The Vision for BRICS Pay: A Bridge for Financial Sovereignty

Core Objectives

1. "Reduce U.S. Dollar Reliance": Enable **cross-border transactions** directly in local currencies, advancing the "de-dollarization" movement.
2. "Bypass SWIFT": Create an independent messaging and **settlement network**, insulating members from Western-led sanctions.
3. "Lower Costs & Settlement Times": Improve efficiency for the rapidly growing intra-BRICS trade.
4. "Promote Inclusive Finance": Create a more democratic and equitable global financial system, less susceptible to the whims of a single power.

A decade of geopolitical pressure created the imperative for a financial alternative.

2014 - Fortaleza Summit

BRICS establishes the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA), the first institutional steps to rival Western-led entities like the IMF and World Bank.

2014 & 2022 - Sanctions on Russia

Sweeping Western sanctions, culminating in Russia's exclusion from SWIFT, exposed the vulnerability of relying on U.S.-controlled infrastructure.

2024 - Iran Joins BRICS

The inclusion of a heavily sanctioned country underscores the bloc's commitment to to building a "sanctions-proof" system.

> "The whole world started contemplating whether US dollars should be used since the United States, for political reasons, restricts the use of the US dollar as a universal international payment unit."
>
> — **Russian President Vladimir Putin**

Designing a System "As Good As Cash"

The new system was designed to mimic the simplicity and immediacy of cash, guided by lessons from a payments study tour of India, Thailand, China, and Singapore.

1. Simplicity & Accessibility

Feature: Payments initiated via simple aliases or proxies (e.g., mobile number, ID number) instead of complex bank account details.

Benefit: Removes friction for P2P and micro-business payments.

2. Layered & Open Architecture

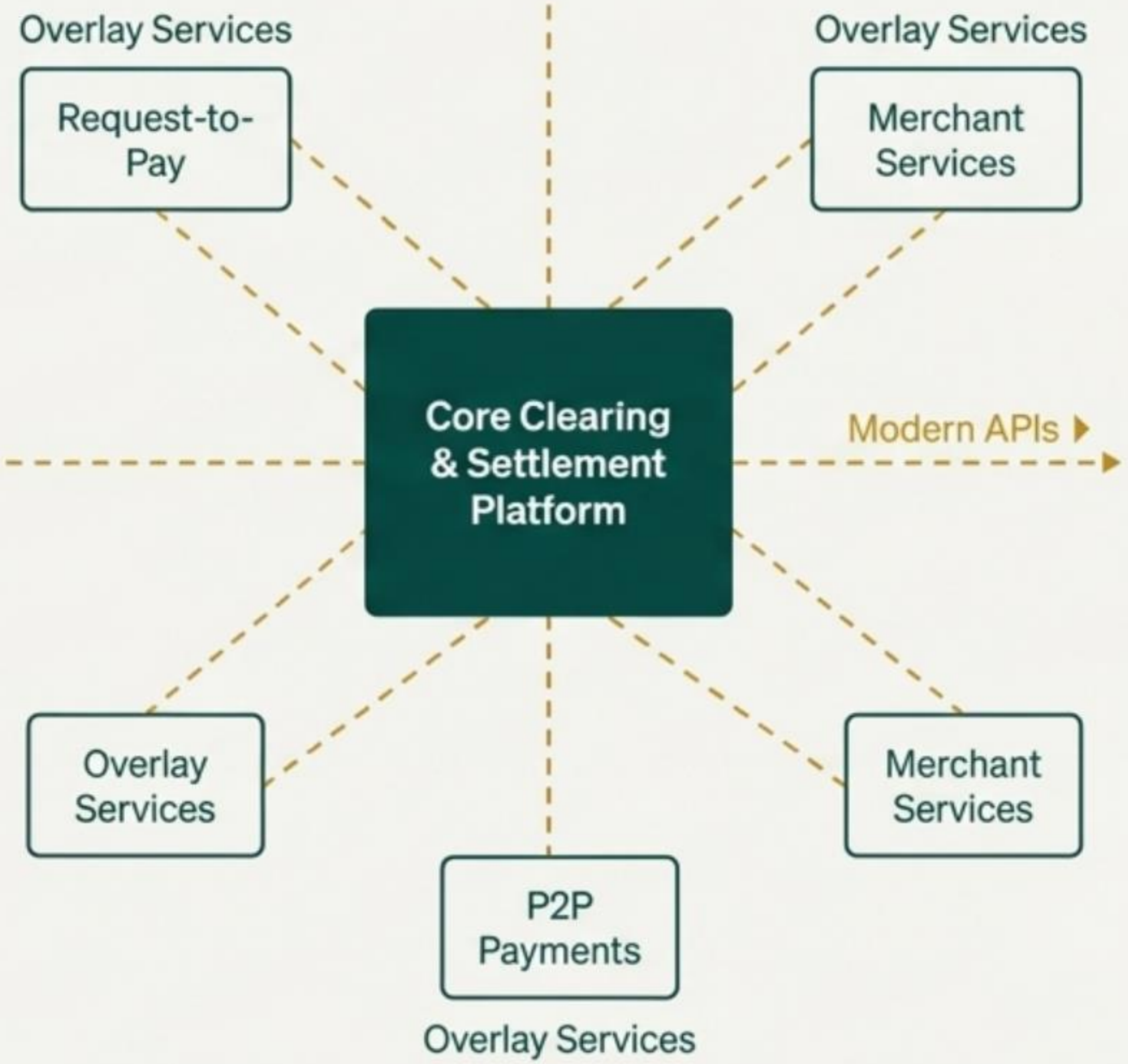
Feature: Separation of product 'overlays' from core clearing and settlement. Use of modern APIs.

Benefit: Allows for faster innovation and enables both new and existing infrastructure to coexist.

3. Low-Cost & Real-Time

Feature: A system built for high-volume, low-value transactions with immediate confirmation.

Benefit: Directly challenges cash for day-to-day use cases.



Built on a Foundation of National Champions

pix

SPFS

UPI

UNIFIED PAYMENTS INTERFACE

India (UPI): A leading example of a successful DPI-based payment ecosystem.

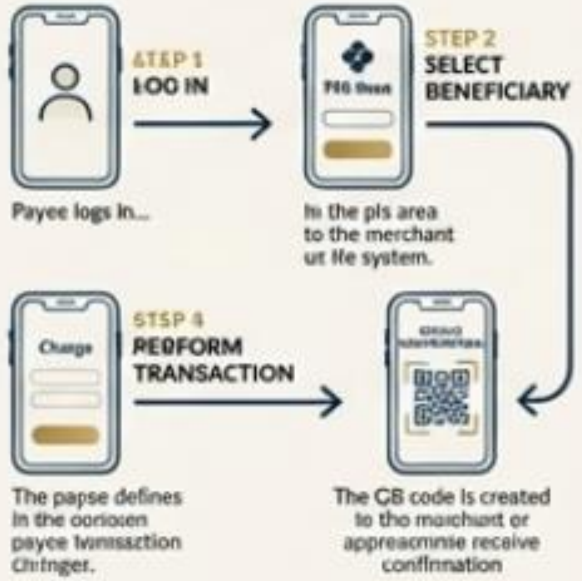
CIPS

Cross-Border Interbank Payment System

SAMOS

South African Multiple Option Settlement

Brazil (Pix): Over 11.9 million merchants using the system.



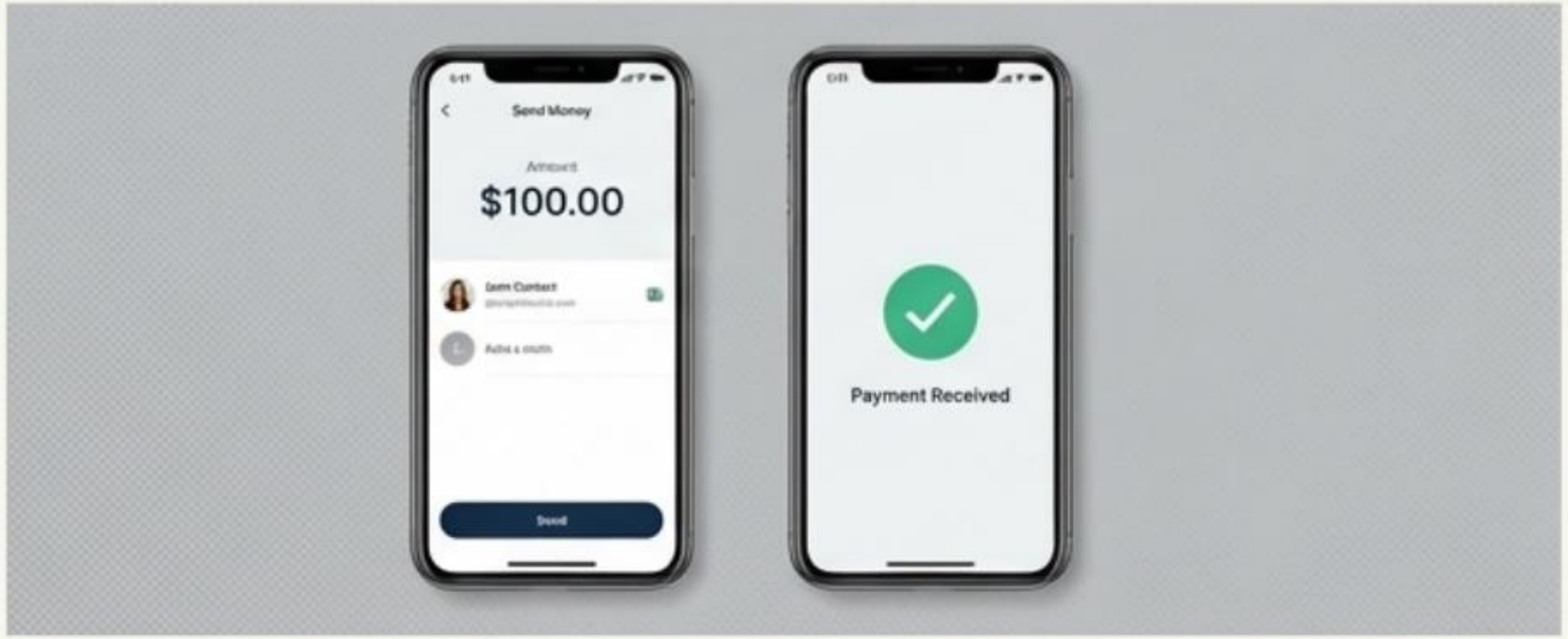
Russia (SPFS): Already connects 159 foreign participants across 20 countries.

China (CIPS): A robust system with global aspirations for renminbi settlement.

South Africa (SAMOS): The established Real-Time Gross Settlement system for the nation.

BRICS Pay aims to be a "network of networks," connecting sophisticated and high-adoption domestic systems into an interoperable international platform.

Interoperable fast payment systems create a vibrant ecosystem, lowering costs and bringing small merchants into the digital fold.



Key Benefits:

Systems like Brazil's Pix and India's UPI enable 24/7, real-time, low-cost transfers using simple aliases (like a phone number) or QR codes.

Proof Point: "Fifty million individuals in Brazil made their first-ever digital transfer using Pix within about a year of its launch."

pix
Brazitis e ecomontrelca
(Brazil)

UPI
DEMRR OFOPRGWAN OF INDIA
(India)

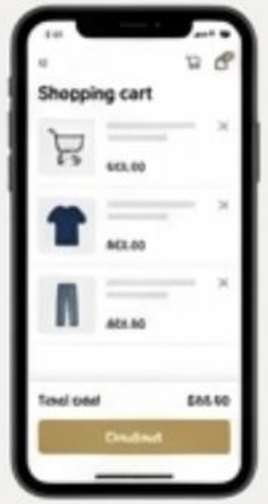
The system is built on proven, high-adoption Digital Public Infrastructure

India's UPI: Dominant, Low-Cost, High-Volume

India's Unified Payments Interface (UPI) has become the dominant payment method, lauded for its low cost and high volume.

SELECT ITEMS TO BUY

Customer adds items to the shopping cart of a virtual store.



SELECT PAYMENT OPTION

Customer selects the option "Merchant 1 click UPI", which is embedded in the merchant's website.

CONFIRM TRANSACTION

Payer confirms the transaction by entering the 4 or 6 digit UPI pin.

RECEIVE CONFIRMATION

Payer receives the confirmation of the transaction.

Brazil's Pix: Instant, Interoperable, Inclusive

Brazil's Pix, launched by the central bank, achieved massive adoption by being instant, interoperable, and inclusive for small merchants.

LOG IN

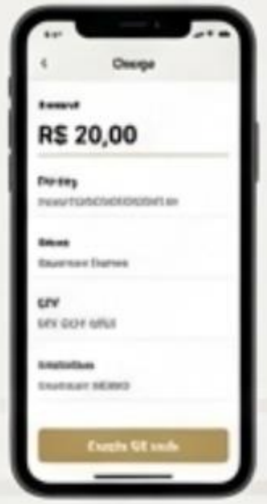
Payee logs in to the bank app using the bank ID and password and, then, select the pix option on the app's home screen.

SELECT BENEFICIARY

In the pix area, the payee select the option "charge".

PERFORM TRANSACTION

The payee defines the amount to be received and confirms their personal information to create a QR code.



RECEIVE CONFIRMATION

The QR code is created. The payee can also choose to copy its code or send the link directly to the payer.

Unlike legacy systems, these national platforms are modern, API-first, and have already solved challenges of financial inclusion and merchant adoption at a national scale.

The common language for this new architecture is ISO 20022.

Richer, Structured Data: Carries up to 10x more data than legacy messages, allowing for structured details like invoice numbers, purpose codes, and full addresses.

Improves Compliance: Helps meet regulatory requirements like FATF Recommendation 16 by by ensuring sender/receiver data remains intact throughout the payment chain.

ISO

What it is: ISO 20022 is the emerging de facto global standard for financial messaging, replacing fragmented, legacy formats.

Enables Automation: Structured data allows for straight-through processing and automated reconciliation, reducing errors and manual intervention.

Future-Proofs the System: It is flexible and can adapt to new technologies and business needs.

The SWIFT network itself is migrating to ISO 20022 by November 2025, meaning BRICS Pay is being built on the same next-generation standard as the system it challenges.

From Ambiguity to Clarity: The Power of Structured Data

SWIFT MT 103 (Legacy)

```
:59:/1234567890
JOHN SMITH
Floor 02 Room 2758 11 Rue de
Teheran 75008 Paris France
```

Unstructured free-text data. The word 'Teheran' in a street street name could trigger a false sanctions alert, delaying the payment for manual review.

Data is truncated due to character limits. Information is lost.

ISO 20022 XML (Modern)

```
<Cdtr>
  <Nm>John Smith</Nm>
  <PstlAdr>
    <StrtNm>Rue de Téhéran</StrtNm>
    <BldgNb>11</BldgNb>
    <Flr>02</Flr>
    <Room>2758</Room>
    <PstCd>75008</PstCd>
    <TwnNm>Paris</TwnNm>
    <Ctry>FR</Ctry>
  </PstlAdr>
</Cdtr>
```

Structured data. <StrtNm>, <TwnNm>, and <Ctry> fields clearly identify 'Rue de Téhéran' as a street in Paris, France, preventing false positives.

Richer data with dedicated fields. Supports non-Latin characters ('é') and avoids truncation.

ISO 20022's structured format drastically improves accuracy, enables straight-through processing, and reduces the operational costs and risks associated with manual compliance checks.

The G20, under the Indian and Brazilian Presidencies, has established a clear vision and action plan for leveraging DPI globally.

G20 India Presidency (2023)

Focus: Establishing the Global DPI Framework.

Key Output:
Key Output: "G20 Policy Recommendations for Advancing Financial Inclusion and Productivity Gains through Digital Public Infrastructure."

G20 Brazil Presidency (2024)

Focus: Driving Implementation and Deeper Inclusion.

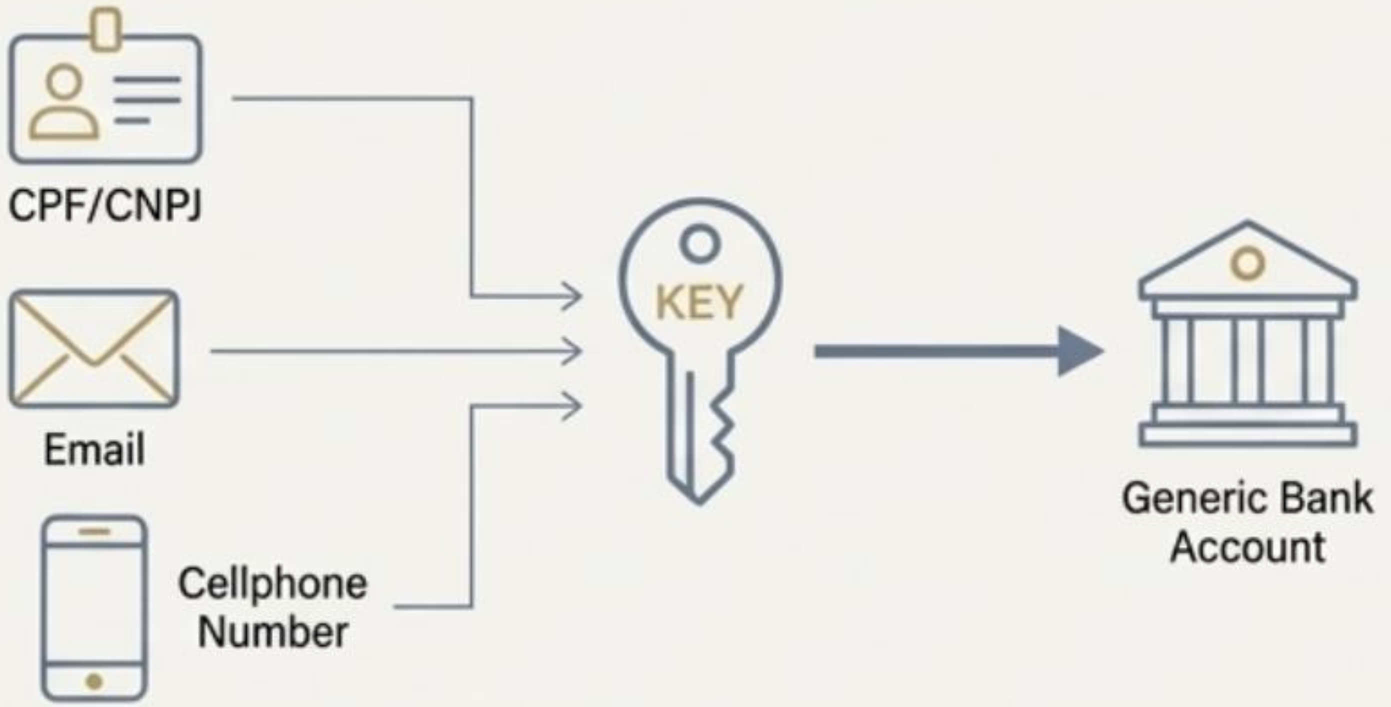
Core Priorities: Improving last-mile access through DPI, a new Action Plan for MSME Finance, and advancing Financial Well-being.

This continuity ensures a sustained, multi-year focus on harnessing DPI for financial inclusion, building on established principles.

A Seamless User Experience Drives Mass Adoption

Pix's architecture translates into a simple, intuitive user experience. Two key features—DICT Keys and versatile QR Codes—are central to its widespread acceptance and use in every conceivable transaction, from P2P transfers to complex business payments.

DICT Keys - The Power of Aliases

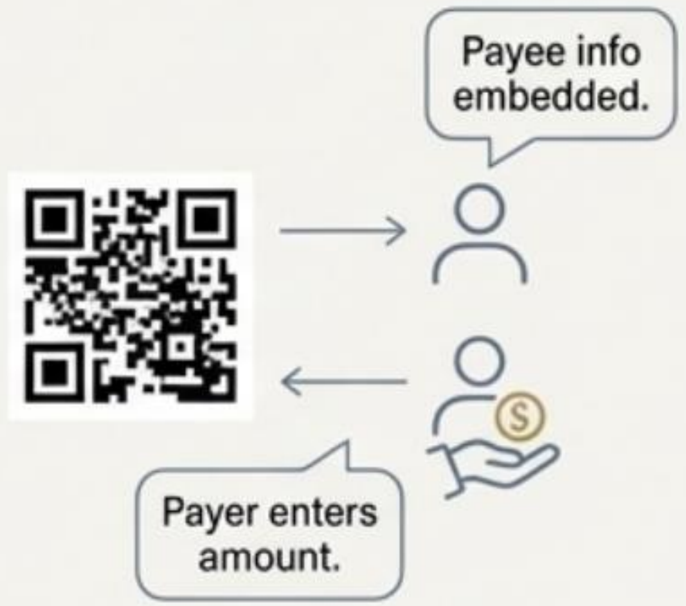


A unique alias links to a single bank account, eliminating the need to share or enter routing/account numbers.

- **CPF/CNPJ** (Tax IDs)
- **Email**
- **Cellphone Number**
- **EVP** (Randomly generated UUID key for privacy)

QR Codes - The Engine of Versatility

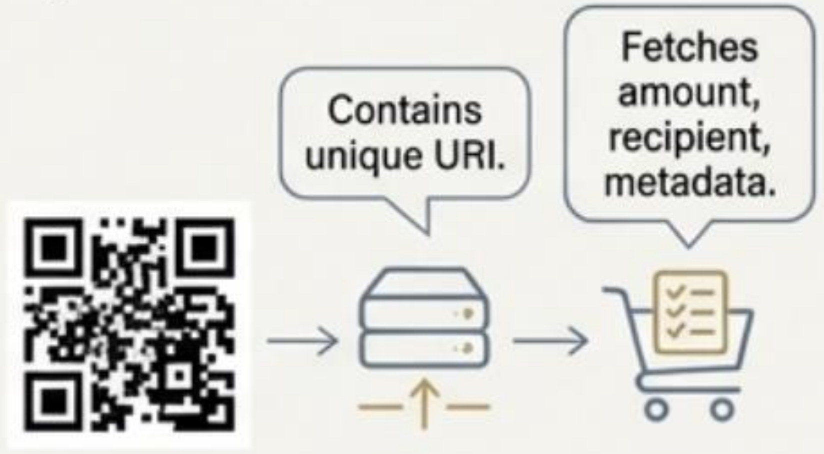
Static QR Code



Contains the payee's Pix Key directly.
Ideal for individuals and small merchants.

The payer enters the amount. Simple, reusable.

Dynamic QR Code

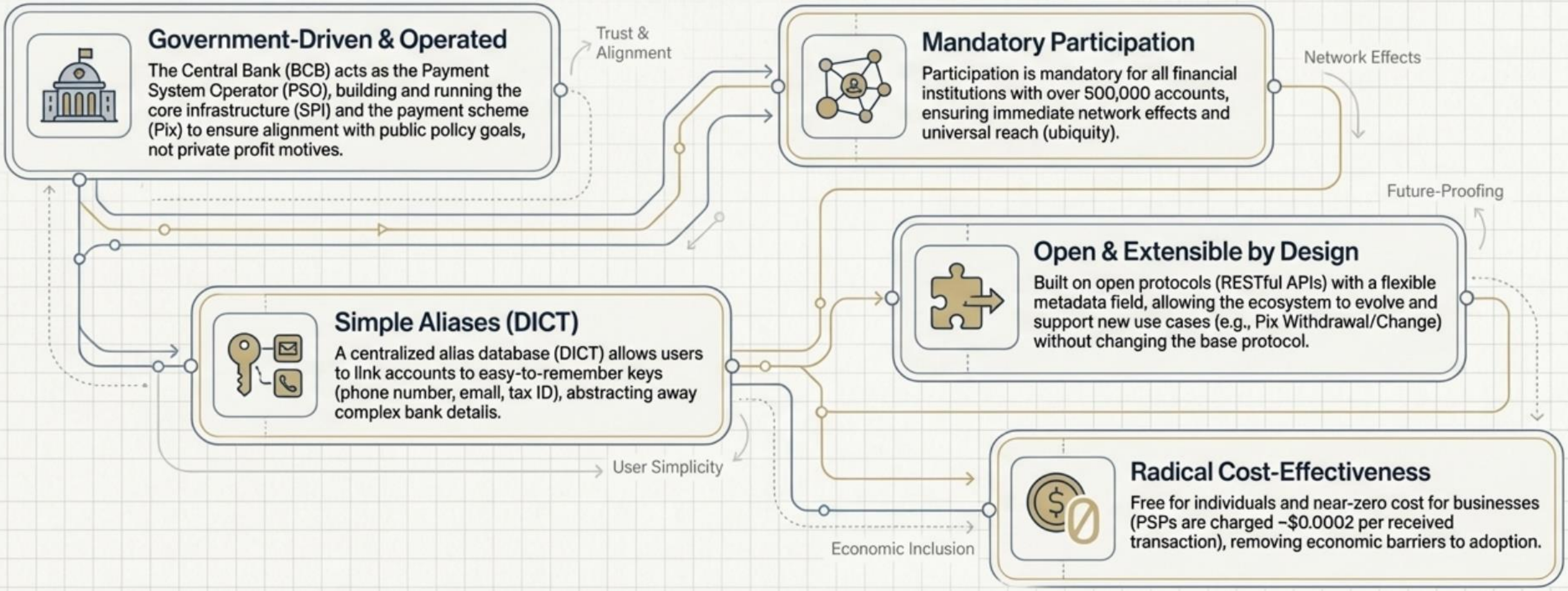


Contains a unique URI that fetches payment details (amount, recipient, metadata) from the payee's server. Ideal for e-commerce and billing.

Enables rich data, single-use security, and easier reconciliation.

The Core Principles of Pix's Transformative Design

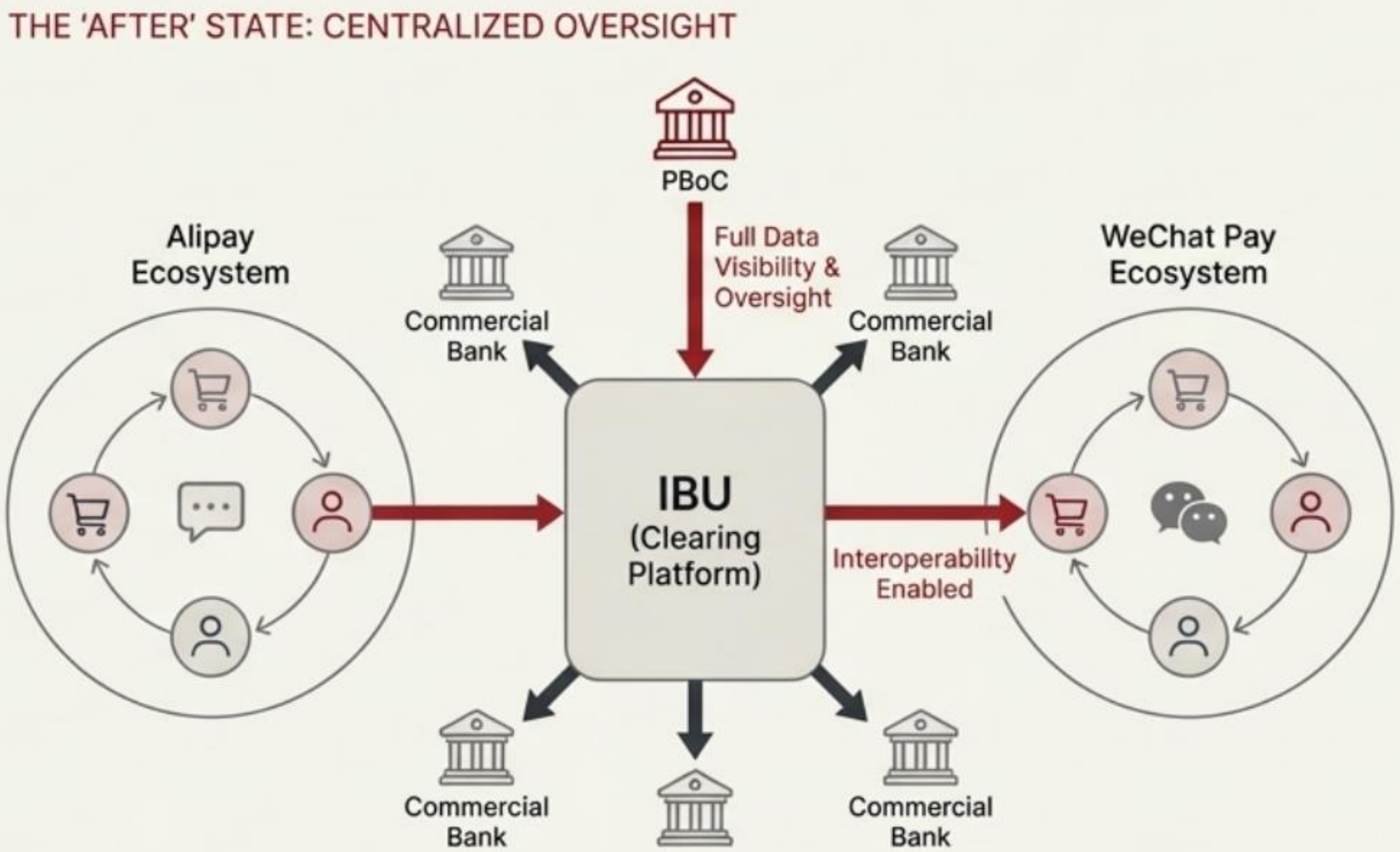
Pix's success is not accidental; it is the result of a deliberate architecture designed for ubiquity, simplicity, and extensibility. These core principles, driven by the Central Bank, solved key issues of trust, reach, and cost that plague many payment systems.



The State Responds with a 'Digital UnionPay' to Unify the Market.

The Internet Banking Union (IBU) is a PBoC-approved clearing platform for non-bank institutions. Its purpose is to sit between third-party payment companies and banks, breaking down the walled gardens and bringing stability, fair competition, and data transparency back to the central bank.

- Provides interbank clearing for third-party payment companies.
- Improves efficiency, secures data history, and enhances risk control.
- Ensures fair competition by being open to all licensed payment providers.



The Next Frontier: CBDCs Could Leapfrog Legacy Cross-Border Payment Systems

China is at the forefront of Central Bank Digital Currency (CBDC) development, which could revolutionize cross-border payments by offering a more direct, efficient, and programmable alternative to the correspondent banking system.

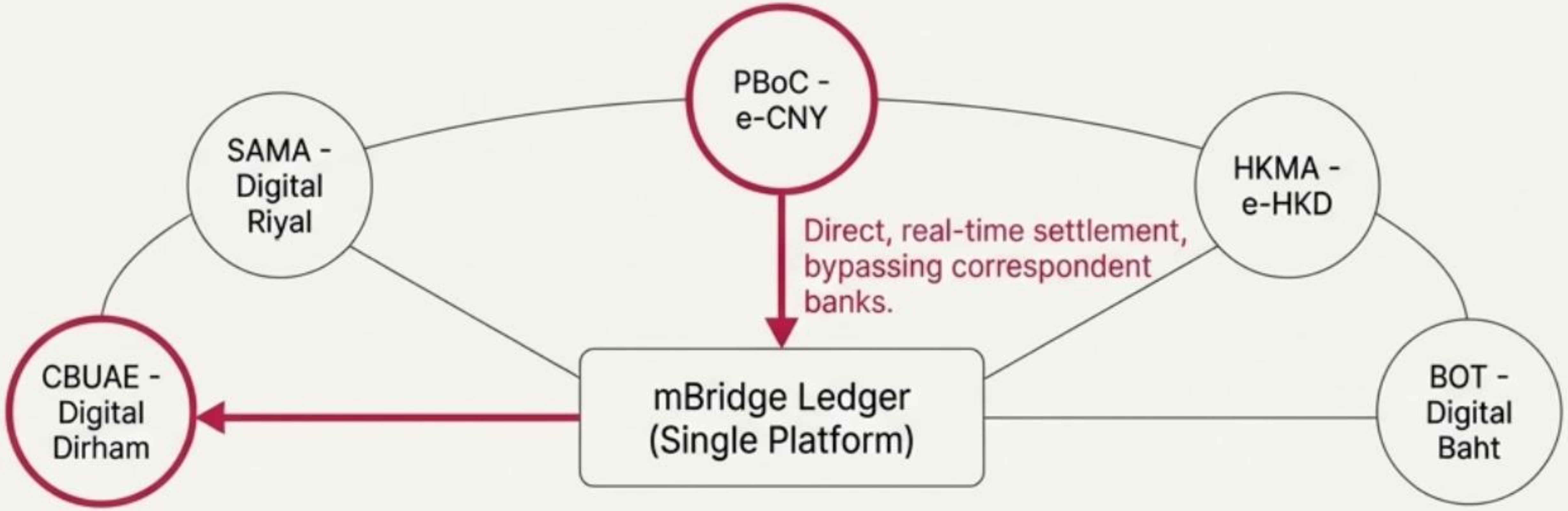
Digital Yuan (e-CNY)

China's domestic CBDC pilot is one of the world's most advanced. The long-term strategy is to expand its use to cross-border trade, potentially on blockchain-based platforms.

Project mBridge

A collaborative multi-CBDC platform exploring wholesale cross-border payments.

- **Participants**: China, Hong Kong, Thailand, UAE, Saudi Arabia.
- **Status**: Reached 'minimum viable product' stage in June 2024.
- **Vision**: Create a global multilateral cross-border payment platform linking domestic and international markets.



Russia Has Successfully Insulated Its Domestic Payments Infrastructure

SPFS (System for Transfer of Financial Messages)

The domestic alternative to SWIFT, processing internal financial messages since its launch in 2015.

Crucially, OFAC now considers SPFS part of the Russian financial services sector, creating **sanctions risk** for any foreign financial institution that joins.

SBP (Faster Payments System)

The engine of the domestic digital economy. Drives massive growth in account-to-account (A2A) transfers with low-to-zero fees, luring merchants away from legacy card acquiring.

Mir Card System

The national card scheme that has fully replaced Visa & Mastercard for domestic transactions, becoming the **default payment method** for the population.

The Blueprint Becomes Reality: PayShap Launches in 2023

After years of development under the Rapid Payments Programme (RPP), BankservAfrica launched PayShap, South Africa's new real-time payment system.

Key Features Dashboard

Operator

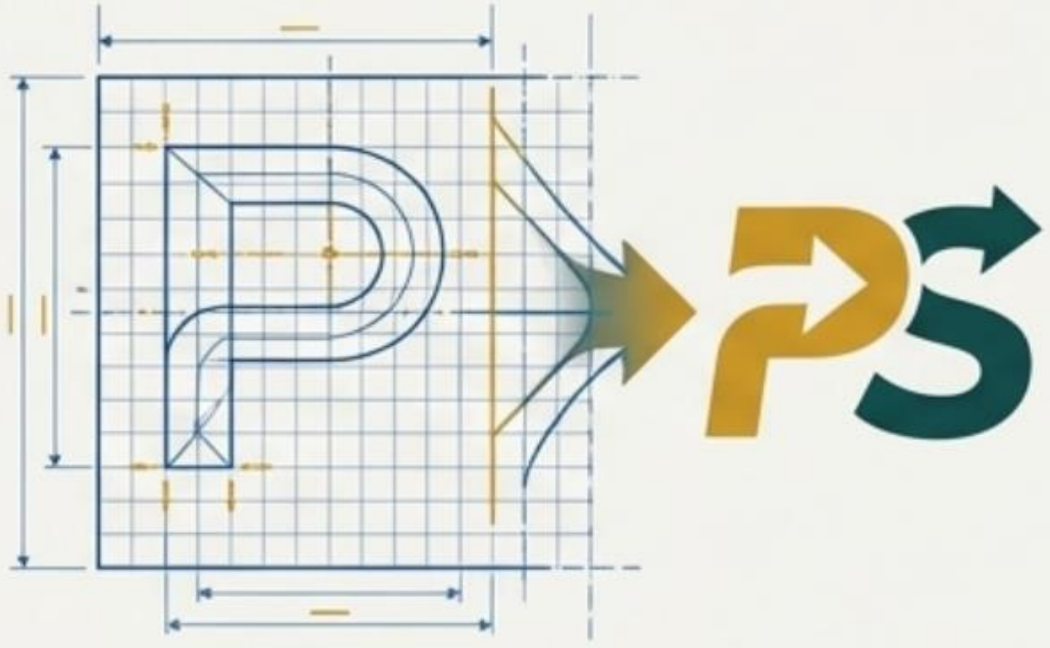
BankservAfrica (BSA)

Launch Date

March 2023

Core Functionality

- **ShapID:** A proxy/alias service allowing payments to a mobile number.
- **Real-Time Clearing:** Instant P2P payments.
- **Use Cases:** P2P enabled at launch. Merchant and business payments are supported, though initially processed as P2P transactions.



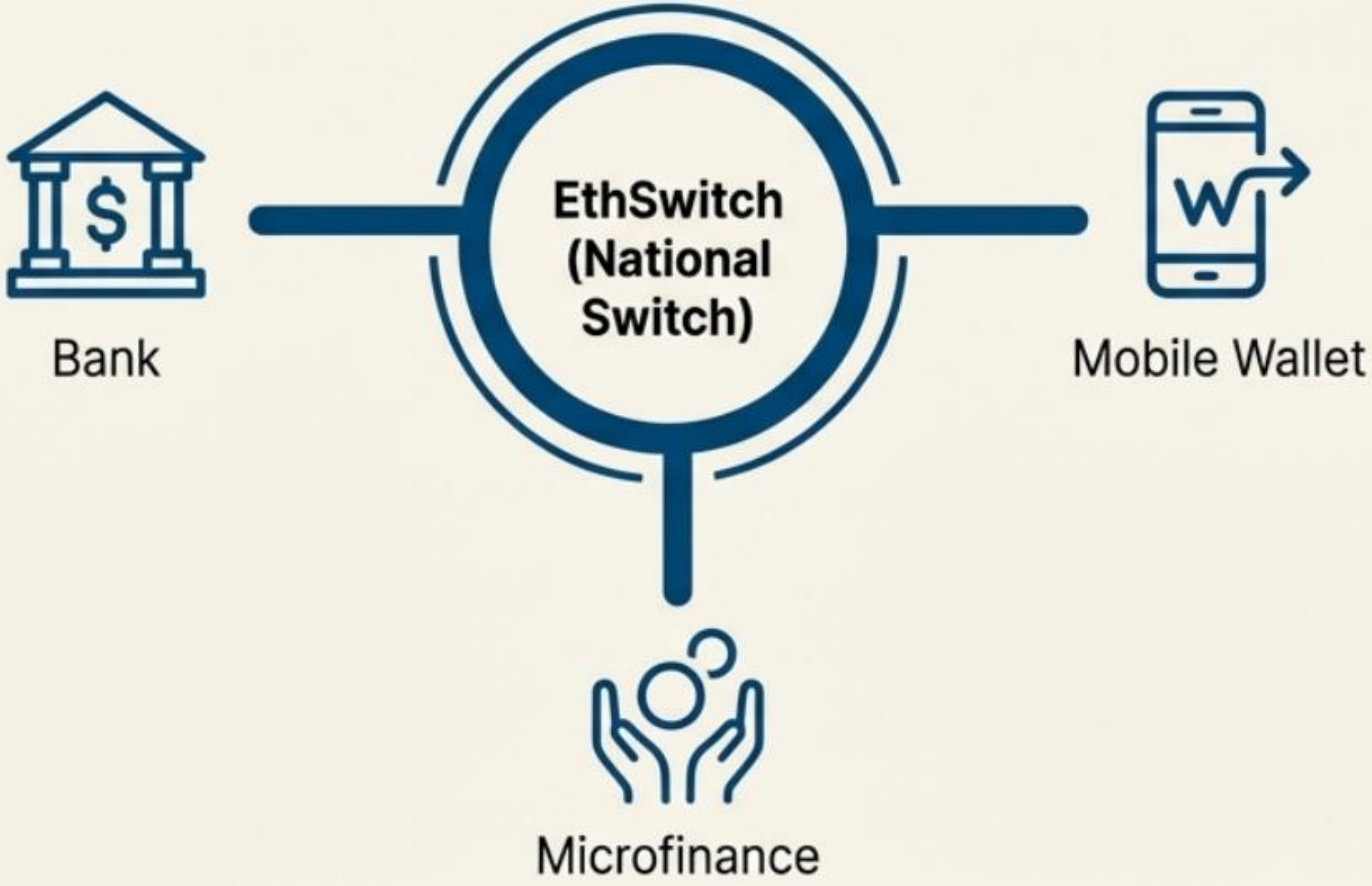
Technical Standard

Adopts the ISO 20022 messaging standard, enabling richer data in payment instructions.

Participants

Launched with major commercial banks, with a framework designed to onboard non-bank participants.

From Fragmentation to Interoperability: Building the "Digital Rails."



- **Unified Payments Interface (UPI):** One login for all accounts—bank, wallet, or microfinance.
- **Interoperable QR Codes:** One universal QR code for any merchant, accepted by any payment app.
- **Expanded Agent Networks:** Ensuring reliable Cash-In, Cash-Out (CICO) infrastructure for all citizens.

User-first solutions like **Flamingo UPI** are pioneering this approach, proving a viable path forward for national integration.

How BI-Fast Works:

The Architecture of Instant

Operational 24/7: Always on, including weekends and holidays.

Real-time Settlement: Final and irrevocable transactions in seconds.

User-Centric: Provides automatic automatic notifications directly to customers.

Proxy Addressing: Use simple identifiers like phone numbers, not complex account details.

Embedded Security: Integrated Fraud Detection and AML/CTF systems.

Push & Pull Transactions: Supports both sending money and requesting payments.

Aani is the CBUAE's answer to modernizing domestic payments.

Launched in 2024 by Al Etihad Payments, a CBUAE subsidiary, Aani is an Instant Payment Platform (IPP) designed to provide immediate, 24/7, and seamless fund transfers for the entire UAE financial ecosystem.

Instant & 24/7
Domestic payments processed instantly, around the clock.

High Value
Capable of handling transfers up to AED 50,000.

Proxy Payments
Send money using identifiers like a mobile number instead of a full IBAN.

QR Code Payments
A foundational feature for future merchant and retail adoption.

Request to Pay
Part of advanced services including 'Request to Pay' and 'Split Payments'.

Split Payments
Functionality for easily dividing payments among multiple users.

Source: CBUAE Annual Report 2024; NBF Aani Terms of Use.

Shaparak: The Central Nervous System of Iranian Payments

The entire card payment network is unified under the Shaparak (Electronic Card Payment Network) system. It is the foundational layer for centralized management and security.

> “Identified as the most influential ‘cause’ factor in the system’s design, Shaparak’s role is to: ‘bring together all payment service providers and their sales terminals in an integrated system and [improve] efficiency, effectiveness and security... with centralized management and supervision.’”

Aani directly supports the CBUAE's 2023-2026 strategic vision.

The CBUAE has a track record of transformational projects. Aani, alongside the Digital Dirham and Open Finance initiatives, represents the latest push to create a future-ready financial ecosystem, aiming to enhance competitiveness, efficiency, and consumer trust.

CBUAE Vision: To be among the top central banks globally.

Pillar 2: Establish robust and innovative financial market infrastructure and support the future of the UAE's financial technology and digitalisation journey.

- Aani IPP
- Jaywan Domestic Card Scheme

Al Etihad Payments — A subsidiary of the CBUAE which aims to support the digital transformation of the UAE's financial market infrastructure through the provision of innovative banking solutions, specifically the management of ensuring seamless, secure digital payment services.

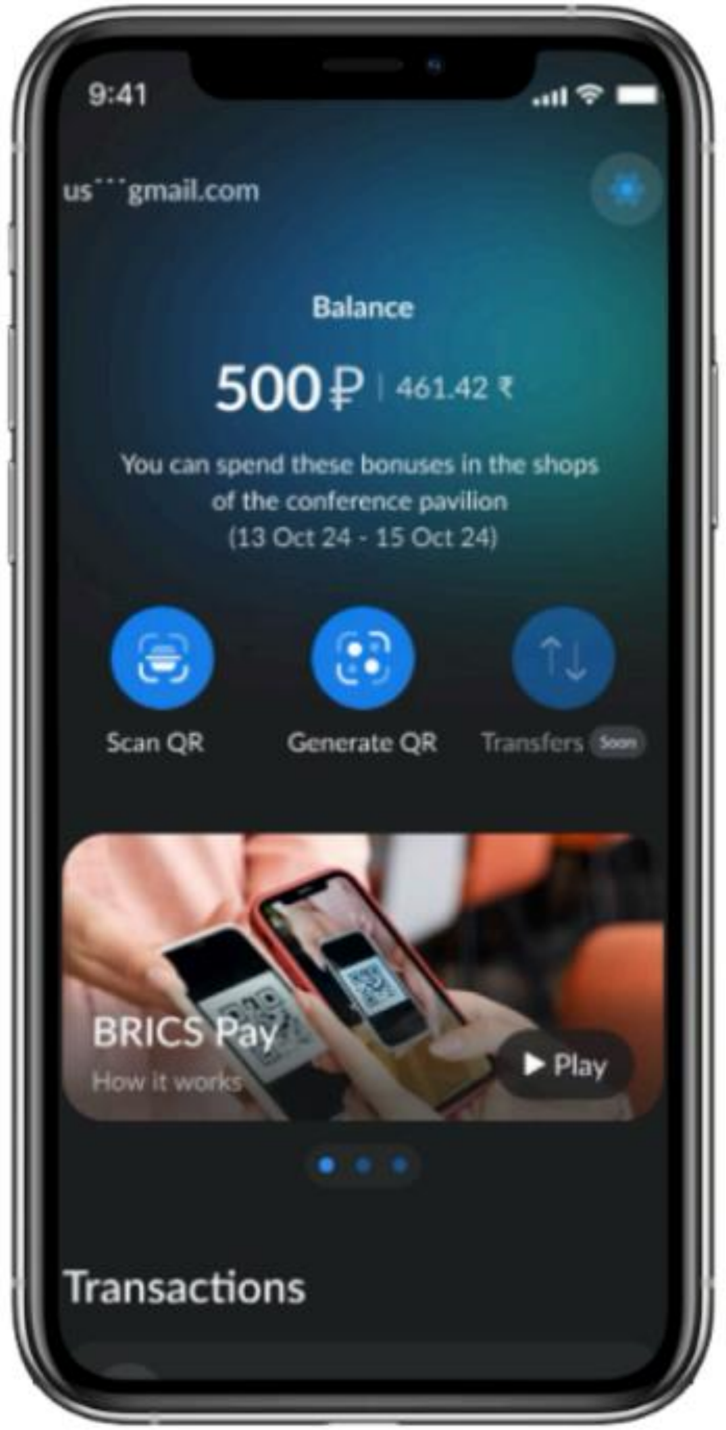
Oumolat — A subsidiary of the CBUAE providing comprehensive security printing services locally and globally, including currency notes printing, using the latest technological advancements.

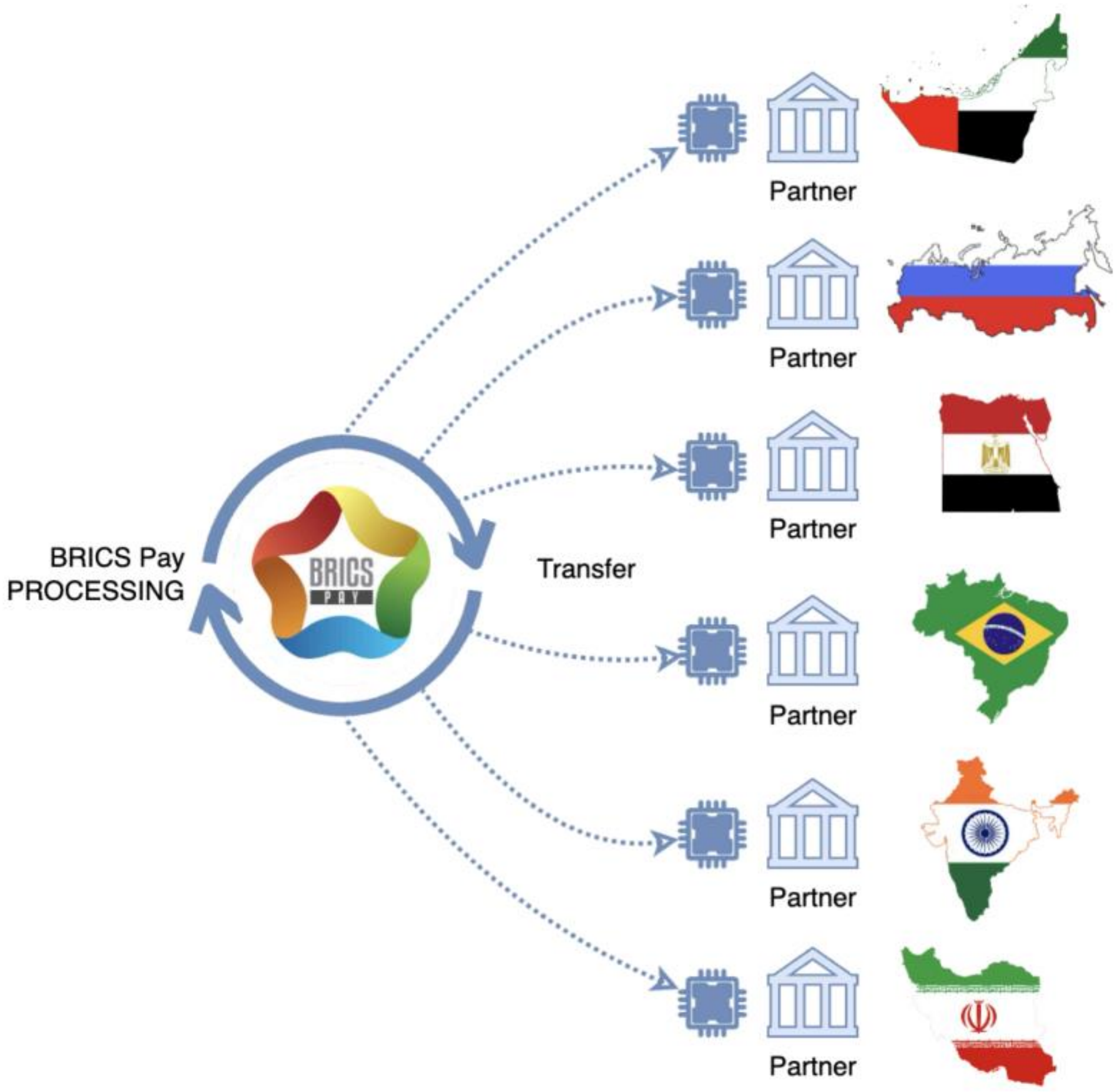
EIF — An independent, renowned training institute which aims to provide advanced educational programmes and training services to UAE nationals in the areas of banking, financing, and insurance to enable UAE cadres and enhance Emiratisation across the financial sector.

Sanadak — An independent unit mandated to receive and handle complaints from consumers of banking and insurance institutions, established with the aim of providing modern and innovative mechanisms that ensure independent and fair resolution of consumers' complaints.

BRICS PAY CONSORTIUM

brics-pay.com





BRICS Pay
PROCESSING
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