

Cross-Border Payments –

The Past, the Present, and the Future We Envision

July 2025



About

Nexus Global Payments (NGP) is a not-for-profit organization founded in March 2025 that is dedicated to managing the Nexus scheme and expanding its reach. Nexus is a groundbreaking global payments scheme that standardises connections between instant payment system (IPS) operators, allowing them to integrate once and gain access to a growing network of countries. NGP's mission to enable instant, secure, and efficient international payments is in line with the G20 Roadmap for Enhancing Cross-Border Payments targets for speed, cost, accessibility, and transparency. The NGP's founding partners—central banks and IPS operators from India, Malaysia, the Philippines, Singapore, and Thailand—are leading this initiative, with more participants set to join as the network grows.

For more information, visit www.nexusglobalpayments.org



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Introduction

Cross-border payments are a critical component of the global financial architecture, supporting remittances, international trade, digital commerce, and tourism. Despite this central role, they have long been associated with high costs, slow processing times, limited transparency, and restricted access. In response, particularly through the G20 Roadmap for Enhancing Cross-Border Payments, global policymakers have made concerted efforts to address these challenges.

One such initiative is Project Nexus, conceived and developed by the BIS Innovation Hub and its partner central banks, and now being led and operationalised by the newly established Nexus Global Payments (NGP). Nexus envisions a scalable multilateral platform to interlink domestic instant payment systems (IPS) for real-time, cross-border transfers. This report synthesises current perspectives on the evolution of cross-border payments and identifies the role that a multilateral model such as Nexus could play in shaping the future.

Successful models tend to build on robust domestic infrastructure and are often enabled by strong regulatory alignment and operational interoperability. At the same time, challenges emerge around the lack of common standards, diverging compliance regimes, and limited reach, particularly when multiple bilateral agreements need to coexist or interoperate.

These observations point to the inherent limitations of bilateral models. While useful in the short term, they are unlikely to meet the long-term demands of global commerce or digital financial inclusion. A more efficient and sustainable model must enable countries to connect once and reach many—reducing integration costs, promoting standardisation, and expanding access.

Rising Strategic Importance

Cross-border payments are becoming a more prominent priority for both policymakers and market participants. The increased volume and importance of remittances, the growth of SME trade and digital marketplaces, and a broader push toward financial inclusion are driving attention to cross-border payment inefficiencies. As more jurisdictions integrate digital payments into core economic infrastructure, seamless cross-border functionality is emerging as a strategic imperative.

Modernisation efforts are now frequently aligned with broader digital economy goals. At the same time, there is a growing consensus that cross-border payments must become faster, cheaper, and more transparent—without compromising safety, compliance, or system resilience.

The Past and Present

Advancement of Domestic Infrastructure

Over the past decade, significant investments have been made in domestic IPS globally, with more such IPS to be launched in the coming years. These efforts have enabled faster, cheaper, and more accessible domestic transfers, setting the stage for broader connectivity across borders. Several countries have since progressed to establish bilateral cross-border IPS linkages, aimed at facilitating low-value remittances and consumer payments across jurisdictions.

These bilateral linkages have proven technically feasible and have delivered practical value to end users in terms of improved speed, reduced costs, and enhanced user experience. However, they also introduce scaling challenges, particularly as the number of connections grows. Each new linkage adds complexity in terms of maintenance, governance, and harmonisation—leading to a fragmented and resource-intensive model that is difficult to sustain globally.

Lessons from Regional Models

Experiences from existing linkages have highlighted both the strengths and limitations of current approaches.

The Future We Envision

The Case for a Multilateral Platform

A multilateral model such as Nexus offers a streamlined, scalable alternative to bilateral linkages. Rather than requiring each country to negotiate and maintain individual connections, Nexus enables a “connect once, reach many” approach. Domestic IPS can be linked through a common platform that handles messaging, transaction routing, and compliance information exchange, while settlement, foreign exchange, and user data remain localised.

Such a model significantly reduces operational complexity

and enables a wider range of countries and payment providers to participate. It also creates opportunities to embed shared standards, governance principles, and technical protocols that improve efficiency and trust across the network.

Initial Use Cases and Future Expansion

The initial focus of Nexus is on person-to-person payments, particularly low-value transactions such as remittances and individual transfers. These use cases are characterised by high friction under existing systems, including delays, hidden fees, and high exchange rates. A multilateral platform could help address these pain points by offering speed, transparency, and affordability.

Over time, there is strong potential to expand into person-to-merchant (P2M) and business-to-business (B2B) use cases, which are potentially more complex and would require more distinct functional and operational requirements. This underscores the importance of designing the system to be modular and extensible, allowing new services to be layered on top of the core infrastructure.

Importance of Ecosystem Participation

Adoption, particularly in the number of ecosystem participants, will be a key determinant of success. Multilateral infrastructure, by design, only delivers value when a critical mass of systems and providers participate. Strong alignment among public authorities is essential, particularly in ensuring that domestic systems are prepared to interoperate and that enabling regulatory frameworks are in place. At the same time, engagement from private-sector entities is necessary to ensure the system is integrated into real-world payment experiences.

Participation from a diverse set of industry actors such as payment service providers, banks, and fintechs will also help ensure that the platform serves a wide range of user needs, from retail consumers to small businesses. Embedding Nexus into existing channels and customer-facing platforms will be essential to drive usage and scale.

Avoiding Fragmentation and Ensuring Interoperability

As new international, regional, and closed-loop networks emerge, there is a risk of duplicated or competing infrastructure. A multilateral system like Nexus can play a coordinating role, acting as a neutral gateway that links disparate systems through shared standards and protocols. This helps mitigate the risk of fragmentation while preserving diversity in market offerings and domestic systems.

While is not the sole solution, Nexus can serve as a unifying layer for regional networks or initiatives as well as a platform for future collaboration to solve the challenges of cross-border payments — enabling end users to benefit from seamless cross-border transfers regardless of their starting or destination country.

Streamlined Governance for a Multi-Jurisdictional System

As the number of jurisdictions involved in a cross-border payment system grows, the importance of coherent and scalable governance becomes paramount. A well-designed governance model ensures consistent rule application, operational integrity, and mutual trust among participants while allowing each jurisdiction to retain oversight of domestic regulatory and policy mandates.

A central entity such as Nexus Global Payments (NGP) can provide the institutional foundation for this governance model. It would administer the shared scheme framework, manage participant onboarding and certification, oversee operational standards, and coordinate compliance across the network. Acting as a neutral steward, the NGP would also facilitate change management, monitor performance, and provide mechanisms for dispute resolution and transparent decision-making. With representative governance structures and clearly defined mandates, the NGP would ensure that the global system remains cohesive and adaptable, balancing the need for uniformity with respect to jurisdictional diversity.

Evolving with the Payment Landscape

To remain relevant in a fast-changing environment, the system must be adaptable. This includes integrating new technologies, accommodating evolving user expectations, and scaling to meet higher volumes and more complex flows. Design choices must support seamless user experiences, operational resilience, and cross-jurisdictional trust. Affordability and accessibility are key to achieving broad-based inclusion.

Future readiness also implies neutrality with respect to emerging forms of money and infrastructure. The system must be able to facilitate innovation in new technologies and value-added services such as digital currencies, alternative settlement rails, and novel compliance tools — ensuring interoperability and flexibility without compromising safety whilst responding to the needs and preferences of the future.

Conclusion

Improving cross-border payments is a critical objective for jurisdictions seeking to enhance economic integration and financial inclusion. While bilateral arrangements have laid foundational infrastructure, they remain insufficient in addressing the growing complexity and demands of a connected global economy. A multilateral approach — guided by public policy goals and anchored in financial sustainability, inclusivity, neutrality, agility, and scalability — offers a more coherent and effective path toward building a future-proof global payment system.

Nexus represents a pragmatic yet ambitious step in that direction. By enabling countries to interlink their domestic systems through a common platform, it can significantly improve the speed, cost, accessibility, and transparency of cross-border transfers. To realise this potential, sustained collaboration across public and private sectors is essential, underpinned by sound design, inclusive governance, and a commitment to scale. If successful, Nexus could become a cornerstone of the future global financial infrastructure.



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