RBI and State Bank of Vietnam Sign MoU on May 5, 2026 to Strengthen Digital Payments and Financial Innovation

MoU to strengthen bilateral cooperation in financial innovation and digital payments, with potential to enhance cross-border payment linkages and position India as a major fintech hub

India–Vietnam Partnership to Expand QR Code-Based Cross-Border Payment Systems

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The Reserve Bank of India and the State Bank of Vietnam on 05.05.2026 signed a Memorandum of Understanding (MoU) to promote cooperation in financial innovation and digital payments, including information sharing, regulatory coordination, and payment system connectivity for cross-border QR Code-based merchant payments.

The MoU marks a forward-looking and substantive step towards strengthening bilateral cooperation in financial innovation and digital payments, with potential to enhance cross-border payment linkages and position India as a major fintech hub.

With the approval of the Union Cabinet, the Reserve Bank of India (RBI) and the State Bank of Vietnam (SBV) signed a Memorandum of Understanding (MoU) on 05.05.2026 for cooperation in financial innovation and digital payments**.** The Reserve Bank of India (RBI) and the State Bank of Vietnam (SBV) aim to deepen cooperation in areas of financial innovations and digital payments by facilitating potential joint innovation and digital payment programs and projects, including the development of connectivity in payments system to enable cross-border transactions between the two countries for QR code-based merchant payments.

<u>Brief of the MoU</u>

i. The MoU is a statement of intent between RBI and SBV to cooperate in the area of financial innovation and digital payments. It is intended to provide a broad framework for collaboration, information exchange and implementation support, to the extent permitted by the applicable laws, rules and regulations governing the two Parties.

ii. The scope of cooperation under the MoU covers, inter alia, information sharing on emerging market trends and developments, standards and best practices in digital payments and innovative technologies, regulatory frameworks pertaining to innovations, and the development and oversight of digital payments in financial services. The MoU also provides for potential joint programmes and projects, including payment system connectivity for cross-border QR Code-based merchant payments between India and Viet Nam.

iii. MoU is expected to enable greater efficiency in processing of cross-border transaction between two countries and make these transactions a transparent (upfront display of charges), convenient, real-time manner, and more cost-efficient. Also, facilitate trade and tourism between two countries to provide greater export opportunities to businesses in India.

iv. The Deputy Governor, RBI and the Deputy Governor, SBV, have signed the MoU.

Major impact, including employment generation potential

This Memorandum of Understanding between the Reserve Bank of India and the State Bank of Vietnam, is primarily a regulatory cooperation framework that is essential for maintaining smooth cross-border financial activities. It essentially envisages a mechanism for cooperation and information exchange in the area of fast payment systems, messaging system and card switches.

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