



The connected payments economy: Building the future of cross-border payments in India

September 2026

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Executive summary

Cross-border payments have become a foundational pillar of the global digital economy, enabling international trade, remittances, investment, digital commerce, and the movement of people and services across borders. As global economic activity becomes interconnected, cross-border payment flows continue to expand, with transaction values approaching US\$1 quadrillion in 2024.¹ While high-value interbank transactions continue to account for most of the payment value, Small and Medium-Sized Enterprises (SMEs), freelancers, creators, gig workers, online merchants and digital platforms are driving growth.

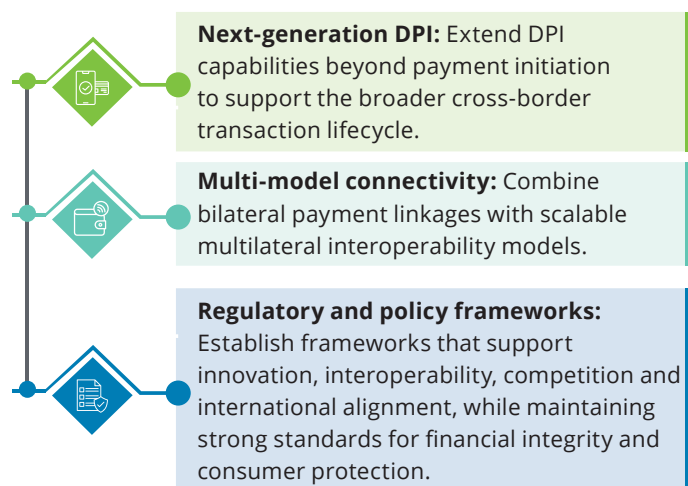
This evolution is changing expectations for cross-border payments. Infrastructure traditionally designed for large-value transactions between banks and multinational corporations must now support millions of low-value, high-frequency transactions while delivering the speed, transparency, convenience and seamless experience that users have come to expect from domestic digital payments. Customer expectations, technology modernisation, new digital business models and greater regulatory cooperation are, therefore, reshaping the cross-border payments landscape. However, the underlying ecosystem remains fragmented, with regulatory complexity, correspondent banking dependencies, infrastructure incompatibility, compliance requirements and operational inefficiencies continuing to increase costs and delay settlement. These frictions disproportionately affect SMEs and individuals operating on thin margins, limiting their ability to participate in global commerce.

Significant progress has been made globally, with the G20 and Financial Stability Board (FSB) establishing cross-border payments as a global policy priority. Initiatives such as ISO 20022, fast payment systems, payment-system interoperability, improved payment tracking and emerging tokenised settlement models are helping address longstanding challenges. However, progress towards the G20 targets for speed, cost, transparency and access remains uneven, and further action is required to meet the 2027 targets. The remaining challenges extend beyond the payment rail itself to trade documentation, Know Your Customer (KYC)/Anti-Money Laundering (AML), sanctions screening, customs, taxation, Foreign Exchange (FX), liquidity, settlement, reconciliation and regulatory reporting. The next frontier is connected cross-border transactions, where payments can be integrated with the information and processes required to complete an international transaction.

India enters this next phase from a position of strength. Its Digital Public Infrastructure (DPI) ecosystem, supported by

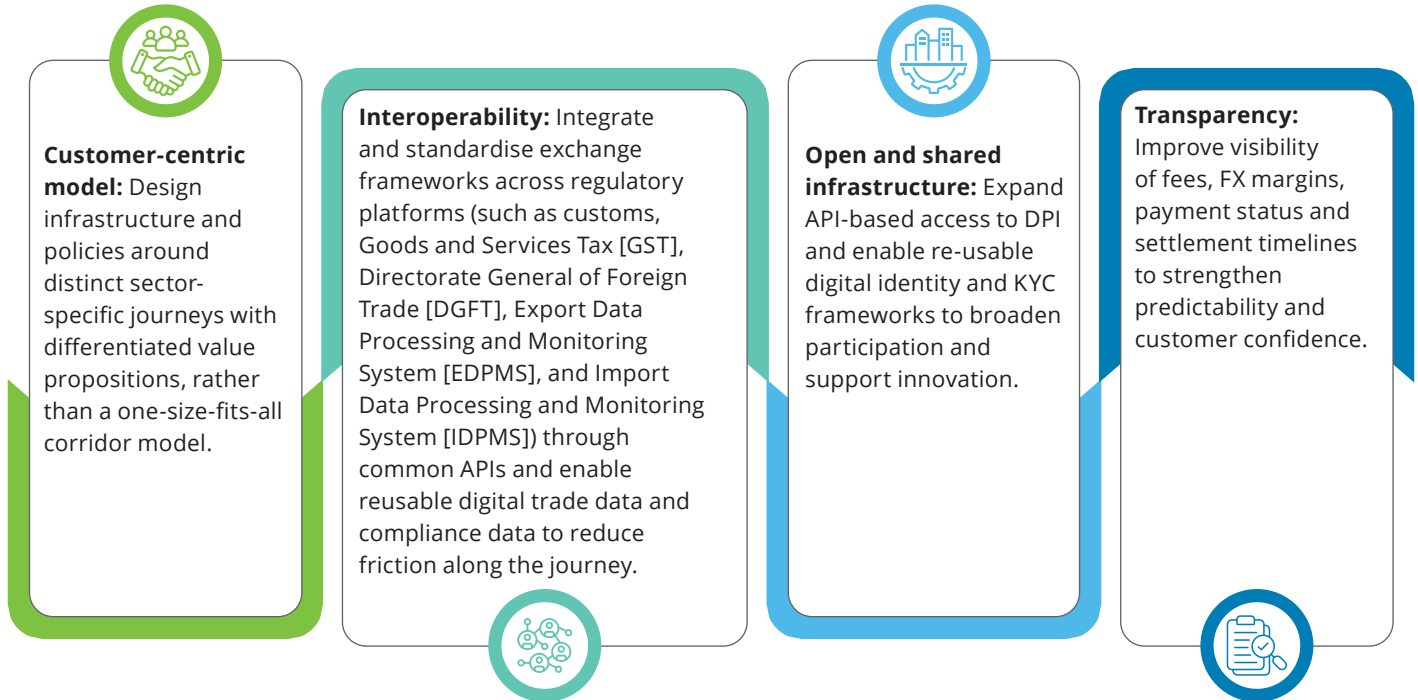
Aadhaar, Unified Payments Interface (UPI), DigiLocker, Account Aggregator (AA) and a vibrant fintech sector, has demonstrated how interoperable digital infrastructure can transform financial services (FS) at scale. India is also the world's largest recipient of remittances, an increasingly important participant in global trade and digital commerce, and a growing exporter of digital capabilities. The internationalisation of UPI and its linkages with overseas payment systems have demonstrated the potential of the country's domestic payments infrastructure to support cross-border transactions. However, scaling beyond individual corridors will require a combination of bilateral connectivity and multilateral models such as Project Nexus, supported by common standards, Application Programming Interfaces (APIs), interoperable infrastructure and greater regulatory coordination.

While remittances, traveller payments and UPI internationalisation are among the most visible examples of cross-border payments innovation, the broader economic opportunity extends to B2B, SMEs, trade and digital commerce. Unlocking this opportunity will require three strategic enablers:



The regulatory dimension will become increasingly important as cross-border transactions become digital and interconnected. Greater alignment across KYC/AML, data sharing, privacy, sanctions, taxation, settlement and reporting requirements can reduce duplication while enabling faster payment and more effective fraud prevention. At the same time, banks, fintechs, payment networks, regulators and technology providers will need to collaborate more closely around common standards and interoperable infrastructure. Therefore, the future of cross-border payments will depend on technological, regulatory and operational interoperability across jurisdictions.

India's next opportunity lies in making cross-border payments faster and cheaper, and building a connected payments economy where money, data, identity, trade and compliance move seamlessly together, enabling businesses and individuals to participate more easily in a connected global economy. This shift is anchored on four key priorities:



Together, these priorities can position India's cross-border payments ecosystem for greater scale, integration and global competitiveness.



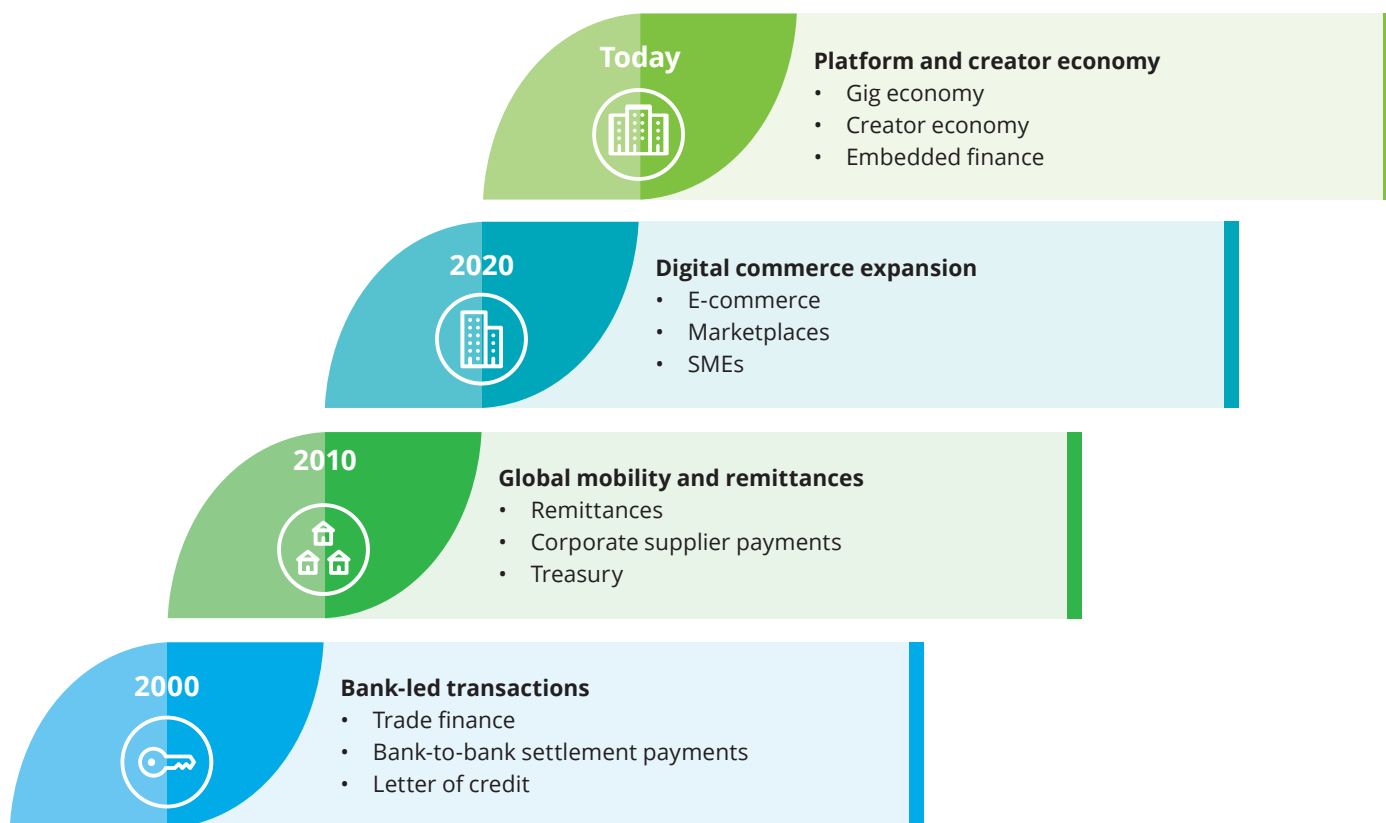
1. The importance of cross-border payments

Cross-border payments are a critical enabler of global economic activity, supporting international trade, remittances, investment flows and cross-border commerce. The importance of these flows continues to grow. In 2024, the value of the global cross-border payments market, comprising Society for Worldwide Interbank Financial Telecommunication (SWIFT)-recorded transaction values, alternative payment messaging systems and crypto-based payments, approached US\$1 quadrillion.² Financial institution-related payments accounted for the majority of cross-border payments activity by value. According to the International Monetary Fund (IMF), interbank and other financial institution-related transactions accounted for approximately four-fifths of the value of

SWIFT-recorded payments, significantly exceeding customer payments.³

As economic activity becomes global and digital, efficient cross-border payments have become a critical enabler of trade, investment and digital commerce. While cross-border payments were historically dominated by high-value transactions between banks and large corporates, the ecosystem now supports millions of lower-value transactions initiated by SMEs, freelancers, gig workers, creators and online consumers. However, despite this shift in participants and use cases, the underlying infrastructure and operating model continue to reflect the needs of an earlier era.

Figure 1: Evolution of cross-border payment use cases



Source(s): Deloitte analysis

1.1 Established drivers: The traditional engines of cross-border payments

Global trade, migration and remittances remain the traditional engines of cross-border payments. Businesses rely on international payment networks to support global supply chains and commercial relationships, while migration-driven payment flows remain a vital source of income for households in developing economies. Reflecting the continued expansion of global commerce, world trade in goods and commercial services grew from US\$22 trillion in 2020 to US\$35 trillion in 2025, registering a CAGR of nine percent.^{4,5} At the same time, the World Bank estimates indicate that global personal remittance inflows grew from US\$637 billion in 2020 to about US\$857 billion in 2024, registering a CAGR of eight percent, highlighting the growing importance of remittances within the cross-border payments ecosystem.⁶ Together with foreign investment, tourism and professional services, these flows remain fundamental to economic growth and global integration.

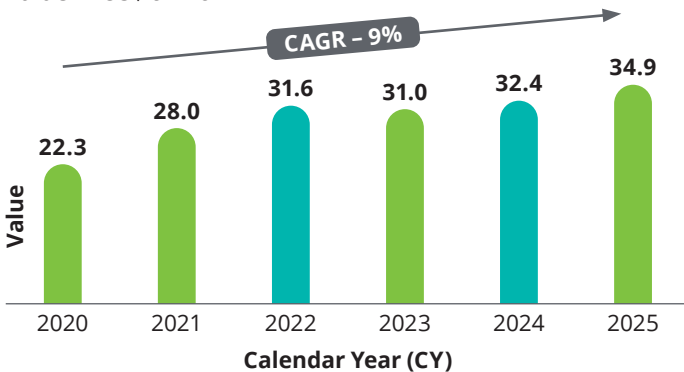
For decades, these flows shaped the economics and operating model of cross-border payments. The payments infrastructure evolved around relatively predictable transaction patterns, with an emphasis on reliability, compliance and risk management. However, the changing nature of cross-border transactions is beginning to test some of these long-standing assumptions.

1.2 Emerging drivers: New areas of cross-border payments growth

The growth of digital business models has expanded cross-border commerce beyond large corporations. New participants, including SMEs, online freelancers and creators, are generating new categories of cross-border payment flows. These emerging drivers are typically characterised by smaller, more frequent transactions and a broader participant base, creating new demands on existing cross-border payments infrastructure.

Figure 2: Global commerce – Trade in goods and commercial services

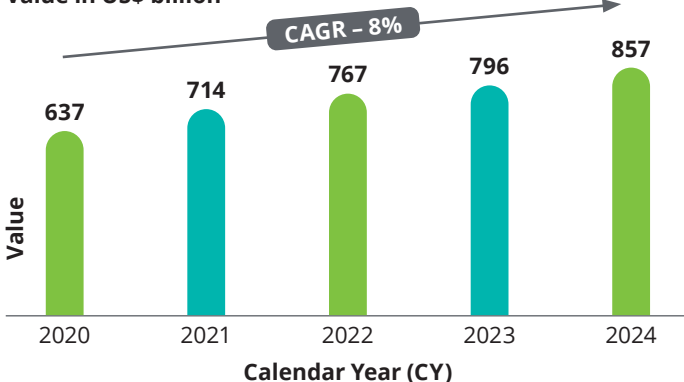
Value in US\$ trillion



Source(s): [Publicly available data from WTO](#)

Figure 3: Global personal remittance inflows from other countries

Value in US\$ billion



Source(s): [Publicly available data from the World Bank](#)

- SMEs participating in global commerce:** SMEs account for about 90 percent of businesses globally and are reaching international customers through digital channels.⁷ However, many continue to face disproportionately high costs when sending and receiving cross-border payments, limiting their ability to participate fully in global markets.⁸
- Creator economy generating new cross-border payment flows:** The creator economy comprises individuals who earn income through digital content, online communities and platform-based activities. It was estimated at approximately US\$250 billion in 2023 and is projected to grow to nearly US\$480 billion by 2027, supported by an estimated 50 million creators worldwide.⁹ Platform payouts, subscriptions, sponsorships and digital content sales are creating a growing volume of cross-border micropayments.
- Online gig work increasing demand for international payouts:** An estimated 154–435 million online gig workers operate across the globe, often serving clients located in different jurisdictions.^{10,11} These workers typically depend on frequent, low-value international payments as a primary source of income.
- Digital platforms and cross-border e-commerce expanding participation in international trade:** Online marketplaces are enabling businesses and consumers to transact globally with greater ease. In 2024, global B2C and B2B e-commerce sales reached US\$6 trillion and US\$20 trillion, respectively. They reflect the growing role of digital commerce in cross-border trade.¹²

Collectively, these new drivers are reshaping the profile of cross-border payments. Unlike traditional corporate transactions, these flows tend to be smaller in value, higher in frequency and often directly linked to an individual's income or a small business's cash flow. As participation in the digital economy expands, demand for fast, transparent and low-cost cross-border payments is becoming mainstream, requiring infrastructure originally designed for a very different transaction profile to adapt.

1.3 The changing economics of cross-border payments

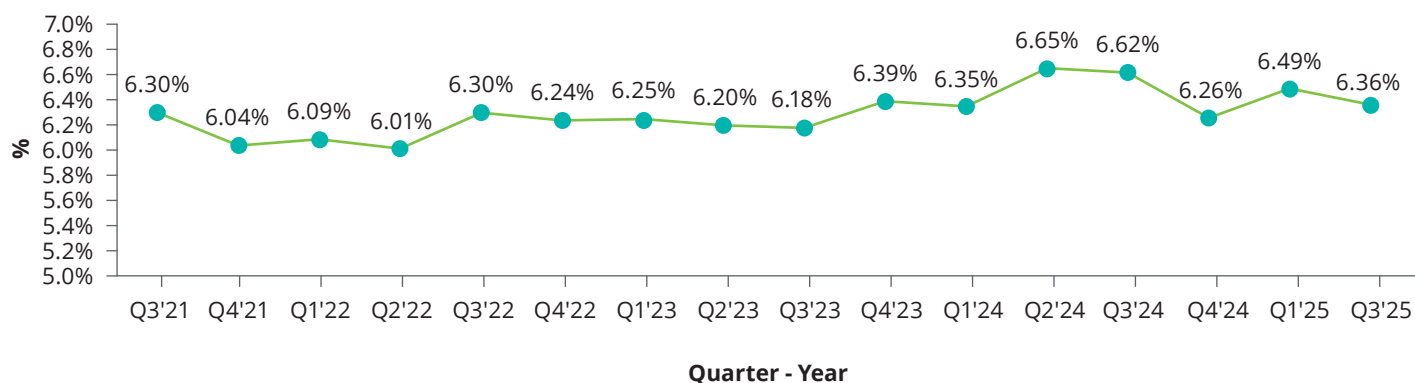
1.3.1 Legacy economics struggle to support new payment flows

The shift towards smaller, higher-frequency cross-border transactions is exposing a key limitation of legacy payments infrastructure. Many of the underlying cost components, such as compliance requirements, correspondent banking relationships, liquidity

management, FX conversion, pricing and processing, reconciliation and settlement, remain largely fixed regardless of the transaction value. While these costs are manageable for large-value transactions, they become disproportionately expensive for smaller payments.

This challenge is particularly evident in remittances. Despite sustained efforts to improve cross-border payments, the global average cost of sending a US\$200 remittance has remained largely unchanged, rising marginally from 6.30 percent in Q3 2021 to 6.36 percent in Q3 2025, which is more than double the UN Sustainable Development Goals target of three percent.^{13,14} Although digital channels have improved efficiency, with digital remittances averaging 4.59 percent compared with 7.30 percent for non-digital transfers in Q3 2025, structural frictions continue to keep costs elevated.¹⁵ The economic impact is significant. The World Bank estimates that a five-percentage-point reduction in remittance costs could save recipients in developing countries over US\$16 billion annually.¹⁶

Figure 4: Global average cost of sending a US\$200 remittance



Source(s): Publicly available data from the World Bank

As remittances, digital commerce, platform economies and other emerging use cases continue to grow, cross-border payments infrastructure must evolve to support low-value, high-frequency transactions more efficiently. The challenge is to move money across borders in a way that is scalable, cost-effective and accessible, while offering price transparency and visibility on timelines across a broader range of users and payment flows.

While the overall cost of cross-border payments remains elevated, fintech providers have improved the customer experience across select payment corridors through transparent pricing, real-time tracking, faster

onboarding and more competitive FX conversion rates. Advances in digital technology and the emergence of non-bank payment service providers have expanded access to faster, cheaper and more transparent cross-border payment options, particularly in retail remittances and SME payments. However, scale remains concentrated in specific corridors, and a significant portion of global cross-border flows continues to rely on traditional banking infrastructure and correspondent banking networks. Informal transfer channels also persist in several markets, raising concerns about fraud, consumer protection and regulatory oversight.

1.3.2 Payment barriers influence economic participation

The implications extend beyond payment costs. Delayed settlements affect cash flow, while opaque fee structures reduce cost predictability for businesses and individuals. For participants operating on thin margins, these barriers can discourage international trade and market expansion. As a result, achieving payment efficiency has become a key enabler of market access, business growth and broader economic participation.

1.4 Cross-border payments: A global priority for reforms

Recognising that cross-border payment barriers extend beyond the banking sector, policymakers have prioritised efforts to address them at the global level. The G20 has placed cross-border payments high on its reform agenda to enhance the experience for different parties, including corporates, remittance users, SMEs, freelancers, creators and consumers participating in the global economy. To drive measurable progress, the G20 and the FSB have established quantitative targets. Their progress is covered in the next section.



2. The key pain points in cross-border payments

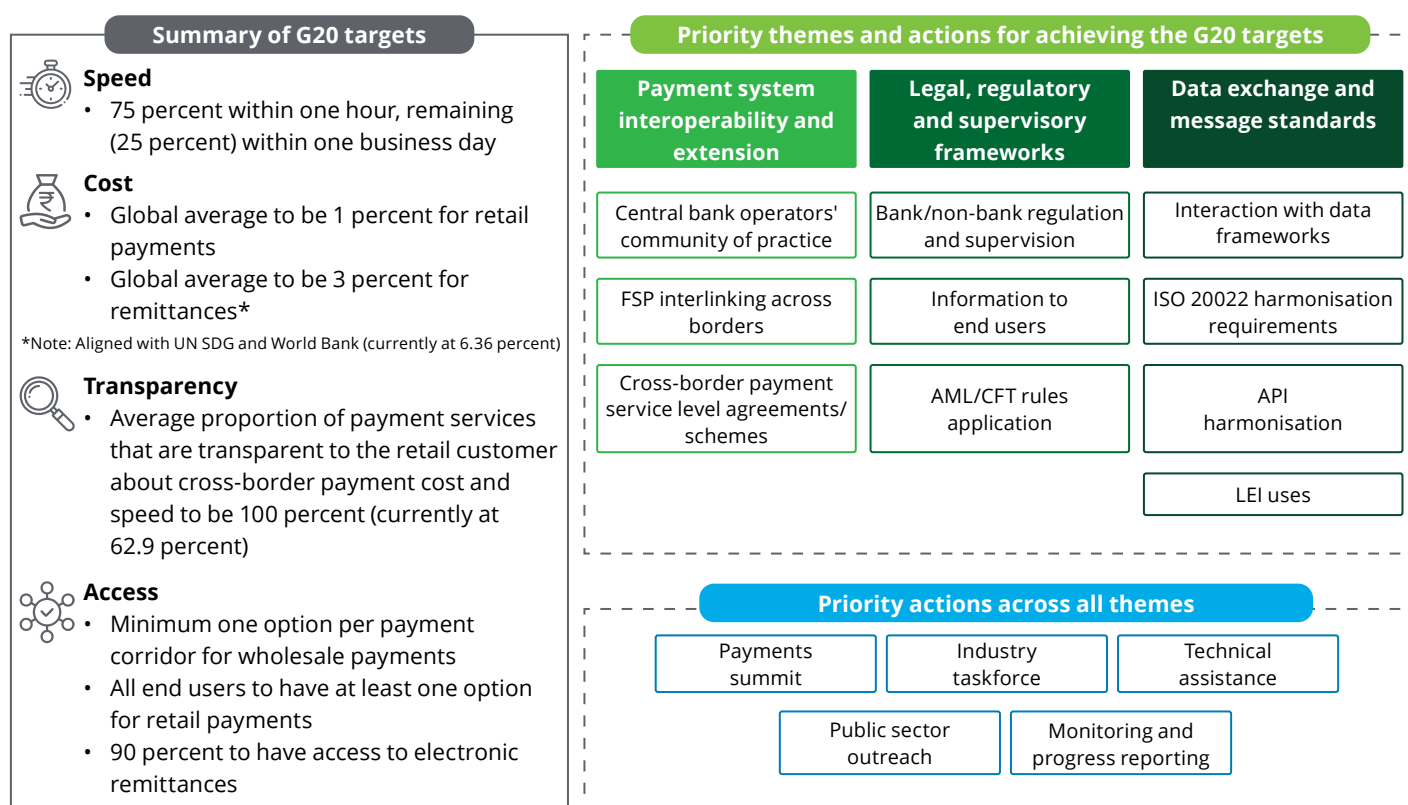
Recognising the persistent frictions in cross-border payments, the FSB, in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other international bodies, developed a set of quantitative targets that were endorsed by the G20 in 2021 as part of the G20 Roadmap for Enhancing Cross-Border Payments. These targets provide measurable objectives for improving cost, speed, transparency and accessibility of cross-border payments. The targets include:

- A. Reducing the average cost of retail cross-border payments to no more than one percent by the end of 2027¹⁷
- B. Reducing the global average cost of sending a US\$200 remittance to three percent by 2030¹⁸

- C. Crediting 75 percent of cross-border payments to the beneficiary within one hour and the remainder within one business day¹⁹
- D. Improving transparency (100 percent) around fees and payment tracking by 2027²⁰
- E. Ensuring that more than 90 percent of individuals have access to a means of electronic remittance payment by the end of 2027²¹

Together, these objectives seek to address the pain points that have become visible as cross-border payments evolve from a niche banking activity to a critical enabler of a more digital, interconnected and globally distributed economy.

Figure 5: G20 Roadmap for Enhancing Cross-Border Payments



Source(s): Publicly available data from FSB and World Bank

While the G20 Roadmap for Enhancing Cross-Border Payments has delivered notable progress, including widespread migration to ISO 20022, expansion of Fast Payments System (FPS) linkages, improved payments transparency and experimentation with new settlement models, the pace of improvement has been slower than

anticipated. This reflects that the remaining constraints are structural, arising from regulatory fragmentation, compliance complexity and operational differences across jurisdictions rather than technology alone. The latest FSB monitoring shows that while some indicators have improved, significant gaps remain against the 2027 targets.

G20 target area	2027 target ²²	Global Status as of 2025 ^{23,24}
Wholesale speed	75 percent credited within one hour	54.6 percent
Retail speed	75 percent credited within one hour	35.4 percent
Remittance speed (P2P remittances)	75 percent credited within one hour	54.4 percent
Retail cost - Payments	One percent	B2B (MSMEs): 1.6 percent; B2P: 1.8 percent; P2B: 1.9 percent; P2P: 2.6 percent
Retail cost – Payments	No corridors with costs higher than three percent	18.3 percent corridors with costs higher than three percent
Retail cost – US\$200 remittance	Not more than three percent by 2030	6.36 percent
Retail cost – Remittance	No corridors with costs higher than five percent	17 percent of corridors with costs higher than five percent
Retail transparency	All Payment Service Providers (PSPs) to provide cost, FX, delivery time, tracking and terms	62.9 percent
Retail access – Payments	All end users to have at least one electronic cross-border payment option	90.4 percent of Micro, Small and Medium Enterprises (MSMEs) with a transaction account
Retail access - Remittance	More than 90 percent of individuals (including those without bank accounts) who wish to send or receive a remittance payment to have access to a means of cross-border electronic remittance payment by the end of 2027	78.7 percent adults (age 15+ years) with a transaction account at a regulated financial institution

With the 2027 targets approaching, progress remains uneven and several targets are unlikely to be fully achieved. The FSB is therefore shifting focus towards accelerating implementation and defining the next phase of the cross-border payments roadmap.^{25,26}

2.1 Key progress under the G20 roadmap

2.1.1 Accelerated modernisation of domestic payment systems

By 2024, 98 percent of FPS had completed or committed to implementing at least two of the G20 priority actions, up from 91 percent in 2023, reinforcing their role as the primary enabler of retail cross-border payments.²⁷ In parallel, more jurisdictions have expanded Real-Time Gross Settlement (RTGS) operating hours and broadened access for non-bank payment service providers, thereby supporting faster cross-border settlement. These developments contribute to the G20 objectives of **improving payment speed and expanding access** to electronic payments.

2.1.2 Expanding interoperability across FPS with regional concentration

Global migration to ISO 20022 is well advanced, while interlinking of domestic FPS is gaining momentum.

While there are multiple country-level connections globally, these remain concentrated within large regional platforms, particularly in Europe and Africa, with limited connectivity across regional clusters, highlighting the continued fragmentation of the global fast-payment landscape. Initiatives such as Project Nexus, ASEAN's Regional Payment Connectivity and Project Aperta are addressing cross-border infrastructure fragmentation through standardised connectivity frameworks, API-based interoperability and common messaging approaches.^{28,29,30} Greater interoperability can **improve the speed** of cross-border payments, **reduce costs and expand access** by minimising barriers between domestic payment systems.

2.1.3 Enhanced beneficiary-side processing drives measurable improvements in the speed of wholesale cross-border payments

As of 2025, more than half (54.60 percent) of wholesale cross-border payments were credited within one hour, while over 93 percent were settled within one business day.³¹ The improvement was largely attributable to enhanced beneficiary-side processing, where one-hour performance improved by 1.70 percentage points to 61.70 percent in 2025 compared with 2023, despite already high in-flight processing efficiency.³² These gains

reflect greater automation in banks' internal processing and the continued migration to ISO 20022. These improvements support the G20 objective of **increasing the speed** of cross-border payments.

2.1.4 Retail payments evolve, with fintechs driving innovation despite uneven cost improvements

Progress in retail payments has been supported by fintech-led innovation, particularly through improved transparency, digital experiences and alternative payment solutions across select corridors. Players such as SWIFT have enhanced end-to-end payment tracking through Global Payments Innovation (GPI), while fintechs have introduced more efficient solutions in targeted corridors.³³ However, these improvements have yet to translate into a material decline in average global remittance costs, partly reflecting the limited corridor coverage of many fintech-led solutions. The global average cost of sending a US\$200 remittance stood at ~6.36 percent in Q3 2025.³⁴ This highlights that while innovation is **improving transparency**, more progress is needed to achieve the G20 objectives on cost and accessibility.

2.1.5 Progress remains uneven across regions

Progress varies significantly across regions. North America continues to demonstrate the highest wholesale payment processing speed globally.³⁵ Europe has made significant improvements in wholesale payment speed and consistently low retail costs, while Asia Pacific leads in fast interlinkages of

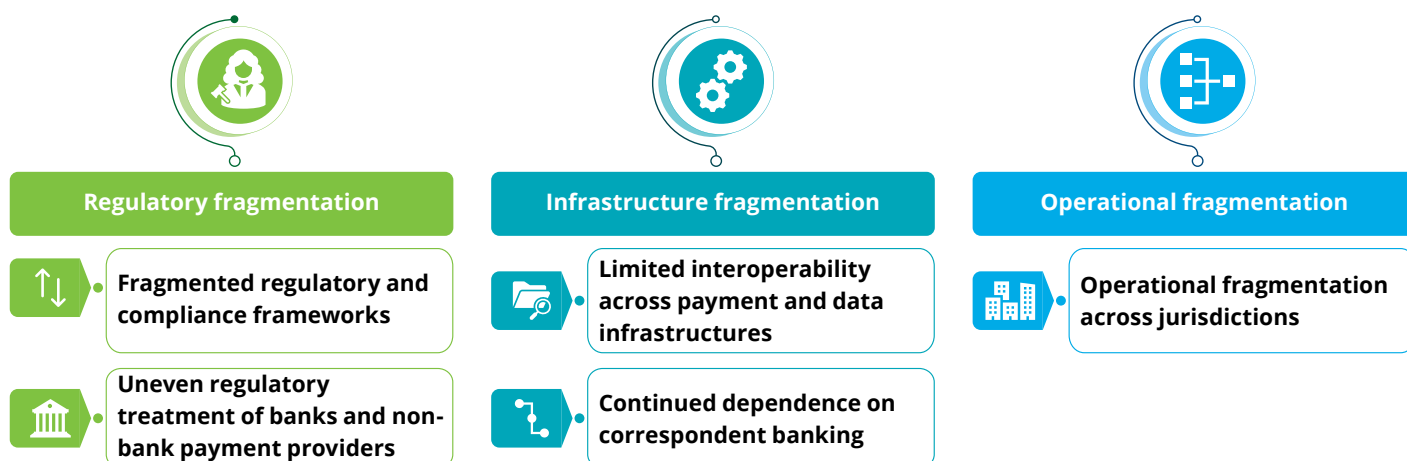
payment systems. Latin America and the Caribbean have recorded significant improvements in retail payments speed, whereas the Middle East, South Asia and parts of Africa continue to face higher costs, slower settlement for wholesale payments and lower transparency.³⁶ These disparities reinforce the need for greater regulatory harmonisation, interoperable infrastructure and stronger cross-border collaboration. The uneven progress across regions highlights that achieving the G20 objectives will require coordinated **improvements across speed, cost, transparency and accessibility**.

These developments reflect meaningful progress in cross-border payments, with advances in speed, interoperability and infrastructure, although retail outcomes and regional progress remain uneven.

2.2 Persistent pain points that impede seamless cross-border payments

While the G20 roadmap has advanced the speed, transparency and accessibility of cross-border payments, structural barriers remain. **Regulatory, infrastructure and operational fragmentation** continue to increase costs, delay settlement, limit straight-through processing and constrain scalability. The following section explores how leading jurisdictions are addressing these challenges through regulatory harmonisation, interoperable payments infrastructure, settlement innovation, digital identities and integrated trade ecosystems.

Figure 6: Structural barriers to seamless cross-border payments



Source(s): Deloitte analysis

2.2.1 Regulatory fragmentation

Divergent regulatory and supervisory frameworks across jurisdictions create friction, increasing costs and limiting competition in cross-border payments.

A. Fragmented regulatory and compliance frameworks

Cross-border payments are subject to diverse regulatory requirements, including AML/Countering the Financing of Terrorism (CFT), sanctions, KYC, data localisation requirements, taxation and FX regulations. Despite global standards, such as the Financial Action Task Force (FATF) Recommendations, inconsistent implementation across jurisdictions leads to duplicate compliance checks, repeated customer verifications and manual interventions. This increases costs and slows payment processing.

Illustrative examples addressing the aforementioned challenges^{37,38}



- **European Union – Cross-border digital identity interoperability:** To reduce duplication in customer verification, the European Union is developing interoperable digital identity frameworks that enable trusted authentication and identity verification across member states. This demonstrates how standardised digital identities can streamline regulatory compliance and improve the customer experience, potentially simplifying retail cross-border payments.
- **Global Legal Entity Identifier Foundation (GLEIF) – Verifiable Legal Entity Identifier (vLEI):** Established by the FSB, GLEIF manages the global Legal Entity Identifier (LEI) system, which provides a unique identifier for entities involved in financial transactions globally. The FSB has highlighted its potential to reduce data-related frictions in cross-border payments, support straight-through processing, and facilitate KYC and sanctions-screening processes. The FSB has also identified the potential role of vLEIs in enhancing trust through verifiable authentication.

B. Uneven regulatory treatment of banks and non-bank payments providers

Non-bank payment service providers are playing an important role in facilitating remittances, merchant payments and SME transactions. However, licensing requirements, settlement account access, participation in domestic payment systems and prudential regulations remain inconsistent across jurisdictions. These disparities could restrict competition, slow innovation and limit regulated non-bank providers' ability to scale efficiently across international markets.

Illustrative examples addressing the aforementioned challenges^{39,40,41}



- **United Kingdom – Expanding direct access to payments infrastructure:** To promote greater competition, the United Kingdom has expanded direct participation of regulated non-bank payment service providers in faster payments. In parallel, the country's faster payments system enables direct corporate access, allowing eligible corporates to connect directly to the FPS infrastructure to submit payments. Broader access to the payments infrastructure across retail and wholesale use cases has reduced dependence on sponsor banks while fostering innovation and improving market efficiency.
- **Singapore – Risk-based regulation for payment institutions:** Singapore's Payment Services Act provides a unified, activity-based licensing framework for banks and non-bank payment service providers. By applying proportionate regulatory requirements based on the nature and scale of payments activities, the framework encourages innovation while maintaining financial stability and consumer protection. This demonstrates how balanced regulation can promote competition without compromising oversight.

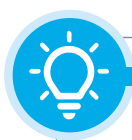
2.2.2 Infrastructure fragmentation

Although significant investments have been made in modern payments infrastructure, domestic payment systems have largely evolved independently. Differences in standards, settlement models and network architecture continue to limit interoperability and lead to dependence on legacy correspondent banking arrangements.

A. Limited interoperability across payments and data infrastructures

Domestic payment systems have evolved independently, resulting in differences across messaging standards, settlement models, APIs, QR code specifications, operating rules and digital identity frameworks. Even with the adoption of ISO 20022, inconsistent implementation continues to limit straight-through processing and increase operational reconciliation efforts.⁴²

Illustrative examples addressing the aforementioned challenges^{43,44,45,46,47,48}



- **A digital wallet built on Single Euro Payments Area (SEPA) rails – Harmonising pan-European payments infrastructure:** A consortium of 18 banks and FS companies has developed a digital wallet to enable interoperable retail payments across participating European countries. Built on the underlying SEPA Instant Credit Transfer payment rail, the digital wallet establishes common payment standards, operating rules and acceptance infrastructure while leveraging existing bank accounts. It demonstrates how harmonised infrastructure can enable cross-border payments across a region. It is gaining meaningful market traction, with over 43.5 million users and 100 million P2P transactions worth more than 7.5 billion euros processed within its first year. This growing adoption is supporting the wallet's expansion into e-commerce and strengthening the ecosystem, which now comprises 25 members across banks and merchant acquirers.
- **Bank for International Settlements (BIS) project – Connecting domestic payment systems through Central Bank Digital Currency (CBDC):** A Proof of Concept (PoC) completed in 2023 addressed infrastructure fragmentation by connecting domestic retail CBDCs through a common interoperability hub. The hub compares FX quotes, routes payment messages and coordinates Payment-Versus-Payment (PvP) settlement while allowing each jurisdiction to retain control of its CBDC infrastructure. This demonstrates how a common interoperable layer can connect infrastructures without requiring new payment networks.
- **Gulf Cooperation Council (GCC) – Arabian Gulf System for Financial Automated Quick Payment Transfer (AFAQ) regional payments system:** AFAQ, operated by Gulf Payments, connects the RTGS systems of GCC countries to enable cross-border financial transfers in local currencies through a common regional payments infrastructure. By establishing unified operating and settlement arrangements across GCC payment systems, AFAQ enables faster transfers, same-day settlement finality and lower-cost cross-border payments. It depicts how regional interoperability can reduce infrastructure fragmentation. AFAQ now connects 70 banks and has processed more than 268,000 transactions since its launch.

B. Continued dependence on correspondent banking

Despite technological advancements, a significant proportion of cross-border payments continue to rely on correspondent banking networks involving multiple intermediary institutions. Each intermediary

introduces additional compliance checks, FX conversions, liquidity requirements, reconciliation activities and operational risks. This multi-hop model increases transaction costs, prolongs settlement times and limits end-to-end payment transparency, even with improvements such as SWIFT GPI.

Illustrative examples addressing the aforementioned challenges^{49,50,51,52}

- **BIS Project mBridge – Modernising settlement infrastructure:** To reduce dependence on correspondent banking, Project mBridge, which has reached the minimum viable product (MVP) stage, explores the use of wholesale CBDCs to enable direct cross-border settlement between participating central and commercial banks. The initiative demonstrates how modern settlement infrastructure can reduce intermediary layers while enabling faster, more transparent and atomic PvP settlement
- **BIS Project Agora – Tokenised correspondent banking:** Project Agora, which has completed the pilot phase, examines the use of a shared distributed ledger to explore how tokenised commercial bank deposits and central bank money can operate on a unified programmable platform. Rather than replacing correspondent banking, this initiative seeks to modernise by improving settlement efficiency while preserving the two-tier monetary system.
- **Swift – Blockchain-based shared ledger for 24/7 cross-border payments:** Swift has developed a blockchain-based shared ledger to enable 24/7 cross-border payments using tokenised deposits while interoperating with existing payments infrastructure. In July 2026, Swift announced that 17 banks across six continents were preparing to pilot live transactions, signalling growing industry adoption. The initiative demonstrates how shared blockchain infrastructure can modernise correspondent banking by enabling more direct, always-on settlement among participating banks while reducing intermediary and reconciliation friction.

2.2.3 Operational fragmentation

Beyond regulation and infrastructure, operational differences across jurisdictions continue to impede efficient cross-border payments. Variations in settlement arrangements across currencies, time zones, operating hours and trade processes make end-to-end Real-Time Payments (RTP) difficult to achieve.

A. Operational fragmentation across jurisdictions

Even with modern payments infrastructure, cross-border transactions continue to face operational barriers such as different operating hours, settlement windows, liquidity practices and fragmented trade processes. This results in delays and increased manual intervention.

Illustrative examples addressing the aforementioned challenges^{53,54,55,56}

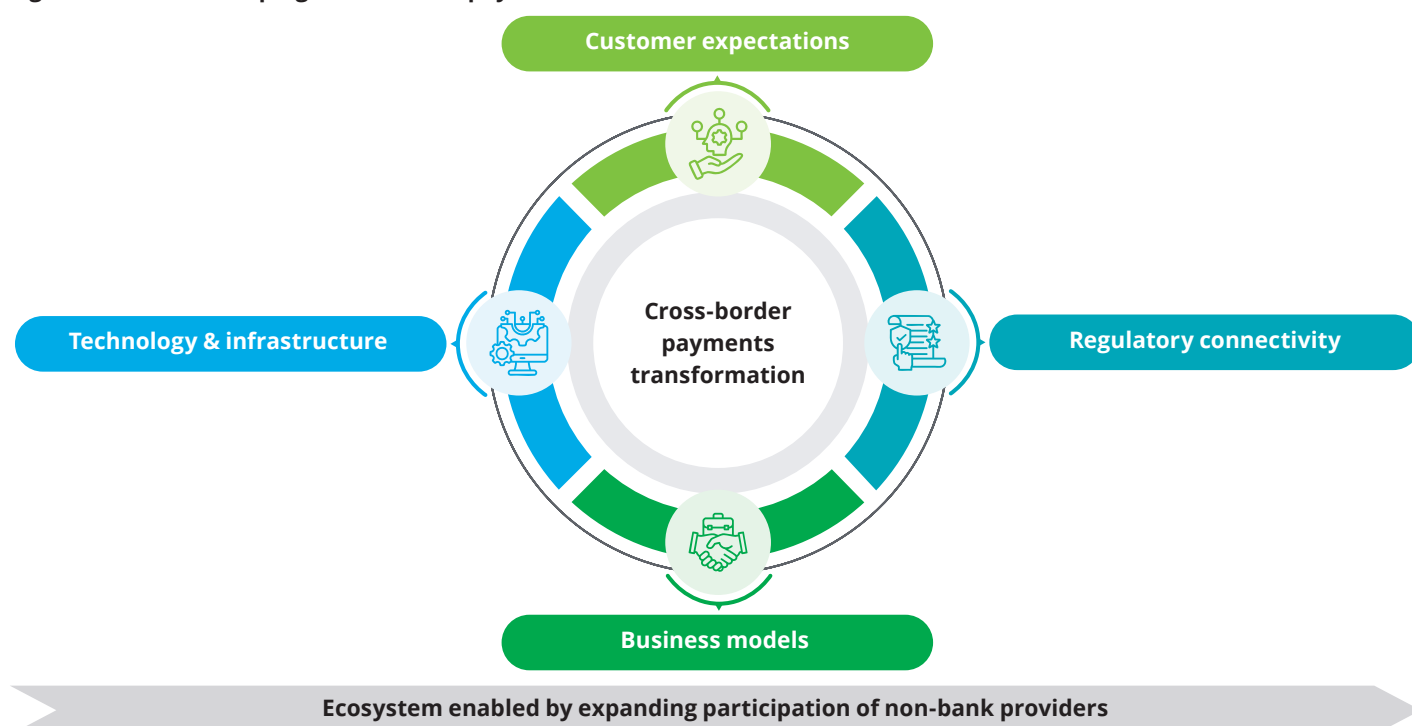
- **China – Expanding local currency settlement arrangements:** To reduce settlement delays and reliance on vehicle currencies, China has expanded local currency settlement through bilateral currency swap agreements with 42 central banks, Renminbi (RMB) clearing arrangements, and the Cross-Border Interbank Payments System (CIPS), enabling direct settlement of trade and investment transactions in RMB. This reduces FX costs, lowers settlement risk and improves payments efficiency.
- **Singapore – Integrating payments with digital trade infrastructure:** Singapore has launched an initiative that digitises trade documentation through interoperable technical standards and legal frameworks, reducing operational friction and enabling greater end-to-end automation. The initiative demonstrates that faster cross-border payments require modernisation of the broader trade ecosystem, enabling greater straight-through processing beyond payments messaging alone.
- **Dubai – Integrated digital trade ecosystem:** Dubai has launched a digital platform that connects customs authorities, ports, logistics providers, shipping companies, banks and traders under a single window through integrated electronic services. The platform illustrates that reducing cross-border payments friction requires seamless coordination across the entire trade value chain rather than optimising payment processing in isolation.

Leading jurisdictions demonstrate that improving cross-border payments requires coordinated action across regulation, infrastructure and operations. Together, these initiatives enhance interoperability, streamline compliance, reduce operational friction and advance the objectives outlined in the G20 roadmap.

3. The forces reshaping cross-border payments

Four converging forces are reshaping cross-border payments: evolving customer expectations, technological innovation, new digital business models and increasing regulatory harmonisation. Together, these forces are accelerating the shift towards faster, more interoperable and customer-centric payment ecosystems, supported by the expanding participation of regulated non-bank providers.

Figure 7: Forces reshaping cross-border payments



Source(s): Deloitte analysis

3.1 Customer expectations reset the baseline

The widespread adoption of digital and instant payment systems has fundamentally changed how individuals and businesses expect money to move. As cross-border payments become more embedded in e-commerce, SME trade, freelance work and the creator economy, users expect international payments to mirror domestic payment experiences, with faster processing, greater transparency and simpler payments initiation. The payments ecosystem is evolving rapidly to meet these expectations. According to the World Bank, 137 countries had provided people and businesses with access to instant payment services on a 24/7 basis as of June 2026. At the same time, initiatives such as

Project Nexus are seeking to enable cross-border interoperability between instant payment systems, with the potential to connect markets representing approximately 1.7 billion people.^{57,58} Similarly, linkages between RTP systems of Singapore and Thailand are introducing proxy- or alias-based addressing models, enabling users to initiate cross-border payments using mobile phone numbers rather than traditional bank account details, while supporting near-real-time settlement.⁵⁹

Expectations are also evolving across SME and wholesale payment segments. SMEs expect transparent FX pricing, simplified documentation, real-time visibility into payment status and faster settlement to support working capital management. Large corporates and

financial institutions are similarly seeking integrated treasury workflows, improved liquidity visibility and near-real-time cross-border payment processing.

These evolving expectations are driving investment in payments infrastructure, interoperability and customer-centric payment experiences across retail, SME and wholesale segments.

3.2 Technology and infrastructure advancements help modernise the payments stack

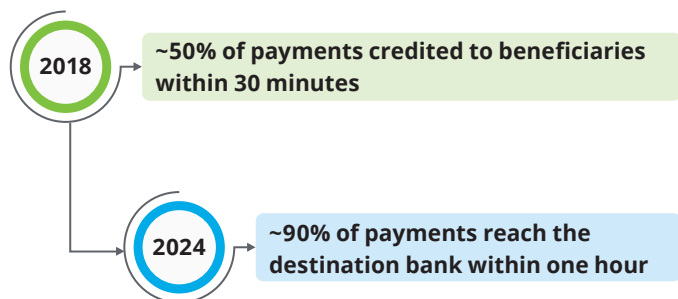
Advances in technology and infrastructure are enabling faster, more transparent and automated cross-border payments. Incumbent networks are evolving through initiatives such as SWIFT GPI, which has significantly improved payment speed and visibility. Earlier SWIFT data indicated that nearly 60 percent of payments were credited to beneficiaries within 30 minutes, while almost 100 percent were completed within 24 hours.⁶⁰ More recently, SWIFT reported that 90 percent of cross-border payments sent over its network reach the destination bank within one hour, exceeding the G20 target for payment processing speed; however, final beneficiary credit may vary depending on local clearing and compliance requirements.^{61,62} Industry analysis further suggests that payment transmission accounts for less than 20 percent of the overall cross-border

payments journey, while beneficiary-side processing and local market requirements account for more than 80 percent of elapsed payments time, highlighting the importance of interoperability and end-to-end process modernisation.⁶³

Payment infrastructures are also evolving towards always-on operating models supported by RTP systems, Artificial Intelligence (AI)-enabled processing, intelligent routing, tokenisation and cross-border QR payment acceptance. In Asia Pacific, QR interoperability initiatives are enabling consumers and merchants to make cross-border payments using their domestic payment applications, extending the convenience of domestic digital payments to international transactions. The industry is also witnessing growing convergence between the traditional payment infrastructure and Distributed Ledger Technologies (DLTs). While many of these innovations are improving retail payment experiences, capabilities such as API-based payments, embedded FX services, tokenised value transfer and programmable settlement are also supporting SME and wholesale payment flows. For example, SWIFT's blockchain-based shared ledger initiative involved more than 30 financial institutions, with 17 banks preparing to pilot live tokenised deposit transactions.^{64,65} The future of cross-border payments is therefore likely to be driven by interoperability and infrastructure convergence rather than wholesale replacement of existing networks.



Figure 8: SWIFT GPI speed improvement over the years



Source(s): [Publicly available data from SWIFT](#)⁶⁶

3.3 Business models expand beyond traditional banking

Cross-border payments are embedded within digital platforms rather than offered as standalone banking services. As marketplaces, Software as a Service (SaaS) platforms and digital ecosystems integrate payment acceptance, settlement, FX conversion and payouts into customer journeys, payment capabilities are becoming a core element of platform value propositions. Research published by a leading international payments network found that more than 70 percent of marketplace sellers,

creators and gig workers would consider switching platforms for better payout options, while over 80 percent would pay a premium for instant payouts.⁶⁷ These trends are driving demand for payments infrastructure capable of supporting high-volume, automated and multi-party cross-border transactions. Beyond retail and platform ecosystems, new business models are also emerging in wholesale payments, where banks, treasury providers and fintechs are embedding cross-border payments, FX management, liquidity services and real-time reporting directly into corporate enterprise resource planning (ERP) and treasury workflows.

3.4 Regulation and connectivity redefine cross-border payment networks

Regulatory cooperation and connectivity initiatives are enabling direct linkages between domestic payment systems. Multilateral arrangements such as Project Nexus and Buna are expanding connectivity across multiple jurisdictions. In parallel, wholesale payments innovation is gaining momentum through tokenised deposits, distributed ledger-based settlement platforms and new liquidity management models piloted by global financial institutions. These developments are contributing to more connected and efficient cross-border payment networks.

Illustrative examples ^{68,69,70,71}



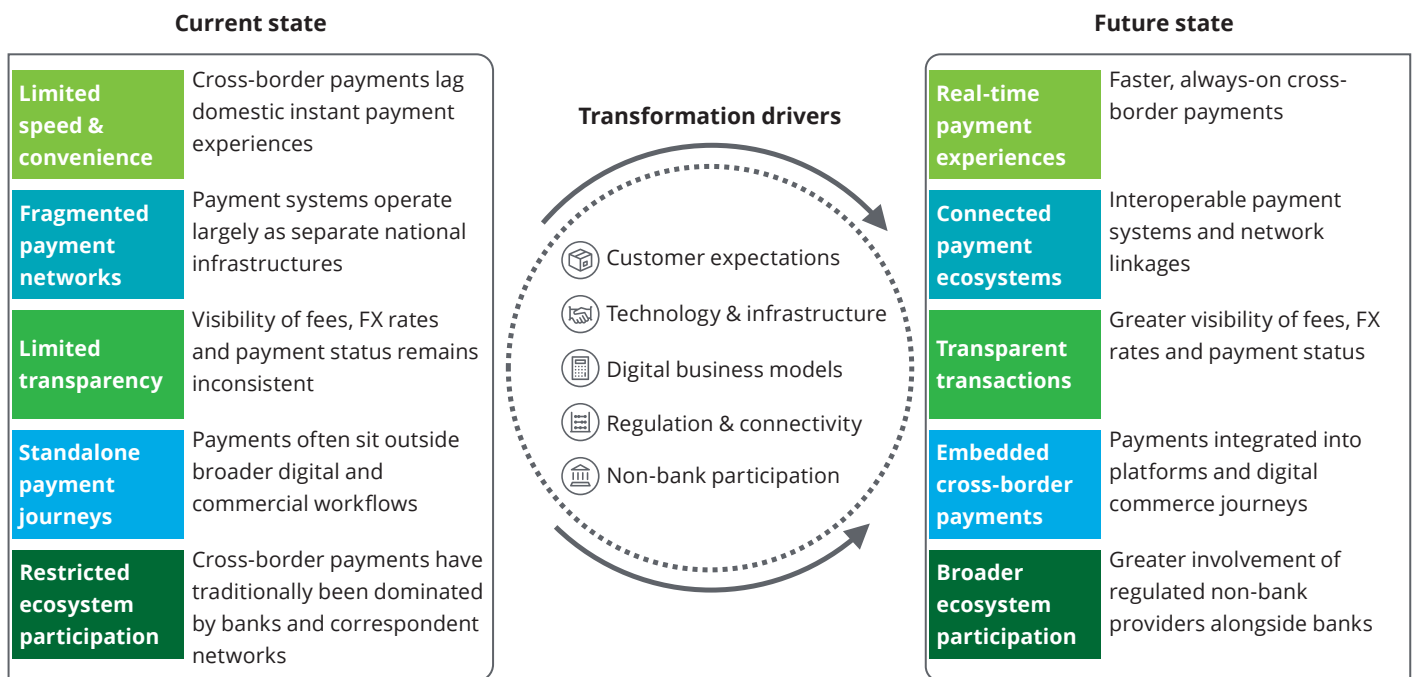
- **Project Nexus - Multilateral payments connectivity:** Project Nexus promotes a "connect once, reach many" model that enables participating instant payment systems to exchange cross-border payments in 60 seconds or less.
- **Buna - Regional multi-currency payments infrastructure:** Buna enables participating financial institutions to send and receive cross-border payments across multiple jurisdictions through a shared multi-currency payments infrastructure.
- **India-United Arab Emirates - Local currency settlement:** The Reserve Bank of India (RBI) and the Central Bank of the United Arab Emirates have established a framework for direct INR-AED settlement to reduce transaction costs, improve settlement efficiency, and support trade, investment and remittance flows
- **Tokenised wholesale payments and settlement:** A leading global banking institution has launched a platform that enables participating institutions to use tokenised commercial bank deposits for real-time value transfer and cross-border settlement. By supporting programmable transactions and 24/7 settlement, the platform demonstrates how tokenised deposits can improve liquidity management, reduce settlement risk and enhance efficiency in wholesale cross-border payments.

3.5 Non-bank participation expands access and innovation

Non-bank providers are translating advances in infrastructure, regulation and technology into customer-facing payment solutions. Regulatory frameworks such as India's Payment Aggregator-Cross Border (PA-CB) regime are enabling broader participation while maintaining appropriate oversight. The impact is particularly visible in merchant payments and digital commerce, where banks, fintechs, payment service providers and digital platforms are

expanding access to local payment methods, cross-border settlements and emerging use cases such as marketplace payouts, digital exports and SaaS commerce. As seen in domestic payment ecosystems, broader ecosystem participation is helping drive adoption, innovation and scale in cross-border payments. Non-bank providers are also expanding their role in wholesale payments, supporting functions such as FX execution, treasury connectivity, liquidity management and API-driven payment initiation for corporates and financial institutions.

Figure 9: The connected future state of cross-border payments



Source(s): Deloitte analysis

4. India's progress in cross-border payments

India has built one of the world's most advanced digital payment ecosystems, supported by DPI, interoperable payment systems and a rapidly expanding global payments footprint. However, its competitive advantage for cross-border payments is constrained by fragmented trade documentation, siloed regulatory systems and limited interoperability across the broader cross-border payments value chain.

4.1 India's expanding global trade and remittance landscape

India's growing integration with the global economy is rapidly increasing the strategic importance of efficient cross-border payments. India recorded total merchandise and services exports of US\$825 billion in FY2024–25, the highest annual level reported by the Ministry of Commerce at the time.⁷² Services exports reached US\$388 billion in FY2024–25, driven by IT services, Global Capability Centres (GCCs), business services and digital commerce.⁷³ The government has set an ambitious target of US\$1 trillion in merchandise exports by 2030.⁷⁴ As Indian businesses become more integrated into global supply chains, seamless B2B cross-border payments are critical for managing supplier settlements, improving working capital efficiency and enhancing international competitiveness. Consequently, the payments infrastructure needs to evolve to become a strategic enabler of trade and economic growth.⁷⁵

India's trade relationships are also diversifying. The United States, United Arab Emirates, China, Singapore, the Netherlands and Bangladesh remain among India's largest export destinations, while China, Russia, the United Arab Emirates, the United States, Saudi Arabia and Indonesia are key import markets.⁷⁶ These high-volume trade corridors generate significant cross-border payment flows across merchandise trade, services, energy imports and supply-chain financing, reinforcing the need for infrastructure that supports faster settlement, transparent FX pricing and seamless trade documentation.

India is also the world's largest recipient of remittances, receiving approximately US\$135 billion in FY2025, with major inflows originating from the United States, United Arab Emirates, Singapore, Saudi Arabia, Kuwait and Oman.^{77,78} On the outbound side, remittance outflows stood at US\$29.6 billion under the Liberalised Remittance Scheme (LRS).⁷⁹ These corridors continue to play a critical role in supporting household incomes, FX reserves and domestic consumption, further reinforcing the importance of efficient, secure and affordable cross-border payments infrastructure.

4.2 India's strategic assets for global cross-border payments leadership

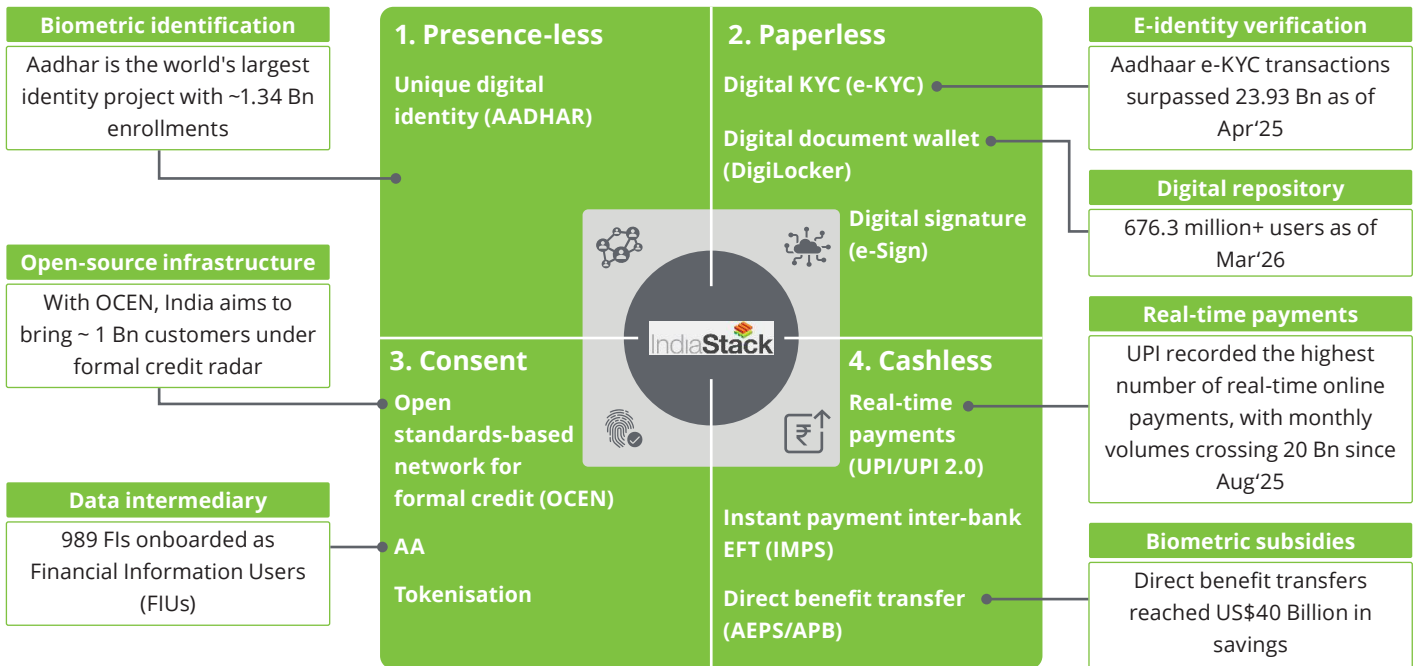
India's competitive advantage in cross-border payments is underpinned by mutually reinforcing assets: DPI, including UPI and an expanding fintech ecosystem.

4.2.1 Globally recognised DPI

India's DPI is also an established digital ecosystem, distinguished by its scale, openness and interoperability. It is integrated with foundational systems such as Aadhaar, UPI, DigiLocker and the AA framework through open digital rails that enable trusted identity, RTP and secure data exchange at population scale. Building on this success, India is positioning its DPI as a global public good. As of February 2026, India has entered into DPI cooperation agreements with 24 countries,⁸⁰ established India Stack Global to facilitate the adoption of its digital architecture and played a leading role during its G20 Presidency through the launch of the Global Digital Public Infrastructure Repository, to which it has contributed the largest number of digital solutions. These initiatives position the country as a leader in domestic digital transformation and a key contributor to the emerging global architecture for interoperable digital infrastructure and cross-border payments.⁸¹

Figure 10: DPI of India

A robust DPI in the Indian banking sector, known as the India Stack, has spurred innovation and competition, while it continues to evolve.



Source(s): Publicly available data from PIB, Department of Financial Services and [UIDAI](#)^{82,83,84}

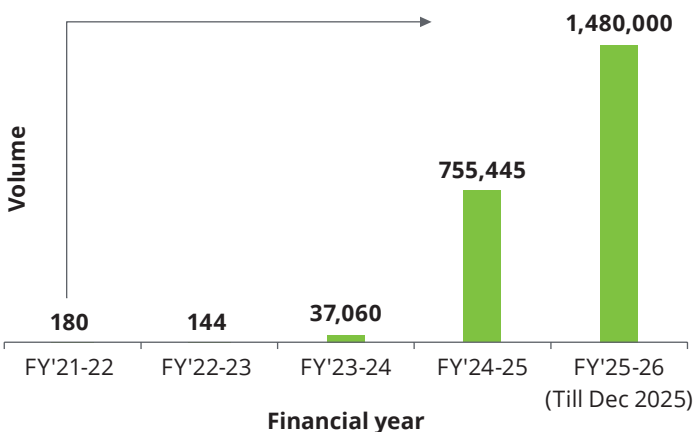
4.2.2 Internationalisation of UPI

As a core component of India's DPI, UPI has progressively extended its reach beyond domestic payments into international markets.⁸⁵ Through NPCI International Payments Limited (NIPL), the country has progressively expanded UPI beyond its borders via bilateral payment linkages, merchant acceptance arrangements and institutional collaborations.⁸⁶

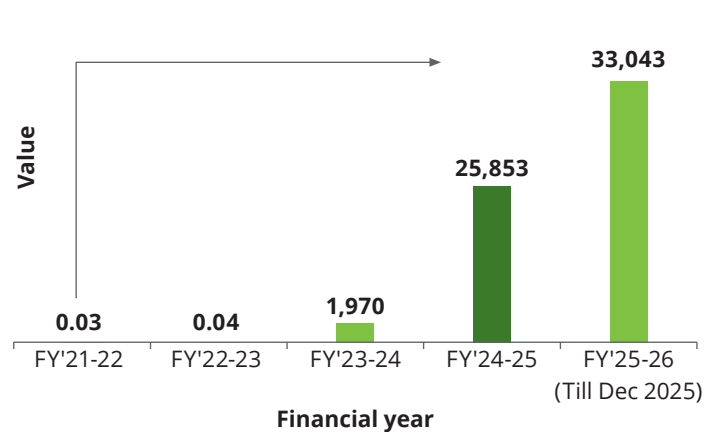
India's current international UPI footprint has primarily focused on retail use cases, including person-to-merchant payments for travellers and selected person-to-person remittance linkages. It does not yet represent a comprehensive interoperable infrastructure for wholesale corporate payments, trade settlement or the broader SME B2B payment lifecycle.

Figure 11: Value and volume data of UPI cross-border transactions

Volume of cross-border transactions

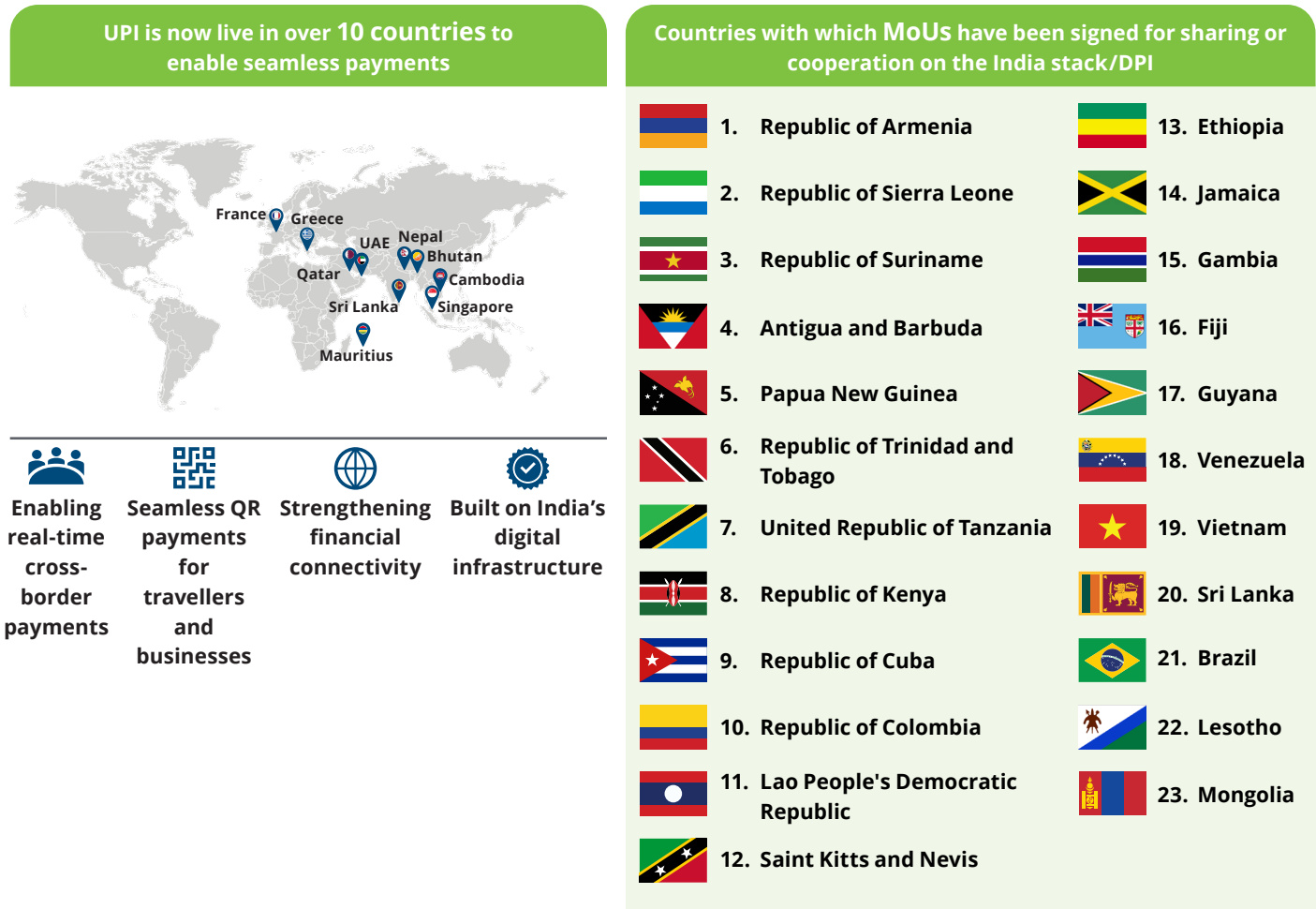


Value of cross-border transactions (In INR lakh)



Source(s): Publicly available data from the Ministry of Finance, GoI

Figure 12: India's digital payments ecosystem going global



Source(s): Publicly available data from PIB



4.2.3 Mature fintech and regulatory ecosystem

India's leadership in digital payments has been driven by one of the world's largest and most dynamic fintech ecosystems. Today, the country is home to more than 2,000 Department for Promotion of Industry and Internal Trade (DPIIT) -registered fintech companies, making it the third-largest fintech ecosystem globally. The sector attracted US\$2 billion in funding during H1 2026, with digital payments accounting for the largest share of innovation and investment.^{87,88} In addition to the 119 scheduled commercial banks (SCBs) in the country, the ecosystem comprises PSPs, PAs, Third-Party Application Providers (TPAPs) and other regulated non-bank entities.⁸⁹ This ecosystem has played a pivotal role in democratising digital payments, accelerating merchant acceptance and driving mass adoption of UPI.

Building on this success, the RBI's PA-CB framework extends a risk-based regulatory regime to non-bank entities engaged in cross-border payment acceptance and export-import settlements, enabling greater competition, innovation and customer choice while strengthening governance over merchant onboarding, settlement and compliance.⁹⁰ The PA-CB framework brings entities facilitating online cross-border payments for the import and export of permissible goods and services under direct regulatory oversight. The authorised ecosystem already includes international and domestic payment providers such as Adyen India, Amazon Pay India, Cashfree Payments India and Indialdeas.com, demonstrating the growing participation of non-bank platforms in cross-border payment acceptance and settlement.⁹¹

International cross-border payment providers are also increasing their focus on India. For example, a leading United Kingdom-based cross-border financial technology company announced in 2025 that it had received the RBI's in-principle approval to operate in India's cross-border payments market. This illustrates the growing commercial interest in addressing cross-border payments and collection needs of Indian businesses and exporters.⁹²

These initiatives position India as both an adopter of global payment standards and an exporter of interoperable payments infrastructure and digital public goods.

4.3 Structural constraints that limit India's competitive advantage

Even as India's payments ecosystem globalises, structural inefficiencies beyond the payments layer continue to constrain it. The pricing of outward remittances remains largely deregulated, with banks independently determining FX spreads and service charges.⁹³ Customers may also incur opaque correspondent banking fees and exchange-rate markups, reducing pricing transparency and increasing the overall cost of international payments, particularly during periods of INR volatility.⁹⁴

While India's DPI has significantly transformed domestic payments, its benefits have not yet extended seamlessly across the broader cross-border transaction lifecycle.⁹⁵ Cross-border payments processing requires interaction with multiple regulatory and trade platforms, including EDPMS, IDPMS, Indian Customs Electronic Gateway (ICEGATE), Goods and Services Tax Network (GSTN) and DGFT systems, to support customs clearance, FX reporting, taxation and trade compliance. These platforms perform distinct regulatory functions and exchange information across institutional boundaries, increasing operational complexity for banks, payment service providers and traders. The absence of standardised API-based interoperability across these platforms necessitates repeated data submissions, document reconciliation and manual compliance checks, limiting straight-through processing and preventing the broader ecosystem from fully utilising India's DPI.^{96,97}

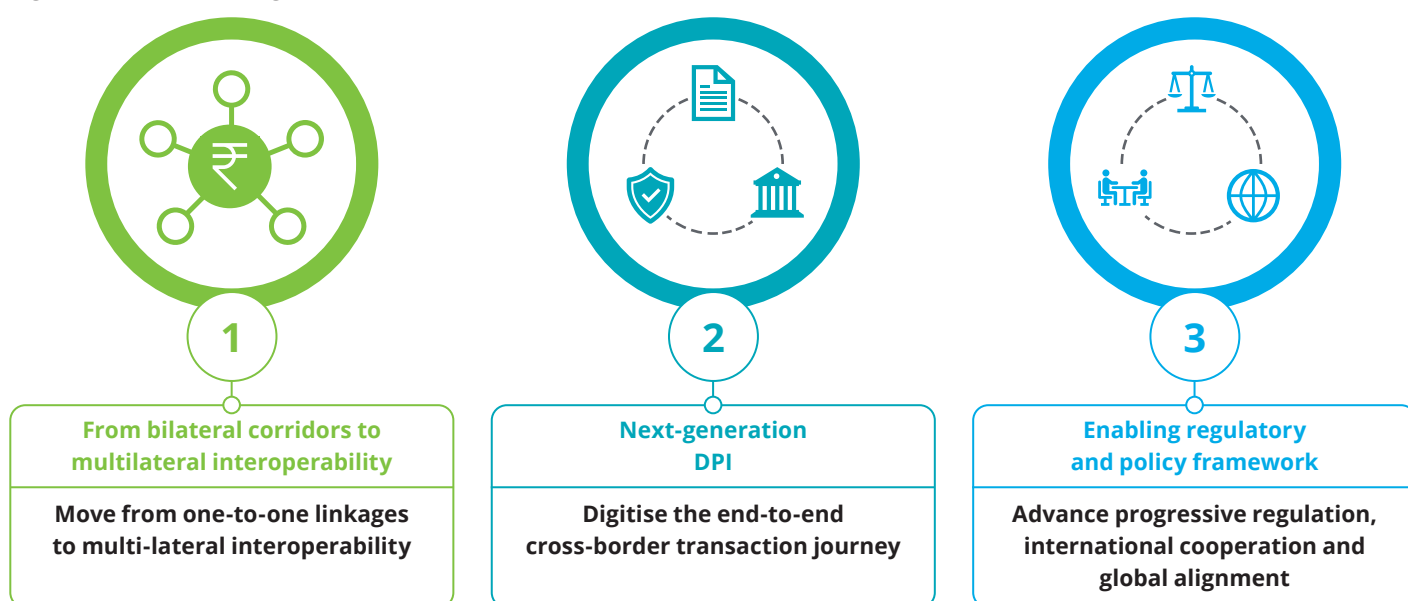
SMEs remain an important white space in India's cross-border payments ecosystem. Smaller exporters and digital businesses can face disproportionate challenges relating to transaction costs, FX transparency, payment reconciliation, documentation and regulatory compliance. These frictions can affect businesses handling frequent, low-value international transactions without dedicated treasury or specialised trade operations.

5. India's next phase of growth in cross-border payments

India has built many of the foundational blocks on its path to becoming a global leader in cross-border payments. The next phase of growth will depend on how the country creates an interoperable ecosystem that connects payment systems and trade infrastructure while simplifying compliance processes and regulatory frameworks. As global initiatives shift towards

multilateral interoperability, data standardisation and DPI, India has an opportunity to move beyond bilateral payments arrangements and shape the future architecture. Achieving this will require coordinated progress across three strategic enablers: multilateral interoperability, next-generation DPI, and an enabling regulatory and policy framework.

Figure 13: Three Strategic enablers



Source(s): Deloitte analysis

5.1 Enabler 1: From bilateral corridors to multilateral interoperability

India's bilateral UPI linkages with countries such as Singapore, the United Arab Emirates, France, Nepal, Bhutan, Maldives, Mauritius, Cambodia and Sri Lanka have demonstrated the viability of real-time cross-border retail payments, improving convenience for travellers and remittance users.^{98,99} Beyond these live corridors, NPCI International is collaborating with other countries to develop UPI-inspired payment systems, reinforcing India's role as a global exporter of digital payments infrastructure.^{100,101,a}

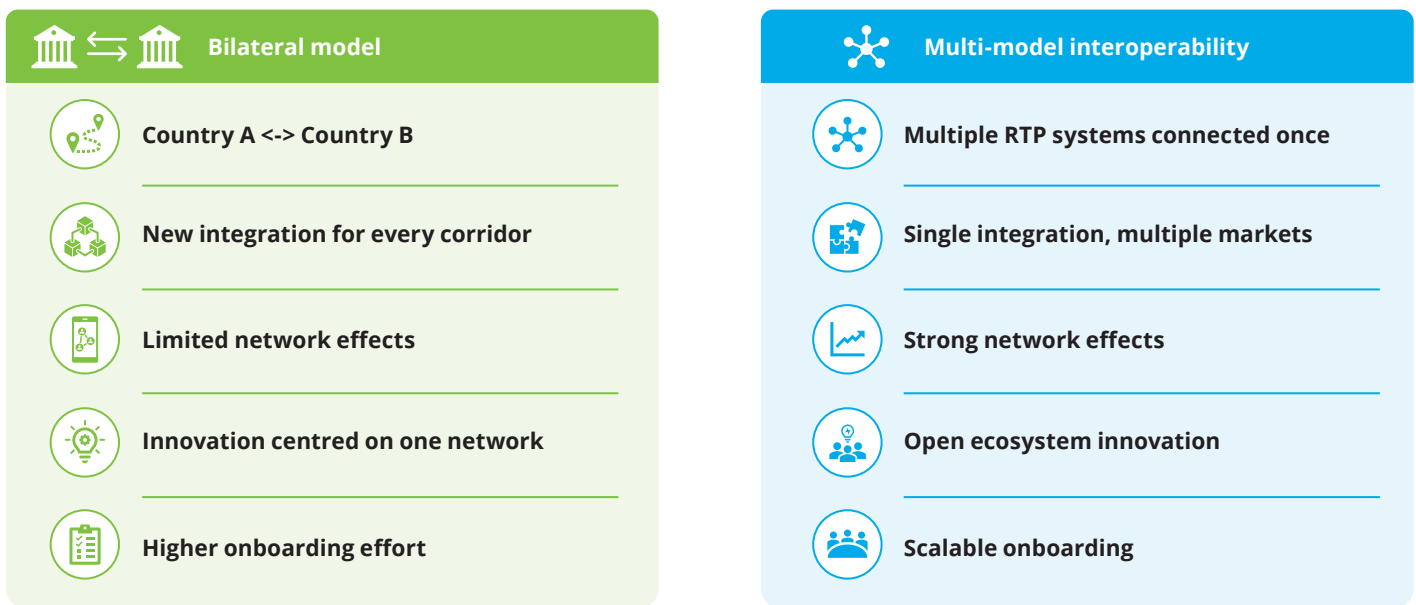
NPCI International is a participant in the BIS Innovation Hub's Project Nexus, which is developing a multilateral model to connect domestic instant payment systems through a common gateway. This model enables participating jurisdictions to retain their domestic payment systems while establishing standardised connectivity for eligible cross-border transactions. The next opportunity for India is therefore to join multilateral networks while utilising both bilateral and multilateral models. Bilateral arrangements can continue to serve strategically important corridors and specific commercial collaborations, whereas multilateral connectivity can reduce the need for a separate one-to-one technical integration every time a new market joins the network.^{102,103}

^a This enabler builds on the discussion in Sections 4.2.1 – Globally Recognised Digital Public Infrastructure and 4.2.2 – Internationalisation of UPI.

However, an important gap remains. The current generation of cross-border instant payment connectivity is primarily focused on retail P2P and P2M use cases. It does not yet provide a comprehensive solution for the broader B2B payment lifecycle, particularly for transactions involving invoices, purchase orders, trade documents, FX, financing, compliance validation and reconciliation.

This creates an important opportunity for India. The next phase of connectivity should explore how multilateral payments infrastructure can be complemented by B2B interoperability, allowing payment networks, banks, fintechs and trade platforms to exchange payment instructions and the information needed to support commercial transactions.

Figure 14: From bilateral links to multi-model architecture



The next phase of cross-border payments will focus on connecting payment ecosystems, not just payment corridors.

Source(s): Deloitte analysis



5.2 Enabler 2: Next-generation DPI

India's DPI has transformed domestic payments through interoperable platforms such as Aadhaar, UPI, DigiLocker and the AA framework.^{104,b} The next opportunity is to extend these principles beyond payments initiation to digitise the entire cross-border transaction lifecycle. While payment execution has become digital, trade documentation, customs processes, FX reporting and compliance continue to operate across multiple institutional platforms, creating operational fragmentation and limiting straight-through processing.¹⁰⁵

A next-generation cross-border DPI should therefore support the end-to-end movement of information alongside the movement of money. This includes digital trade documentation, API-based regulatory reporting, interoperable compliance workflows and reusable digital credentials that can be securely shared across financial institutions, regulators and trade participants. Such an ecosystem would reduce repetitive data submissions, accelerate transaction processing and improve transparency across the cross-border value chain while maintaining regulatory oversight. These capabilities also align with international initiatives promoting digital trade documentation and interoperable data standards.^{106,107}

This architecture would shift India's digital ecosystem from facilitating payments execution alone to supporting end-to-end digital trade, reducing processing time, improving transparency and enabling greater automation across the cross-border payments value chain. The RBI's continued investments in DPI, experimentation with cross-border CBDC pilots, and initiatives such as the Unified Lending Interface (ULI) illustrate the broader policy direction towards interoperable digital ecosystems.^{108,109}

5.3 Enabler 3: Enabling regulatory and policy framework

Technology alone will not deliver seamless cross-border payments without a regulatory framework that enables innovation while maintaining financial integrity.¹¹⁰ India's regulatory landscape has already evolved significantly through initiatives such as the PA-CB framework, which brings non-bank cross-border payment intermediaries under direct regulatory oversight, enhancing governance, merchant due diligence and settlement standards. The RBI has also indicated its intent to streamline authorisation processes under the Payment and Settlement Systems Act, 2007, and the Foreign Exchange Management Act (FEMA), 1999, while

evaluating the recognition of small payments system providers through a perpetual regulatory sandbox to encourage responsible innovation.¹¹¹

As Indian financial institutions expand internationally, regulatory cooperation is becoming important. The RBI has established Supervisory Colleges for six major Indian banks: State Bank of India, Bank of Baroda, Bank of India, ICICI Bank, Axis Bank and Punjab National Bank, providing structured forums for collaboration between home and host supervisors.¹¹² Supported by 23 Memoranda of Understanding (MoUs) with overseas supervisory authorities, these arrangements strengthen information sharing, coordinated supervision and cross-border risk management for internationally active banks.¹¹³

Looking ahead, India has an opportunity to complement domestic regulatory reforms with greater international harmonisation of messaging standards, digital identity, compliance protocols and payment governance. Alignment with global initiatives under the G20 Roadmap for Enhancing Cross-Border Payment, ISO 20022 and emerging multilateral interoperability frameworks can reduce fragmentation, lower compliance costs and accelerate ecosystem-wide innovation. By combining progressive regulation with interoperable digital infrastructure, the country can move beyond improving payment efficiency to shaping the next generation of trusted global payment networks.

India's regulatory and policy agenda should also evolve alongside its payments infrastructure. In addition to aligning with initiatives such as the G20 Roadmap for Enhancing Cross-Border Payments, ISO 20022 and emerging multilateral interoperability frameworks, the country has an opportunity to address the practical issues that will determine whether real-time cross-border payments can scale beyond retail use cases. This includes developing approaches to cross-border fraud, data localisation, privacy, compliance interoperability, real-time FX and liquidity, settlement finality and cross-jurisdiction liability. Resolving these issues will be crucial for unlocking the next frontier of B2B and SME cross-border payments, where a transaction is considerably more complex than simply transmitting a payment instruction.

By combining interoperable infrastructure with a forward-looking regulatory framework, India can move beyond improving individual payment corridors and help create a cross-border payments ecosystem that supports the full spectrum of retail, wholesale, B2B and SME transactions.

^b Please refer Section 4.2 – India's Strategic Assets for Global Cross-Border Payments Leadership for a detailed discussion of these enablers.

6. The road ahead

India has built many of the foundational elements of a globally competitive cross-border payments ecosystem. However, the next phase of growth will be determined by the design principles that shape future policy, infrastructure and ecosystem decisions.

As cross-border payments evolve towards always-on, interconnected networks, future policy discussions will sharpen focus on questions beyond payment speed and cost. Issues such as the allocation of fraud liability across jurisdictions, cross-border data sharing and localisation requirements, governance of tokenised settlement networks and mechanisms for supporting real-time beneficiary credit while preserving settlement certainty will play an important role in shaping the next generation of cross-border payment ecosystems. Against this backdrop, four principles should guide future decision-making in India's cross-border payment journey.

Principle 1: Shift from corridor-led expansion to customer-centric design

India's next phase of cross-border payments should move beyond expanding bilateral payment corridors to designing solutions around the needs of specific customer cohorts. Exporters, MSMEs, gig workers, multinational corporations, travellers and remittance users each face distinct payment, compliance and documentation challenges. Future payments infrastructure, regulatory frameworks and DPI should therefore be designed around customer journeys rather than a one-size-fits-all cross-border payment experience.

Principle 2: Make interoperability the default across the transaction lifecycle

India's payment rails are already highly interoperable. The next priority is to extend interoperability across the broader trade and regulatory ecosystem. The payment systems should seamlessly exchange information with customs, GST, DGFT, EDPMS, IDPMS and other regulatory platforms through standardised APIs and reusable digital data, reducing manual intervention and enabling end-to-end straight-through processing. The future of cross-border payments will depend on the seamless movement of information alongside the movement of money.

Principle 3: Build an open digital ecosystem with shared infrastructure

Innovation scales when more participants can build on the common infrastructure. Expanding secure access to DPI, shared compliance utilities and digital identity frameworks can encourage competition, broaden participation and accelerate innovation, while maintaining appropriate regulatory safeguards and financial integrity. As cross-border payment ecosystems become more interconnected, regulators and industry participants will also need to address emerging challenges relating to cross-border fraud liability, data localisation requirements, governance of tokenised and distributed-ledger-based payment networks, and operating models that support real-time beneficiary credit while maintaining robust settlement and risk controls.

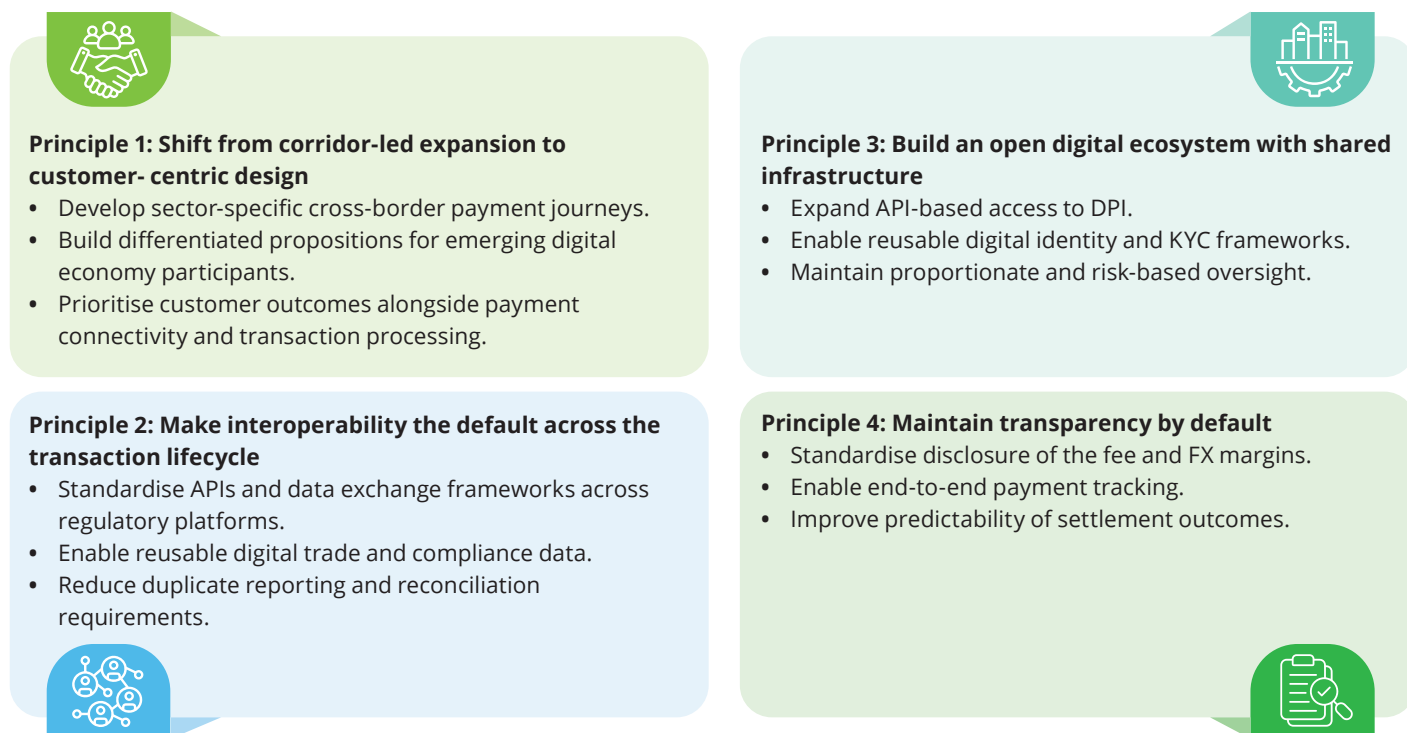
Principle 4: Maintain transparency by default

As payment execution becomes faster, customer trust will rely on transparency rather than settlement speed alone. Users should receive upfront visibility into pricing, FX rates, intermediary fees, expected settlement timelines and RTP status. Improving transparency can strengthen customer confidence while creating a more competitive cross-border payments ecosystem.



Based on the aforementioned principles, the key actions have been identified and presented in the following figure:

Figure 15: Key actions under each principle



Source(s): Deloitte analysis

While faster cross-border payments are the objective, the larger emphasis is on creating an ecosystem where exporters can get paid faster, digital earners can participate globally with less friction and remittance users receive more value from every transaction. By combining interoperable DPI with coordinated

regulation, open ecosystem participation and customer-centric innovation, India can build the digital rails needed to support a US\$1 trillion export economy this year, scale towards US\$2 trillion over the next five years and enable a digital economy projected to contribute nearly 20 percent of GDP by 2030.^{114,115}



Appendix

Abbreviations

Abbreviation	Expanded form
AA	Account Aggregator
AED	United Arab Emirates Dirham
AFAQ	Arabian Gulf System for Financial Automated Quick Payment Transfer
AI	Artificial Intelligence
AML	Anti-Money Laundering
API	Application Programming Interface
BIS	Bank for International Settlements
CAGR	Compound Annual Growth Rate
CBDC	Central Bank Digital Currency
CFT	Countering the Financing of Terrorism
CIPS	Cross-Border Interbank Payments System
CPMI	Committee on Payments and Market Infrastructures
CY	Calendar Year
DGFT	Directorate General of Foreign Trade
DLT	Distributed Ledger Technology
DPI	Digital Public Infrastructure
DPIIT	Department for Promotion of Industry and Internal Trade
EDPMS	Export Data Processing and Monitoring System
EPI	European Payments Initiative
ERP	Enterprise Resource Planning
E-Sign	Electronic Signature
FATF	Financial Action Task Force
FEMA	Foreign Exchange Management Act, 1999
FIU	Financial Information Users
FS	Financial Services
FSB	Financial Stability Board
FPS	Fast Payments System
FX	Foreign Exchange
FY	Financial Year
GCC	Global Capability Centre
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GPI	Global Payments Innovation
GST	Goods and Services Tax

Abbreviation	Expanded form
GSTN	Goods and Services Tax Network
ICEGATE	Indian Customs Electronic Gateway
IDPMS	Import Data Processing and Monitoring System
IMF	International Monetary Fund
IMPS	Immediate Payment Service
INR	Indian Rupee
KYC	Know Your Customer
LEI	Legal Entity Identifier
LRS	Liberalised Remittance Scheme
MoUs	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MVP	Minimum Viable Product
NIPL	NPCI International Payments Limited
OCEN	Open Credit Enablement Network
P2M	Person-to-Merchant
P2P	Person-to-Person
PA-CB	Payment Aggregator-Cross Border
POC	Proof of Concept
PSP	Payment Service Provider
PvP	Payment-versus-Payment
QR	Quick Response Code
RBI	Reserve Bank of India
RMB	Renminbi
RTGS	Real-Time Gross Settlement
RTP	Real-Time Payments
SaaS	Software as a Service
SCBs	Scheduled Commercial Banks
SEPA	Single Euro Payments Area
SME	Small and Medium-sized Enterprise
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TPAP	Third-Party Application Provider
ULI	Unified Lending Interface
UPI	Unified Payments Interface
US\$	United States Dollar
vLEI	Verifiable Legal Entity Identifier

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