



14th SAARC Payments Council Meeting (Kovalam, India - 09th December 2013)

“Payment and Settlement Systems in Pakistan”

A collage of various banknotes and coins from different countries, including the word 'BANKASI' visible on a note on the left.

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- Brief summary on quarterly e-banking performance in the country
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Payment Systems in Pakistan at a Glance

Sr. No.	Description	Number
1	Number of Commercial Banks	38
2	Number of Microfinance Banks	10
3	Number of Development Financial Institutions	8
4	Number of Online Branches	10,135
5	Number of online Branches per 100,000 Population	5.6
6	Number of Manual Branches	561
7	Number of Public Sector Banks	5
8	Number of Local Private Banks	22
9	Number of Foreign Banks	7
10	Number of Specialized Banks	4
11	Number of Banks Accounts	35,147,901
12	Number of PRISM's Direct Participants	45
13	Number of Banks Providing Internet Banking	22



Payment Systems in Pakistan at a Glance - Continued

Sr. No.	Description	Number
14	Number of Banks Providing Mobile Banking	11
15	Number of Banks Providing Call Center Banking	18
16	Number of Banks issuing Credit Cards	12
17	Number of Banks issuing Debit Cards	25
18	Number of Banks issuing Prepaid Cards	7
19	Number of Banks having ATMs	30
20	Number of ATMs	6,974
21	Number of ATMs per 100,000 Population	3.8
22	Number of Interoperable Switches	2
23	Number of Banks Managing POS	7
24	Number of Point of Sale(POS) Machines	33,749
25	Number of POS per 100,000 Population	18.5
26	Number of Branchless Banking(BB) Agents	93,862



Quarterly summary of e-banking performance



E-Banking trend in Pakistan

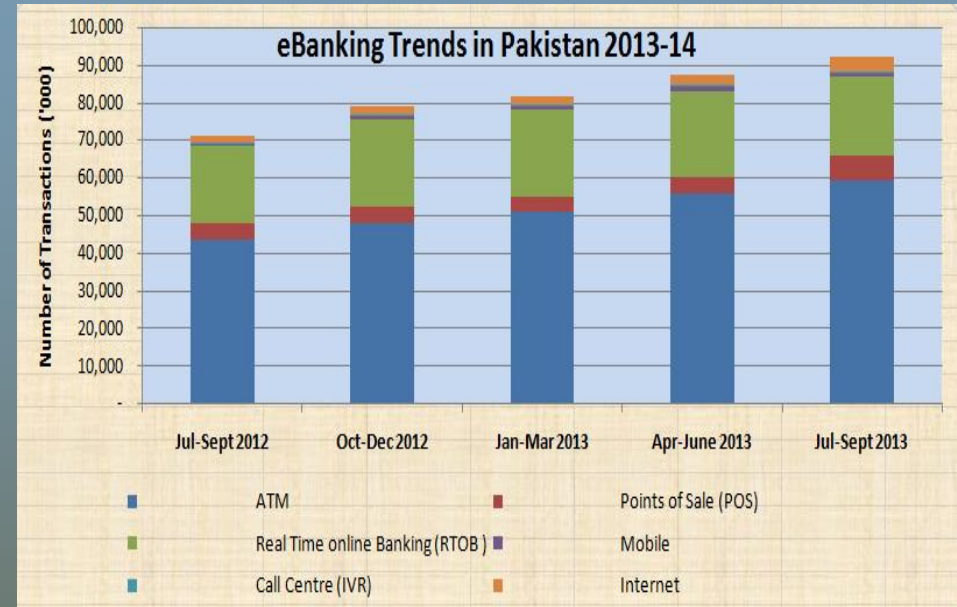
The overall volume of e-banking transactions in Pakistan has grown considerably since July 2012.

The number of ATMs in the country is growing at an average rate of around 3.5% per quarter while the number of transactions done via ATMs reached around 60 million in the first quarter (July to September) of 2013. As on 30th September 2013, for every 100,000 people, there are 3.8 ATMs in the country whereas during the same period Rs. 591 billion were transacted using this channel.

The number of Real Time Online Branches (RTOB) is 10,135 which accounts for 95% of the total bank branches in the country; while only around 21 million transactions were performed via this channel during the first quarter (July – September) of 2014, the value transacted amounted to Rupees 5.6trillion.

As on 30th September 2013, for every 100,000 people, there are around 18.5 Point-of-Sale machines in the country.

The number of transactions using mobile banking grew by 70% and the value transacted grew by 236%. Presently, there are around 1.4 million registered users of mobile banking in the country.



International Bank Account Number (IBAN)



IBAN Implementation in Pakistan

- IBAN is an ISO 13616 standard for identifying bank account numbers across border.
- IBAN will be used for both domestic and cross border electronic payments.
- IBAN Phase-2 implementation is in progress. More than 50% of financial institutions has so far reported full integration of IBAN in all ADCs.
- Major challenges faced during IBAN implementation were dependence of financial institutions on few Technology Service Providers, Customer Awareness and changes in Core Banking Applications.



E-Payment Gateway



e-Payment Gateway

- Payment Gateway is an e-commerce application service that authorizes and automates payments for e-businesses.
- Public consultation was sought on the Concept Paper prepared by SBP. Feedback received from internal/external stakeholders and is being processed.
- The process of drafting e-payment regulations is underway and targeted for mid 2014.



Standardization of Financial Instruments



Standardisation of Financial Instruments

- SBP has been making efforts in bringing efficiency in Clearing and Settlement Processes.
- Improvement in Standardization of cheques with its prime focus on customer cheques is in final stages.
- This is to minimize chances of fraudulent transactions and will bring efficiency in cheque clearing processes.
- Enhanced security features and legibility of cheques are focal points.
- The implementation of uniform standard CBS-1 for the industry will be in place latest by 30th June 2014.
- All banks will be mandated to use Clearing Bank Specification-1 (CBS-1) i.e. using standardized single/multi-tone watermark logos on cheques for authentication etc. and use Instant Verification (IV) marker to ascertain genuineness of cheque paper.



Guidelines on POS Operations



POS Guidelines

Challenge

High cost for acquirer banks of POS machines and lack of awareness of using POS machine are the main challenges

Major Objectives

- These guidelines will set minimum benchmark guidelines for the industry participants and simultaneously augment the growth of POS in the country
- This will provide a level playing field for all stakeholders involved in running POS centres.
- The ultimate objective is to decrease reliance on pure cash transactions



Guidelines on Internet Banking



Guidelines on Internet Banking

- Security in Internet Banking has become a major concern because of increase in fraud and identity theft
- SBP did a survey of the financial services being offered by banks via this medium and the types of checks and controls that they have in place
- Based on the feedback, the Payment Systems Department has floated draft guidelines for the security of internet banking for internal consultation
- The draft guidelines addresses IB security objectives, security processes, risk assessment, security controls implementation and monitoring



THANK YOU

