



2 February 2024

Committee Secretary  
Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Wise Submission on Treasury Laws Amendment (Reserve Bank Reforms) Bill 2023**

Dear Committee Secretariat,

We thank the Senate Standing Committee on Economics for the opportunity to make a submission into the Treasury Laws Amendment (Reserve Bank Reforms) Bill 2023.

Wise's submission will concentrate on the matters concerning competition in the market for payments. Wise is a PSP which makes for a fairer, more dynamic and more productive economy in Australia through our provision of low cost, transparent, cross-border payments.

Reform to increase competition in Australia's payment systems can increase productivity and reduce costs for Australian businesses and consumers. We therefore endorse the particular provisions in the bill which allow the Reserve Bank the power to enhance competition in the market for payments.

**About Wise**

Wise is a global technology company, building the best way to move and manage money around the world. With the Wise account, people and businesses can hold over 50 currencies, move money between countries and spend money abroad.

Large companies and banks use Wise technology too; an entirely new cross-border payments network that will one day power money without borders for everyone, everywhere. However you use the platform, Wise is on a mission to make your life easier and save you money.

Co-founded by Kristo Käärmann and Taavet Hinrikus, Wise launched in 2011 under the name TransferWise. It is one of the world's fastest growing, profitable technology companies and is listed on the London Stock Exchange under the ticker, WISE.

16 million people and businesses use Wise, which processes around £9 billion in cross-border transactions every month, and in 2023 alone, we saved customers £1.5 billion in fees. We now welcome 100,000 new personal and business customers to the platform each week.

### **Reforms to Legislative Framework for the Payments Systems Board**

Wise's interests in the reforms proposed are exclusively in respect of the changes to s10B of the Act relating to the payments function of the Reserve Bank.

Reserve Bank through the Payments Systems Board represents one of the most important mechanisms for the promotion of safe, efficient and competitive markets for payments consistent with the overall stability of the financial system.

The Reserve Bank places the national interest above all others in their pursuit of a payments system that reflects the needs of the Australian people and the Australian economy. The Governor and their staff are often the first and loudest voices for prudent, measured reform in the Australian payments landscape.

The Bank is highly engaged in the payments landscape and Wise can attest to the professionalism and diligence of its approach to understanding new developments in the payments industry - in particular the cross border payments industry.

We view the proposed reforms to section 10B of the *Reserve Bank of Australia Act 1959* as being appropriate, measured and conducive to a more competitive and robust landscape for payments in Australia.

We note in particular that s10B(1)(f) and s10B(2) present an appropriately calibrated mechanism to give the RBA the means through which they can implement the reforms which they identify as being necessary to the controlling of risk, promotion of efficiency and promotion of competition consistent with the overall stability of the financial system.

The provision in s10B(2) offers a broad enhancement to the Reserve Bank's powers to allow the bank the latitude needed to interpose into payment systems which lack competitiveness or are at risk of becoming uncompetitive.

We note that in respect of previous concerns about competition and costs in the payments system - particularly competition in card schemes, payments and the risks of an uncompetitive interchange fee structure, the Reserve Bank intervened to set standards which improved competition and drove down prices for payments - reducing the costs of doing business and the cost of living.

We believe that empowering the Reserve Bank of Australia to identify payment systems, define payment schemes and set the rules for the function of those schemes is an appropriate extension of the Reserve Bank's powers and responsibilities.

Wise thanks the Senate Economics Committee for the opportunity to make a submission to this important reform to Australia's Payment Systems.

Yours faithfully,



Jack Pinczewski  
APAC Government Relations Lead  
Wise