



Promoting the Use of DFS during Pandemic

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Country Landscape

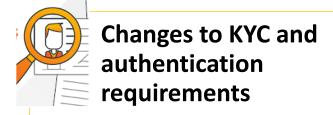
Mobile Phone Subscribers 165 million Population 212 million GDP: USD 284 billion (per capita USD 1388) **Internet Users 78 million** State Bank of **Pakistan Banking Branchless** Interoperable E-money **Banking** PSO/PSPs System in **Switches** Institutions Pakistan **Platforms** Micro Specialized Telco Driven + Local Pvt. **Public Sector** Foreign E-commerce 1Link, VRG Finance Banks and **Banks** Com Banks Banks Gateways Telco Agnostic Banks DFI's POS 44 Banks Interoperability **Domestic Payment** Scheme, Paypak provided by Card 16,076 Branches However, use of DFS Schemes such as 15,252 ATMs VISA, MasterCard remains much lower etc 42 million cards Micro payment Gateway (under 47,567 POS terminals development)

Policy Response to Covid-19 for Digital Financial Services

Objective:

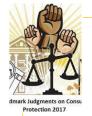
- To support social distancing initiatives by enabling general public to adopt digital financial services
- Capitalize on Covid-19 situation to promote DFS

Areas of Intervention:





Promotion of digital payments



Consumer protection measures





Cybersecurity of Payment Systems

Regulatory Measures during Covid-19

Changes to KYC & Authentication Requirements

Waived biometric verification requirement for activation of internet/mobile banking

Allowed wallet opening through in-app biometric

Promotion of Digital Payments

Waived transaction charges for fund transfers through internet/mobile banking channels

Waived RTGS fee for customers &

Use of RTGS for Real time settlements of Cheques

Increased transaction limits for customers & merchants

Consumer Protection

24/7 call center/helplines

Awareness Campaigns

Enhanced vigilance on digital Channels

Accelerated Licensing of DFS Providers during Covid-19

Reduced processing time for applicants

Pilot approval granted to one EMI

In-principal approval granted to another EMI

Allowed commercial launch to one White-label ATM Operator

SBP Instructions on Cyber Resilience during Covid-19

Work from Home

- Least Privilege and Need-to-Know-based Access Control
- user and device authentication
- encryption and antimalware technologies
- network segmentation and tierbased access control

Share Threat Information

- Establish Cyber Threat Intelligence Units (CTI-U)
- Deploy Emergency Response Teams (ERTs)
- Participate in informationsharing communities
- Subscribe to threat intelligence platforms within the country

Educate Staff

 Online training of employees to exercise caution in handling suspicious emails Emergency Cash Payments to the Poor during

Covid-19

- 12 million families
- Represents over 80 million people
- Rs. 12,000 (US \$75) per family
- Total budget Rs. 144 billion (US \$900 million)



People in-need can register by sending an SMS to a dedicated number

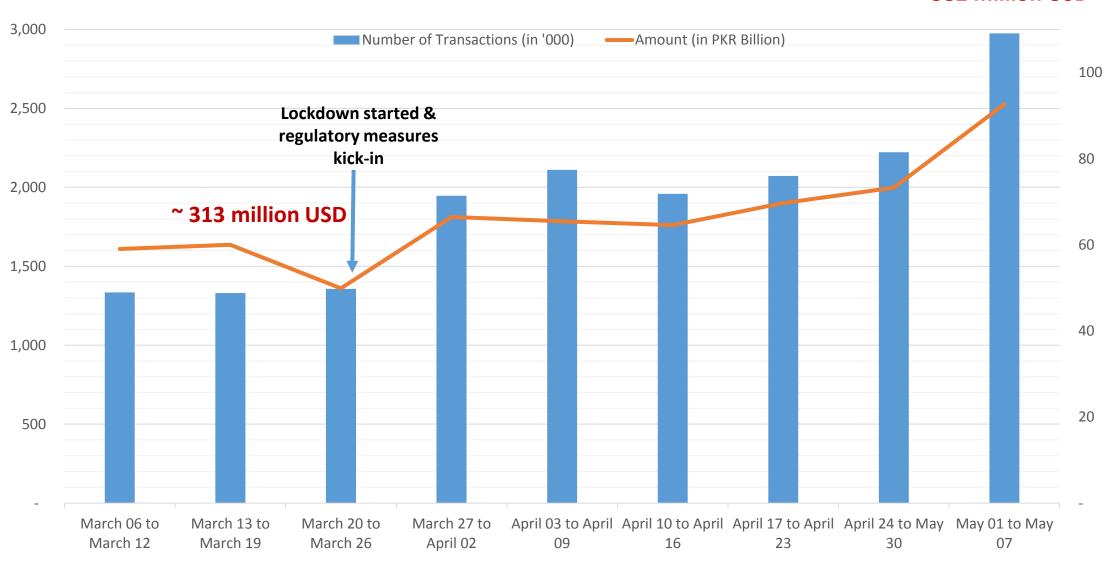
Eligibility is determined against a pre-defined criteria

Cash payments are done after biometric verification through more than 18000 banking agents

Impact of Regulatory Measures

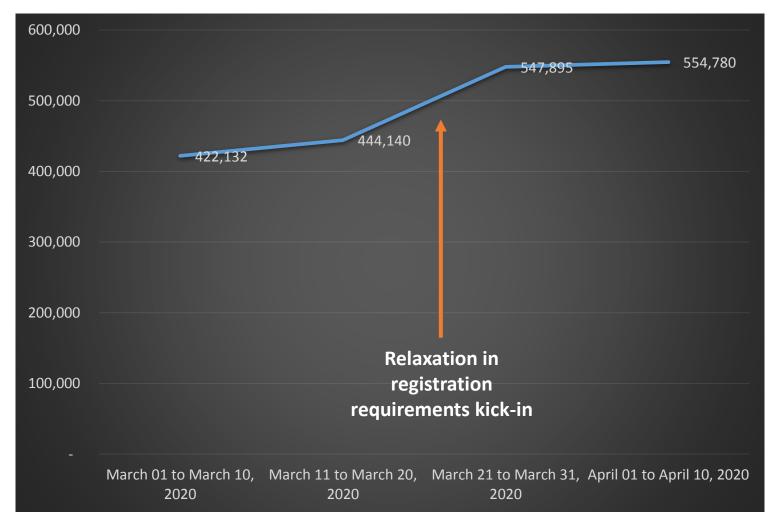
Fund Transfers using Digital Channels

~ 582 million USD



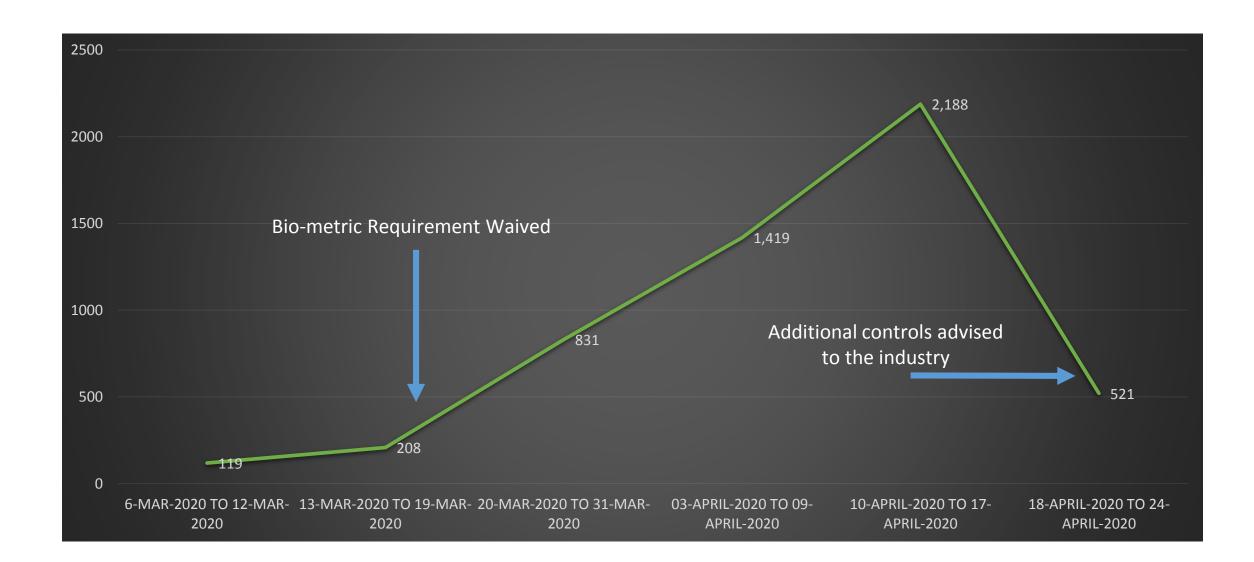
Internet & Mobile Banking User Registrations

Actual Number of bi-weekly activations





Social Engineering Frauds during Covid-19



Upcoming Developments



Promotion of contactless payments

• Work-in-process to promote contactless payments



Cloud computing services for Payment Institutions

- Software-as-a-Service deployments allowed to a licensed EMI on experimental basis
- Policy framework under development



Payment Apps Security Framework

To promote security-by-design in payment apps