

CASE STUDIES OF GLOBAL AND LOCAL PAYMENT SYSTEM

A global payments system allows companies and marketplaces around the world to make and receive cross-border payments in multiple, certified international currencies. Although currencies may vary between payment services, these systems enable international payment solutions- even more critical in recent years. Net revenue increased 7% to \$8.67 billion, compared to \$8.09 billion in 2022.

Local Payments system allows customers to pay with banks, wallets, or other means that operate only in specific regions of the world. Different local payment methods are available to customers depending on their locality.

What is a Global Payment System?

The definition of a payment system is, 'any system used to settle financial transactions through the transfer of monetary value. This includes the institutions, instruments, people, rules, procedures, standards, and technologies that make its exchange possible.'

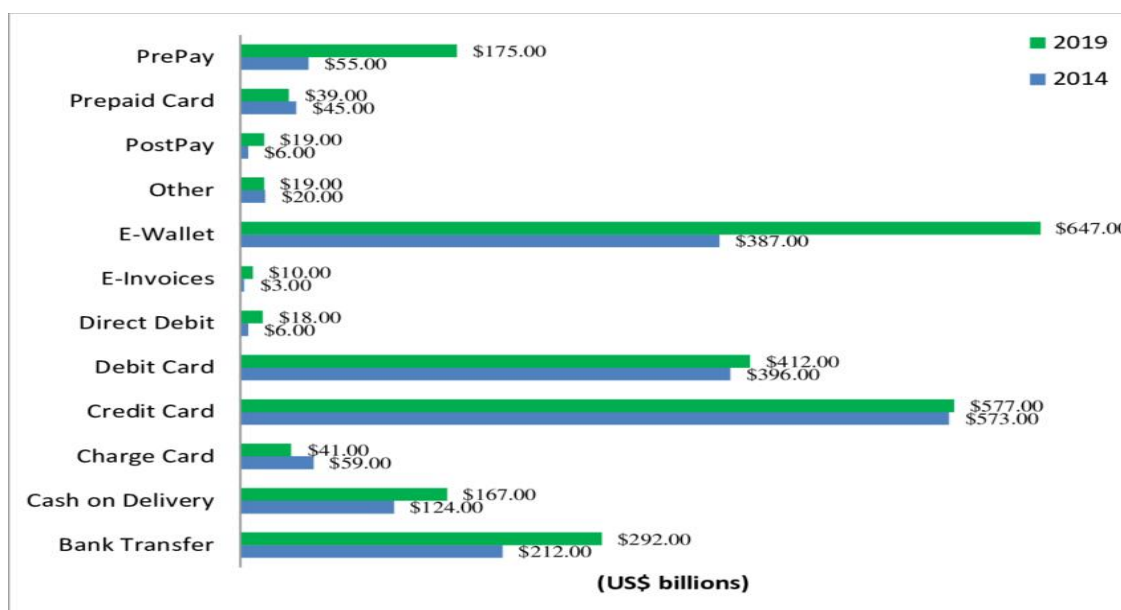
The 'global' element comes into play when the sole supplier, vendor, company, or marketplace has a bank account in a different country to the one in which the business is based in.

What is a Local payment system?

Local payment systems are the payment system popular in specific regions. For example, Boleto is a local payment system in South America, while Alipay is a local payment method of China.

The availability of local payment methods increases customer loyalty and boosts your presence on the market. So, by letting pay in their preferred way, a merchant's potentiality increases his sales volume. So, there are different forms of local payment system including e-wallets, bank cards, vouchers, and prepaid and pre-authorized cards.

Global Payment Systems	Local Payment Systems
<ul style="list-style-type: none">● Credit cards, including Visa, card, American Express● PayPal● Wire Transfer● International ACH (Automated Clearing House)● Direct debit, etc.	<ul style="list-style-type: none">● Debit networks● Digital wallets● Cash vouchers● Banks offering electronic transfers● Mobile payments● Invoicing systems, etc.



How does Global payments work?

Global payment processing involves multiple steps:

First, a legal entity needs to be set up in every country that a company operates in. Next, the money must be transferred internationally. This incurs charges which will differ depending on the transfer provider. To pay employees abroad, the money needs to be transferred to a local bank account then processed for payroll.

Without a global payment processor, companies have to make sure pay rates are accurately calculated which can be challenging due to constantly wavering exchange rates.

How does Local payments work?

The local payment process involves initiation by the payer, selection of a payment method (cash, electronic methods, cards, or mobile wallets), transaction authorization, processing through the banking or payment system, clearing and settlement, notification, record-keeping, regulatory compliance, reconciliation, and feedback/dispute resolution. The goal is to facilitate secure and efficient fund transfers within a specific geographic region.

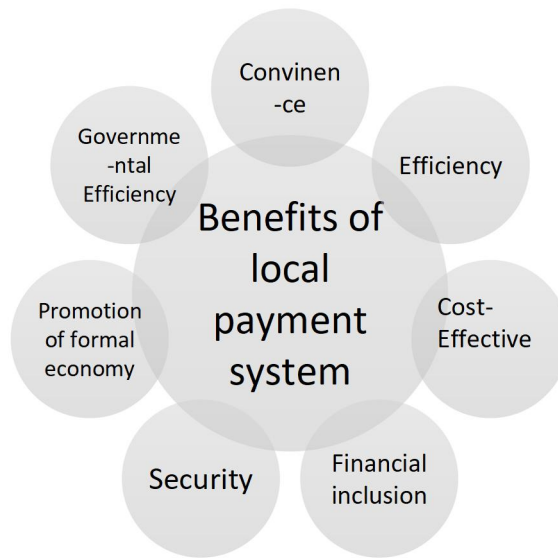
What are the benefits of a Global Payment System?

Global payments system acts as the intermediary between the buyer and the seller, upholding the integrity and confidentiality of:

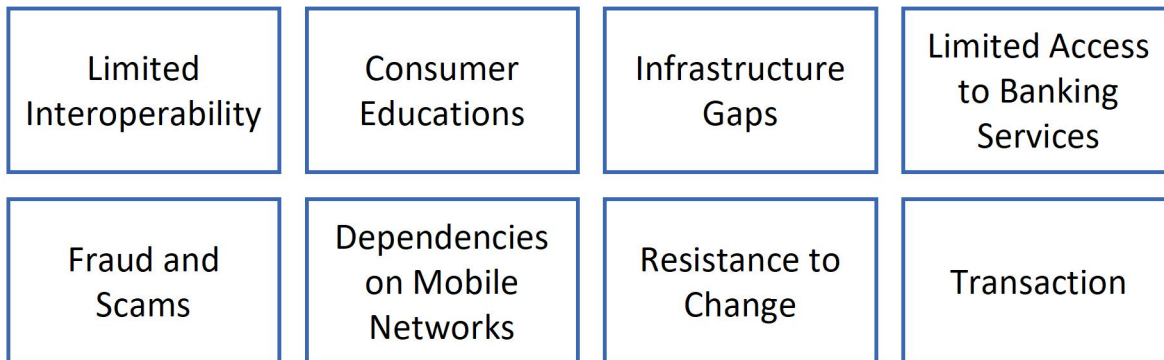


What are the benefits of a Local Payment System?

Local payment systems offer several benefits to individuals, businesses, and the overall economy within a specific geographic areas



Challenges



Scopes

