active correspondent banking relationships in the wake of the 2008 financial crisis due to increasing compliance costs driven largely by more stringent KYC and anti-money-laundering regulatory requirements. The costs of maintaining a basic correspondent relationship have risen from EUR 15,000 to EUR 75,000 per relationship (International Chamber of Commerce (ICC), 2017a), an amount which, for many banks in developing countries, is unsustainable in light of the actual size of the transactions to be handled in those relationships. The regions with the lowest number of active correspondent banking relationships are Latin America, Oceania and Africa (Financial Stability Board (FSB), 2018).

For the moment, however, in spite of the high number of banks that have signed onto the network, it seems that only a limited number of large operations have actually taken place. Banks are still testing the system (Leising and Robinson, 2018).

Other notable institutions such as IBM with its Blockchain World Wire platform and Alibaba affiliate Ant Financial are also working towards similar products.

Another noteworthy initiative is the cross-border blockchain payments service launched in October 2017 by IBM, KlickEx Group – a United Nations-funded Pacific financial services company – and Stellar.org, a non-profit organization that supports an open-source blockchain network for financial services. The service aims to improve efficiency and reduce the cost of making cross-border payments in the Pacific region by enabling the electronic exchange of 12 different currencies across Australia, New Zealand, the Pacific Islands and the United Kingdom. The service, which is already processing live transactions in the Pacific region, is expected to be expanded to other regions of the world (Mearian, 2017).

It is still too early to tell whether these initiatives will succeed on a global scale and deeply modify the way cross-border payments take place. In order to offer valid alternatives to the existing correspondent banking system, blockchain applications for cross-border payments would have to connect all currencies and financial institutions worldwide — "a massive undertaking" as McKinsey & Company notes in a 2016 study (McKinsey & Company, 2016c) if not a utopia. In addition, building a global network for cross-border payments may be technically difficult, if not impossible with the current state of the technology, unless speed and efficiency are compromised. But what is clear is that the emergence of new business models that short-circuit traditional intermediaries is disrupting the financial world, leading financial institutions to adjust.