

Development of e-payment system for e-commerce in China: experience and practices

Dr. Changyin Huang

AFDI, China

May 2020



The views expressed in this presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank Institute (ADBI), the Asian Development Bank (ADB), its Board of Directors, or the governments they represent. ADBI does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with ADB official terms.

Outline



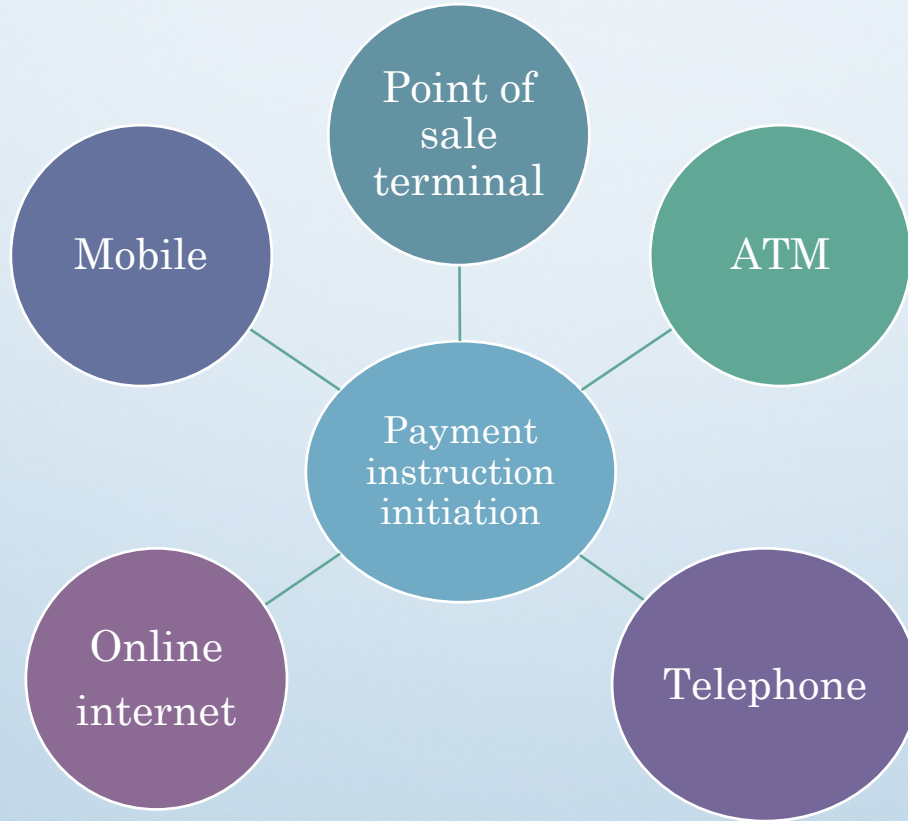
I E-payment in China

II Market and Government

III Risk and Regulation



I E-payment in China



Commercial banks

Non-banking payment institutions
(or payment institutions)



E-commerce





II Market and Government

□ Market

How payment institutions grow so rapidly?

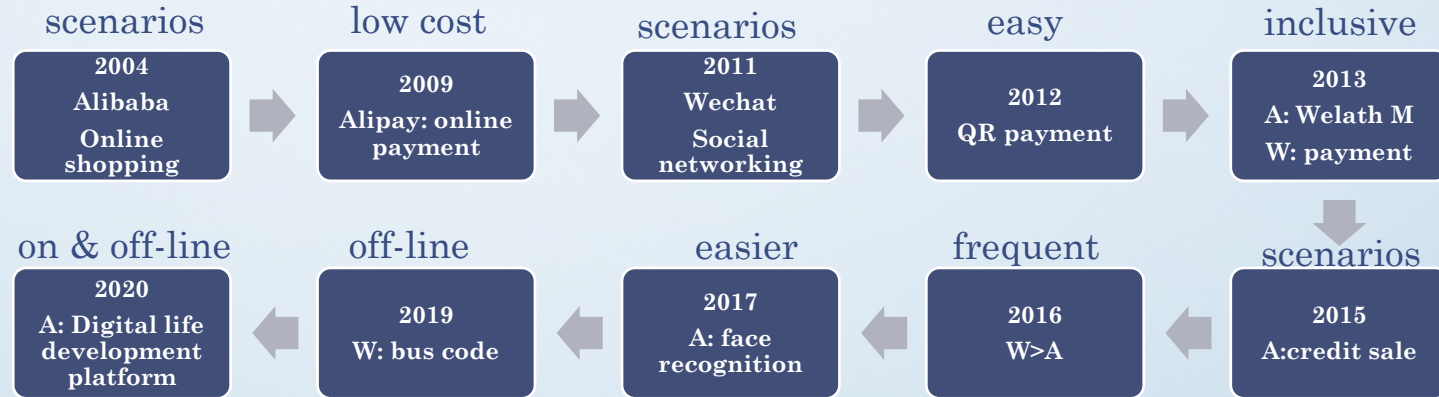
How they influence the banks ?

Any experience or problems?

□ Government

How to help and guide the market?

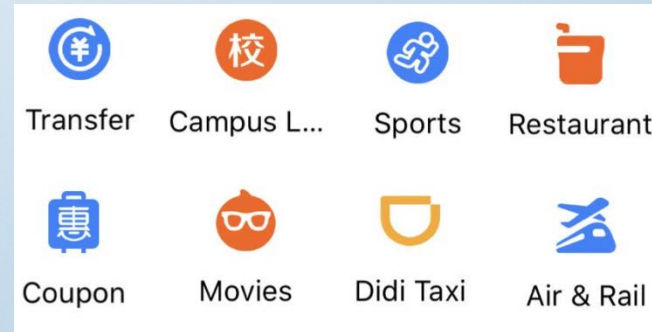
Market: payment institutions



Wechat street vendors

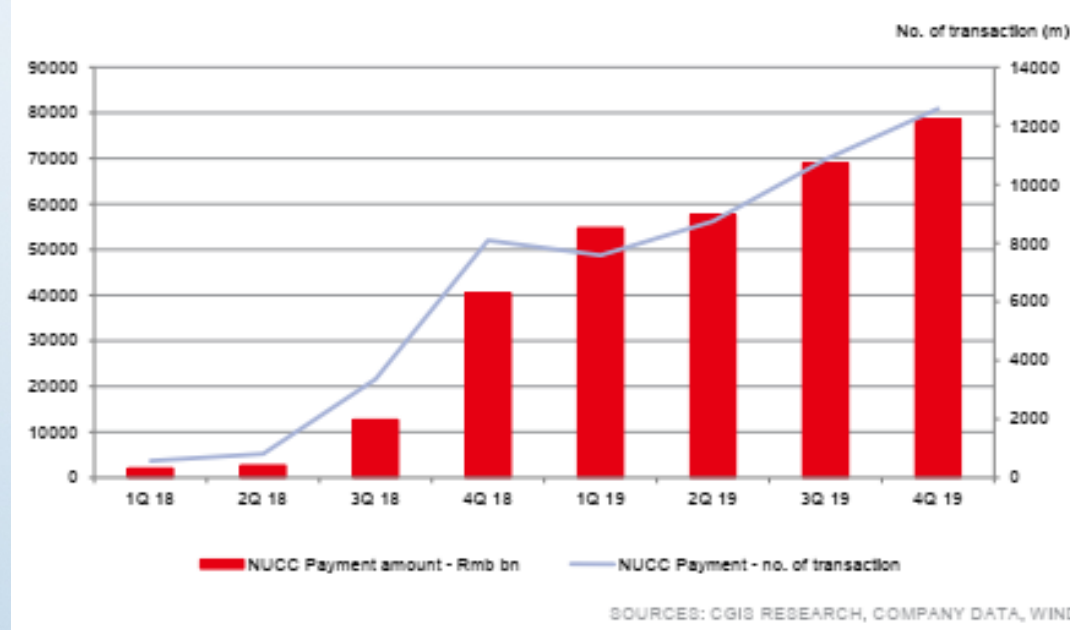


Alipay phone apps



Trend of e-payment

Figure 1: Strong growth of online payments – both volume and value



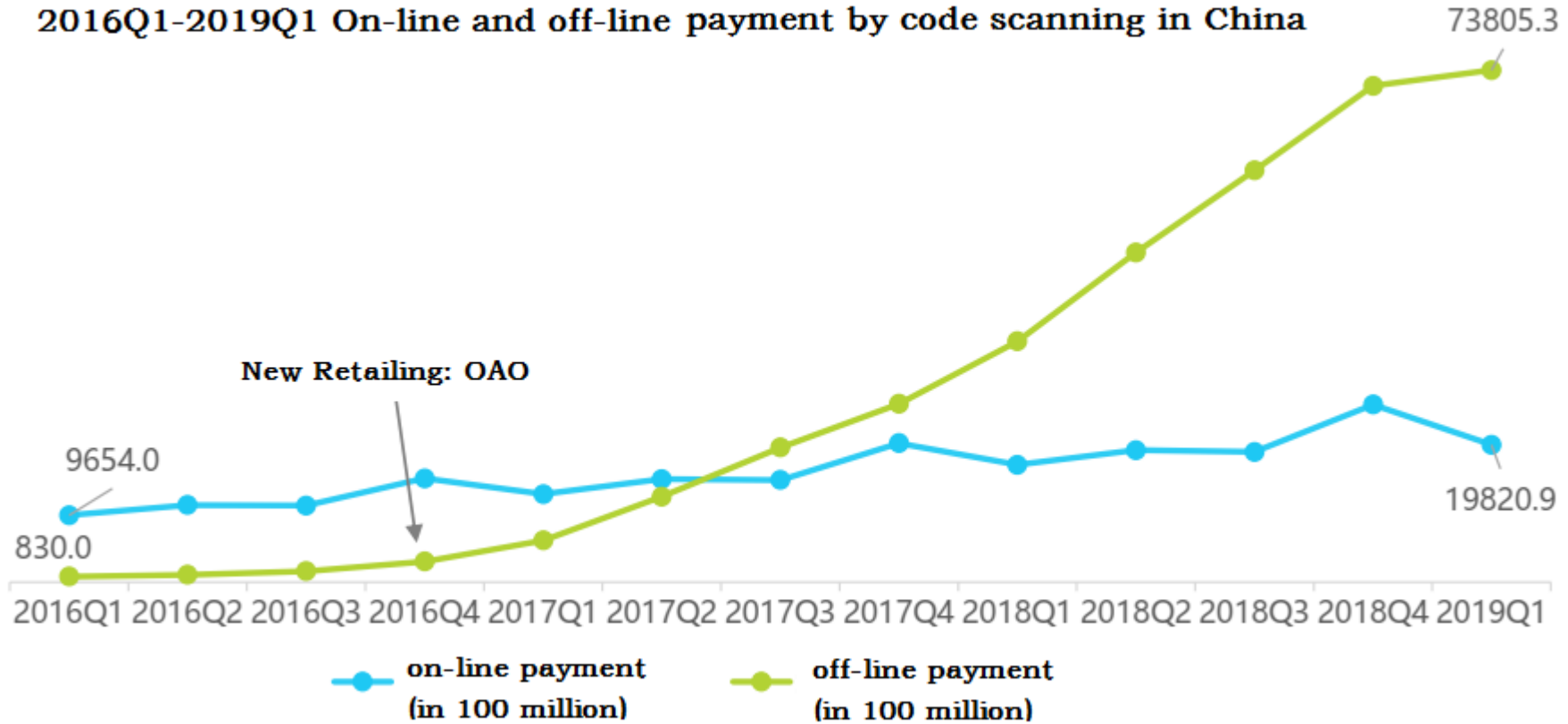
NetsUnion Clearing Corporation (NUCC) :
nationwide platform for the processing of online transactions
under supervision of the People's Bank of China (PBOC)



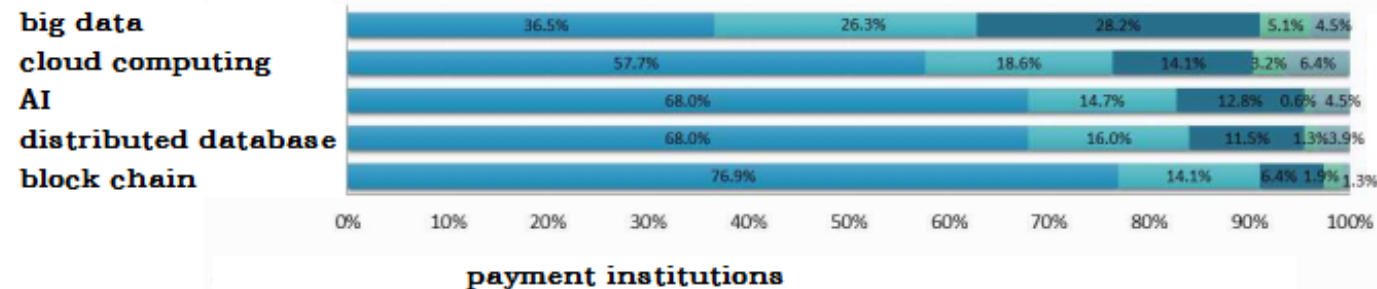
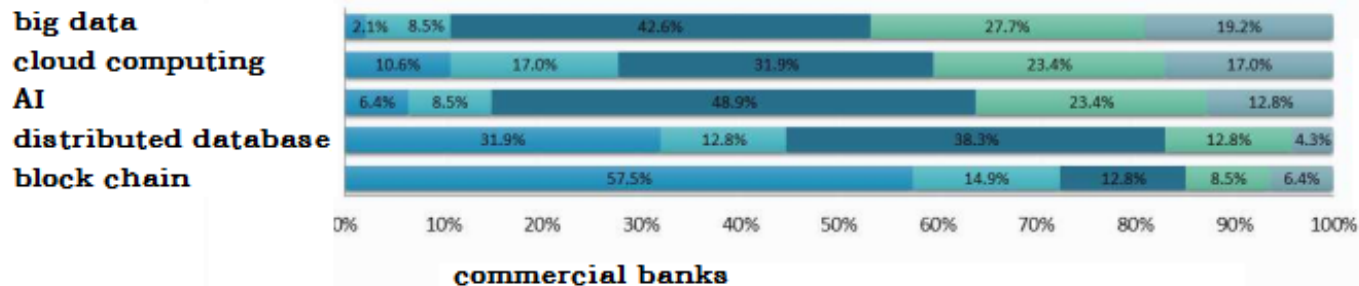
Trend of e-payment (cont.)



2016Q1-2019Q1 On-line and off-line payment by code scanning in China



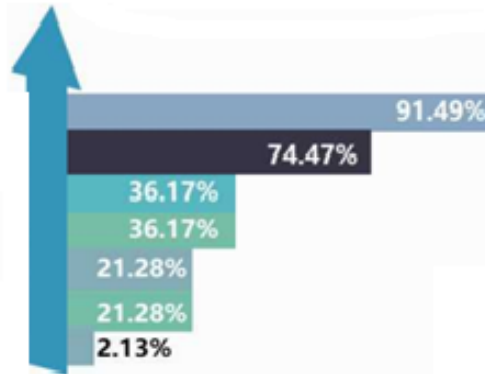
Fintech in e-payment: Supply



- not started
- planning
- application: starting & small scale pilot
- application: pilot completed & extension
- application: further & comprehensive

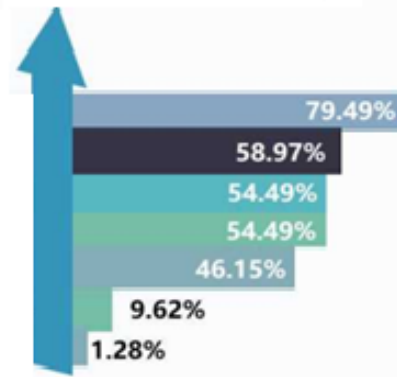
Results of Fintech adoption

improve service efficiency
broaden service channels
more supply of service
improve inclusive
enhance financing service
update payment service
others



commercial banks

improve service efficiency
broaden service channels
improve inclusive
update payment service
more supply of service
enhance financing service
others



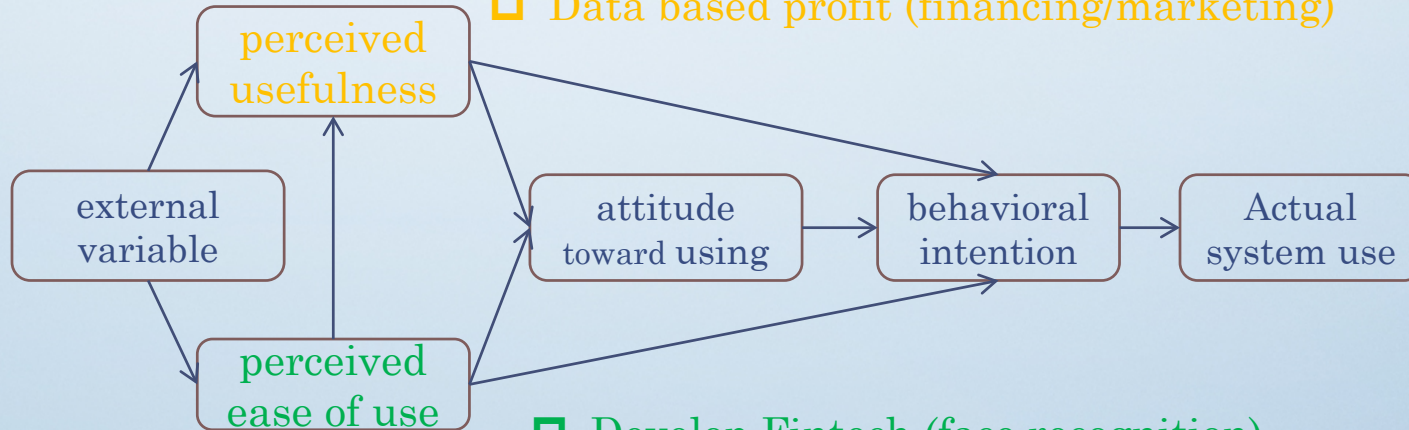
payment institutions

Government guidance: Demand



❄ Technology Acceptance Model, TAM To use

- ❑ Encourage payment institutions (competition)
- ❑ Transaction fee (low/free)
- ❑ Merging scenarios (OAO: daily, social networking)
- ❑ Data based profit (financing/marketing)



- ❑ Develop Fintech (face recognition)
- ❑ Unified IT standards (free transactions)
- ❑ Data sharing (credit information)





III Risk and regulation

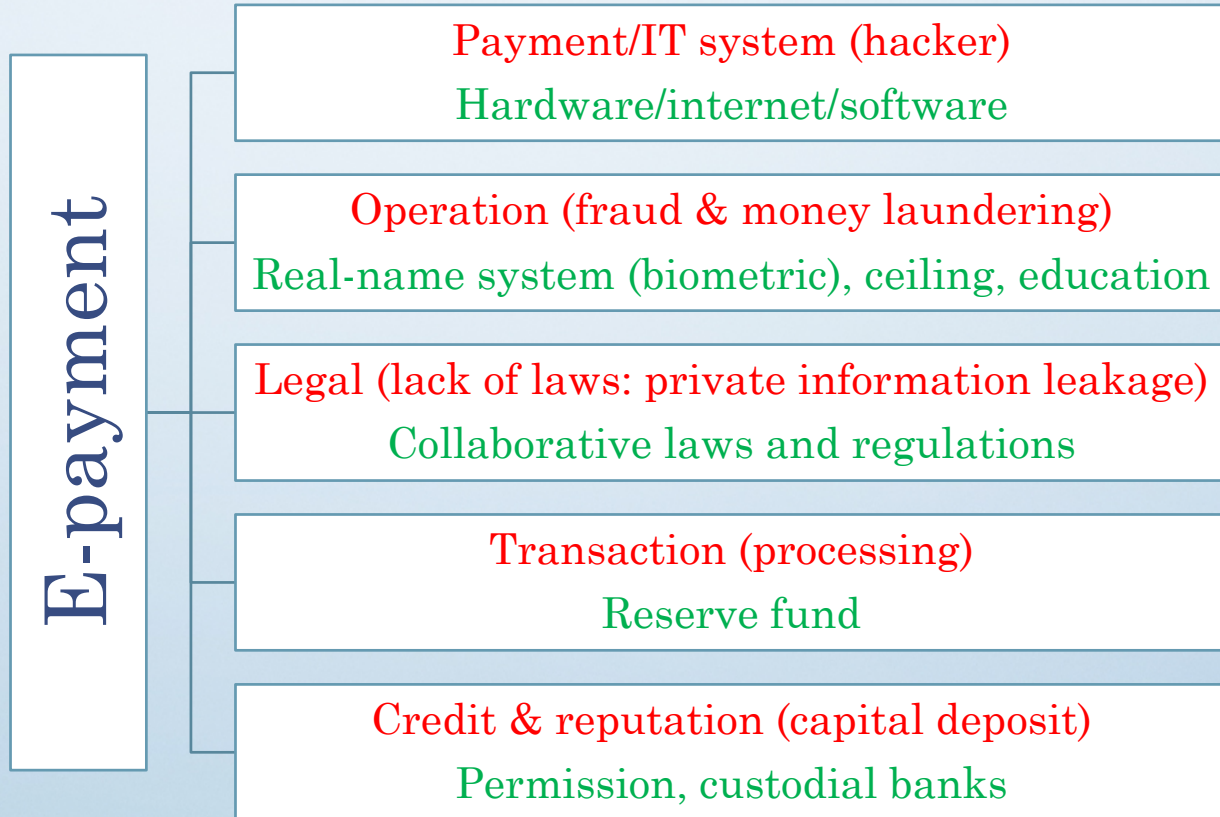
▣ Risk

normal risk of payment
emerging risk of e-payment

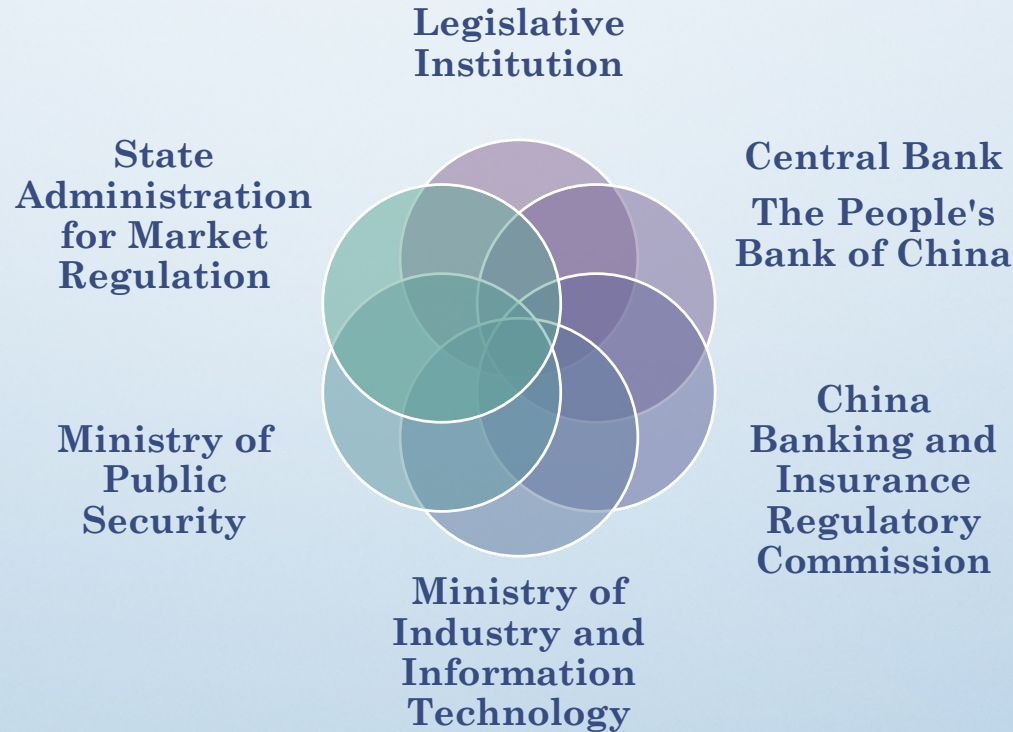
▣ Regulation

prudential & collaborative

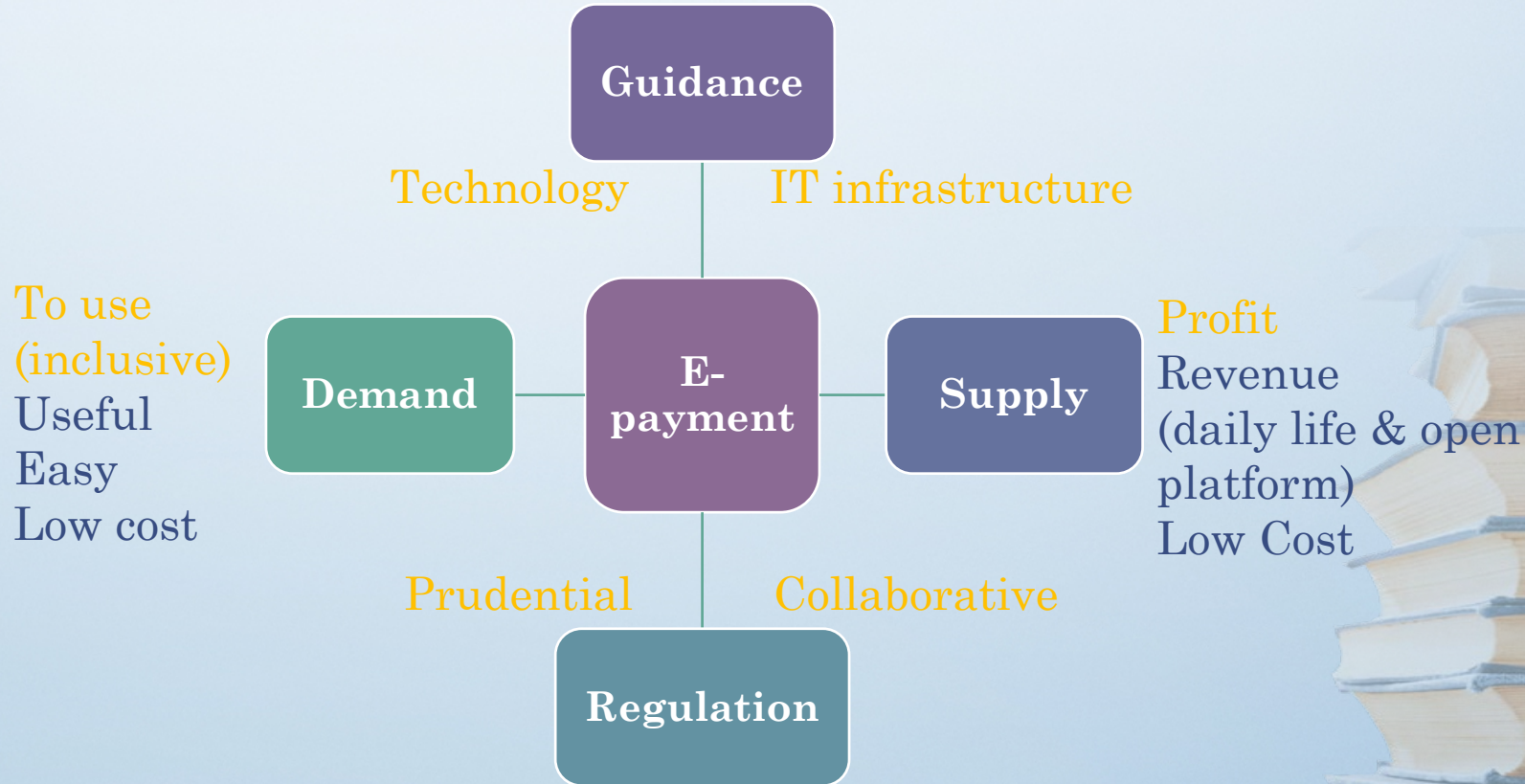
Risk and regulation



Collaborative regulation



Summary



Thank you!

Changyin Huang

Email: hcy@snai.edu

