

GMS Fintech

**Harnessing Digitalization, Innovation and Technology (DIT)
for Inclusive and Secure Trade and Finance in the GMS**

The Future of Finance in the GMS: How Fintech is Transforming
Trade and Building a Sustainable Economy.

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Fintech Frontiers: Exploring the Evolving Landscape in the GMS

- **Rising Mobile and Internet Penetration**

The increasing affordability of smartphones and expanding internet coverage have led to a surge in digital adoption.

- **Large Unbanked and Underbanked Population**

A significant portion of the GMS population still lacks access to traditional banking services.

- **Supportive Government Policies**

Governments across the GMS are recognizing the potential of fintech to drive financial inclusion and economic growth.

- **Growing Investment in Fintech**

Venture capital and private equity firms are increasingly investing in fintech companies in the GMS.



Fintech Frontiers: Exploring the Evolving Landscape in the GMS

Key Trends in GMS Fintech

- **Digital Payments**

Mobile wallets and digital payment platforms are witnessing exponential growth, driven by the convenience and accessibility they offer compared to traditional cash transactions.

- **Remittances**

The GMS has a large diaspora population working abroad, and fintech companies are facilitating cross-border remittances through digital channels, reducing costs and improving efficiency.

- **Lending**

Digital lending platforms are providing micro-loans and small business loans to individuals and entrepreneurs who have limited access to traditional credit facilities.

- **Insurtech**

Fintech companies are leveraging technology to offer innovative insurance products and services, making them more affordable and accessible to the underserved population.



The Contribution of Fintech to Financial Inclusion, Economic Development, and Transition to Green Economy

• Financial Inclusion

- Provided affordable financial services to unbanked and underbanked populations.
- Reduced transaction costs and improved efficiency, making it more affordable.
- Provided customized products and services to targeted populations.

• Economic Development

- Boosting Economic Activity due to more opportunity for small business to obtain credit and financial resources.
- Creating Jobs and opportunities especially in technology, finance and related fields that contributes to overall economy development and reduces unemployment.
- Promoting innovation helps driving competition and drive efficiency in the overall economy.

• Transition to Green Economy

- Green Finance are increasing facilitates renewable energy, sustainable agriculture and other green initiatives.
- Sustainable Supply Chains helps enabling consumers and business to make more informed choices about the environmental and social impact of their purchases.
- Financial Incentives for Sustainability by providing green loans with lower interest rates for environmentally friendly project.



Challenges Facing Fintech Companies in the GMS: Overcoming Infrastructure Hurdles

Hard infrastructure Hurdles

- **Limited Internet Connectivity**
Many rural and remote areas in the GMS still lack reliable and affordable internet access.
- **Inadequate Electricity Infrastructure**
Power outages and fluctuations can disrupt transactions and hinder the adoption of fintech solutions.
- **Outdated Telecommunications Infrastructure**
Outdated infra can affect the speed and reliability of mobile networks and data connectivity.
- **Limited Data Centers**
The limited number of data centers in the GMS can pose challenges for fintech companies in terms of data storage, security, and compliance with regulations.



Challenges Facing Fintech Companies in the GMS: Overcoming Infrastructure Hurdles

Soft infrastructure Hurdles

- **Regulatory Uncertainty**

The regulatory landscape for fintech in the GMS can be complex and fragmented, with varying rules and regulations across different countries.

- **Limited Financial Literacy**

Significant portion of the population in the GMS may have limited financial literacy and understanding of digital financial services, it creates challenges in educating users about the benefits and risks of digital financial products.

- **Cultural Attitudes towards Technology**

There may be cultural barriers to adopting new technologies, including digital financial services.

- **Cybersecurity and Data Privacy Concerns**

Cybersecurity and data privacy are critical concerns, building robust security measures and ensuring compliance with data protection regulations can be challenging, especially for smaller fintech startups.

- **Limited Access to Capital and Talent.**

Fintech companies, particularly startups, may face difficulties in accessing capital and attracting skilled talent.



Real cases of Fintech Solutions to facilitate trade in the GMS

Legislation that relate to Fintech in Thailand

Core Financial Legislations

- Securities and Exchange Act B.E. 2535 (1992)
- Financial Institutions Business Act B.E. 2551 (2008)
- Systems Act B.E. 2560 (2017)
- Emergency Decree on Digital Asset Businesses B.E. 2561 (2018)

Other Relevant Legislations

- Consumer Protection Act B.E. 2522 (1979)
- Electronic Transactions Act B.E. 2544 (2001) – latest updated B.E. 2562 (2019)
- Personal Data Protection Act B.E. 2562 (2019)



Real cases of Fintech Solutions to facilitate trade in the GMS

Example about digital transformation in financial sector in Thailand

National e-Payment master plan (2017)

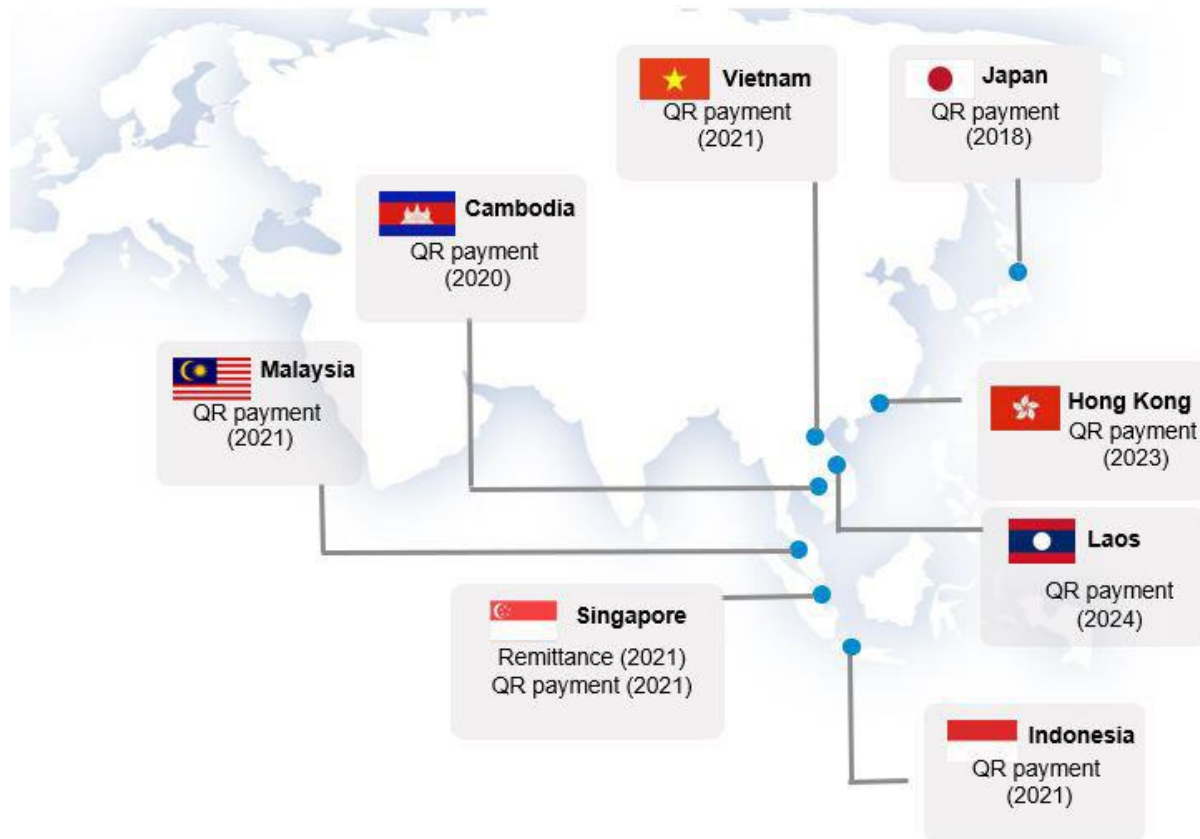
- PromptPay
- Cashless payment by using smartcard and QR payment
- E-Tax invoice
- Government e-payment



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Cross border QR payment



Adoption of QR Code standards across ASEAN

ASEAN Member State	ISO /IEC 18004	EMVCo
Brunei Darussalam	No information	Ongoing initiatives
Cambodia	No information	Adopted (KHQR)
Indonesia	Country-level standard	Adopted (QRIS)
Lao PDR	No information	Adopted (Lao QR)
Malaysia	No information	Adopted (DuitNow)
Myanmar	No information	To be adopted (MMQR)
Philippines	Merchant-level adoption	Adopted (QRPh)
Singapore	Country-level standard	Adopted (SGQR)
Thailand	Country-level standard	Adopted (PromptPay)
Vietnam	Country-level standard	Adopted (VietQR)

Real cases of Fintech Solutions to facilitate trade in the GMS

Example about digital transformation in financial sector in Thailand e-Tax invoice



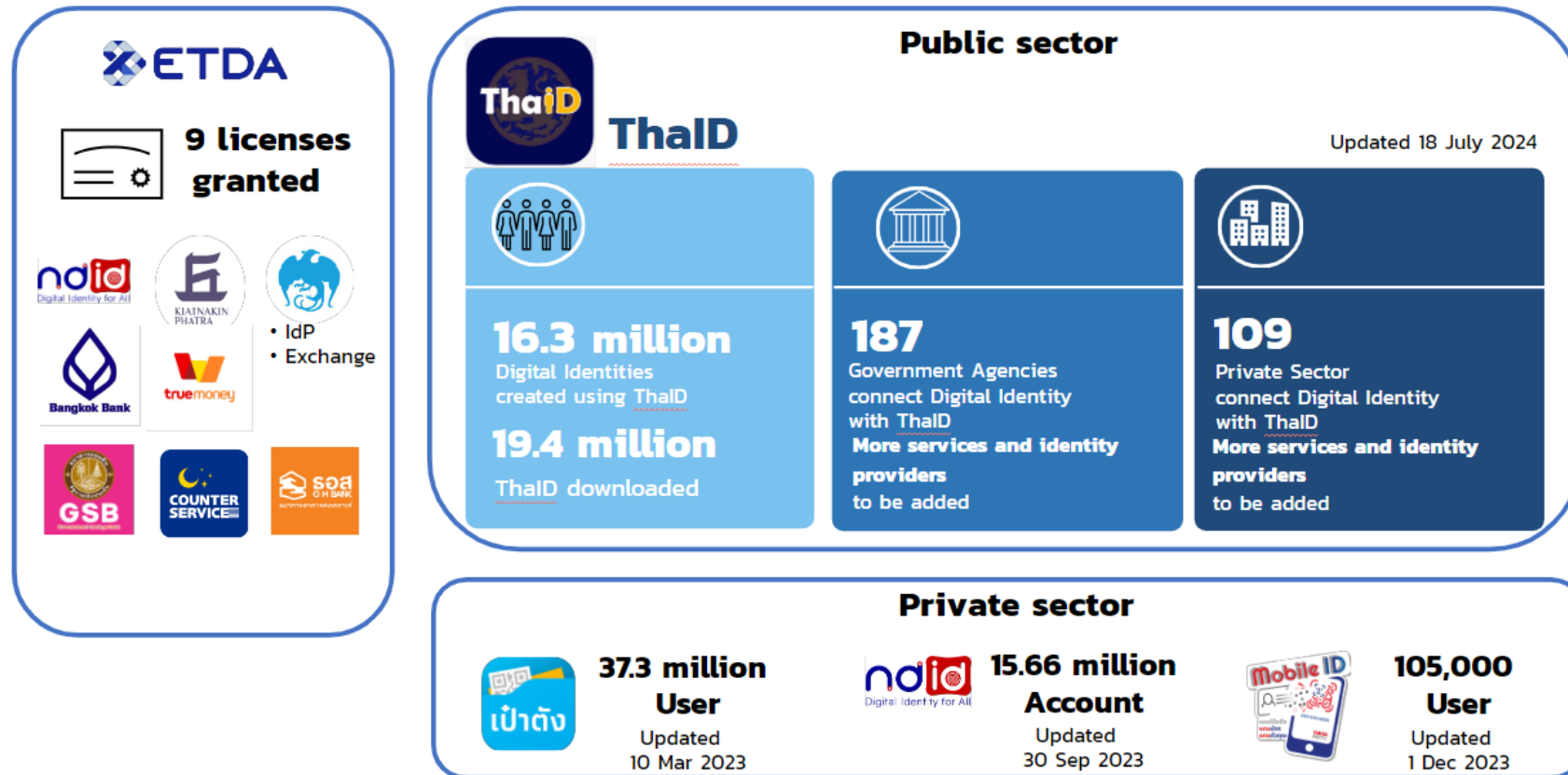
e-Tax Service Providers



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Example about digital transformation in financial sector in Thailand

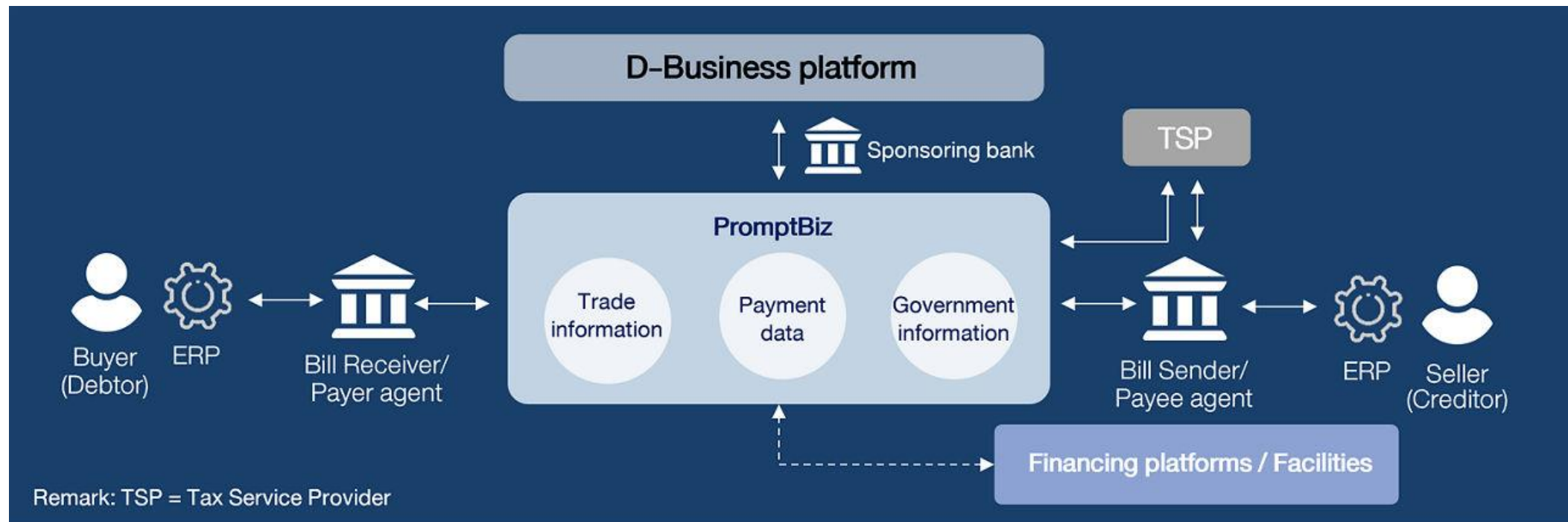
Digital ID



Real cases of Fintech Solutions to facilitate trade in the GMS

Example about digital transformation in financial sector in Thailand

PromptBiz



Actionable Recommendations for Fintech Solutions to facilitate trade in the GMS

It is crucial that public sectors should provide adequate infrastructures and build the certainty for digital transaction activities:

Hard Infrastructures:

- Providing essential utilities like electricity and internet access (including mobile networks).
- Facilitating investment in data centers and internet service providers (ISPs).

Soft Infrastructures:

- Reforming legislation to establish clear and modern laws for digital activities.
- Setting interoperability standards to ensure seamless integration of different platforms and technologies.
- Promoting digital and financial literacy through educational programs.



THANK YOU

