BRICS+ thinking

A BRICS+ Currency and Payments System: Feasibility and Consequences

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Executive Summary

This policy paper examines how and why the original five BRICS countries (Brazil, Russia, India, China, and South Africa) have in recent years explored the use of their own currencies or shared currency and payments systems, and how they could realize this. Drawing on the theory of international money, it assesses the feasibility of these initiatives, and their potential consequences, analyzing the proposed institutional designs and piloting for a shared currency and payments system, including the R5, the UNIT, BRICS Pay, BRICS Bridge, and BRICS Clear.

There is no indication that the BRICS countries are looking to replace the US dollar as the de facto global currency, or that they have officially endorsed a shared currency as their collective goal. Rather, they are aiming to reduce their reliance on the US dollar and to expand their strategic autonomy. They are doing so by jointly pushing to expand the international use of their national currencies among themselves and partner countries. They are also considering various proposals for a shared currency or for joint currency use beyond their national currencies, some of which, like the UNIT, have proceeded to trials.

The BRICS countries are also exploring their own payments systems to facilitate retail, wholesale, and investment payments, using their national currencies and those of partner countries, and their central bank digital currencies. Some of the projects (like the retail-focused BRICS Pay) are led by a consortium while others (like BRICS Bridge) are led by central banks and monetary authorities or (like

BRICS Clear) by finance ministries or government agencies. BRICS Pay and BRICS Bridge have moved into more advanced piloting and operationalization.

The increased use of national currencies between the BRICS countries and progress on intra-BRICS payments systems are quite feasible, unlike launching a shared currency. To achieve the latter, they would need to undertake dramatic reforms that they have so far been hesitant to pursue, such as creating a new joint monetary authority and reducing capital controls.

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A stepped-up, effective BRICS+ payments system among the BRICS countries and the growing range of their economically significant partners is a productive idea worth pursuing for their mutual benefit. This would allow them to reduce their reliance on the US dollar as well as enhance their strategic autonomy and economic integration. More countries, especially in the Global South, might also become interested in using a BRICS+ currency and payments systems.

Introduction[1]

Could the BRICS+ countries launch a shared currency to strengthen their economic, financial, and monetary autonomy in the global economy?[2] This paper explores the promise of, and challenges in establishing, such a currency. It analyzes the impact and cost of such an effort for the countries that would share this currency and an associated payments system.

The initial reaction of many observers is that the emergence of such a currency would diminish the dominant position of the US dollar in the international

monetary system. By contrast, we believe that things could go one way or the other in this regard. More importantly, we do not think that the question of dominance should be the only, or even the primary, consideration in analyzing a BRICS+ currency.

Our goal here is not to get drawn into the geopolitical aspects of this issue, but to clarify the economic and financial operating characteristics of a specific alternative international currency system. However, this cannot ignore the backdrop of the significant shifts in world order that are unfolding—these developments only heighten the urgency of our analysis. For at least the past three centuries, the world's currency systems have followed closely patterns of hegemonic leadership. If today's world order is shifting, because of voluntary withdrawal by the traditional hegemon or active great-power contestation, the global economy's need for a next-stage stable international currency system becomes more pronounced. That need has to be met, and we thus seek to analyze if a feasible alternative to the current system is available. The drivers of our analysis are the classical economic properties of a currency—storing value, facilitating exchange, providing liquidity, unit of account—applied to modern international exchange against the backdrop of a shifting world order and a growing BRICS+ international role. The choices that countries, companies, and individuals make as to which currency system they use will reflect the tradeoff between two dimensions: the convenience and efficiency of a currency and payments system that operate according to the classical reasoning, and the risks and disadvantages countries, companies, and individuals experience as a result of the behavior of those at the center of that system.

The initial prognosis for the possibility of a BRICS+ currency is not hopeful. The first requirement of any shared currency is that it should be freely usable; that is, that capital accounts are open and fully convertible. The currency needs to be available to everyone, at the domestic and international levels, inside and outside the issuing jurisdiction. Given the current policies of individual BRICS+ countries, it will be challenging to meet this requirement of full convertibility. This is daunting enough but further significant challenges include how these countries are geographically dispersed and how they show no enthusiasm for delegating policy autonomy to a common central bank. Unlike, say, in the introduction of the euro and the eurozone, no significant argument has been made that the BRICS+ countries might satisfy the generally accepted conditions for an optimal currency.[3]

If these are necessary conditions for a BRICS+ currency, the sacrifices required of these countries are sufficiently daunting as to suggest the project might never materialize. Would India ever cede central-bank independence to promote a new common currency bloc that included China? Would India, Russia, or China ever give up capital controls? US President Donald Trump has threatened BRICS+ countries with 100 percent tariffs if they pursue the development of a currency that could, as he put it, "replace the mighty US dollar."[4] Within the BRICS+ Thinking group, some doubt the feasibility of a shared currency and argue that the various

initiatives emanating from the grouping do not amount to a serious challenge to the hegemony of the US dollar.[5]

At the same time, though, a currency does not have to be optimal to be a plausible alternative. Recent international developments suggest that the time is right for considering the possibility of a BRICS+ currency.

First, new designs and pilot initiatives for a shared currency and payments systems have emanated from the BRICS+ countries and their partners: the R5, the UNIT, BRICS Pay, BRICS Bridge, and BRICS Clear.

Second, the United States' monetary, trade, fiscal, and macroeconomic policies are creating pressure on other countries. The Trump administration has imposed tariffs, unleashed trade wars, and taken other unwelcome unilateral economic actions against friends and foes of the United States. It has intensified the two-decade pattern of Washington weaponizing the US dollar, the US-centered financial system, and the US dollar payments system. These actions have revealed the risks involved in other countries placing their trust in the dominance of the US dollar. They undermine confidence in the US currency and thus increase, at the margin, the relative attractiveness of other options.

Third, prominent BRICS+ leaders and their governments, as well as those of other emerging and developing countries, have made clear their discomfort with, or opposition to, the use of sanctions by the United States and the European Union. Many countries, including longstanding US allies, are pursuing new trade agreements with each other. With the growing incentives to create new trading pathways that bypass the United States, countries will find it convenient to reduce their use of the US dollar. This benefits a variety of "local currency use" agendas and of alternative currency and payments options more generally.

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China's President Xi Jinping has called for the renminbi to play a greater global role. Russia is strongly invested in finding alternatives to the US dollar and the US-centered global financial order. Brazil's President Luiz Inácio Lula da Silva has

urged experimentation not only with the use of local currencies between BRICS countries but also with a shared "reference currency." Even India, a traditional bulwark for the US dollar order, has shifted to the cautious use of the rupee for trade with BRICS members and partner countries after the Trump administration imposed 50 percent tariffs on Indian goods.[6]

From February 2025 to August 2026, instant payments systems in the BRICS+ countries are reported to have handled the equivalent of US$10 trillion in transactions, and to have surpassed US rivals such as VISA and Mastercard in some of these large markets.[7] China's Alipay and WeChat Pay now respectively have more than 1.3 billion and 1 billion registered users globally, with 700 million and 900 million monthly active users inside the country. India's Unified Payments Interface (UPI) and Brazil's Pix now have more than 550 million and 170 million users, respectively, who make digital money transfers from account to account without using debit or credit cards. These digital payments platforms are all exploring linkups with central banks in other countries to increase cross-border payments, and they are finding ever quicker, more efficient, and trustworthy solutions for converting currencies. All these initiatives provide a ready underpinning for shared intra-BRICS+ payments systems and perhaps ultimately a BRICS+ currency of some kind.[8] Overall, there is as much of a push factor as a pull factor involved here. Should a BRICS+ currency and payments system emerge, there will be no great need to attract customers to it given that the demand for one is already being fueled by US policy.

Currency

There is no indication that the BRICS countries are looking to immediately replace the US dollar as the singular global currency. However, they are interested in reducing their reliance on it, and they are expanding their strategic autonomy by establishing international roles for their national currencies within the global monetary system and economy to pay for and settle cross-border trade and investment transactions among themselves and with others. There is also a debate within BRICS about the desirability of creating a shared or reference currency. At the 2024 summit in Kazan, Russia, Russian strategists presented a proposal for a BRICS unit of account, called the R5,[9] and the Brazilian economist Paulo Nogueira Batista, Jr. (formerly a founding vice president at the BRICS-led New Development Bank) proposed a roadmap for a shared BRICS currency that could transition to a shared reserve currency.[10]

Despite these ongoing debates, the BRICS governments have not officially endorsed any proposals for a shared currency. India remains the main opponent. Presidents Vladimir Putin and Xi Jinping have spoken of the need for non-US dollar currency alternatives, and President Lula for a BRICS reference currency. So far, the official position of the BRICS countries—as seen in the joint

declarations from the leaders' summits—is that they have agreed to work more on using their national currencies for trade and investment among themselves.

The BRICS governments have received corporate-led, quasi-governmental Track 1.5 proposals for new alternative digital currency initiatives, some of which have moved to the pilot stage. Batista has argued that it is indispensable for them to develop their own shared reserve currency, and to go beyond the focus on using national currencies among themselves if the goal is ensuring independence from the US dollar and the Western system.[11] Agreeing with the proponents of the R5 over the use of "a basket of the currencies of the participating countries," with "weights reflecting relative economic size"—mirroring the International Monetary Fund's Special Drawing Rights (SDR) basket of international reserve currencies[12]—Batista's proposed roadmap starts with the BRICS governments issuing new BRICS bonds, based on the shared unit of account, but also the New Development Bank issuing bonds and offering loans denominated in the unit of account, and the BRICS Contingency Reserve Arrangement doing so with its currency swaps. He sees the BRICS unit of account as a "transitional device" to a "new reserve currency."[13]

The UNIT

The other proposal for a shared currency that has attracted international attention would lead to the creation of the UNIT. Contrary to media reports of the BRICS countries exploring, having moved forward with, or having launched this new shared currency, the project remains a corporate-led proposal to governments that they have not officially endorsed.[14] In May 2023, the intergovernmental International Research Institute for Advanced Systems (IRIAS) published *The UNIT White Paper*, which proposed the creation as a new payment instrument of a digital token.[15] The UNIT would be backed by a reserve basket composed of 40 percent gold and 60 percent BRICS+ national currencies. The partial backing of the UNIT with gold is one of its key distinguishing features, compared to the SDR and the R5 proposal, which are solely currency basket-based. The UNIT's designers likely understand there would be limited demand for it if it were to be solely currency basket-based. Rather, the concept is of a "supranational settlement unit" that "leverages gold" ("for intrinsic collateral anchoring") and "sovereign fiat currencies" ("for transactional stability") into a newly created "UNIT Ecosystem."[16]

The white paper conceptualizes the following design elements for the UNIT instrument:[17]

1. The issuance of UNIT would be through, and the system is based on, a fractal, node-based model. Each node would deposit a full replica of the reserve basket locally and mint a proportional quantity of UNIT tokens (there would be no single central vault, supranational issuer, or sovereign guarantee). Supply discipline would result from asset custody and issuance rules instead of debt issuance authority.

2. UNIT tokens, after being minted, would circulate freely across settlement networks as a wholesale medium of exchange.

3. The UNIT would not be redeemable at the holder level, token holders would not be able to convert it into gold or fiat, and only entire nodes may liquidate reserves during structured exits or buyouts. This design aims to stabilize reserves and mirrors historic trade-clearing units rather than consumer currencies. Gold would anchor valuation confidence, without introducing redemption risk.

4. Unlike central bank digital currencies (CBDCs) or consumer cryptocurrencies such as bitcoin, the UNIT would be used for cross-border trade settlement among governments and institutions. It is not intended to be a consumer currency—its functions are institutional. As a medium of exchange, the UNIT would be used for direct settlement of commodity and trade invoices without intermediary foreign-exchange conversions. As a unit of account, it would be used for pricing reference for cross-border contracts and intergovernmental agreements. As a settlement instrument, the UNIT would be an alternative clearing tool that is capable of bypassing correspondent banking choke points.

5. As a non-redeemable, basket-anchored settlement unit, designed for international clearing, the UNIT resembles the proposal by John Maynard Keynes for a currency called the Bancor in the 1940s. Unlike crypto stablecoins, it is not designed for retail circulation or reserve convertibility. Unlike CBDCs, it would not be issued by a state or used for domestic payments.

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In practice, a UNIT transaction would flow as follows: trade invoice denominated in UNIT, payment transmitted across blockchain or sovereign settlement rail, and UNIT credited to exporter or counterparty.[18]

In October 2025, the IRIAS and the rebranded UNIT Project team issued a follow-up "Lightpaper" that updated the design and rebranded the UNIT as a "new digital monetary concept" that is a "global, decentralized digital benchmark" for global trade on the Cardano blockchain.[19] While still combining the "advantages of decentralized blockchain technology with the intrinsic value of gold and the historical usability of traditional currencies," the design ambition was expanded beyond trade payments and settlement to UNIT tokens functioning as "an index token and a digital benchmark index for global trade, reserve, and measure of value," and also "designed to stabilize global trade and facilitate fair, transparent cross-border exchanges."[20] One commentator calls the UNIT the clearest attempt to "engineer a basket-backed, collateral-anchored settlement instrument, intended specifically for wholesale, cross-border trade in a multipolar financial world."[21]

Payments

While there have been the above developments regarding a potential currency, we need also to consider the possibility that the currency itself is a red herring. For systemic economic efficiency, it is important that there be some widely accepted currency. However, theory is silent on the identity of that currency and says any widely accepted currency will do. What matters is that the risk characteristics of that currency be manageable. In the international system, those risk characteristics are determined as much by the payments system (the pipes through which value flows) as they are by any intrinsic characteristics of the currency (the material that flows through the pipes).

Thus, at least as significant as the currency—whether BRICS national currencies or a BRICS+ currency—are the new payments-system initiatives that the BRICS countries are championing and developing for use among themselves and with their partners: BRICS Pay, BRICS Bridge, and BRICS Clear. But how ready are they to supply the pipes? Progress appears most advanced for BRICS Pay, and to a lesser extent BRICS Bridge,[22] but even with BRICS Pay there is "still a lot of work to do," according to its chairman, Andrey Mikhailishin.[23]

What are the main differences between these three payment-system initiatives? BRICS Pay is for digital, cashless, seamless business-to-business, bank-to-bank, and people-to-companies payments for retail use in everyday life, within and between BRICS+ countries and partner countries, using national currencies (including potentially CBDCs). By contrast, BRICS Bridge is a project between central banks of the BRICS countries and specifically for using CBDCs for payments with one another. According to Mikhailishin, BRICS Bridge mirrors Project mBridge—which involves the central banks and monetary authorities of China, Hong Kong, Thailand, the United Arab Emirates, and, lower on the radar,

Saudi Arabia in building the international payments infrastructure for using their CBDCs with each other.[24] The Bank for International Settlements was involved alongside the central banks during the project's incubation phase. BRICS Clear's main distinction is that it is an electronic system for settlement and depository services relating to inter-depository interaction, securities transactions and investment between banks and corporates in BRICS countries for previously unavailable financial instruments, and securities transactions among themselves.[25]

BRICS Pay

The BRICS Pay team has presented its project to the BRICS+ leaders and coordinated closely with Russia's Finance Ministry and central bank as well as with BRICS government counterparts. They have sought official approvals and compliance with national legislation and regulations to align BRICS Pay with the BRICS countries' individual national and shared goals. According to Mikhailishin, BRICS Pay is "not revolution, it is evolution."[26]

BRICS Pay describes itself as a "decentralized digital payment platform" that "enable[s] fast, secure, and seamless cross-border transactions."[27] It claims its Decentralized Cross-border Messaging System is "a secure, distributed alternative for financial messaging that operates in parallel with existing infrastructures," is "scalable, secure and accessible – without disruptive overhauls," thus "ensuring continuity" and avoiding redundancy. BRICS Pay connects the national and commercial payments systems of the BRICS+ countries. It is striving to integrate with existing ones—such as China's Alipay, WeChat Pay, and Cross-Border Interbank Payment System (CIPS), Russia's System for Transfer of Financial Messages (SPFS), India's UPI, Brazil's Pix, and South Africa's SADC—to "enhanc[e] their reach without replacing them." Transactions are conducted via existing QR codes, e-wallets, and digital platforms, and utilize blockchain to enable local currency and digital financial asset settlements. BRICS Pay says it also seeks to "integrate with VISA, Mastercard and other international payment systems" to "expand choice, enhance resilience, and make cross-border payments more inclusive for nations, businesses and individuals worldwide." The BRICS Pay platform is said to be designed to achieve "interoperability," protect "sovereignty," and promote "inclusion."

BRICS Pay is decentralized in that each participating country still manages its own digital node, with member central banks maintaining oversight over their national operations. The lack of a centralized authority arguably means there is no single point of failure. BRICS Pay says it is organized as a consortium and that it is not a legal entity, corporation, foundation, or government body. Its governing Consortium Council makes decisions by consensus. According to the designers, this is a "modern form of collaboration" built on the principles of a decentralized autonomous organization[28] and the governance principles of "open, transparent and equitable decision-making."[29] BRICS Pay says it is "not about replacing existing financial systems" such as SWIFT, VISA, Mastercard, American Express,

or other international payment firms or systems but rather is "a complement," and that it "work[s] for a balanced financial order where the US dollar, euro, and national currencies are used fairly and equitably, reducing systemic dependency and risk." The goal is denomination, not de-dollarization, and to provide a "resilient alternative" financial infrastructure for businesses and individuals as well as a "strategic infrastructure" for a "decentralized, sustainable and inclusive financial system across BRICS+ nations and friendly states."

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Feasibility

Any country or group of countries that has enough of the right weight can supply a common currency. It will do everything it can with regard to self-interest, and in doing so it can either bring benefit or drawback to the world. Therefore, the world cannot afford to hand over such hegemonic power merely for the sake of exchange and finance efficiency in global commerce. Given this, it is likely futile in the short term to aim to make that currency the one, fixed world reserve currency.

So far, the objectives and reality of the collective-currency objectives that are endorsed by the BRICS+ governments are limited and incremental. There are Track 1.5 proposals for BRICS currency arrangements and the piloting of BRICS interconnected payments initiatives. However, the way ahead for these efforts is not straightforward, and gauging their feasibility involves considering several factors, including differences in the national interests of the BRICS members, the balance of costs and benefits for their respective economies and societies, and their respective degree of buy-in or commitment. Any sound feasibility assessment must also consider the pushback or reaction of rival powers and the "others" of the world that would also potentially use the currency system.

Even among the BRICS members, there is no lack of skepticism about the idea of a shared currency. For example, in July 2023, weeks after the release of the UNIT white paper, India's External Affairs Minister Subrahmanyam Jaishankar declared that his country had no plans for a BRICS currency. The following month, in the lead-up to the BRICS summit in South Africa, he said that "there is no idea for a BRICS currency" and questioned the viability of the idea, adding "that currencies to my mind will remain very much a national issue for a long time to come."[30] The South African organizers of the summit similarly expressed reluctance about discussing a shared currency on this occasion, and Chinese government and Track 1.5 spokespersons also conveyed official reservations about the idea of introducing a BRICS currency (or BRICS settlement system).[31] Batista counters the skepticism about a reserve currency arguing that it is not only feasible but also necessary for BRICS+.[32]

The proponents of the UNIT argue for its feasibility. Project lead and white paper co-author Alexey Subbotin claims that the "UNIT ecosystem may be easily scalable" because it is based on a "fractal architecture"[33] that is supported by "simple rules."[34] He suggests that the new UNIT modes can be established by sovereign or private agents, following a "detailed rulebook" in the custody of the IRIAS. According to Subbotin, the UNIT designers have already worked out the technical elements to operationalize it: they have incorporated a distributed ledger, a technology that features transparency and precludes capital controls and exchange-rate manipulation; connection to the UNIT can be given to all open decentralized exchange and digital platforms that are operated by commercial banks or central banks across the world; and "everyone" may use the UNIT for accounting, book-keeping, pricing, settling, paying, savings, and investing.[35] Some in the global financial world see the UNIT as considerably thought-through and potentially transformative. In July 2025, J.P. Morgan issued a report that called it "the most thoroughly fleshed-out of de-dollarization proposal that exists in the cross-border transactions space for BRICS+."[36] A December 2025 Forbes article called the UNIT a "good step forward."[37]

There are, however, reasons for doubting the feasibility of the UNIT. From within BRICS, the Russian news and analysis platform Think BRICS has cast doubt on it and questions its feasibility to become "the BRICS currency," emphasizing the continuing lack of official status for the project, despite its backing from the BRICS Business Council, a Track 1.5 advisory body. Think BRICS highlights what it sees as the inherent geopolitical risks in the technical engineering of the UNIT, such as price feeds from the Bullion-Rates.com platform (headquartered in Delaware, United States); reliance on XE.com (based in Canada and listed on the NASDAQ in the United States) for currency conversion; and use of the Cardano blockchain,[38] which Think BRICS calls "Western commercial technology."[39] Think BRICS concludes that, "if Cardano fails, then the UNIT collapses" and that the UNIT is "built entirely on Western architecture."[40] The inference is that the UNIT will not be officially endorsed by the BRICS governments because it is not built on indigenous intra-BRICS technology. Meanwhile, Batista has questioned the design of a BRICS currency that is backed by gold or other commodities, due

to the "instability of their prices," and called instead to back the shared currency with sovereign bonds that are themselves backed by the BRICS governments.[41]

There is also no lack of doubt about the UNIT outside BRICS+. Skeptics warn that scaling up the UNIT trials would require "massive amounts of political coordination and trust," which do not exist.[42] Some cryptocurrency backers say that "This looks like a grift, scam project," pointing out that the UNIT CEO and co-author of the white paper, Ji LUO, is not actually a person but an artificial-intelligence agent.[43] According to the editorial staff at the US-based global money-management firm Fisher Investments, media reports of the UNIT tests "could simply be propaganda for pro-Putin factions."[44] At a more technical level, they argue that

> the UNIT isn't an actual currency, like the US dollar or euro (assuming the story is real !!!). You can't buy anything with it… It isn't a currency in the traditional sense of carrying cash or even a stablecoin with public access.

Echoing the conventional wisdom about the tendency for the US dollar to retain its dominant position, they argue that

> not even BRICS can abandon the dollar without significant, foundational economic changes – which would take years.

BRICS Pay also faces significant obstacles, despite its incremental progress. According to Mikhailishin, Western sanctions are impeding the implementation of the project, specifically its efforts to connect Russian banks for payments with VISA and Mastercard.[45] Mikhailishin—who also heads the BRICS Payments & Fintech Taskforce of the Financial Services and Investment Working Group in the BRICS Business Council—argues that

> inside Russia, we are all in agreement that [cashless seamless e-payments] are very important, and very needed services for the Russian people and for foreign people travelling to Russia. We have a good relationship with Russia's central bank, and the Russian banks. But this is a sensitive issue because all of the top banks in Russia are under sanctions.

Mikhailishin adds:

> Of course we want to give businesses the ability to make payments [beyond] the sanctions… We want to walk together with SWIFT, VISA, Mastercard. And we must take into account the legislation of their [home] governments, for example, the USA, where VISA is based. We must take into account the sanctions restrictions that are associated with VISA. So we don't have the ability to walk directly with Russia's biggest banks because they are under Western sanctions.

However, he says that US sanctions have not killed the initiative:

> We have had to make some special infrastructure, and some relations with operational companies that are not caught up, and have not touched the

sanctioned banks in Russia. And these are obstacles that inhibit our [BRICS Pay] ability to start immediately. We must always take into account these points [factors].[46]

Conclusion and Recommendations

The central argument of this paper is that a stepped-up, effective payments system among BRICS+ countries is a productive idea for their mutual economic benefit that should be pursued. While there are obstacles that constrain the further development of BRICS Pay and BRICS Bridge, the technological challenges are not insurmountable. The development of a BRICS+ payments system is much more feasible than that of a full-blown alternative currency to the US dollar, which would require extremely significant changes to the financial systems and policy practices of all the countries that would participate in it. In particular, without the removal of capital-flow restrictions, creating an alternative currency would not be worthwhile. In this regard, we propose that the BRICS+ goal should not be to seek a replacement for the US dollar and its payments system but instead an alternative or supplementary payments mechanism. The motivation for the BRICS+ countries in pursuing their own payments mechanisms is as much from external factors compelling change as internal considerations driving repositioning. Nonetheless, the successful development of an alternative payments system could boost other BRICS+ currency efforts that might set the basis for the emergence of a more profound alternative currency challenge. How that evolves will be determined at least as much by internal factors and policy decisions in the United States as by developments elsewhere.



The development of a BRICS+ payments system is much more feasible than that of a full-blown alternative currency to the US dollar.

The proposed UNIT is a new form of digital money for wholesale use rather than for retail use. At the same time, there is an ongoing debate inside BRICS+ about whether the R5 concept and Batista's proposal for a shared reference currency based on a basket of BRICS national currencies, along the lines of the SDR, is a preferable or more feasible route to a BRICS+ currency. If the UNIT, the R5, or another BRICS+ currency option succeeds—and if it combines with advances in BRICS national currency internationalization and BRICS+ payments arrangements—the main consequence would be to reduce the reliance of BRICS+ countries on the US dollar (and the euro). These developments would lower exchange costs among themselves and remove the need for conversion into a third-party currency (that is, the US dollar) for payments. They would also drive further economic and financial integration among the BRICS+ countries, and potentially reduce negative economic spillovers from the United States and Western nations for them and their economic partners.



In any such scenario, therefore, the US dollar's dominance is not likely to end suddenly but rather to erode gradually amid the growing shift to currency multipolarity.

If the UNIT or a BRICS+ currency plus a BRICS+ payments system become serious options, this would diminish the status of the US dollar. A decline in investment in US Treasuries and other dollar assets could follow, and increases in the cost of borrowing for the United States would be likely. In such a scenario, more countries, especially in the Global South, could become interested in joining BRICS+ and using its currency and payments systems. If this happens, as Joseph Sullivan—an economic advisor in the first Trump White House—suggests, non-BRICS+ countries would have reason to use a BRICS+ currency and payments systems because each member state has a large enough economy in its respective region to make it a sought-after partner.[47] On the basis of GDP, the BRICS+ countries collectively now outweigh not only the United States but also the G7. Furthermore, although they lack the shared geography of the European Union, they have working in their favor the fact that they can produce a wider range of goods than the members of any existing monetary union. In any such scenario, therefore, the US dollar's dominance is not likely to end suddenly but rather to erode gradually amid the growing shift to currency multipolarity.

Policy Recommendations

Based on all of the above, we make three policy recommendations—the first two to the BRICS+ leaders and the third to them and key policymakers in the rest of the world.

First, the BRICS+ countries should commit to the goal of establishing a mechanism for cross-border payments among themselves and demonstrate this commitment to all necessary facilitators. For example, it is absolutely crucial that their central banks embrace this goal and make sure that all the technical requirements are put in place to allow this mechanism to function. This means implementing several related policies and building associated institutional arrangements. These include committing to promoting the greater use of BRICS+ national currencies in trade, finance, and payments; to expanding swap agreements among the central banks of BRICS+ members and partner countries; and further exploring the potential for greater use of digital currencies, particularly CBDCs.

Second, if the BRICS+ countries want a shared currency to replace the US dollar, they will have to undertake dramatic reforms, which would include all of them giving much greater independence to their central banks as well as creating a new joint central bank or monetary authority that would have powers over the monetary policies of the individual governments. A BRICS+ currency would also likely not work unless the countries also greatly reduce their controls over inbound and outbound capital flows as well as significantly bolstering confidence in the robustness of their domestic financial systems and the soundness of their economic policies. Moreover, despite the constrained use of the SDR in the public and private sectors, BRICS+ governments and their partners will want to examine what lessons—positive and negative—could be drawn from the SDR experience, especially when considering whether or not to anchor a BRICS+ currency at least in part to a form of collateral such as gold.

Third, in the communications and messaging about the new payments mechanisms and currency options, it is important to ensure and explain that these developments are primarily about facilitating easier and more cost-efficient trade and investment between the BRICS+ members for the betterment of the wellbeing of the BRICS+ populations and of the rest of the world, and that they are not aimed at undermining the existing world monetary system, especially the US dollar. These alternative currency and payments options come at a very sensitive time for global geopolitics and for a US administration that appears to be struggling at times and is rethinking the country's role in the world. Offering greater clarity on the purpose behind the BRICS+ currency proposals and shared payments mechanisms is crucial—especially for countering the perception of threat to the US dollar.

Some might find the history and the creation of the euro a tempting comparable for a BRICS+ currency, but we caution against this. Certainly, many had similar doubts prior to the creation of the euro and the eurozone, with leading thinkers in the United States either skeptical or suspicious—and yet the euro has, so far, been beneficial for cross-border trade and payments in the eurozone, and arguably for the world monetary system and global economy, this despite the ongoing economic and other challenges in Europe. There is no space here to draw lessons for a BRICS+ currency from the experience of the euro, including how Europe took more than 40 years to navigate the transition to the single currency, and the great related challenges that the countries involved experienced not only in its early years but also since. The core group of euro members met the general conditions of currency optimality and they were also willing to abandon their currencies and monetary policy independence. It is more likely that the BRICS+ countries can develop integrated and shared payments systems as well as some preliminary elements of a shared currency for cross-border payments. But only if they move beyond this would a full comparison with the euro be justified.



Offering greater clarity on the purpose behind the BRICS+ currency proposals and shared payments mechanisms is crucial—especially for countering the perception of threat to the US dollar.

Endnotes

1 We thank Sir Vincent Cable, Jianhai Lin, and, especially, Barry Eichengreen for their comments and suggestions.

Unless otherwise noted, all links to sources were functioning as of October 6, 2026.

2 BRICS+ is not a fixed grouping but one that continues to evolve. In this paper, BRICS+ refers to the original BRICS countries (Brazil, Russia, India, China, South Africa) and the six new ones (Egypt, Ethiopia, Indonesia, Iran, Saudi Arabia, the United Arab Emirates) as well as a growing range of economically significant partner countries such as Kazakhstan, Nigeria, Malaysia, Thailand, Turkey, and Vietnam.

3 An extensive literature examines whether countries can comfortably share a common currency area. The runup to the introduction of the euro was a period of especially intensive analysis on this question.

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