



# Beyond “Glocal” promise: Navigating the Reality of Protected Payment Markets

# Beyond “Glocal” promise: Navigating the Reality of Protected Payment Markets

*This free mini-study examines the collision between “Global Standard” payment strategies and the rising wall of domestic protectionism.*

## You’ll learn:

- Why “Glocal” is a strategic dead-end: How the industry-invented middle ground creates compliance risk without domestic reach.
- The 5 Pillars of Protection: A framework to identify the invisible barriers
- Archetypes of Sovereignty: How 30 markets fall into five distinct groups, from “Open Standards” to “Sovereign Giants.”
- The Operational Reality: A practical auto-diagnostic to see if your current setup is legally exposed or technically excluded

## For who?

- **Merchants operating across borders or interested in doing so**
- **Retailers and platforms expanding internationally**
- **Acquirers, PSPs, and payment professionals to refine their strategy**
- **Anyone dealing with payment operations (Treasury, CFO, etc...)**



# Open or Protected Market: A Reality Check

*Retail digital payments' markets are not unified in the way they translate rulebooks from regulators and governments*

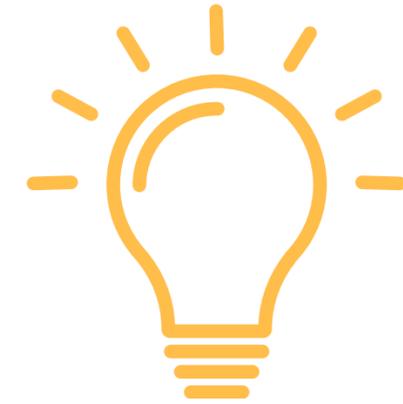
## “Glocal” as way to operate on market

Taking a Global tech stack, adding a local “sticker” (an entity or a local logo on the checkout), and you are magically part of the domestic economy.

Glocal implies (high) cost of local setup but (low) performance of a of foreign



**“Openness”  
of All  
Markets is a  
myth**



“Glocal” step is the highest frictional point for users.

***This is the worst of both worlds : Regulator scrutiny combined with poor performance***

# How to define a protected market?

*5 criterias to determine if a market can be seen as "protected"*

1

**Monopolistic presence or usage of local players**

**Market is structured around a cluster of actors.**

**The Truth: Without integrating the "Hero," you are invisible to 90% of consumers.**

2

**Favours from Regulators & Governments on local actors**

**Exclusive "On-Soil" advantages and tax breaks domestically**

**The Truth: You aren't competing against a product; you're competing against a national strategy.**

3

**Strong or hostile regulation against foreign based companies**

**Strict mandates on Data Residency and local entity requirements.**

**The Truth: "Global Hub" is often illegal here; you must build a technical fortress within their borders.**

4

**Restriction on FX and cross-border transactions**

**Strict capital controls and FX friction on cross-border liquidity**

**The Truth: Processing the payment is easy; getting the money out is the battle.**

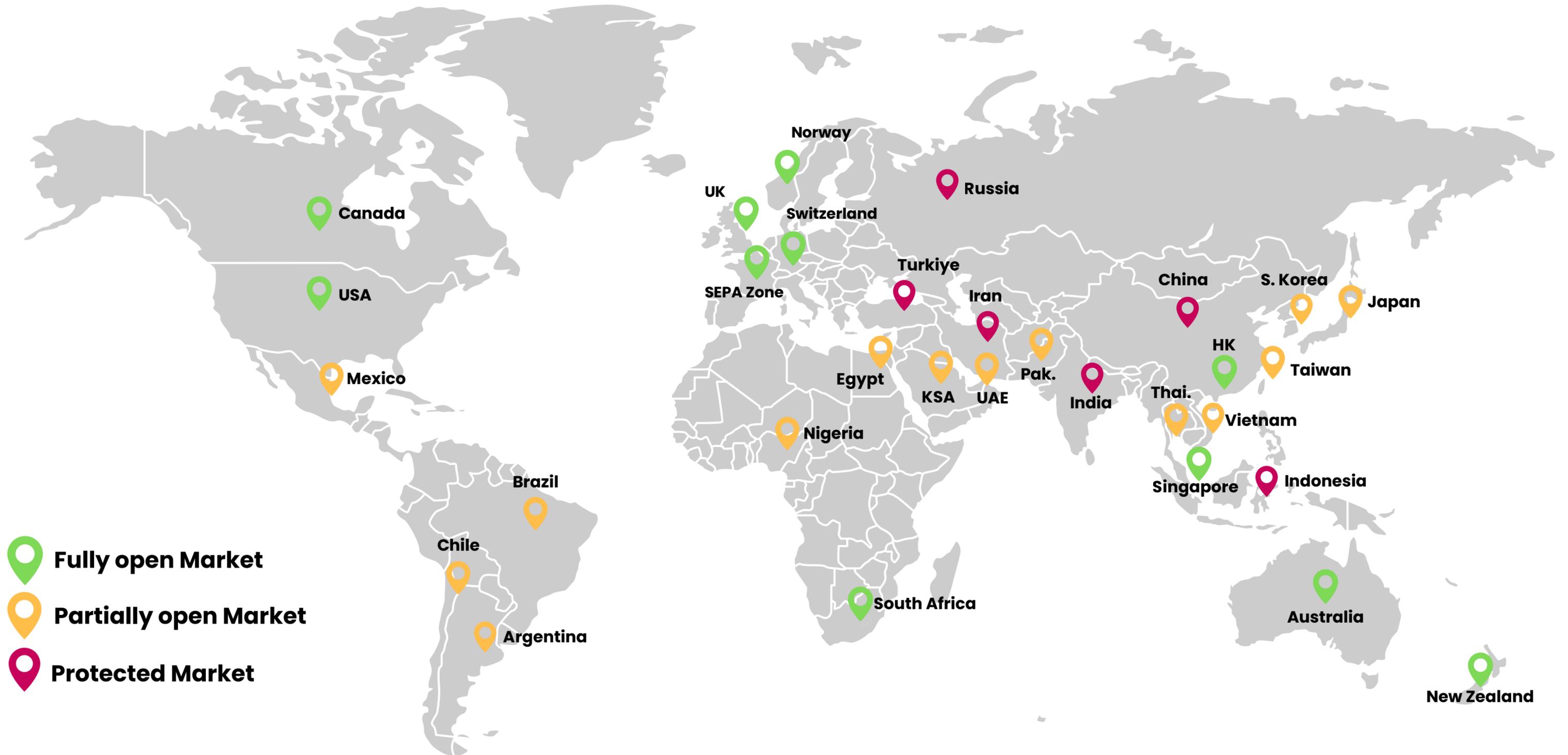
5

**Promotion or incentive of local payment networks**

**Subsidies or mandates that favour domestic (Troy, UPI, Pix) over Global Schemes**

**The Truth: Local rails are weaponised to make Visa/Mastercard too expensive to compete with.**

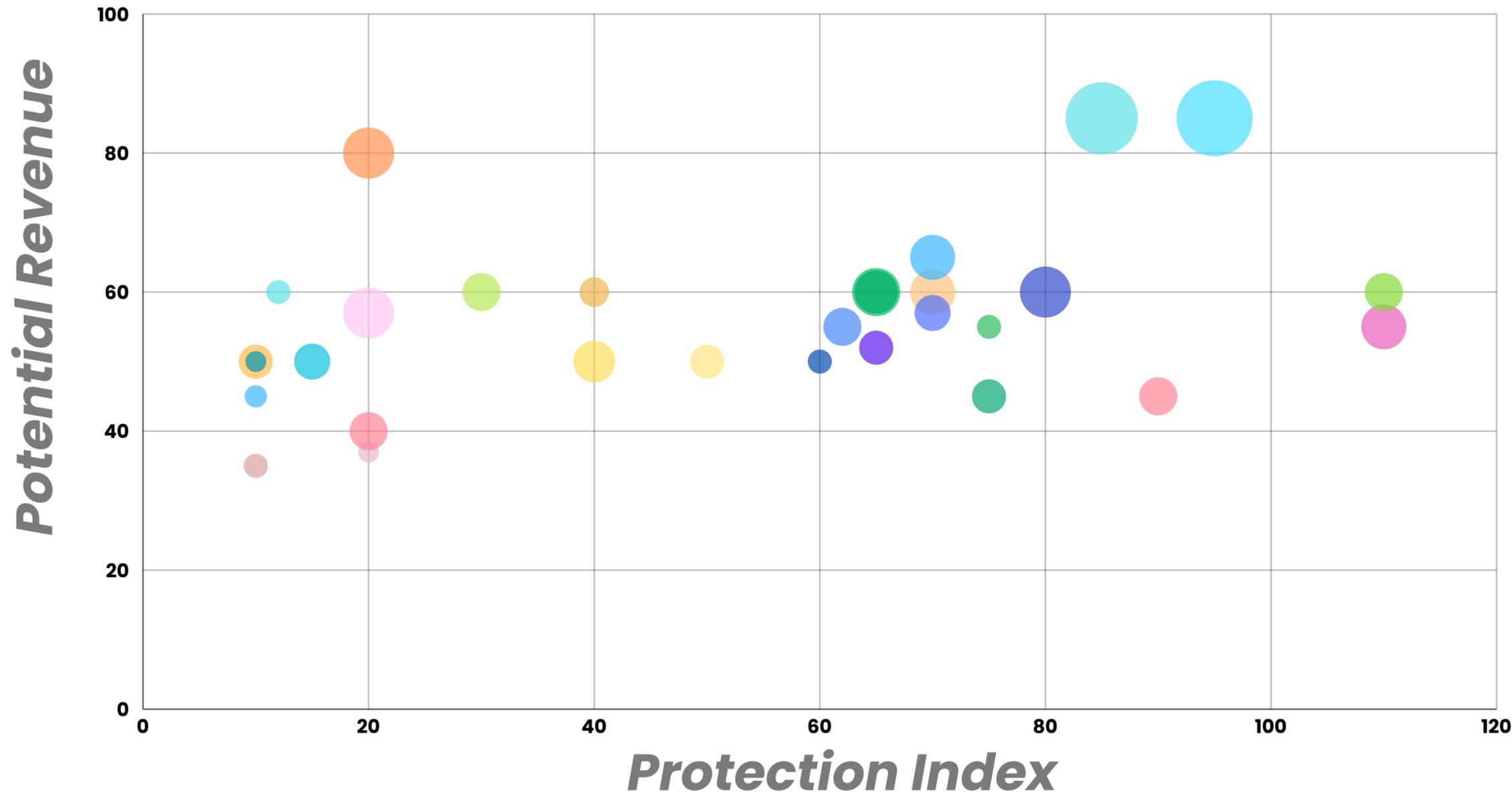
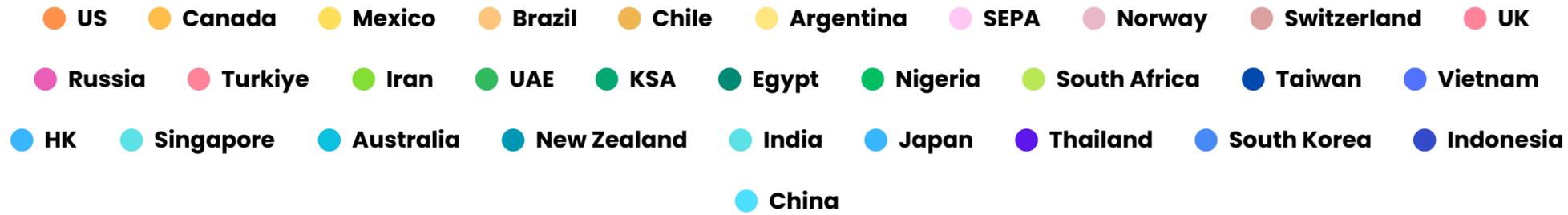
# The Global Map of Protected Retail Payments Market



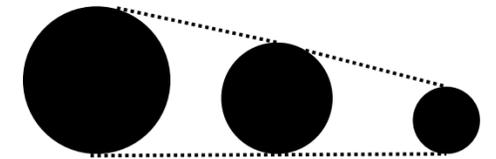
-  Fully open Market
-  Partially open Market
-  Protected Market

# Now what do to do with this?

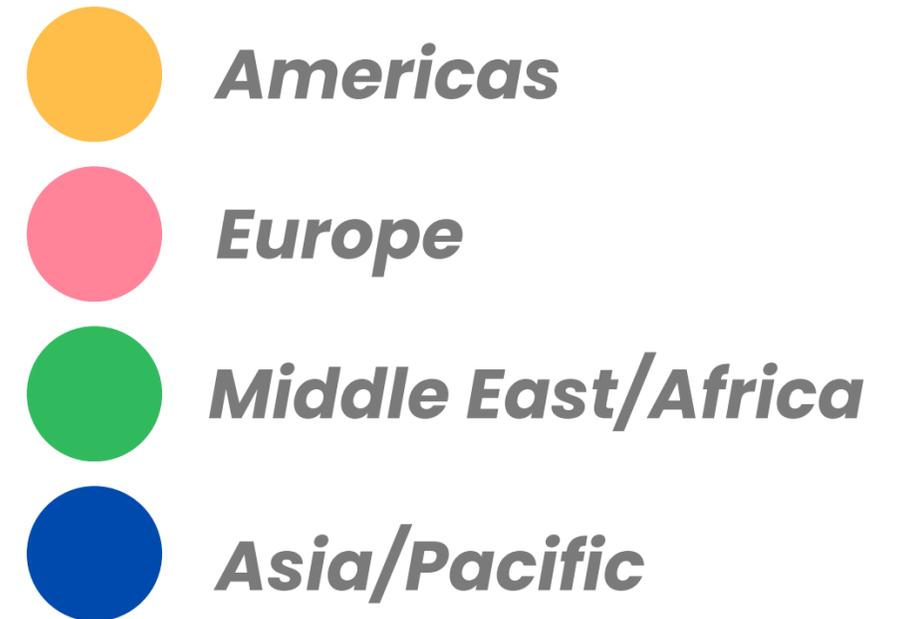
## Mapping the current countries in a Market Dynamic Matrix



## Overall Market Size:

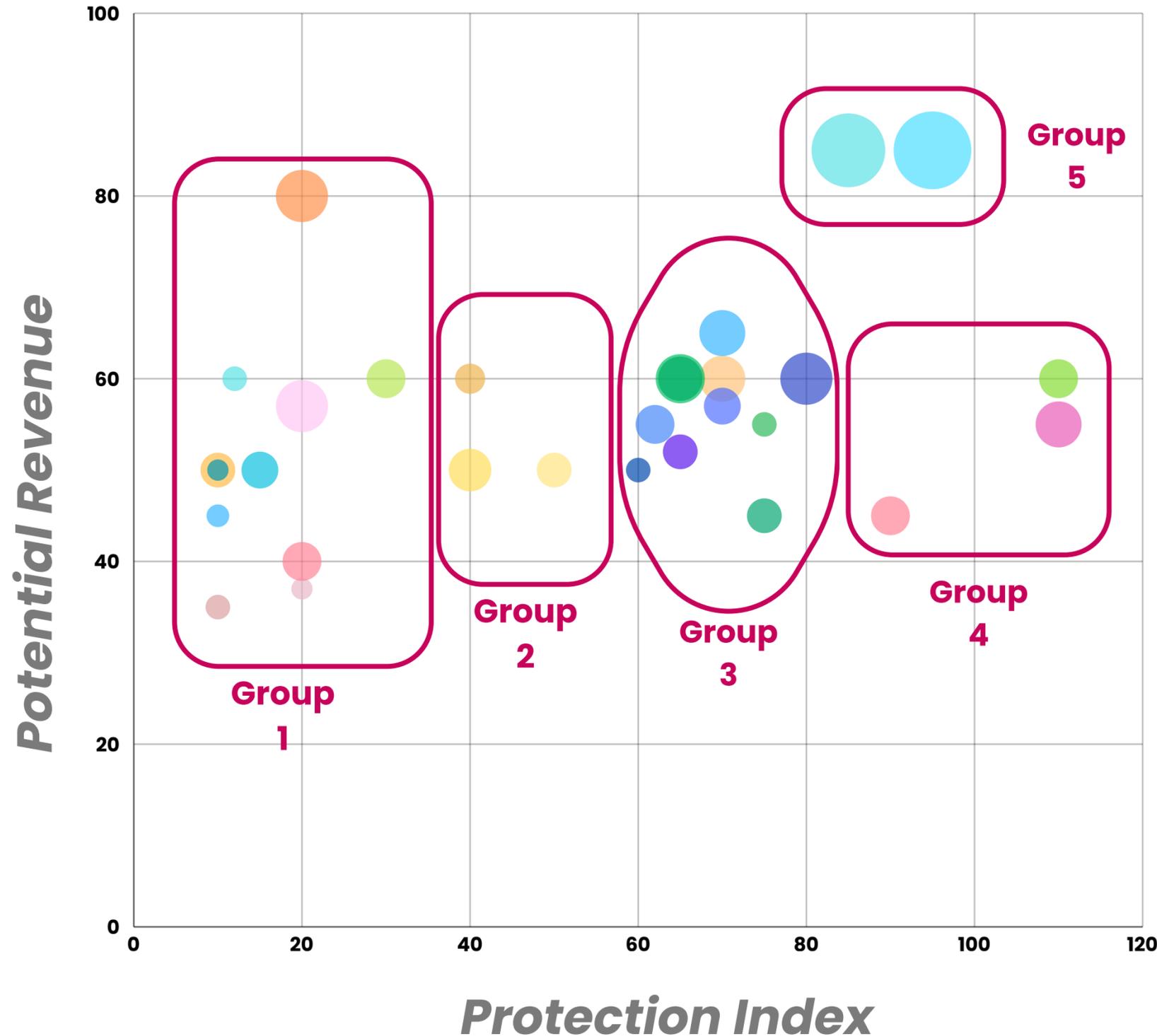


## Region Cluster:



# Now what do do with this?

*Grouping the countries from this Matrix*



## Group 1 : "The Open Standards"

*Focus: Standardized, easy access, high competition*

## Group 2 : "The Liberalizing LatAm"

*Focus: Transitioning from closed to open*

## Group 3 : "The Complex Hybrids"

*Focus: Open but with "traps" like capital control and local competition*

## Group 4 : "The Protected Fortresses"

*Focus: High hurdles, heavy government oversight, high risk/reward*

## Group 5 : "The Sovereign Giants"

*Focus: Entirely unique rules, high innovation, zero entry without deep localization*

# Details by Group

*Providing feedback on common points and challenges*

## Group 1: “The Open Standards”

*Focus: Standardized, easy access, high competition*

**US - Canada - N. Zealand - Australia - UK - SEPA - Hong Kong- Singapore - South Africa - Norway - Switzerland**

*This group is home to the most developed economies. They created a comprehensive yet open retail payment market.*

*They were among the first countries to transition to digital payments, driven by the rapid growth of e-commerce.*

*Regulations, although demanding does not represent a major hurdle.*

## The Group Challenge

***The fragmentation of markets, coupled with strong overreliance on card payments, prevents alternatives from emerging.***

***Transition to diversification remains complex, niche and patchy***

***The card is still the main driver, coupled with local schemes, creating complex operations***

# Details by Group

*Providing feedback on common points and challenges*

## **Group 2 : “The Liberalizing LatAm”**

*Focus: Transitioning from closed to open*

**Chile - Mexico - Argentina**

*The second group is only made up of Central and South American countries (Mexico, Chile, Argentina), with a regulation on Retail Payments that used to be pretty closed and protective.*

*But governments made a significant effort to liberalise the market to allow more competitions entering.*

### **The Group Challenge**

*Diversification in these countries is far more advanced than in Group 1.*

*The market is still driven by local competition, although some global actors might be present, their offer is way less competitive*

*Special attention on Argentina for stringent regulation on FX, yet evolving fast*

# Details by Group

*Providing feedback on common points and challenges*

## **Group 3 : “The Complex Hybrids”**

*Focus: Open but with "traps" like capital control and fierce local competition*

**Taiwan – South Korea – Nigeria – Thailand – Vietnam – Brazil – Japan – Indonesia – UAE – KSA – Egypt – Pakistan**

*One of the biggest group, mostly Asian and African countries.*

*Pretty heterogenous.*

*Some markets are not closed but requires multiple point of attention : control of capital, competitive local market, restriction on settlement.*

### **The Group Challenge**

*Most of them have a performant instant payment infrastructure, PIX being the best example.*

*Same remark as for Group 2 on local actors. Impossible to deal without them.*

*Complex operationnal can arise when it comes to card, patchy, partially interoperational or expensive*

# Details by Group

*Providing feedback on common points and challenges*

## Group 4 : “The Protected Fortresses”

*Focus: High hurdles, heavy government oversight, high risk/reward*

### **Turkiye – Iran – Russia**

*Those countries cumulate multiple hurdles even if their market perspective are pretty interesting.*

*Governments heavily protect their market. The two last two are under heavy sanctions (Iran and Russia) from Other countries.*

*Electronic payment infrastructure are well developed vs economical difficulties & currency instability*

## **The Group Challenge**

*Dealing with inconsistent policies, and more reliability from the market on governments.*

*Currency instability and durable inflation represent a high risk for business overseas*

*Geopolitical risk for Iran and Russia also impacts durably development of payments infrastructure, even if cashless represents majority of transactions*

# Details by Group

*Providing feedback on common points and challenges*

## Group 5 : “The Sovereign Giants”

*Focus: Entirely unique rules, high innovation, zero entry without deep localization*

### **India – China**

*The two biggest markets namely China and India.*

*Market are heavily protected from foreign competitions.*

*Innovation capacity is high, cashless transactions are advanced yet heavily controlled.*

*Few to none international competitors*

## **The Group Challenge**

*Implementing local standards largely non-interoperable, but key to enter market*

*High cost of access, need to get assisted by a local team or a local partner to break through.*

*Operational complexity can arise that needs a local presence*

*Global players is weak to non existent*