Airwallex

Mr Ellis Connolly
Head of Payments
Policy Department
Reserve Bank of Australia
GPO Box 3947
Sydney NSW 2001

By email: pysubmissions@rba.gov.au

Dear Mr Connolly,

RBA Review of Payments System Regulation

1. Introduction

1.1. Airwallex welcomes the opportunity to make a submission to the Reserve Bank of Australia's Review of Payments System Regulation.

1.2. Airwallex is an AI-native financial operating system for modern businesses. We are building the future of global finance for a real-time, intelligent economy.

1.3. We serve more than 676,000 businesses worldwide and 44,000 in Australia. From startups to public enterprises, our customers use Airwallex to manage their global financial operations, or to build and monetise their own financial products.

1.4. Founded in Melbourne in 2015, Airwallex holds 89 licences and permits across Asia-Pacific, North America, Europe and the Middle East, forming one of the most comprehensive financial infrastructures in the world. This regulated backbone powers Airwallex products at global scale, including payment acceptance, billing, global accounts, corporate cards, and spend management.

1.5. As a technology-led financial services provider operating across payments, accounts, cards, foreign exchange and financial infrastructure, Airwallex supports the RBA's objective of promoting competition in the payments system.

1.6. Competition lowers costs, expands choice and drives innovation. It also supports faster, more reliable and more efficient transactions, helps small businesses invest and expand, and contributes to Australia's economic and productivity growth.

1.7. This is consistent with the Government's broader objective of ensuring that Australia's payments system supports competition, innovation and productivity.

1.8. This submission draws on Airwallex's practical experience across these areas:

1.8.1. access to the New Payments Platform (NPP) and account-to-account (A2A) infrastructure

1.8.2. mobile payments and digital wallets

1.8.3. regulatory coherence and cumulative burden.

2. Access to the NPP and A2A infrastructure - Questions 11-14

2.1. A2A payments can provide Australian businesses and consumers with a faster, lower-cost and more competitive alternative to card payments.

2.2. If the Bulk Electronic Clearing System (BECS) is to be wound down, the future A2A payments system (including the NPP and any complementary functionality or payment arrangements) must be capable of supporting the full range of relevant BECS use cases. As the NPP is expected to be a core part of that transition, practical access should not remain dependent on bilateral arrangements with a limited number of sponsors.

2.3. Airwallex supports designation of the NPP under the Payment Systems (Regulation) Act 1998 (PSRA), followed by consultation on a proportionate, risk-based access regime coordinated with Treasury's Common Access Requirements. This recommendation is based not only on the NPP's growing importance, but also on practical evidence that its current sponsor-led model does not consistently deliver timely, transparent or commercially workable access for non-bank Payment Service Providers (PSPs).

2.4. Designation would not itself guarantee direct access to every participant or determine the final design of an access regime. It would provide the RBA with a clear regulatory basis to assess existing arrangements, consult on appropriate access requirements and address demonstrated barriers to competition. In Airwallex's view, this is a proportionate response to the gap between the NPP's open-access design and the practical experience of providers seeking to offer competitive A2A services.

2.5. Airwallex supports the A2A Payments Roundtable and its role in developing the roadmap for A2A payments. Its work should complement—not defer—the RBA's responsibility to address practical barriers to competition.

2.6. To ensure the roadmap delivers practical competition, the RBA and Treasury should publish a public timetable with dated commitments on:

2.6.1. NPP access, PayTo functionality, interoperability and pricing

2.6.2. the transition from BECS, including designation, consultation, final requirements and implementation

2.6.3. measurable improvements in participation, functionality, cost and time to market.

2.7. The timetable should set out the sequence for access reform, capability development, testing and readiness assessments. It would not, by itself, require BECS to be wound down before the relevant readiness criteria are met. Any changes should be explained publicly and supported by evidence.

2.8. The objective should be real-world competition and productivity gains for Australian businesses and consumers—not simply another set of formal access rights.

2.9. Airwallex is not seeking lower safety or operational standards. Access requirements should reflect the activities, functions and risks of each participant, with additional safeguards where justified. Comparable activities should be subject to comparable requirements. This does not mean that every participant should face identical requirements.

3. Mobile payments and digital wallets – Question 7

3.1. Mobile wallets have become a critical payment interface, offering consumers and businesses convenient and secure payments. As their use has grown, control over wallet functionality has also become an important source of market power, with the potential to limit competition and innovation between payment methods.

3.2. Airwallex has practical experience across this ecosystem. We enable Australian merchants to accept Apple Pay and Google Pay, and eligible Airwallex-issued cards can be provisioned into those wallets. This gives Airwallex direct experience of the operational and commercial terms governing wallet payments.

3.3. These examples demonstrate why the RBA should examine the wallet layer as part of the payments infrastructure on which competition now depends.

3.4. Airwallex supports a staged response:

3.4.1. use information-gathering powers to establish a clear picture of wallet fees, access terms, NFC functionality and contractual restrictions

3.4.2. publish findings and consult on transparency or access requirements

3.4.3. introduce formal requirements where the evidence demonstrates that wallet market power is materially limiting competition.

3.5. Any intervention should preserve security and innovation, apply across the relevant payment ecosystem and avoid placing additional obligations only on PSPs seeking to expand consumer and merchant choice.

3.6. More open wallet functionality would also support future competition between cards, A2A payments and other payment methods. The regulatory framework should therefore avoid entrenching a card-only payment interface and preserve the ability of innovative providers to develop competing payment experiences.

4. Regulatory coherence and cumulative burden – Question 19

4.1. Payment providers are operating within a broader reform program covering licensing, financial crime, scams, safeguarding, operational resilience and data sharing.

4.2. Each reform may pursue a legitimate objective, but the combined effect can increase fixed costs, divert resources from product development and raise barriers to competition.

4.3. Airwallex's experience with NPP sponsorship illustrates this risk. Requiring a provider to repeat technical, security and operational assurance for multiple access arrangements can add work without materially improving the underlying risk controls. Similar duplication should not be reproduced as new payments obligations are designed and implemented.

4.4. Airwallex recommends that the RBA:

- 4.4.1. assess the cumulative impact of proposed requirements on competition, including their effect on smaller and newer providers
- 4.4.2. recognise equivalent controls, testing and evidence where they address the same underlying risks
- 4.4.3. coordinate implementation with Treasury, AUSTRAC and other relevant regulators to avoid conflicting requirements, duplicated reporting and repeated assurance; and
- 4.4.4. ensure that obligations are proportionate to the activities and risks of the participant, and are imposed across the relevant ecosystem where the source of a competition problem sits beyond the PSP itself.

4.5. The objective should be a coherent framework that improves safety and integrity without making participation unnecessarily costly or complex. Regulation should strengthen competition in practice—not entrench the position of incumbent providers by increasing the fixed cost of entry and innovation.

5. Conclusion and next steps

5.1. Airwallex thanks the RBA for the opportunity to contribute and welcomes continued engagement as these reforms progress.

5.2. To arrange a meeting, please contact Chris Owens, Government Affairs Director ([redacted]).

Yours sincerely

James Teodorini
Head of Australia and New Zealand
Airwallex