Box 4

INNOVATIONS IN LATIN AMERICA'S PAYMENT SYSTEMS

Latin America has become a testing ground for payment system innovations, with central bank-led initiatives that combine digitalisation, speed and financial inclusion. The foremost example is Pix in Brazil, which is used by 80% of the population and has become one of the world's most widely adopted instant payment systems. The Central Reserve Bank of Peru's central bank digital currency (CBDC) project is primarily aimed at advancing financial inclusion by enabling the unbanked population to make digital payments, including in areas with poor connectivity or without access to smartphones. Regional integration is the next major challenge. The Central American Payment Interconnection System (SIPA) has shown that interoperability between national infrastructures can deliver faster and cheaper cross-border payments and foster regional financial integration through central bank cooperation.

The digital transformation of the retail payment ecosystem is advancing rapidly worldwide. In recent years, the sector has undergone far-reaching changes driven by innovation, digitalisation and the adoption of new technologies, in response to growing demand for payment solutions that are faster, more efficient, interoperable and accessible, while fostering financial inclusion.

Latin America is no exception to the transformation of payment systems. Among the region's leading initiatives are Brazil's Pix, which has accelerated the adoption of instant payments; the Central Reserve Bank of Peru's CBDC project, aimed at advancing financial inclusion; and SIPA, a regional infrastructure designed to facilitate cross-border payments. This box examines these three experiences and presents some conclusions.

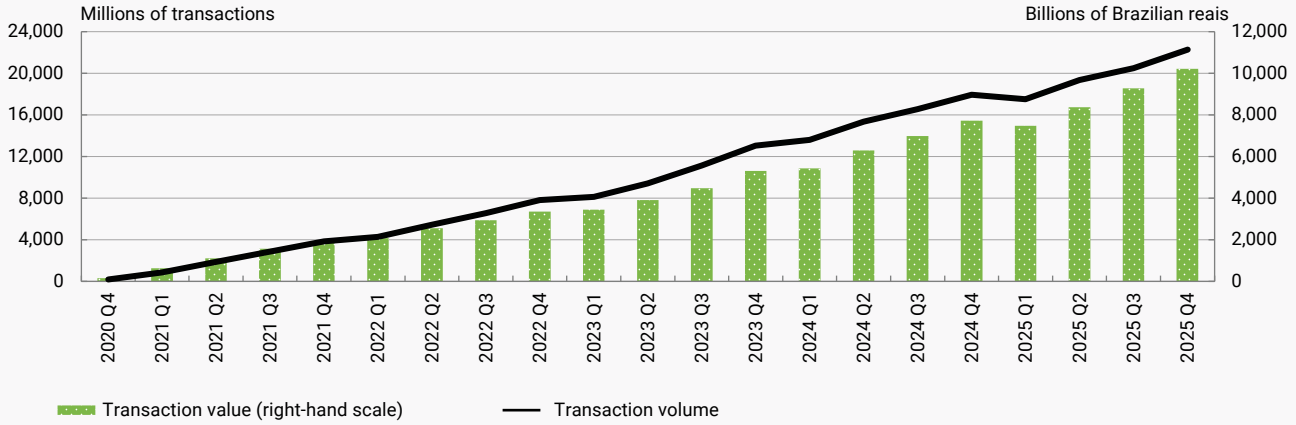
Pix: a global benchmark for instant payments

The Banco Central do Brasil (BCB) launched Pix in 2020 as part of Brazil's instant payment ecosystem to enable individual users, businesses and government agencies to send and receive payments in Brazilian reais within seconds, around the clock, including on non-business days.

The BCB is responsible for managing both the settlement infrastructure – Instant Payment System (SPI) – and the database of user identifiers or aliases – Transaction Account Identifier Directory (DICT) –. As the owner of the instant payment system, it is also responsible for establishing its regulatory framework and ensuring compliance.

Its success stems from its simplicity, interoperability and low cost. Payments can be initiated using an access code linked to the user, such as a mobile telephone number, email address, tax identifier or randomly generated alphanumeric code. Pix also supports QR code payments, facilitating both person-to-person transfers and in-store and online payments. Pix is used by 80% of Brazil's population[1] and already accounts for more than 50% of non-cash payments in the country (Chart 1). Since its

Chart 1
Pix payment system growth



SOURCE: Banco Central do Brasil.

1 https://www.elibrary.imf.org/view/journals/002/2023/289/article-A004-en.xml.

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INNOVATIONS IN LATIN AMERICA'S PAYMENT SYSTEMS (cont'd)

launch, Brazil's electronic payment system has recorded one of the fastest adoption rates in terms of increases in per capita transaction volumes worldwide, including in comparison with systems operating in advanced economies.

The statistical evidence suggests that this system has had a significant impact on financial inclusion in Brazil, giving previously excluded population groups access to digital means of payment. According to the International Monetary Fund, in late 2022, approximately 71.5 million active Pix users (close to 40% of Brazil's adult population) had not made any electronic transfers in the year leading up to its launch. Moreover, the growth in these transactions has not reduced the use of other electronic payment channels. Between 2023 and 2025, Pix recorded cumulative growth of 91%, while card transactions also rose in cumulative terms by approximately 13% over the same period.

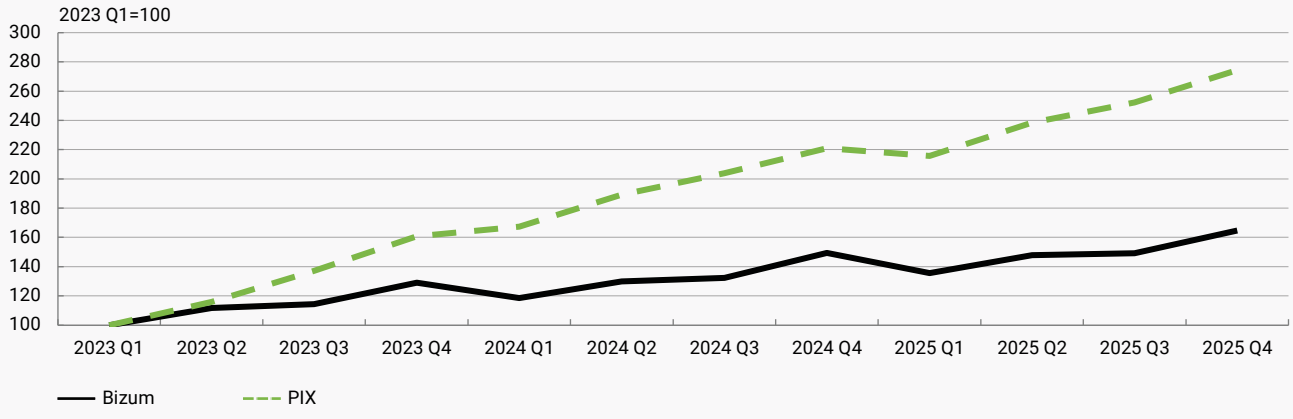
The Brazilian experience can be compared with that of Bizum in Spain, although there are some important differences. While Pix is a nationwide public infrastructure promoted by the central bank, Bizum is a private initiative developed by Spanish financial institutions. Pix supports several forms of user identification and makes extensive use of QR codes; Bizum relies mainly on mobile telephone numbers and near-field communication (NFC) mobile payments. In addition, at present, Bizum mainly covers person-to-person payments and, to a lesser extent, e-commerce, while Pix is a comprehensive payment platform encompassing all types of transactions. This, together with the fact that Pix operates in a payment market that was initially less mature than Spain's, helps explain why it has grown far more strongly than Bizum in recent years (Chart 2). Nevertheless, this year Bizum has started to roll out in-store point-of-sale payments, which should also boost its growth in the coming years.

Peru's digital currency project

Some countries in the region are exploring CBDCs, which are digital forms of central bank money issued directly by the central bank. Among the most prominent initiatives is the project being developed by the Central Reserve Bank of Peru (BCRP).[2]

After completing the research phase in 2023, the BCRP launched a pilot project and began practical assessments to determine how a CBDC could help address two of the country's main challenges: a low level of financial inclusion and the need for more efficient and secure national payment systems. The strategy is targeted primarily at people without access to banking services and sectors that rely heavily on cash, such as street vending, transport and construction.

Chart 2
A comparison of Bizum and Pix growth, by transaction volume



SOURCES: Banco Central do Brasil and Bizum.

2 https://www.bcrp.gob.pe/docs/Sistema-Pagos/cbdc/cbdc-presentacion.pdf.

Box 4
INNOVATIONS IN LATIN AMERICA'S PAYMENT SYSTEMS (cont'd)

The BCRP developed the pilot project together with the telecommunications company Bitel, which distributes the digital money issued by the BCRP through its BiPay digital wallet. BiPay's success has led to the pilot project's extension until March 2027. By the end of 2026 Q1, BiPay had more than 4.7 million users, over 330,000 of whom were active, and had processed more than 21 million transactions since October 2024, including bill payments and transfers between individuals and businesses. In March 2026 alone, it averaged 63,600 transactions per day. One of the initiative's most innovative features is that transactions can be carried out where users do not have a smartphone or internet access. The extension is intended to allow for a more thorough assessment of the CBDC's adoption, repeated use and user retention.

One of the pilot project's most relevant findings concerns the role that non-financial corporations can play in expanding payment services. The participation of telecommunications companies can help extend the reach of digital payments and make them more accessible.

The results to date indicate that digital money has the potential to significantly broaden access to payment services, particularly in regions where financial inclusion remains a challenge.

The Peruvian experience also shows how CBDCs can serve objectives that differ from those of other initiatives, such as the digital euro in Europe. For instance, while Peru focuses on fostering financial inclusion and expanding the use of digital payments among the unbanked population, the main objective of the digital euro being developed by the Eurosystem is to preserve the role of central bank money in an increasingly digital economy, ensuring that citizens have access to a public, secure and accessible digital means of payment. It also seeks to strengthen the resilience of the European payments ecosystem, reduce strategic dependencies on external providers and boost innovation and competitiveness in the European financial sector.

SIPA: a model for regional payment interoperability

A third significant and pioneering regional initiative is the Payment Interconnection System (SIPA),[3] a regional infrastructure designed to enable cross-border transfers in US dollars between Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. The system was developed partly in response to these countries' heavy reliance on the US dollar for international payments, remittances, savings and financial intermediation. Moreover, El Salvador is a fully dollarised economy.

SIPA was launched in 2011 as an initiative of the Central American Monetary Council to modernise, harmonise and strengthen regional financial integration by connecting the national real-time gross settlement systems operated by the region's central banks. This system processes transactions such as transfers between financial institutions, international remittances, import payments and invoice settlement, at a fixed standard fee per transaction for customers, established by each participating central bank. SIPA thereby helps reduce fragmentation in the regional payments market, facilitates cross-border payments and improves the operational efficiency of participating institutions. In recent years, faster transaction processing and same-day settlement, together with enhanced security, have helped pave the way for deeper regional financial integration. Work is currently under way on the automation, operational continuity and strengthening of SIPA's future interoperability.

The Central Bank of the Dominican Republic currently manages the system and facilitates real-time settlement through a US dollar account held with a correspondent bank and funded by the participating central banks.

However, the regional distribution of flows is highly uneven. Based on the available data, most transactions originate in El Salvador (more than 90% so far in 2026), with Guatemala as the destination for over 60% in the same period. The growth seen in recent years (Chart 3) is partly explained by regulatory changes in El Salvador requiring commercial banks to make their electronic platforms compatible with this infrastructure. In addition, growth in transaction numbers has significantly outpaced growth in value, suggesting that lower-value payments are gradually being incorporated.

Compared with other developing economic regions, Central America has achieved a relatively high degree of institutional integration in cross-border payments through SIPA. Whereas cross-border payments elsewhere in Latin America still rely heavily on correspondent banking networks or bilateral arrangements, SIPA provides a

3 https://www.secmca.org/sipa/

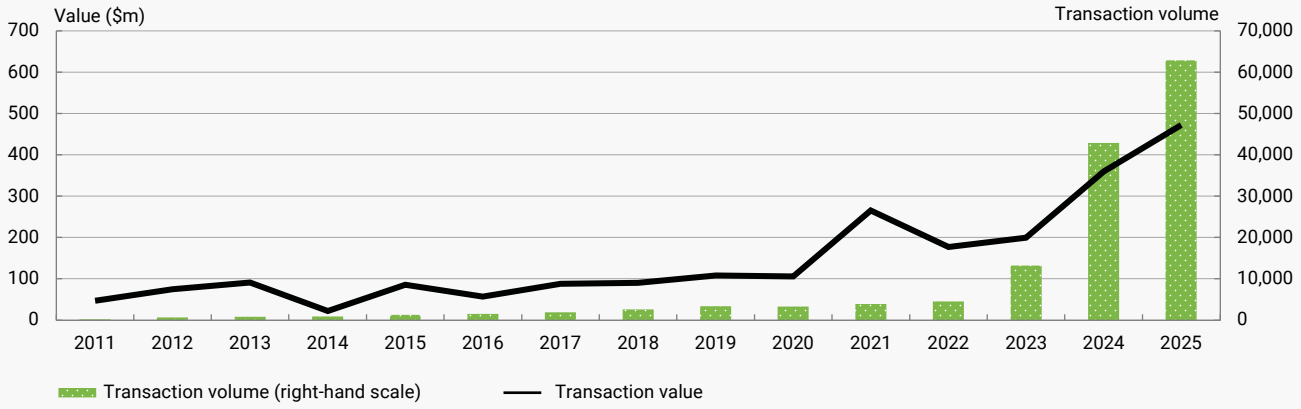
Box 4
INNOVATIONS IN LATIN AMERICA'S PAYMENT SYSTEMS (cont'd)

common multilateral mechanism for settling regional transfers. Central America has opted for a model that interconnects its national systems at regional level and preserves monetary sovereignty in each jurisdiction. The euro area, by contrast, shares a currency and has progressed from a similar model of interconnected national systems to payment integration through pan-European infrastructures such as T2 and TIPS. SIPA plays a central role in advancing regional financial integration and facilitating intraregional payments, as corridor-level data (payment flows between two jurisdictions) indicate significant scope for further progress in this area.

Conclusions

In conclusion, Pix in Brazil and the Central Reserve Bank of Peru's CBDC project place Latin America at the forefront of innovation in payment systems, developing central bank-led solutions that not only incorporate new technologies but also help address one of the region's main structural challenges: financial inclusion. While Pix has driven the mass adoption of digital payments, Peru's project explores ways to expand access to modern means of payment among unbanked population segments and areas with limited connectivity. The experience of SIPA, meanwhile, focuses on regional integration, another key dimension for the future of payments in Latin America. In a region where cross-border payments remain relatively fragmented, SIPA is a pioneering model of central bank cooperation and interoperability between national infrastructures, providing valuable lessons for the rest of Latin America. The Banco de España supports this work by sharing knowledge and technical expertise with regional authorities to strengthen and further develop these payment infrastructures.

Chart 3
Payment Interconnection System (SIPA) growth



SOURCE: Executive Secretariat of the Central American Monetary Council.