Enabling innovation in digital payment

Agreement inked as step towards transforming cross-border transactions

LEADING Asian payment system operators have signed a memorandum of understanding (MoU) to enable real-time cross-border payments by connecting their respective payment infrastructures.

The signatories are members of the Asian Payment Network (APN) – Payments Network Malaysia Sdn Bhd (Paynet), National ITMX Co Ltd (ITMX) of Thailand, National Payment Corporation of Vietnam (Napas), Network for Electronic Transfers (Singapore) Pte Ltd (NETS) and PT Rintis Sejahtera (Rintis) of Indonesia.

The inter-connectivity of real-time payment infrastructures across the region will act as a catalyst for innovation in digital payments while dramatically improving the efficiency, cost-effectiveness and timelines of cross-border payments in South-East Asia, taking into account related regulations of their respective central banks.

Consumers and businesses are expected to benefit from instant cross-border payments, immediate payment routing and addressing via mobile numbers, as well as real-time request-to-pay for cross-border payment collections.

While dialogue and discussions between the signatories are ongoing, concrete progress has been made with the parties reaching a broad consensus to use ISO2002 messaging standards as the basis for regional real-time payments connectivity.

Service availability is expected to be phased in over the next few years, as respective countries and their stakeholders ready their payment infrastructures for interconnectivity.

This collaborative initiative will subsequently encompass payment system operators in the Asia Pacific such as NTTDATA (Japan) so that broad connectivity across the region will be realised.

PayNet Group chief executive officer Peter Schiesser said, "Our collective resolve for regional collaboration will ensure our payment services remain relevant in a fast changing, innovative and globally interconnected world."

ITMX managing director Wanna Noparbhorn said, "Building real-time cross-border payment rails expands the reach and utility of our payment offerings, while establishing the necessary infrastructure to support innovation and future needs."

(From left) Hung, Wanna, Goh, Schiesser and Abraham at the MoU signing ceremony.

"In an increasingly digitalised economy, the ability to execute cross-border transactions instantaneously has never been more crucial. The initiative of interconnecting real-time payment infrastructures in the region will bring opportunities for each national switch in expanding and developing payment services in line with global payment trends," Napas acting chief executive officer Le Quoc Hung said.

NETS Group chief executive officer Jeffrey Goh said leveraging the combined expertise would strengthen respective services.

Rintis managing director Abraham J. Adriaansz added that the MoU was a significant step towards exploring more value-added payment services, further transforming the cross-border payment landscape.