

# Working Papers on Economics - A Brief History of the Evolution of the Payment System in Colombia, 1923–2023

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This document analyzes the evolution of the payment system in Colombia over the hundred years since the creation of the Banco de la República. The analysis covers institutional developments and stylized facts of long-term trends in the adoption, use, and relative decline of cash and checks, which dominated the payment landscape throughout almost the entire 20th century. It explores the macroeconomic factors that have driven their demand. The document illustrates relevant milestones in the advancement of the financial system over these hundred years from a novel and little-explored perspective in Colombia and in Latin America. It also contextualizes the emergence of innovations in electronic payment instruments and methods, aiming to reduce transactional costs in a highly dynamic market since the late 1990s and the first decades of the 21st century.