



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

RBI and State Bank of Vietnam Sign MoU to Boost Cross-Border Digital Payments and Fintech Cooperation

Published On: 01-06-2026

The Reserve Bank of India (RBI) and the State Bank of Vietnam (SBV) have signed a Memorandum of Understanding (MoU) to enhance cooperation in the areas of digital payments, financial innovation, fintech development, and payment system connectivity. The agreement aims to facilitate cross-border transactions, promote QR code-based merchant payments, and strengthen financial cooperation between India and Vietnam. The MoU was signed with the approval of the Union Cabinet and reflects growing economic and technological ties between the two countries.



The MoU focuses on collaboration in:?

Digital payment systems

Financial innovation and fintech development

Regulatory coordination and information sharing

Cross-border payment connectivity

QR code-based merchant payment systems.

A major objective of the agreement is to develop payment system connectivity that will enable cross-border QR code-based merchant payments between India and Vietnam. This is expected to make international transactions more seamless, transparent, real-time, and cost-effective for businesses, tourists, and consumers in both countries.

Significance of the Agreement:

The agreement is expected to strengthen bilateral trade, tourism, and investment by improving digital payment infrastructure between the two nations. It also supports India's broader strategy of expanding its digital public infrastructure and promoting global acceptance of its digital payment ecosystem. The initiative is being viewed as

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

an important step in positioning India as a major fintech and digital payments hub in the region.

India's Growing Cross-Border Digital Payment Network:

India has been actively working to expand international digital payment linkages through platforms such as Unified Payments Interface (UPI) and other digital payment frameworks. The RBI has also been exploring cross-border payment projects and Central Bank Digital Currency (CBDC) collaborations with several countries, including Singapore and the United Arab Emirates. These efforts aim to reduce transaction costs and improve efficiency in international remittances and trade payments.

About Reserve Bank of India (RBI):

Established: 1 April 1935

Nationalised: 1 January 1949

Headquarters: Mumbai

Current Governor: Sanjay Malhotra

About State Bank of Vietnam (SBV):

Central bank of Vietnam.

Responsible for:

Monetary policy

Currency issuance

Banking regulation

Financial stability

Headquarters: Hanoi, Vietnam.

What is Fintech?

Fintech stands for Financial Technology.

It refers to the use of technology to improve and automate financial services.

Major fintech services include:

Digital payments

Mobile banking

Digital lending

Insurtech

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

Blockchain-based services

QR Code-Based Payments

QR (Quick Response) Code payments allow users to make digital transactions by scanning machine-readable codes.

Benefits include:

Faster transactions

Lower processing costs

Greater financial inclusion

Contactless payment convenience

India–Vietnam Relations

India and Vietnam share a Comprehensive Strategic Partnership, established in 2016.

Cooperation areas include:

Defence and security

Trade and investment

Energy

Digital technology

Maritime cooperation

Vietnam is an important partner in India's Act East Policy and Indo-Pacific vision.