

**BARRIERS TO RIPPLE ADOPTION IN
TRADITIONAL BANKING SYSTEM:
CHALLENGES AND OPPORTUNITIES IN
CROSS-BORDER MONEY TRANSFERS**

Thesis

To Fulfill the Requirement to Obtain a Master Degree
Master in Management



Submitted By:

Daniel Matthew Iskandar

23/526277/PEK/29714

To

Faculty of Economy and Business

Universitas Gadjah Mada

2025



UNIVERSITAS
GADJAH MADA

Barriers to Ripple Adoption in Traditional Banking System: Challenges and Opportunities in Cross-Border Money Transfer

Daniel Matthew Iskandar, Rocky Adiguna, S.E., M.Sc., Ph.D.

Universitas Gadjah Mada, 2025 | Diunduh dari <http://etd.repository.ugm.ac.id/>

TABLE OF CONTENTS

PREFACE	i
TABLE OF CONTENT	iii
TABLE LIST	vii
FIGURE LIST	viii
LIST OF APPENDIX	ix
LIST OF ABBREVIATION	x
ABSTRACT	xi
CHAPTER 1 - INTRODUCTION	1
1.1 Background	1
1.2 Problem Formulation	5
1.3 Research Question.....	6
1.4 Research Objective.....	6
1.5 Thesis Structure.....	8
CHAPTER 2 – LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Why is it Called Blockchain?.....	11
2.3 What is XRP?.....	13
2.4 What is the Ripple?	18
2.5 How It Works?	21
2.6 Blockchain Technology in Banking.....	25
2.7 Ripple and Its Competitive Advantage	26
2.8 Barriers to Ripple Adoption in Traditional Banking.....	26
2.8.1 Regulatory Uncertainty	26

2.8.2 Technical and Integration Challenges	27
2.8.3 Institutional Resistance and Market Perception	27
2.9 Opportunities for Ripple in the Banking Industry	28
CHAPTER 3 – RESEARCH METHOD	30
3.1 Research Approach	30
3.2 Data Collection Method	31
3.2.1 Interview Method	33
3.2.2 Interview Setting	33
3.2.3 Anonymity and Confidentiality	33
3.2.4 Sampling Method	34
3.2.5 List of Interviewees	34
3.2.6 Scope of Inquiry	35
3.2.7 Ethical Considerations	35
3.3 Data Analysis Methods	35
3.3.1 Thematic Analysis	35
3.3.2 GAP Analysis	36
3.3.3 Comparative Analysis	37
3.3.4 SWOT Analysis	37
3.4 Ethical Considerations	37
3.5 Data Validity and Credibility	38
3.6 Research Limitations	38
CHAPTER 4 – RESULT AND DISCUSSION	39
4.1 Result	39
4.1.1 Primary Data	43
4.1.2 Secondary Data	44
4.2 Thematic Analysis	46
4.2.1 Regulatory Uncertainty	47

4.2.2 Operational Limitations	48
4.2.3 Financial Efficiency	49
4.2.4 Adoption Challenges	49
4.2.5 AML Filtering Challenges	50
4.3 Value Chain Current Cross-Border Transfer in Traditional Banking System ...	51
4.3.1 Introduction of Cross-Border Transfer in Traditional Banking System	51
4.3.2 Initiation of Cross-Border Transfer	52
4.3.3 Foreign Exchange (FX) Handling and Charges	53
4.3.4 Compliance and Screening Approval	53
4.3.5 What Are Traditional Payment Rails?	54
4.3.6 Transmission via SWIFT Network and Correspondent Banks	56
4.3.7 Final Settlement and Credit to Beneficiary Account	58
4.3.8 Confirmation and Visibility to Sender	58
4.3.9 Summary of Challenges in Traditional Cros-Border Transfers	58
4.3.10 Implication for Innovation and Ripple Adoption	59
4.4 GAP Analysis in Between Regulation of Bank Indonesia vs Ripple XRP	60
4.4.1 PBI No.22/23/PBI/2020	61
4.4.2 PBI No.19/10/PBI/2017	62
4.4.3 PBI No.18/21/PBI/2016	62
4.4.4 PBI No.21/08/PBI/2019	62
4.4.5 BI-FAST	63
4.4.6 Collaboration with BAPPEBTI	63
4.5 Comparison Between Ripple vs SWIFT vs QRIS	65
4.5.1 Comparison Between Ripple vs SWIFT	65
4.5.1.1 Core Functionality	65
4.5.1.2 Transaction Process Flow	66

4.5.1.3 Speed and Efficiency	67
4.5.1.4 Cost.....	67
4.5.1.5 Transparency and Traceability	67
4.5.1.6 Integration and Adoption.....	68
4.5.1.7 Security and Compliance.....	68
4.5.2 Comparison Between Ripple vs SWIFT vs QRIS	68
4.6 SWOT Analysis	70
4.7 System Design Block Chain Proposal	72
CHAPTER 5 - CONCLUSION.....	75
5.1 Research Question Answered	75
5.2 Suggestion or Recommendation	76
5.3 Conclusion	77
5.4 Implication	77
5.5 Limitation	78
REFERENCES.....	79
APPENDIX.....	81