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ASEAN Payment ConnectivityAt the ASEAN Central Bank Governors' Meeting, 4 April 2019, Chiang Rai, Thailand

The Bank of Thailand together with ASEAN central banks and financial institutions organized the events to showcase **ASEAN Payment Connectivity** during the ASEAN Central Bank Governors' Meeting in Chiang Rai, Thailand. ASEAN central bank governors presided over the events, whereby regional financial institutions showcased various initiatives on cross-border payment linkages and financial innovations.

The events featured MOU signing ceremonies to foster collaboration between central banks and showcases of payment services and innovations across seven ASEAN countries. The details are as follows:

Cross-border Innovative Payments & Financial Services	
Indonesia and Thailand	<ul style="list-style-type: none"> ● Bank Indonesia & Bank of Thailand MOU signing on Payment systems and Financial Innovation
Cambodia and Thailand	<ul style="list-style-type: none"> ● Interoperable QR Payment (Siam Commercial Bank)
Indonesia and Thailand / Intra-ASEAN	<ul style="list-style-type: none"> ● Indonesia and Thailand / Intra-ASEAN L/C Service on Enterprise Blockchain (Bangkok Bank)
Lao PDR and Thailand	<ul style="list-style-type: none"> ● Bank of Lao PDR & Bank of Thailand MOU signing on Payment systems and Financial Innovation ● Joint Initiative for Cross-border QR Payment (Thanachart Bank and BCEL) ● Real-time International Fund Transfer for Business using Blockchain Technology (Krungsri)
Myanmar and Thailand	<ul style="list-style-type: none"> ● Remittance powered by Everex (Krungthai Bank and Shwe Bank)
Singapore and Thailand	<ul style="list-style-type: none"> ● Remittance transfer via API (DBS and KASIKORNBANK) ● Cashless Experience through Cross-border QR Payment (AIS mPay, Singtel Group, KASIKORNBANK) ● BeWallet Interoperable QR Payment (Bangkok Bank and UOB)
Malaysia, Philippines, and Thailand	<ul style="list-style-type: none"> ● SpeedSend: Cross-border Money Transfer (CIMB Group)

Veerathai Santiprabhob, Governor of the Bank of Thailand, said “The ASEAN economic linkages will be strengthened further by adoption of financial technology to expand payment connectivity, especially to facilitate trade, investment, and service flows within our region.”

“Today, we have witnessed collaborations among banks, nonbanks, and card companies to develop cross-border payment services using modern technologies, ranging from interoperable QR Code, Blockchain technology, Application Programming Interface (API), and card networks. These new services can serve needs of different customer segments; improve efficiency of the regional financial system; facilitate business transactions and international trades; reduce cost of service providers and customers; and enhance financial inclusion for a broad range of ASEAN population.”

Veerathai also mentioned that “Central banks in the region have worked together to support development of financial technology; and central banks can play important roles as the facilitators and catalysts to promote payment connectivity. One key enabler is the interoperability of financial infrastructure and standards—as has been adopted in many of the showcases on displayed today—which will facilitate more efficient cross-border payment linkages and encourage further innovations.”

“The showcases displayed today are good examples of collaborative works on cross-border payment and financial linkages both among central banks and financial institutions within our region. Payment connectivity will be an area where we will see continuing progress that we can build on to deepen ASEAN economic ties and strengthen our financial integration.”

The details of the showcases from financial institutions and nonbank service providers are as follows:

Cambodia and Thailand

1) Interoperable QR Payment

Siam Commercial Bank (SCB) of Thailand has announced the development and testing of interoperable QR payment service based on EMV standard with its subsidiary in Cambodia. The service will help facilitate cross-border retail payments between individuals and merchants in the two countries. With the service, Thai tourists will be able to use their Thai mobile banking applications to scan the QR code and make payments to Cambodian merchants. With interoperable infrastructure, Cambodia and Thailand will continue to work together to expand the payment network so that cross-border QR payment can be executed from majority of banks in both countries.

Indonesia and Thailand / Intra-ASEAN

2) Indonesia and Thailand / Intra-ASEAN L/C Service on Enterprise Blockchain

Bangkok Bank (BBL) has partnered with **GC Marketing Solutions Company Limited (GCM)**, a chemical flagship and subsidiary of PTT Global Chemical Company Limited (GC), to test

trade finance transactions between Thailand and Indonesia using the Voltron Application on R3 CORDA Platform. For the test, **PT. Bukitmega Masabadi**, a trade partner of GCM, Indonesia, would send an electronic Letter of Credit (L/C) via Bangkok Bank's Indonesia branch to Bangkok Bank Thailand. Adoption of L/C transactions on Enterprise Blockchain are quicker and easier than traditional means, cutting processing time and paperwork by more than half. The service will be expanded to link with other countries in ASEAN in the future.

Lao PDR and Thailand

3) Interoperable QR Payment

Thanachart Bank Public Company Limited (TBANK) and **Banque Pour Le Commerce Exterieur Lao Public (BCEL)** jointly developed a cross-border QR payment service between Thailand and Lao PDR. The service allows BCEL clients to make payments in Thailand in real-time by simply scanning the Thai standard QR Code of Thai merchants with their BCEL mobile banking application. In addition, TBANK's or any other Thai banks' clients travelling to Lao PDR can make payments at BCEL's merchants instantly via Thai mobile banking applications linked to their home bank accounts. The service will be commercialized in the coming months. Going forward, TBANK aims to extend the cooperation with other banks in CLMV to expand its payment network.

4) Blockchain Interledger: Real-time International Fund Transfer for Business

Krungsri has been at the forefront of the development of blockchain-based innovation in Thai financial industry. **Krungsri Blockchain Interledger** is a real-time international funds transfer service for the business sector, having the capacity to send money from Lao PDR to Thailand and from Thailand to Singapore in a matter of seconds. It serves as a new payment solution to help improve competitive advantage in terms of logistics management, reducing financial cost and mitigating foreign exchange volatility risk. Krungsri Blockchain Interledger is currently being tested in the BOT's regulatory sandbox.

Myanmar and Thailand

5) Blockchain Remittance Service

Krungthai Bank (KTB) of Thailand and **Shwe Bank** of Myanmar, in collaboration with **Everex**, have developed a secure, convenient and instant remittance service, using Blockchain platform, called the "Krunghthai Bank and Shwe Bank Remittance powered by Everex." The service allows customers to transfer money anywhere in Thailand and anytime with competitive foreign exchange rates, via KTB mobile banking application. Recipients in Myanmar have options to receive money by home delivery, cash pick up at Shwe Bank branches, or direct deposit to Shwe Bank accounts. The service will be officially piloted in June 2019.

Singapore and Thailand

6) Remittance Service via API

DBS and KASIKORNBANK (KBank) have jointly developed an API-based funds transfer service, the “Remittance via API: Cross-Border Payment Connectivity Platform,” that accepts remittances from Singapore to Thailand. This service is unique as it allows the sender to check whether the recipient’s account is active before making funds transfer. The system can transfer up to 1.5 million Baht in a single transaction.

7) Interoperable QR Payment

AIS mPay has introduced GLOBAL Pay, a mobile wallet application that enables Thai customers with an e-wallet and, in the near future, with Thai bank accounts to make QR Code payments when they travel overseas through VIA, Asia’s first cross-border mobile payment alliance by the Singtel Group. Through VIA, customers can transact conveniently, securely and at competitive foreign exchange rates with their local mobile wallets.

8) Interoperable QR Payment

Bangkok Bank (BBL) has collaborated with Thai Payment Network and UnionPay to offer QR payment service based on EMV standard. The service will enable customers to make cross-border payments through UnionPay network by using BBL BeWallet application with Be1st debit card. The service will first be available at merchants of United Overseas Bank in Singapore.

Malaysia, Philippines, and Thailand

9) Cross-border Money Transfer Service

CIMB Group has introduced SpeedSend, the Group’s money transfer service using API technology. SpeedSend is an international remittance service offered at affordable fees and attractive rates. The service also connects the ten ASEAN countries together. This has been achieved through the adoption of API technology and establishment of partnerships and strategic alliances with financial institutions and other money transfer operators. Currently, the majority of transactions originated at CIMB Thai are money transfers to Philippines.

Bank of Thailand

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