

Enhancing Cross-border Payments

Stage 3 roadmap



13 October 2020

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Executive summary

The G20 has made enhancing cross-border payments a priority during the Saudi Arabian Presidency. Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, while maintaining their safety and security, would have widespread benefits for citizens and economies worldwide, supporting economic growth, international trade, global development and financial inclusion.

This report presents a roadmap to address the key challenges often faced by cross-border payments and the frictions in existing processes that contribute to these challenges. These challenges, namely high costs, low speed, limited access and insufficient transparency, affect end-users and service providers, though not all in the same way. Individuals and small companies face particular challenges with retail cross-border payments, and financial inclusion remains a challenge for many, especially in emerging market and developing economies. Low-value payments may incur high fees as a percentage of the amount sent and face cumbersome processes. The unbanked and individuals and firms from fragile states are amongst those who may not be able to access payment services at all.

This roadmap has been developed by the FSB, in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other relevant international organisations and standard-setting bodies. It builds on the FSB's Stage 1 report, setting out the challenges and the frictions in cross-border payments that contribute to them, and the CPMI's Stage 2 report, describing the necessary elements of a response, in the form of a set of 19 building blocks.

The roadmap provides a high-level plan, which sets ambitious but achievable goals and milestones, and is designed to allow for flexibility and adaptation in the path to get there as the work progresses, while ensuring that the safeguards in terms of secure processing and legal compliance are observed. It encompasses a variety of approaches and time horizons, in order to achieve practical improvements in the shorter term while acknowledging that other initiatives will need to be implemented over longer time periods. It follows the structure of the Stage 2 report, setting out actions and indicative timelines in the following five focus areas:

- Committing to a joint public and private sector vision to enhance cross-border payments
- Coordinating on regulatory, supervisory and oversight frameworks
- Improving existing payment infrastructures and arrangements to support the requirements of the cross-border payments market
- Increasing data quality and straight-through processing by enhancing data and market practices
- Exploring the potential role of new payment infrastructures and arrangements

The first four focus areas seek to enhance the existing payments ecosystem. The fifth is more exploratory and covers emerging payment infrastructures and arrangements. While each of the building blocks in the first four focus areas individually has the ability to bring notable benefits to cross-border payments, they have many interdependencies and the most significant

enhancements are likely to be achieved if they are all implemented in a coordinated manner. The potential for new payment infrastructures and arrangements will also depend on the first four focus areas delivering change.

Strong commitment, coordination and accountability will be critical to success. The roadmap incorporates a framework where individual actions are taken forward by the most suitable expert bodies, in accordance with their mandates, with the FSB providing coordination and reporting annually on progress to the G20 and the public. This process will provide an opportunity to update and adapt the roadmap over time in order to keep it on track to meet its overall goals.

The involvement of the private sector, sharing their insights and practical expertise, as well as delivering change, will be key to support the practical implementation of the roadmap. The work under each building block will consider how to most effectively involve them. Public consultation on the individual building blocks will take place at the appropriate points, in order to ensure transparency and accountability.

Introduction

The G20 has made enhancing cross-border payments a priority during the Saudi Arabian Presidency, and asked the FSB to coordinate the development of a roadmap for this purpose, through a three-stage process.

The FSB's Stage 1 report¹, published in April 2020, identified the four challenges to be addressed – high costs, low speed, limited access and insufficient transparency – and the frictions that contribute to those challenges. Those frictions include: fragmented data standards or lack of interoperability; complexities in meeting compliance requirements, including for anti-money laundering and countering the financing of terrorism (AML/CFT) and data protection purposes; different operating hours across different time zones; and outdated legacy technology platforms. Additionally, the frictions increase the need for intermediaries involved in cross-border payments to hold precautionary funding – often in multiple currencies. Furthermore, depending on the country corridor and payment process, the length of the transaction chain can add to costs and delays. The costs from these frictions create barriers to entry that may weaken competition in providing cross-border payments services.

The Stage 2 report², published by the CPMI in July 2020, set out the necessary elements of a response to address those challenges, as a set of 19 building blocks that can be used flexibly, combining enhancements to the current cross-border arrangements and infrastructures with the exploration of more ambitious yet more uncertain longer-term possibilities.

This report, as Stage 3 of the process, sets out for G20 endorsement the roadmap itself, as a comprehensive plan for addressing the identified challenges, including practical steps and indicative timeframes needed to do so and paves the way for implementation.

Design of the roadmap

The roadmap provides a high-level plan, which sets ambitious but achievable goals. It is designed to allow for flexibility and adaptation in the path to get there as the work progresses, and as new approaches and technologies offer the potential to transform the payment market. It defines outcomes, timelines and actions that are commensurate with that level of ambition – including firm commitment to the necessary initial actions and deliverables and building momentum early on.

New approaches and technologies are rapidly transforming the payments market. The roadmap will need to remain adaptable, and be refined as the work develops and in light of market and technological developments and engagement with other stakeholders (including the private sector). The roadmap therefore incorporates annual review points to take stock of progress and adjust as necessary, in order to maintain focus on achieving the intended practical outcomes that will improve payment arrangements.

¹ FSB, *Enhancing Cross-border Payments - Stage 1 report to the G20*, April 2020.

² CPMI, *Enhancing cross-border payments: building blocks of a global roadmap*, July 2020.

The roadmap aims to encompass a variety of approaches and time horizons. Individual jurisdictions, and customer and market segments, have differing starting points in terms of current payment systems and arrangements. The roadmap sets out actions and goals at the global level that may, according to circumstances, need to be adapted to reflect local conditions and implementation capacity. Individual jurisdictions or operators of payment systems and arrangements are encouraged to set out publicly the actions they intend to take to contribute to meeting the overall roadmap goals. The more countries that embrace these changes and quickly, the greater the progress that will be made in enhancing cross border payments – so those countries that can move more quickly are encouraged to do so. Technical assistance will be available for those facing implementation capacity constraints.

The roadmap is structured according to the 19 building blocks in the CPMI's Stage 2 report in July 2020, which span the following five focus areas:

- ***Focus area A: Committing to a joint public and private sector vision to enhance cross-border payments***

This focus area will be foundational and provide overall direction, by establishing a shared understanding of the targeted improvements in users' experience with cross-border payments and acting as a commitment mechanism to drive change. It includes setting quantitative targets at the global level for addressing the challenges of cost, speed, transparency and access, as well as a framework that stakeholders can use for establishing more granular service-level agreements. Common foundations will also be strengthened at the supervisory and regulatory level by identifying where it would be useful to achieve more consistent implementation of existing international standards and guidance.

- ***Focus area B: Coordinating on regulatory, supervisory and oversight frameworks***

This focus area will address a number of frictions that arise from the inherently multi-jurisdictional nature of the cross-border payments market. It will better align regulatory, supervisory and oversight frameworks across jurisdictions, where appropriate, on a "same business, same risk, same rules" basis. High-quality customer due diligence is essential, but relatively costly for cross-border transactions. The roadmap will aim to improve confidence between financial institutions and between jurisdictions by promoting more consistent application of AML/CFT standards, facilitating cross-border data flows and information sharing, fostering improved digital identity frameworks and shared customer due diligence infrastructures and, in specific cases, identifying low-risk "safe payment corridors".

- ***Focus area C: Improving existing payment infrastructures and arrangements to support the requirements of the cross-border payments market***

Making operational improvements to existing payment infrastructures and arrangements can help to address the current frictions in cross-border payments. Current technical differences can add to costs and slow transactions. This focus area would seek to widen availability, strengthen links between payment systems and reduce settlement risk, through measures such as facilitating payment-versus-payment, improving access to systems, extending and aligning operating hours between systems, pursuing interlinking and exploring reciprocal liquidity arrangements.

- **Focus area D:** *Increasing data quality and straight-through processing by enhancing data and market practices*

Promoting the adoption of common data formats, including rules for conversion and mapping from legacy formats, as well as protocols for information exchange can reduce costs and improve the scope for straight-through data processing in existing payments systems and arrangements. This focus area aims to harmonise technical standards for common message formats (in particular a harmonized version of ISO 20022) and for application programming interfaces (APIs) for data exchange, as well as to examine the scope for a unique global identifier that links to the account information in payment transactions. These are also important building blocks to enable the development of efficient new payment infrastructures.

- **Focus area E:** *Exploring the potential role of new payment infrastructures and arrangements*

Recent advances in technology and innovation have created the potential for new payment infrastructures and arrangements for cross-border payments. These could offer solutions to challenges that are not easy to address through adjustments to existing processes. So far, these innovations have not been implemented broadly; some are still in their design phase and others remain theoretical. This focus area will examine the scope for new multilateral platforms, global stablecoin arrangements and central bank digital currencies to address the challenges that cross-border payments face without compromising on minimum supervisory and regulatory standards to control risks to monetary and financial stability.

Focus areas A to D seek to enhance the existing payments ecosystem, while focus area E is more exploratory and covers emerging payment infrastructures and arrangements. While each of the building blocks in the first four focus areas individually has the ability to bring notable benefits to cross-border payments, they are interdependent and some are foundational, and therefore the most significant enhancements are likely to arise if over time they are all advanced and implemented in a coordinated manner. The potential benefit of the building blocks in focus area E will also be enhanced by progressing focus areas A to D, which, in addition to enhancing the existing payments ecosystem, will address barriers to the emergence of new cross-border payment infrastructures and arrangements.



Source: CPMI: Enhancing cross-border payments: building blocks of a global roadmap - Stage 2 report to the G20 (July 2020)

The tables in Annex 2 describe, for each individual building block, the actions that FSB member authorities, standard-setters and international organisations have agreed to take and the indicative timelines for achieving them. These actions and timelines comprise the roadmap. Annex 1 provides an informal summary of the actions and an overview of the timelines.

Involving a wide range of stakeholders

The work set out in the roadmap will need to involve close collaboration with, and direct action from, the private sector to achieve tangible improvements in payment arrangements. The involvement of a wide range of private and public sector stakeholders, through their insights and expertise, will be key to support the successful practical implementation of the roadmap.

The nature and degree of private sector involvement will vary from one building block to another. For each building block, as one of their initial steps the bodies responsible for taking work forward will identify the most effective approach to collaborating with the private sector. More generally,

private sector involvement and experience will also be an important input to the annual overall reviews of the roadmap described below.

Enhancing cross-border payment arrangements is a shared global goal. Nevertheless, the perspectives and priorities vary, according to each jurisdiction's circumstances. During the development of this roadmap, the CPMI and the FSB have conducted outreach with a wide range of private and public sector participants. It will be important that external outreach and involvement continue to incorporate this full diversity of perspectives, and that technical assistance is available where needed to achieve the goals.

The bodies taking forward individual building blocks or individual actions under these building blocks will publicly consult at the appropriate points, according to their own governance processes, in order to ensure transparency and accountability and benefit from as wide a range of perspectives as possible. As the work progresses, as a general principle, any significant proposed change to international standards or domestic regulations should include time for public consultation.

Taking forward the roadmap

Enhancing cross-border payments is a multi-dimensional task. This is reflected in the roadmap and in the way it will be taken forward.

- Each building block and relevant actions will be taken forward by the body or bodies specified in the roadmap in accordance with the body's own work processes, coordination processes and governance.
- Progress under the overall roadmap will be coordinated by the FSB, through its Cross-Border Payments Coordination group (CPC) that developed this roadmap. The CPC will monitor progress across the full range of building blocks and coordinate across actions where needed and report on progress to the G20 and to the public.

The CPC brings together senior representatives from relevant international bodies and a number of central banks and other financial authorities from individual jurisdictions, and its membership will be adjusted as needed to most efficiently provide overall coordination.

The bodies taking forward individual building blocks or specific actions under these building blocks will coordinate with others – including those taking forward other interconnected actions – as appropriate. Bodies taking forward individual building blocks or individual actions will report on progress to the CPC, including on any issues arising, so that CPC can monitor and coordinate work under the overall roadmap and address any issues.

One of the first actions under the roadmap will be to reinforce momentum by setting more specific quantitative targets for addressing the four challenges (cost, speed, transparency, access), for G20 endorsement at the October 2021 G20 Summit, and to be monitored and publicly reported on over time. These targets will be set in an inclusive manner, including through public consultation. Although such overall targets cannot fully reflect the diversity of the global cross-border payment market, and may need to be refined over time in light of experience, they will play an important role in defining the ambition of the work and creating accountability.

The FSB will present a consolidated report to the G20 each year, developed by the CPC, beginning with a report to the G20 Summit in October 2021. This consolidated reporting will provide an opportunity not only to report on progress, but also to review actions and timelines, adjust as necessary, and confirm actions for the coming year. In this way, the roadmap will remain flexible and adapt to changing circumstances in order to meet the agreed overall roadmap goals.

Accordingly:

- **For all actions in 2021:** actions and dates are committed deliverables.
- **For all actions beyond that date:** actions and timelines are more indicative (in both content and timing). Next steps and timings will be adjusted if needed in response to new information and confirmed for 2022 as part of the overall roadmap review to be delivered to the October 2021 G20 Summit.
- **Further reviews** will take place at annual intervals, reporting to G20 Summits, incorporating both progress reporting and confirmation of next steps and timings.

These regular review points will also provide an opportunity for taking account of the interdependencies in the roadmap. The scope for progress in a particular building block, or the benefits to be obtained from that progress, may be dependent on progress in other building blocks. The bodies responsible for taking forward particular actions will need to stay in close contact with work on actions with which they are interdependent. The review points will provide an opportunity to adjust overall roadmap plans in light of developments.

Annex 1: Informal summary of roadmap actions and timelines

These five illustrative Gantt charts provide an informal visualisation of the actions and timelines for each of the five Focus Areas, and the bodies that will lead the work to take forward each building block. The detailed descriptions of actions and milestones in the individual tables for each building block that follow these charts constitute the roadmap itself.

	Start	End	2020				2021				2022				2023				2024				2025					
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Focus area A: Public and private sector commitments																												
BB1: Developing a common cross-border payments vision and targets [FSB]	Oct.20	Jun.25																										
Task force proposes targets for public consultation.	Oct.20	May.21																										
G20 Leaders' endorsement of targets.	Aug.21	Oct.21																										
FSB CPC provides first report against key performance indicators for the agreed targets.	Oct.21	Jun.22																										
Second progress report.	Apr.23	Jun.23																										
Third progress report.	Apr.24	Jun.24																										
Fourth progress report.	Apr.25	Jun.25																										
BB2: Implementing international guidance and principles [FSB]	Oct.20	Jun.23																										
FSB to coordinate with SSBs the identification of areas for enhancing implementation monitoring	Oct.20	Oct.21																										
FSB/SSBs work on enhanced implementation monitoring and priorities.	Nov.21	Apr.22																										
FSB/SSBs first round of enhanced implementation monitoring.	Apr.22	Nov.22																										
IMF/WB identify priority cases for technical assistance.	Nov.22	Jun.23																										
BB3: Defining common features of cross-border payment service levels [CPMI]	Nov.20	Mar.23																										
CPMI, in consultation with public/private sectors, conducts an analysis of multilateral service level agreements, maps out common elements and identifies segments for incorporating common features.	Nov.20	Aug.21																										
CPMI, in consultation with public/private sectors, issues a self-assessment framework to help providers identify and analyse common elements in cross border payment service level agreements.	Sep.21	Aug.22																										
CPMI, in consultation with public/private sectors, develops a template for service level agreements, to be used by stakeholders.	Aug.22	Mar.23																										

Start	End	2020	2021				2022				2023				2024				2025			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Focus area D: Data and market practices																						
BB14: Adopting a harmonized ISO 20022 version for message formats (including rules for conversion/mapping) [CPMI]	Nov.20	Dec.22																				
BISIH in cooperation with relevant stakeholders to host a TechSprint on ISO20022 (and other formats) for cross-border payments. [Joint effort with Action 1 of BB15]	Nov.20	Jun.21																				
CPMI assesses suitability of existing ISO formats for cross-border payment, and facilitates the development of market guidance on specific use cases based on those formats.	Dec.20	Jun.22																				
CPMI members and national authorities publish plans for adopting a harmonised version of ISO20022.	Jun.21	Jun.22																				
CPMI, in cooperation with public/private sectors, develops an implementation guide on ISO 20022, including conversion/mapping.	Jan.22	Dec.22																				
BB15: Harmonising API protocols for data exchange [CPMI]	Nov.20	Jun.23																				
BISIH, with relevant stakeholders to host a TechSprint on ISO20022 and APIs for data exchange to enhance cross-border payments. [Joint effort with Action 1 of BB14]	Nov.20	Jun.21																				
CPMI, with relevant stakeholders, analyses existing messaging standards / protocols for information exchange.	Nov.20	Oct.21																				
CPMI, with relevant stakeholders and data authorities, identifies elements for an API protocol framework to ensure interoperability for cross-border information exchange.	Nov.21	Jun.22																				
BISIH, with relevant stakeholders implements harmonised protocol based on the framework, shares experience. Pursue implementation with volunteering operators.	Apr.22	Jun.23																				
BB16: Establishing unique identifiers with proxy registries [FSB]	Oct.20	Oct.24																				
FSB explores scope for and obstacles to a global digital identifier (LEI or similar for legal entities, and a suitable form of identifier for individuals).	Oct.20	Dec.21																				
FSB, with GLEIF, LEI ROC and national authorities, explores options to improve adoption of LEI.	Jun.21	Jun.22																				
FSB assesses existing proxy databases for personal identifiers, proposes standard design principles, and defines minimum requirements.	Dec.21	Oct.22																				
National authorities explore adoption of a global digital unique identifier on national level, or the interlinking of existing identifiers	Dec.21	Oct.22																				
FSB to create appropriate governance for the unique identifier.	Oct.22	Oct.23																				
UI-Governance body to register participants and start scheme.	Oct.23	Oct.24																				

Start	End	2020	2021				2022				2023				2024				2025			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Focus area E: New payment infrastructures and arrangements																						
BB17: Considering the feasibility of new multilateral platforms and arrangements for cross-border payments [CPMI-BISIH]	Nov.20	Jun.22																				
CPMI, IMF, WB take stock of multilateral platforms for cross-border payments and analyse pros and cons, demand, design features, risks and challenges to establishing such platforms	Nov.20	Jul.21																				
CPMI, with BIS, IMF and WB analyse the business case, requirements, potential features and feasibility of new multilateral platforms, and conclude on potential benefits to cross-border payments. The study will be informed by BISIH work on a "global stack" for a multilateral cross-border payment platform and a proof-of-concept.	Jul.21	Jun.22																				
BB18: Fostering the soundness of global stablecoin arrangements [FSB-CPMI]	Oct.20	Jul.23																				
SSBs review and complete their revision of existing standards, principles or guidance in light of the FSB report on stablecoins.	Oct.20	Dec.21																				
National authorities establish or, as necessary, adjust for any existing GSCs and stablecoin arrangements that have the potential of becoming a GSC, cooperation arrangements consistent with international standards and principles, and the FSB Report.	Oct.20	Dec.21																				
National authorities establish or, as necessary, adjust their frameworks consistent with the FSB recommendations and international standards and guidance.	Oct.20	Jul.22																				
FSB, with SSBs and other IOs, reviews the recommendations in the FSB report, identified any potential gaps, and update recommendations if needed.	Jan.22	Jul.23																				
BB19: Factoring an international dimension into CBDC design [CPMI-BISIH]	Nov.20																					
CPMI with BISIH, IMF, WB takes stock of provisional domestic CBDC designs and central bank experimentation with multi-CBDC arrangements. IMF, in cooperation with other relevant stakeholders, analyses international macro-financial implications of cross-border CBDC use.	Nov.20	Jul.21																				
CPMI with BISIH, IMF, WB identifies and analyses options for access to and interlinking of CBDCs that could improve cross-border payments.	Aug.21	Jul.22																				
BISIH assesses practical and technological complexities of implementing multi-CBDC arrangement designs and interoperability types; experiments with arrangements that enable access and interlinking and facilitate efficient cross-currency CBDC payments. BIS, with IMF and WB, organises a conference to share information exchange/encourage collaboration on cross-border payments across (planned) CBDC implementations.	Jan.22	Dec.22																				
IMF, WB, provide technical assistance to facilitate cross-border use of CBDC if requested.	Jul.22																					

Annex 2: Full actions and milestones for each Building Block

The dates for each milestone in the following tables indicate the start date and completion date for the steps described in the milestone. For all actions in 2021: actions and dates are committed deliverables. The content of actions and dates of milestones beyond end-2021 are indicative.

Building Block 1 - Developing a common cross-border payments vision and targets

Actions and milestones

Action 1	
Developing consensus on targets among relevant cross-border payments stakeholders (public and private sector)	
Short-term task force to provide to the FSB CPC the proposed specific quantitative targets (including target dates) directly relating to the challenges to be addressed (cost, speed, transparency, access). The proposals will then be published in May 2021 for a public consultation period.	October 2020 - May 2021

Action 2	
Establishing accountability	
The FSB to ask G20 Leaders to endorse the targets.	August 2021 - October 2021

Action 3	
Data collection and analysis to monitor progress against the targets	
The FSB CPC to report to the G20 and the public progress against key performance indicators (KPIs) that will have been developed for the agreed targets.	October 2021 - June 2022 and yearly

Building Block 2 - Implementing international guidance and principles

Actions and milestones

Action 1	
Identifying areas where enhanced implementation monitoring of existing international standards and guidance would encourage improved cross-border payments systems and processes	
FSB to coordinate among standard-setters a stocktake of existing international standards and guidance and principles that are relevant to cross-border payments (jointly for BB2 and BB4), and identify for BB2 potential areas (if any) for enhancement of implementation monitoring.	October 2020 – October 2021

Action 2	
Conducting improved monitoring of implementation and follow-up of progress	
FSB and relevant SSBs to agree on policy areas (if any) that are relevant to cross-border payments where implementation monitoring should be enhanced and processes for doing so.	November 2021 – April 2022
FSB to coordinate relevant SSBs in conducting (either themselves or via some other body) initial round of enhanced implementation monitoring in the agreed areas and, from the results, establishing priorities for improving implementation.	April 2022 – November 2022
IMF and World Bank to identify priority cases for technical assistance, based on the results of the enhanced implementation monitoring.	November 2022 – June 2023

Building Block 3 - Defining Common Features of Cross-Border Payment Service Levels

Actions and milestones

Action 1	
Identification of elements of (particular) relevance for cross-border payments in existing multilateral service level agreements/schemes	
CPMI (in consultation with public and private sector stakeholders) to conduct an analysis of existing multilateral service level agreements/schemes, map out common elements and identify segments of the cross-border payments market where incorporating common features would alleviate frictions and advance targets set under Building Block 1.	November 2020 – August 2021

Action 2	
Publication of a framework to support cross-border payment service level agreements/schemes self-assessments	
CPMI (in consultation with public and private sector stakeholders) to develop and publish a self-assessment framework that can help cross-border payment providers to identify and analyse common elements in cross border payment service level agreements/schemes they have in place and/or plan to establish.	September 2021 – August 2022

Action 3	
Development of a template service level agreement covering the common elements identified and promote its use	
CPMI (in consultation with public and private sector stakeholders) to develop a template for service level agreements, stakeholders can use as a starting point when establishing agreements. This template will not suggest any concrete service levels as such, but reflect how the elements relevant for cross-border payments can be reflected consistently.	August 2022 – March 2023

Building Block 4 - Aligning regulatory, supervisory and oversight frameworks for cross-border payments

Actions and milestones

Action 1	
Identifying, in existing international standards and guidance for regulation, supervision and oversight of cross-border payments systems and processes, gaps or areas for alignment	
FSB to coordinate among standard-setters a stocktake of existing international standards and guidance and principles that are relevant to cross-border payments (jointly for BB2 and BB4), and identify for BB4 gaps or areas for further alignment (if any) across jurisdictions or in policy areas or types of institutions that standards or guidance cover.	October 2020 – October 2021
Action 2	
Addressing gaps or areas for alignment in existing international regulatory, supervisory and oversight standards and guidance for cross-border payments	
If gaps or areas for alignment were identified in Action 1, relevant SSB (in cases where this falls within its mandate) or FSB (where gap or area for alignment does not fall within a specific mandate) to launch a workstream to consider how to address the gap or area for alignment.	October 2021 – March 2022
Relevant SSB or FSB to provide report, for public consultation, on how to address gaps or areas for alignment that were identified (outreach activities could be conducted by the SSB or FSB to gather feedback from specific regions).	March 2022 – March 2023
Each relevant national authority to publicly communicate how it plans to addressing gaps or areas for alignment (if any) that were identified.	March 2022 – September 2023

Building Block 5 - Applying AML/CFT rules consistently and comprehensively

Actions and milestones

Action 1	
Further harmonisation of AML/CFT and KYC requirements among countries	
FATF and BCBS to consider where further harmonisation among jurisdictions could remove barriers to cross-border payments, and develop proposals for such further harmonised requirements (without compromising AML/CFT safeguards)	October 2020 – October 2021

Action 2	
Review evaluation program for national customer due diligence (CDD) measures and supervision	
FATF to conduct Strategic Review of FATF Mutual Evaluation programme, which will provide an updated basis for evaluations of national CDD measures and supervision	October 2020 – October 2021

Action 3	
Enhanced cooperation in AML/CFT supervisory matters	
FATF to publish Guidance on international cooperation among AML/CFT supervisors	October 2021 – June 2022

Action 4	
Development and implementation of technologically innovative solutions for AML/CFT	
FATF and other relevant bodies to consider development of Guidance or changes in Standards in order to remove obstacles and promote a more standardised use of new technologies for applying AML/CFT controls	October 2021 – June 2022

Building Block 6 - Reviewing the interaction between data frameworks and cross-border payments

Actions and milestones

Action 1	
Analysis of constraints on cross-border data flows imposed by existing national/regional data frameworks	
FSB (in cooperation with CPMI and other SSBs, domestic data protection bodies and other data governance bodies) to conduct a stocktake of existing national and regional data frameworks relevant to the functioning, regulation and supervision of cross-border payment arrangements, and to identify issues relating to cross-border use of those data by national authorities and by the private sector.	October 2020 – December 2021

Action 2	
Adaptation of regulatory, supervisory and oversight frameworks to facilitate improved cross-border data flows and information-sharing	
FSB , in cooperation with the CPMI and other SSBs, domestic data protection and other data governance bodies, and after a public consultation has taken place, to issue recommendations to facilitate cross border payments through improved cross-border data flows and information sharing.	December 2021 – December 2022
SSBs to adapt their regulatory, supervisory and oversight standards or guidance, as needed, in line with the FSB recommendations	December 2022 – December 2023
National authorities to evaluate what changes to make to their frameworks consistent with the FSB recommendations and international standards and guidance, and report on any such changes.	December 2023 – December 2024

Action 3	
Adaptation of system/scheme rules and their technical implementation	
SSBs and national authorities to monitor implementation by the market, including private sector alignment with international and domestic frameworks.	2025

Building Block 7 - Promoting safe payment corridors

Actions and milestones

Action 1	
Development of a framework for the corridor risk assessments	
IMF, WB, FATF and volunteering national authorities to develop and publish a draft framework for conducting corridor risk assessment and identification of potential “low-risk” corridors, in consultation with relevant stakeholders. This would include a methodology, data sources, information sharing infrastructure and MoU elements and follow-up on the Australia/South Pacific Islands corridor risk assessment ³ .	October 2020- July 2021
Action 2	
Pilot voluntary safe corridor projects for lower risk corridors (by regulators and other relevant authorities at both ends of affected corridors) and dissemination of the findings	
Volunteer national authorities to conduct pilot corridor risk assessments and decide whether to publish their results and the corresponding guidance for the respective financial institutions and authorities.	August 2021- March 2022
National authorities to assess the safe corridor project’s impact in the pilot cases and determine whether further action is appropriate.	April 2022 - September 2022
If agreed, IMF/WB/FATF to publish a finalised framework to support ongoing corridor risk assessments, including possible FATF endorsement or clarification of the FATF Standards.	December 2022

³ The risk assessment is available at <https://www.austrac.gov.au/business/how-comply-guidance-and-resources/guidance-resources/remittance-corridors-australia-pacific-island-countries-money-laundering-and-terrorism-financing-risk-assessment-2017>

Building Block 8 - Fostering KYC and identity information sharing

Actions and milestones

Action 1	
Fostering better alignment and cross-border recognition of identity requirements, customer due diligence requirements and the digital identity assurance frameworks and technical standards	
SSBs to Issue ⁴ standards, guidance or otherwise take action to foster greater alignment (technical, data governance and policy) for authorities to mutually recognize, for KYC purposes, IDs issued by the beneficiary's country and the issuing bank's country	October 2020 - June 2023 but tbd -dependent on issuing of ID standards by ISO
Action 2	
Improving the coverage, access, quality, and digital capabilities of the official ID databases for individuals and legal entities	
World Bank to conduct gap analysis and elaborate potential solutions to address the gaps identified (e.g. enrolment, interoperability, regulatory reforms, technology adoption, security and privacy, technical aspects), in coordination with CPMI and based on FATF Digital ID Guidance ⁵ .	October 2020 - December 2022
Action 3	
Implementing shared or interoperable CDD infrastructure to allow financial institutions to access digital identity databases to meet their CDD obligations in a cost-effective way, domestically and on a cross-border basis.	
Volunteering national authorities develop a shared or interoperable regional CDD framework (e.g. similar to the work underway in the South Pacific), which could be explored for a future pilot project for various regions in the world.	October 2020 - December 2021
Volunteering national authorities establish, where appropriate, a shared or interoperable regional CDD infrastructure.	December 2021 – June 2023
FSB to coordinate the development of a framework for functional, legal and technical requirements ⁶ that shared or interoperable CDD infrastructure should meet, considering cost efficiency aspects including both individual and legal entities	June 2023 - September 2023
BCBS and national supervisors and regulators encourage banks and other financial institutions to use the shared or interoperable CDD infrastructure domestically and on a cross-border basis, where appropriate. The encouragement could be for instance through guidance and updated regulations, or other means	Tentatively September 2023 - September 2024

⁴ A forum among authorities, the financial sector and other digital ID stakeholders could help develop this work, building on the standards on ID that ISO/IEC is developing. Such discussions could provide a basis for other SSBs to develop standards, guidance or otherwise take action to foster greater alignment s to mutually recognize IDs. E-IDs could serve as an example.

⁵ FATF, *Guidance on Digital ID*, March 2020.

⁶ The technical requirements will also take into consideration APIs and interoperability aspects.

Building Block 9 - Facilitating increased adoption of PVP

Actions and milestones

Action 1	
Encourage observance of existing international guidance on use of PVP and ways to identify, measure, monitor, and control remaining FX settlement risk	
BCBS and CPMI Chairs to issue joint letter encouraging the observance of the expectations agreed to in the 2013 <i>BCBS Supervisory Guidance on managing FX settlement risk</i> . ⁷ Relevant authorities to continue guiding supervised entities to observe expectations and to encourage FX committees to support the <i>Global FX Code</i> ⁸ principles.	December 2020 (joint letter); encouraging adoption from December 2020 onwards.

Action 2	
Stocktaking and analysis to develop options that could increase adoption of PVP	
CPMI to take stock of existing and in-development PVP arrangements designed to support FX settlement. In addition, drivers for non-PVP settlement should be analysed, leveraging existing analytical work in this field. [The currently paused joint CPMI-BCBS stocktake underway could be taken as starting point. ⁹]	November 2020 – May 2021
CPMI , to develop proposals for increased adoption of PVP by encouraging (i) enhancements to existing PVP arrangements and/or (ii) the design of new public sector and/or private-sector solutions for PVP arrangement that currently do not exist.	June 2021 – April 2022

Action 3	
Identification of the most feasible option(s) and development of an implementation plan	
CPMI to conduct public consultation (domestically and/or internationally, as appropriate) on the most feasible option(s) for encouraging greater use of PVP and determine next steps for implementing the BB, based on the results of the consultation.	May 2022 – November 2022
Relevant bodies to work with CPMI to develop an implementation plan	December 2022 – December 2023

⁷ In particular, Guideline 2 on Principal Risk notes that “A bank should use FMIs that provide PVP settlement to eliminate principal risk when settling FX transaction. Where PVP settlement is not practicable, a bank should properly identify, measure, control and reduce the size and duration of its remaining principal risk.”

⁸ In particular, Principle 35 and Principle 50, which note that “Market Participants should take prudent measures to manage and reduce their Settlement Risks, including prompt resolution measures to minimise disruption to trading activities” and “Market Participants should measure and monitor their Settlement Risk and seek to mitigate that risk when possible”.

⁹ This effort is on pause due to the Covid-19 pandemic.

Building Block 10 - Improving (direct) access to payment systems by banks, non-banks and payment infrastructures

Actions and milestones

Action 1	
Assessment of direct access objectives, benefits and barriers to support national authorities and operators in evaluating their own frameworks	
CPMI , building on existing analysis, to assess objectives, benefits and current barriers to improve direct access to relevant payment systems and central bank money for cross-border payment providers.	November 2020 - April 2021

Action 2	
Development of best practices on (direct) access to payment systems for authorities and operators	
CPMI , based on the examples of broadened access policies and the assessment in Action 1, to develop and publish best practices for authorities and payment system operators of jurisdictions considering options to expand direct access across all relevant types of payment systems and payment providers.	April 2021 - December 2021

Action 3	
Self-assessment/evaluation of selected current frameworks against best practices	
National authorities and payment system operators that are considering expanding access to undertake self-assessments/evaluation of the respective domestic framework against the best practices and Identifying any changes required to expand access and development of action plans. Preferably this will not only include G20 countries, but a larger set of jurisdictions.	January 2022 - December 2022

Action 4	
Technical assistance for assessment to improve direct access and implementation of action plans	
Relevant bodies to provide technical assistance to authorities and payment system operators of jurisdictions considering expanding access, by supporting the evaluation of the respective domestic framework against the best practice, and the development and implementation of action plans.	From January 2022 onwards

Building Block 11 - Exploring reciprocal liquidity arrangements across central banks (liquidity bridges)

Actions and milestones

Action 1	
Exploration, experimentation and piloting by pioneering central banks	
CPMI to consult central banks that have established, are willing to pilot or are in the process of implementing reciprocal liquidity arrangements on aspects such as (i) reciprocal account opening; (ii) operational procedures to enable robust accounting in real-time for creating (and unwinding) liquidity and accepting (and returning) collateral in foreign currency.	November 2020 – November 2021

Action 2	
Analysis of concrete practical experience to identify the benefits and risks of liquidity bridges and development of a framework on how to establish them	
CPMI together with relevant authorities, central banks and SSBs to conduct an in-depth analysis of existing/envisaged liquidity bridges and the benefits and risks they can bring to cross-border payments (drawing on examples from Action 1) and publishing a framework and procedures on how a liquidity bridge can be established.	July 2021 – July 2022

Action 3	
Technical assistance for implementation of liquidity bridges	
Relevant bodies to provide technical assistance to central banks considering establishing liquidity bridges.	From August 2021 onwards

Building Block 12 - Extending and aligning operating hours of key payment systems to allow overlapping

Actions and milestones

Action 1	
Identification of payment systems relevant for (global) cross-border payments and stocktake of their operating hours	
CPMI to consolidate information on current operating hours and planned expansion efforts in order to identify potential remaining gaps in overlap/alignment of operating hours across jurisdictions and collect quantitative data to help identify which payment systems and currency corridors are most relevant.	November 2020 - Jan 2021

Action 2	
Setting out of potential future operating hour “end states” to support enhanced cross-border payments, analysis of risks and policy considerations, and potential solutions to address them	
CPMI to set out potential future “end-states” of key payments systems operating hours and how these could enhance cross-border payments and to identify any risks including: operational, cyber and fraud, credit and liquidity; and monetary policy considerations, financial structure and financial stability considerations, resolution policy considerations for each “end state”. To identify potential solutions to mitigate or address these key risks or policy considerations via a publication.	February 2021 - September 2021

Action 3	
Development of technical and operational approaches on how to address key challenges	
CPMI to develop technical and operational approaches on entity-level and/or required industry-wide rule changes to support the respective end states for authorities and operators aiming to extend/align operating hours.	October 2021 – March 2022
Central banks and payment system operators wishing to align/extend operating hours to work with their direct participants and other domestic stakeholders to consider each of the potential end states, along with the associated challenges, risks, and potential solutions that have been identified, with the goal of seeking consensus on if and how best to move forward.	April 2022 – March 2023

Building Block 13 - Pursuing interlinking of payment systems for cross-border payments

Actions and milestones

Action 1	
Stocktake and analysis of existing and potential interlinking models and evaluation of the risks and benefits of each model	
CPMI to conduct an analysis of and survey among selected central banks on existing/envisaged interlinking models, as well as relevant publications on interlinking models, including pros and cons of the various models in relation to the identified frictions.	November 2020 - May 2021

Action 2	
Development and publication of a framework for interlinking	
CPMI to develop and publish a framework for interlinking arrangements (both public owned and private owned) for central banks and payment system operators considering links to payment systems abroad. The framework is likely to include the desirable end state, design, operational, policy and risk considerations.	June 2021 - July 2022

Action 3	
Establishment of links between payment systems based on the framework	
Relevant bodies to provide technical assistance to authorities and payment system operators considering establishing links to other jurisdictions or adapting existing links based on the framework.	From August 2022 onwards

Building Block 14 - Adopting a Harmonized ISO 20022 version for message formats (including rules for conversion/mapping)

Actions and milestones

Action 1	
Tech sprint to identify new applications of ISO 20022 and APIs for data exchange to enhance cross-border payments	
BISIH in cooperation with relevant stakeholder to host a tech sprint open to all developers and engineers working in financial sector to find ways to leverage ISO 20022 and APIs to enhance cross-border payments (including compatibility with formats other than ISO 20022). [Joint effort with Action 1 of BB15]	November 2020 – June 2021

Action 2	
Develop standard global ISO formats for cross-border payments	
CPMI to liaise with relevant stakeholders, including the developers of the HVPS+ and CBPR+ ISO formats, to: (i) assess the suitability of existing formats for cross-border payments other than credit transfers (taking into account the findings from the tech sprint) and (ii) develop a common set of fields that would be standard for cross border payments messages to minimise variances across jurisdictions. These common fields could be maintained in an online library used to support the conversion and/or mapping of domestic formats to international ones (see Action 4).	December 2020 – June 2022

Action 3	
Development of country-level plans for adoption of global ISO 20022 standard for cross border payments	
CPMI members, and national authorities of other jurisdictions supporting the adoption of a harmonised version of ISO 20022 , to set out publicly plans for adoption of a harmonised version of the ISO20022 standard for cross-border payments.	June 2021 – June 2022

Action 4	
Development of an implementation guide and policy measures to ensure adoption.	
CPMI (in cooperation with public and private sector stakeholders) to develop an implementation guide for stakeholders to facilitate technical implementation of ISO 20022, including conversion/mapping, as the standard for cross-border payments.	January 2022 – December 2022

Building Block 15 - Harmonising API protocols for data exchange

Actions and milestones

Action 1	
Tech sprint to identify new applications of ISO20022 and APIs for data exchange to enhance cross-border payments	
BISIH in cooperation with relevant stakeholders to host a tech sprint open to all developers and engineers working in financial sector to find ways to leverage ISO 20022 and APIs to enhance cross-border payments (including interoperability with formats not based on ISO 20022). [Joint effort with Action 1 of BB14]	November 2020 – June 2021

Action 2	
Stocktake and analysis of existing message standards and protocols for data exchange supporting cross-border payments	
CPMI in cooperation with relevant stakeholders to conduct of in-depth analysis of existing messaging standards / existing protocols for information exchange in place for domestic and cross border transactions, which will factor in building block 14, as well as the current initiatives on open banking and payment stacks.	November 2020 – October 2021

Action 3	
Call for proposals for a set of harmonised APIs/API standards using (existing) API protocols for cross-border payments	
CPMI in cooperation with relevant stakeholders (including data authorities) , to call developers and engineers working in financial sector for proposals for a set of API standards that will utilise one of more of the (existing) protocols as appropriate to ensure interoperability of cross-border information exchange.	November 2021 – June 2022

Action 4	
Proof-of-concept implementation of API standards	
BISIH in cooperation with volunteering operators to implement harmonised protocol based on the framework and share their experience of the proof-of-concept or pilot. After assessing the effectiveness, possibly refine the arrangement and pursue the implementation by volunteering operators.	April 2022 – June 2023

Building Block 16 - Establishing unique identifiers with proxy registries

Actions and milestones

Action 1

Review the scope, technical and operational requirements of existing and proposed global digital Identifiers for both legal entities and natural persons and analyse the need for a decentralised proxy registry.

FSB, in consultation with CPMI, IMF, WB, GLEIF, ISO and other stakeholders , to explore the scope for, and obstacles to develop, a global digital Unique Identifier (UI) for cross-border payments, and potentially other financial transactions, that takes into account existing identifiers, including the LEI for legal entities and identifiers for individuals. The review would also :	October 2020 - December 2021
<ul style="list-style-type: none">• consider mechanisms to match UIs with payment information, such as via a proxy registry¹⁰,• take into account the work of relevant standard setting bodies, including the FATF, on technical, governance, or policy issues,• and analyse how to map to existing identifiers.	

Action 2

Determine the next steps to promote the use of a (global) digital UI framework and decentralised proxy registry in jurisdictions

FSB in close coordination with GLEIF, the LEI ROC and national authorities to explore the options to improve adoption of the LEI.	June 2021 - June 2022
If there is consensus that a new identifier is necessary, FSB, in consultation with CPMI, IMF, WB, ISO and other stakeholders , to assess existing proxy databases for personal identifiers, propose standard design principles for these databases, and define minimum requirements for personal identifiers.	December 2021 - October 2022

Action 3

If necessary: Implementation and progress monitoring.

If consensus is achieved on a possible new UI and new interoperable proxy databases, FSB to create an appropriate governance for the UI and for the interlinking of databases (based on the data sharing principles developed in BB 8). However, the decision to implement it should lie with the individual countries (that may have to adjust regulation accordingly).	October 2022 - October 2023
UI-Governance body that is established to begin registering of participants. Start of the voluntary scheme.	October 2023 - October 2024
National authorities to explore the processes involved in a possible adoption of a global digital unique identifier on a national level or the interlinking of existing identifiers.	December 2021 - October 2022

¹⁰ A proxy registry is a database which matches an identifier and payment information to help route the payment correctly

Building Block 17 - Considering the feasibility of new multilateral platforms and arrangements for cross-border payments

Actions and milestones

Action 1

Stocktake of existing and potential multilateral platforms and evaluation of the risks and benefits

CPMI, IMF and WB to conduct a comprehensive stocktake of existing and potential regional and global multilateral platforms, which can be private or public-sector operated. The analysis will include pros and cons, likely demand, design features, risks and hurdles to establishing such platforms

November 2020 – July 2021

Action 2

Cost/benefit and feasibility analysis of one or more new multilateral platforms

CPMI, along with BIS, IMF and WB to undertake study including: (i) business case, (ii) platform requirements, (iii) potential features, and (iv) feasibility.

July 2021 – June 2022

The study will be informed by BSIH work to start in November 2020, in cooperation with relevant stakeholders, to (i) develop a “global stack”¹¹ reference architecture leveraging existing digital identity and fast payment implementations, API-based data exchange, user-centric consent mechanisms, efficient and mutually recognisable compliance checks and (ii) demonstrate its value proposition for various cross-border payment use cases by developing a proof-of-concept.

The analysis will conclude on the merit of such platforms in bringing meaningful improvements to cross-border payments. (Any implementation would be outside the scope of the roadmap.)

¹¹ A modular approach, allowing for infrastructure components to be flexibly stacked upon each other to build a digital infrastructure to which end users and service providers connect via APIs can foster interoperability

Building Block 18 - Fostering the soundness of global stablecoin arrangements for cross-border payments

Actions and milestones

Action 1	
Completion of international standard-setting work, by reviewing existing standards and principles, and assessing the need for further guidance in accordance with the FSB recommendations	
SSBs (CPMI, FATF, IOSCO, BCBS) , as needed, to make any revisions to standards and principles or provide further guidance supplementing existing standards and principles in light of the FSB Report and following their review of their existing frameworks, including on cooperation, coordination and information sharing amongst authorities.	October 2020 – December 2021

Action 2	
Implementation of international standards in national jurisdictions, including effective cooperation, coordination and information sharing arrangements to support the comprehensive regulation, supervision and oversight of GSC arrangements across borders and sectors, in accordance with the FSB Report	
National authorities to consider establishing or, as necessary, adjusting, for any existing GSCs and stablecoin arrangements that have the potential of becoming a GSC, cooperation arrangements consistent with international standards and principles, and the FSB Report.	October 2020 – December 2021, and as needed depending on the emergence of cross-border GSC arrangements
National authorities to consider establishing or, as necessary, adjusting regulatory, supervisory and oversight frameworks consistent with the FSB recommendations and international standards and guidance.	October 2020 – July 2022, and as needed depending on the emergence of cross-border GSC arrangements

Action 3	
Review of the implementation and assess the need to refine or adapt international standards	
FSB to review in consultation with other relevant SSBs and IOs the recommendations in the FSB Report and how any gaps identified could be addressed by existing frameworks, and update recommendations if needed.	January 2022 – July 2023

Building Block 19 - Factoring an international dimension into CBDC design

Actions and milestones

Action 1	
Stocktaking and analysis of different CBDC designs	
<p>CPMI in collaboration with BISIH, IMF and WB to conduct a stock-take of provisional domestic CBDC designs and central bank experimentation and the extent they could be used for cross-border payments.</p> <p>IMF, in cooperation with other relevant stakeholders, to analyse international macro-financial implications of cross-border CBDC use.</p>	November 2020 - July 2021
Action 2	
Development of options for access and/or interlinking	
<p>CPMI in collaboration with BISIH, IMF and WB to identify and analyse options for access to and interlinking of CBDCs that could improve cross-border payments, covering different CBDC designs, access and interlinkage options (including interoperability with non-CBDC payment arrangements). BB17, 18 and 19, given that they will be addressing in part similar issues, will share relevant analysis and emerging thinking.</p>	August 2021 - July 2022
Action 3	
Design study and dissemination	
<p>BISIH to assess the practical and technological complexities of implementing different multi-CBDC arrangement designs and interoperability types; conduct trials, experiments and prototyping of arrangements that enable access and interlinking and facilitate efficient cross-currency CBDC payments.</p> <p>BIS in collaboration with IMF and WB to organise a conference to share information exchange/encourage collaboration on cross-border payments across (planned) CBDC implementations.</p>	January 2022 – December 2022
<p>IMF and WB to provide technical assistance on how to facilitate cross border use of CBDC if requested.</p>	From July 2022 onwards.
