

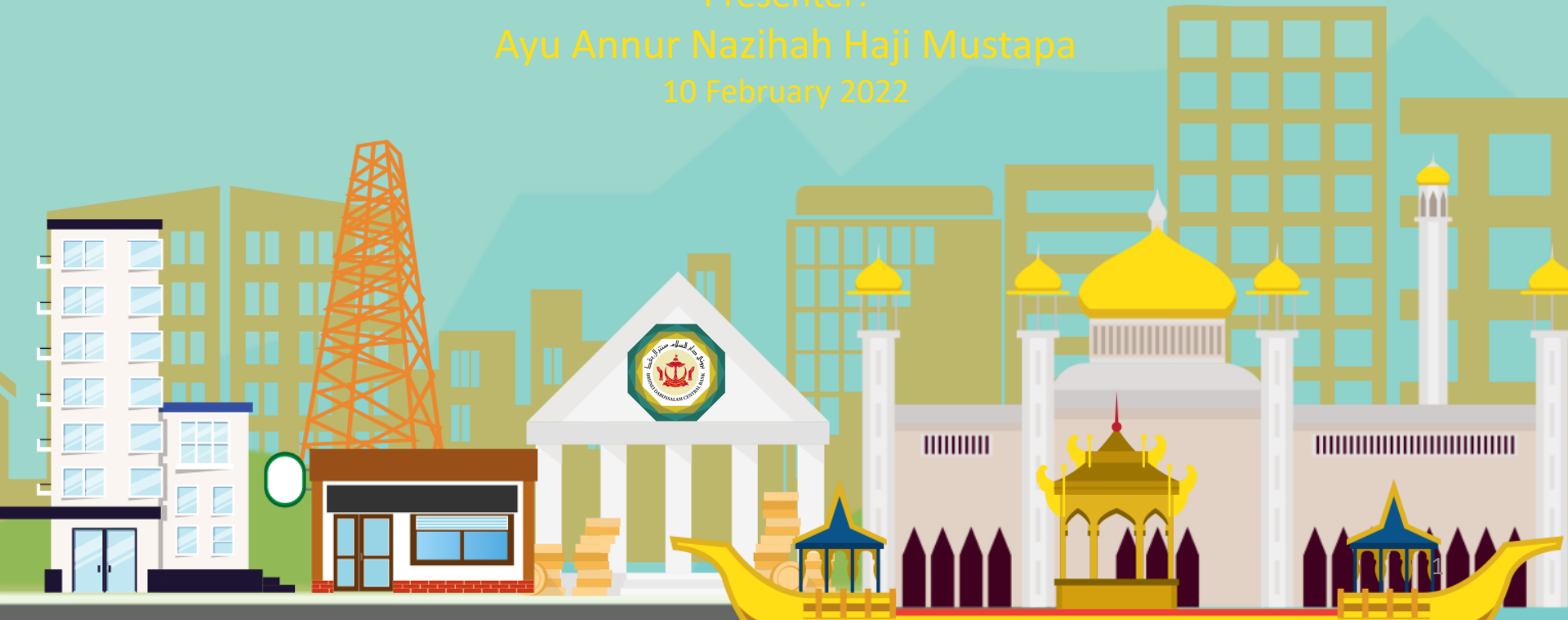


بروني دارالسلام سنترال بڤڤا
BRUNEI DARUSSALAM CENTRAL BANK

Digital Payment Roadmap for Brunei Darussalam 2019-2025

Presenter:

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10 February 2022





Before NPSS

- **Low volume inter-bank payment**

- Cheques and paper transfers
- SWIFT Transfers mainly international
- Complex procedures for different payment types
- Expensive to process

- **Manual cheque clearing**

- Dependent on old, heavy weight equipment
- Slow process (T+3)
- Risk of losing cheque is high

Little card system interoperability

- Some banks use International Payment Networks (IPNs) for ATM interoperability
- Interoperability via IPNs at Point of Sale
- Some banks do not offer reciprocity at all



National Payment and Settlement System

- Completion of the National Payment and Settlement System Project in 2018

Heart of the Payment System

High value and urgent payments; real-time settlements

November 2014

Low value and bulk payments, including:

- Cheque clearing
- Payroll, Direct Credit

ACH

May 2016

RTGS

Secure
interface

CSD

May 2017

Securities
Registration and
settlement; auction
and trading



Making of a Digital Nation

JAN
2019

BRUNEI DARUSSALAM

THE ESSENTIAL HEADLINE DATA YOU NEED TO UNDERSTAND MOBILE, INTERNET, AND SOCIAL MEDIA USE



TOTAL
POPULATION



436.7
THOUSAND

URBANISATION:

78%

MOBILE
SUBSCRIPTIONS



593.3
THOUSAND

vs. POPULATION:

136%

INTERNET
USERS



410.8
THOUSAND

PENETRATION:

94%

ACTIVE SOCIAL
MEDIA USERS



410.0
THOUSAND

PENETRATION:

94%

MOBILE SOCIAL
MEDIA USERS



360.0
THOUSAND

PENETRATION:

82%

15

SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU. MOBILE: GSMA INTELLIGENCE. INTERNET: INTERNETWORLDSTATS; ITU; WORLD BANK; CIA WORLD FACTBOOK; EUROSTAT; LOCAL GOVERNMENT BODIES AND REGULATORY AUTHORITIES; MIDEASTMEDIA.ORG; REPORTS IN REPUTABLE MEDIA. SOCIAL MEDIA: PLATFORMS' SELF-SERVE ADVERTISING TOOLS; PRESS RELEASES AND INVESTOR EARNINGS ANNOUNCEMENTS; ARAB SOCIAL MEDIA REPORT; TECHRASA; NIKI AGHAIE; ROSE.RU. (ALL LATEST AVAILABLE DATA IN JANUARY 2019).



Hootsuite

**we
are
social**



Digital Payment Adoption



Internet Banking



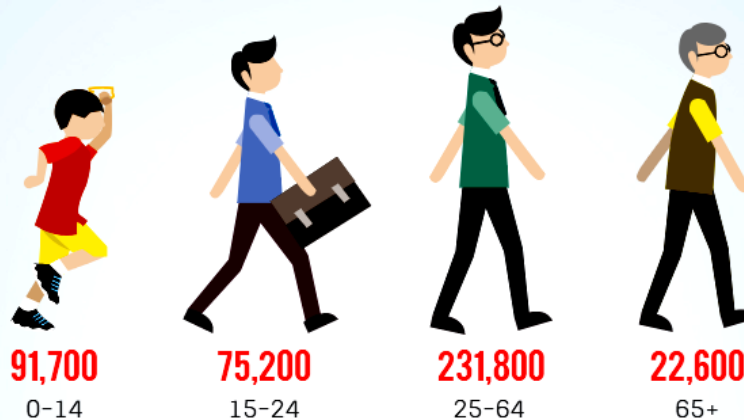
Mobile Banking App



Debit and Credit Cards

Younger generations will support and drive the digital change

POPULATION BY AGE GROUP 2017





Digital Payment Roadmap



Sets out responsibilities of the industry and BDCB to fulfil FSBP vision for payments



Provides direction and guidance for development of the digital payment ecosystem



Vision and Mission



Vision

Brunei to transforms into a
Digital Payment Nation



Mission

Promote digital payment
as the **preferred
payment method**



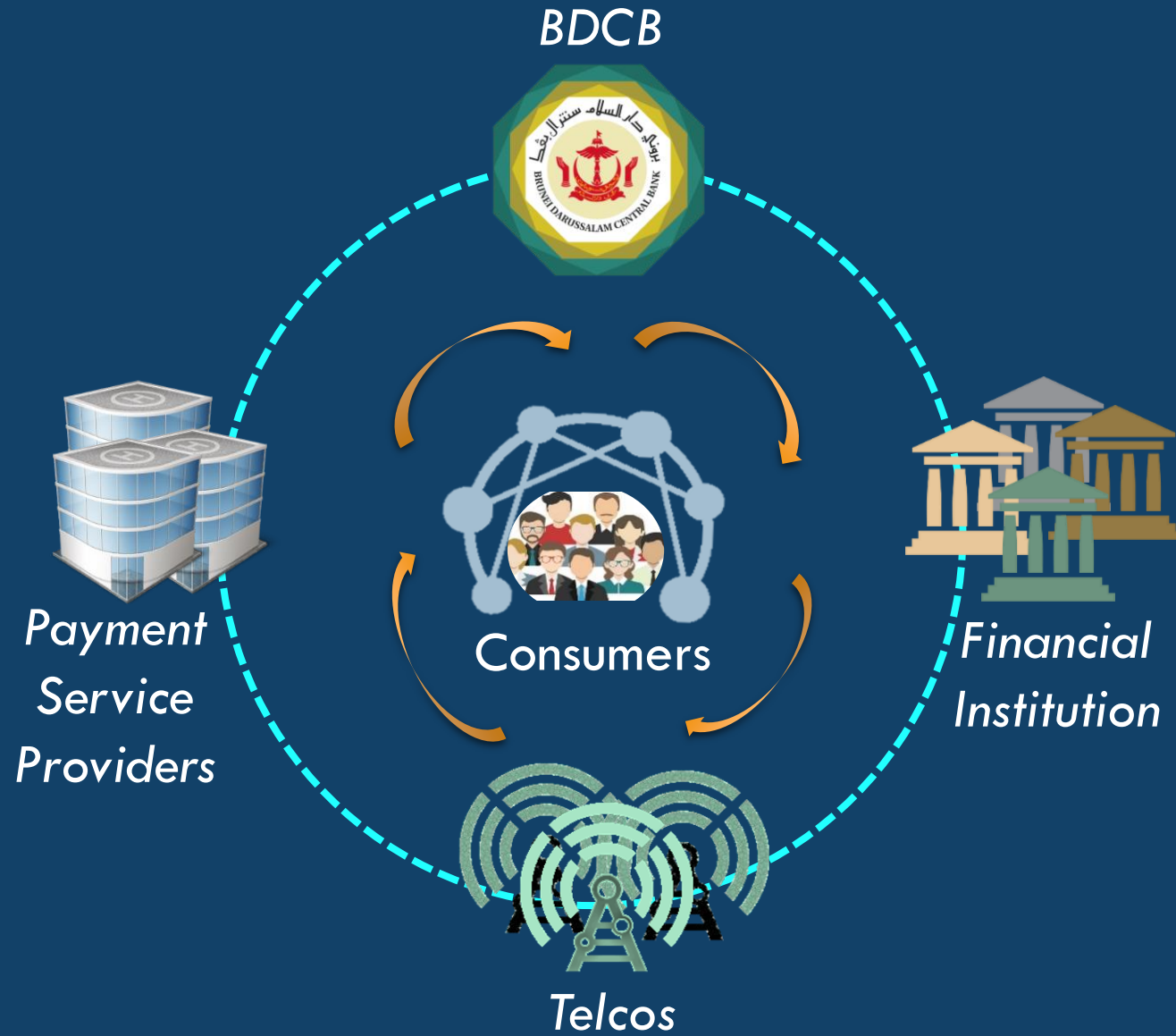
Objective

To drive digital transformation in payment services leading to the creation of a **safe and efficient digital payment ecosystem**, which is fundamental to a digital economy.





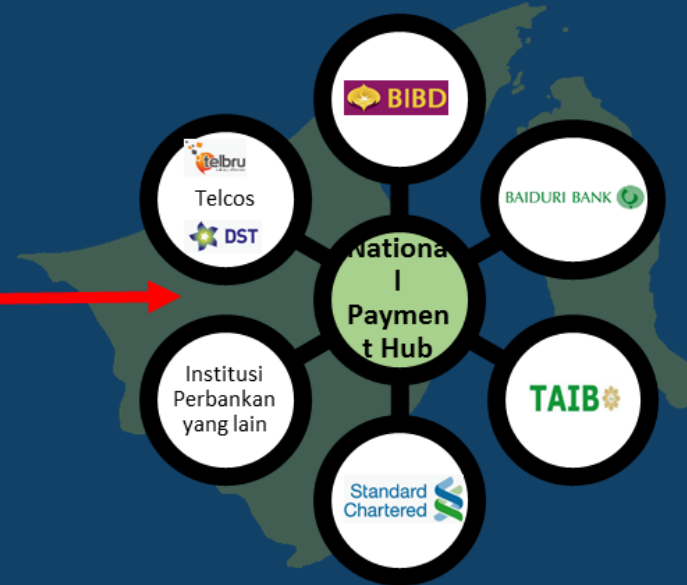
Digital Payment Ecosystem





The National Payment Hub

- At present, financial institutions in Brunei Darussalam have already introduced several digital payment products such as Quickpay and Paywave.
- The National Payment Hub initiative will bring collaboration between financial institutions and other stakeholders.



Evolusi Teknologi Kewangan



Bank Islam Brunei Darussalam (BIBD)

Pembayaran QR pertama:
E-tunai: April 2013
QuickPay - Ogos 2018



Baiduri Bank

Kad Debit Visa
Paywave pertama:
Ogos 2014



Standard Chartered Brunei

App pengesahan dan pengenalan biometrik pertama:
Februari 2018



Insurans Islam TAIB

Applikasi takaful pertama:
November 2018



Digital Transformation Strategies

**BALANCING REGULATION
AND INNOVATION**

**ADOPTION OF OPEN
DIGITAL PAYMENT**

**PUBLIC AWARENESS AND
EDUCATION**



Balancing Regulation and Innovation



Regulations

- Balance Regulation that strengthen consumer protection and foster competition while promoting innovation



Collaboration

- A Digital Payment Committee that promote collaboration and sharing of information



Ideal Testbed

- The country is an ideal testing environment for Islamic Fintech solutions - gateway for global expansion



Open Digital Payment



Innovation

- Innovative digital product and services to drive usage of digital payment



Accessibility

- Eliminating barriers to adoption and reducing cost of accepting digital payment



Payment Hub

- An open Payment Hub that promote interoperability and avoid market fragmentation



Public Awareness and Education



Awareness

- Build digital trust and improve public understanding



Training

- Adequate trainings to relevant parties including PSPs



Cybersecurity

- Financial industry to manage cyber risk and maintain digital trust by educating its customers



The Road Ahead

BDCB will act as an enabler and calls on the industry to take the lead.

1. The industry to develop the Payment Hub that promote interoperability and support competition
2. Common standards to enable integration of front-end services (e-wallets or instant payment) to Payment Hub
3. Build digital trust via public awareness and education



Long Term Outcome



- Cheques and cash usage greatly reduced
- Cost-effectiveness, speed, certainty and convenience of payment leaps forward
- Brunei Darussalam as a **digital payment nation**
 - **ASEAN Interlinkages**



THANK YOU

