Four primary disruptors are influencing the payments industry...

Tech Innovation — **FinTech Competition** — **Macroeconomic Volatility** — **Regulation**
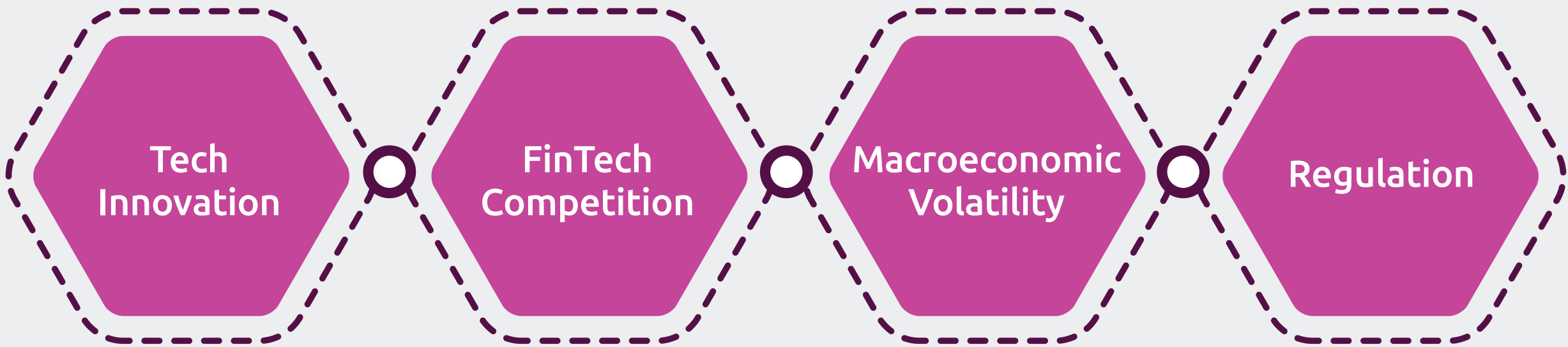
...and the result is a keen focus on new values and horizons.

Global adoption of ISO 20022

Typically, only 10% of transactions undergo a compliance check.

However, MX (the XML-based replacement for MT messages) can significantly reduce turnaround time for dispute/case resolution and safe listing.

CBDCs

Governments design CBDCs to be redeemable at par with sovereign money (bank notes).

Since central banks do not monetize payments data privacy and information are secure.

Tokenization

Instead of accessing sensitive card information, merchants can use unique tokens securely linked to a token vault.

The result? Lower implementation efforts and compliance costs.

Sustainability initiatives

Payment ecosystems are adopting sustainable protocols focusing on eco-friendly modes as part of their strategic net-zero business goals.

Meanwhile, customer centricity remains a strategic priority.

Changing customer expectations

Seamless CX
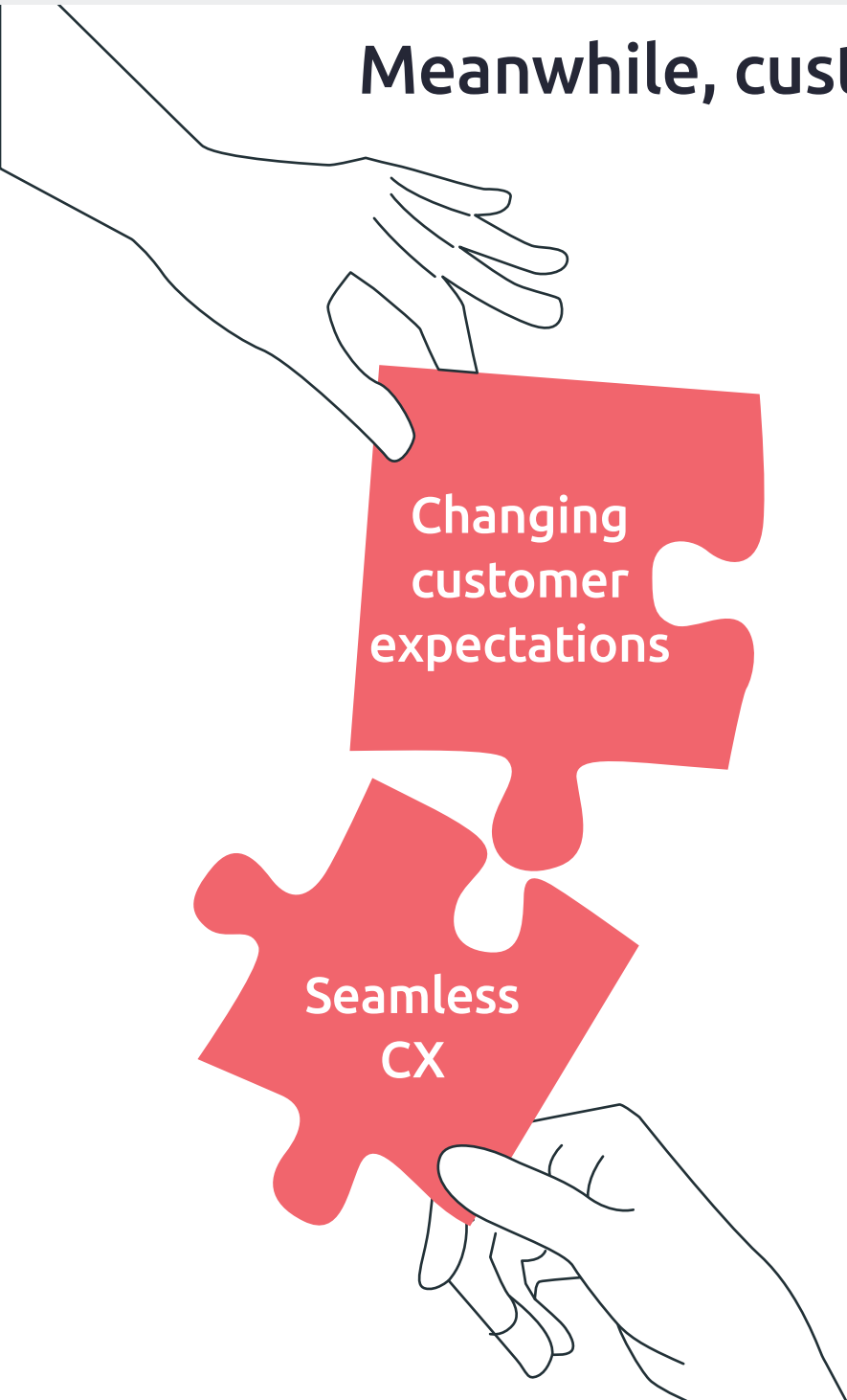
BNPL
Creditworthiness weighs heavily on traditional banks. And it effectively filters out small to medium businesses. New-age BNPL providers have stepped in using data to offer less-expensive B2B loans.

Embedded Finance
Payments were the first embedded finance use cases. Embedding payments significantly reduces the time spent by the merchant in reconciling payments and invoices. Further new use cases proliferate.

Payments players are adapting to changing industry dynamics and developing business resilience.

Composable architecture

Composable architecture can build applications by assembling pre-built software components to optimize time and costs. The resulting design is fluid, with new elements added or reduced. Organizations adopting composable architecture will be able to launch new products 80% faster.

Real-time cross-border payments

Around 60 countries have implemented domestic real-time payments initiatives and are building infrastructure to enable cross-border interoperability. As a result, liquidity and cash flows in cross-border trade will increase.

Payment hub modernization

Payment hub modernization focuses on real-time payments, interoperability across diverse payment systems, and API enablement. The transformation includes software and network architecture upgrades coupled with innovations in cloud and service delivery models.

SMB focus

SMBs face supply-chain disruption and a cumbersome B2B payments value chain. The deployment of digital banking solutions, virtual account services, and e-wallets streamline B2B payment processes and generate new revenue for SMBs.