

MUMBAI ROUNDTABLE 2022



**Tech
Mahindra**



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Background

On 21 January 2022, from 2pm – 4pm the Emerging Payments Association Asia (EPAA) in conjunction with India FinTech Forum (IFTF) and supported by Mahindra Tech held an inaugural roundtable at Ramada Plaza, Juhu, Mumbai.

The Emerging Payments Association Asia is the primary policy organisation in the region, working with regulators, banks, government with members including PayPal, Ant Group, Nium, Citigroup, and Amex.

Invitees

John Alex	Neocred	Manisha Khadge	Signzy.com
Eapen Alexander	Muthoot	Jagdish Khosla	Tech Mahindra
Abhishek Arun	PayTM	Baldev Krishan	iValt
Malhar Barai	Tech Mahindra	Baldev Krishnan	iValt
Sougata Basu	Cash Rich	Hemant Kulkarni	Tech Mahindra
Rohan Bhargava	Cash Karo	Riny Kumar	India Fintech Forum
Bindu Bijimon	The Muthoot Group	Avnish Lahori	TATA Capital Wealth
Camilla Bullock	EPA	Nikesh Lalchandani	EPA
Vikram Chachra	8i Ventures	Abhishek Mody	M2p Fintech
Gaurav Chandwani	Vivriti Capital	Anirban Mukherjee	PayU
Shu Min Cheong	Nium	Suman Mukherji	Tech Mahindra
Sunil Cherian	Copperwire	Tanya Naik	Pine Labs
Farsu Contractor	Mitrosys	Tanya Nayyar	Counsel Stripe
Sidharth Dhamija	Signzy.com	Madhusudanan R	M2P Fintech
Ebenezerdaniel G	Orange Retail Finance	Ankit Ratan	Signzy.com
Kailash Gupta	Nium	Amar Singh	Tech Mahindra
Bharani Iyer	HCL	Bhavik Vasa	GetVantage
Monica Jasuja	Comviva	Ram Veeraraghavan	Optus
Mandar Kagade	Black Dot	Anand Vurgese	Dhanhind
Ganesh Natarajan	Ontrack Systems	Jo Spencer	Sezoo
Ram Rastogi	FACE	Subramanian Rajesh	Tech Mahindra
Muruganandam	HCL	Sunil Khosla	AGS, Transact
Muniyadi			Technologies Ltd

Introduction



The slide features a purple background. At the top left, the word "INTRODUCTION:" is written in white. In the top right corner, there are three logos: EPAA ASIA, India FinTech Forum (with a red gear icon and the text "Fintech Policy Advocacy"), and Tech Mahindra. On the left side, there is a circular portrait of Camilla Bullock, a woman with blonde hair, smiling. Below the portrait, her name and title are listed: "Camilla Bullock, CEO, Director General EPAA". On the right side, there is a photograph of a city skyline at night, with lights reflecting on the water.

Camilla welcomed the attendees. EPAA is an organisation by members for members, and the purpose is to listen. India has progressed significantly in payments, and we wanted to see how EPAA can help the progress of payments and the region. Housekeeping rules including taking permission from audience, and advice that in no attribution would be made of Individual comments.

Purpose



Nikesh welcomed attendees and acknowledged IFTF and Tech Mahindra.

Prime Minister Narendra Modi declared 16 January as startup day, he said startups are the backbone of India. Fintechs, which are or have been startups themselves are enablers: we need to move from fintech initiatives to a fintech revolution, he has said.

While the progress of fintechs in India has been strong, has it been sufficient? Should India be better integrated with Asia/the world of payments, and what can be done?

IFTF Outlook

INDIA FINTECH FORUM



The India FinTech Forum offers a platform for fintech companies to collaborate and voice their opinions on the relevant policy issues. More than 2,700 fintech companies and over 30,000 individuals are members of this forum.

Attendees may register themselves on the website www.indiafintech.com to become a member. Any queries or suggestions for collaboration can be emailed to info@indiafintech.com.



INDIA FINTECH FORUM OUTLOOK ON PAYMENTS IN 2022:

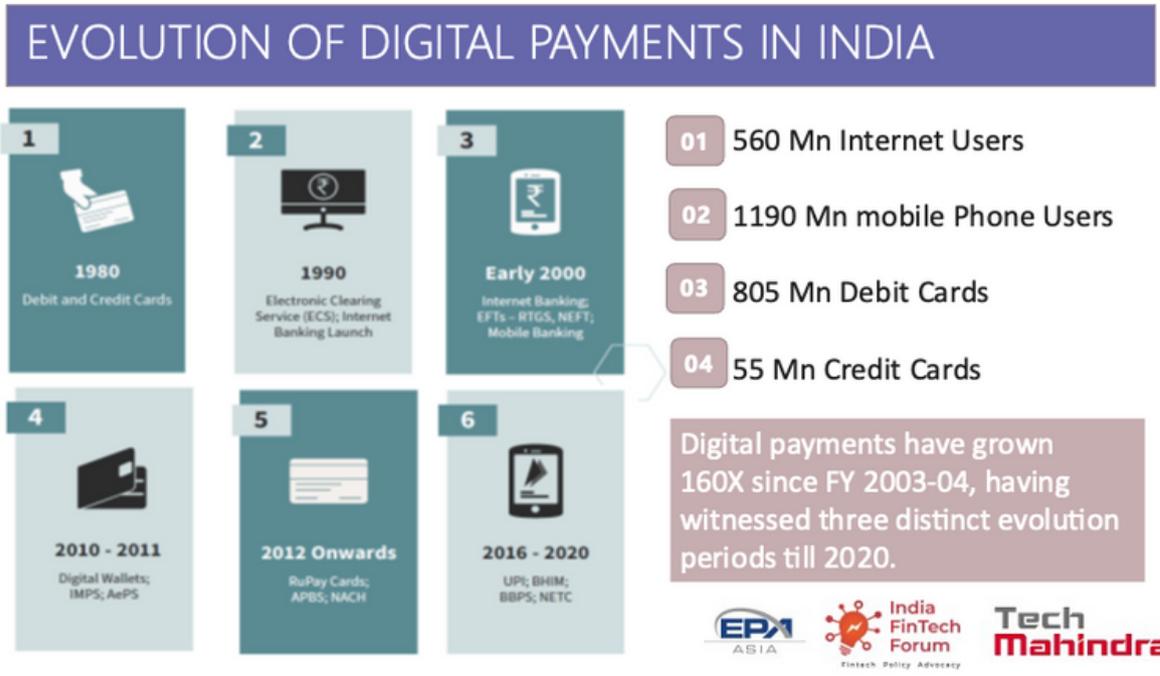


Monica Jasuja

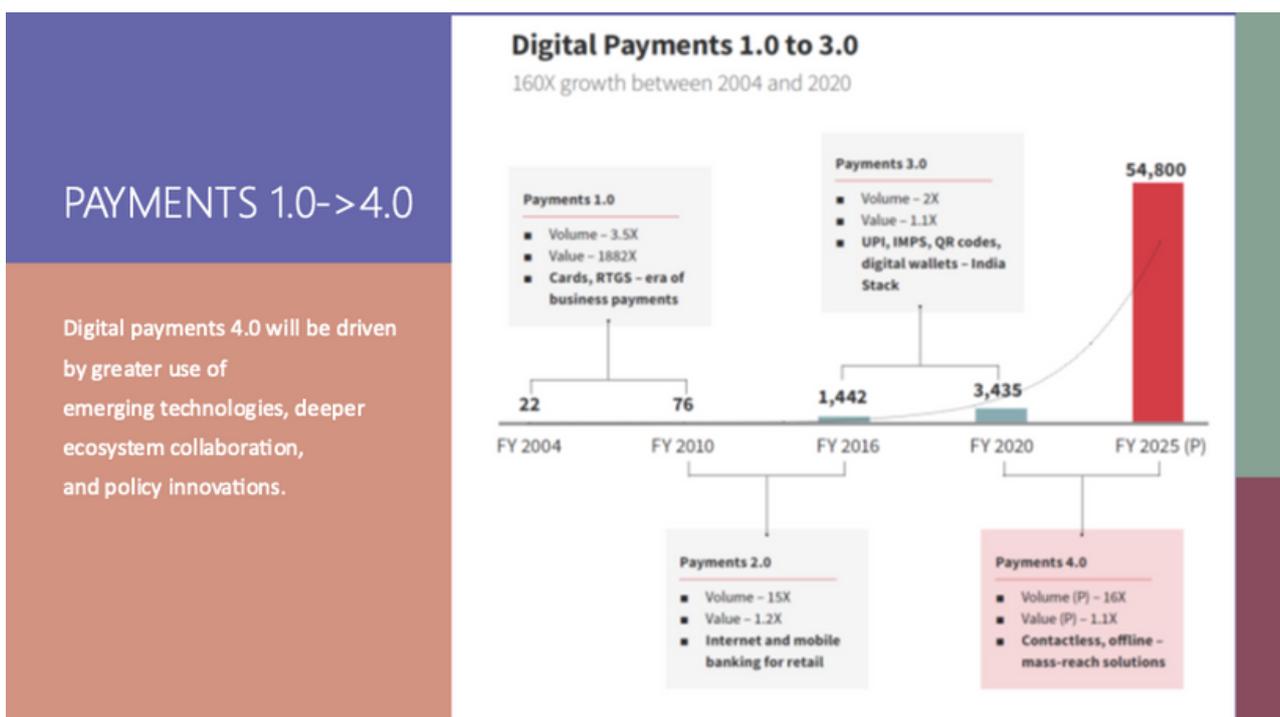
Executive Committee Member at India FinTech Forum
Head of Product Management at Comviva



Monica Jasuja introduces IFTF. India Fintech Forum comprises 2700 fintech companies, 30,000 individuals.



India started with debit and credit accounts, followed by ECS, RTGS, NEFT and Internet Banking (with a low takeup). Late 2000s - 2010 saw Mobile Banking, with mobile payments taking up in India not like M-Pesa style telco solutions but via PayTM and MobiKwik – private equity players. AePS (using Aadhaar cards) and IMPS were introduced as real time domestic systems.



The five Cs reshaping Asia payments.



¹Customer experience.
²Cash account savings account.

Survey One:

What are the impediments for integration of payments, cross-border.

Results:

Message standardisation and fraud risk were the biggest impediments, followed by reliability.

Tech Mahindra Outlook



TECH MAHINDRA
OUTLOOK ON
PAYMENTS:



**Subramanian Rajesh, Global Head, Payments
Tech Mahindra**





Rajesh spoke about the key challenges in the industry being addressed in various fronts by

1. Regulatory push through Open Banking, new Clearing and Settlement Infrastructures like Real Time Rails and adoption of ISO 20022 formats
2. Fintech innovations leveraging new changes, addressing unmet needs in the market
3. Financial Institutions and Alternative Payment Providers providing impetus for non-cash adoption using Digital technologies
4. Context of payments changing with ecosystem changes like of Digital Identity, QR Code based payments, NFC, Cloud Adoption, Stable coin platforms

Fintechs of today have lot of scope to wean out customer behaviour from Data – drivers like Big Data and Analytics, improved transparency in payments, AI driven solutions for Fraud detection.

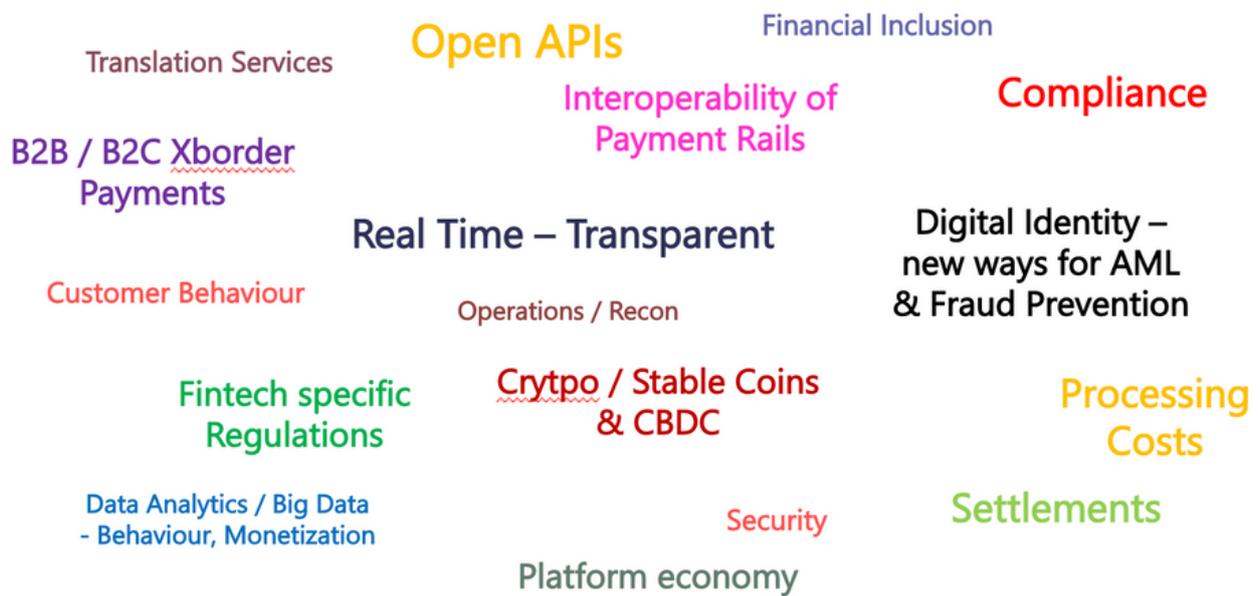
There is lot of opportunity in the coming years with increased need for Interoperability of Domestic and Cross Border infrastructures, Central Bank Digital Currency, Financial Inclusion and Value added services across the board on payment ecosystems. While this is a global phenomenon, Asia's context is similar and has the right environment to leapfrog technologies to adopt seamless payments across P2P, B2C, B2B and Government Payments with larger addressable market for every scenario, increased mobile usage and a buzzing economy

A dipstick view of the market



There is still a lot of scope for innovation within and outside the box

Leveraging the impact of ISO 20022 – The Sound Cloud



Discussion One

Cross border is a challenge not from a technology point of view, but from a regulatory perspective. This was identified as a major area of importance. Digital identity was also identified as area of action between countries.

Biometrics on Aadhaar is great, but how do we deal with external dealers. Use of verifiable credentials is a useful capability.

Cost and time are a big issue – and lead to a lack of confidence in the ease of doing business cross-border.

Delivery versus payment confidence also drops when we go cross-border. Reliability is a big concern. Will simply opening up UPI to cross-border increase the likelihood as failed payments.

It is important to get some use cases across the regulator's table.

It is important to get clear policy guidance on AML.

Should AML/KYC/Anti fraud etc be moved to the govt. Suggestion that there be a "safe-harbour" - say for low-value payments, to lower the bar.

UPI inward is possible. There is a possibility to open up outbound, but does it justify the volume. The concern is that this problem will persist.

The idea of a universal identity was proposed as a way of addressing digital identity cross-border.

Survey Two:

Where should we see the next wave of payments innovation.

Results:

Three areas were rated equally: at a national level, global level, and decentralized (e.g. crypto, DeFi etc)

There was doubt that existing blockchain/crypto solutions met the mark to really move the payments innovation dial.

Discussion Two

DISCUSSION:
THE RISE OF
INDIGENOUS PAYMENT
RAILS AND WHAT IT
MEANS FOR GLOBAL
PAYMENTS

Monica Jasuja
Executive Committee Member at India FinTech Forum
Head of Product Management at Comviva

EPA ASIA **India FinTech Forum** **Tech Mahindra**
Fintech Policy Advocacy

Discussion points included that there was a problem brewing with indigenous rails, that cross border payments could one day expose.

There was concern that indigenous payment rails

Unreliability of the end-to-end experience cross border, the lack of legal frameworks cross border hinders guarantee of delivery in delivery vs payment solutions, discouraging trade.

The KYC strength of local banks was universally regarded. Could banks be the agents of identity for other use cases.

QR code seems to be a common theme with indigenous rails.

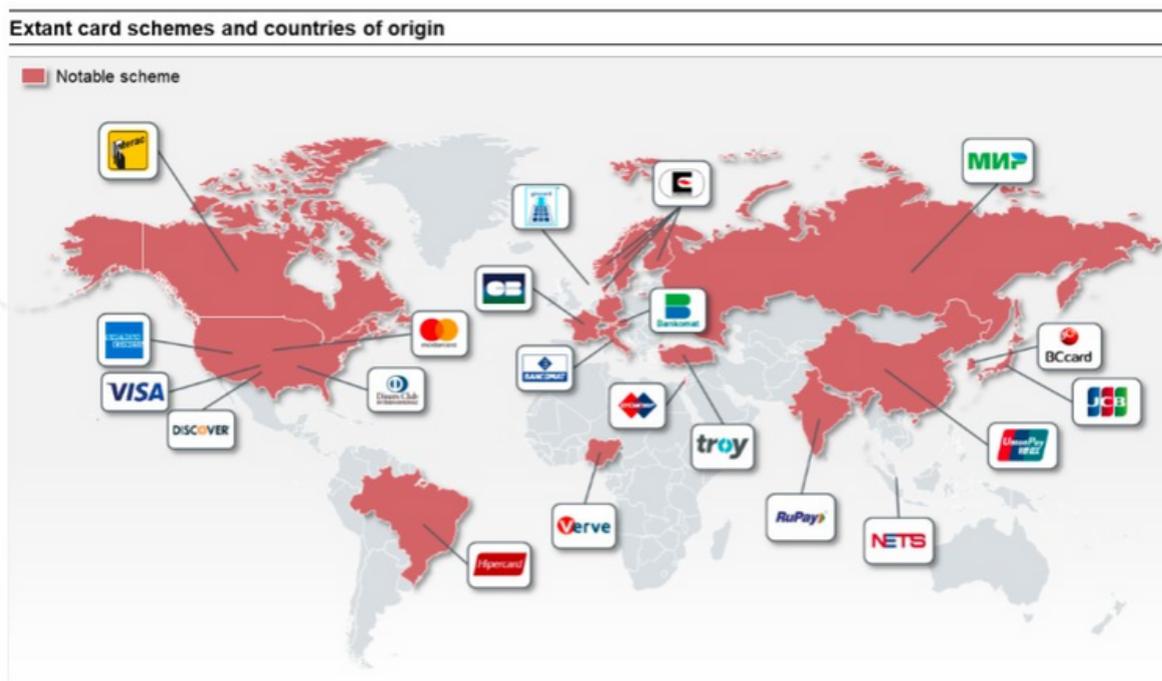
The advantage with indigenous rails is the drop of costs with payments that does not seem to be reflected in international/standard rails.

It will be interesting to see how global players will react.

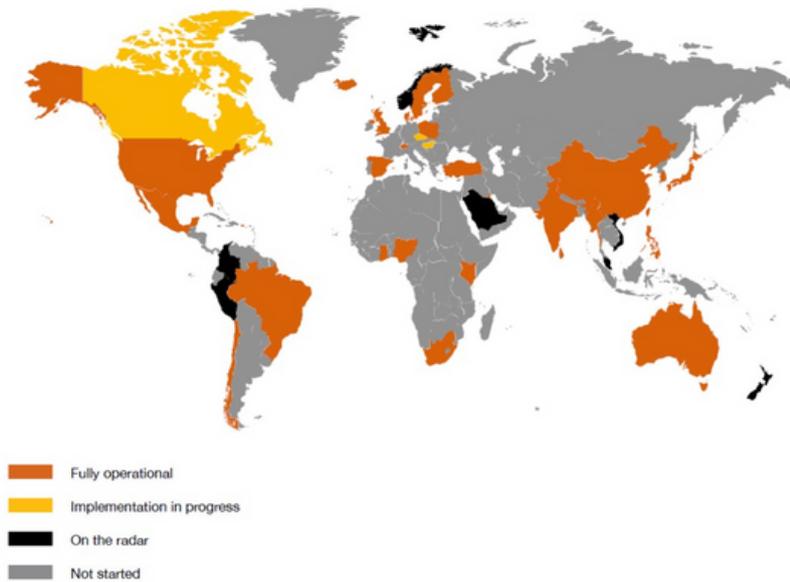
When things go well there people are happy, and normally does, but when things go wrong there is no safety net, the charge back mechanism is weak.

Concerns around cybersecurity that may threaten the security of these payments.

Question is to why the merchant needs to store personal information in these indigenous systems



Global overview of FPS implementation status



NEW PAYMENT METHODS: ROLLOUT OF DIGITAL, NON CARD & OVERLAY SERVICES



Survey Three:

How can we collectively improve the world of payments in India and the region?

Results:

Collectively provide feedback to regulators, and to participants to move achieve collective objectives.

Conclusion

Participation at the inaugural round table was excellent. Most participants wanted to continue discussions in shaping policy in India and the region.

Our findings were:

1. There was a strong desire to better integrate India with Asia in a number of areas of payments. Problems were identified at the regulatory level. AML/KYC – clarity should be provided. Reliability was an issue, as was fraud and message standards. There was a deadlock, in that while cross-border remains niche, the impetus is not there to improve it. At the same time, it may be niche, because it is so hard to achieve, and if global payments were more accessible, could this drive better trade?
2. Global innovation in payments is bigger than cross border innovation. So many things are connected: human behaviour, digital solutions, hardware solutions, so global consistency can enable accelerated innovation.
3. The rise of indigenous rails may be short lived as “rivers flow into the ocean” of global digitisation. However in the short term they have been successful in lowering the price, and provide a serious threat to International systems. There is concern around reliability and cyber security in a rising minority of transactions that don’t adhere to a happy-path
4. The participants found the forum useful and would like to continue discussions, particularly work together collectively to respond to regulators and financial institutions to shape policy.

