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Premium

What is Project Nexus that RBI has signed up for?

India's Unified Payments Interface (UPI) and FPSs of Malaysia, the Philippines, Singapore and Thailand will be interlinked through Nexus. Going ahead, the platform can be extended to more countries.

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Project Nexus is designed to standardise the way IPS connect to each other.

The Reserve Bank of India (RBI) has joined Project Nexus, a multilateral international initiative to enable instant cross-border retail payments by interlinking domestic Fast Payments Systems (FPSs). India's Unified Payments Interface (UPI) and FPSs of Malaysia, the Philippines, Singapore and Thailand will be interlinked through Nexus. Going ahead, the platform can be extended to more countries.

What is Project Nexus?

Project Nexus is conceptualised by the Innovation Hub of the Bank for International Settlements (BIS). It seeks to enhance cross-border payments by connecting multiple domestic instant payment systems (IPS) globally. It is the first BIS Innovation Hub project in the payments area to move towards live implementation.

The **Reserve Bank of India** has been collaborating bilaterally with various countries to link India's Fast Payments System (FPS) – UPI, with their respective FPSs for cross-border Person to Person (P2P) and Person to Merchant (P2M) payments. While India and its partner countries can continue to benefit through such bilateral connectivity of FPS, a multilateral approach will provide further

impetus to the RBI's efforts in expanding the international reach of Indian payment systems.

In over 70 countries today domestic payments reach their destination in seconds at near-zero cost to the sender or recipient. This is thanks to the growing availability of instant payment systems. Connecting these IPS to each other can enable cross-border payments from sender to recipient within 60 seconds (in most cases), according to the BIS.

What are the benefits of the platform?

Project Nexus is designed to standardise the way IPS connect to each other. Rather than a payment system operator building custom connections for every new country that it connects to, the operator can make one connection to the Nexus platform. This single connection allows a fast payments system to reach all other countries on the network. Nexus could significantly accelerate the growth of instant cross-border payments.

Which countries have joined the platform?

Project Nexus aims to connect the FPSs of four Association of Southeast Asian Nations ([ASEAN](#)) — Malaysia, Philippines, Singapore, and Thailand; and India, who would be the founding members and first mover countries of this platform.



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An agreement on this was signed by the BIS and the central banks of the founding countries i.e., Bank Negara Malaysia (BNM), Bank of Thailand (BOT), Bangko Sentral ng Pilipinas (BSP), Monetary Authority of Singapore (MAS), and Reserve Bank of

India on June 30, 2024, in Basel, Switzerland. Indonesia will also join the platform in future.

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