

# Digitising Transactions



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# Think of society through the lens of transactions

... the experience is usually painful

there is friction, ...

which costs money, wastes time, human error, ...

How can we go from digitization, to automation, to innovation, to create “value” from transactions?

# Some examples of transactions

- financial
- taxes
- voting
- demarcation of physical assets, like land
- ...

# An example: mobile payments

## Mobile Payment Forum of India

Academia (IIT Madras), Industry & Regulators came together

- created the standards (interoperability, security) for mobile payments in India
- standards gave rise to two products

**IMPS**                      Immediate Payment Service

**UPI**                         Unified Payments Interface

# Impact of UPI

February 2020 to February 2022

|                              |              |
|------------------------------|--------------|
| Transaction volume (in Cr)   | 132 to 452   |
| Transaction value (L Cr INR) | 2.22 to 8.25 |

|

In 2022, UPI is expected to cross **1 trillion USD** worth of transactions!

Currently, approx **300m monthly active users**

# Innovation is needed at 3 levels

– Adoption

– Technology

– Policy

|

# Adoption

## Users

- better understanding of human behavior, technology and use cases

## Merchants

- setting the MDR (merchant discount rate)

# Technology

Use voice as a means of authentication and conduct transactions across multiple local languages



# Policy

Government has a rare opportunity to develop a data-centric understanding of how the economy conducts itself and uses money, and can set taxes accordingly

# Value addition

## Human level

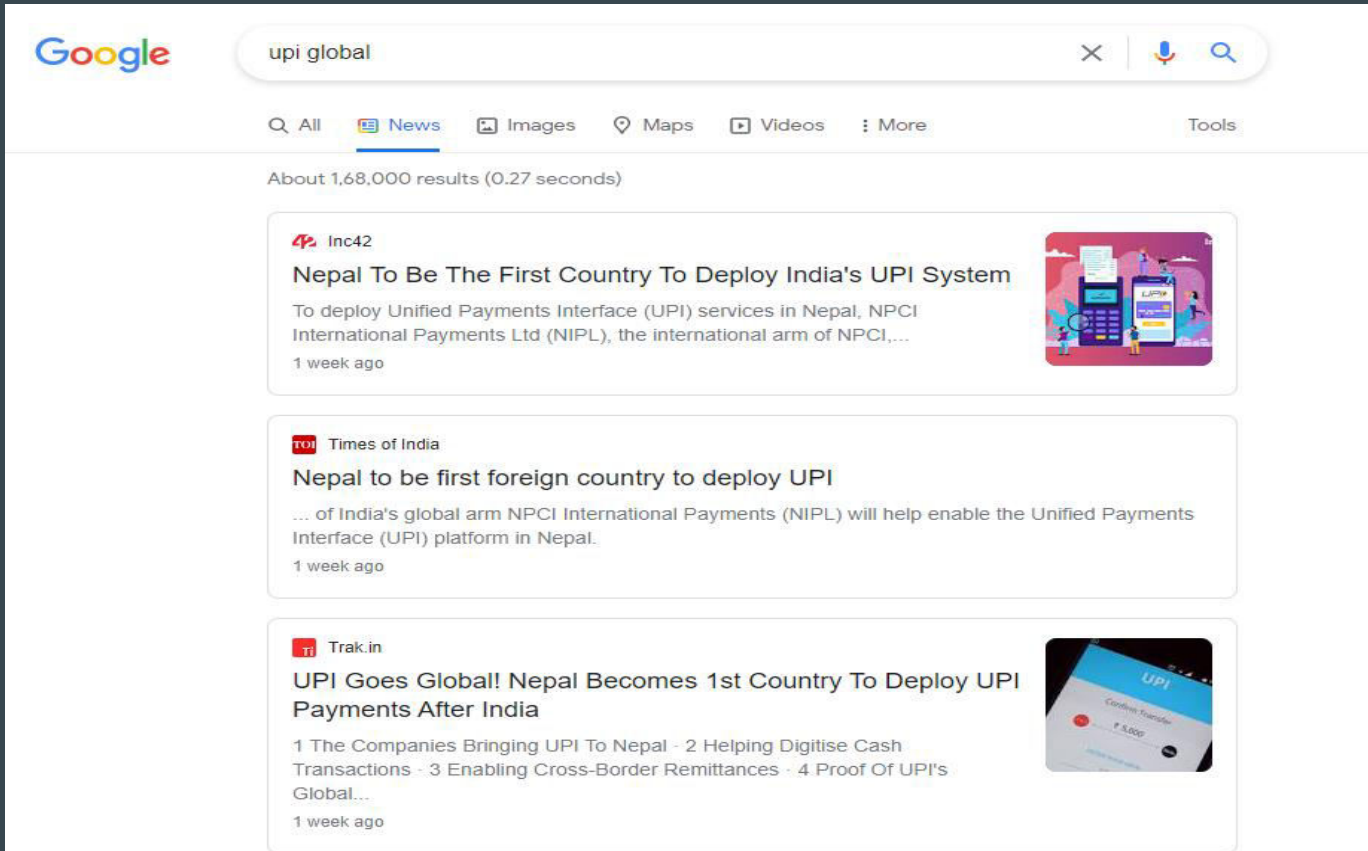
- payments usage data & patterns to help customise financial services at scale
- make it easier / beneficial for paying taxes

## Government level

- widen the tax base
- better resource allocation, given spending patterns

With technologies like AI and blockchain, the opportunities for value addition are enormous!

# UPI is just one service ... Google: the US FED should adopt a UPI-like system



The image shows a Google search interface with the query "upi global". The search results are displayed in a list format. The first result is from Inc42, titled "Nepal To Be The First Country To Deploy India's UPI System". The second result is from Times of India, titled "Nepal to be first foreign country to deploy UPI". The third result is from Trak.in, titled "UPI Goes Global! Nepal Becomes 1st Country To Deploy UPI Payments After India". Each result includes a brief description and a timestamp of "1 week ago". There are also small images associated with each result: a colorful illustration of people using mobile phones for payments, a newspaper clipping, and a close-up of a UPI payment screen.

Google

upi global

Q All News Images Maps Videos More Tools

About 1,68,000 results (0.27 seconds)

**Inc42**  
**Nepal To Be The First Country To Deploy India's UPI System**  
To deploy Unified Payments Interface (UPI) services in Nepal, NPCI International Payments Ltd (NIPL), the international arm of NPCI,...  
1 week ago

**Times of India**  
**Nepal to be first foreign country to deploy UPI**  
... of India's global arm NPCI International Payments (NIPL) will help enable the Unified Payments Interface (UPI) platform in Nepal.  
1 week ago

**Trak.in**  
**UPI Goes Global! Nepal Becomes 1st Country To Deploy UPI Payments After India**  
1 The Companies Bringing UPI To Nepal - 2 Helping Digitise Cash Transactions - 3 Enabling Cross-Border Remittances - 4 Proof Of UPI's Global...  
1 week ago

# Greater engagement with democracy

## Mobile Voting

If we are now comfortable making financial transactions on a mobile,

why not vote?

- greater participation

- lower cost

# How to systematically create *value* from transactions ?

Academia, Industry and Government to come together

- develop standards & technology
- go to market
- set policy

and this ecosystem should work in tandem for an end-to-end perspective