



## External Relations Department

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### **SBP Organizes Discussion on 'The Promise of Digital Banks' for International Audiences**

On March 03, 2022, SBP hosted an interactive discussion on '[The Promise of Digital Banks](#)' for domestic and international stakeholders including banks, fintechs, venture capital firms, digital banks and representatives of business community from across the world. The objective of this webinar was to share information on SBP's '[Licensing and Regulatory Framework for Digital Banks](#)' and discuss the promise of digital banks especially in the context of the experience in other countries. A video recording of the event can be seen at the following link: <https://www.youtube.com/watch?v=dd-zTQPwfXw>

The webinar was aimed at sharing the broad contours of SBP's initiative and the experiences of other international players. The webinar began with a keynote address by the Governor SBP, Dr. Reza Baqir, followed by an interactive panel discussion with well-known international experts in the fields of digital banking and fintechs.

In his keynote address, Dr. Reza Baqir, Governor State Bank of Pakistan, stated that with major digital enablers and fundamental components of a digital economy in place, Pakistan is now well set for a major digital evolution. He emphasized that, as noted in [a recent opinion piece](#), a key goal behind SBP's framework for digital banks is to promote financial inclusion and innovation in the country and provide an ecosystem where the customer and customer service is prioritized. He highlighted the challenges and gaps in the existing banking space and mentioned that SBP has laid a solid foundation for the provision of digital financial services by providing the legal and regulatory environment and core infrastructure. Dr. Baqir also spoke about the steps taken by the SBP to promote innovation in financial services, including removing of barriers to entry for non-banks and fintechs, frictionless digital account opening for individuals, in-app biometric verification to facilitate [customers' digital onboarding](#), and introducing Pakistan's Instant Payment System - [Raast](#). Dr. Baqir also emphasized that important initiatives are under discussion with stakeholders on Common Know Your Customer framework—which will enable Financial Institutions to share KYC information with customer consent, to improve customers' digital journey—and Open Banking.

The event also included a panel discussion moderated by Ms. Tania Aidrus, Co-founder of The Rayn Group, with Mr. Sopnendu Mohanty, Chief Fintech Officer of Monetary Authority of Singapore (MAS), Mr. Omer Ismail, Incoming Chief Executive Officer of ONE and Mr. Mamoon Hamid, Managing Member and General Partner at Kleiner Perkins as panelists.

The panelists highlighted the real potential and opportunities of digital banks globally for international players including fintechs, startups, venture capitalists etc. and deliberated on various aspects of the regulatory challenges. The subject matter experts highlighted that innovation in the financial sector is largely led by the combined efforts of a regulator and other relevant players. Appreciating the flexibility of 'SBP's Licensing and Regulatory Framework for Digital Banks,' which accommodates a range of investors independently or in collaboration, the panelists were of the view that the incoming players can benefit from opportunities presented by Pakistan and make a tangible and significant increase in meaningful financial inclusion.

The panel was confident that digital banks will become an essential part of the financial ecosystem and provide people with the access to a wider range of financial services, and advance the broader agenda of financial inclusion.



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