



## External Relations Department

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### **SBP Issues Unified QR Code to Accelerate Digital Payments**

To accelerate digitization of retail payments, State Bank of Pakistan has issued standards for Quick Response (QR) code based payments in Pakistan. These standards are to be met for issuing of QR codes and accepting of payments through the same. This initiative is a part of SBP's drive to promote inclusion, innovation, and modernization of payment systems in the country. The development and issuance of a single QR code was earlier announced by Governor State Bank of Pakistan, Dr. Reza Baqir, while chairing the [5th Stakeholders consultation meeting on Digital Financial Services in August 2021](#). With the issuance of a single country wide QR code standard Pakistan joins the list of countries who have taken similar steps to promote low cost digitization of payment services, especially at retail level.

QR Code based payments are increasingly becoming popular around the world for being low cost and easy to use via mobile applications. However, in Pakistan, QR codes that are being issued by financial institutions are not usually based on common industry standard and had limited interoperability due to which their acceptance and usage in the country is very low. Accordingly, the common QR code standards have been developed by an industry consultative group, formed by SBP, and is based on EMVCo's QR Code Specifications for merchant payments. EMVCo is a global technical body that facilitates worldwide interoperability and acceptance of secure payment transactions by managing and evolving the EMV Specifications and related testing processes. The Standards are designed to be flexible to adapt to new and innovative use-cases, with data objects allocated for scheme, acquirers and SBP for future use.

To facilitate the issuance and adoption of QR code based payments, SBP has issued its two variations: one for person to person payments and other for person to merchant payments. The Person to Person (P2P) standard would be used by banks and financial institutions to generate personalized QR codes for their customers, using which they would be able to receive payments on their mobile apps. Similarly, the Person to Merchant standard would be used for accepting and processing merchant based payments, using mobile apps, on lines similar to card based payment acceptance. All financial institutions offering digital payment services would be required to comply with the new requirements and ensure that mobile apps of all banks and other payment institutions in Pakistan are able to scan and process any QR code that is issued as per the new standard **not later than 30<sup>th</sup> June 2022**.

The Standards also promote the establishment of domestic payment schemes, which will provide an efficient and cost-effective payment alternate to the citizens of Pakistan. Further, it will enable a fully interoperable mechanism for QR issuance with embedded information of multiple payment schemes within a single QR code, allowing the customer to choose from a range of available schemes. This will result in eliminating or reducing the number of multiple QR Codes at the merchant locations. It may be mentioned that SBP has also recently launched the person-to-person (P2P) version of its instant payment system, Raast which will offer a fully interoperable payment mechanism for QR based payments as well.

With the issuance of the standard QR code guidelines, State Bank aims to further enhance the availability and promote use of low-cost digital payment acceptance points (ie. QR Codes) across the country. The new QR Code standard would simplify customer experience for paying or accepting digital payments in their daily lives such as for grocery shopping, school fee payments, bill payments,



## External Relations Department

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online shopping, ride hailing services, besides enabling P2P Fund transfers i.e. fund transfers between individuals. The circular can be accessed at the following link:

<https://www.sbp.org.pk/disd/2022/CL1.htm>

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