

July 29, 2022

Japanese Bankers Association

JBA Comments on “ Developing the Implementation Approach for the Cross-Border Payments Targets: Interim report ”

We, the Japanese Bankers Association (JBA), appreciate the opportunity to provide comments on “Developing the Implementation Approach for the Cross-Border Payments Targets: Interim report”, dated July 6, 2022.

We hope that our comments will contribute to further discussions.

General comment

The measurement of KPIs by using each supporting data source is not clear, making it difficult for the private sector to assess appropriateness of KPIs, potential sources of data, and use of proxies. As a next step, we would suggest the FSB should outreach to each jurisdiction on specific sample of estimated KPIs before finalization, to facilitate further feedback from the private sector.

Responses to specific questions

1. Has the FSB identified appropriate potential sources of data for efficiently monitoring progress toward the Roadmap’ s targets? What, if any, additional or alternative public or private data sources should the FSB also consider and for what KPIs?

[Wholesale target for transparency]

With regard to the target of transparency in interbank settlements, since some banks do not use SWIFTgpi for interbank transfers, it is not possible to obtain sufficient data when conducting sample surveys on transactions that include: a. Expected time to fund delivery, b.Payment tracking status, and c. Terms of service

[Wholesale target for transparency/Retail target for cost]

Regarding "Sample Survey" we would like to know more details including potential respondents, survey items, and timing of releasing the survey criteria. Is the survey criteria planned to be the same every year?

[Retail target for cost]

- ✓ Sample survey of banks and NBPSPs should be well designed following the six principles presented in the section 1 of the Targets report. Such survey will likely entail new data collection. If there is other more promising option such as certain payment data aggregator, it should be fully explored before determining scope of survey
- ✓ Actual costs of cross-border payments are repriced to a lower price according to the volume of total transactions including lending, deposits etc. Such gap should be mentioned in the "Remaining Gaps" column.

[Retail target for cost/Retail target for speed]

What kind of institutions/entities is assumed as payment data aggregator? Do they already exist?

[Remittance segment]

World Bank's survey is one of the most comprehensive data sources for this market segment, but it sometimes leads to some gaps between the costs paid by survey and the actual costs. In addition, when considering costs, you should consider using a weighted average based on the transaction volume, and the World Bank's \$ 500 remittance survey.

2. Has the FSB defined the KPIs appropriately, such that they are closely and meaningfully tied to the relevant target? What, if any, additional considerations should inform the calculation of the KPIs so that they provide sufficiently representative measurements of progress toward the targets without being overly burdensome?

We have no comment on this topic.

3. The FSB is evaluating the use of proxies for monitoring progress toward some of the targets. Are the proxies proposed appropriate? What, if any, additional or alternative proxies should the FSB consider that are sufficiently representative and simplify monitoring?

[Retail target for cost/Retail target for speed]

While use of average transaction size as proxy to identify use case seems to be a practical approach, determination of threshold requires careful study of the data from the country.

(End)