

## Strengthening real-world performance of cross-border payments for consumers and business

Supporting ASEAN Member States to improve how cross-border payments function in practice by linking consumer-level evidence to targeted policy and regulatory recommendations.

**The Cross-Border Payments workstream is part of the ASEAN-UK Economic Integration Programme (EIP), under its Financial Services Pillar (FSP), which aims to reduce development barriers across ASEAN Member States.**

### What this workstream does

Cross-border payments are a critical enabler of financial inclusion and economic integration, supporting everyday transactions such as e-commerce, travel, remittances, and bill payments.

This workstream focuses on how cross-border payments function in practice for consumers and small businesses, particularly those most sensitive to cost, speed, and reliability. It takes a system-level approach that connects measurement, prioritisation, and policy response, helping policymakers move from infrastructure development to improved real-world outcomes, while exploring how cross-border payment performance affects financial inclusion outcomes for relevant user groups.

### Key message

The challenge is not only expanding infrastructure but also improving how systems perform for users in practice.

### Why this matters

ASEAN has made strong progress in strengthening cross-border payment infrastructure. Regional initiatives have expanded real-time linkages, QR interoperability, and local currency settlement across Member States.

These efforts are aligned with global priorities, including the G20 Roadmap, which sets targets to improve cost, speed, transparency, and access.

However, improvements in infrastructure have not consistently translated into better user outcomes

Across key use cases, persistent frictions continue to affect how cross-border payments function in practice:

- high and opaque transaction costs, including FX margins and fees
- limited transparency and comparability across providers
- transaction failures, delays, and weak dispute resolution
- barriers to access across providers, corridors, and merchant acceptance

A key constraint is the lack of consistent demand-side evidence. Existing data is largely supply-driven and provides limited visibility into how users experience costs, barriers, and trade-offs across different payment options.

## What this workstream delivers

The workstream provides applied support to strengthen the link between evidence, prioritisation, and policy action in cross-border payments.



### Consumer-level evidence and measurement

Supporting authorities to better understand how cross-border payments perform from a user perspective.

#### Understanding real-world use cases

Capturing how consumers and MSMEs use cross-border payments across key scenarios such as e-commerce, travel, and bill payments.

#### Measuring costs, preferences, and barriers

Generating evidence on transaction costs, user preferences, and constraints across different instruments and corridors.

#### Strengthening demand-side insights

Complementing existing supply-side data with consistent, comparable user-level evidence.

#### Developing payment-use archetypes

Identifying common payment use cases, consumer behaviours and payment patterns to support shared learning and help ASEAN Member States identify policy approaches most relevant to their domestic context.



### Structured analysis and prioritisation of frictions

Supporting policymakers to identify and prioritise the most important constraints affecting cross-border payments and aligning with international standards such as the G20 Roadmap

#### Identifying key frictions and prioritising based on impact

Focusing on frictions - affordability, transparency, speed, and access across use cases - that have the greatest effect on user outcomes and system performance.

#### Linking evidence to decision-making

Translating data into clear priorities for policy and regulatory attention.



### Targeted policy dialogue and response

Supporting authorities to translate insights into practical action.

#### Policy dialogue and validation

Facilitating structured discussions with policymakers to interpret findings and validate priorities.

#### Exploring policy and regulatory responses

Identifying potential interventions to address key frictions in practice.

#### Strengthening coordination and learning

Supporting exchange across ASEAN Member States to align approaches and share lessons.

## Pilot AMS

Cambodia, Indonesia, the Philippines, and Viet Nam

## What success looks like

- Clear, evidence-based understanding of cross-border payment performance from a user perspective
- Identification and prioritisation of key frictions across core use cases
- More focused and effective policy dialogue within and across ASEAN Member States
- Initial progress towards targeted policy and regulatory action
- Improved user outcomes in terms of cost, transparency, speed, and access
- Identification of common payment-use archetypes to support knowledge sharing and policy development across ASEAN Member States.

### About the ASEAN Economic Integration Programme (EIP)

EIP is a programme supported by the Foreign, Commonwealth & Development Office (FCDO) in partnership with the Association of Southeast Asian Nations (ASEAN, implemented by Cadmus Group and the Office for Product Safety and Standards (OPSS).

For more information:

**Feisal Hussain, Team Leader**

**ASEAN-UK Economic Integration Programme (Financial Services)**

**Feisal.Hussain@Cadmusgroup.com**