

## Modernising the Cook Islands' domestic banking and payments services

16 April 2026

The Cook Islands' domestic banking and payments system provides essential infrastructure for the economy. It enables people and businesses to pay for the goods and services they buy.

But our current payments system is inefficient and costly, and it's holding back our economy.

- At the moment, there is no interoperability across payment infrastructure – which means banks' systems don't connect with each other. Many retailers have multiple EFTPOS machines – this is inconvenient and imposes extra costs.
- There is no real-time system for interbank clearing and settlement – this is provided offshore.
- The payments system also relies heavily on manual processes, which are slow and costly.

The lack of a modern payments system is limiting e-commerce, digital innovation and inclusion, particularly in the Pa Enea.

In the Economic Development Strategy 2030, the Government committed to convening a Banking Taskforce, to explore the future direction of the banking sector, including options for improving the payments system.

MFEM completed this action in October 2025. With support from UNCDF, MFEM organised a Banking Sector Dialogue. This event brought together senior representatives from the four commercial banks, MFEM, FSC, development partners and key business community stakeholders.

Participants agreed on a shared roadmap to modernise the banking and payments system.

The Government has begun implementing its agreed actions. On 14 April, Cabinet agreed in principle to introduce a domestic payments solution within three to five years.

Cabinet has directed MFEM to do a detailed study of the implementation options, including technical solutions, regulatory design, and costing.

Modernising the domestic banking and payments system will make our payments faster and more efficient. By providing a platform for e-commerce, it will also open up business opportunities for businesses and help us grow an innovative and inclusive economy.