



# B2B Cross-Border Payments: Expert Insights on Faster Payments Adoption

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The current global cross-border payments landscape, valued at an estimated USD 212.55 billion in 2024 and projected to reach USD 320.73 billion by 2030, is critical for supporting global trade. However, it is plagued by significant inefficiencies, particularly in the Business-to-Business (B2B) sector, which accounts for 72.6% of the market.<sup>1</sup> The U.S. Faster Payments Council (FPC) Cross-Border Payments Work Group has identified seven core challenges hindering faster cross-border payments and explored how instant payment solutions can address them.

This analysis integrates insights from industry experts<sup>2</sup>—Chinnapa Reddy Yeruva (a payments expert formerly with a major British retail and commercial bank), Ken Wong (a multinational investment bank and financial service provider), and Jhacco Castro (an American financial service organization supporting fintech infrastructure)—to illustrate the practical application of faster payments. The goal is to articulate the beneficial results for businesses and highlight the strategic path toward wider adoption in the U.S. market.

## Addressing the Seven Key Challenges with Faster Payments

The complexities within the cross-border payment environment demand solutions that prioritize speed, efficiency, and transparency. Instant payments offer a compelling path forward by directly tackling these long-standing issues:

1. **Settlement Speed:** Traditional correspondent banking often delays fund availability for days, creating uncertainty.
  - **Faster Payments Solution:** Instant payments, by definition, facilitate near-immediate or same-day processing, as noted in Chinnapa Reddy Yeruva's experience. His team's payments hub was designed to reduce settlement times, enabling funds to move quickly. Ken Wong further emphasized that financial institutions desire to "operate on weekends" and avoid "latency problems with moving money over traditional wires," indicating a clear need for 24x7 real-time capabilities.
  - **Beneficial Results:** Immediate funds availability significantly reduces counterparty risk and improves working capital management for businesses, offering clear ROI benefits through optimized cash flow.

[1] Grandview Research. (n.d.) *Cross Border Payments Market (2025-2030)*. Retrieved February 2, 2026, from <https://www.grandviewresearch.com/industry-analysis/cross-border-payments-market-report>.

[2] Disclaimer: The views and opinions expressed by the interviewees in this content are solely their own and do not necessarily reflect those of their employer, organization, or any other entity they may be affiliated with.

2. **High and Unpredictable Processing Costs:** Multiple intermediaries, foreign exchange (FX) spreads, and compliance checks inflate costs.
  - **Faster Payments Solution:** Chinnapa's project aimed to streamline costs and create new efficiencies by building a payments hub that shared resources like fraud detection and intelligent routing. He also highlighted the benefit of a "common FX transaction infrastructure to enhance transaction timing (later followed by 24x7 real-time capabilities)," which implies better FX rates and reduced spread costs.
  - **Beneficial Results:** Consolidated infrastructure and real-time FX capabilities directly lead to cost savings and more transparent pricing, making cross-border transactions more predictable for businesses.
3. **Fragmented Infrastructure:** Inconsistent payment rails, limited interoperability, and lack of transparency hinder efficiency.
  - **Faster Payments Solution:** A core objective for Chinnapa's team was "Creating a payments hub that incorporated all available payment rails" and enabling "intelligent routing from a batch file." This centralized approach directly combats fragmentation. The ability to "integrate new payment rail capabilities easily utilizing APIs" further speaks to building a more cohesive and adaptable infrastructure.
  - **Beneficial Results:** A unified and interoperable infrastructure provides businesses with a single point of access for diverse payment methods, simplifying operations and improving end-to-end efficiency.
4. **Data Gaps:** Limited structured and machine-readable remittance data restricts automation and reconciliation.
  - **Faster Payments Solution:** Chinnapa's work involved "Flexible data conversion capabilities to address system limitations" and successfully integrating client Enterprise Resource Planning (ERP) systems to achieve end-to-end efficiency. This allowed ERP systems to share data directly with the payments system, reducing manual intervention. Ken Wong also pointed to ISO 20022 as a potential solution, lamenting that "financial institutions do not know how to use the rich data fields yet—at least consistently."
  - **Beneficial Results:** Rich, structured data improves automation, reconciliation, and reporting (available 24x7), reducing operational overhead and improving financial visibility for businesses. This is a clear area for ROI through reduced manual effort.

5. **Foreign Exchange (FX) and Liquidity Friction:** Pre-funding requirements and clearing issues tie up working capital.
- **Faster Payments Solution:** Ken Wong emphasized that financial institutions "want to be able to use the money when they need it" and that "FIs prefer funds in USD," highlighting the liquidity concerns. He noted that banks like J.P. Morgan Chase use closed-loop blockchain systems to move funds globally 24x7. Jhacco Castro further detailed how FX providers manage liquidity across bank accounts, allowing for real-time payments that go directly to the payee without tying up funds in liquidity accounts.
  - **Beneficial Results:** Real-time liquidity management and efficient FX processing free up working capital, increase predictability, and reduce the financial impact of delays, contributing significantly to a stronger business case for adoption.
6. **Operational and Compliance Burdens:** Duplicative Know Your Customer (KYC)/Anti-Money Laundering (AML) checks and manual reconciliation increase overhead.
- **Faster Payments Solution:** While not explicitly detailed in every interview, the push for "unified compliance and messaging standards" (identified in the Key Interview Takeaways) and the integration of enterprise fraud solutions (as in Chinnapa's case) directly address these burdens. Automated processes inherent in faster payments reduce the need for manual checks.
  - **Beneficial Results:** Automation and standardized compliance frameworks reduce manual errors, accelerate compliance checks, and lower operational costs.
7. **Fraud and Financial Integrity Risks:** Illicit flows and cyber-enabled fraud undermine trust in the system.
- **Faster Payments Solution:** Chinnapa's project ensured that "all rails were equally protected at all times" by utilizing an "enterprise fraud solution." The shift to more transparent, auditable, and traceable digital payment rails, combined with integrated fraud detection, enhances security.
  - **Beneficial Results:** Robust, integrated fraud solutions build trust and minimize financial losses, a critical factor for driving B2B adoption.

## Key Themes and Future Directions

The interviews highlighted common themes and critical needs for advancing faster cross-border payments:

**Liquidity Management:** A paramount concern for all institutions. Faster payments, especially those operating 24x7, significantly improve liquidity. Ken Wong's organization utilizes "bilateral arrangements" and fintechs to manage FX revenue and liquidity, while Jhacco Castro described how FX providers leverage multiple bank accounts to facilitate real-time payments without requiring pre-funding of liquidity accounts. This direct payment model ensures funds are disbursed immediately.

**ERP Integration & Data Standards:** Chinnapa's experience underscored the importance of seamless integration between payment systems and clients' ERPs using middleware. This, coupled with the potential of richer data fields offered by standards like ISO 20022 (though currently underutilized, as Ken noted), is crucial for end-to-end automation and efficiency.

**Predictability and Conditional Payments:** Businesses demand predictability in payment arrival times and amounts. Ken Wong introduced the concept of "conditional payments" or "programmable money" (e.g., using blockchain) which can be executed based on predefined conditions, offering a significant leap in trust and automation for complex B2B transactions.

### The Role of Stablecoins and Instant Networks: Competition and Complementarity:

- **Stablecoins** are carving out significant territory in the B2B cross-border space. Jhacco Castro explained how stablecoins (like USD-pegged options) are used as a hedge against currency instability by corporates, particularly in emerging markets, allowing them to send funds back to the U.S. as needed. Peer-to-peer transfers using public stablecoins can bypass traditional correspondent banking, while fintechs like Circle are building direct stablecoin-based services. The "Tokenized Money / Instrument-Level Logic" allows money itself to carry programmable rules.
- **Instant Networks** (like domestic real-time payment systems) are also expanding their cross-border capabilities. BIS Project Nexus<sup>3</sup> aims to connect multiple domestic real-time networks into a single global hub by 2026. Bilateral integrations (e.g., UPI Link with PayNow) demonstrate proof of concept.

[3] BIS. (2025, August 27). *Project Nexus: enabling instant cross-border payments*.

<https://www.bis.org/about/bisih/topics/fmis/nexus.htm>.

- **Competition & Complementarity:** This sets up an interesting dynamic. While stablecoins can offer direct, programmable value transfer, instant payment networks are working to integrate these capabilities. Fintechs often complement existing legacy systems by using stablecoins to enhance speed or liquidity within regulated frameworks ("Fintechs can complement existing legacy systems"). Financial institutions frequently leverage a network of fintech capabilities to address gaps, making fintechs partners rather than pure competitors. The key is how domestic real-time payment systems evolve to support tokenized fiat or stablecoin layers, providing a bridge between currencies.

## Operational Impacts and Best Practices

The development of faster payment solutions has tangible operational benefits:

- **24x7 Reconciliation and Reporting:** Critical for modern global operations.
- **Improved Liquidity Management:** Real-time visibility and control over funds.
- **Enhanced Customer Service:** Faster resolution and increased transparency.
- **Upgraded Front Office Systems:** To support increased speed and efficiency.
- **Reduced Manual Processes:** Leading to improved transaction speed, fraud screening, and continuous fund movement.

The success of such solutions relies on providing flexibility for clients to integrate directly with their ERP systems, enabling data conversion, and offering a multitude of payment rails. Importantly, utilizing an enterprise fraud solution ensures all payment rails are equally protected, fostering trust in the system.

## U.S. Focus and Gaps

While some features and functions of faster payments have been adopted in the U.S. market, significant gaps remain, particularly for cross-border B2B transactions. For faster cross-border B2B payments to truly flourish in the U.S., several evolutions are necessary:

- **Cross-border interoperability:** Creating seamless connections between different national payment systems.
- **24x7 global availability:** Enabling round-the-clock payment processing.

- **Non-bank access:** Allowing fintechs and other non-bank entities greater access to real-time payment infrastructure.
- **Built-in real-time FX:** Integrating real-time foreign exchange capabilities directly into payment flows.
- **Unified compliance and messaging standards:** Harmonizing regulations and data formats across jurisdictions to reduce friction.

U.S. domestic faster payment networks are actively working on extending their capabilities to accommodate cross-border payments. However, the transition from strategy to live production for cross-border use cases is still some distance away, as domestic growth remains the immediate priority.

## Conclusion

The journey toward universally faster, more efficient cross-border B2B payments requires addressing complex issues ranging from settlement speed and processing costs to data fragmentation and liquidity management. Expert insights confirm that instant payment technologies, including payments hubs, API integrations, and the strategic use of stablecoins, provide robust solutions. The beneficial results for businesses – reduced costs, increased speed, improved liquidity, enhanced transparency, and stronger security – form a compelling business case for adoption.

The ultimate success hinges on close collaboration among fintechs, financial institutions, and infrastructure providers. For the U.S. market, specifically, bridging the gaps in interoperability, 24x7 availability, and standardized FX and compliance will be key to unlocking the full potential of faster B2B cross-border payments.

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## About the Faster Payments Council and Cross-Border Payments Work Group

The Faster Payments Council (FPC) is an industry-led membership organization whose vision is a world-class payment system where Americans can safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. To further this vision, the Faster Payments Council established the Cross-Border Payments Work Group to cover global industry initiatives, gathering information on various models and use cases for real-time payments across borders with the long-term goal of cross-border interoperability.