

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day One: Thursday 29 August 2019

8.00	Registration
<b>INTRODUCTION</b>	
	<b>Welcome and Opening Addresses</b>
10.00	<p><b>Overview and Objectives</b></p> <p>Introduction to the sessions and the objectives of Digital Payments South Asia 2019.</p> <p style="text-align: right;">Greg Pote, Chairman, APSCA</p>
10.10	<p><b>Keynote Address</b></p> <p>Furthering the development of affordable, accessible and inclusive digital payments services in India.</p> <p style="text-align: right;">Navin Surya, Chairman, Fintech Convergence Council (FCC) &amp; Chairman Emeritus, Payments Council of India (PCI)</p>
<b>SESSION 1</b>	
	<b>The Future of Retail Payments</b>
10.30	<p><b>Understanding the business and technology roadmap</b></p> <p>Today payments industry stakeholders need to offer customers a range of retail payments products and services. Deciding which of these will become successful payments solutions, frequently used by customers from all demographics and widely accepted by merchants, is a challenge. This session explores the retail payments roadmap in India, the world's fastest growing payments market, to understand what is on the roadmap today, what lies ahead and the factors that will determine how the roadmap is likely to develop in the future.</p> <ul style="list-style-type: none"> <li>▪ How is the payments technology roadmap changing? Is the direction of the roadmap mostly driven by customer needs, by merchant business requirements or by government policy?</li> <li>▪ Which of contactless cards, mobile real-time payments, QR code-based mobile wallets, NFC mobile payments or other technologies will contribute most to increasing digital payments transactions?</li> <li>▪ In a multi-tiered developing market with differing social demographics, will the success of consumer payments solutions and their acceptance depend on the characteristics of targeted customer groups?</li> <li>▪ How relevant is the global interoperability and acceptance of secure consumer payments for the development of domestic payments products and payments acceptance infrastructure?</li> <li>▪ How relevant are international consumer payments developments and trends, and interoperable payments industry standards, for the long-term growth of digital payments in India?</li> </ul> <p>Viewpoint: Sanjay Jain, Chief Innovation Officer Centre for Innovation Incubation and Entrepreneurship, IIM Ahmedabad [-20min]</p>
	Impact for India, and on global payments trends
10.50	<p><b>Discussions: The roadmap to 2021 - realising the vision</b></p> <p><i>The Reserve Bank of India (RBI) 'Payment and Settlement Systems in India: Vision 2019–2021', outlines the road map for the 3-year period 2019 to 2021. Key milestones focus on accelerating the growth of e-payment systems, both in terms of number of transactions and increased availability. With a national migration to EMV-based contactless cards for retail payments, the same cards driving the National Common Mobility Card (NCMC) initiative for transport payments, the fastest-growing real-time mobile payments market in the world, national standards for QR code mobile payments, PPI interoperability driving mobile wallets and growing the payment cards business, will it be possible to reach the fourfold increase in digital payments transactions targeted by RBI? Is the targeted sixfold increase in payments acceptance infrastructure feasible? What will be the challenges in realising the vision?</i></p> <p style="text-align: right;">Navin Surya, Fintech Convergence Council (FCC) &amp; Payments Council of India (PCI) Sanjay Jain, CIIE, IIM Ahmedabad Greg Pote, Chairman, APSCA</p>
11.15	<b>Refreshments</b>

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day One: Thursday 29 August 2019

SESSION 2	Contactless Payments
12.00	<p><b>Contactless acceptance, contactless cards, mobile NFC payments</b></p> <p>In-store contactless payments have been forecast<sup>1</sup> to reach \$2 trillion by 2020, driven by payment cards and OEM-Pay mobile wallets. The rise of contactless, still dominated by card payments, has been driven by strong adoption in Europe as well as Asia Pacific. In Australia around 90% of card transactions are on contactless but other Asia-Pacific markets are catching up. The U.S. is now the last major market transitioning to contactless payments. This session explores best practices for developing success with contactless payments and acceptance.</p> <ul style="list-style-type: none"> <li>▪ In markets where EMV contactless payments are taking off, what is attracting consumers to adopt contactless payments and what is it that creates the business and value proposition for merchants?</li> <li>▪ How can Asian markets achieve Australia's level of success with contactless acceptance where over 80% of payment card transactions at major retailers are now contactless?</li> <li>▪ How important is the contactless card population, the contactless payment threshold, POS terminal requirements, counter space, staff training, reliability, security and customer education?</li> <li>▪ In order to grow contactless acceptance fast enough so that merchants and customers will adopt contactless payment card products and use them regularly, is industry collaboration necessary?</li> <li>▪ What new low-cost EMV contactless acceptance solutions, such as PIN on Mobile, can on-board micro merchants for e-payments by accepting EMV contactless payment cards and NFC mobile phones?</li> </ul> <p>Viewpoint 1: Subhrajit Basu, Regional Senior Vice President, APAC Discover Financial Services [~20min]</p> <p>Viewpoint 2: Nitin Bhatnagar, Associate Director PCI Security Standards Council[~20min]</p> <p>Viewpoint 3: Jacques Soussana, General Secretary nexo standards [~20min]</p>
13.00	<p><b>Discussion: Bringing contactless payments to all merchants and customers</b></p> <p><i>The rapid uptake of EMV contactless payment cards has expanded e-payments by displacing cash<sup>2</sup> for low value transactions. But success with EMV contactless payments has so far been limited to mature card payments markets. Many merchants in India would not qualify for a contactless payment terminal even if they could afford to rent one. These are the merchants, or micro merchants, now being targeted by QR code mobile payment providers. Can these merchants be brought on-board the contactless payments ecosystem? What innovative contactless acceptance solutions are required? How can the payment card industry leverage these developments to encourage more merchants and customers to adopt contactless payments? Mobile NFC payments look disappointing so far but are there still opportunities to use mobile to expand adoption of contactless payments in India?</i></p> <p style="text-align: right;">Subhrajit Basu, Discover Financial Services Nitin Bhatnagar, PCI Security Standards Council Jacques Soussana, nexo standards Greg Pote, Chairman, APSCA</p>
13.30	<b>Lunch</b>

1 - [www.juniperresearch.com/press/press-releases/contactless-payments-to-represent-1-in-3-in-store](http://www.juniperresearch.com/press/press-releases/contactless-payments-to-represent-1-in-3-in-store)

2 - <https://www.rba.gov.au/publications/bulletin/2017/mar/pdf/bu-0317-7-how-australians-pay-new-survey-evidence.pdf>

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day One: Thursday 29 August 2019

### SESSION 3

#### Outlook for Mobile Wallets

14.30

##### Leveraging a new role in the financial services ecosystem

In October 2018, the Reserve Bank of India (RBI) issued their widely expected directions on interoperability for Prepaid Payment Instruments (PPIs), enabling PPIs to become part of the financial services ecosystem. PPI interoperability was expected to be an industry game changer by connecting wallet customers to the payments ecosystem, without opening a bank account, boosting acceptance of wallets by merchants, and enabling wallets to become members of card payment associations. This session explores the outlook for mobile wallets post-interoperability.

New opportunities after  
PPI interoperability

- PPI interoperability was supposed to boost the business prospects for mobile wallets. Results are slow so far. What is holding back the growth of the mobile wallet business and how can it be revived?
- Benefits for customers seem significant - fund transfers to other wallets and bank accounts, direct access to the payments ecosystem without opening a bank account - have these benefits had any impact?
- PPIs have been elevated almost to the level of banks and an interoperable wallet payments framework of wallet issuers and accepting merchants is now feasible - but is this likely in practice?
- A leading mobile wallet has already become a member of a major card payment network, a new revenue opportunity that offers new services to customers. What is the outlook for PPIs in the cards business?
- The greatest challenges for mobile wallets today come from the new KYC requirements of the regulator and the competition from mobile apps offering UPI payments? How will PPIs manage these challenges?
- Could the recommendation of the High Level Committee on Deepening of Digital Payments to allow mobile wallets with loading caps and spending limits to bypass KYC requirements, rejuvenate the business?

Viewpoint 1: Sunil Kulkarni, Joint Managing Director  
Oxigen [-20min]

Viewpoint 2: Abhishek Arun, Senior Vice President  
Paytm Payments Bank [-20min]

Viewpoint 3: Ursula Schilling, Director, Business Development, Infineon Technologies  
Vice-Chair for the Retail and Payment SIG, NFC Forum [-20min]

15.30

##### Discussions: Is the mobile wallet business on life-support or just in a down-turn?

*Is the mobile wallet business dead, on life-support, or preparing for a new era of prosperity? UPI payments are exploding and overtook mobile wallets in terms of volume of transactions and value in March 2019. But is this a fair comparison since most UPI transactions still P2P whereas customers are using mobile wallets to pay for bills and purchases? Although the PPI interoperability guidelines were issued in 2018, have wallet companies made full use of the new entitlements so far? Once wallet companies take full advantage of the interoperability guidelines will they not be able to offer a richer payments experience to customers, than would be available through a UPI handle alone (which all wallets appear to be adding anyway)? Mobile wallets are also seeing increasing use in public transport systems, so have reports of the death of mobile wallets been exaggerated?*

Sunil Kulkarni, Oxigen  
Abhishek Arun, Paytm Payments Bank  
Ursula Schilling, Infineon Technologies & NFC Forum  
Greg Pote, Chairman, APSCA

16.00

#### Refreshments

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day One: Thursday 29 August 2019

### SESSION 4

#### Roundtable Discussions

16.45

##### Introduction

In this session, all delegates will have the opportunity to participate in 1 of 3 roundtable discussions lasting 20min each. Each roundtable discussion will be assisted by experts who will facilitate. The objective is to provide an informal opportunity for all delegates to join discussions and get their questions answered.

##### 1 - Consumer payments in India in 2021

What will the consumer payments business in India look like in 2021? How can the industry collaborate to achieve the targeted fourfold increase in total digital transactions and sixfold expansion of e-payments acceptance?

##### 2 - Ramping up India's payment card market

What is the future of the payment card market in India? Will it be overtaken by UPI mobile payments or will it continue to thrive? What steps should the industry take to expand contactless payment card acceptance and usage?

##### 3 - Revitalising the mobile wallet and PPI business

Raising non-banks to the level of FIs is a global trend designed to accelerate digital payments. PPI interoperability has significant potential upside so how can mobile wallets leverage their "new deal" - even in the face of UPI payments?

17.15

##### Close of day one

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day Two: Friday, 30 August 2019

INTRODUCTION	<b>Welcome to Day 2 and Opening Address</b>
10.00	<p><b>Review and objectives</b></p> <p>Recap of day one discussions and introduction to day two of Digital Payments South Asia</p>
SESSION 5	<b>Transport and Retail Payments</b>
10.15	<p><b>Combining public transit and open-loop contactless payments</b></p> <p>The National Common Mobility Card (NCMC) initiative is driving the use of EMV-based open-loop payment cards in automated fare collection (AFC) systems for public transport. The growing number of NCMC solutions offers opportunities to use the significant volume of public transport ticketing transactions to drive the adoption and usage of the same contactless payment cards in both public transport and at the retail PoS. This session explores the opportunity for NCMC contactless payment card solutions for issuing banks, transport operators, and their customers.</p> <ul style="list-style-type: none"> <li>▪ Around the world transport ticketing schemes are exploring the use of EMV open-loop contactless payment cards as ticketing media - what are the benefits for transport and financial stakeholders?</li> <li>▪ How will more options for National Common Mobility Card (NCMC) contactless payment card solutions that can be used in transit and at the retail PoS, benefit issuing banks and transport authorities?</li> <li>▪ What are the possible strategies for banks to issue NCMC-compliant payment cards and collaborate with public transport ticketing schemes to drive usage of these products in the retail and transit sectors?</li> <li>▪ What is the business case for transport authorities and operators to accept NCMC contactless payment cards issued by banks for payment of transport fares? Cost savings, revenue sharing, others?</li> <li>▪ Data from transport ticketing transactions can provide valuable information to operators, partners and customers - will this be available in NCMC ticketing schemes based on bank payment cards?</li> </ul> <p>Viewpoint 1: Arvind Ronta, Vice President, Head of Products Visa India and South Asia [-20min]</p> <p>Viewpoint 2: Shantanu Shirke, Product Manager UL [-20min]</p>
New partners and business opportunities	<p style="text-align: center;"><b>Discussions: How transport authorities and banks should collaborate on NCMC</b></p> <p><i>NCMC payment solutions offer opportunities for both issuing banks and transport operators that accept them for fare payments. How should issuing banks and public transport authorities and operators collaborate in mutually beneficial arrangements? The single bank issuer model has already been shown to be infeasible so how should transport operators work with multiple issuers of NCMC contactless bank card products? How can transport authorities accept NCMC cards for fare payments when some of their public transport customers are unbanked or underbanked? What will be the challenges of integrating legacy transport ticketing systems with NCMC reading devices and compliant architecture? Are these challenges the responsibility of the transport authorities, of the bank partners issuing the NCMC payment cards for transport payments, or the provider of the NCMC solution?</i></p> <p style="text-align: right;">Arvind Ronta, Visa India and South Asia Shantanu Shirke, UL Greg Pote, Chairman, APSCA</p>
11.00	
11.30	<b>Refreshments</b>

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day Two: Friday, 30 August 2019

### SESSION 6

#### Real-Time Consumer Payments

12.15

#### The impact of integrating payments into leading mobile apps

In March 2019, UPI mobile-based real-time payments overtook mobile wallets in terms of volume of transactions and value. According to data reported by NPCI, UPI transactions increased from 2M in December 2016 to over 733M in May 2019, while the total monthly transaction amount increased from INR 700 crore (USD101M) to INR 1,52,449.29 Cr (USD21.91 Bn) in the same period. Making real-time payments available in leading mobile apps looks like a game changing proposition for driving digital payments. This session explores the many new opportunities enabled by UPI.

The future of open  
banking and payments

- UPI transactions through mobile wallets are increasing rapidly and new mobile payments services appear to be focusing on UPI payments. Is UPI the future for all mobile payment transactions?
- UPI's low-cost, level playing field will enable more organisations to launch mobile real-time consumer payments services. How is this likely to change the consumer payments business in India?
- With the national interoperability, pricing regulation and service uniformity provided by UPI, how can banks and mobile payments companies compete for customers based on service offerings?
- Today more than 90% of UPI transactions are P2P, which (usually) attract no fees, and UPI merchant transaction charges are low and getting lower. So where is the business model for UPI-based payments?
- In 2018, Unified Payments Interface (UPI) 2.0 enabled new payments services, particularly "for merchant" features. Have these features been successful in enabling real-time P2M transactions?

Viewpoint 1: Bertram Dsouza, Vice President & Head - Digital Payments  
Kotak Mahindra Bank [-20min]

Viewpoint 2: Deep Agrawal, Head - Payment  
PhonePe [-20min]

Viewpoint 3: Manish Chaturvedi, Head of SMB  
Google Pay [-20min]

13.15

#### Discussion: If you build it, they will come - then what next?

*India's digital payments industry, currently worth around \$200 Bn, is expected to exceed \$1 Tn by 2023, according to a 2018 report<sup>3</sup> by Credit Suisse which attributed the expected growth to the integration of UPI real-time payments into popular mobile apps. Having built a national open-architecture infrastructure for interoperable mobile real-time payments, that is experiencing phenomenal take-up from customers, how can the payments industry take advantage of this opportunity? What strategies are there to build a business model around UPI? Or is it a loss-leader to bring customers into digital banking and payments and then cross-sell them other services? At least one bank has now announced charges for UPI or monthly transactions above a threshold - Will the rest of the industry follow? How does the payments industry expect the UPI mobile real-time payments business model to take shape?*

Bertram Dsouza, Kotak Mahindra Bank  
Deep Agrawal, PhonePe  
Manish Chaturvedi, Google Pay  
Greg Pote, Chairman, APSCA

13.45

#### Lunch

3 - <https://inc42.com/buzz/digital-payments-credit-suisse-report/>

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day Two: Friday, 30 August 2019

### SESSION 7

#### Financial Inclusion

14.45

#### Banking and payments services for the unbanked and underbanked

Intermedia's 2018 Financial Inclusion Insights (FI)<sup>4</sup> shows that the Jan Dhan Yojana scheme (PMJDY) scheme, facilitated by Aadhaar, has added over 300 million accounts in just a few years, raising the percentage of Indian adults with bank accounts to over 80%. Traditionally excluded groups, including women and the poorest households, benefited from account ownership increases of 30% and 40% respectively. But the FI survey shows that challenges remain, and usage remains a problem. This session explores how to address some of the challenges.

Driving adoption and  
usage of new accounts

- India's 800M rural population is largely poor, used to cash payments, and unfamiliar with financial services. How can simple and easy-to-use payment services be made available to these citizens at a low cost?
- What are the challenges today for the micro ATM and business correspondent model that provides basic payment services to rural citizens using the Aadhaar enabled payment system (AePS)?
- Aadhaar-enabled payments are growing but why were there only around 100M AePS transactions in 2017-2018 across 250M households in India - less than one transaction a year for each rural household?
- The FI survey reports that only 54 percent of registered account holders below the poverty line conducted a cash-in or cash-out transaction within the previous 90 days. How can usage of accounts be increased?
- UPI is available on feature phones. With customer enthusiasm for UPI and 50% growth in India's feature phone market would UPI be a better approach to financial inclusion than the BC/micro ATM approach?

Viewpoint 1: Rajesh Bansal, Digital Payments Expert [-20min]

Viewpoint 2: Geetika Raheja, Director- Payments transformation  
PwC India [-20min]

15.30

#### Discussions: Increasing usage of financial services by the recently banked

*PMJDY, Aadhaar and multiple government benefit schemes have transformed financial inclusion in India. In terms of account ownership, India is now on par with China, another country with strong state backing for bank-led financial inclusion. But despite adding so many people into the financial services ecosystem, and narrowing gender and income gaps, usage remains a problem. Is the low account usage because many accounts are recently opened? If so are use rates likely to increase over time? What additional policies could increase account use and reach those who are still excluded? Is the solution to add infrastructure and build out agent networks? Is there still a need for differentiated banking structures such as payments banks? How can India's newly included citizens be encouraged to engage with formal financial services and use them on a regular basis?*

Rajesh Bansal, Digital Payments Expert  
Geetika Raheja, PwC India  
Greg Pote, Chairman, APSCA

16.00

#### Refreshments

### SESSION 8

#### Expanding Digital Payments in India

16.30

#### Strategies to compete against and displace cash

Digital payments businesses in India are growing rapidly. The volume of card payment transactions is increasing. UPI transactions are growing exponentially and yet, according to RBI data, cash in circulation has increased from the pre-demonetisation era. Currency in circulation touched a new high of Rs 20.65 lakh crore on January 18, 2019, way above the pre-demonetisation high of Rs 17.97 lakh crore. This session explores strategies and untapped opportunities to compete against cash and displace it with digital payments.

Increased customer  
protection and  
performance

- Why has cash in circulation increased from the pre-demonetisation level? Is there a lack of trust from customers and merchants, is it the size of the informal sector or are there still not enough smartphones?
- Are digital payments, or their onboarding processes, still too inconvenient? What can be done to make it easier for customers to get on board with, and create a habit of using, e-payments instead of cash?
- Are low rates of digital payments adoption among merchants in India explained only by supply-side barriers to obtaining necessary infrastructure or meeting prerequisite requirements, or are there other reasons?
- Changing customer behaviour is always a challenge. Should customers and merchants be incentivised to replace cash with e-payments and create a habit of making (and accepting) regular digital payments?
- Has the drive towards digital payments so far been overly concentrated on certain customer demographics and geographies, such as phone users in major urban centres? What are the less targeted opportunities?

# Digital Payments South Asia

## Democratising Secure Electronic Payments

Day Two: Friday, 30 August 2019

<b>SESSION 8</b>	<b>Expanding Digital Payments in India</b> <span style="float: right;">(continued)</span>
16.30	<p><b>Strategies to compete against and displace cash</b></p> <p>Viewpoint 1: V. Shankar, Founder Managing Director &amp; CEO MAXIMUS [-20min]</p> <p>Viewpoint 2: Deepak Chandnani, Managing Director Worldline South Asia and Middle East [-20min]</p> <p>Viewpoint 3: Navtej Singh, CEO Hitachi Payment Services [-20min]</p>
17.30	<p><b>Discussions: Untapped opportunities in digital payments in India</b></p> <p><i>While there are reports<sup>5</sup> that merchant acceptance of digital payments is increasing, there is also research<sup>6</sup> suggesting that many merchants in India are actively avoiding accepting digital payments when they could easily do so. The research suggests that incentivising customers and merchants to adopt digital payments (specifically UPI) could provide a more effective push toward a more digital economy. What type of incentives are required, and should these be offered by government, by commercial PSPs or a collaboration of both? India's best payments opportunity today might be the tier 2 and tier 3 cities - how should merchant acceptance be developed in smaller cities and towns? E-commerce payments are also still dominated by cash-on-delivery due to a mix of poor digital infrastructure, weak cyberlaws - how do we drive digital payments into e-commerce? What other untapped opportunities could represent business opportunities for converting cash to digital payments?</i></p> <p style="text-align: right;">V. Shankar, MAXIMUS Deepak Chandnani, Worldline South Asia and Middle East Navtej Singh, Hitachi Payment Services Greg Pote, Chairman, APSCA</p>

<b>END OF DAY 2</b>	<b>Wrapping Up</b>
18.00	<b>Close of Digital Payments South Asia</b>

4 - <http://finclusion.org/country/asia/india.html#dataAtAGlance>  
 5 - <https://razorpay.com/blog/era-of-rising-fintech-digital-payments-upi-report/>  
 6 - <https://drive.google.com/file/d/0B9XA3P7uIPHfd3J0dU04VDNLyXJZS0FKSW5oMi01Ung4NnY4/view>