

The Internet of Opportunity:

Unlocking Financial Interoperability in Latin America

A roadmap for money to move
with the same speed—and reach—as information

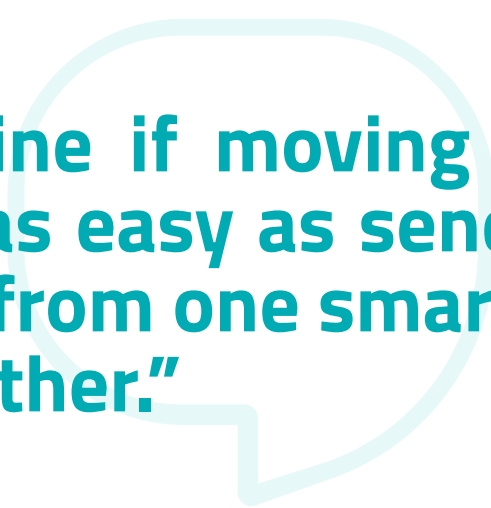


Sending an email or a photo from Mexico City to the U.S. takes milliseconds and costs virtually nothing. In contrast, moving 100 dollars between those same two places can take days and consume up to 10% in fees. The reason is simple: while the internet runs on open protocols that ensure interoperability, money remains trapped in closed and costly systems.

This paper analyzes how financial interoperability is the missing link to unlock the economic potential of Mexico. This is inspired by the architecture of the Interledger Protocol (ILP) that “packages” payments like data, where any person or business can send, receive, and program value with the same ease as sharing information today.

The Interledger Protocol (ILP) takes every transaction, splits it into tiny encrypted “packets,” and routes those packets across ledgers, currencies and borders—just as the Internet routes data. The result is a neutral, programmable value layer in which

- a street vendor in Oaxaca can accept payment from any digital wallet,
- a migrant in Chicago can send pesos home instantly and for pennies, and
- a software developer can design financial applications that connect seamlessly with multiple payment networks.



“Imagine if moving money were as easy as sending an email from one smartphone to another.”

... That is the essence of an Internet of Opportunity: value that moves with the same freedom, speed and openness as information today.

Who we are and why we did this study

Interledger Foundation advocates for the adoption of ILP, the open-source payment protocol that lets value move across networks as easily as information travels across the Internet. Partnering with FINNOSUMMIT, Latin America's leading fintech community and research platform, we share a common belief — that true financial interoperability can unlock unprecedented opportunity for millions.

United by that conviction, we joined forces to:

- ① measure the hidden costs of today's fragmentation,
- ② showcase pathways already working elsewhere, and
- ③ propose a practical action plan to help Mexico—and, by extension, Latin America—catalyze an Internet of Opportunity for all.



To achieve these objectives, we interviewed more than 10 payment-industry experts, collected operational data from over 50 companies active in Mexico's payment value chain, and conducted a granular review of socioeconomic indicators for both rural and urban households.

This combined qualitative-and-quantitative approach gives us a precise map of the ecosystem's current fragmentation and grounds the strategic recommendations that follow.

We invite regulators, banks, fintechs and civil-society leaders to use these insights as a springboard for collective action—because when payments become as interoperable as the Internet, everyone gains.

Introduction:

The Internet of Opportunity



1.1 The Internet of Opportunity

The world before the internet was a world of disconnected information, where communication was bound by physical mail and expensive phone calls. The arrival of the internet connected people and devices, unleashing a wave of innovation that has restructured industries and transformed daily life. In Mexico, this transformation is undeniable and has reshaped how people in Mexico and the rest of the world live, work, and connect.

How the Internet Revolutionized Information

The journey from physical barriers to a world of instant data, and the one frontier left to conquer.



Pre-1980s

The Analog Barrier

Communication was mostly physical. An international letter took 1-2 weeks. A transatlantic phone call was a luxury, costing several hours' wages. Information was scarce, slow, and expensive, limited by geography and infrastructure.



1990s

The Digital Breach

Email emerged as the Trojan horse against distance. With over 25 million users by mid-decade, messages crossed the globe in minutes for a fraction of the cost. The barrier wasn't broken, but it was cracked wide open.



2000s-2010s

The Real-Time Flood

Broadband and mobile internet unleashed a torrent of data. Global IP traffic surpassed 1 zettabyte. Instant messaging, social media, and video streaming made real-time, media-rich communication the global standard. Distance became irrelevant.



Today

83% of Mexicans have access to internet, where information is instant

We've built a world where terabytes of data move instantly and freely. Yet, sending money—the economic equivalent of data—is still slow, expensive, and trapped in silos. The revolution in information is a reality. The revolution in value has just begun.

“What if money could move as freely and instantly as information on the internet?”

This is not just a rhetorical question; while sending an email to someone on the other side of the world is instantaneous and virtually free, sending money across different financial networks—or even within the same country—is often slow, expensive, and complex. This is the critical missing link in our interconnected world.

The Current State of Payments in Mexico



2.1 How does the payment system work in Mexico?

In its early days, the internet struggled to scale because companies relied on fragmented and incompatible systems. Only with the adoption of common protocols like TCP/IP did true global connectivity become possible.

Today, the Mexican payments ecosystem faces a similar challenge. Instead of a unified system, it resembles a fragmented archipelago made up of different 'islands' of payments that often do not interconnect. On one side, real-time rails like SPEI offer instant settlement, yet legacy processes still account for nearly 37% of transactions taking days to clear. Merchants and fintechs must juggle multiple connections—to banks for direct debits, to OXXO for cash-in, to providers for cross-border, and to different networks for card payments—creating inefficiency and costs.

As a result, **91% of Mexican adults remain dependent on cash, remittances lose an average of 5% of their value, and only 13.5% of micro-enterprises can afford to accept digital payments.** This 'two-speed' system highlights the urgency of financial interoperability—the ability for banks, fintechs, and wallets to connect seamlessly—if Mexico is to unlock the full potential of digital finance. As the diagram below illustrates, sharing information online is fast and frictionless thanks to open protocols, while moving money remains a slow, costly journey through a labyrinth of silos.

♦ A User's Journey: Two Digital Worlds

Sharing an idea is easy and free, while sharing value still is a maze of costs and barriers.

The Journey of Information: Open Ecosystem

Emi, (in Japan) sends a birthday greeting that includes a photo and a video to Luis (Oaxaca).

1. The User Combines Different Media Types

In a single email, she writes a text, attaches a photo from her personal gallery, and pastes a link to a song on a streaming service.

2. Open Protocols Act as "Universal Translators"

It doesn't matter if Montse uses Gmail or Outlook, or if the photo is on iCloud or Google Photos. Protocols like TCP/IP (for connection), SMTP (for email), and HTTP (for the link) ensure that all services "speak" the same language. They take the different data packets and prepare them for a frictionless journey.

3. Information Travels Through Global Infrastructure

The data packet travels through physical infrastructure (fiber optics, satellites) regardless of which company owns it. The protocols ensure the path is the most efficient.

Seconds later, Luis opens a single email containing the text, the photo, and the functional link. The experience is fluid, integrated, and had no cost for either of them.

The Journey of Money: Labyrinth of Silos

Emi, (in Japan) buys a 100 USD ceramic piece from Luis (Oaxaca).

1. Customer & Her Bank

Emi pays 100 USD. Her Italian bank authorizes the payment via a card network.

2. E-commerce Platform

The platform processes the sale and takes its commission.

Hidden Cost: ~ -2 USD

3. Card Network

The network moves the funds internationally, charging processing fees.

Hidden Cost: ~ -2 USD

4. Acquirer & FX Processor

The platform's bank (acquirer) receives the funds and converts EUR to MXN at a poor rate.

Hidden Cost (FX Spread): ~ -2 USD

5. International Settlement (e.g., SWIFT)

The funds are sent to Mexico's banking system, incurring more fees and delays.

Delay: 1-3 business days

6. Domestic Transfer (SPEI)

The final MXN amount is sent from the processor's bank to Elena's bank via SPEI.

Delay: Dependent on previous steps

7. The Rural Credit Union

The credit union in Oaxaca receives the money in Luis account.

Luis, receives ~94 USD in pesos, 3 days later, after many layers of intermediaries.

2.2 Core Frictions of the current Payment Ecosystem

2.2.1 Cash Dependency

Although Mexico has made important strides in digitalization—with the growth of fintechs, the expansion of SPEI, and new regulatory initiatives—**cash remains by far the dominant means of payment in daily life**. Recent studies highlight that **92% of Mexicans still use cash for retail transactions**, a figure that reveals the structural challenges of the ecosystem. This high reliance on cash is not only a matter of preference, but a symptom of **low digital trust, lack of access and speed, entrenched habits and informality, and limited infrastructure**, particularly in rural areas.

Cash is King: The Reality of Money in Mexico

A visual look at why cash remains the dominant force in the country's daily economy.

92%

of Mexicans use cash for their regular purchases.

90.1%

Use it for purchases under \$500 MXN.

78.7%

Even for purchases over \$500 MXN.

49%

Is the adult population with a bank account.

30%

Have no formal financial products.

■ **Digital Distrust**

Fear of electronic fraud and a lack of trust in digital financial institutions slow adoption.

■ **Access and Speed**

Over 50% value the speed and immediate availability of cash over other methods.

■ **Limited Infrastructure**

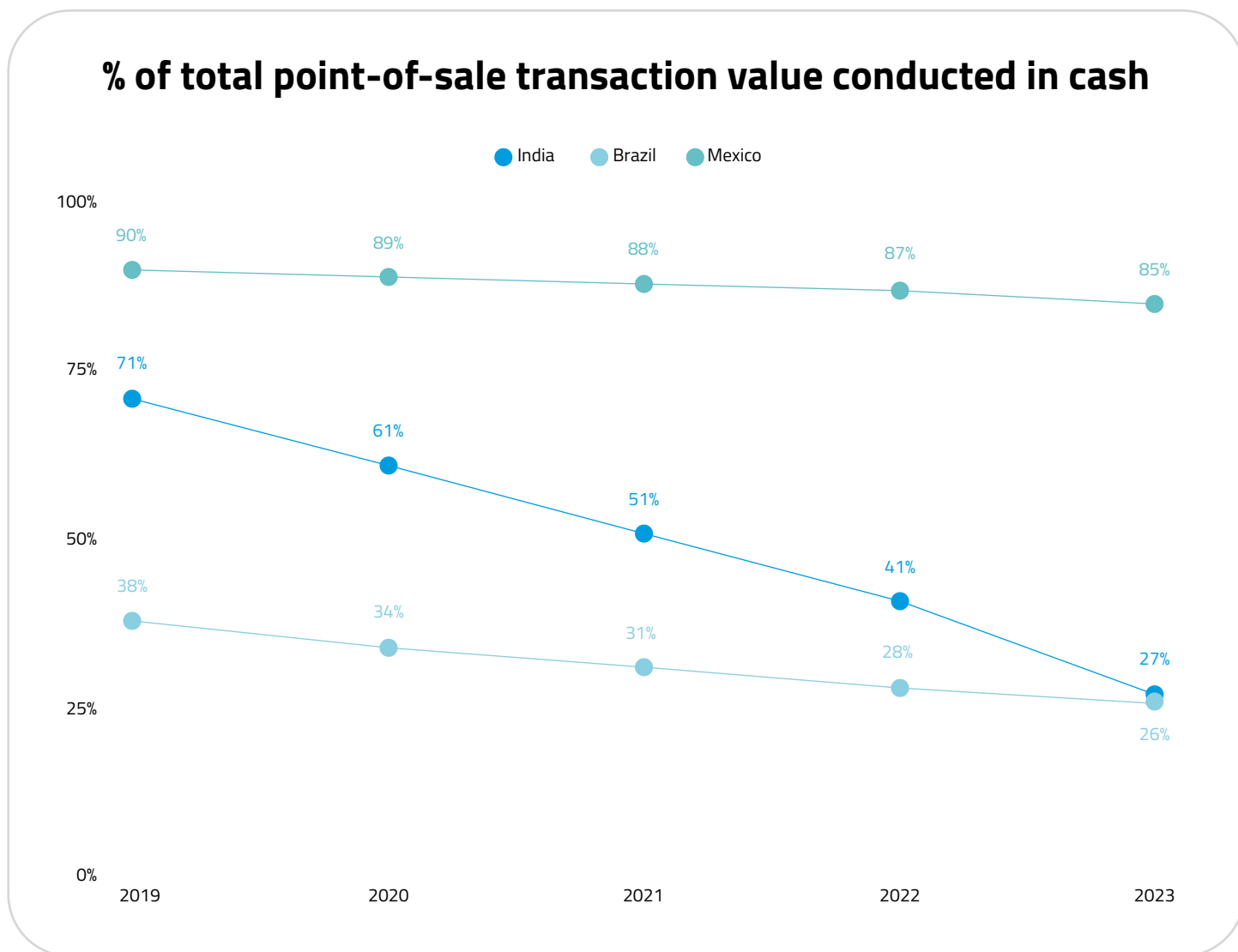
The lack of terminals and connectivity, especially in rural areas, makes cash the only viable option.

■ **Habits and Informality**

Deep-rooted customs and a large part of the informal economy operate exclusively with physical money.

Data based on the XII Report on Payment Trends by Minsait Payments and data from INEGI-CNBV 2021.

As the chart below shows, Mexico stands out as one of the countries with the highest share of point-of-sale value conducted in cash, remaining above 85% in 2023. By contrast, other large emerging economies have followed a different path.



Source: Worldpay from FIS. (2024). The Global Payments Report 2024

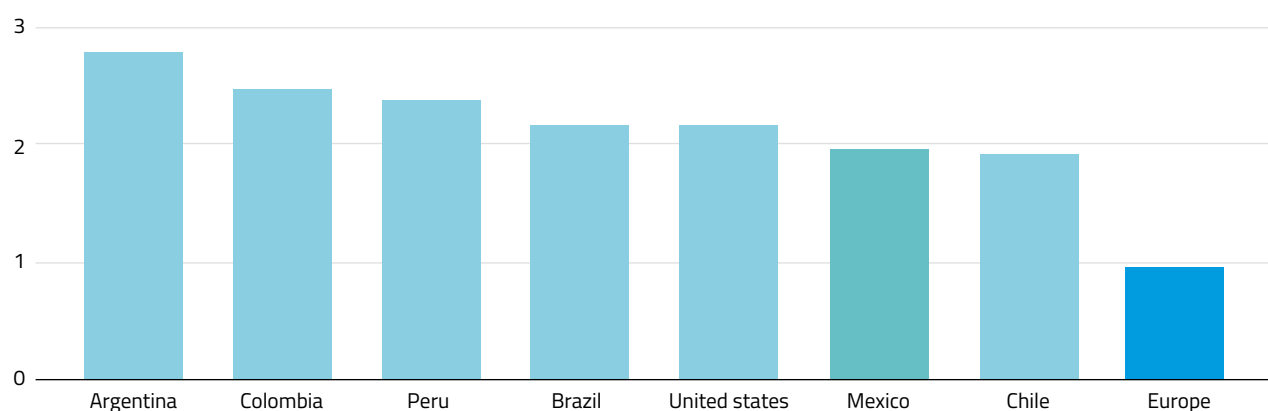
In Brazil, the launch of Pix in 2020—an interoperable, real-time payment system mandated by the Central Bank—created a universal digital layer connecting banks, fintechs, and wallets. With instant, low-cost transfers, Pix rapidly gained adoption and helped reduce cash transactions to just 27% of POS value by 2023.

Similarly, in India, the Unified Payments Interface (UPI), introduced in 2016, enabled interoperable digital payments across nearly all banks and fintechs. Thanks to UPI's simple identifiers and widespread QR code adoption, India saw cash usage fall from 71% in 2019 to 26% in 2023.

These cases show that interoperability is the critical factor for accelerating digital payments and reducing dependence on cash. Mexico's persistently high cash usage is therefore not inevitable—it is a sign that much remains to be done in terms of building interoperable systems. As the experiences of Brazil and India demonstrate, implementing open, interoperable payment rails can directly combat the biggest enemy of financial inclusion: cash dependence. By expanding digital trust and access, Mexico can move toward a more inclusive and efficient financial system.

2.2.2. High transaction fees and costs

Market, Average Merchant Discount Rate (%)



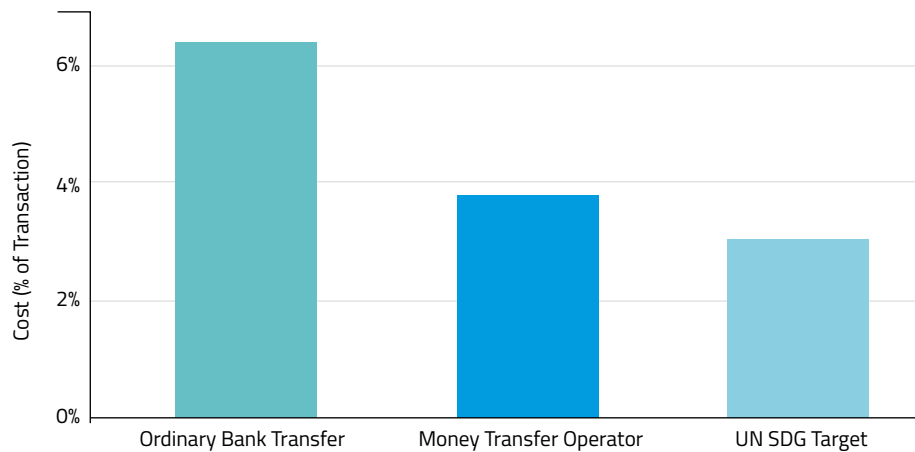
Source: Finnosummit, own elaboration with data from Americas Market Intelligence, 2022.

Mexico's payment system is characterized by high fees, with an average merchant discount rate of 2.0%, according to data from Americas Market Intelligence (2022). This figure, which more than doubles the cost of acceptance in mature markets like Europe (0.9%), represents significant economic friction. For Small and Medium-sized Enterprises (SMEs), this extra cost directly reduces their profit margins and becomes a tangible barrier to digitalization. This challenge of high transaction fees extends to personal finance; the average cost of sending remittances to Mexico from the United States frequently exceeds 4-5%, eroding the vital funds sent home to millions of families and remaining well above the UN's Sustainable Development Goal of 3%.

2.2.3. Slow and uneven settlement speeds

Average Cost of Sending Remittances to Mexico (from U.S.A)

Channel comparison for a \$200 USD transaction



Source: Finnosummit, own elaboration with data from World Bank, 2025.

The financial landscape operates on multiple payment systems, each presenting a distinct trade-off between speed, reach, and security. The velocity of money is not constant; it is dictated by the rails it travels on.

Instant domestic networks like SPEI and crypto platforms prioritize velocity, settling transactions in seconds within a single regulatory framework. In contrast, slower systems provide other critical advantages. Traditional domestic rails like ACH trade instant settlement for high-volume, cost-effective batch processing, and international transfers via SWIFT are the slowest precisely because their primary advantage is global reach.

Settlement Speed Breakdown

Instant / Seconds

System Type: Transactions via real-time networks like SPEI or Crypto platforms, which are practically instantaneous.



1 Day

System Type: Domestic bank-to-account transfers processed by traditional banking systems.



2–3+ Days

System Type: Typically international transfers using the SWIFT network. They take longer due to intermediary banks and regulatory compliance checks.



Settlement Time Spectrum

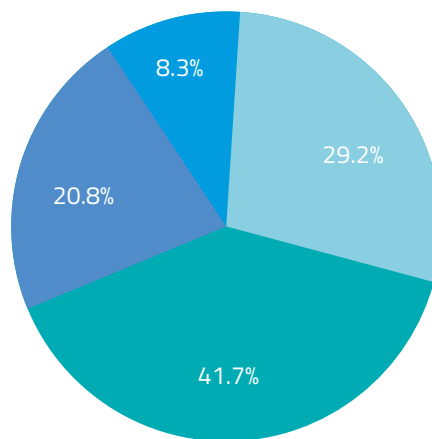


Real - time

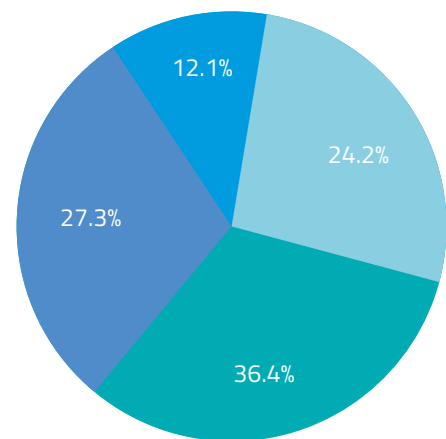
3+ Days

These multiple networks create uncertainty and operational burdens that, according to survey respondents, impact 70% of their organizations. This is not a failure of technology, but a symptom of a disconnected system architecture where efficiency is the exception, not the rule.

How frequently there are delays in payments liquidations



Thoes these delays affect the user's satisfaction?



Source: Internal data Finnosummit.

2.2.4. Market concentration and limited interoperability

The Mexican financial ecosystem is a paradox: despite the presence of over 1,100 fintechs driving innovation, only a limited number are authorized to operate payments under current regulation — just 38 IFPEs and 30 payment aggregators affiliated with ASAMEP. Meanwhile, the market remains highly concentrated, with three banks controlling 47.5% of total assets, creating ecosystemic technology islands with limited interoperability and challenging new entrants aiming to foster openness and inclusion.

This structure disincentivizes the adoption of open standards, forcing 54% of transactions to be outsourced through complex chains that can involve up to four intermediaries (according to data from our survey). Innovation is happening in isolated islands, with no bridges to connect them.

The Financial Market Contrast

Abundant innovation, concentrated power

1,100+

Fintechs

A universe of innovation and agility

38 IFPE'S

30 Payments Aggregators

Belonging to ASAMEP

3 Banks

control 47.5% of assets

CONCENTRATED MARKET

2.2.5. Foundational infrastructure and skills

Digital and financial inclusion is not guaranteed by infrastructure alone. Even when internet coverage is available, many people remain excluded because they cannot afford an adequate device, lack the skills to operate it, or simply do not perceive a tangible benefit from being online. This layered funnel of exclusion becomes particularly visible in payments.

The Digital Inclusion Funnel

A visual journey of the barriers from total population to meaningful connection.



Infrastructure

Population with coverage



Affordability

Can afford access



Education

Have competencies



Real Value

Solutions with impact

FILTER 1: Coverage
The population living in areas without internet infrastructure (fiber, 4G, etc.) is left behind.

FILTER 2: Cost
Filters out the population that, despite having coverage, cannot afford a device or a data plan.

FILTER 3: Education
Those who lack the digital skills and literacy to use technology are left behind here.

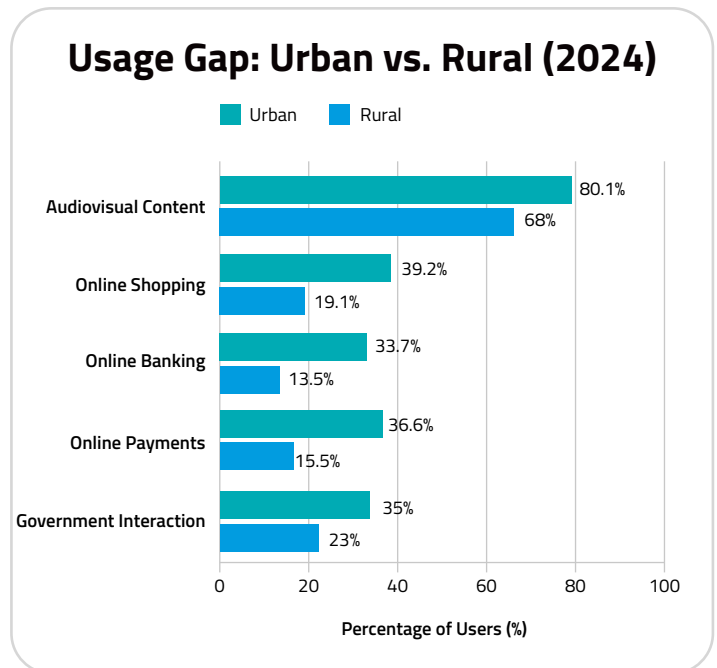
FILTER 4: Relevance
The final barrier filters out those who do not find solutions or real value in technology for their daily lives.

Source: Finnosummit, own elaboration.

First, access to connectivity does not automatically translate into adoption. Millions still lack smartphones or reliable hardware to use digital services effectively. Second, digital literacy is a decisive barrier: without the knowledge and confidence to navigate apps, many potential users remain on the sidelines. Finally, even when these hurdles are overcome, adoption depends on whether people perceive real value in changing their habits — for instance, replacing cash with instant digital payments.

Due to this Funnel, rural users where there is less access to internet, technology, education and financial services are less likely to use the Internet for digital payments or financial services. For example, only 15% of rural Internet users in Mexico conduct online banking or bill payments, compared to more than 36% in urban areas, making a 20-point gap in internet usage between urban and rural populations.

This leads to minimal adoption of digital financial services, with only 13.4% of rural inhabitants using online banking compared to 33.7% in urban zones.



Source: Finnosummit, own elaboration with data from ENDUTIH, 2023.

The Readiness Paradox: Technically Willing, Systemically Blocked



3.1 Maturity of the ecosystem

Despite persistent frictions in Mexico's payment ecosystem, the technological capability to build a more interoperable system is already possible. The survey results clearly show that Mexico's financial ecosystem is technically ready to embrace interoperability. Institutions rated their architectures at 63% readiness to adopt open payment protocols, and their teams at 62% readiness to implement them. Moreover, nearly half of respondents stated they could complete the integration in less than six months, with a notable share confident it could be done in under three months.

Ecosystem Readiness Index

0 = Not mature at all
100 = Fully ready

How ready is your architecture to adopt open payment protocols?

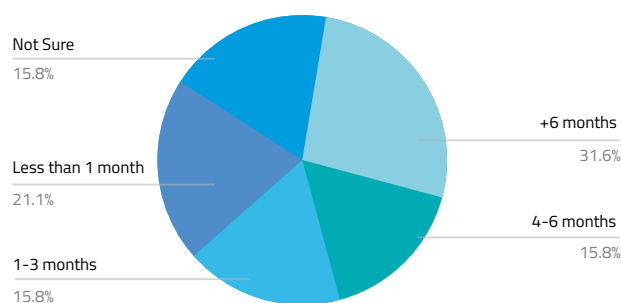


How easy would it be for your team to implement an interoperable protocol?



Source: Internal data Finnosummit.

Months to integrate interoperability (with strategic alignment)



Source: Internal data Finnosummit.

This indicates that the technological solutions needed to enable interoperable payments are already in place. Banks and fintechs have the infrastructure, talent, and capability to move toward a more connected financial system. The question, therefore, is not whether the ecosystem can implement interoperability—it can. The real challenge lies in defining the terms of collaboration and establishing the frameworks under which this readiness can be translated into collective action. That is the dilemma we turn to in the next section.

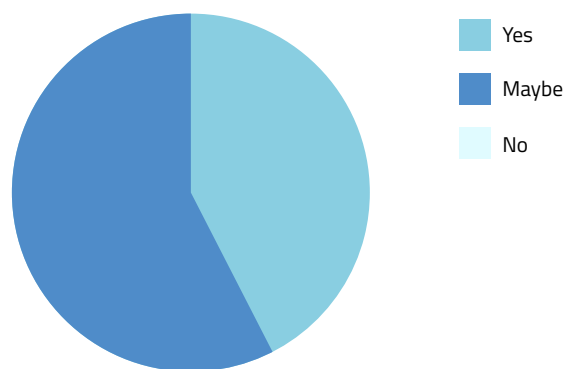
3.2 The Cautious Innovator's Dilemma: An Ecosystem on Hold

Our survey reveals a striking paradox. Although no participant rejected the idea of testing interoperability, the sector remains divided: **44% declared themselves ready to participate immediately, while 56% preferred to answer “maybe.”**

This hesitation is not rooted in a lack of technological capability—institutions already report readiness levels above 60% for both infrastructure and team capacity. Nor is it about integration speed, as half of respondents indicated they could implement interoperability in less than six months. The issue lies elsewhere: in the absence of a clear definition of how interoperability should be structured and governed.

This creates a paralysis of expectation: everyone sees the benefit of collaborating, but no one dares to take the first step for fear of bearing the impact alone.

Would you be interested in participating in a pilot, proof of concept, or innovation lab on payment interoperability?



This uncertainty generates paralysis. Everyone recognizes the collective benefit of collaboration, but no one wants to move first. Banks and large platforms, in particular, are reluctant to assume the initial risks of setting the standards that others might later adopt. The result is an ecosystem “on hold”: ready in theory, but suspended in practice until clearer frameworks, incentives, or mandates emerge.

Source: Internal data Finnosummit.

Structural Challenges

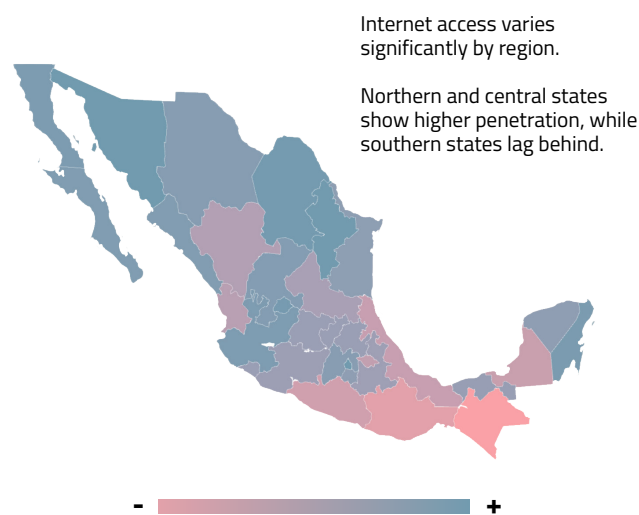


4.1. Rural and digital divide

The digital divide in Mexico translates directly into financial exclusion for rural areas.

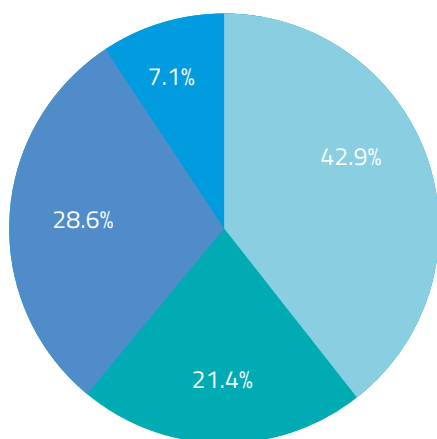
The main challenges in reaching rural populations are hierarchical and interconnected, starting with the most fundamental barrier: infrastructure. This not only refers to poor internet connectivity, but also to the lack of access to electricity and adequate devices.

The Geographic Divide: Penetration by State



Source: Finnosummit, own elaboration with data from ENDUTIH, 2023.

Main challenges to reach rural populations



Source: Internal data Finnosummit.

But this is not the only problem. Even after overcoming this, the second major challenge arises: the lack of products designed for rural users and markets, which often overlook low digital literacy, cultural context, and the specific economic needs of these communities.

This disconnect is further compounded by low banking penetration and limited financial inclusion, as cash dependence and barriers to opening formal accounts hinder entry into the digital ecosystem. Ultimately, all these factors result in low transaction volumes, creating a vicious cycle of limited adoption by both users and merchants, which weakens the business case for service providers.

“It is not enough to place products: the goal must be people’s financial well-being, not just their inclusion in statistics. That should be the legacy of interoperability — transforming statistical access into real opportunities for everyone.”

Jonathan Garzón - Business and Transformation, CECOBAN

4.2 Regulatory uncertainty

Mexico's regulatory agenda took an important step forward with the 2018 Fintech Law, which introduced a pioneering framework for Open Banking. However, the transition toward a comprehensive Open Finance model remains incomplete: secondary regulations have not been fully defined, and API pilots were left in suspension, creating uncertainty among banks and fintechs regarding the standards that will ultimately prevail.

This lack of clarity hampers interoperability. Although institutions demonstrate the technical capacity to integrate, many refrain from investing in new developments due to the risk that regulatory changes could render their efforts obsolete.

International experience shows that active regulation is decisive. In Brazil, the Central Bank launched Pix in 2020 with mandatory participation for major financial institutions, enabling adoption by over 70% of the population within just three years. In India, UPI, managed as a public infrastructure by the National Payments Corporation of India (NPCI) and backed by the Reserve Bank of India, has become the backbone of digital payments, surpassing 20 billion monthly transactions.

Mexico has both the technical foundation and an innovative ecosystem, but without regulation that mandates open payment standards and compulsory participation, interoperability will remain fragmented. The regulator holds—at the very least—a key role in transforming today's payment islands into an integrated system capable of reducing costs, fostering competition, and accelerating financial inclusion.

"Payment interoperability is the lever that can unlock a new wave of growth for Mexico. When people's data becomes an asset that works in their favor, we don't just reduce friction: we release liquidity, expand access to credit, and energize domestic consumption. With Open Finance, Mexico has the chance to transform its financial ecosystem into a driver of competitiveness, investment, and inclusion. Building this infrastructure of trust is not optional—it is the necessary step for Mexico to move from a fragmented system to a connected economy with real transformative power."

Beatriz Durán Serrano - CoFounder Open Finance Tribe MX

4.3 Competition as a Driver of Financial Inclusion

The Mexican banking sector concentrates more than 70% of assets in five banks, which limits competitive dynamism and slows the adoption of open standards.

In contrast, Chile's experience demonstrates how a pro-competition agenda can accelerate transformation: according to the Banco Central de Chile's Payment Systems Report (ISiP) of August 2025, the number of merchants accepting card payments increased nearly sixfold, from 105,947 in 2016 to 634,602 in 2025. This explosive growth, driven by the entry of new competitors, drastically reduced barriers for small businesses and improved fee transparency.

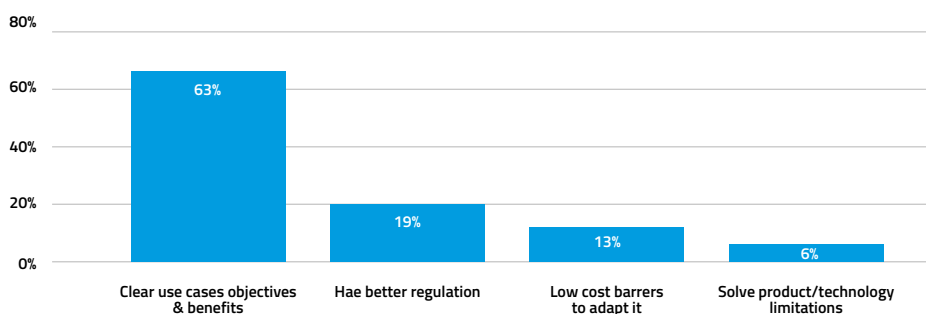
For Mexico, the lesson is clear: a coordinated agenda that promotes greater competition and open access can enable interoperability in an inclusive way. Rather than imposing rules, it is about creating conditions for banks, fintechs, and merchants to connect under principles of neutrality, generating the network effects needed to scale digital payments.

4.4 Embrace a common vision

The fourth major challenge goes beyond technical issues and becomes a strategic and perceptual one: the absence of a shared vision regarding the benefits of interoperability. For end users and small merchants, the concept often feels abstract and fails to provide a tangible value proposition strong enough to justify abandoning the simplicity of cash or the systems they already know. At the same time, many financial institutions and service providers prioritize client retention within their closed ecosystems, perceiving interoperability more as a competitive threat than as an opportunity to expand the market. This lack of a clear and compelling value proposition for each actor in the ecosystem generates a collective inertia that slows both investment and adoption.

Therefore, the challenge is not only limited to build technological bridges but also to craft a powerful narrative that highlights the benefits for all stakeholders—users, merchants, banks, and fintechs—thereby creating organic demand for a truly connected financial system.

What is the main condition needed for your organization to adopt more interoperability in Mexico?



Source: Internal data Finnosummit.

“For users and merchants, interoperability is not about protocols but about simplicity: the ability to pay or get paid without worrying about who is on the other side. If the experience is seamless and trusted, adoption follows naturally.”

Kevin Litvin - CBO & Co-founder, tapi.

Opportunities Unlocked by Interoperability



Interoperability represents not only a technical upgrade but a structural opportunity to resolve Mexico's most pressing frictions—excessive cash reliance, high transaction fees, remittance costs, and financial exclusion. By leveraging the lessons from markets such as Brazil and India, Mexico can envision a pathway toward a more efficient, inclusive, and innovative payment ecosystem.

5.1 Economic potential and competitiveness for Mexico

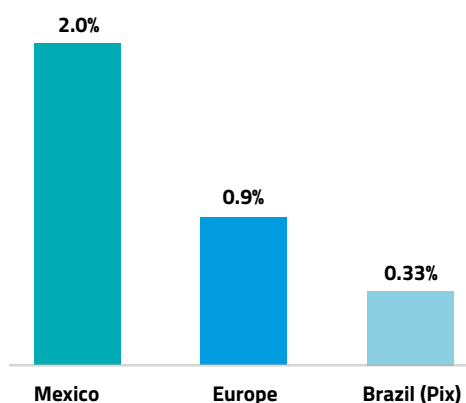
Alongside the benefits already outlined in this study, interoperability could help Mexico move closer to the following scenarios. While these projections are hypothetical, they are not speculative: similar transformations have already been documented in other markets once interoperable rails were deployed at scale. The purpose of this section is therefore to illustrate the potential that fostering interoperability could represent for Mexico.

1 **Transaction costs:** the average merchant discount rate (MDR) is 2.0%, more than double the 0.9% European average (Americas Market Intelligence, 2022). This cost prevents millions of SMEs from offering digital payments.

By contrast, in Brazil, the Banco Central do Brasil (2023) reports that Pix transactions carry an average merchant fee of only 0.33%, compared with 1.13% for debit and 2.34% for credit cards. India's UPI, built as public infrastructure by the National Payments Corporation of India, operates at zero cost for peer-to-peer transfers and minimal cost for commercial transactions.

Such reductions fundamentally shift competitiveness. In Brazil, Pix not only lowered fees but also expanded adoption: by 2023, 165 million individuals and 19 million businesses were using Pix, with over 64 billion transactions annually. Research by PagBrasil (2023) estimates that Pix will add R\$ 280.7 billion to GDP by 2028.

Merchant Payment Costs
Average Merchant Discount Rate (MDR) Comparison



The Opportunity
Efficient systems like Brazil's Pix show a potential cost reduction of up to **85% for Mexican SMEs**.

Source: Finnosummit, own elaboration with data from American Market Intelligence, 2022 & Banco Central do Brasil, 2023.

For Mexico, moving toward similar benchmarks could reduce merchant acceptance costs by up to 85%, while boosting SME competitiveness and accelerating the formalization of the economy.

② **Remittance savings.** With annual inflows of **USD \$64.7 billion**, Mexican households currently lose 4–5% to fees and spreads (World Bank, 2023). Reaching the UN Sustainable Development Goal of $\leq 3\%$ transaction costs would free up as much as USD \$1 billion each year for families, money that could be reinvested directly into local economies.

③ **Rural inclusion.** In Mexico, the urban–rural gap in financial services remains stark: while over a quarter of city residents use online banking, in rural areas this figure barely reaches 10%. The barrier is not only infrastructure, but also trust, affordability, and the perception of value. For many, cash continues to feel simpler and safer.

Interoperability could shift this equation. By enabling **low-cost, locally adapted models**—such as agent networks or “human ATMs”—it would allow rural households to interact with the digital system in familiar ways, while still connecting them to the wider financial grid.

The Remittance Balance

Shifting from high costs to high savings for Mexican families

CURRENT COST

4–5%

Lost to transaction fees

UN SDG GOAL

$\leq 3\%$

Target transaction cost

UNLOCKS POTENTIAL ANNUAL SAVINGS OF

\$1 Billion

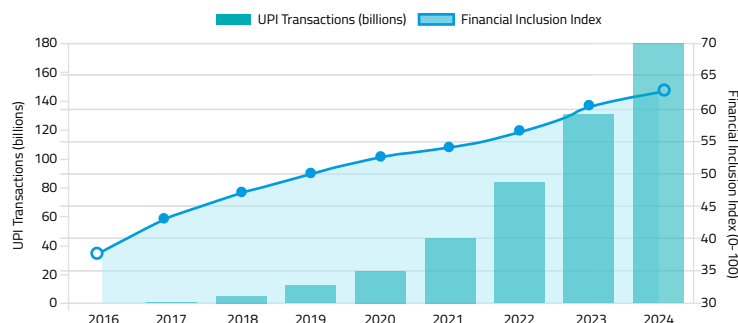
The Digital Engine of Inclusion

Analyzing the correlation between UPI adoption and the Financial Inclusion Index in India (2016–2024)

A Near-Perfect Correlation

$r=0.997$

Empirical evidence shows that the growth of digital payment infrastructure (UPI) has been a direct and measurable catalyst for accelerating financial inclusion across India.



The experience of India offers a powerful illustration. The introduction of UPI, a single interoperable payments platform, rapidly scaled digital transactions and coincided with a measurable increase in the Financial Inclusion Index. As shown in the chart, the correlation between UPI adoption and inclusion was almost perfect ($r = 0.997$). This demonstrates that when payments become seamless and universal, inclusion follows.

For Mexico, the lesson is clear: interoperability will not automatically close the inclusion gap, but it creates the conditions for digital finance to become genuinely useful—and trusted—for millions who today remain excluded.

Source: Finnovsummit, own elaboration with data from National Payments Corporation of India (NPCI) & Reserve Bank of India (RBI).

"True interoperability is not just about connecting systems; it's about providing your customers with solutions that are personalized and tailored to their needs. Interoperability ensures that each customer receives exactly what they need, when they need it."

Iñigo Rumayor- Founder, Monato.

A Roadmap Drawn by the Market



6.1 Lessons from Global Leaders

International experience shows that interoperability is not only feasible but transformative. While there is no single global index ranking countries by payment interoperability, analysts consistently point to India's Unified Payments Interface (UPI) and Brazil's Pix as global benchmarks. Both demonstrate that when payment systems are mandated to interconnect and structured as public goods, adoption follows at scale.

■ In India, UPI became the backbone of the digital economy, processing over 20 billion monthly transactions by 2025. Its success was built on a common, interoperable layer managed by the National Payments Corporation of India, ensuring that banks, wallets, and fintechs could all connect seamlessly. Academic studies confirm a near-perfect correlation between UPI adoption and improvements in India's Financial Inclusion Index.

■ In Brazil, the Central Bank mandated the participation of major financial institutions in Pix, guaranteeing open access and low-cost transfers. Within three years, Pix processed more than 64 billion transactions annually, reaching over 165 million users and becoming a near-universal payment method.

Key Learnings:

- 1 **Fintech Innovation Fuels Scale:** In India, the share of transactions initiated by third-party apps grew from 15% in 2018 to >90% in 2024, showing that user-friendly apps were the primary adoption engine.
- 2 **Merchant Acceptance is Key:** In Brazil, merchant-enabled payments grew 75% YoY between 2022 and 2023, turning Pix into the preferred payment method for small-value purchases.
- 3 **Habit Formation Creates Network Effects:** Pix's intensive usage became a habit, surpassing 40 monthly transactions per user, which strengthened its network effect and accelerated the shift away from cash.
- 4 **Low Costs Drive Inclusion:** UPI's zero-fee model was a key driver for inclusion, contributing to a 38.5% growth in India's Financial Inclusion Index between 2017 and 2023.
- 5 **Trust & Security Matter:** Fraud rates on Pix are below 0.1% of transactions.

True interoperability is achieved when public mandates, regulatory support, and open infrastructure are combined with market-driven innovation, creating systems that are scalable, sustainable, and inclusive.

6.2 The Road to Adoption

Building interoperability is not a single reform but a **sequenced journey**. Countries that succeeded—such as Brazil and India—followed a chronological path: they first created clear value propositions, then codified rules, next fostered collaboration, and finally drove adoption at scale. For Mexico, this roadmap can be understood in four steps.

Step 1 — Utility & Viability

The starting point is to prove why interoperability matters. Many fintechs in Mexico still do not see compelling use cases beyond basic transfers. Pilots addressing concrete pain points—merchant acceptance costs, rural access, and remittance pricing—must demonstrate tangible ROI. Without this initial proof of value, subsequent regulatory and ecosystem reforms risk being seen as abstract obligations rather than opportunities.

Step 2 — Regulatory Framework

Once the business case is visible, regulation provides the foundation for scale. Brazil's Central Bank began this process with Law 12,865/2013 and formalized it with Pix in 2020, mandating open standards and participation. India did the same with UPI in 2016, evolving under Reserve Bank of India (RBI) supervision. In Mexico, however, projects like DiMo1 have struggled precisely because rules remain voluntary. At this stage, Banxico and CNBV must step in to set compulsory standards, mandate bank participation, and guarantee neutrality. Without such a rulebook, initiatives will remain fragmented.

The Roadmap to Adoption

A four-step framework for successfully launching and scaling new payment ecosystems.



STEP 1

Utility & Viability

Ensuring the system offers clear benefits and a sustainable business model for all participants.



STEP 2

Regulatory Framework

Establishing clear, supportive rules that foster innovation while ensuring security and trust.



STEP 3

Ecosystem Collaboration

Building partnerships between banks, fintechs, government, and merchants to drive network effects.



STEP 4

Driving User Adoption

Focusing on initial use cases and incentives to build momentum and achieve critical mass.

Step 3 — Ecosystem Collaboration

With rules in place, the challenge becomes execution. Mexico has an advantage here: it is already one of Latin America's most collaborative fintech ecosystems, with frequent bank–fintech partnerships. But when it comes to interoperability, stakeholders still hesitate to move first. The next step is to transform informal partnerships into **structured collaboration**—joint pilots, co-investment in infrastructure, and multi-stakeholder governance. Only collective execution can unlock the network effects interoperability requires.

Step 4 — Driving User Adoption

The final step is scale. Even with rules and collaboration, Mexico faces a broken adoption funnel: 91% of adults still prefer cash, and only 10.4% of rural residents use online banking. Here, the lesson from Brazil and India is clear: adoption accelerates when digital is **simpler, cheaper, and more visible than cash**. UPI and Pix succeeded because they embedded everyday use cases—QR codes, government transfers, utility bills—into daily life. For Mexico, the design priority must be to replicate this effect: interoperable payments that meet people where they are, with minimal friction and transparent pricing.

¹DiMo is Banxico's platform that allows users to send and receive money using only a phone number linked to a bank account, operating on SPEI for fast, secure transfers without the need for a CLABE.

6.3 Who Should Take the First Step in Mexico?

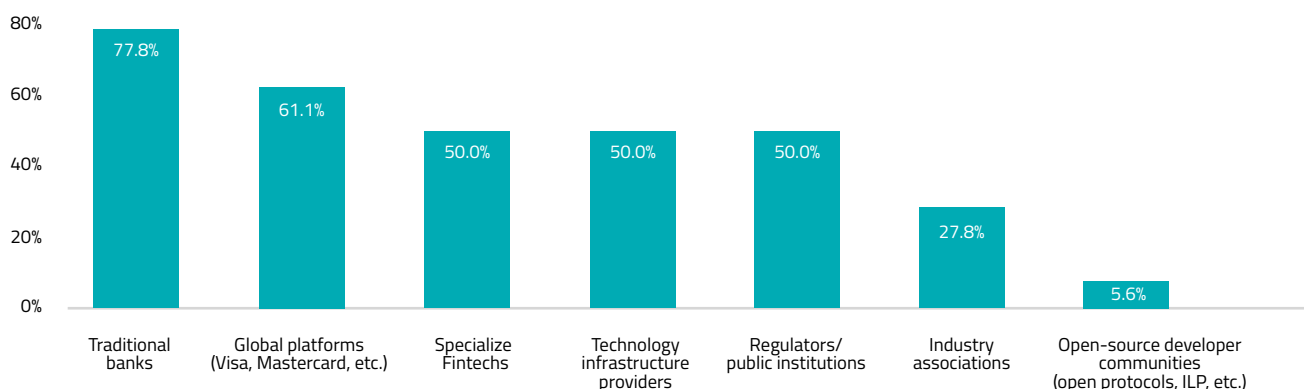
Our survey data indicates that Mexican stakeholders overwhelmingly expect traditional banks to take the first step (77.8% of responses), followed by Visa and Mastercard (60%). This reflects both the concentration of the financial system—three banks control nearly half of total assets—and the dominance of card networks as the country’s existing rails for digital payments. In short, the actors who hold the most market power are also seen as the ones best positioned to unlock systemic change.

But the responsibility cannot rest on banks and card networks alone. Regulators—Banco de México and the CNBV—must set the rules of the game, mandating participation, enforcing interoperability standards, and ensuring neutrality. Fintechs bring innovation, new business models, and consumer-facing solutions that expand usage. Merchants and agent networks are the points of contact with end users, especially in rural areas, and Infrastructure providers must ensure scalability and reliability of the technical layer.

“Interoperability is no longer optional — the conditions are in place, the industry is ready, and the challenge is not technology but courage. What we need now is for someone to take the first step, because once that happens the rest of the ecosystem will follow. The time to act is now, and the opportunity is to execute together.”

Eder Almeraz - Chief Product Officer, Prosa.

Who is key to achieving interoperability?



Source: Internal data Finnosummit.

Conclusion

The findings of this study reveal a paradox at the heart of Mexico's payment ecosystem. On the one hand, both banks and fintechs report that they are technically ready to adopt interoperability—architectures and teams rate their readiness above 60%, and many institutions claim they could integrate in less than six months. On the other hand, the ecosystem remains hesitant: more than half of respondents answered “maybe” when asked if they would participate. The insight here is clear—this is not a question of technology, but of incentives, governance, and trust.

The main barrier to adoption lies in the absence of clear and compelling use cases. Without pilots that address immediate pain points—such as lowering merchant costs, improving rural access, or reducing remittance fees—interoperability risks being perceived as an abstract obligation rather than a tangible opportunity. The second major barrier is regulatory clarity. Voluntary initiatives such as DIMO have struggled precisely because rules remain optional; without a mandatory framework and neutrality guaranteed by regulators, progress will remain fragmented.

For fintechs, the challenge is further compounded by the digital divide. Inadequate internet coverage, insufficient infrastructure, and low digital literacy in rural areas limit their ability to scale interoperable solutions. These territorial gaps mean that even as many players express strong interest in adopting interoperability, real adoption stalls when foundational conditions are missing.

The costs of fragmentation are high. As outlined earlier in this report, excessive reliance on cash, high merchant discount rates, and costly remittance channels all represent daily frictions for consumers and businesses. These inefficiencies slow down financial inclusion, reduce competitiveness, and keep millions excluded from the benefits of digital finance. Yet, the opportunities are equally evident. If Mexico were to move toward full interoperability, the potential gains mirror those seen in Brazil and India: reduced transaction costs, billions of dollars saved on remittances, expanded SME competitiveness, and increased rural participation in the digital economy. In other words, interoperability is not just a technical reform—it is a structural lever for growth and inclusion.

The conclusion is unambiguous: Mexico is ready to interoperate. The ecosystem has the technology, the talent, and the demand. What it needs is coordination, regulatory clarity, and collective will. Interoperability will only succeed when all actors—banks, fintechs, regulators, merchants, and infrastructure providers—recognize that they have more to gain together than apart. If achieved, interoperability will not only reduce costs and frictions; it will create a financial system that is more inclusive, resilient, and competitive. This is the promise of the Internet of Opportunity: a financial future where money moves as seamlessly as information.

Acknowledgments

Celent.



-eNDeavor



FintechU



The Internet of Opportunity:

Unlocking Financial Interoperability in Latin America

A roadmap for money to move
with the same speed—and reach—as information

