

World Economic Forum - Digital ASEAN Initiative

ASEAN e-Payments Coalition

e-Payments Recommendation Paper to the Working Committee on Payment & Settlement Systems(WC-PSS)



Manila, 20 September 2019

Digital ASEAN Initiative

- Launched by the World Economic Forum in Singapore on 26 April 2018
- Directed and shaped by a Board of Advisors of 6 Ministers and 5 CEOs
- Mission: Support the development of a vibrant regional digital economy in ASEAN
- Areas of focus:
 - Shaping a common regional **data policy**
 - Building a shared commitment to train **digital skills** for the ASEAN workforce
 - Building a common ASEAN **e-payments** framework
 - Nurturing cooperation and capacity building in ASEAN **cybersecurity**
- Participants: multi-stakeholder representatives from over 80 organizations.

ASEAN E-Payments Coalition

- Established in March 2019, under the e-payments workstream of the Forum's Digital ASEAN initiative
- the Coalition is a **multi-stakeholder group** of over 40 senior representatives from banks, fintech companies, technology and payments companies, e-commerce platforms, universities, central banks and other government agencies, international and regional organizations, and other interested parties.
 - As a public-private Coalition, the group particularly **encourages public-private initiatives**.
- **Objectives**: The Coalition aims to outline a set of principles to achieve the best-scenario for **common ASEAN e-payment systems**, which are **safe, secure, efficient, interoperable, inclusive, technology-neutral, innovation-friendly, and serve both public and private interest**.
- The Coalition's recommendation paper on e-payments focuses on four areas:
 - Speed and convenience,
 - Regional standardization and interoperability,
 - Financial literacy and inclusion, and
 - Trust & security (payments focused).

Guiding Principles Adopted By Coalition

- 1) Learning from current ASEAN direction –
 - AEC Vision 2025
 - ASEAN Agreement on Electronic Commerce
 - ASEAN Digital Integration Framework Action Plan
 - Working Committee on Payments and Settlement Systems' priorities
- 2) Open and future ready - model & technology Agnostic
- 3) Competition and consumer/business choice will drive accessibility and affordability
- 4) Global standards to enable interoperability and reduce fragmentation
- 5) Best practices from industry
 - Innovative
 - Forward-looking
 - Previous thought leadership and research on ASEAN integration (e.g., SWIFT, KPMG papers)
- 6) Payments-focused recommendations (compliance, security and data portability are considered in other task forces)

Key Recommendation Areas

Speed and Convenience

- Foster an open and competitive market
- Ensure system accessibility and reliability
- Encourage participation
- Reduce friction and improve end user experience
- Leverage existing payments infrastructure

Key Recommendation Areas

Regional Standardisation & Interoperability

- Integrate standards and market practices
- Explore digital trade policies to support regional and global integration
- Expect parallel running of older and newer standards
- Recommend a framework for implementation
- Experiment with “Proof of concept” trials
- Manage liquidity and counterparty credit risk
- Establish regional and national payment councils with public-private participation
 - *A regular and permanent dialogue between the Coalition and the WCPSS*

Key Recommendation Areas

Financial Literacy and Inclusion

- Invest in programmes to improve financial and digital literacy
- Enable language localization
- Promote government adoption of e-payments
- Streamline and enhance customer identity frameworks
- Coordinate financial literacy and inclusion action plans

Key Recommendation Areas

Trust and Security

- Engage the payment service providers and their ecosystem
- Recommend guidelines to encourage regional cooperation
- Clarify privacy & storage requirements
- Improve awareness of cyber hygiene
- Increase co-ordination between private sector, regulators and law enforcement agencies
- Adopt global standards for AML/CFT requirements, adapted to ASEAN cross-border instant e-payments
- Establish a regional consumer protection framework



Thank you for your attention!