

The American Chamber of Commerce of the Philippines, Inc.

Future of Online Banking Amidst Crises: Digital Financial Services

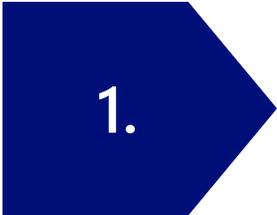
Nomura Research Institute Singapore Pte. Ltd., Manila Branch
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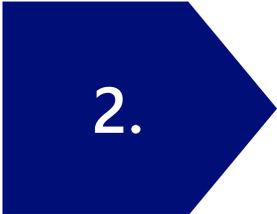
Share the Next Values!



1.

Digital Financial Services



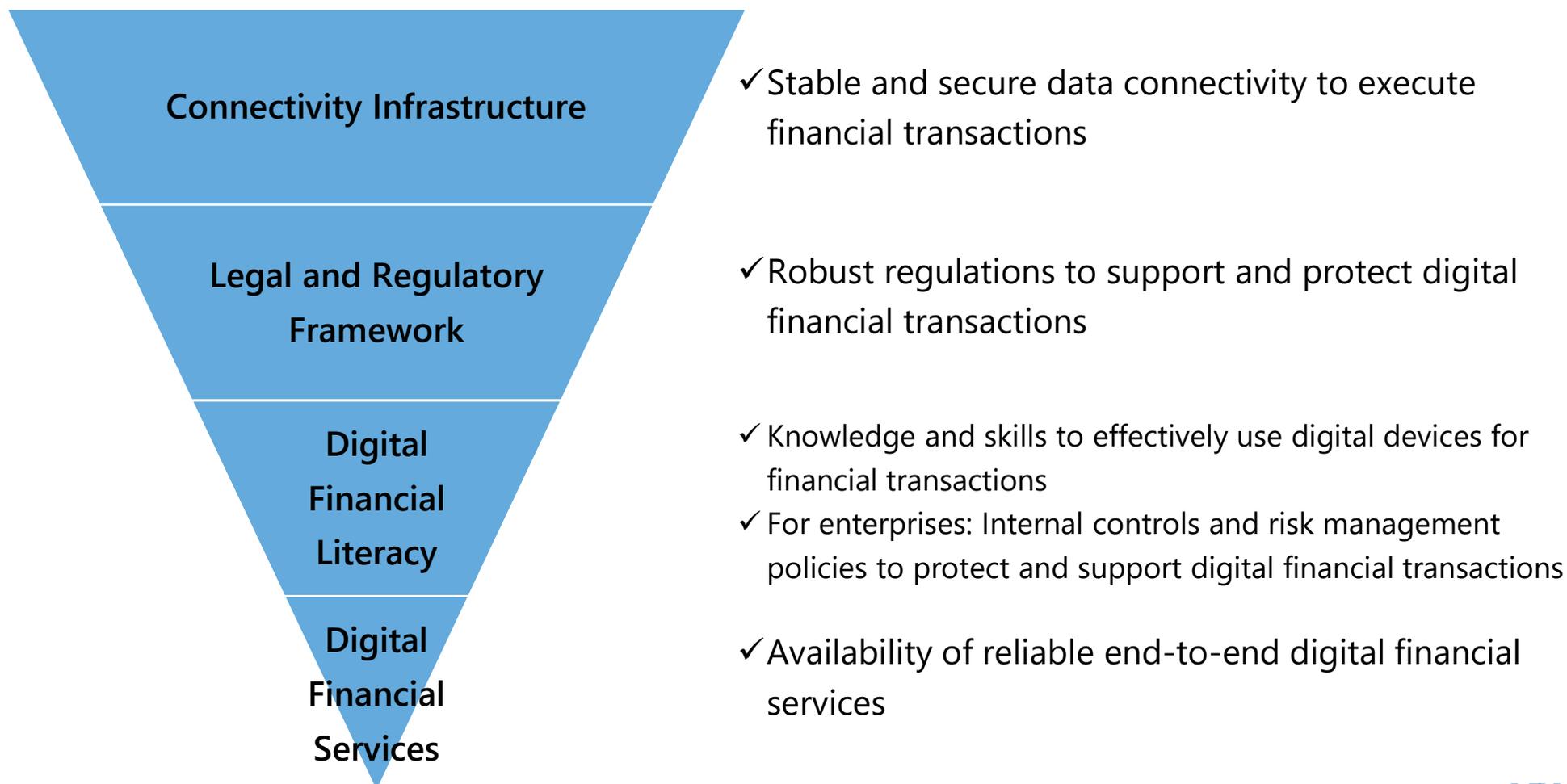
2.

Singapore's Case: FinTech to develop digital financial services

1. Digital Financial Services: Key Pillars

Reliability of digital financial transactions is significantly supported by infrastructure, legal framework, digital financial literacy, and availability of corresponding services.

In any given circumstance, the following are key pillars to support, and foster, digital financial transactions:

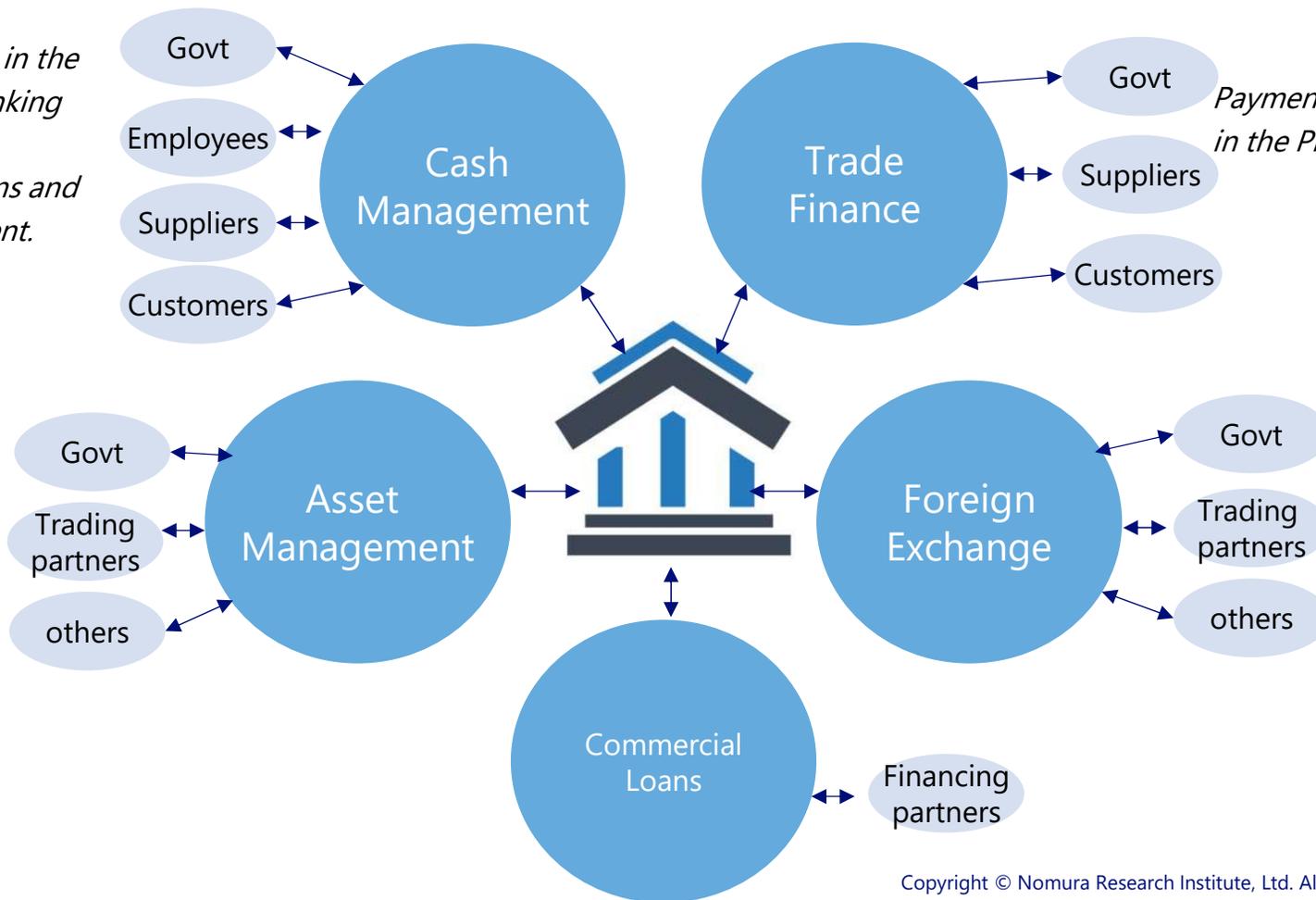


1. Digital Financial Services: Interoperable Ecosystem

Availability of digital financial services are evident in payments – the heart of financial transactions ecosystem.

- Payments is the heart of financial transactions. Thus payments intermediaries must create ecosystems, that are interoperable and digitally connected, to support seamless end-to-end financial transactions.

Essentially available in the Philippines, as a banking service to support payments, collections and liquidity management.



Payments function available in the Philippines.

2. Singapore's Case: FinTech to develop digital financial services

In Singapore, innovation is being used to encourage developing and/or improving financial services and creating ecosystems.

mas.gov.sg/development/fintech

Key Facts

Singapore Innovation Landscape

Singapore FinTech Ecosystem

What's New

Singapore Innovation Landscape

Grants for Innovation

Get funding on proof-of-concepts, hiring, business development and more.

Trade Finance

The Global Trade Connectivity Network (GTCN) is a cross-border Distributed Ledger Technology (DLT) project to digitalise trade and trade finance.

Regulatory Sandbox

Sandbox relaxes specific regulatory requirements to enable live experiments of innovation within boundaries.

API Exchange

World's first open architecture platform for financial institutions to easily discover FinTechs, quickly design prototypes and rapidly deploy solutions.

Project Ubin

An industry collaboration exploring the use of Blockchain and Distributed Ledger Technology (DLT) for Central Bank Digital Currency.

Business sans Borders

A collaborative AI-driven global solutions hub to foster SME digitalization.

IP Protection

Protect your intellectual property faster through the FinTech Fast Track Initiative, Patent Prosecution Highway and ASEAN Patent Examination Co-operation.

Singapore FinTech Festival

The world's largest FinTech festival for the global FinTech community to connect, collaborate and co-create.

E-Payments

Understand more about MAS' payment initiatives like SGQR, FAST, PayNow and UPOS.

2. Singapore's Case: FinTech to develop digital financial services

Case 1: Global Trade Connectivity Network (End-to-end Digitalization of Trade Finance)

■ Global Trade Connectivity Network (GTCN)

- A strategic joint innovation project by Monetary Authority of Singapore and the Hong Kong Monetary Authority
- It is a cross-border infrastructure based on Distributed Ledger Technology (DLT) and seeks to digitalize trade and trade finance between the two cities for a start. Over time, the aim is to expand the network to the region and the globe.
- It aims to remove the inefficiency and risks of fraud inherent in the existing paper-based system in trade finance. Once implemented, the interface, likely to be the first of this kind in the world, has been designed with an open architecture that would allow Hong Kong's other trading partners to plug into it in future.



Mitigation of Duplicate Invoice Financing

- Blockchain-based central ledger where transactions will be stored and referenced against.



End-to-end Digitalization of Trade Finance

- End-to-end digitalization of trade and trade finance processes across borders.



Increased interoperability across platforms

- Using DLT, different industry initiatives are allowed to interoperate and take advantage of the innate properties of DLT to establish trust across the trade and trade finance platforms.

2. Singapore's Case: FinTech to develop digital financial services

Case 2: Business sans Borders (Digital ecosystem of SMEs across the globe) 1/2

■ Business sans Borders (BSB)

- Aims to create an ecosystem that will support SMEs to easily connect digitally across the globe.
- A hybrid global meta-hub for business and digital services that enables 1) Enhanced domestic and international trade opportunities for SMEs; 2) Interoperability between SME ecosystems; 3) Quick and intuitive access in the provision of digital services with seamless integration; and 4) Sandbox environment to accelerate testing and delivery of new services for SMEs.



Matching for buyers and suppliers

- One-stop meta-hub to source for trade and services online for buyers
- Streamlined access to better domestic and cross-border business opportunities



Access to global community

- By connecting these different platforms, BSB helps SMEs seamlessly access a much larger ecosystem of buyers, sellers, logistics service providers, financing, and digital solution providers.
- BSB utilizes artificial intelligence (AI) to enable SMEs to discover prices and sales opportunities in a larger global marketplace, access various supply chains, and easily source for and utilize relevant digital and financial solutions.

2. Singapore's Case: FinTech to develop digital financial services

Case 2: Business sans Borders (Digital ecosystem of SMEs across the globe) 2/2

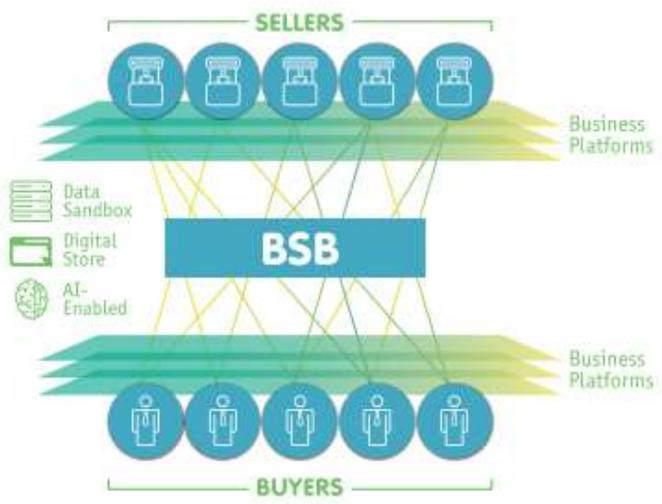
BUSINESS SANS BORDERS : A Network of Platforms Enabling Trade Without Borders






CONNECTING PLATFORMS AND MARKETPLACES

to enable SMEs to seamlessly trade in the global ecosystem



-  **BUYERS & SELLERS** allow for a wider choice of products and services from various platforms
-  **PLATFORMS** allow for enhanced service offerings to support buyers and sellers
-  **GOVERNMENTS** help drive SME digitalisation plans and widen procurement options.

CHALLENGES SMEs FACE

-  Opaque pricing
-  Complex supply chains
-  Lack of access to digital solutions

BENEFITS OF BSB

-  **REDUCE** the complexity of domestic and cross-border business
-  **DRIVE INTUITIVE AWARENESS** and adoption of digital processes
-  **MERIT-BASED MATCHING** of trade and solutions
-  Support **FINANCIAL INCLUSION AND EDUCATION**

MILESTONES

-  Proof-of-Concept **COMPLETED**
-  Pilot to begin **1H 2020**
-  Phase 2 **ANNOUNCED**

PILOT TO EXPLORE LIVE TRANSACTIONS WITH MULTIPLE PLATFORMS

Singapore, the Philippines, and India as a start

-  **OPEN AND GLOBAL** public infrastructure initiative
-  **ARTIFICIAL INTELLIGENCE** to match domestic and cross-border trade
-  **ESSENTIAL BUSINESS SERVICES** consumed by digital B2B platforms and SMEs



Trade Without Barriers

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KEY PARTNERS



