Spotlight on speed

Why the last mile is the longest

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Improving the speed of cross-border payments is at the heart of Swift's strategy. Faster payments offer considerable benefits. In today's digital world, end-customer expectations centre on immediacy, particularly for retail payments. For corporate payments, speed is an essential element in reducing supply chain complexities and wait times. Equally important, and economically beneficial, speed leads to more efficient use of capital. For financial markets, payment speed improves trading opportunities and facilitates efficient liquidity management. At Swift, our goal is to enable our users to deliver a seamless, rapid payment experience to their end clients, the senders and beneficiaries. The Financial Stability Board and the G20 central banks have identified payment speed as a key target to improve cross-border payments, a programme that Swift strongly supports.

In 2024, we published a review of the top 40 countries in Swift's network demonstrating how the speed of payment varied dramatically between receiving countries. The data also showed speed was largely determined by local infrastructure and practices affecting the 'last mile': the time for the beneficiary institution to credit the client's account. In 2025, we are focused on gaining an in-depth understanding of the last mile. As part of this effort, we have discussed what drives delays in the last mile with financial institutions and country authorities to help them identify solutions. This paper delves into what we've learned and how that knowledge can drive a deeper understanding of the issues. These ideas can help policymakers and financial institutions devise solutions to speed up cross-border payments and boost efficiency.

At Swift we record payments from the time the sending financial institution sends the payment on the network, through any intermediary institutions to the beneficiary institution. We call this the inflight time and separately track the last mile to the beneficiary. Overall, Swift data shows that the inflight time is less than 20% of the overall cross-border journey on average. However, the last mile comprises more than 80% of the overall elapsed time globally. **Significantly speeding up cross-border payments is therefore only possible by finding solutions for the last mile.**

Our in-depth discussions with authorities and financial institutions have led to a richer understanding of the root causes behind payment speed in receiving countries. Swift research reveals four key causes of potential delay (in order of importance):

- Regulatory reporting requirements, particularly purpose-of payment-reporting for balance of payment statistics, and the lack of clarity of those requirements
- Currency, FX, and other risk controls set by individual countries
- Lack of real-time 24/7 infrastructure, both nationally and within financial institutions together with clear rules for their use for international payments
- Manual processes, such as local payment requirements or non-automated financial crime compliance checks coupled with additional internal process checks that go beyond regulatory requirements.

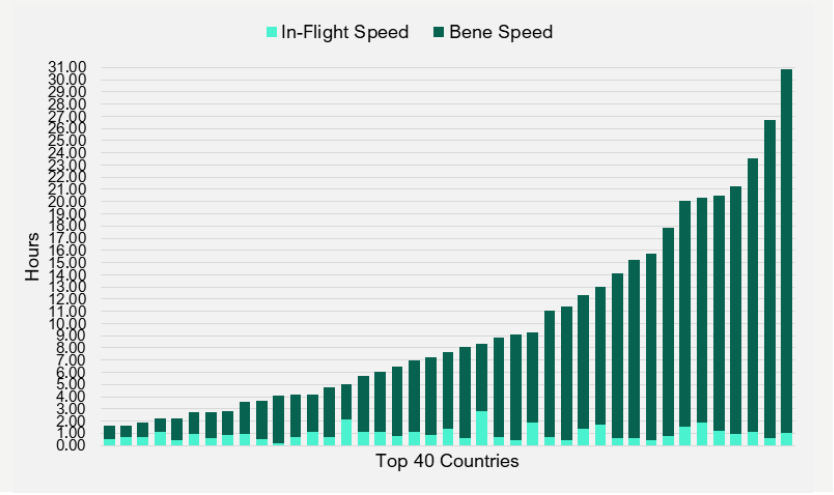
Developing solutions to these issues will require a combination of global and local initiatives. Regulatory controls and reporting exist for important risk management purposes and Swift is not advocating for any form of dilution of adequate controls. It is the clarity and operational implementation of them that we are focused on and how to reduce their impact on payment speed. Building real-time infrastructure is another clear priority for the industry, but in many countries, payments can only be made faster if key regulatory initiatives are automated and standardised.

If countries want to speed up international payments and reap the economic benefits, they will need to take further initiative. Introducing new technologies or infrastructure is not a silver bullet. Over existing rails or future rails the challenges will be the same, and therefore the industry can only help achieve faster international payments, if these areas are addressed. At Swift, we are actively engaged in helping countries and financial institutions achieve these goals through close collaboration, leveraging global knowledge and services to help achieve faster, more productive results.

Cross-border payment speed

Cross-border payment speed

According to the FSB/G20 goals, 75% of international payments should be credited to the beneficiary within an hour. Our tracking data for the first quarter of 2025 across the top 40 countries on the network shows that 75% of cross-border payments across Swift reach the beneficiary institution within 10 minutes. However, it can take more than a day for the beneficiary to be credited, depending on the receiving country. The chart below illustrates the average time for payments to reach the beneficiary institution (inflight speed) and then to be credited to the beneficiary (bene speed – the last mile) for the top 40 receiving countries. The overall picture is quite positive, in many receiving countries payments across Swift are credited to the beneficiary within a few hours on average. Where payments take longer the key driver is the last mile. There is some variation in the inflight time, typically because in Eastern countries payments may arrive overnight. So, unless these markets and institutions have 24/7 infrastructure, incoming payments may be held up.



Note – Swift is only able to track payments from the time the payment is initiated on our network. Any impact of domestic requirements in the sending country before the international payment is initiated will not be recorded and may also be significant. In addition, payments across Swift are mostly corporate and financial market traffic, these statistics may not reflect retail client experience as many retail flows also occur on other networks.

Issues affecting the last mile

Issues affecting the last mile

Discussions with many of the countries appearing in the chart have led to a deep understanding of disparities in speed, and we are helping them develop the tools and policies to address these gaps. While each country and financial institution has their unique characteristics, there are certain constants that allow us to draw common conclusions and observations.

Following is a more detailed list of critical areas that have the most impact on payment operations.

Regulatory reporting requirements

In many jurisdictions, particularly those with slower beneficiary speeds (see chart above), authorities require financial institutions to report the purpose of payments over a certain threshold (with a lot of variance on the value at which these thresholds are established). These purpose of payment validations can have an extensive adverse effect on payment speed.

Few countries accept the sender's purpose of payment information. Instead, they typically insist on a local source in their own jurisdiction. As a result, financial institutions often hold payments until they receive the information from the beneficiary, because they doubt they will get the information after they credit the funds. Our research illustrates that this is not the regulatory body's intended consequence, they may even be unaware of the impact. A further issue is that purpose of payments codes are not standardised between countries even if the sender's information is accepted, which makes automation challenging.

At Swift, we believe there are solutions to these challenges. For example, jurisdictions could standardise the process and consider accepting a sender entering the information based on their own risk appetites and thresholds. At a minimum, jurisdictions could have compatible payments purpose codes, enabling automation and pre-validating the flow of information resulting in significant improvements to payment speed. Alternatively, financial institutions could credit the client before obtaining the purpose of payment code if that is allowed in prescribed circumstances thus speeding up the payment. The adoption of the richer data ability in ISO 20022 will also allow for more information to be handled and achieve higher straight through processing.

Demand for more detail on the purpose of payment is growing, making this issue more widespread. For example, there are new global recommendations on balance of payments reporting. **Unless authorities introduce greater automation and standardisation, we expect regulatory reporting, in particular purpose of payments reporting, to progressively delay more payments for longer periods.**

Currency and Foreign Exchange controls

Many countries have long practised currency and exchange controls as part of their fiscal policy. These mandates typically require the receiving institution to seek approval from the authorities before crediting the beneficiary, which may take one or two days slowing down the payment. In many cases there is a value threshold for central approval. Swift is undertaking collaborative industry research to develop a deeper in-depth understanding of the correlation between speed and the level of currency control by country.

As with regulatory reporting we understand the rationale for currency and foreign exchange controls and these are matters of fiscal policy for each country to decide. We do, however, believe there is room to automate them with, for example, API calls to the approving authority or a payment copy so that the payment is not held up for a length of time. **In the absence of such measures, improvements may be slow in these areas.**

Local infrastructure and market practice

Payment speeds are fastest in markets where high volume financial institutions credit their own customer accounts 24/7. However, in many countries the speed of financial institutions back offices vary considerably. For example, some institutions operate batch systems, which means they only credit the beneficiary on a periodic basis or overnight, even in developed markets, which can significantly delay incoming payments.

Local market infrastructure is also a factor. Markets with 24/7 real-time payment systems that allow international payments are generally quick to transmit payments. This is particularly important in Eastern countries because those time zones often receive payments at night or other non-traditional business hours. In markets where 24/7 systems do not exist, payments that arrive after hours are typically held for overnight processing. It is also important that rules for using these systems for international payments are clear.

There is good reason to be optimistic about improving infrastructure leading to faster payments. The continuing development of real-time domestic solutions and institutional investment in back-office tools will likely improve this area. From a Swift perspective we are looking closely at how our products and services can help individual institutions improve their own systems and how they can improve the last mile experience for their clients.

Manual processes and regulatory interpretation

Local payment formatting requirements, low data quality, and payment application technology can affect the number of payments that require manual processing, directly affecting speed. These factors can also lead to additional checks over and above the requirements of regulation. For example, without automation, an institution may decide to report all payments rather than those over a certain threshold.

Financial Crime Compliance (including sanctions screening and AML) attracts much attention because of the cost of compliance and the potential penalties. Although these are major headline topics they generally have less impact on payment speed because they are largely standardised and institutions' significant investment in automation mitigates the impact. Typically, processes only take seconds or minutes so that most payments are largely unaffected. Some payments require deeper investigation and are delayed as a result. Because these payments don't represent a large proportion of transactions, they have only a minor impact on the overall speed picture.

Apart from automation, some financial institutions have a tendency to interpret regulation conservatively and adopt additional risk mitigation practices, for example waiting until the following day to check their balance with the sending institution, that lead to delays in the final leg of crediting a payment.

To increase straight-through processing, there continues to be a need to invest in improving data quality, standardise payment formatting requirements, and invest in automating financial crime compliance. Standardising and automating manual processes will be important in all areas. As a contributing factor to uplifting overall global payments speed, such investments will have less impact than other factors because so many institutions have been focusing on this area for so long already.

Conclusions

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The last leg of an international payment within the receiving country comprises on average 80% of the journey time. It follows that significantly improving cross-border payment speed depends both on the receiving country and local institutions. Although every country differs, where payments are slow the factors are largely common.

In most countries, infrastructure improvements are underway or at least under consideration. We expect these measures to reduce payment times gradually as countries and institutions improve their infrastructure. This is particularly true if these institutions adopt the new technologies and services available to them to improve the service they offer the end client.

Standardising and automating both regulatory reporting and currency controls are the areas that to date have received the least attention in our view. Yet these elements may have the biggest impact on speed. While the industry continues to make significant progress in standardising and automating other areas including real-time infrastructure and financial crime compliance, radical improvement in cross-border speed for many countries will require similar work in regulatory reporting and currency controls.

Perhaps surprisingly, Financial Crime Compliance is an example of how regulatory impact on speed of payment can be mitigated. FCC compliance is an essential part of the ecosystem and can be expensive to implement but the efforts globally to standardise and automate the process have led to a limited impact on speed overall. It impacts a small number of payments but not the vast majority.

New technologies, including CBDC and stablecoins, may have an important role to play by driving even faster international times and more effective domestic solutions. Conversely, unless they can bypass or help automate the beneficiary leg, they will only have a marginal effect on end-to-end payment speed.

The financial industry and policymakers can significantly improve the speed of cross-border payments by focusing on the beneficiary leg, and countries can reap the resulting economic benefits. At Swift, we continue to offer advice and services to financial institutions and authorities to help them understand how they can boost their incoming payment speed and improve their services.

Swift will continue to support policymakers with the following three key actions:

- Working with individual countries and institutions sharing the understanding summarised in this document on how they can improve incoming payment speed.
- A playbook with deeper guidance based on our country-by-country analysis of how best to handle international payments covering various aspects to improve efficiency including speed.
- Further industry collaborative research to deepen understanding of the impact of currency controls to further increase industry understanding.

Swift has significantly upgraded its platform over the past few years to offer levels of speed and transparency that exceed the G20 targets. As a next step, we also plan to continue to work with Swift users to make sure the speed and transparency benefits offered through Swift's backend infrastructure are exposed through financial institutions' front-end channels to optimise the client experience. Our SwiftGo proposition, launched a few years ago has helped accelerate this ambition.

Now, building on these foundations we intend to go further. Working with a voluntary coalition of banks, Swift will set new rules for retail cross-border payments to further ramp-up speed and predictability across the ecosystem. The future framework will require full predictability on price and speed – with no hidden fees, full value transfers and near-instant settlement where domestic systems make it possible.

Taken together, this additional uplift on inflight speed and predictability over Swift, combined with addressing the even more significant 'last mile' frictions in domestic markets that affect speed on the beneficiary leg will help bring the industry closer to instant and frictionless international transactions, as seamless as domestic ones.

We're the global specialist in financial transactions – the way the world moves value across borders, through cities and over seas. We keep funds flowing, supply chains moving and the world's economies turning. No other organisation can address the scale, precision and trust that this demands.

We're unique too: a neutral cooperative established to provide a safe, secure and reliable way for the financial community to send transactions across borders. We're always striving to be better and are constantly evolving in an ever-changing landscape. We innovate tirelessly, test exhaustively, then implement fast. In a connected and challenging era, our mission has never been more relevant.