Methodological Note

I). THE QUESTIONNAIRE

The primary focus of the questionnaire was to identify the main qualitative features of each national payments system. The scope of the questionnaire included the legal and regulatory framework, large-value payment systems, retail payment systems, foreign exchange settlement systems, cross-border payment systems and international remittances, payment system oversight and cooperation features, and securities settlement systems. The questionnaire also aimed at obtaining information on on-going reforms, and opinions on what are the main factors that hinder or facilitate reforms to the national payments system.

The questionnaire does not aim to obtain systematic statistical information on the number of payments and total value settled for each component of the national payments system. While some specific data on the total number and value of payment transactions through the various payment instruments and systems available were requested, the main purpose of this information was to provide a “sense of magnitude” rather than to build a thorough statistical database for cross-country comparisons.

II). COUNTRY ANSWERS

Despite the fact that in some cases specific answers provided by various countries did not fully coincide with the information the PSDG has collected in the previous iteration of this survey and through country assessments, country answers were taken as “given” by respondents to the extent possible. Solely for the purpose of comparative analysis, the PSDG may have adjusted some specific answers of a few countries based on direct knowledge of the systems’ features and/or updates and additional comments provided by such countries.

It is also worth mentioning that since the survey was carried out through electronic means rather than through bilateral person-to-person interviews with respondents, a consistent interpretation across countries of all questions of the survey may not be possible. In some questions, central banks were explicitly asked to give their opinion or make a subjective judgment on a given issue.

III). THE ANALYSIS

Apart from providing information on worldwide totals for each of the features or characteristics identified in the survey, this study also aims at identifying trends on the basis of certain broad variables to determine whether such variables appear to have an explanatory effect of each country’s national payments system features and overall development.

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1 This broad scope and the classification of the various components of a national payments system are consistent with the PSDG methodology used worldwide, (e.g. see the Working Papers produced in the context of the World Bank-led Western Hemisphere Payments and Securities Settlement Forum at www.whpaymentsforum.org), and follow the comprehensive approach of the CPSS General Guidance for National Payment System Development (BIS, January 2006).
Three broad country characteristics have been selected for this purpose, all of which are considered exogenous to national payments system development: i) level of per capita income; ii) geographical location; and iii) population size.²

Accordingly, for sections I through IX of the survey, countries were classified into each of these categories on the following basis:

**By level of per capita income**: countries were classified following the World Bank’s income classifications: i) high income; ii) upper-middle income; iii) lower-middle income; and iv) low income.³

A list of the countries that fall under each of these sub-categories is shown in the “List of Respondents” table.

**By geographical region**: developing/emerging countries were classified according to the World Bank’s regional country classifications: i) East Asia and Pacific; ii) Europe and Central Asia; iii) Latin America and the Caribbean; iv) Middle East and North Africa; v) South Asia; and, vi) Sub-Saharan Africa.

One exception is that of the countries in Eastern Europe that are also members of the European Union: these countries were excluded from the Europe and Central Asia region and were assigned to one of the two “European sub-categories” (see below).

Members of the European Union were divided into two sub-categories: Euro area countries and other European Union members (non-euro area).⁴ For all other developed nations, in order to avoid an excessive number of categories with very few observations, all these countries were also classified into a single separate sub-category denominated here as “other developed countries”.

**By population size**: countries were classified as follows: i) large – population over 30 million; ii) mid-size – population between 5 million and 30 million; iii) small – population less than 5 million. World Bank data on country populations for year 2012 were used for this purpose.

The definition of these sub-categories was driven solely on the objective of having a relatively similar number of countries in each of them, and/or with a distribution lightly skewed to the sub-category in the middle.

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² These and other factors have also been identified in the CPSS General Guidance for National Payment System Development. More specifically, this report identifies four general factors influencing national payment system development: i) environmental factors, ii) economic factors; iii) financial factors; and iv) public policy factors. Following the CPSS classification, two of the categories selected for analysis in this Working Paper (geographical location and population size) would fall under the “environmental factors” group, while the “level of income” category would fall under the “economic factors” group.

³ A case that deserves special treatment is that of the countries belonging to the Central Bank of Western African States (BCEAO) and the Eastern Caribbean Central Bank (ECCB). Whenever the issue under discussion related to number of countries, answers received from the BCEAO and the ECCB were allocated individually to each of the member countries. In those cases in which the issue under discussion relates to the “number of systems” or “number of central banks”, answer from the BCEAO and ECCB are counted as one.

⁴ For the purposes of this survey, Latvia, who adopted the Euro in January 2014, is included in the Euro area sub-category.
A case that deserves a special treatment is that of the countries belonging to the Central Bank of Western African States (BCEAO) and the Eastern Caribbean Central Bank (ECCB). The following cases and exceptions are noted:

- Whenever the issue under discussion relates to “number of countries”, answers received from the BCEAO and the ECCB were allocated individually to each of their 8 and 6 member countries respectively, unless otherwise specified.
- In those cases in which the issue under discussion relates to “number of systems” or “number of central banks”, answers from the BCEAO and the ECCB were each counted as one.
- For the income level, the following criteria were used: i) whenever a topic is discussed in terms of number of countries, the BCEAO / ECCB answer is distributed according to single country income level as per World Bank classification; ii) on the other hand, whenever a topic is discussed in terms of number of systems or number of central banks, the prevalent income level is considered.
- For the population size category, the following criteria were used: i) whenever a topic is discussed in terms of number of countries, the BCEAO / ECCB answer is distributed according to single country population as per World Bank 2012 data; ii) on the other hand, whenever a topic is discussed in terms of number of systems or number of central banks, the collective regional total is considered.

Number and percentages presented throughout the study and the comparative tables are based on the simple addition of the number of countries in each of the previously mentioned categories and worldwide totals. Different weights to each country on the basis of a country’s economic size, territory or other variables or country features are not applied throughout this study.

Caution must be used when comparing the 2012 results with the 2010 results: the number of countries/systems under the geographical, income, and population categories may have changed significantly. Additionally, in some instances, the above-mentioned change in the geographical classification of European Union member countries, as well as institutional and infrastructure developments in this area may complicate or even invalidate comparison of the current results to the past iteration.

IV). NOTATION AND CONVENTIONS

For tables showing comparative information on the basis of worldwide totals, country income levels, region, and population size, figures should be interpreted as follows:

a. In the first column, the number in parenthesis indicates the total number of countries in each category. In several tables, however, comparisons refer to specific features of systems rather than countries. In the latter case, numbers in parenthesis in the first column refer to the total number of systems with that particular feature for which comparisons are being made.

b. Columns headed with “#” show the number of countries/systems that answered positively to this item. When read vertically, these columns show at the top the total numbers of countries that answered positively to the specific issue detailed in the header of that column. Moving downwards, the column then shows the distribution of the total for each of the three country classifications being used.

c. Columns headed with “%” denote the number of countries/systems with a positive answer as a percentage of all countries in the respective sub-category.
d. When read horizontally, each row shows the number of countries/systems in each sub-category, together with the corresponding percentages, that answered positively to the aspect detailed in the header of that column.

Note that contrary to the previous iteration, totals have been calculated for each section, rather than for the whole survey. Totals in each section, unless otherwise indicated, represent the number of countries that completed the relative section of the survey questionnaire.

STATISTICAL TABLES

In the various statistical tables presented the following notation and conventions are used:

- **Volume of transactions**: means number of transactions.
- **Value of transactions**: means the amount of transactions.
- **USD**: means U.S. dollars.
- **nav**: means data is not available.
- **nap**: means data is not applicable.
- **neg**: is used when data are very small and negligible relative to other relevant data in the table concerned. Where data is *exactly* zero, this is indicated with “0”.

All value figures were converted into USD using the World Bank Exchange Rates for the yearly average.

ACRONYMS FOR REGIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAP</td>
<td>East Asia Pacific</td>
</tr>
<tr>
<td>ECA</td>
<td>Europe and Central Asia(^\d)</td>
</tr>
<tr>
<td>LAC</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>MNA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>SA</td>
<td>South Asia</td>
</tr>
<tr>
<td>SSA</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>ODC</td>
<td>Other Developed Countries</td>
</tr>
</tbody>
</table>

Euro area countries and non-euro EU members have not been assigned an acronym and are referred to as “euro-area countries” and “other EU members”.

\(^\d\) As noted earlier, for analytical purposes the ECA region does not include Eastern European countries that have joined the European Union.