

## VIA ELECTRONIC MAIL

**From:** Lawrence Sweet  
**Sent:** Monday, January 13, 2025  
**To:** CPMI  
**Subject:** PIE taskforce consultation

Dear members of the CPMI and the PIE taskforce,

Thank you for the opportunity to provide the attached overview of *Project IZZI* as input on the best way to enhance cross-border payments.

The G20 cross-border payments program has sparked several important visions for improving cross-border payments and the future financial system more broadly. Four of the most promising visions are the following:

- Finternet
  - See Carstens, A and N Nilekani (2024): “Finternet: the financial system for the future”, BIS Working Papers, no 1178, April.
- Unified ledger
  - See BIS (2023): “Blueprint for the future monetary system: improving the old, enabling the new”, Annual Economic Report 2023, Chapter III, June, pp 85–118.
- Cross-border payment and contracting (XC) platforms
  - See Adrian, T and Mancini-Griffoli, T (2023): “The rise of payment and contracting platforms”, IMF Fintech Note 2023/005.
- Regulated liability network (RLN)
  - See McLaughlin, T (2021): “The regulated internet of value”, Citi Treasury and Trade Solutions.

However, none of these nor any other solutions that have been proposed to date (e.g., linking existing domestic payments systems as they are currently designed) would remove all seven frictions identified by the G20 that add cost, time, and uncertainty to cross-border payments. For instance, the following frictions related to long transaction chains, complex processing of compliance checks, and funding costs would remain under any of these solutions:

- Each bank and nonbank payment service provider (PSP) in the often-lengthy correspondent chain between payer and payee would still need to process each payment instruction (PI).
- Each bank/PSP in a domestic or cross-border chain would still need to scan each PI for AML/CFT purposes, whether it is acting as originator, beneficiary, or intermediary.

- Each bank/PSP would still need to handle any exceptions or errors that it or any other intermediary in the chain might identify.
- Any bank/PSP that offers multi-currency payment services would still need to fund, to trade, or to manage the risks of handling multiple currencies.

Furthermore, many of the proposed solutions could raise significant governance, oversight, and other public policy concerns that can delay or even prevent approval by the relevant authorities. *CPMI (2024): Linking fast payment systems across borders: governance and oversight, Final report to the G20*, provides a comprehensive description of such potential concerns.

In contrast, *Project IZZI* is a private sector initiative that proposes a practical solution for removing all seven frictions identified by the G20 and that is designed explicitly to meet all regulatory, supervisory, oversight, and central bank account access policies/requirements. The *IZZI* solution would also provide the necessary foundation for realizing the fundamental objectives of the above-mentioned visions for cross-border payments and the future financial system more broadly.

As described in the attached overview, the *IZZI* solution is “next-generation” interbank payment infrastructure built on a patented payment process. The proposed *IZZI* infrastructure would create a safe, efficient, and truly global payments system that:

- Delivers instant, seamless, 24x7, account-to-account payments domestically, across borders, and across currencies;
- Works through and leverages the time-tested strengths of the two-tiered banking system and correspondent banking;
- Meets the G20 call for faster, cheaper, more transparent, and more inclusive cross-border payment services, including remittances; and
- Provides the foundation for a unified, world-wide network of interoperable financial ecosystems that can continually expand and innovate.

*Project IZZI* is now in the process of developing a prototype of the *IZZI* infrastructure and would welcome engagement and potential partnership with public and private sector entities that are interested in exploring its implementation.

Please do not hesitate to let me know if members of the CPMI or the PIE taskforce would like to discuss this further.

Thank you for your consideration,

Lawrence M. Sweet  
Founder and CEO  
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