

II MEETING OF HEADS OF FINANCIAL MARKET INFRASTRUCTURES

PAYMENTS IN BRAZIL: RECENT TRENDS AND THE PIX

ANGELO J. MONT'ALVERNE DUARTE
Central Bank of Brazil

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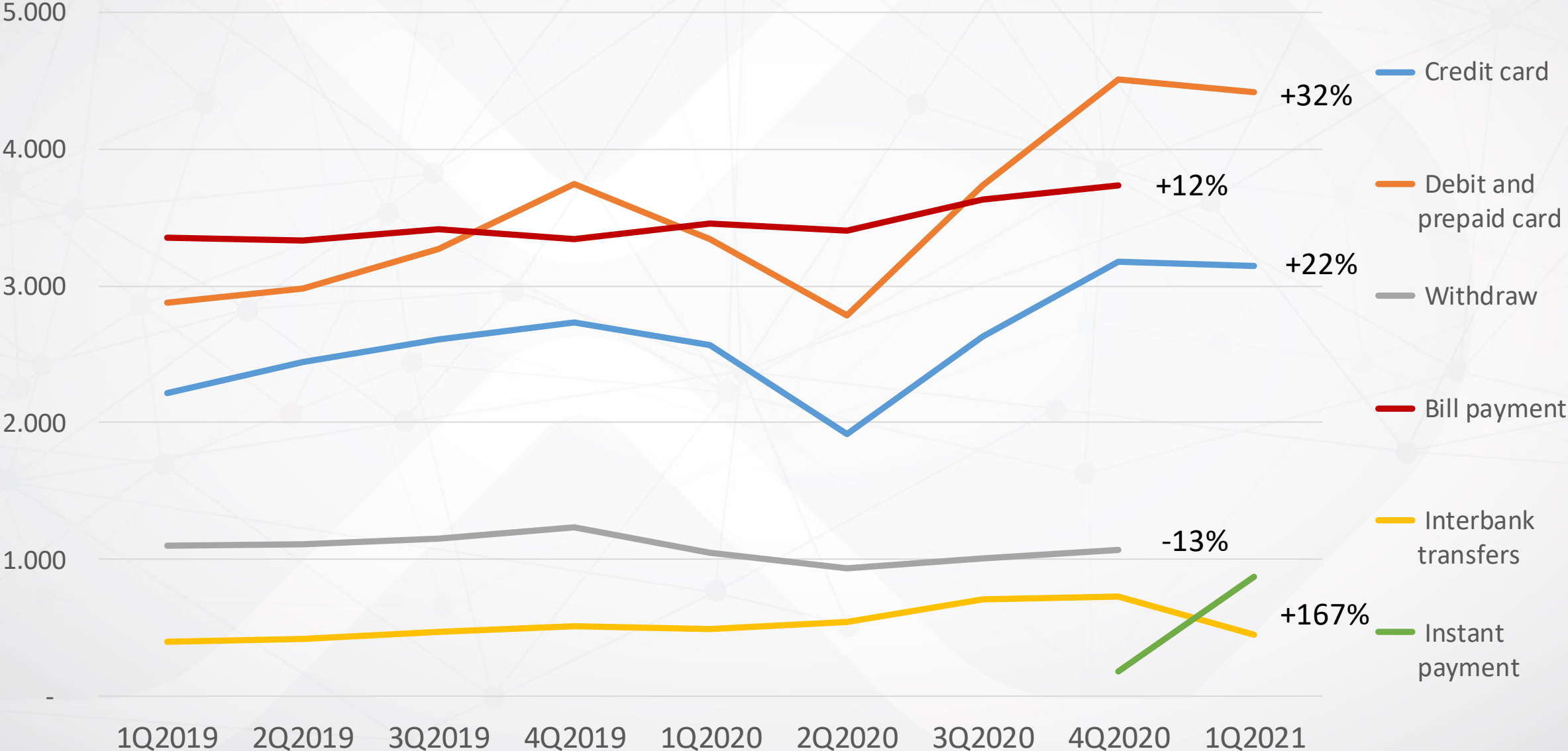
AGENDA

- **Recent figures in payments**
- **Instant payments - Pix**

Recent figures in payments

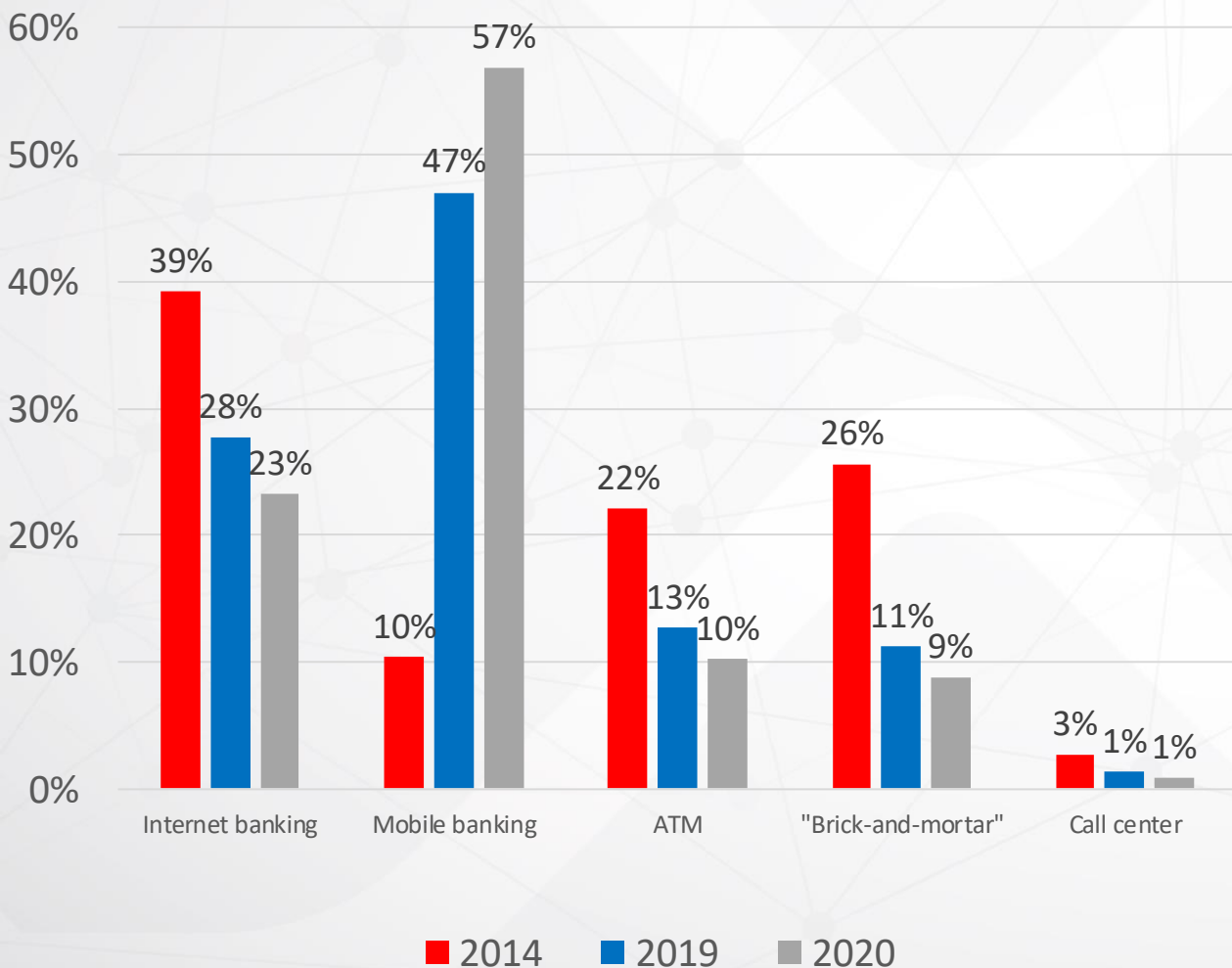


of transactions per payment instrument (million)

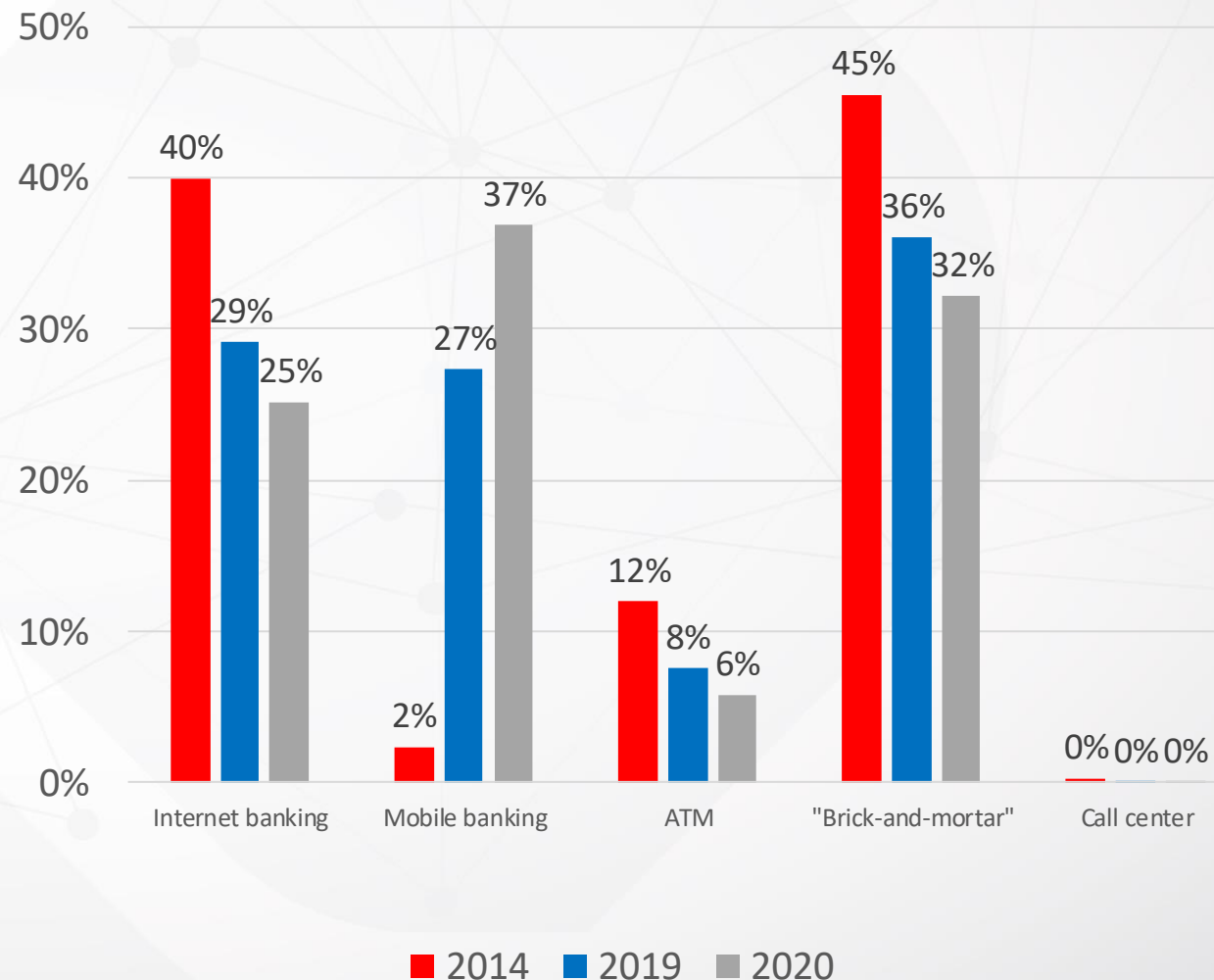


Recent figures in payments

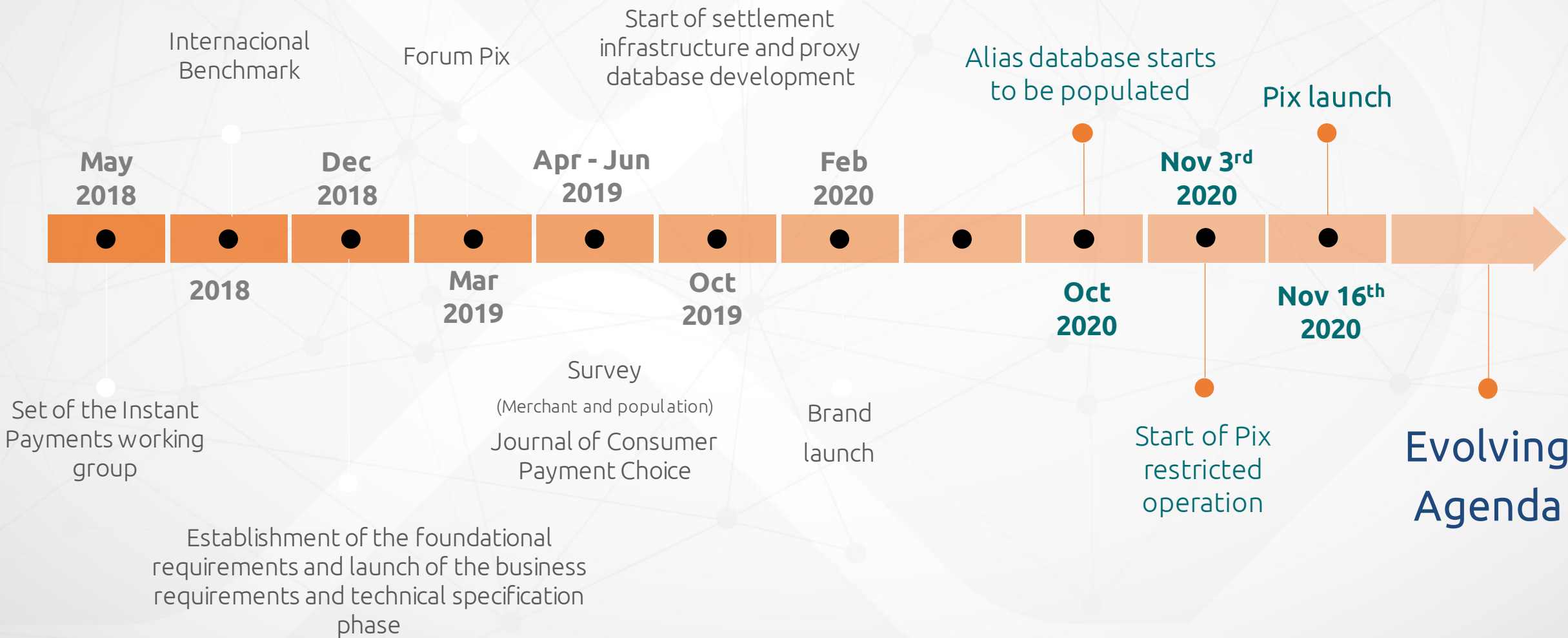
Customer service per channel – All types of transactions (% total)



Customer service per channel – Payment transactions (% total)



Pix Rollout



**Evolving
Agenda**

Main Goals



Democratize access to electronic payments



Offer less friction payment solutions



Support innovation and make new business models feasible



Decrease costs



Contribute to the digitization of payments and financial inclusion



Foster competitiveness and promote efficiency in Financial System

Main Characteristics



Instant solution

Payments in a few seconds, with immediate availability of funds to the final beneficiary



Convenience

Payments without frictions according to each user's needs.



Versatility

Multi-purpose payment instrument, for payments and transfers, for people, businesses and government entities.



Open environment

Broad range of PSPs offering Pix, making a highly competitive environment.



Full-time availability

Around-the-clock payment solution.



Low-cost functionality

No fees for people.
Low cost for businesses.



Integrated processing

Funds and information flowing together, improving automation and reconciliation capabilities.

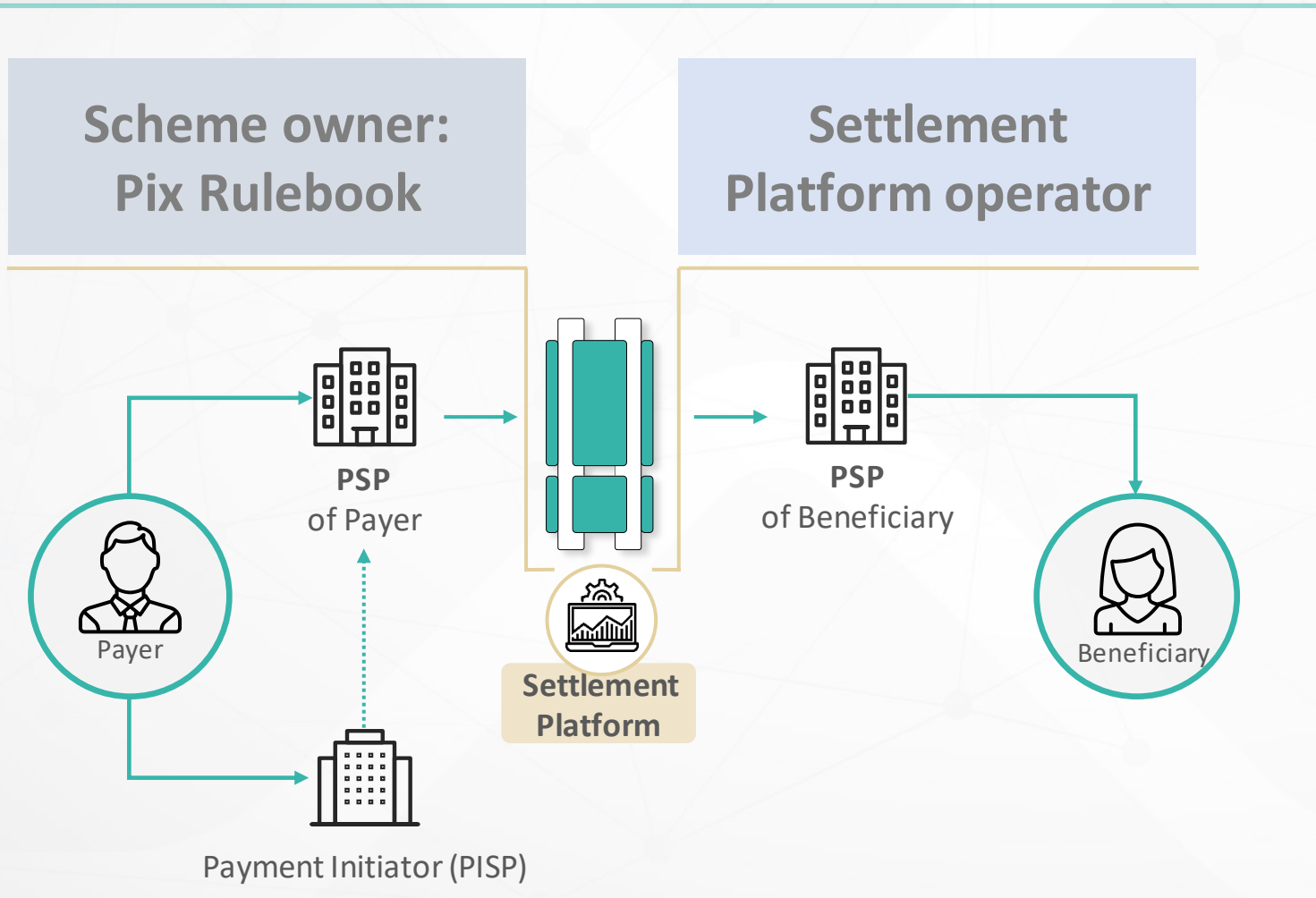


Safety

Robust anti-fraud solutions to ensure security of transactions.

Overview of Pix Ecosystem

General Framework



Who must join? | Who can join?

Must join

Authorized PSPs with more than 500,000 active customer accounts

Can join

All other Banks and non bank PSPs regulated by the Central Bank

How many participants?

760+ active participants
39 institutions in the joining process

Figures

Pix Users and Keys



98.7 mi

59% of the adult population



7.3 mi

51% of companies with relationship in the National Financial System

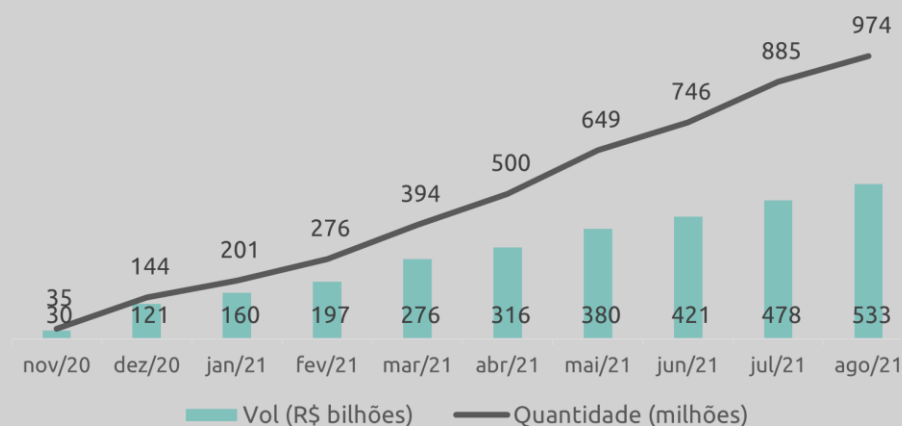
316.1 million Pix Keys

Transactions

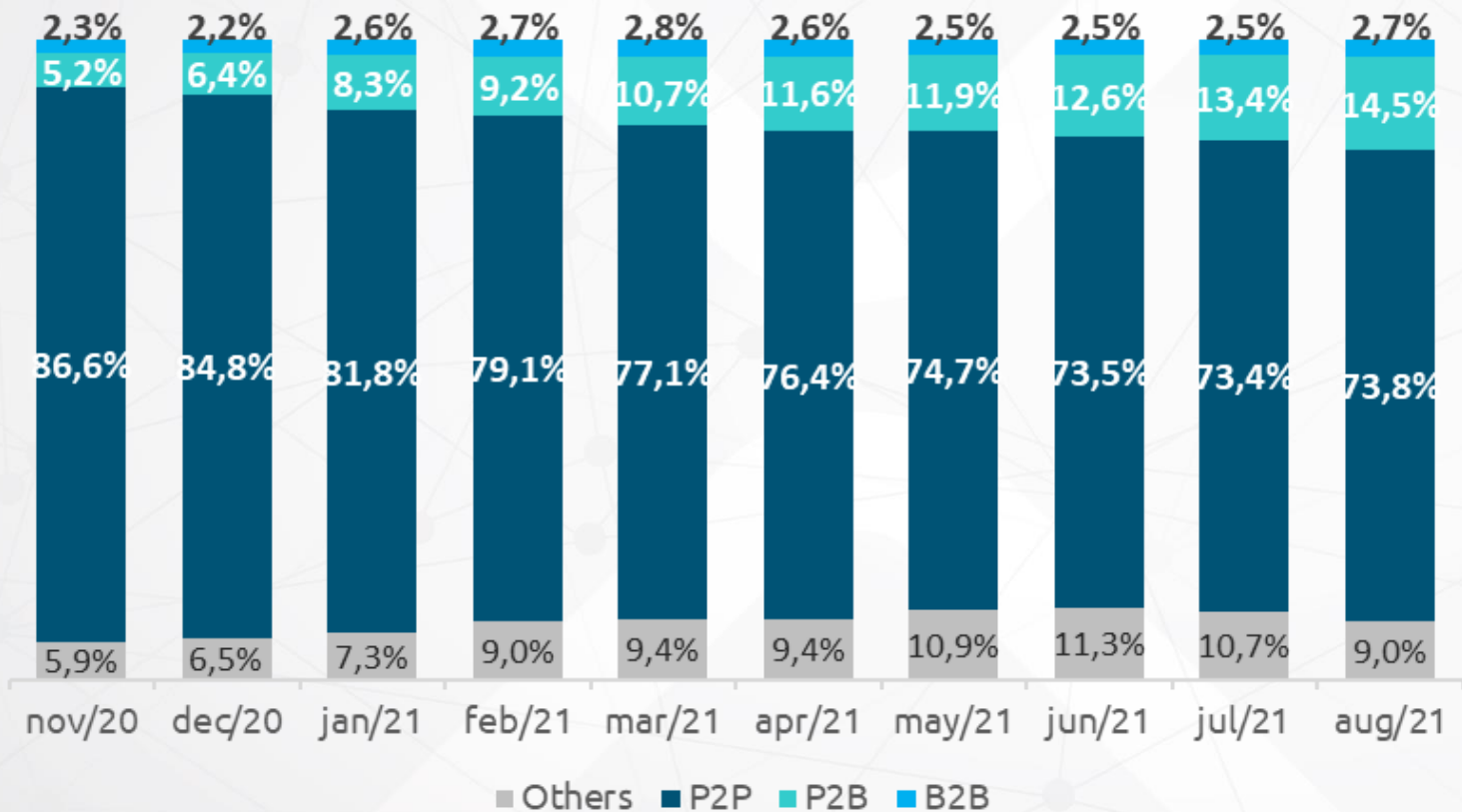
**4.8 billion
Pix transactions**

74% P2P | 15% P2B

Evolução do uso do Pix

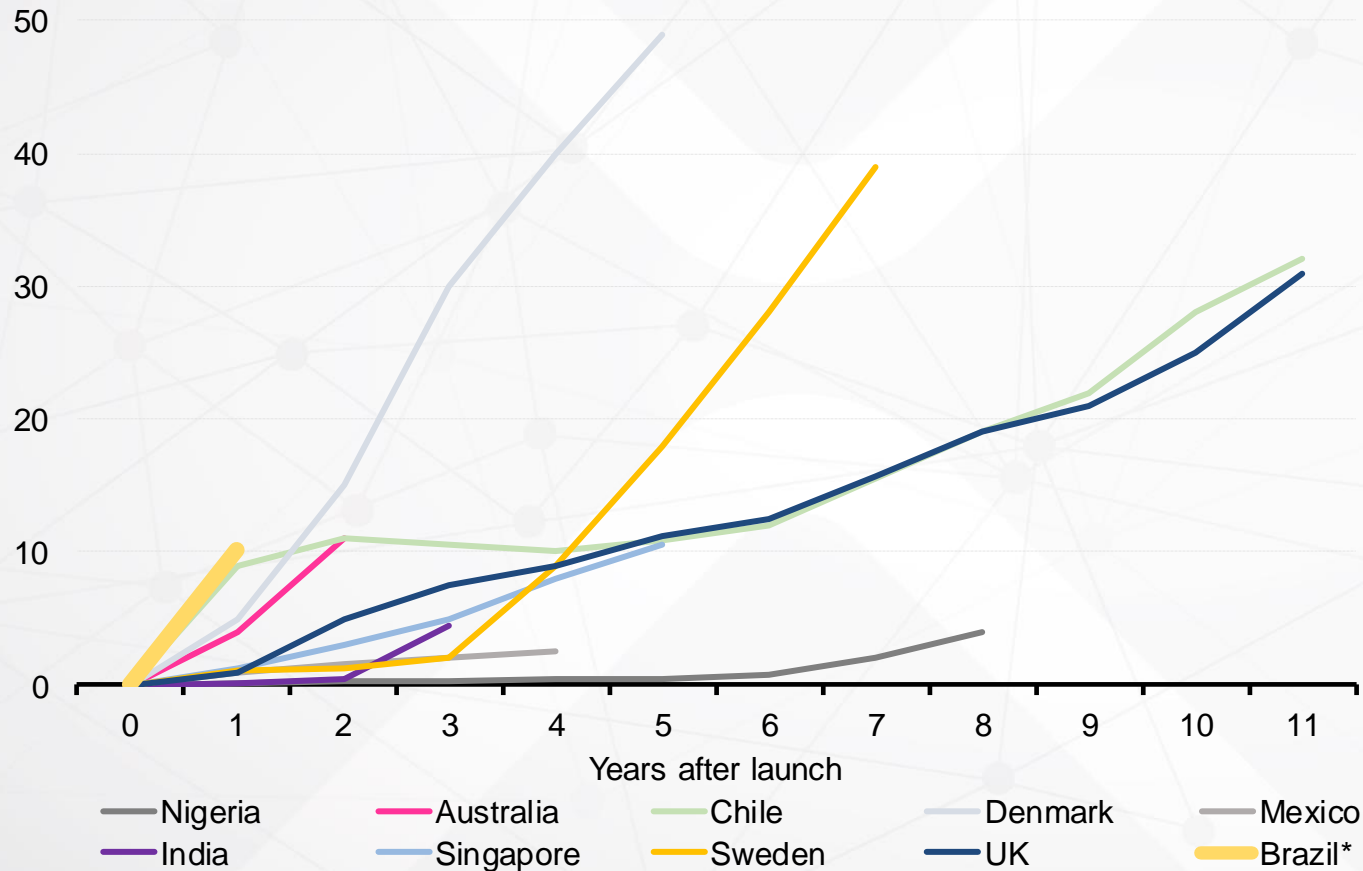


Figures



Pix Adoption

International Perspective



Adoption Rate of Instant Payments Schemes in Various Countries
(number of transactions per capita)

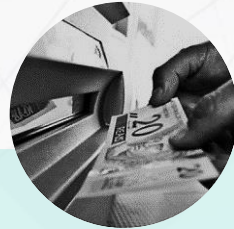
* Data from November 2020 to May 2021 | Source: Bech, Hancock e Zhang (2020) and the BCB (data for Brazil)

Features Roadmap – 2021/2022



Payment Initiator

Possibility to initiate a Pix from a different app or system than the app owned by bank Where the client holds its funds. For exemple, **instant message apps, financial service apps, e-commerce platforms** etc.



Cash withdrawal

Possibility of **cash withdrawal** using Pix in stores and in ATM machines of Pix Participants.
- Increase in interoperability and efficiency



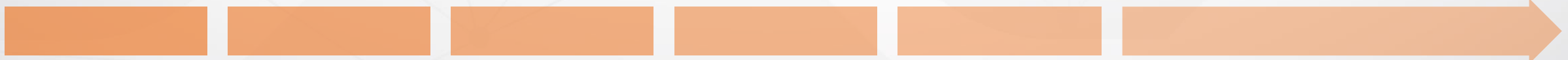
Special refund mechanism

Possibility of refunds in fraud and operational mistakes situations.



Offline Payments (1st set of functionalities)

Possibility to initiate a Pix with a QR Code generated by the payer, while offline (Consumer Presented QR Code).



Features Roadmap – 2022 and ahead



EBPP (Pix Cobrança)

Electronic Bill Presentment and Payment. Centralized platform for invoices.



Guaranteed payments

Possibility to schedule a payment for future date with a guarantee for the payee. Allows the use case of BNPL "buy now, pay later."



Direct Debit

Possibility of a payee to initiate a payment, as long as there is a previous consent from the payer. Convenient for recurring payments.



Dual offline payments

Possibility of making payments when payer and payee are both offline



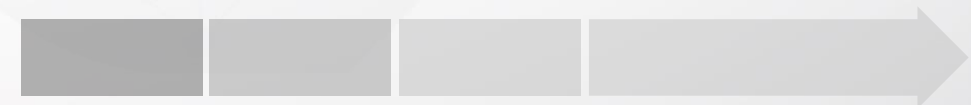
Cross-border payments

Possibility of making cross-border instant payments and remittances.

[...]



2022-2023



Mid-term future

Thank you!