

Cross-border payment services and the GATS

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Presentation at the meeting of the
Informal Group on MSMEs
12 October 2022

Cross-border payments matter...



- Cross-border payments are financial transactions where the payer and the recipient are located in different countries.
- There are two main types:
 - Wholesale
 - Retail
- Factors explaining the growth (and demand for) cross-border payments services:
 - Expansion of supply chains across borders
 - Global investment flows
 - Expansion of international trade (including e-commerce)
 - International remittances

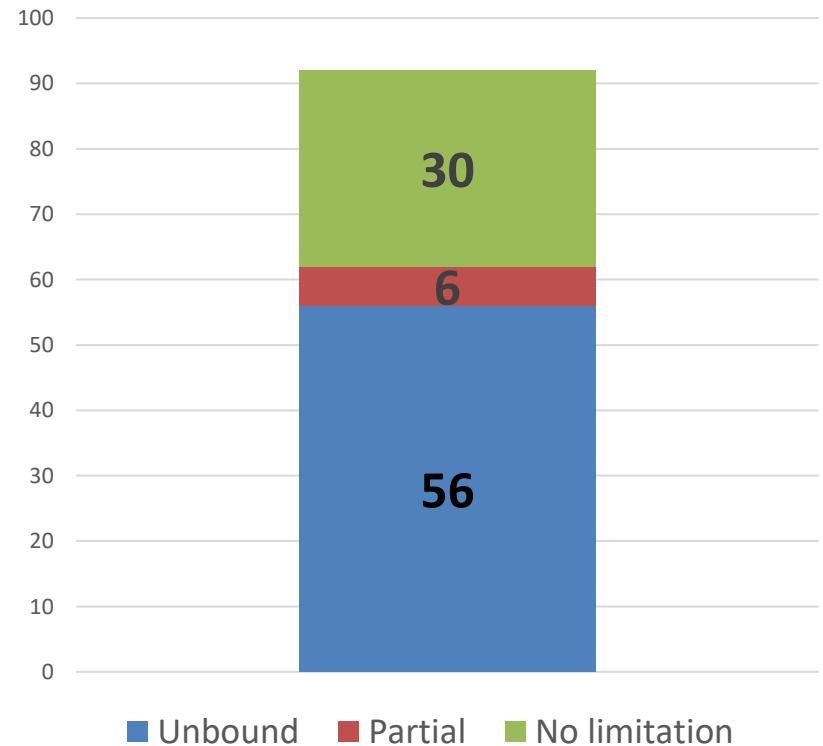
But cross-border payments are subject to different barriers...

- Two main categories of barriers
 - Lack of interoperability across payment systems
 - Restrictions on cross-border data flows
- These restrictions add significant costs to business, trade and international transactions, such as...
 - Increased difficulties to settle not only cross-border but also domestic digital payments
 - Limits to the achievement of economies of scale by payment services providers
 - Reduced competitiveness of local merchants and exporters

Trade agreements, in particular the GATS, remain underutilized...

- GATS commitments provide a solid foundation for the reduction of unnecessary barriers to global cross-border payments...
 - ...However, the coverage and depth of commitments in the GATS lack geographical scope and binding force
- Specific commitments can be complemented with necessary domestic regulation principles

Specific commitments on cross-border payments services in the GATS (Mode 1, number of schedules*)



*EU25 = 1 schedule



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THANK YOU