

FROM LIFT-OFF TO LANDING

SCALING DIGITAL PAYMENTS ACROSS ASIA-PACIFIC



Currencycloud

A Visa Solution

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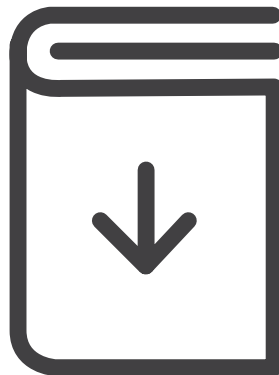


EXECUTIVE SUMMARY

This eBook is developed for industry leaders, decision-makers, and innovators within the financial sector, particularly those operating in the Asia-Pacific region. It is designed to serve as an invaluable resource for banks and fintechs, seeking to enhance their digital payment systems and embrace the transformative power of financial technology.

“From Lift-off to Landing: Scaling Digital Payments Across Asia-Pacific” delves into the current landscape and future potential of digital payments in the Asia-Pacific (APAC) region, revealing a market ripe with opportunities. This eBook provides a roadmap for embracing and implementing advanced digital payment solutions, such as foreign exchange (FX) services, multi-currency wallets, virtual cards, and more, aimed at broadening your organisation’s reach and operational efficiency.

We begin by exploring the state of digital payments in APAC, highlighting the diversity and dynamism of this vast market. Key topics, such as the importance of scalable payment solutions and the integration of hybrid payment strategies, will be discussed to lay the groundwork for businesses ready to elevate their digital payments infrastructure.



This eBook aims to equip you with the knowledge and insights needed to navigate the evolving landscape of digital payments, helping your business to scale effectively and sustainably in the competitive APAC market.

Subsequent chapters will navigate the nuances of innovative payment methods, including:

- ✓ **FX & BROKERAGE SERVICES:** Explores how FX and brokerage services enhance international trade efficiency, manage currency risks, and provide strategic market navigation
- ✓ **MULTILATERAL SYSTEMS:** Discusses the role of multilateral systems in enhancing payment interoperability across APAC, supporting SMEs through efficient, cost-effective cross-border transactions
- ✓ **WEALTHTECH:** Highlights the role of technology in wealth management, focusing on multi-currency capabilities that expand client servicing and improve operational efficiency
- ✓ **VIRTUAL CARDS:** Examines how virtual cards transform business payments, offering secure and scalable solutions that benefit SMEs and provide accessible payment methods for unbanked populations

1 | PREPARING FOR LIFT-OFF: MODERNISATION AND HYBRID PAYMENT STRATEGIES

The State of Digital Payments in APAC

Asia Pacific (APAC) stands at the forefront of the digital payments revolution, presenting a \$40 trillion+ opportunity, excluding China's domestic flows, in commercial money movement.¹ This immense opportunity is driven by a dynamic mix of high mobile penetration rates, a growing tech-savvy population, and supportive government policies. Countries like India, Thailand, and South Korea are leading the charge, as they stand among the region's top five real-time payments markets, showcasing APAC's growing appetite for digital payments and a shift towards a more cashless and seamless payments ecosystem.²

However, the state of digital payments is not equally progressive across the region. Cash remains king in certain parts of APAC, particularly in rural and less urbanised regions, where access to digital payment tools is uneven for a variety of reasons, including disparities in access to traditional banking infrastructure, the availability of mobile technology, and socio-economic conditions. These disparities highlight

the importance of scalable and inclusive payment solutions and present a unique challenge and opportunity for financial institutions and businesses to bridge the gap and ensure that the benefits of digital payments can be universally accessed.

Importance of Scalable Payment Solutions

Scalable payment solutions are vital for businesses in today's rapidly evolving digital economy, serving as the backbone for efficient, secure, and adaptable financial transactions. As businesses grow and expand into new markets, the complexity and volume of transactions increase exponentially. Scalable payment systems enable companies to handle this growth without compromising on the speed, reliability, or security of transactions.

In other words, scalable payment solutions are like hot air balloons of the business world, enabling companies to soar to new heights, while navigating the vast and ever-changing landscape of the digital economy. Just as a hot air balloon must adjust its altitude to navigate different terrains and weather conditions, scalable payment systems provide

businesses with the flexibility and resilience needed to handle an expanding volume of transactions across diverse markets.

Laying the Digital Groundwork for Benefits

In the digital age, the transition to digital payments is becoming increasingly critical for businesses aiming to scale efficiently and meet the evolving demands of tech-savvy consumers. Modern businesses are empowered to better engage and retain existing clients as they attract new ones, while traditional businesses gain unique opportunities to reimagine customer engagement and differentiate themselves in a crowded market.



¹ Commercial & Money Movement Solutions Market Sizing Analysis, Visa, Aug 2023

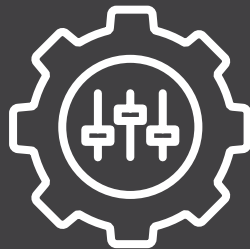
² Trends in the APAC Payments Landscape, PwC, Aug 2023

HERE ARE SOME REASONS WHY MODERN PAYMENT SYSTEMS ARE INDISPENSABLE FOR BUSINESSES AIMING TO SCALE EFFECTIVELY:



Acceleration of business growth:

as businesses aim for growth by innovating and leveraging technology, payment platforms must support rather than hinder this progress. The ability to offer wider, diversified offerings is crucial in today's hyper-competitive market environment, and businesses that do so without incurring enormous financial and operational investments stay ahead.



Customisation of payments to fit needs:

businesses require payment solutions that offer flexibility and adapt to various payment rails, catering to immediate and specific transactional needs. Options like open API integrations allow businesses to quickly and seamlessly incorporate payment capabilities, such as multi-currency global accounts, and payment acceptance schemes, into an existing infrastructure.



Streamlining of cross-border transactions:

the ability to execute cross-border payments swiftly and efficiently is a significant advantage for businesses looking to expand internationally. Modern payment systems break down geographical and financial barriers, enabling transactions across borders with minimal delays and reduced costs. This not only accelerates the pace of international trade but also simplifies the process of managing global operations.





Payment Successful



Confirm

Hybrid Payment Strategies, Best of All Worlds

Embracing a hybrid payment strategy combines the reliability of traditional payment methods with the agility of modern financial technologies, paving the way for greater business scalability. This approach integrates the trusted mechanisms of cash, cheques, and bank transfers with the dynamic capabilities of modern innovations such as virtual cards, multilateral payment systems, and more.

Businesses gain access to a diverse payments ecosystem that not only accommodates the varied preferences of a broad, international customer base but also positions themselves for expansive growth. Moreover, adopting a hybrid model in payment solutions acts as a safeguard for businesses against the volatility of tech adoption trends and other shifts, helping ensure resilience in turbulent times.

Ready to learn how you can leverage innovative payment methods for greater growth, scalability, and innovation? The next chapter will give you more insights on how you can start developing a hybrid payment strategy that's customised to your specific needs.

2 | REACHING NEW HEIGHTS WITH INNOVATIVE PAYMENT METHODS

FX & Brokerage Services

Businesses navigating the complexities of international trade may encounter challenges, including high transaction costs, a lack of expertise in navigating foreign exchange (FX) markets effectively, and vulnerability to currency volatility. FX and brokerage services play an essential role in uplifting businesses with several competitive advantages, which are instrumental in reducing costs and risks, improving efficiency and agility, and unlocking new opportunities in the global market.

Reducing Costs, Enhancing Efficiency

One of the primary benefits of FX and brokerage services is their ability to help businesses hedge against currency fluctuations. By employing FX hedging strategies, such as forward contracts and options, companies can help protect themselves against adverse movements in exchange rates, which can help secure their profit margins and reduce potential losses. Additionally, brokerage services facilitate access to competitive exchange rates, often at near-wholesale pricing, and lower transaction fees, optimising international payment processes and enhancing cost-effectiveness.

FX and brokerage services can significantly enhance efficiency by streamlining operations through automation and efficiency gains once integrated into their offerings. Businesses can automate routine tasks, optimise workflows, and improve operational efficiency. For instance, digital brokerage services can utilise automation and artificial intelligence to streamline order processing and trade execution, significantly reducing manual errors and accelerating transactions.

Boosting Agility for International Opportunities

The advantages extend beyond cost savings, offering businesses access to global markets and expert guidance on navigating foreign exchange regulations. This expertise is invaluable for companies exploring new markets or expanding their international operations. The flexibility in payment solutions provided by these services, including various contract types, allows businesses to tailor their FX transactions to their specific needs, enhancing operational efficiency.

Moreover, the real-time market data and analysis offered by brokerage services empower businesses with the information needed to make informed decisions about their FX strategies, further improving their market agility. As the global FX market continues expanding, with some US\$7.5 trillion made in daily trades near the end of 2022, it's clear that businesses that innovate in this space are the ones who stand to benefit the most.³

³ Global FX Trading Hits Record \$7.5 Trln A Day, Reuters, Oct 2022

Multilateral Systems

As cross-border payments grow, so will the importance of interoperability. Yet, the diversity in payment networks, different regulatory frameworks, and disparate regional standards across APAC make this challenging. Each country's unique payment regulations add difficulty in creating payment solutions that are interoperable.

Multilateral systems offer a solution to the growing issue of payment compatibility across the diverse APAC region. Like “secret pipes” powering money movement in the background, they serve as unified platforms to bridge the divide between different payment networks, providing an ecosystem for businesses to connect to partners worldwide.

Improved Access and Interoperability

The ability to connect to a broad network of financial institutions, payment service providers, and other stakeholders is a major advantage of multilateral systems.

SEPA (Single Euro Payments Area) exemplifies a multilateral system that enhances access and interoperability among European financial institutions by standardising euro payment formats, allowing seamless bank transfers across member countries. Similarly, in the APAC region, the PayNow system, developed by the Association of Banks in Singapore, showcases strides towards regional interoperability. This payment system connects with other systems in countries like Thailand and India, through PromptPay and the Unified Payments Interface (UPI), respectively, facilitating smoother and faster cross-border transactions.

Such connectivity enables access to new markets and payment options, expanding the scope of cross-border transactions. Furthermore, some multilateral systems are designed to be interoperable with other payment networks, enhancing their utility and reach.

New Standards for Cost-Efficient Transactions

The streamlined approach offered by multilateral systems helps small and medium-sized businesses (SMBs) manage financial operations more effectively, making it easier to engage in international trade and expand their market reach. By cutting out multiple intermediaries and currency conversions, these systems can make transactions faster, cheaper, and more efficient, which is particularly crucial for SMBs, which often face costs that are disproportionately high for small-value transactions or remittances.



Increased Transparency and Traceability

Multilateral systems also enhance the transparency and traceability of payments. Many offer real-time tracking capabilities, allowing businesses to monitor the status of transactions, which, in turn, reduces the risk of fraud and errors. One such system is Swift GPI (Global Payments Innovation), which provides real-time payment tracking. Additionally, these systems often incorporate compliance features for Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, facilitating easier adherence to international regulatory standards and minimising the risk of financial crime.



“LIKE “SECRET PIPES” POWERING MONEY MOVEMENT IN THE BACKGROUND, MULTILATERAL SYSTEMS SERVE AS UNIFIED PLATFORMS TO BRIDGE THE DIVIDE BETWEEN DIFFERENT PAYMENT NETWORKS, PROVIDING AN ECOSYSTEM FOR BUSINESSES TO CONNECT TO PARTNERS WORLDWIDE.”



Wealthtech

The APAC wealth management market is on the rise, with assets under management (AUM) currently accounting for around 42% of global wealth. By 2025, AUM in APAC is expected to be US\$29.6 trillion, almost double 2017's US\$15.1 trillion, according to PWC.⁴ To capture these opportunities and meet clients' diverse investment needs, multi-currency capabilities are essential to wealth management firms looking to effectively serve their clients and optimise investment opportunities.



Expanding Opportunities, Reducing Risks

Wealth management firms that embrace multi-currency services unlock the potential to significantly expand their client base and enhance risk management. Offering multi-currency capabilities attracts a diverse clientele, from international investors seeking global market opportunities to high-net-worth individuals and expatriates managing wealth in various currencies. This not only broadens a firm's reach but also enables clients to diversify their investment portfolios across different currencies, reducing overall risk.

Moreover, multi-currency options act as a hedge against currency fluctuation uncertainties, offering an added layer of protection for clients' investments. By integrating these capabilities, firms can cater to a wider array of investment needs and backgrounds, positioning themselves as versatile and client-centric in the competitive landscape of global finance.

Embedding Finance for Improved Client Experience and Accessibility

Integrating financial services into wealth management platforms helps clients navigate fluctuations in FX rates during investment decisions, enabling them to understand the FX conversion and transaction rates upfront for informed trading decisions. Investors can effectively plan and pre-book trades while overseeing their entire investment portfolio across different currencies on a single platform. Such transparency and control provide a competitive edge to firms, helping them attract and retain clients.

This capability also makes wealth management services more accessible, especially to those in remote locations or with limited access to traditional financial institutions and allows for the customisation of financial products and services to suit individual needs.

By partnering with specialists in FX and cross-border payments, wealth management firms can meet the increasing investor demand for swift, cost-effective, and straightforward services. Embedding financial operations into their core offerings not only improves service quality and accessibility for various client segments, including high-net-worth and retail investors, but also helps in growing AUM and revenue.

⁴ Asset & Wealth Management 2025, PwC, Jan 2019

Virtual cards

Virtual cards are revolutionising business payments, offering a blend of efficiency, security, and scalability that is particularly beneficial for SMBs and manufacturers making frequent, minor payments to overseas vendors. Traditionally reliant on banking remittances, these businesses are now turning to virtual cards, which are designed to be increasingly interoperable, providing enhanced convenience at significantly lower costs and faster speeds.

A standout feature of virtual cards is their multi-currency functionality, which allows them to make payments in multiple currencies without the need for separate accounts or complex conversions. This multi-currency functionality not only simplifies transactions but also provides visibility of FX rates, adding predictability to manage international dealings.

A Secure, Efficient Payment Alternative

The transaction value of virtual card payments is projected to soar to US\$6.8 trillion by 2026, underscoring their growing adoption worldwide.⁵ Virtual cards are redefining how payments are made across borders, offering SMBs a secure and immediate payment option. They generate a unique card number for each transaction, along with an expiration date and security code, serving as a safer, more efficient alternative to conventional plastic cards or paper checks. This method not only boosts security but also streamlines the payment process, allowing businesses to utilise their existing accounts within approved credit limits without needing new credit applications.



Delivering Tailored Benefits to SMBs & Underserved Communities

Virtual cards stand out for their ability to enhance expense management and security for SMBs. Transactions made with these cards are easily traceable, simplifying the reconciliation process. Additionally, businesses can customise these cards for specific vendors, transactions, or budget lines, setting appropriate limitations for each use case, enabling more precise control over spending, and addressing the unique needs of SMBs.

A key security advantage of virtual cards is the separation they create from the physical account, preventing unauthorised access to sensitive account details. This feature is invaluable for SMBs that process a significant volume of online payments, as it reduces the risk of fraud. These cards often come with dynamic card verification value (CCV) codes and limited validity periods, further reducing the likelihood of fraud or unauthorised usage.

For businesses operating in APAC countries where significant segments of the population remain unbanked or underbanked, virtual cards offer a viable alternative, enabling individuals to engage in digital transactions without needing a traditional bank account.

⁵ Virtual Card Transactions To Reach \$6.8 Trillion In 2026, IBS Intelligence, Jun 2021

3 | SOARING SUCCESS STORIES

Interested to learn how businesses across APAC have used innovative digital payment solutions to scale and thrive in the dynamic financial landscape? Learn how companies are driving growth and impact with Currencycloud.



OPAL Enables SMBs with Fast, Seamless B2B Payments Across APAC

OPAL is a pioneering neobank based in Singapore, established in 2019. As a Major Payment Institution licensed by the Monetary Authority of Singapore (MAS), OPAL specialises in enhancing the financial operations of small and medium-sized businesses (SMBs) across the Asia-Pacific region. OPAL offers innovative solutions for seamless cross-border payments through a single account, tackling the complexities typically faced by SMBs in managing international transactions.

Initially, OPAL faced significant challenges, including the substantial investments required to forge banking relationships throughout the US, Europe, and APAC. These efforts were crucial yet resource-intensive, aimed at establishing a robust network to support secure and efficient payment processes.

A strategic partnership with Currencycloud transformed OPAL's service delivery. Using Currencycloud's API-driven financial technology,

OPAL quickly integrated advanced features, including detailed payment instructions and foreign exchange (FX) conversions. This collaboration not only streamlined the integration process but also provided dedicated support that ensured a smooth and successful launch of key services like account creation and collection mechanisms.

One of the standout innovations is the Global Digital Business Account, which allows SMB customers to personalize their OPAL account names – similar to traditional bank accounts – greatly simplifying the identification process in cross-border transactions. This feature, coupled with OPAL's use of both Swift and local payment rails, significantly reduces the friction and complexities associated with international payments.

Thanks to its partnership with Currencycloud, OPAL has dramatically improved the accessibility, transparency, and efficiency of its payment services, providing substantial benefits to its SMB customers and reinforcing its position as a leader in financial innovation for businesses across APAC.

[Read more here >](#)

Tazapay Enhances Cross-border Payments, Opening New Markets

Founded in 2020 in Singapore, Tazapay is a startup aimed at building trust in global business-to-business transactions through local payment methods, escrow agreements, and transparent trade processes. The company experienced challenges with collecting payments from international buyers due to reliance on non-seamless wire transfers and regulatory hurdles that hindered operations in key markets like the Philippines and India.

To overcome these challenges, Tazapay implemented Currencycloud Direct, enabling collections from the US, Canada, the EU, and the UK as if they were local transactions. This solution also met compliance needs by incorporating buyer information into remittances, thus facilitating entry into previously restricted markets.

The partnership with Currencycloud has substantially boosted Tazapay's B2B payment solutions. It has enabled access to new markets, offering customised services such as named account collections and critical compliance data integration.

This collaboration has led to more competitive FX rates, higher payment limits, and a white-labelled service, meaning Tazapay can offer the

service as a Tazapay service, allowing clients to seamlessly integrate it under their own brand identity. Moreover, it has streamlined currency conversions and transaction tracking, reducing disputes and chargebacks, and significantly improving customer satisfaction and operational efficiency.

[Read more here >](#)

XTransfer Reduces the Barriers to SME Global Expansion

XTransfer, a leading fintech company based in China, has revolutionised B2B cross-border financial services for SMEs by partnering with global banks and leveraging Currencycloud's technology. This collaboration enables efficient foreign trade collections and multi-currency settlements, catering to the needs of over 450,000 customers across the globe.

Facing the challenge of high costs and regulatory hurdles in international payments, XTransfer utilised Currencycloud's local collection capabilities to offer streamlined and compliant services across key markets, significantly reducing costs and minimising time delays.

Since 2018, this partnership has not only expedited payment collections but also slashed costs by 80%, positioning XTransfer as a leader in the B2B payments industry with a robust infrastructure for risk and compliance

management. Moreover, by tapping into Currencycloud's existing technologies, XTransfer achieved significant cost-savings and accelerated its market entry by four to five years, eliminating the need for local rebuilding efforts.

[Read more here >](#)



JOURNEYING TOWARDS NEW HORIZONS

APAC's digital payments evolution signifies a bold leap towards a technologically driven, inclusive financial future. This eBook has encapsulated the transition from traditional to digital payment methods, underpinned by innovation, strategic collaborations, and the adoption of advanced technologies like those from Currencycloud. It highlights how these shifts are not just reshaping financial transactions but are also opening up vast opportunities for scalability, efficiency, and market expansion.

Through real-world success stories, the transformative power of digital payment solutions in fostering economic growth is evident. As the landscape advances, Currencycloud remains at the forefront, guiding businesses and financial institutions through the complexities of digital payments to seize new opportunities.



Ready to elevate your business while driving scalability? Please contact our team at experts@currencycloud.com to discover how you can unlock new growth opportunities and navigate the future with confidence.

ABOUT CURRENCYCLOUD

Banks, Fintechs and businesses everywhere can make bigger, better, bolder leaps with Currencycloud, a Visa solution.

Currencycloud gives businesses the capability to move money across borders, and transact globally in multiple currencies, fast. Experts at what they do, their technology makes it easy for clients to embrace digital wallets, and to embed finance into the core of their business - no matter what industry they're in.

Since 2012, Currencycloud has processed more than \$200bn to over 180 countries, working with banks, financial institutions and Fintechs around the world, including Starling Bank, Revolut and Lunar. Based in London with offices in New York, Amsterdam, Cardiff, Australia, and Singapore, Currencycloud works with partners including Integrated Finance, GPS and Mambu to deliver simple, clear cross-border infrastructure solutions for clients. They are regulated in the UK, Canada, US, the EU, and Australia and were acquired by Visa in December 2021.

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