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## The Evolving BRICS+ Payments System: A Primer

Charting the path to de-dollarize cross-border payments

- This note explores how BRICS+ and other emerging market economies are pursuing 'payments sovereignty' by developing independent payment infrastructure separate from US and Western systems.
- The de-dollarization debate has thus far primarily centered on foreign holdings of US assets, with less attention given to the evolving global cross-border payments infrastructure and other institutions that support dollar dominance.
- BRICS+ and emerging market countries are at different stages of discussing, developing, and testing components of cross-border payments architecture as alternatives to the existing system, which includes SWIFT, CHIPS, and correspondent banking relationships.
- Geopolitical factors, divergent national objectives, and persistent trade imbalances among EM countries are the primary challenges to an alternative payments system, not technical ones. Technical barriers are manageable and could be swiftly addressed with adequate political will.
- The reluctance of countries to hold large quantities of foreign currencies other than the dollar and euro leads to a more intractable issue — the absence of a universally-accepted settlement and reserve asset. The creation of such an asset, e.g. a 'BRICS+ SDR', remains elusive.
- A multi-Central Bank Digital Currency (CBDC) platform is a potential solution: several EM and BRICS+ countries now have advanced domestic digital payments infrastructure, including China, India (UPI) and Brazil (Pix), and are also working on their own CBDCs, laying the groundwork for broader use of these instruments for cross-border transactions via a multi-CBDC platform.
- Multilateral institutions are an important building block for an alternative international financial system. The journey towards a 'BRICS+ Bretton Woods' set of institutions remains incomplete. Multilaterals such as the AIIB and NDB represent a step towards building an institutional architecture, but they are limited in scope and size and lack liquidity support mechanisms (e.g. multilateral FX swap lines).

### Emerging Markets Research

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## Executive Summary: The Long and Short Path to Payments Sovereignty

**The de-dollarization debate takes on new dimensions as the global order undergoes major changes.** A debate on the durability and desirability of the reserve currency status enjoyed by the US dollar has been gaining traction in recent years, driven by geopolitical fragmentation and more proactive use of financial sanctions by the US and allied countries. Against this backdrop, the trade war and other recent US policy pivots have widened the scope of this discussion on the role

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of the dollar (see *There will be blood*; *Top 10 Macro Takeaways: 2025 IMF/World Bank Spring Meetings*; and *Is Fed independence at risk?*).

**BRICS countries have long stood in opposition to the status quo of international financial architecture.** In their first formal summit, held in 2009 in Russia, the leaders of Brazil, Russia, India and China discussed, amongst other things, the reform of international financial architecture. In a joint statement following that summit, the four leaders noted that “emerging and developing economies must have greater voice and representation in international financial institutions”, and that there was “a strong need for a stable, predictable and more diversified international monetary system”<sup>1</sup>. Since then, BRICS countries' calls for reform of the international monetary and financial system have grown louder and more persistent, and the role of the dollar has become a common target.

**In this note, we focus on a less-explored area of the dollar dominance debate: global payments infrastructure and institutional arrangements.** Following the first US-China trade war, as well as Russia's invasion of Ukraine and the resulting imposition of financial sanctions on Russia (including exclusion from SWIFT), efforts by the BRICS+ countries to reduce dollar dependence have intensified. While the dollar's exchange rate and foreign reserve holdings of US assets grab most of the attention in this context, arguably the global payments infrastructure and institutional arrangements are just as important in upholding dollar dominance.

**There is currently no operational pan-BRICS+ cross-border payments infrastructure in place, but technical barriers to the creation of one are now secondary to political barriers.** There has been a push towards enhancing bilateral currency swap lines in recent years, particularly between China and its trading partners, as part of efforts to internationalize the renminbi and re-denominate bilateral trade in local currencies. There exist some mechanisms in this regard, such as the Chiang Mai Initiative to pool currency reserves, but this is limited to Asian countries. Importantly, these arrangements do not fully extricate BRICS+ countries from the US-controlled global payment infrastructure (e.g., from systems such as SWIFT and CHIPS). Nonetheless, there have been developments that could lay the foundation for an alternative cross-border payments system in the future, both at unilateral and multilateral levels. The most advanced among these is China's Cross-Border Interbank Payment System (CIPS), which is being promoted as a mechanism for renminbi internationalization, while BRICS Pay is seemingly still in early discussion stages.

**A future multi-Central Bank Digital Currency (CBDC) platform is a more likely disruptor than a pan-BRICS+ payments system.** The technical hurdles to a parallel cross-border payments architecture have been further lowered by blockchain technology, and the BIS's Project mBridge has demonstrated the viability of a multi-CBDC platform to facilitate cross-border payments. The main hurdle, in our view, is political will: pursuing an alternative payments architecture entails a geopolitical cost, while diverging objectives within BRICS+ countries presents a challenge to reaching consensus. Nevertheless, the potential of blockchain technology, particularly via CBDCs, to disrupt cross-border payments will still take time to materialize as central banks are still piloting the adoption and integration of CBDCs. Moreover, imbalanced trade would mean that some countries would need to accumulate large claims on others — an outcome many are reluctant to accept. The creation of an alternative universally-accepted settlement and reserve asset to address this issue, e.g. a 'BRICS+ SDR', remains elusive.

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1. University of Toronto BRICS Information Centre. (2009). *Joint Statement of the BRIC Countries' Leaders* [online]. Available from: <http://www.brics.utoronto.ca/docs/090616-leaders.html>

**BRICS+ leaders will meet in Rio de Janeiro in July.** The next BRICS+ leaders summit will be held in Rio de Janeiro on July 6 and 7. Markets will be keeping an eye on what is announced, especially considering the pick-up in media attention on BRICS+ around the 2024 Kazan summit, and President Trump's recent threats against BRICS+ efforts to move away from the dollar. We expect no grand announcements of new or updated initiatives for de-dollarization to come from the Rio summit, given the rotation of the BRICS+ Presidency from Russia to Brazil, but will monitor any incremental steps in this space.

**This note complements recent J.P. Morgan research on the themes of dollar dominance and de-dollarization.** This note is intended to be reference and primer on the evolving landscape of cross-border payments systems and the initiatives under various stages of development by BRICS+ countries. It complements work by J.P. Morgan focusing on de-dollarization, including *J.P. Morgan Perspectives Dollar's demise: Not so fast*; *Macro Corporate Spotlight: De-dollarization: Fact and Fable*; and *For Dollar's Sake: Emerging Markets Defy De-dollarization*, which focus on dollar asset holdings by foreigners and use of the US dollar for transactional purposes.



## Cross-Border Payments Architecture 101

**The global financial system is complex and rests on architecture and institutions that have evolved over many decades.** In this section, we give a brief and simplified overview of the existing system underpinning cross-border payments, to contextualize the initiatives being discussed and pursued by BRICS+ and emerging markets to gain greater autonomy and ‘payments sovereignty’.

**Cross-border transactions rely on a layered network of entities, most of which are within the ambit of US and Western regulatory oversight.** There are several pieces of international financial architecture that BRICS+ would need to substitute in order to effectively move away from the dollar’s orbit. Some of these elements include the dollar’s role as an international reserve asset; cross-border payments, settlement and depository infrastructure; and additional instruments or entities, such as multilateral financial organizations, where the US and its allies hold sway. Here, we focus on one of the elements that has received widespread attention in recent years: cross-border payments infrastructure <sup>2</sup>.

**Cross-border payments are transactions in which the parties involved are located in different countries.** The international aspect of the transaction is defining, as currency and banking systems are generally national and self-contained in nature, and different countries’ transaction settlement systems are, in general, not directly interconnected. Transactions occurring between parties within a single country can be settled directly on the balances of the country’s banks or, alternatively, through domestic systems for real-time settlement to which local banks have access; such systems are generally operated by a country’s central bank (e.g., the Fedwire Funds Service in the US). When a transaction involves an off-shore party, though, things are more challenging, as national authorities generally restrict access to their domestic transaction settlement systems, so that only domestic banks under their supervision can directly participate. This means that if a party in one country wants to make a payment to a party in another country, there’s generally no direct way for the transaction to be settled, unless some linkage is established between the two countries’ banks.

**Enter correspondent banking.** To execute transactions across borders, any given country’s banks have their own banking relationships with other banks located overseas; this is known as “correspondent banking”. To carry out a transaction, the domestic bank originating the transaction requests its correspondent bank (a separate business, located in the destination country) to carry out the necessary payment on its behalf; to do so, money is drawn from the originating domestic bank’s own account at the correspondent bank. Thus, even though the transaction settlement systems of both countries are not directly connected, some assets belonging to the originating jurisdiction (but held offshore at a correspondent entity) are used to settle the transaction offshore. Notably, because all of this takes place outside of the originating jurisdiction, money generally does not really move across national borders in order for the transaction to take place.

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2. The description of cross-border payments in this section is largely adapted from Cipriani, M., Goldberg, L. and La Spada, G. (2023). Financial Sanctions, SWIFT, and the Architecture of the International Payments System. *Federal Reserve Bank of New York Staff Reports* [online], 1047. Available from: [https://www.newyorkfed.org/research/staff\\_reports/sr1047.html](https://www.newyorkfed.org/research/staff_reports/sr1047.html) ; and from Bank of England. (2024). *Cross-border payments* [online]. Available from: <https://www.bankofengland.co.uk/payment-and-settlement/cross-border-payments>



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**Correspondent banks build transaction chains.** Not every bank in every country has a correspondent banking relationship with every possible bank in every possible jurisdiction. Thus, when a transaction needs to occur between two banks that don't have a direct correspondent relationship with each other, they can create a chain between them, triangulating the transaction through a third bank. In this way, multiple banks can come together when needed, forming chains to carry out cross-border transactions. This is especially the case for smaller banks located in small jurisdictions with limited international banking relationships.

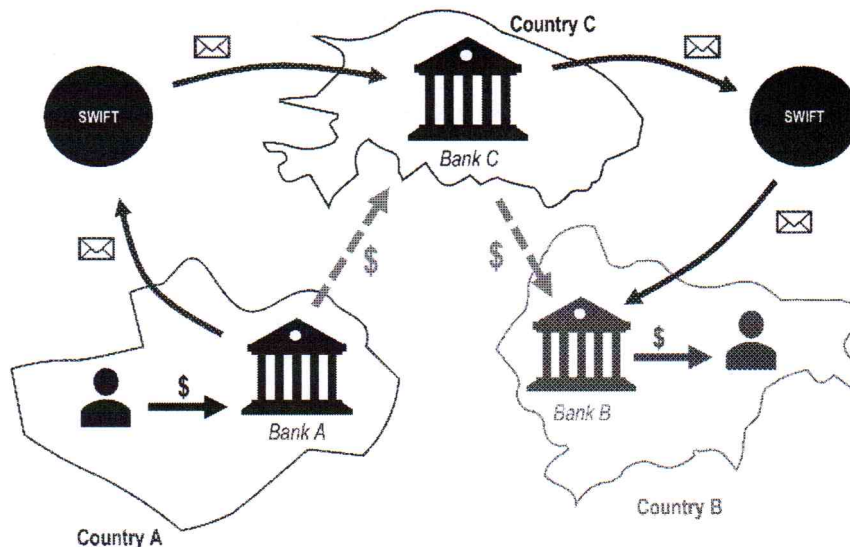
**Banks talking.** To coordinate the details of such transactions internationally, banks rely on the SWIFT system. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is a co-operative owned by its members (banks, broker-dealers and investment management entities) and primarily tasked with maintaining a telecommunications network used to relay messages with instructions to execute payments between financial entities. SWIFT is also charged with maintaining and developing the standards for financial messaging within its network. Crucially, SWIFT is only a messaging system. As such, its role is not to carry out transactions, but to serve as the rails on which payment instructions are transported nationally and internationally, supporting the execution of transactions between banks. SWIFT came to be in the 1970s, displacing previously dominant forms of interbank communication - telegraph and telex networks. The entity is headquartered in Belgium, and its messaging network is operated from centers located in the US, Switzerland and the Netherlands. Its shareholders, as represented in its Board of Directors, include large US banks and other Western financial entities <sup>3</sup>.

**SWIFTly out, SWIFTly in.** Consider a transaction between two parties in different countries (Figure 1). One person in Country A wants to transfer money to a person in Country B. To do so, the person initiating the transaction tells bank A to transfer money to the person abroad (who has an account with a local bank in their own country, bank B). Bank A does not have a correspondent relationship with bank B, so it reaches out to a third bank located in a different country (bank C), which has correspondent banking relations with both banks A and B. Bank A sends bank C a message asking it to transfer the money to bank B; bank C then debits the account it holds for bank A, and credits the account it holds for bank B. Thereafter, bank C sends bank B a message, relaying instructions to transfer the money to its final recipient. Of note, money was not "delivered" across borders; rather, the balances of different accounts were simply adjusted within each country to reflect the transfers.

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3. Swift. (n.d.). *The Swift Board of Directors* [online]. Available from: <https://www.swift.com/about-us/organisation-governance/swift-board-directors>

Figure 1: A cross-border transaction with correspondent banking through the SWIFT system



Source: J.P. Morgan; adapted from Cipriani, Goldberg and La Spada (Federal Reserve Bank of New York) and Bank of England

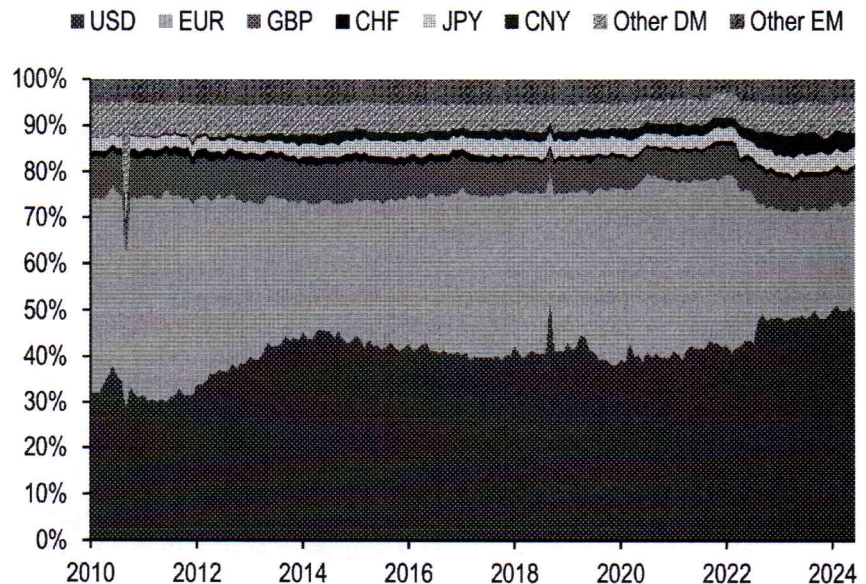
**SWIFT is a systematically important piece of financial architecture, and its usage underscores the pre-eminent role of the US.** By enabling cross-border communication between financial institutions, SWIFT allows for all sorts of cross-border transactions that are critical for any open economy to take place, including cross-border securities trading; settlement of international trade; direct international investments; and cross-border remittance flows. Within SWIFT, the distribution of transactions by currency underscores the systematic importance of the US dollar: the currency accounts for nearly half of all SWIFT transactions, and this share has risen over the last decade (Figure 2). The euro is the second-most important currency within SWIFT, accounting for ~24% of transactions, while other currencies play a much smaller role. China's renminbi accounts for only ~3% of transactions, though its share has been rising over time.



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Figure 2: The dollar remains dominant in SWIFT transactions

Share of payments via SWIFT; % of total



Source: J.P. Morgan, Bloomberg Finance, L.P., SWIFT

**However, SWIFT is not the full picture.** SWIFT has featured prominently in the debate around the international role of the dollar, especially after its usage in sanctioning Russia, but there are other elements that enable cross-border transactions and are also worth examining, such as the US' Clearing House Interbank Payments System (CHIPS) <sup>4</sup>. CHIPS is a privately-owned, real-time, multilateral payment system used for large-value dollar payments, and functions as the private-sector counterpart to Fedwire; every day, it clears and settles USD 1.8tn in both domestic and international payments <sup>5,6</sup>.

**CHIPS is another critical piece of the financial architecture for cross-border payments.** CHIPS operates as a "netting engine": it facilitates the settlement of dollar-denominated payments among banks throughout the trading day by offsetting payments against each other whenever feasible, ensuring transactions are completed while minimizing actual fund transfers. At the close of the trading day, participants' outstanding balances are settled with a real transfer of funds, via Fedwire. CHIPS is owned and operated by The Clearing House, a US company owned by several large banks (including J.P. Morgan Chase & Co.); it has 41 participant members, including some US branches of foreign banks, which clear payments directly amongst themselves and also on behalf of other banking entities, which thus have indirect access to CHIPS. As foreign banks participate directly and indirectly in CHIPS, the system is used for settling cross-border payments between different parties.

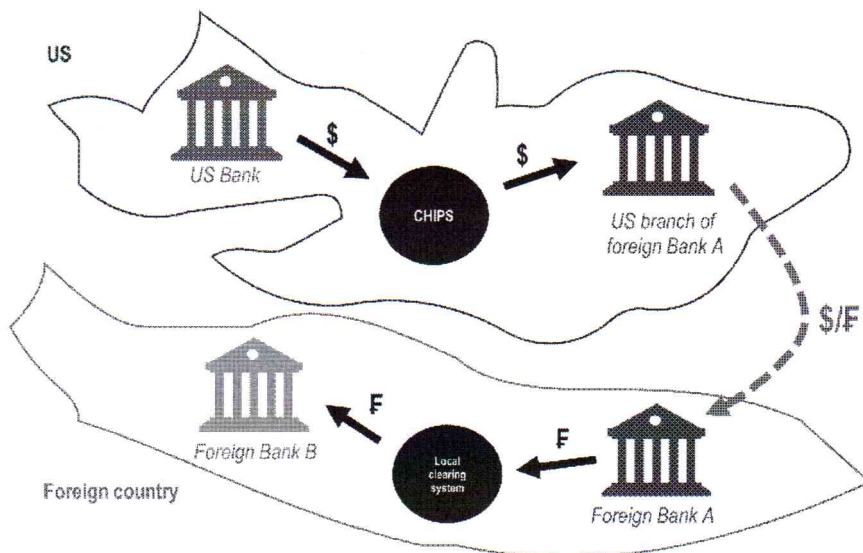
4. The description of CHIPS is largely adapted from Eichengreen, B. (2022). *CSIS Briefs: Sanctions, SWIFT, and China's Cross-Border Interbank Payments System* [online]. Available from: <https://www.csis.org/analysis/sanctions-swift-and-chinas-cross-border-interbank-payments-system>

5. Federal Reserve. (n.d.). *Designated Financial Market Utilities* [online]. Available from: [https://www.federalreserve.gov/paymentsystems/designated\\_fmu\\_about.htm](https://www.federalreserve.gov/paymentsystems/designated_fmu_about.htm)

6. The Clearing House. (n.d.). *About CHIPS* [online]. available from: <https://www.theclearinghouse.org/payment-systems/CHIPS>

**Cashing your CHIPS.** Consider a transaction where a US bank needs to transfer money to a foreign bank that has no US branches (Foreign bank B; Figure 3). Here, the originating US bank instead transfers money (via CHIPS) to a foreign bank that does have a US branch which is, too, a direct participant in CHIPS (US branch of foreign bank A). Foreign bank A then internally transfers the money from its US branch to its headquarters in the foreign country (exchanging from US dollars to the requisite foreign currency as needed). There, foreign bank A uses the local payments clearing system to transfer the money to foreign bank B. Thus, outbound payments from US banks use CHIPS to clear. Similarly, payments originating in one foreign jurisdiction and destined for a different foreign jurisdiction can also be settled through CHIPS if the chain of correspondent banks that facilitates the transaction includes either a US bank or a foreign bank with a US branch that executes any link in the transaction chain.

Figure 3: The role of CHIPS in settling cross-border transactions



Source: J.P. Morgan; adapted from Eichengreen, B. (2022). *CSIS Briefs: Sanctions, SWIFT, and China's Cross-Border Interbank Payments System* [online].

## The question of BRICS+ de-dollarization

**BRICS countries have long stood in opposition to the status quo of international financial architecture.** In their first formal summit, held in 2009 in Russia, the leaders of Brazil, Russia, India and China discussed, amongst other things, the reform of international financial architecture. In a joint statement following that summit, the four leaders noted that “emerging and developing economies must have greater voice and representation in international financial institutions”, and that there was “a strong need for a stable, predictable and more diversified international monetary system”<sup>7</sup>. Since then, BRICS countries' calls for reform of the international monetary and financial system have grown louder and more persistent, and the role of the dollar has become a common target.

7. University of Toronto BRICS Information Centre. (2009). *Joint Statement of the BRIC Countries' Leaders* [online]. Available from: <http://www.brics.utoronto.ca/docs/090616-leaders.html>



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**The dominant international role of the dollar has been questioned by BRICS on macroeconomic and geopolitical grounds.** In macroeconomic terms, different BRICS-aligned policy forums and individual policymakers have criticized the global role of the dollar on the grounds that domestic US economic weakness or turmoil exacts disproportionate losses outside of the US as erstwhile local shocks are transmitted internationally via broad dollar moves <sup>8</sup>. Recent years have also brought about a geopolitical dimension to BRICS' push against the dollar: in the wake of Russia's invasion of Ukraine in February 2022, the US, the EU and other allies imposed economic and financial sanctions on Russia and a variety of Russian entities. Some of these included expelling multiple Russian banks from SWIFT <sup>9</sup> and bans on transactions with the Bank of Russia related to the management of its reserves <sup>10</sup>. This served to intensify Russia's push against the dollar, and also prompted other BRICS policymakers to consider avenues for de-dollarization.

**BRICS+ continue to call for international monetary and financial system reform.** BRICS+ (the group's new designation, following an expansion to include Iran, Egypt, Ethiopia and the UAE in 2024 <sup>11</sup>; Saudi Arabia, which has not formally accepted the invitation to join <sup>12</sup>; and Indonesia, which joined in 2025 <sup>13</sup>) held their most recent leaders' summit in 2024, in the Russian city of Kazan. The joint statement from that summit dealt with multiple points in terms of international financial infrastructure <sup>14</sup>. These included mechanisms for financing in BRICS local currencies; cross-border payment instruments; the use of local currencies in financial transactions between BRICS countries and their trading partners; and strengthening intra-BRICS correspondent banking networks. The statement also touched on exploring the creation of independent cross-border settlement and depositary infrastructure; and strengthening elements of the financial infrastructure that BRICS have already developed or designed, including the New Development Bank (NDB) and the BRICS Contingent Reserve Arrangement (CRA), meant to assist BRICS countries in dealing with short-term balance of payments pressures and ensure financial stability.

**Russia, which held the rotating BRICS+ Presidency in 2024, used it to intensify the push for de-dollarization.** During its tenure of the group's rotating Presidency in 2024, Russia pushed the de-dollarization agenda in several ways. At the Kazan summit, President Putin put special emphasis on the topic in his public remarks, commenting that "the dollar is being used as a weapon" <sup>15</sup>. This should come as no surprise: since becoming the subject of sanctions, Russia has sought to de-dollarize its economy, for instance by settling some exports to India in alternative currencies, like the UAE's dirham or its own ruble <sup>16</sup>. Leading up to the Kazan summit, Russia's Finance Ministry

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8. Carnegie Endowment for International Peace. (2023). *The Difficult Realities of the BRICS' Dedollarization Efforts—and the Renminbi's Role* [online]. Available from: <https://carnegieendowment.org/research/2023/12/the-difficult-realities-of-the-brics-dedollarization-effortsand-the-renminbis-role?lang=en>

9. Carnegie Endowment for International Peace. (2022). *How Sanctions on Russia Will Alter Global Payments Flows* [online]. Available from: <https://carnegieendowment.org/posts/2022/03/how-sanctions-on-russia-will-alter-global-payments-flows?lang=en>

10. Council of the European Union. (2025). *EU Sanctions Against Russia Explained* [online]. Available from: <https://www.consilium.europa.eu/en/policies/sanctions-against-russia-explained/>

11. Carnegie Endowment for International Peace. (2024). *BRICS Expansion, the G20, and the Future of World Order* [online]. Available from: <https://carnegieendowment.org/research/2024/10/brics-summit-emerging-middle-powers-g7-g20?lang=en>

12. Carnegie Endowment for International Peace. (2024). *Why Is Saudi Arabia Hedging Its BRICS Invite?* [online]. Available from: <https://carnegieendowment.org/essay/2024/11/brics-saudi-arabia-hedging-why?lang=en>

13. Center for Strategic and International Studies. (2025). *The Latest on Southeast Asia: Indonesia joins BRICS* [online]. Available from: <https://www.csis.org/blogs/latest-southeast-asia/latest-southeast-asia-indonesia-joins-brics>

14. Presidential Administration of the Russian Federation. (2025). *XVI BRICS Summit: Kazan Declaration* [online]. Available from: <http://>



and Central Bank published a joint report with consulting firm Yakov and Partners on the “Improvement of the International Monetary and Financial System”<sup>17</sup>, which laid out Russia’s view for de-dollarization.

**The pillars of de-dollarization.** The Russian report on “Improvement of the International Monetary and Financial System” identified four key elements that would need to be addressed, namely: 1) cross-border payments infrastructure; 2) cross-border capital flows; 3) official reserve asset holdings; and 4) “stabilisation and development”, which encompasses the “global financial safety net” and development finance institutions. The report also adds to these four core elements a fifth “underlying” component of innovation and technology, emphasizing the need for “fast, cost-effective and protected means of settlement that rely on innovative solutions such as central bank digital currencies (CBDCs)”. This last point has fed into emerging views that any BRICS-led initiative to develop an alternative to the dollar could rely on new technologies, such as CBDCs.

**BRICS+ de-dollarization efforts have not gone unnoticed.** Concern with preserving the global role of the dollar has been expressed across recent US administrations. In July 2024, while testifying before the House of Representatives Financial Services Committee and discussing US sanctions policy, former Treasury Secretary Janet Yellen noted that she thought the protection of the dollar was important, and that “the more we have used sanctions, the more countries look for ways to engage in financial transactions that don’t involve the dollar”<sup>18</sup>. This concern has continued into the Trump administration. Several weeks after his 2024 re-election, President Trump warned BRICS against pursuing efforts to de-dollarize. In January 2025, Trump further threatened to impose 100% tariffs and restrict access to exporting to the US unless BRICS countries committed to “neither create a new BRICS currency, nor back any other currency to replace the mighty U.S. Dollar”<sup>19</sup>. The nature of these statements suggest that US concern for other countries in general, and BRICS+ in particular, developing alternative pieces of financial architecture run deep.

**The rotating BRICS+ Presidency now moves from Russia to Brazil, which has a more delicate balancing act.** Brazil holds the rotating BRICS+ Presidency in 2025, and will host this year’s leaders summit in Rio de Janeiro. Brazil, and particularly the Lula administration, has tried to keep the focus of BRICS+ as another pole in an emerging multi-polar global order, rather than as an overt antagonist to the West; indeed, while Russia has often tried to portray BRICS “as a counterweight to the G7 (...) President [Lula] likes to insist that BRICS is ‘not against anyone’ ”<sup>20</sup>. Brazil has already outlined

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[static.kremlin.ru/media/events/files/en/RosOySvLzGaJtmx2wYFv0IN4NSPZploG.pdf](https://static.kremlin.ru/media/events/files/en/RosOySvLzGaJtmx2wYFv0IN4NSPZploG.pdf)

15.The Guardian. (2024). *Putin calls for alternative international payment system at Brics summit* [online]. Available from: <https://www.theguardian.com/world/2024/oct/23/putin-world-economy-bloc-brics-summit>

16.Reuters. (2023). *Insight: India’s oil deals with Russia dent decades-old dollar dominance* [online]. Available from: <https://www.reuters.com/markets/currencies/indias-oil-deals-with-russia-dent-decades-old-dollar-dominance-2023-03-08/>

17.Yakov and Partners. (2024). *Russia presents its vision of the future global financial system* [online]. Available from: <https://yakovpartners.com/publications/imfs/>

18.United States Congress. (2024). *The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System* [online]. Available from: <https://www.congress.gov/event/118th-congress/house-event/LC73523/text>

19.The Hill. (2025). *Trump threatens BRICS nations that move away from ‘mighty US dollar’* [online]. Available from: <https://thehill.com/business/5118693-trump-threats-tariffs-brics-reserve-currency/amp/>

20.Stuenkel, O. (2024). *Brazil’s BRICS Balancing Act Is Getting Harder* [online]. Available from: <https://www.americasquarterly.org/article/brazils-brics-balancing-act-is-getting-harder/>



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its priorities for its tenure of the BRICS+ Presidency this year, indicating that trade, investment and finance will be one of its focus areas. This, however, appears to be focused mostly on big-picture governance of existing Bretton Woods and BRICS institutions, though it also includes the continuation of efforts to “develop local payment instruments (...) taking advantage of (...) payments systems among BRICS members” <sup>21</sup>.

Figure 4: Initiatives and instruments for de-dollarization

	Initiative / Instrument	Entity promoting or leading	Purpose	Status
BRICS currency	<b>BRICS+ Common Currency (R\$)</b>	BRICS	Common currency for BRICS+	Discussion / speculation
	<b>UNIT</b>	UNIT Foundation (with linkages to BRICS Business Council and IRIAS)	Asset-backed digital currency	Proposal
Cross-border transactions	<b>BRICS Cross-Border Payments Initiative (BCBPI)</b>	BRICS+ led by Russia	Cross-border settlement platform	Proposal
	<b>BRICS Clear</b>	BRICS+ led by Russia	Cross-border settlement and depository infrastructure	Proposal
	<b>BRICS Pay</b>	BRICS+ (seemingly led by Russia and India)	Decentralized cross-border payments system	Proposal
	<b>Decentralized Cross-Border Messaging System (DCMS)</b>	Russia (St. Petersburg State University with linkages to BRICS Business Council)	Payments messaging system (SWIFT alternative)	Testing
A BRICS Bretton Woods	<b>New Development Bank (NDB)</b>	BRICS	Multilateral Development Bank (focus on infrastructure and sustainable development projects)	Operational
	<b>Asian Infrastructure and Investment Bank (AIIB)</b>	China	Multilateral Development Bank (focus on infrastructure)	Operational
	<b>BRICS Interbank Cooperation Mechanism (ICM)</b>	BRICS	Cooperation between national development banks	Operational (limited use)
	<b>BRICS Contingent Reserve Arrangement (CRA)</b>	BRICS	Sovereign emergency financial support (IMF alternative)	Established (unused)
	<b>Chiang Mai Initiative (CMIM)</b>	ASEAN + 3	Sovereign emergency financial support (IMF alternative)	Operational (unused)
Domestic developments	<b>System for Transfer of Financial Messages (SPFS)</b>	Russia	Payments messaging system (SWIFT alternative)	Operational
	<b>Cross-border Interbank Payment System (CIPS)</b>	China	Cross-border payment clearing in renminbi and payments messaging system	Operational
	<b>Local payments systems (e.g. Alipay and WeChat Pay, Pix, UPI, PayShap)</b>	Individual BRICS+ countries	Domestic digital payment systems with potential for cross-border transactions	Operational
	<b>SADC-RTGS</b>	South Africa	Real-time gross settlement system serving the Southern African Development Community	Operational
CBDCs	<b>Domestic CBDCs</b>	Individual BRICS+ countries	Central Bank Digital Currencies	Pilot
	<b>Project mBridge</b>	BIS with China, UAE, Hong Kong, Thailand	Multi-CBDC platform for cross-border payments	Minimum Viable Product

Source: J.P. Morgan

## How could BRICS+ reduce reliance on the dollar?

<sup>21</sup>Ministry of Foreign Affairs and the Social Communication Secretariat of the Presidency of the Republic of Brazil. (2025). *What are the priorities of Brasil's BRICS presidency?* [online]. Available from: <https://brics.br/en/about-the-brics/brazilian-presidency>



**There are a multitude of initiatives and proposals that have entered public discussion as mechanisms for BRICS+ to de-dollarize.** These proposals can be grouped into three main categories, by function: proposals dealing with a new cross-BRICS currency; proposals dealing with new cross-border transaction infrastructure, or with unifying existing national infrastructure across borders; and non-payments instruments intended to develop an alternative international financial system. Some of the most relevant or broadly discussed proposals include:

1. **BRICS currency**
  - a. "R5" common currency
  - b. The UNIT
2. **BRICS cross-border payments, settlement and/or depository infrastructure**
  - a. BRICS Cross-Border Payments Initiative (BCBPI)
  - b. BRICS Clear
  - c. BRICS Pay
  - d. Decentralized Cross-Border Messaging System (DCMS)
3. **Institutions as alternatives to the Bretton Woods order**
  - a. New Development Bank (NDB)
  - b. BRICS Contingent Reserve Arrangement (CRA)
  - c. BRICS Interbank Cooperation Mechanism (ICM)
  - d. BRICS (Re)Insurance Company
  - e. BRICS Investment Platform
  - f. BRICS Grain Exchange
  - g. Chiang Mai Initiative (CMIM)
  - h. Asian Infrastructure Investment Bank (AIIB)

**These initiatives have been developed or conceptualized to varying degrees, with the New Development Bank (NDB) the only proposal that is in full operation within the BRICS+ framework.** Besides the NDB, other proposals have also been developed into real-world projects, though to a lesser extent, such as the CRA. Others still exist only schematically, such as BRICS Pay. Finally, a few others have not gone beyond the conceptual stage. Outside of the BRICS+ framework, the AIIB is also in full operation.

**The idea for a BRICS common currency has gone in and out of focus over the years, but remains an unlikely development over the short term.** The discussion of a common currency for BRICS has emerged at different times, with Brazil's President Lula a noteworthy proponent (Lula called on BRICS to create a common currency while speaking at the 2023 BRICS summit in Johannesburg <sup>22</sup>). The idea of a common BRICS currency (sometimes referred to informally as "R5", because the currencies of all five original BRICS members start with the letter "R") has been fleshed out over time in different formulae, including a euro-like common currency and an SDR-like currency

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22.Reuters. (2023). *Explainer: What is a BRICS currency and is the U.S. dollar in trouble?* [online]. Available from: <https://www.reuters.com/markets/currencies/what-is-brics-currency-is-us-dollar-trouble-2024-12-17/>



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basket <sup>23</sup>. However, the idea has never moved forward in a material way, and recent BRICS summit declarations and available working documents suggest that developing a common currency is not the main focus of BRICS countries (Brazilian officials have recently said the Lula administration would not push for a common BRICS currency during Brazil's tenure of the rotating BRICS Presidency this year <sup>24</sup>).

**Closely knit, but far apart?** A common BRICS currency would likely require significant coordination of monetary and other macroeconomic policies <sup>25</sup> that is likely beyond the BRICS' desired level of integration, and would further require the creation of supra-national governance bodies, like the Euro Area's ECB, to regulate the common monetary system. This would likely be a step (or several) too far for what remains an informal grouping of countries with disparate macroeconomic conditions – and a group that is growing, too, which can further hinder any coordination efforts. An alternative idea that has recently come to the fore is the development of a single currency for use as a unit of account. Finally, a more novel initiative would be the UNIT, a proposed digital currency ecosystem with apparent links to the BRICS Pay initiative. However, though its current level of development is difficult to gauge, the UNIT is seemingly not ready for deployment.

**Cross-border transaction infrastructure has recently captured media attention, but is not yet at an operational stage.** The recent declaration from the Kazan summit put a spotlight on cross-border payments instruments. The declaration emphasized the benefits of cross-border payments instruments that offered non-discriminatory access; the use of local currencies in intra-BRICS transactions; the strengthening of the intra-BRICS correspondent banking network; and explicitly mentioned the BCBPI and the BRICS Payments Task Force. The BCBPI is a proposal for a “common multilateral settlement platform” brought forward by Russia <sup>26</sup>. The language of the declaration, however, is tepid on this specific proposal, which suggests that there is little agreement amongst BRICS+ members on how this initiative should evolve. Moreover, the Russian-authored report on reforming the international monetary and financial system makes it clear that BCBPI remains merely a proposal, and that there is no concrete system or infrastructure in development.

**Outside of official declarations, other cross-border transaction initiatives are slowly taking shape.** BRICS Pay, a proposed decentralized payments platform, has also captured media attention recently as a potentially more fleshed-out system to integrate the existing national payments systems of BRICS+ countries. Relatedly, the Decentralized Cross-Border Messaging System (DCMS), a payments messaging tool

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23 For extensive discussion on the single-currency initiative, see: Eichengreen, B. (2024). *The BRICS Currency Charade* [online]. Available from: <https://www.project-syndicate.org/commentary/brics-kazan-summit-futile-common-currency-effort-by-barry-eichengreen-2024-11> ; BRICS+ Analytics. (2023). *How does the BRICS currency transform the world economy?* [online]. Available from: <https://brics-plus-analytics.org/how-does-the-brics-currency-transform-the-world-economy/> ; Nogueira Batista Jr., P. (2023). *BRICS Financial and Monetary Initiatives – the New Development Bank, the Contingent Reserve Arrangement, and a Possible New Currency* [online]. Available from: <https://valdaicclub.com/a/highlights/brics-financial-and-monetary-initiatives/> ; and Nogueira Batista Jr., P. (2024). *BRICS: Transactions in National Currencies, Cross-Border Payment Systems and a New Reserve Currency* [online]. Available from: <https://valdaicclub.com/a/highlights/brics-transactions-in-national-currencies/>

24 Reuters. (2025). *Brazil nixes BRICS currency, eyes less reliance on 'mighty' dollar* [online]. Available from: <https://www.reuters.com/markets/currencies/brazil-nixes-brics-currency-eyes-less-reliance-mighty-dollar-2025-02-13/>

25 Africa Policy Research Institute. (2024). *The BRICS currency conundrum: Weighing the pros and cons of a unified monetary system* [online]. Available from: <https://africpoli.org/the-brics-currency-conundrum-weighing-the-pros-and-cons-of-a-unified-monetary-system#>

26 Discussed in the report by Yakov and Partners on *Improvement of the International Monetary and Financial System*.



with links to BRICS Pay, can be seen as a Russia-developed proposal to replace SWIFT within BRICS+. The Kazan summit declaration also mentions BRICS Clear, a proposed platform that would link countries' existing securities depositories to enable cross-border capital flows relying on BRICS-native infrastructure.

**BRICS has also sought to develop alternatives to Bretton Woods institutions.** The motivation behind this set of initiatives is the notion that the governance of existing international financial organizations is skewed in favor of developed countries at the expense of emerging economies. BRICS has already created an alternative multilateral lender, the New Development Bank (NDB), which aims to increase financing to BRICS countries in their local currencies. BRICS have also developed an alternative entity for emergency sovereign financing, the Contingent Reserve Arrangement (CRA). This instrument, though, has reportedly never been used, limiting its ability to insulate BRICS from the existing global financial architecture. BRICS proposals also include the Interbank Cooperation Mechanism (ICM), focused on "facilitating and expanding innovative financial practices and approaches for projects"; a BRICS-native reinsurance entity; a new NDB-linked investment platform; and a BRICS grain exchange <sup>27</sup>. BRICS countries have not limited themselves to the BRICS+ framework on this front, though, with individual countries developing alternative entities, such as the Asian Infrastructure Investment Bank (AIIB) and the Chiang Mai Initiative (CMIM), both of which count China as a pivotal participant.

## Deep dive into potential BRICS+ conduits for de-dollarization

### **BRICS Cross-Border Payment Initiative (BCBPI)**

**The BRICS Cross-Border Payments Initiative aims to be a "common multilateral settlement platform based on modern technologies".** The BCBPI was formally proposed by the Bank of Russia in 2024 <sup>28</sup>. The BCBPI is envisioned as a supranational piece of financial infrastructure that would seek to facilitate cross-border payments between BRICS countries, establishing interoperability of existing national payments systems. It would thus aim to increase the share of national currencies used in cross-border settlement, in keeping with the aims stated in the 2024 Kazan summit declaration. It could thus be understood as a BRICS-native multinational alternative to a combination of the US' CHIPS and Fedwire systems.

**The BCBPI is merely a proposal, and its framing suggests there is little agreement between BRICS+ countries on how to move forward.** The 2024 Kazan summit declaration discussed the BCBPI as a way of enabling cross-border settlement in local currencies. However, the declaration notes that the BCBPI is "voluntary and non-binding" for member countries, which suggests very limited consensus regarding its development and implementation <sup>29</sup>. Moreover, the Russian-authored report on reforming the international monetary and financial system, which provides more detail than the Kazan declaration on the BCBPI proposal, is vague in its own right. The

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27.Council on Foreign Relations. (2024). *Why Expanded BRICS Is Backing a Russia-Initiated Grain Exchange* [online]. Available from: <https://www.cfr.org/blog/why-expanded-brics-backing-russia-initiated-grain-exchange>

28.Details of the BCBPI are discussed in the report by Yakov and Partners on *Improvement of the International Monetary and Financial System*.

29.Voice of America. (2024). *BRICS' de-dollarization agenda has a long way to go* [online]. Available from: <https://www.voanews.com/a/brics-de-dollarization-agenda-has-a-long-way-to-go/7840686.html>



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discussion of the BCBPI proposal within that report is put forward within a broader conceptual discussion on implementing a CBDC solution for cross-border payments. This treatment further suggests that the terms for developing the BCBPI remain under discussion, and that the platform's design remains merely a prospect.

### **BRICS Clear**

**BRICS Clear is proposed as an independent cross-border settlement and depository infrastructure.** In the 2024 Kazan summit declaration, BRICS countries addressed their need to “explore the feasibility of connecting BRICS countries’ financial markets infrastructure”, and agreed to discuss the feasibility of establishing BRICS Clear. The declaration, as with the BCBPI, is mild in its language, suggesting that there is little consensus on how to move forward with the BRICS Clear initiative. In particular, the Kazan declaration notes that BRICS Clear is intended “to complement existing financial market infrastructure”, and that participation would be on a voluntary basis. BRICS Clear was proposed by Russia in its role holding the rotating BRICS Presidency last year<sup>30</sup>.

**BRICS Clear aims to create channels for BRICS countries to avoid global financial centers in capital transactions.** Russia proposed creating BRICS Clear as an “electronic system of inter-depository interaction” for cross-border securities accounting and settlement between BRICS countries. The proposal would see a platform being introduced in parallel to existing market infrastructure, linking member countries’ central securities depositories, ensuring that transactions between BRICS countries can take place under a unified system while skirting the need to go through traditional financial hubs. This would seek to foster the development of (new) financial hubs within the jurisdiction of BRICS Clear member countries, while creating financial channels that are “independent of third-party influence” (i.e., sanctions-proof).

**Schematically, BRICS Clear would comprise (i) an electronic inter-depository interaction system, governed by (ii) a supranational agreement laying out (iii) a set of rules under the governance of (iv) a management committee.** The supranational agreement would form the basis of the system’s functionality, and would be binding for participating countries. Within this agreement would be encoded a set of rules to govern the system, which would be amendable only by unanimity of system participants (offering an additional hedge against unilateral sanctions-type risk). The management committee would include representatives of central banks and/or financial regulators, depositories, or platform operators from member countries, and would establish the operating rules for the system. The electronic system could be developed as a platform based on distributed ledger technology, where the cross-border transfer of securities occur via smart contracts<sup>31</sup>.

**In spite of the more fleshed-out proposal, BRICS Clear still remains merely a proposal.** If the tepid language of the Kazan summit declaration is insufficient to draw conclusions, then the BRICS Business Council (BBC) 2023/24 Annual Report offers some additional insights into BRCIS Clear<sup>32</sup>. Here, the discussion around the

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30. Details discussed in the report by Yakov and Partners on *Improvement of the International Monetary and Financial System*.

31. BRICS Pay (n.d.) *Concept of an Interstate Digital Settlement System (BRICS Clear)* [online]. Available from: <https://bbf2a463-6e2c-4484-b1b1-b55a3678d857.selstorage.ru/BRICS-Clear.pdf>

32. BRICS Business Council. (2024). *Annual Report 2023/24* [online]. Available from: [https://bbf2a463-6e2c-4484-b1b1-b55a3678d857.selstorage.ru/BRICS\\_ar\\_2024.pdf](https://bbf2a463-6e2c-4484-b1b1-b55a3678d857.selstorage.ru/BRICS_ar_2024.pdf)

implementation of BRICS Clear is presented under the notion of “commercial voluntariness”, which suggests, yet again, limited alignment between member countries and the lack of a single, coordinated vision. Moreover, the BBC Annual Report proposes the initiation of a dialogue regarding the regulatory integration of BRICS Clear into the financial architecture of platform member countries, further suggesting work on the topic is at an early stage. (The BRICS Business Council “serves as a platform connecting businesses with BRICS governments to foster and strengthen economic, trade, and investment ties among member nations”; its “primary objective is to develop recommendations aimed at improving the business environment and present them to the BRICS Leaders”<sup>33</sup>).

### BRICS Pay

**The proposal for BRICS Pay aims to be a decentralized payment system that integrates with existing domestic platforms, offering a BRICS-native alternative for cross-border payments.** BRICS Pay would seek to be both (i) a consumer-facing platform, providing online wallets via mobile applications and enabling users to make payments in their national currencies using smartphones<sup>34</sup>; and (ii) a B2B cross-border payments rail set up on the infrastructure of the banks of BRICS member countries<sup>35</sup>. According to the BRICS Business Council (BBC) 2023/24 Annual Report, the initiative to create a new international payment system was placed on the group’s agenda in 2018 to simplify payments for travelers and expatriates from BRICS+ countries. The concept was explored during Russia’s tenure of the BRICS rotating Presidency in 2020. Under India’s tenure in 2021, a special task force was established to further develop the service. Russia and India reportedly conducted a technical assessment for a bilateral pilot project, resulting in the creation of a mobile payment gateway, and the BRICS Pay concept was further explored in 2022 and 2023.

**The retail payment aspect is intended to facilitate transactions using Quick Response (QR) code technology.** It aims to create gateways between existing international, national, and commercial payment systems within the BRICS+ group, allowing users to make cashless payments in their national currencies using digital wallets accessible through their smartphones. In its initial phase, though, the system is advertised as enabling foreigners to use Visa and Mastercard for transactions within Russia, offering accessibility through a web application and later through mobile apps, with QR technology linking existing payment systems coming at a future date<sup>36</sup>. Public information on the B2B payments rail aspect of the system is more limited.

**BRICS Pay is designed with decentralization in mind.** The system would purportedly have a “decentralized fractal topology” (Figure 5). This means that BRICS Pay “envision[s] a more centralized structure within individual countries” (i.e., existing or prospective payment networks within each country, with local settlement banks at the centers sub-network), while maintaining a decentralized approach on an international scale (with the banks at the centers of these local sub-networks connected to each other)

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33 Ministry of Foreign Affairs and the Social Communication Secretariat of the Presidency of the Republic of Brazil. (2025). *BRICS Business Council* [online]. Available from: <https://brics.br/en/brics-p2p/brics-business-council>

34 BRICS Pay. (2025). *BRICS Pay for Retail Payments* [online]. Available from: <https://www.brics-pay.com/BRICS-Pay-Retail>

35 For more detail see <https://b2bricspay.com/> (in Russian).

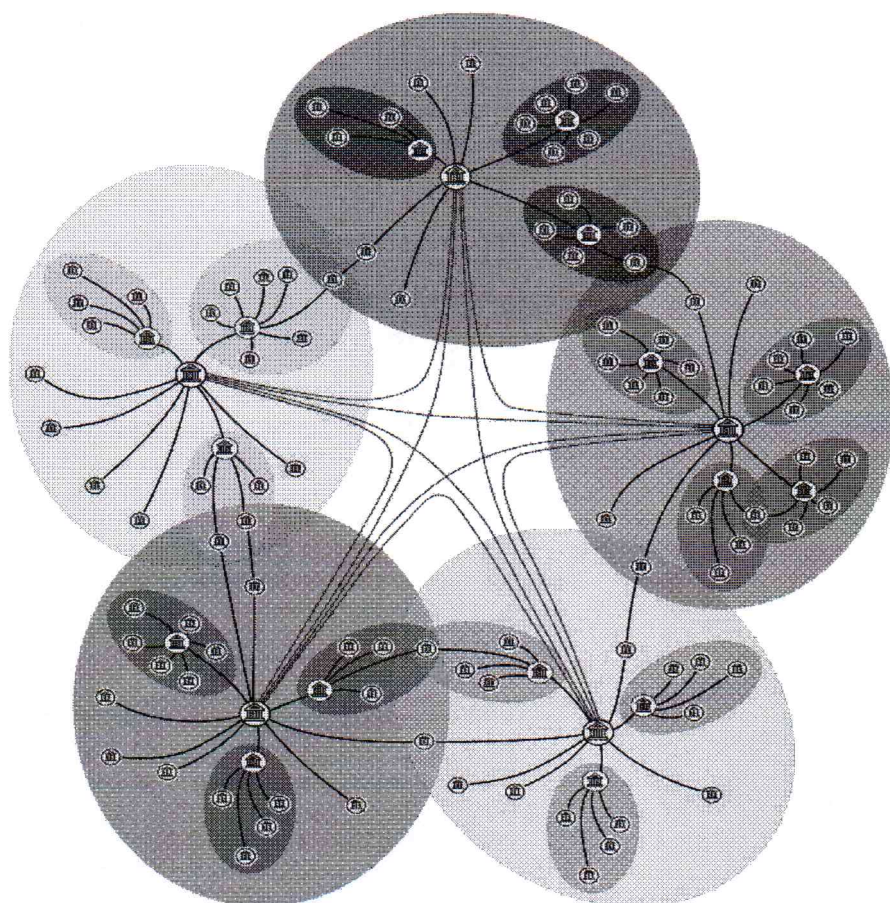
36 BRICS Pay Consortium. (2024). *Press Release: Launch Of BRICS Pay at the BRICS Business Forum* [online]. Available from: <https://www.brics-pay.com/>



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<sup>37</sup>. The distributed nature of the system would allow for information and transactions to flow unrestricted, while eschewing a central authority; this would ostensibly prevent the system from being used unilaterally to exclude any one participant from it. The platform would operate through an entity referred to as the BRICS Pay Consortium, a group of undisclosed firms working on the BRICS Pay project under the framework of a DAO (Decentralized Autonomous Organization). The consortium is reportedly operating without forming a distinct legal entity or establishing a central headquarters, while adhering to local regulations where the individual firms operate <sup>38</sup>.

**Figure 5: Schematic representation of BRICS Pay network architecture**  
Schematic representation of BRICS Pay distributed network



Source: BRICS Pay, The Internet Archive

**Though it's been the focus of media reports recently, BRICS Pay is seemingly still at the proposal and feasibility stage.** In 2024, the BRICS Pay initiative was put in the limelight, and a version of the system was reportedly unveiled at the BRICS Business Forum, held in Moscow. Forum attendees were reportedly handed physical BRICS Pay cards pre-loaded with RUB 500, for use at shops within the conference center where the

<sup>37</sup>This schematic description and the accompanying graphic of the BRICS Pay network architecture has been removed from the BRIC Pay website, but can be accessed via The Internet Archive, here: <https://web.archive.org/web/20241204053729/https://www.brics-pay.com/>

<sup>38</sup>BRICS Pay Consortium. (2024). *Agreement on BRICS Pay Consortium* [online]. Available from: <https://www.brics-pay.com/>



forum was held <sup>39,40</sup>. However, media reports noted that this was symbolic, rather than a demonstration of an operational system. Currently, a live BRICS Pay website exists, containing information on the system's architecture, demo videos, and other details. Despite recent communications suggesting an imminent launch, there appears to be limited functional infrastructure in place behind the façade. As per the BRICS Business Council 2023/24 Annual Report, BBC members recognize the need to "evaluate the feasibility of the BRICS Pay entrepreneurial project" as an issue under discussion, further suggesting that there is no live system.

**BRICS Pay is connected to two other de-dollarization proposals: the UNIT and the DCMS.** The BRICS Pay website contains links to the UNIT and to the Decentralized Cross-Border Messaging System (DCMS); both of these are potential elements in the constellation of de-dollarization tools for BRICS that appear to have been pushed by Russia recently. The UNIT, described as the "BRICS+ Unit of account", has been discussed in media reports as a cryptocurrency alternative for the block. The DCMS, meanwhile, is a proposed payments messaging system ostensibly designed as a BRICS+ alternative to SWIFT.

## UNIT

**The UNIT is proposed as an asset-backed digital currency, aiming to allow the global financial system to function without directly using national currencies for international trade and reserves.** The UNIT is intended to function as a global currency alternative<sup>41</sup>, operating within existing financial infrastructure. The UNIT is intended to circumvent the "strong distrust of EM fiat currencies" – a distrust made worse by what the UNIT's creators describe as "direct interference into global trade via sanctions by G-7 and heavy handed policies imposed by the IMF and other international institutions on economic agents from the Global South"<sup>42</sup>. The UNIT Foundation<sup>43</sup>, in discussing potential use cases for the currency, notes that BRICS+ are not prepared to launch a currency of their own and, given this, BRICS+ countries could deploy the UNIT.

**A cryptocurrency alternative for BRICS+?** The UNIT is explicitly discussed in the BRICS Business Council (BBC) 2023/24 Annual Report as a unit of account to facilitate cross-border transactions, and is further treated as a topic to be discussed by BBC members. The UNIT has also captured some media attention recently as one possible instrument for BRICS to de-dollarize. Notably, as with BRICS Pay, the UNIT is not explicitly mentioned in the Kazan summit declaration. However, it is perhaps the most thoroughly fleshed-out of the de-dollarization proposals that exist in the cross-border transactions space for BRICS+. There is a live, branded website for the UNIT Foundation, which contains a white paper discussing the reasoning and design behind the UNIT, as well as some institutional information on the development of the project, and a call for capital.

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39 BRICS Pay. (2024). *BRICS Pay Technology Demonstration* [online]. Available from: <https://www.brics-pay.com/DemoMoscow>

40 CCN. (2024). *BRICS Unveils Long-Awaited Payment System At New Summit* [online]. Available from: <https://www.ccn.com/news/crypto/brics-unveils-new-payment-system/>

41 UNIT Foundation. (2024). *Manifest* [online]. Available from: <https://unitfoundation.org/>

42 Unit Foundation. (n.d.). *FAQ - UNIT Ecosystem 101* [online]. Available from: [https://wp.unitfoundation.org/assets/unit\\_faq.pdf](https://wp.unitfoundation.org/assets/unit_faq.pdf)

43 Descriptive details are taken from the UNIT Foundation website; the *UNIT Ecosystem 101* document, and the *UNIT white paper*. Subbotin, A. and Luo, J. (2023). *The UNIT white paper* [online]. Available from: <https://wp.unitfoundation.org/>



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**The UNIT ecosystem would enable transactions in fungible UNIT tokens.**

Schematically, the UNIT ecosystem would comprise (i) a digital token (the "UNIT"); (ii) a "reserve basket" of assets that anchors the value of the token; (iii) a network of nodes at which fractional units of the reserve basket "are present"; (iv) a set of rules to govern the network and the issuance of new tokens; (v) a DAO (Decentralized Autonomous Organization) which would encode the governance rules; and, potentially, (vi) an intergovernmental organization, which could act as the custodian for the DAO that underpins the ecosystem. The network is conceptualized as using distributed ledger technology to procure its integrity as it grows. However, the available documentation notes that the UNIT is neither a cryptocurrency (because its intrinsic value is determined by a basket of underlying assets) nor a stablecoin (because the value is not linked to any one specific asset, but depends on the composition of the basket, which would itself fluctuate over time).

**The proposed reserve basket of underlying assets would back the UNIT's value.**

The core element of the UNIT ecosystem would be a "node", defined as an online entity linked to a physical hub containing a proportionally-identical basket of assets, including gold and local currencies. Nodes would be located in "favorable jurisdictions" and serve as custodians by accepting replicas of the UNIT reserve basket and minting new UNIT tokens in exchange. The intrinsic value of the UNIT token would then be derived from the value of the underlying basket, measured in terms of gold. The basket would exclusively include assets that are freely tradable in gold terms for spot delivery at any of the UNIT nodes. A self-similar basket would be present at each node of the network, and the aggregate value of assets at all nodes would equal the total value of the UNIT reserve. In principle, the price of the UNIT token would oscillate around the value of the reserve basket.

**The UNIT has not been overtly discussed by BRICS+ leaders or mentioned in summit declarations; however, it is tethered to multiple entities with connections to BRICS+ and to Russia, suggesting it is being actively pursued.** The UNIT is discussed on the BRICS Pay website and in the annual reports of the BRICS Business Council; it has also been reported on by some media as a "BRICS unit of account" or as a "crypto alternative" for BRICS+ <sup>44</sup>. Publicly available information on the UNIT suggests little overt linkages to BRICS+, however, as the UNIT Foundation website portrays the UNIT as an independent project, with adoption by BRICS+ as one amongst several potential use cases. Moreover, the UNIT is being developed under the International Research Institute for Advanced Systems (IRIAS), a Soviet-era international organization that has the aim of carrying out "comprehensive research and development in the field of management theory and practice" <sup>45</sup>. This, however, obscures the fact that the UNIT has ties to Russian sanctions evasion efforts.

**The team responsible for the UNIT includes at least one individual who has been designated by the US Treasury's OFAC in relation to Russian sanctions evasion.** Alexey Subbotin, identified as a co-author of the UNIT white paper, was designated by OFAC in 2022 for his involvement in a "sanctions evasion and malign influence network led by Russian oligarch Konstantin Malofeyev", who was in turn identified as

<sup>44</sup>See, for example, Coingeek. (2024). *Is BRICS' new gold-backed currency imminent?* [online]. Available from: <https://coingeek.com/is-brics-new-gold-backed-currency-imminent/>

<sup>45</sup>International Research Institute for Advanced Systems. (2025). *Mission, Goals, Tasks and Research of IRIAS* [online]. Available from: <https://irias.group/index.php/en/irias/mission>



acting on behalf of the Russian government <sup>46</sup>. Part of the network was the International Agency of Sovereign Development (IASD), a Moscow-registered entity that pursued “deals around the world to facilitate business opportunities for sanctioned Russian companies” in coordination with the Russian government. According to the UNIT Foundation, Subbotin served as Director of the IASD. This connection suggests that the UNIT is being promoted by Russia, potentially to further insulate itself from sanctions. However, its absence from official BRICS+ communications suggests that the UNIT is either not relevant to the BRICS+ group as a whole, or that BRICS+ leaders do not share a vision around this initiative.

### **Decentralized Cross-Border Messaging System (DCMS)**

**Another angle for de-dollarization is payments messaging systems, which are needed to substitute SWIFT; Russia's Decentralized Cross-Border Messaging System (DCMS) is one such proposal.** The DCMS is proposed as a system that offers decentralized transmission and storage of financial messages between two or more participants <sup>47</sup>. The system is designed on the basis of distributed ledger technology which, crucially for its usage as a de-dollarization mechanism, would in theory preclude the possibility of any participant being excluded, as the system would have no single owner with the authority to expel individual participants. This feature was explicitly made the focal point of the DCMS' development, which began after Russia's own expulsion from the SWIFT network in 2022 <sup>48</sup>.

**An early promotional post<sup>49</sup> describes a structure similar to that intended for BRICS Pay, with smaller autonomous networks operating between financial intermediaries within countries, which then merge into a broader transnational network of system participants.** The system would reportedly allow for integration with national regulators, and for the encryption of financial transactions using encryption algorithms prevalent in the different countries adopting the technology. Additionally, using the networked structure would allow for messages to be relayed between two entities that may not be directly interconnected by using intermediaries (in a way that may be similar to how correspondent banking works). The system, being open source, could also be leveraged by non-financial firms that needed to relay financial information internally and externally, and (by using blockchain technology) could reportedly accommodate developments such as smart contracts. The system was thought out as geared towards cross-border transactions, as noted in early notes discussing its development.

**The DCMS was not explicitly developed by BRICS+; instead, it is explicitly a Russian project, but it has been the subject of focus by the BRICS Business Council.** The DCMS was developed at the Saint Petersburg State University's Centre for Distributed Ledger Technologies. Recently, an updated version of the software

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46. United States Department of the Treasury. (2022). *U.S. Treasury Designates Facilitators of Russian Sanctions Evasion* [online]. Available from: <https://home.treasury.gov/news/press-releases/jy0731>

47. The Saint Petersburg State University's Distributed Ledger Technology Centre hosts the official site of the DCMS, available here: <https://dltc.spbu.ru/dcms> (in Russian).

48. Saint Petersburg State University. (2022). *The Distributed Ledger Technologies Centre at St Petersburg University develops analogue of the SWIFT* [online]. Available from: <https://english.spbu.ru/news-events/news/distributed-ledger-technologies-centre-st-petersburg-university-develops-analogue>

49. Saint Petersburg State University. (2022). *Ten features of the new blockchain technology developed at St Petersburg University – the Russian analogue of the SWIFT system* [online]. Available from: <https://english.spbu.ru/news-events/news/ten-features-new-blockchain-technology-developed-st-petersburg-university-russian>



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(dubbed DCMS\_2.0) was presented during a Russian technology forum (Technoprom-2024), where the system's functionality for international transactions was the focal point. As per a university press release <sup>50</sup>, a representative of the BRICS Business Council Payments and FinTech Task Force attended the event and told forum attendees that the "DCMS (...) is already being actively tested in alternative mechanisms of international settlements within the BRICS+ framework". Moreover, in its 2023/24 Annual Report, the BRICS Business Council noted that the BRICS+ Payments and FinTech Task Force was focused on the DCMS as one of multiple initiatives on innovative financial and payments systems that are voluntary and non-binding for member countries <sup>51</sup>.

## A BRICS+ Bretton Woods?

**The global financial architecture requires not just a reserve asset and payments infrastructure, but also institutional arrangements that uphold the integrity of the system.** The international financial system as it currently exists is underpinned by a network of multilateral international organizations, with the Bretton Woods institutions (the IMF and the World Bank) playing a pivotal role as international lender of last resort for liquidity provision (IMF) as well as development lending (the World Bank and other MDBs). The issue of liquidity support in case of balance of payments pressures is increasingly important, particularly as BRICS+ and EM countries could question the readiness and availability of Fed FX swap lines in a future crisis.

**BRICS have also sought to push for de-dollarization by developing alternative multilateral entities; the most advanced of these are the BRICS New Development Bank (NDB), and the China-led Asian Infrastructure and Investment Bank (AIIB).** The NDB is a multilateral development bank (MDB) founded in 2015 by the original BRICS members "to mobilize resources for infrastructure and sustainable development projects" <sup>52</sup>. Besides the founding member countries, the Bank has admitted Algeria, Bangladesh, Egypt, the UAE and Uruguay as "non-founding members"; recently, Colombia, Indonesia and Uzbekistan have also expressed interest in joining the NDB. Headquartered in Shanghai, the NDB "supports public and private projects through loans, guarantees, equity participation and other financial instruments".

**The NDB's provision of development financing has been singled out as a tool for BRICS to diversify financial flows away from the dollar.** As part of its General Strategy, the NDB has stated that it would attempt to increase its local currency lending to provide suitable financing for projects with local currency revenues <sup>53</sup>, specifically aiming to provide 30% of its total financing commitments in national currencies of member countries over the 2022-2026 strategy cycle. Moreover, the NDB would seek to expand its local currency funding via increased issuances of local currency-denominated bonds. At the executive BRICS+ level, this role continues to be highlighted: in the 2024

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<sup>50</sup> Saint Petersburg State University. (2024). *Technoprom-2024: experts from St Petersburg University present a new version of the Russian analogue of SWIFT* [online]. Available from: <https://english.spbu.ru/news-events/news/technoprom-2024-experts-st-petersburg-university-present-new-version-russian>

<sup>51</sup> BRICS Business Council. (2024). *Annual Report 2023/24* [online]. Available from: [https://bbf2a463-6e2c-4484-b1b1-b55a3678d857.selstorage.ru/BRICS\\_ar\\_2024.pdf](https://bbf2a463-6e2c-4484-b1b1-b55a3678d857.selstorage.ru/BRICS_ar_2024.pdf)

<sup>52</sup> New Development Bank. (2024). *New Development Bank Investor Presentation* [online]. Available from: <https://www.ndb.int/wp-content/uploads/2024/08/Investor-Presentation-NDB.pdf>

<sup>53</sup> New Development Bank. (2021). *General Strategy for 2022–2026: Scaling Up Development Finance for a Sustainable Future* [online]. Available from: <https://www.ndb.int/about-ndb/general-strategy/>

Kazan summit declaration, the leaders of BRICS expressed support for the NDB in its continued expansion of local currency financing. The declaration also acknowledged the "initiative to create [a] new investment platform to leverage the existing institutional infrastructure of the NDB to boost the investment flow into the countries of BRICS and the Global South" <sup>54</sup>.

**However, the NDB's ability to meaningfully drive de-dollarization is limited by its conservative activities in local currency lending and its relatively small size.** In regards to local currency lending, the NDB appears to have made very little (if any) progress on shifting its portfolio away from dollar loans. As of end-2024, NDB projects financed in local currencies (RMB, ZAR and INR) accounted for 24% of its overall portfolio<sup>55</sup> – below the 30% target set out in the NDB's strategy, and in line with historical performance (Figure 6). On the second point, its small size means that even if the the NDB were to lend a more substantial share in BRICS+ local currencies, its effect on global development financing flows would likely be negligible. Looking at balance sheet sizes, the NDB's USD 29bn in assets (as of December 2023) is equivalent to 5% of the World Bank Group's balance sheet (USD 568bn in assets, combining the IBRD and the IAD; Figure 7).

**The AIIB represents a more robust alternative, albeit outside the BRICS+ framework.** The AIIB was established in 2016 to finance infrastructure in Asia. Led by China and headquartered in Beijing, the AIIB has 100+ members. With more members and resources (its balance sheet is twice that of the NDB), the AIIB has a more robust claim to displacing Bretton Woods institutions. With China having the largest voting share and more authority than large shareholders at other MDBs, moreover, the IAAB has been sometimes described as an instrument for China to extend its influence <sup>56 57</sup>. An analysis of AIIB lending published in 2021 found that the Bank did not seem to favor Chinese allies, though, but that it had instead "provided preferential treatment to members with fewer economic ties to China". The researchers noted that this could possibly reflect attempts to fill "gaps in China's connections by making overtures to countries that aren't already close partners", though it could also reflect cautious lending practices to avoid accusations of steering resources towards allies<sup>58 59</sup>.

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<sup>54</sup>Kazan Declaration.

<sup>55</sup>New Development Bank Investor Presentation.

<sup>56</sup>Atlantic Council (2017). *AIIB: A Platform for US-China Cooperation* [online]. Available from: <https://www.atlanticcouncil.org/blogs/new-atlanticist/aiib-a-platform-for-us-china-cooperation/>

<sup>57</sup>United States Congress. (2023). *Asian Infrastructure Investment Bank* [online]. Available from: <https://www.congress.gov/crs-product/IF10154>

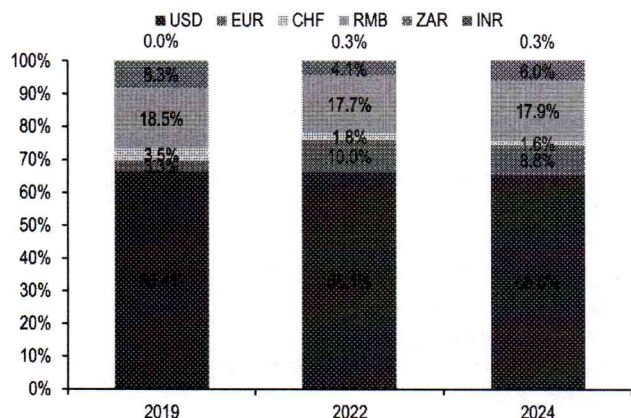
<sup>58</sup>Kaya, A., Kilby, C., and Kay, J. (2021) The G-7 Wants to Mobilize New Global Financing as An Alternative to China's Multilateral Push. *Washington Post* [online]. Available from: <https://www.washingtonpost.com/politics/2021/06/16/g-7-wants-mobilize-new-global-financing-an-alternative-chinas-multilateral-push/>

<sup>59</sup>Kaya, A., Kilby, C., and Kay, J. (2021) Asian Infrastructure Investment Bank as an instrument for Chinese influence? Supplementary versus remedial multilateralism. *World Development* Volume 145 (Septmber 2021) [online]. Available from <https://doi.org/10.1016/j.worlddev.2021.105531>



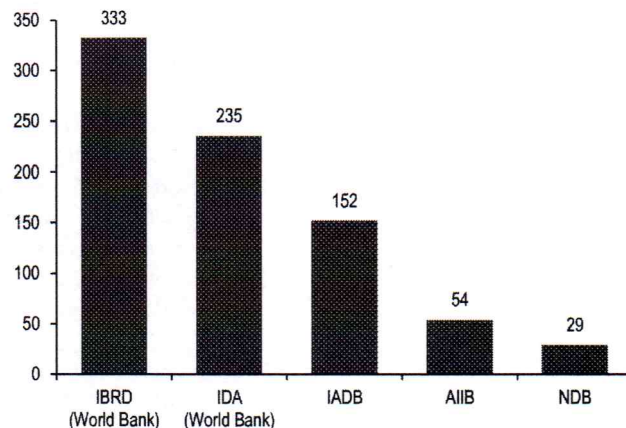
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Figure 6: NDB project portfolio by currency of loan  
 % of total



Source: J.P. Morgan, New Development Bank

Figure 7: Comparing balance sheets of MDBs  
 Total assets; figures in USDbn, as of end-2023



Source: J.P. Morgan, New Development Bank, World Bank Group, Inter American Development Bank, Asian Infrastructure Investment Bank

**The BRICS Interbank Cooperation Mechanism (ICM) is an instance for cooperation between BRICS' national development banks, but its usage for de-dollarization appears limited.** The ICM was established in 2010-2011 through the ICM Cooperation Framework Agreement (ICMCF), signed with the participation of Brazil's Banco Nacional de Desenvolvimento Economico e Social (BNDES), Russia's State development corporation VEB.RF, the Export-Import Bank of India, the China Development Bank (CDB) and the Development Bank of South Africa (DBSA) <sup>60</sup>. The initial agreement led to the identification of multiple areas for cooperation, including the possible provision of local currency financing amongst member countries. As per the DBSA, an agreement was signed in 2015 between BRICS ICM members to enable local currency credit lines amongst signatories. That agreement was further expanded in 2024 to accommodate the future incorporation of new members. However, as of last year, no bilateral credit line contracts had reportedly been signed between BRICS ICM members under this local currency credit line framework <sup>61</sup>.

### BRICS Contingent Reserve Arrangement (CRA) and Chiang Mai Initiative (CMIM)

**The BRICS CRA was created as a BRICS alternative to the IMF.** The CRA was created with the purpose of providing members with "support through liquidity and precautionary instruments in response to actual or potential short-term balance of payments pressures" <sup>62</sup>, making it an emergency instrument that sought to mirror the IMF's emergency lending function <sup>63</sup>. The CRA was created through a treaty signed by the five original BRICS countries in the Brazilian city of Fortaleza, in 2014. With an initial committed capital of USD 100bn, access to resources would be based on each

60.VEB.RF. (2020). *The BRICS interbank cooperation mechanism*. Available from: <https://xn--90ab5f.xn--p1ai/en/international-multilateral-cooperation/the-brics-interbank-cooperation-mechanism/>

61.Development Bank of Southern Africa. (2024). *DBSA attends BRICS Interbank Coordinating Mechanism Annual Meeting*. Available from: <https://www.dbsa.org/press-releases/dbsa-attends-brics-interbank-coordinating-mechanism-annual-meeting>

62.University of Toronto BRICS Information Centre. (2009). *Treaty for the Establishment of a BRICS Contingent Reserve Arrangement* [online]. Available from: <http://www.brics.utoronto.ca/docs/140715-treaty.html>

63.Council on Foreign Relations. (2014). *Is the BRICS Contingent Reserve Arrangement a Substitute for the IMF?* [online]. Available from: <https://www.cfr.org/blog/brics-contingent-reserve-arrangement-substitute-imf>

country's commitment and compliance with specific conditions, including certain IMF-linked conditions. The treaty establishing the CRA contemplates an inter-central bank agreement as the framework for transferring resources between members; a system for tiered access to resources; and the use of currency swaps as instruments for resource transfers.

**Despite its intended purpose as an IMF alternative, the CRA has reportedly never been used to deal with balance of payments pressures<sup>64</sup>; moreover, the CRA framework underscores its structural reliance on the existing global financial architecture.** First, the transactional mechanism laid out in the CRA treaty aims to provide requesting parties with dollar-denominated liquidity (i.e., it reinforces the dominant role of the dollar as a reserve currency, making no provision for the use of local BRICS currencies). Second, it divides countries' callable liquidity into two segments: one that is subject to lending parties' approval and a few conditions (the “de-linked portion”, 30% of the available total for each country); and a second segment that is additionally subject to the condition of the requesting party having an on-track financing agreement with the IMF (“IMF-linked portion”, amounting to the remaining 70%). That most resources available through the CRA use the IMF as a financing condition underscores the difficulties in creating new multilateral financial institutions that are divorced from existing frameworks.

**Outside of the BRICS+ framework, the Chiang Mai Initiative represents a more developed parallel emergency-financing arrangement.** The Chiang Mai Initiative began as a network of bilateral swap agreements among the ten members of the ASEAN as well as China, Japan, and South Korea. It was initially established in response to the Asian financial crises of the 1990s, and became a more structured multilateral agreement (“Chiang Mai Initiative Multilateralization”, CMIM) in 2010. The CMIM allows member countries to access a pool of reserves to address potential financial crises; the instrument, though, has never been used. With over USD 240bn in resources, member countries can request US dollar swaps up to a multiple of their contribution; countries may borrow up to 40% of their allocation before being required to participate in an IMF programme. China and Japan each contribute USD 76.8bn (32% of the total, respectively)<sup>65</sup>. As with the BRICS CRA, the CMIM's incorporation of USD liquidity and IMF conditionality underscore the challenge of building alternative financial architecture.

## Unilateral Payments Infrastructure Initiatives

**Individual BRICS+ countries have not limited themselves to the BRICS+ framework in exploring paths to de-dollarization.** In particular, several countries have developed (or sought to develop) payments mechanisms that could, ostensibly, compete with existing dollar-dominated mechanisms. Additionally, countries have also engaged in research or design projects focused on Central Bank Digital currencies (CBDCs), which could eventually be used as instruments to de-dollarize transactions.

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64Nogueira Batista Jr., P. (2023). *BRICS Financial and Monetary Initiatives – the New Development Bank, the Contingent Reserve Arrangement, and a Possible New Currency*. [online]. Available from: <https://valdaiclub.com/a/highlights/brics-financial-and-monetary-initiatives/>

65Hoffner, B. (2023) Association of Southeast Asian Nations +3: The Chiang Mai Initiative Multilateralization [online]. Available from: <https://elischolar.library.yale.edu/cgi/viewcontent.cgi?article=1482&context=journal-of-financial-crises>



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We outline both dimensions of individual-country efforts.

## BRIC by BRIC

**Russia started developing a SWIFT alternative a decade ago.** In 2014, after Russia invaded the Crimean peninsula and the US first threatened to restrict Russian banks' access to SWIFT, the Bank of Russia sought to reduce the economy's reliance on the messaging system. To do so, it began working on an alternative payments messaging tool, which it named the System for Transfer of Financial Messages (SPFS) <sup>66</sup>. The SPFS can send and receive messages in SWIFT formats and in alternative proprietary formats, and is open to both Russian residents and non-residents. It is provided by the Bank of Russia and, according to the Bank, the SPFS currently has over 550 users from Russia and 20 other countries, with over 150 of these users being non-residents <sup>67,68</sup>.

**The US targeted this development with secondary sanctions.** In 2024, the US Treasury's OFAC issued an official alert on the SPFS, warning "foreign jurisdictions and financial institutions about the sanctions risks of joining the Russian financial messaging system (...) [SPFS]", as "any foreign financial institution that joins or has already joined SPFS may be designated for operating or having operated in [Russia's financial services] sector" <sup>69</sup>. This alert effectively clipped the potential traction the SPFS could have to attract non-Russian banks and financial intermediaries that operate within the orbit of the US financial system.

**China's own development, the Cross-border Interbank Payment System (CIPS), goes beyond messaging to incorporate cross-border payment clearing in renminbi.** China's CIPS is a wholesale payments system authorized by the PBOC and specializing in clearing cross-border payment in renminbi <sup>70</sup>. Officially launched in 2015, CIPS not only offers cross-border payment settlement, but also offers a proprietary messaging system that can be used in place of SWIFT. The CIPS has grown steadily since its launch, but a comparison with existing US clearing infrastructure underscores the still-limited size of China's system: the CIPS reportedly processes payments for ~USD 60bn daily, which amounts to only 3% of the USD 1,800bn in payments processed daily by the US' own payments clearing system, CHIPS. Moreover, a majority of CIPS payments are reportedly still processed using SWIFT, rather than the CIPS' native messaging features <sup>71</sup>.

**Cross-currents for the renminbi.** Part of the challenge in developing a cross-border payments mechanism in a given country's local currency is whether foreign entities

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66 Foreign Policy. (2022). *What Does Russia's Removal From SWIFT Mean For the Future of Global Commerce?* [online]. Available from: <https://foreignpolicy.com/2022/03/08/swift-sanctions-ukraine-russia-nato-putin-war-global-finance/>

67 Bank of Russia. (2024). *SPFS Description and Connection Procedure* [online]. Available from: [https://www.cbr.ru/eng/development/mciris/fin\\_msg\\_transfer\\_system/](https://www.cbr.ru/eng/development/mciris/fin_msg_transfer_system/)

68 Interfax. (2024). *Four more countries connect to Russian Central Bank's Financial Messaging System* [online]. Available from: <https://interfax.com/newsroom/top-stories/98475/>

69 United States Department of the Treasury. (2024). *Sanctions Risk for Foreign Financial Institutions that Join Russian Financial Messaging System, System for Transfer of Financial Messages* [online]. Available from: <https://ofac.treasury.gov/media/933656/download?inline>

70 Cross-Border Interbank Payment System. (n.d.). *Introduction* [online]. Available from: [https://www.cips.com.cn/en/about\\_us/about\\_cips/introduction/index.html](https://www.cips.com.cn/en/about_us/about_cips/introduction/index.html)

71 von Beschwitz, B. (2024). *FEDS Notes | Internationalization of the Chinese renminbi: progress and outlook* [online]. Available from: <https://www.federalreserve.gov/econres/notes/feds-notes/internationalization-of-the-chinese-renminbi-progress-and-outlook-20240830.html>



would be willing to accept payment in the currency in question <sup>72</sup>. Here, China's trade and financial policies set up cross-currents for the renminbi. On the trade side, China's relevance in trade relations with other countries suggests that foreign counter-parties could see a use for renminbi flows, as they could use these to pay for imports from China. In the specific case of intra-BRICS+ trade, China is generally more linked to other countries in the group than other countries are linked to each other (Figure 8); this could open space for renminbi clearing as a centre-point for an alternative cross-border payment arrangement. On the financial side, however, China's capital controls dampen the appeal of Chinese assets for foreign investors, which limits the willingness of foreign counter-parties to accept renminbi-denominated flows and accumulate these as renminbi-denominated assets, as foreign counter-parties currently do with dollar-denominated assets.

**Figure 8: Intra-BRICS trade volumes underscore China's central role in the group's trade dynamics**  
 Trade volume of country/country group (row) by counterparty country/country group (column) as a share of total trade volume; calculated as country imports from counterparty + country exports to counterparty, divided by country total imports and exports; %

... by counterparty country / country group

	Brazil	Russia	India	China	South Africa	BRICS	BRICS+	US & EA
<b>Brazil</b>	-	2%	2%	26%	0%	31%	34%	28%
<b>Russia</b>	2%	-	11%	34%	0%	4%	50%	7%
<b>India</b>	1%	6%	-	12%	2%	22%	33%	20%
<b>China</b>	3%	4%	2%	-	1%	10%	15%	22%
<b>South Africa</b>	1%	0%	6%	16%	-	23%	27%	25%
<b>BRICS</b>	3%	4%	3%	22%	1%	16%	21%	21%
<b>BRICS+</b>	2%	4%	4%	20%	1%	18%	23%	20%

BRICS+ includes original BRICS members, as well as Iran, Egypt, Ethiopia, UAE and Indonesia.  
 Source: J.P. Morgan, Haver Analytics, IMF

**China has also developed its own domestic payments system, where digital payments are dominant.** The Chinese payments ecosystem is largely built on digital, QR code-enabled payments instruments made possible by the widespread adoption of smartphones. The ecosystem is dominated by two technology companies, each of which offers its own digital payments platform: Ant Group (with its payments system, Alipay) and Tencent (with its WeChat Pay service). These two platforms have become dominant to the extent that, by the beginning of this decade, “over 90% of people in China’s largest cities [used] WeChat Pay and AliPay as their primary payment method” <sup>73</sup>. In recent years, the Chinese digital payments ecosystem has been blurring borders, achieving increased connectivity internationally (e.g., via a recent partnership with the American FinTech firm Stripe that enabled WeChat Pay for Stripe Terminal service in 20 countries, including the US <sup>74</sup>) and offering foreigners increased access to the system

<sup>72</sup>Eichengreen, B. (2022). *CSIS Briefs: Sanctions, SWIFT, and China's Cross-Border Interbank Payments System* [online]. Available from: <https://www.csis.org/analysis/sanctions-swift-and-chinas-cross-border-interbank-payments-system>

<sup>73</sup>The Brookings Institution. (2020). *China's digital payments revolution* [online]. Available from: <https://www.brookings.edu/articles/chinas-digital-payments-revolution/>

<sup>74</sup>Tech In Asia. (2025). *Stripe brings WeChat Pay to businesses in 20 countries* [online]. Available from: <https://www.techinasia.com/news/stripe-brings-wechat-pay-businesses-20-countries>



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locally <sup>75</sup>.

**In Brazil, the digital payments system Pix has potential for internationalization within the region, and is being used as a bedrock for the development of a digital real.** Brazil's Pix is a retail digital payment system developed by the Banco Central do Brasil, which allows users to "send or receive payment transfers in few seconds at any time". Pix operates around the clock and is available to any individual or entity that holds a checking, savings or pre-paid payment account with a bank that participates in Pix <sup>76</sup>. Since its introduction in 2020, Pix has grown quickly, coming to represent nearly half of all non-cash transactions. Importantly, Pix is starting to spread beyond Brazil's borders, as "payment processors across Latin America [are] starting to accept [Pix]" and "Brazil's central bankers are talking to countries that host large numbers of Brazilian immigrants to allow remittances to be sent through Pix" <sup>77</sup>. The emergence of payments projects such as Pix underscores that BRICS+ countries are developing their own infrastructure that could, eventually, undermine their reliance on the dollar.

**India has also made strides in digital payments, and is similarly looking outside its borders.** India's digital payments system, the Unified Payments Interface (UPI), has drastically changed the domestic payments landscape. The UPI was launched by the Reserve Bank of India (RBI) in 2016, and is operated by the National Payments Corporation of India (NPCI), which is in turn owned by the RBI. Since its launch, UPI has grown to become dominant, accounting for 82% of total digital payments in the country <sup>78</sup>. Moreover, India is seeking to expand the reach of UPI to cross-border transactions, including remittances, e-commerce and merchant payments <sup>79,80</sup>.

**South Africa has also moved forward on domestic digital payments, while the SARB operates a regional cross-border settlement system.** South Africa is making efforts to expand the reach of digital payments. 2023 saw the introduction of PayShap, a retail platform for instant low-value payments launched by BankservAfrica, South Africa's privately-owned automated clearing house. However, adoption of digital payments remains slow <sup>81</sup>. On the side of cross-border transactions, South Africa has important experience. The South African Reserve Bank (SARB) operates the SADC-RTGS, a real-time gross settlement system that serves the South African Development Community (a group of 16 countries in southern Africa). The cross-border settlement system went live in 2013, and currently settles ZAR-denominated payments between participating banks; according to the SARB, the inclusion of new currencies in the settlement system is under consideration <sup>82</sup>.

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75.Cheung Kong Graduate School of Business. (2025). *Money Matters: Making it easier for tourists to pay in China* [online]. Available from: <https://english.ckgsb.edu.cn/knowledge/article/mobile-payments-in-china-look-at-the-future-of-digital-payments/>

76.Banco Central do Brasil. (n.d.) *What is Pix?* [online]. Available from: [https://www.bcb.gov.br/en/financialstability/pix\\_en](https://www.bcb.gov.br/en/financialstability/pix_en)

77.The Economist. (2025). *Brazil's government-run payments system has become dominant* [online]. Available from: <https://www.economist.com/the-americas/2025/04/03/brazils-government-run-payments-system-has-become-dominant>

78.Cornelli, G., Frost, J., Gambacorta, L., Sinha, S. and Townsend, R. (2024). *The organisation of digital payments in India – lessons from the Unified Payments Interface (UPI)* [online]. Available from: [https://www.bis.org/publ/bppdf/bispap152\\_e\\_rh.pdf](https://www.bis.org/publ/bppdf/bispap152_e_rh.pdf)

79Maddali, M. (2025). *Cross-border payments and UPI revolution in India* [online]. Available from: <https://thepaymentsassociation.org/article/cross-border-payments-and-upi-revolution-in-india/>

80Reuters. (2025). *India pushes to ease international payments through homegrown network to rival Visa, Mastercard* [online]. Available from: <https://www.reuters.com/world/india/india-pushes-ease-international-payments-through-homegrown-network-rival-visa-2025-03-28/>

81 South African Reserve Bank. (2024). *Digital Payments Roadmap* [online]. Available from: <https://www.resbank.co.za/en/home/publications/publication-detail-pages/media-releases/2024/The-SARB-releases-Roadmap-towards-inclusive-digital-payments>

82 South African Reserve Bank. (n.d.). *SADC-RTGS operations* [online]. Available from: <https://www.resbank.co.za/en/home/what-we-do/>



## Central Bank Digital Currencies as a Game Changer?

**Central Bank Digital currencies are another potential tool in the de-dollarization toolbox.** Central Bank Digital Currencies (CBDCs) are an emerging innovation in the payments technology landscape that could further alter the scope for dollar dominance. Conceptually, a CBDC is “a new form of digital money, denominated in the national unit of account, that is a direct liability of the central bank”<sup>83</sup>. There are two kinds of CBDCs: retail (intended for use by households and firms in every-day transactions) and wholesale (intended for use in transactions between banks, central banks and other financial institutions). Crucially, CBDCs are different from other digital assets (i.e., crypto-assets) in that CBDCs represent a claim on the central bank’s balance sheet, whereas crypto-assets are issued by the private sector and, thus, do not represent a direct claim on the central bank. Additionally, crypto-assets are generally constructed on the basis of distributed ledger technology; this means that the accuracy of crypto-asset transactions are verified by a distributed network of devices, and not by a central authority<sup>84</sup>.

**BRICS enter the CBDC arena.** Work on CBDCs is expanding rapidly across countries. As per the 2023 BIS survey on central bank digital currencies (carried out in 2023, covering 86 central banks in jurisdictions representing 81% of the global population and 94% of global economic output), 94% of surveyed central banks said they were engaged in some form of work on CBDCs. Of the central banks surveyed, 54% said they were in the process of experimenting/trying proofs of concept, and 31% were running pilots. According to the Atlantic Council CBDC tracker, three countries have thus far launched live CBDCs: Nigeria, Jamaica and the Bahamas. All of the original BRICS members are working on CBDCs of their own, and all are reportedly in pilot status: Brazil is developing the DREX; Russia the Digital Ruble; India the Digital Rupee; China is working on the e-CNY; and South Africa is reportedly working on a CBDC of its own.

**Broader work on CBDCs from a cross-border perspective is also ongoing.** Besides their individual work on national CBDCs, some BRICS+ countries have also worked on projects for cross-border CBDC usage, supported by the Bank of International Settlements. One of these, Project mBridge, sought to explore a multi-CBDC platform “shared among participating central banks and commercial banks, built on distributed ledger technology (DLT) to enable instant cross-border payments and settlement”<sup>85</sup>. The project counted several central banks amongst its partner members, including the central banks of China and the UAE; it also included Brazil, India and South Africa amongst observing members. After a pilot run in 2022 and progression to minimum-viable product (MVP) status, the BIS exited the project, handing it over to the participating central banks in late 2024. Project Dunbar, another BIS-supported project, counted South Africa amongst its participants and was focused on exploring solutions for direct multi-CBDC cross-border transactions<sup>86</sup>.

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[payments-and-settlements/SADC-RTGS](#)

83 Di Iorio, A., Kosse, A. and Mattei, I. (2024). *Embracing diversity, advancing together - results of the 2023 BIS survey on central bank digital currencies and crypto* [online]. Available from: <https://www.bis.org/publ/bppdf/bispap147.htm>

84 Atlantic Council (2025). *Central Bank Digital Currency Tracker* [online]. available from: <https://www.atlanticcouncil.org/cbdctracker/>

85 Bank of International Settlements. (2024). *Project mBridge reached minimum viable product stage* [online]. Available from: [https://www.bis.org/about/bisih/topics/cbdc/mcbridge\\_bridge.htm](https://www.bis.org/about/bisih/topics/cbdc/mcbridge_bridge.htm)

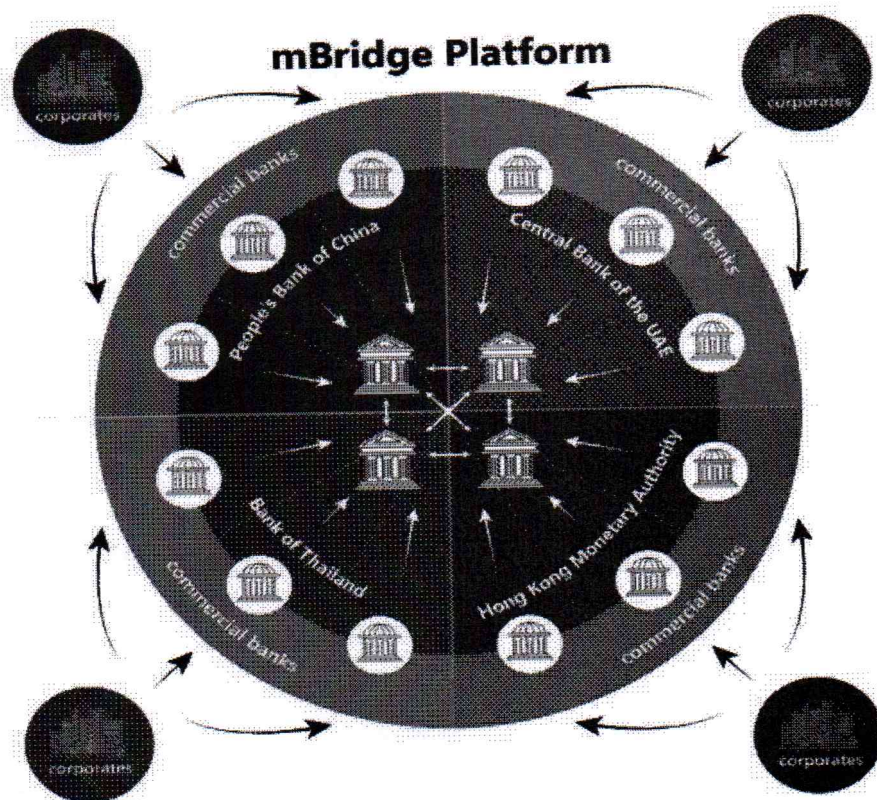
86 Bank of International Settlements. (2022). *BIS Innovation Hub and central banks of Australia, Malaysia, Singapore and South Africa develop experimental multi-CBDC platform for international settlements* [online]. Available from: <https://www.bis.org/press/p220322.htm>



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**The successful development of Project mBridge shows that a cross-country CBDC-based transaction mechanism is feasible.** Project mBridge involved the design of a common platform (called mBridge Ledger, or mBL, created using distributed ledger technology) shared amongst participating central banks, which can use the platform to issue and exchange their own CBDCs. At the platform's center are the central banks, each of which runs a validating node of the ledger and can onboard domestic commercial banks to participate in the platform (Figure 9). The platform can be integrated with existing payments systems, and could facilitate (as of 2022) both simple single-currency "push" payments, or dual-currency transactions. The mBridge platform was used in the 2022 pilot run to settle over 160 real-value transactions between 20 commercial banks from China, the UAE, Hong Kong and Thailand<sup>87</sup>. The project's success suggests that the technical limitations for CBDC-based cross-border payments can be surmounted; it will be the political and regulatory limitations, instead, that are likely to be binding in the development of such a platform for extended usage.

Figure 9: mBridge high-level network topology



Source: Bank of International Settlements

**CBDCs could potentially alter the path for BRICS+ de-dollarization.** At the BRICS + level, Russia used its tenure of the rotating Presidency in 2024 to signal support for a CBDC-based cross-border payments arrangement<sup>88</sup>. Moreover, media reports have

<sup>87</sup>For a full description of the Project mBridge see Bank of International Settlements. (2022). *Project mBridge: Connecting economies through CBDC* [online]. Available from: <https://www.bis.org/publ/othp59.pdf>

<sup>88</sup>Discussed in the report by Yakov and Partners on *Improvement of the International Monetary and Financial System*.

repeatedly pointed to CBDCs and work on this area as one which BRICS+ could exploit in their efforts to de-dollarize. As discussed, the institutions that BRICS+ have already created are relatively small and underused (e.g., the NDB and CRA); other cross-BRICS initiatives appear to lack sufficient consensus from member countries so as to gain traction; and conceptually broader proposals, like the “R5” common currency, would require a degree of coordination and integration that is likely beyond what BRICS+ countries want to or can achieve. Moreover, BRICS+ members like Brazil and India may be hesitant to pursue de-dollarization efforts more overtly, given the risk of alienating the US or being targeted with sanctions or retributational tariffs. CBDCs could prove useful for BRICS+ in addressing concerns across several of these dimensions.

**Retaining policy autonomy and the primarily domestic focus of CBDCs could make them a useful de-dollarization conduit for BRICS+.** With CBDCs being eminently domestic policy instruments, BRICS+ countries could leverage them to develop alternative cross-border transaction mechanisms (such as Project mBridge) while preserving their macroeconomic policy autonomy (a concern that likely keeps these countries from pursuing supra-national projects like the common currency). This could perhaps entice some of the BRICS+ members that have been less committed to the idea of de-dollarization to join the fray. To be sure, this is a fluid area of rapid development, and the reluctance of countries to hold large quantities of foreign currencies other than the dollar and euro leads to a more intractable issue — the absence of a universally accepted settlement and reserve asset. The creation of such an asset, e.g. a ‘BRICS+ SDR’, remains elusive. Moreover, it is plausible that private sector solutions, e.g., via stablecoins, could fill the gap to some degree.