subject to the rules requiring all financial service providers to clearly disclose total costs, including FX mark-ups, upfront, the EU's rating is anticipated to rise to 5/5.



# Governance of direct access

In September 2020, the European Commission published its Retail Payment Strategy, which included an admission that "indirect access via banks may not be the best option for many non-bank payment service providers, as this makes them dependent on those banks." Following that, the Commission committed to extending the scope of the Settlement Finality Directive (SFD). The SFD, a piece of legislation first introduced in 1998, defines the eligible participants in designated payment systems and it initially excluded non-bank e-money institutions (EMIs) and payment institutions (PIs) from that list.

In 2021, the European Commission consulted on expanding the participant list in the SFD. However, it was the EU's Instant Payments Regulation (IPR), adopted in 2024, that introduced amendments to the SFD. Initially, the European Commission did not intend for the IPR to amend the SFD, as its primary goal was to mandate euro instant payments. Nevertheless, since the requirement to offer instant payments applied to both banks and non-banks, it became illogical to exclude non-banks from direct access to payment systems. Amendments proposed by both the European Parliament and the Council of the EU led to the necessary changes to the SFD being included in the IPR. These changes expanded the list of entities eligible for direct participation in payment systems and allowing EMIs and PIs to participate under specific conditions.

In addition to amending the SFD, the IPR also amended the Second Payment Services Directive (PSD2), outlining the conditions under which EMIs and PIs can directly participate in payment systems. It also introduced the option for NBPSPs to safeguard users' funds in an account held with a central bank, subject to the discretion of that central bank.

The relevant provisions amending the SFD and broadening the scope of entities eligible to participate in designated payment systems had to be transposed into national law by EU Member States by 9 April 2025.

# Progress in the last 12 months

Over the past year, significant progress has been made with the requirement for EU Member States to implement the changes to the SFD by April 9, 2025 into their national legislations. These changes theoretically paved the way for NBPSPs to gain direct access to payment systems across the entire EU. However, in reality some Member States have missed the transposition deadline.

As of August 2025, 18 out of 27 EU Member States have successfully transposed the required regulations into their national laws and have notified the European Commission of their compliance. Meanwhile, others like Romania have postponed transposition until spring 2026, citing national elections as the reason for the delay. This has resulted in an uneven playing field for NBPSPs across the EU, depending on which EU Member States they are licensed in. Nevertheless, the first NBPSP has onboarded to Bank of Latvia's Electronic Clearing System (EKS), the payment system created and maintained by Latvijas Banka.

At the same time, the Eurosystem as well as non-Euro Member State central banks have been working on defining policies to allow NBPSPs to access central-bank operated payment systems. In its 'Policy on access by non-bank payment service providers', the Eurosystem, which includes the national central banks of the eurozone, has specified that NBPSPs that meet the relevant safeguards in place and demonstrate the ability to meet the operational and technical requirements applicable to current participants will be able to access T2 (the RTGS payment system) and TIPS (for settling instant payments). The changes to the TARGET Guidelines will allow NBPSPs to hold a settlement account with the central bank, with account balances limited to include the funds necessary to meet their settlement obligations for the current business day.

Contrary to what the EU legislators introduced into the amended PSD2, the Eurosystem has decided to not provide accounts to NBPSPs for safeguarding users' funds at central banks. Furthermore, the Eurosystem has stated that if one or more Member States fails to transpose the SFD into national legislation on time, the date may need to be postponed. Currently, the amendments to the TARGET Guideline have been postponed and are now expected to enter into force only in October 2025.

# Looking forward: what's next

All EU Member States still need to adopt the necessary national legislation to fully implement the changes, which will enable more NBPSPs to begin directly accessing payment systems.

Discussions are ongoing regarding the safeguarding of funds, particularly in the context of the ongoing Third Payment Services Directive (PSD3) and Payment Services Regulation (PSR) review. Given that the Eurosystem has decided to not allow for safeguarding of NBPSP client funds in central bank accounts, there is a proposal under consideration that would classify funds held in NBPSPs' central bank settlement accounts as safeguarded.



# **Price Transparency in detail**



# Governance of price transparency

The EU's framework governing price transparency has evolved over the years. In 2019, the EU adopted the Cross-Border Payments Regulation 2 (CBPR2) to drive down the cost of cross-border payments within the EU. As it's a Regulation, it was legally binding across all 27 EU Member States and did not require national transposition. The CBPR2 included several provisions for cross-border payments to be transparent and show "all currency conversion charges" up front to customers. Through this regulation, financial services firms were required to:

- Inform a customer prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the estimated charges for currency conversion services applicable to the credit transfer.
- Provide the actual exchange rate that will be applied to the transaction as well as all charges related to the currency conversion service.

This has been the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU. However, in practice, a lack of legal clarity allowed firms to use their own exchange rate, which is typically higher than the mid-market exchange rate. In addition, the rules only apply for intra-EU payments, so any cross-border payments outside of the EU, which include most remittance corridors, are out of scope.

In June 2023, the European Commission presented revisions to PSD2, now encompassing two legislative acts—a Third Payment Services Directive (PSD3) and a Payment Services Regulation (PSR). In the Commission's Impact Assessment on PSD2, it emphasised that costs related to currency conversion are an important share of total costs and that without full transparency, it is hard for consumers to compare charges of different providers and to make an informed decision, leading to choosing a provider that may not be the best for them. The Commission also recognises the goals of the G20 Roadmap in this regard and the need to make progress towards them.

Consequently, the Commission's proposal for the PSR included improved information requirements and a clear obligation to inform the consumer about the estimated charges for currency conversion up-front, including any foreign exchange rate mark-ups based on a reference exchange rate. The new rules bring all credit transfers and money remittance transactions into scope, extending previous price transparency rules from intra-EU transactions only to all transactions within the EU and from the EU to third countries, encompassing all outgoing remittances. The final rules are currently being negotiated by the EU co-legislators.

# Market behaviour

# EU payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating	
Top 4 retail banks by assets	Top 4 retail banks by assets held in in 2024		
BNP Paribas (France)	1.05%		
Banco Santander (Spain)	3.38%		
Société Générale (France)	1.40%	•	
Deutsche Bank (Germany)	0.46%		
2 popular money transfer op	erators		
MoneyGram	0.87%		
Ria	1.96%	•	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

The majority of banks in the EU continue to obscure the true costs of a cross-currency transfer in inflated exchange rates. Furthermore, each bank or money transfer operator (MTO) has a different way of communicating the exchange rate they use (if at all). This results in unnecessary complexity for consumers, who don't know how much they're overpaying for a money transfer.

Furthermore, while some MTOs disclose that they profit from the exchange rate, they often do not specify the extent of the mark-up, leaving consumers with an incomplete understanding of the true cost of their transactions. However, there are some providers across the EU that have moved towards greater transparency by displaying their FX margins as a fee or a percentage, leading the way in clear fee communication to customers.

# **Consumer impact**

This lack of transparency we expect will result in \$85 billion (€78.5 billion) in lost hidden fees in 2025, expected to grow to \$96.1 billion (€88.8 billion) by 2027.

To ensure transparency has a significant impact on customers, it is essential for the entire market to adopt a standardised model. This would enable consumers to easily compare options, promoting effective competition and resulting in better prices. Such a model is currently being proposed in the ongoing Payment Services Regulation (PSR) negotiations. The success of these rules will depend on the establishment of a single standard that clearly dictates how FX mark-ups should be displayed, along with robust enforcement of the new rules by national supervisors, which has been lacking under the CBPR2.

# Progress in the last 12 months

The negotiations on the PSR, which includes new FX transparency measures, are still ongoing, with a view to being finalised by the end of 2025. The European Parliament and the Council of the EU have both emphasised the importance of transparency in foreign exchange transactions. They have advocated for the disclosure of FX mark-ups both as a percentage and in monetary terms. This information should be provided in comparison to a relevant foreign exchange benchmark rate, ensuring that consumers are fully informed of the currency conversion costs before finalizing their payments.

# Looking forward: what's next

The legislative negotiations on the PSR are still ongoing at the time of publication. Once adopted by the co-legislators, the rules within the PSR will be directly applicable, becoming part of the national law of all 27 EU Member States upon their entry into force. After an implementation period, which is yet to be determined during the negotiations, all PSPs and MTOs in the EU will have to display their FX mark-ups against an independent mid-market reference rate.

Effective enforcement of these new regulations by EU Member State supervisors will be essential to ensure that consumers truly benefit from the new rules. This will empower consumers to understand the actual costs of their payments, compare different providers, and foster a more transparent and competitive market.

# FRANCE



# Overview of rankings

France has been proactive in advancing its payments ecosystem, demonstrating strong support for EU-level reforms, particularly the amendments to allow for NBPSP direct access at the EU level. As a vocal advocate for these changes, France has positioned itself as a forward-looking nation in terms of direct access to benefits to NBPSPs and consumers.

payment systems. However, its progress in both direct access and transparency is closely tied to the implementation and enforcement of EU regulations. This requires proactive involvement from French national authorities to ensure that these reforms effectively deliver tangible

# **Direct Access Scorecard**

2025	2024
Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.	Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Although France has incorporated the SFD changes into its national law, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including France, from granting access to NBPSPs. Once these guidelines are in place and at least one NBPSP gains access through the Banque de France, the rating is expected to increase to 5/5\*.

# **Price Transparency Scorecard**

2025	2024
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.	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.

France's transparency rating remains unchanged because the Payment Services Regulation (PSR), designed to enhance price transparency, is still under negotiation, and the country has not prioritised enforcing the CBPR2. Once the new PSR rules take effect in France, subject to the rules requiring all financial service providers to clearly disclose total costs, including FX mark-ups, upfront, France's rating is expected to increase to 5/5.





# Governance of direct access

In France, the payment system CORE is operated by Systèmes Technologiques d'Echange et de Traitement (STET), which is owned by the 6 major banks in France. The legislation adopted at the EU level on NBPSP direct access applies to France. Consequently, from the 9 April 2025, all EU Member States, including France, had to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems.

# **Progress in the last 12 months**

France has adopted the <u>law</u> implementing the SFD changes. Concurrently, a harmonised access framework was published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central

banks of the eurozone, to ensure that the whole eurozone adopts the same criteria. However, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including France, from granting access to NBPSPs.

# Looking forward: what's next

With the SFD officially transposed, NBPSPs should be able to obtain a settlement account with the Banque de France and gain direct access to the TARGET payment systems once the Eurosystem policy is in place.



# Price Transparency in detail



# Governance of price transparency

The EU's Second Payment Services Directive (PSD2), transposed in French law under the Monetary and Financial Code, entered into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry.

The EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in France. In France, the Autorité de Contrôle Prudentiel et de Résolution (ACPR) alongside the Banque de France, oversee compliance with the PSD2 and CBPR2. However, to date, the French authorities have not actively enforced the fee transparency measures within the market.

# Market behaviour

# French payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating	
Top 4 retail banks by asset	Top 4 retail banks by assets held in in 2024		
BNP Paribas	1.05%		
Société Générale	1.40%		
La Banque Postale	0.03% (margin of error)		
Crédit Mutuel	1.18%		
2 popular money transfer of	operators		
Ria	1.96%		
Western Union	0.34%		

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

The situation in France regarding price transparency is mixed. Many providers continue to obscure fees by inflating exchange rates for cross-currency transfers. They often present their own exchange rates as the standard rate, failing to communicate the markup as an additional cost, and claim that there are only upfront fixed fees or that the transaction is free. Some money transfer operators (MTOs) acknowledge in their Terms & Conditions or in a footnote that they increase the exchange rate by a margin, but they do not disclose the actual mark-up or the resulting fee for the customer.

However, there are positive examples of price transparency in France. La Banque Postale and Crédit Mutuel stand out by clearly disclosing total transaction fees, including specific fees for currency exchange. Crédit Mutuel goes a step further by presenting these costs both as a monetary amount and as a percentage of the total transaction, aligning with the upcoming rules to be introduced by the EU's PSR.

# **Consumer impact**

This lack of transparency will result in consumers and SMEs losing \$7.3 billion (€6.7 billion) in lost hidden fees in 2025, and is expected to grow to \$8.2 billion (€7.6 billion) by 2027.

With the future introduction of the EU's PSR rules on fee transparency, there is hope for a significant shift in how banks and financial service providers operate in France.

As a result, we anticipate a change in behavior, with more French banks and financial institutions moving towards clear and upfront disclosure of fees and exchange rates.

# Progress in the last 12 months

The EU is updating price transparency rules through the ongoing PSD3/PSR legislative negotiations. The negotiations on the PSR, which include new FX transparency measures, are still ongoing, with a view to being finalised by the end of 2025.

Despite the few positive examples of transparent banks in France, there has been no active enforcement of the existing rules by the authorities in France. This lack of enforcement allows many providers to continue obscuring fees through inflated exchange rates and inadequate disclosure practices.

# Looking forward: what's next

As the rules within the PSR will be directly applicable, it will become part of the French national law after its entry into force. Once the new rules are in place, it will be crucial for authorities to actively enforce them to ensure that FX mark-ups are clearly disclosed. This enforcement will help guarantee that consumers are fully informed about the costs associated with their transactions, promoting transparency and fairness in the financial market.



# EUROPEAN UNION **GERMANY**



# **Overview of rankings**

Germany has worked on enhancing its payments ecosystem, aligning with EU initiatives to improve direct access and transparency. While the country has transposed the amendments to allow for NBPSPs to gain direct access to payment systems, the full implementation of these benefits is pending the adoption of the TARGET Guide-

lines by the Eurosystem. On FX transparency, Germany's enforcement of the EU's CBPR2 has been weak, allowing providers to obscure fees through inflated exchange rates. Hence, its progress in both direct access and transparency is closely tied to the implementation and enforcement of EU regulations.

# **Direct Access Scorecard**

# 2025 2024 Authorities are actively Authorities are actively exploring widening direct exploring widening direct access to domestic payment access to domestic payment systems to include NBPSPs. systems to include NBPSPs.

Although Germany has incorporated the SFD changes into its national law, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including Germany, from granting access to NBPSPs. Once these guidelines are in place and at least one NBPSP gains access through the Bundesbank, the rating is expected to increase to 5/5\*.

# **Price Transparency Scorecard**

2025	2024
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.	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.

Germany's transparency rating remains unchanged because the Payment Services Regulation (PSR), designed to enhance price transparency, is still under negotiation, and the country has not prioritised enforcing the CBPR2. Once the new PSR rules take effect in Germany, subject to the rules requiring all financial service providers to clearly disclose total costs, including FX mark-ups, upfront, Germany's rating is expected to increase to 5/5.





# Governance of direct access

The legislation adopted at the EU level on NBPSP direct access applies to Germany. Consequently, from 9 April 2025, all EU Member States, including Germany, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. In Germany, this means that NBPSPs could join TARGET-Bundesbank to be able to facilitate SEPA (instant) credit transfers.

# **Progress in the last 12 months**

Germany has adopted the <u>law</u> implementing the SFD changes by the April 9 2025 deadline. Concurrently, a harmonised access framework was published by the Eurosystem, which comprises the European Central

Bank (ECB) and the national central banks of the eurozone, to ensure that the whole eurozone adopts the same criteria. However, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including Germany, from granting access to NBPSPs.

# Looking forward: what's next

With the SFD officially transposed, NBPSPs should be able to obtain a settlement account with the Bundesbank and gain direct access to the TARGET payment systems once the Eurosystem policy is in place.



# Price Transparency in detail



# Governance of price transparency

The PSD2 was transposed into German national law through the Zahlungsdiensteaufsichtsgesetz (ZAG), entering into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry. Following this, the EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in Germany.

Neither regulators, nor consumer organisations have taken up cases against payment service providers hiding fees in inflated exchange rates. The Federal Financial Supervisory Authority (BaFin) has been tasked with overseeing compliance and providing guidelines for implementing PSD2 and CBPR2 provisions. However, to date, the German authorities have not actively enforced the fee transparency measures within the market.

# Market behaviour

# German payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by a	ssets held in in 2024	
BW Bank	Unknown	
Commerzbank	1.01%	
Deutsche Bank	0.46%	
HypoVereinsbank	0.26%	
2 popular money trans	fer operators	
MoneyGram	0.87%	
Western Union	2.19%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

In Germany, several of the largest banks do not provide any exchange rate information or disclose transfer fees during the payment initiation process. This lack of transparency means that customers can only discover the exchange rate or any associated fees after completing a transfer. Rate information and fee structures are typically only available by searching the bank's website or within lengthy Terms & Conditions, requiring customers to search for them independently, rather than being integrated into the payment journey. As a result, customers must calculate transaction fees on their own, making it impossible to determine the cost of a payment prior to its completion.

Additionally, MTOs in Germany often acknowledge in a footnote or legal disclaimer that they profit from currency exchange during the payment journey, but they do not specify the concrete mark-up. Some providers also claim zero transaction fees, compensating for this by increasing the undisclosed FX mark-ups, further obscuring the true cost of transactions for consumers.

# **Consumer impact**

This lack of transparency will result in \$12.8 billion (€11.8 billion) in lost hidden fees for consumers and SMEs in 2025, expected to grow to \$13.7 billion (€12.7 billion) by 2027.

With the future introduction of the EU's PSR rules on fee transparency, there is potential for a significant shift in how banks and financial service providers operate in Germany. As a result of the upcoming regulations, we anticipate a change in behavior, with more German banks and financial institutions moving towards clear and upfront disclosure of

fees and exchange rates. For consumers, this would enable them to make informed financial decisions, allowing them to compare and choose the most cost-effective solutions while reducing the likelihood of unexpected costs post-transaction. Currently, unexpected costs are a significant issue in the German market due to the lack of fee information provided by banks when making cross-border payments.

# Progress in the last 12 months

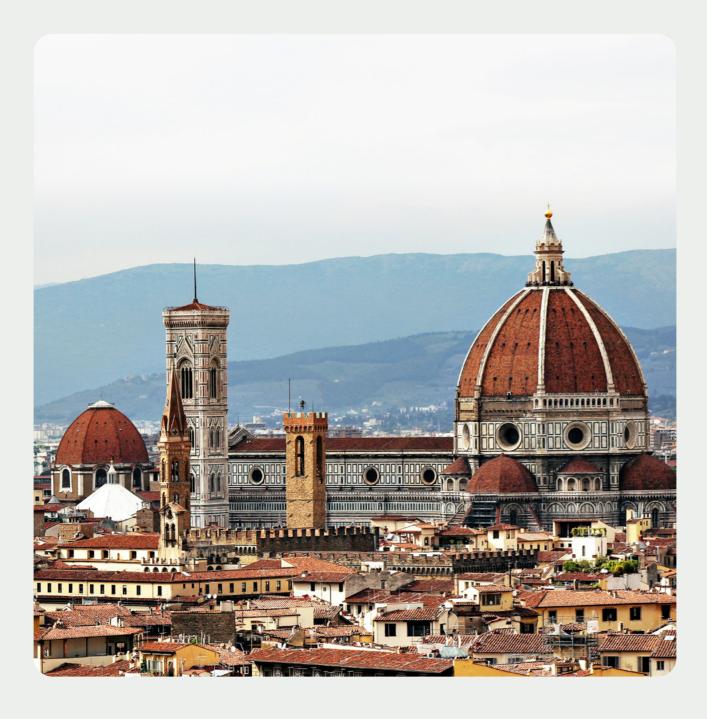
The EU is updating price transparency rules through the ongoing PSD3/PSR legislative negotiations. The negotiations on the PSR, which includes new FX transparency measures, are still ongoing, with a view to being finalised by the end of 2025.

There has been no active enforcement of the existing fee transparency rules by the authorities in Germany. This lack of enforcement allows most providers to continue obscuring fees through inflated exchange rates and inadequate disclosure practices.

# Looking forward: what's next

As the rules within the PSR will be directly applicable, it will become part of the German national law after its entry into force. Once the new rules are in place, it will be crucial for authorities to actively enforce them to ensure that FX mark-ups are clearly disclosed. This enforcement will help guarantee that consumers are fully informed about the costs associated with their transactions, promoting transparency and fairness in the financial market.

# EUROPEAN UNION ITALY



# **Overview of rankings**

Italy has been a strong advocate for the EU-level reforms to amend the Settlement Finality Directive (SFD), supporting efforts to grant NBPSPs direct access to payment systems. The country has also launched several initiatives aimed at reducing remittance costs and educating the

public about the various cost components of international transactions. However, these initiatives have primarily focused on research and financial education, rather than on the supervisory enforcement of existing regulations, which remains insufficient.

# **Direct Access Scorecard**

2025	2024
Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.	Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Although Italy has incorporated the SFD changes into its national law, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including Italy, from granting access to NBPSPs. Once these guidelines are in place and at least one NBPSP gains access through the Banca d'Italia, the rating is expected to increase to 5/5\*.

# **Price Transparency Scorecard**

2025	2024
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.	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.

Italy's transparency rating remains unchanged because the Payment Services Regulation (PSR), designed to enhance price transparency, is still under negotiation, and the country has not prioritized enforcing the CBPR2. Once the new PSR rules take effect in Italy, subject to the rules requiring all financial service providers to clearly disclose total costs, including FX mark-ups, upfront, Italy's rating is expected to increase to 5/5.





# **Governance of direct access**

The legislation adopted at the EU level on NBPSP direct access applies to Italy. Consequently, from 9 April 2025, all EU Member States, including Italy, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. The Banca d'Italia supervises the domestic component of T2 (TARGET2-Banca d'Italia).

# **Progress in the last 12 months**

Italy has adopted the laws (1, 2) implementing the SFD changes by the April 9 2025 deadline. Concurrently, a harmonised access framework was published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone, to ensure that the whole eurozone adopts the same criteria. However, delays by the Eurosystem in adopting the TARGET Guidelines have prevented eurozone central banks, including Italy, from granting access to NBPSPs.

# Looking forward: what's next

With the SFD officially transposed, NBPSPs should be able to obtain a settlement account with the Banca d'Italia and gain direct access to the TARGET payment systems once the Eurosystem policy is in place.



# Price Transparency in detail



# Governance of price transparency

The PSD2 was transposed into Italian national law through the <u>Legislative Decree No. 218/2017</u>, coming into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry. Following this, the EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in Italy.

Neither regulators, nor consumer organisations have taken up cases against payment service providers hiding fees in inflated exchange rates. The Centre for International Political Studies (CeSPI) publishes periodical reports, monitoring the progress of different cost components for sending remittances and progress towards the UN Sustainable Development Goal 10, which aims

to reduce the transaction costs of remittances to less than 3% by 2030. In addition to this, in May 2022, the Bank of Italy published a <u>calculator</u> to clarify "the cost of the remittances" on its financial education website "Economy for All" (Economia per tutti). The website aims to educate people about the various cost components of an international transaction, including exchange rate margins, and the calculator allows to compute how much the beneficiary will receive in their country of origin and the overall cost of the transaction.

Despite these initiatives, exchange rate margins continue to be an important factor contributing to high remittance costs. Banca d'Italia is the primary regulatory body responsible for overseeing compliance with both PSD2 and CBPR2 in Italy but has not actively enforced the fee transparency measures within the market.

# Market behaviour

# Italian payment providers' cross-border payment hidden fees based on customer payment journey Data collected May 2025

Provider	Markup/difference over the mid-market rate	Tranparency rating
Top 4 retail banks by	assets held in in 2024	
Banco BPM	No information provided	
BPER Banca	-0.15%	
Intesa Sanpaolo	0.02% (margin of error)	•
UniCredit*	1.07%	
2 popular money tran	sfer operators	
MoneyGram	1.03%	
Western Union	0.16%	

Ranking information of retail banks are from The Banker's Top 1000 World Banks 2024—Rankings by country.

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.

\*Unicredit clearly displays all fees and the mid-market FX rate to most of its major currency routes, but this has not yet come into effect for to-USD payments, which is what this report has assessed all providers against. Given this, we have decided to give Unicredit a dark green rating to reflect their efforts and trajectory on cross-border payments transparency.

In Italy, the market behaviour is varied. Some providers do not display any exchange rate information during the consumer journey or on their websites, leaving customers in the dark about the true cost of their transactions. Several banks and MTOs acknowledge in tooltips or within their Terms & Conditions that a variable margin is included in the exchange rate, but they do not specify what that margin is, further obscuring the total cost for consumers.

However, there are exceptions, such as Intesa Sanpaolo, which stands out by providing the mid-market rate for the given transaction and clearly stating its fees. This level of transparency is not common in the Italian market, where most providers continue to withhold critical pricing information, making it challenging for consumers to make informed financial decisions and compare costs effectively.

# **Consumer impact**

The current lack of transparency in Italy's cross-border payment market significantly impacts consumers, who often face unexpected costs due to the absence of clear exchange rate and fee information. This opacity makes it difficult for consumers to compare services and select the most cost-effective options. With the future introduction of the EU's PSR rules on fee transparency, there is potential for a significant shift in how banks and financial service providers operate in Italy. As a result of the upcoming regulations, we anticipate a change in behavior, with more Italian banks and financial institutions moving towards clear and upfront disclosure of fees and exchange rates.

# Progress in the last 12 months

The EU is updating price transparency rules through the ongoing PSD3/PSR legislative negotiations. The negotiations on the PSR, which includes new FX transparency measures, are still ongoing, with a view to being finalised by the end of 2025.

There has been no active enforcement of the existing fee transparency rules by the authorities in Italy. This lack of enforcement allows most providers to continue obscuring fees through inflated exchange rates and inadequate disclosure practices.

# Looking forward: what's next

As the rules within the PSR will be directly applicable, it will become part of the Italian national law after its entry into force. Once the new rules are in place, it will be crucial for authorities to actively enforce them to ensure that FX mark-ups are clearly disclosed. This enforcement will help guarantee that consumers are fully informed about the costs associated with their transactions, promoting transparency and fairness in the financial market.



# **ACKNOWLEDGEMENTS**

This report has been made possible through the invaluable contributions and dedication of many individuals and teams. We are grateful for their hard work and expertise, which have been instrumental in providing comprehensive insights into the progress and challenges of enhancing cross-border payments across G20 nations. Your efforts are deeply appreciated, and we thank you for your commitment to advancing transparency, innovation, and inclusivity in the global payments landscape.

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Scorecard report on direct access and price transparency

October 2025

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