

Thank you for this opportunity to connect with the State Bank of Pakistan to discuss how we can support Pakistan's National Financial Inclusion Strategy and development of digital payments. We wanted to provide you with some context on the Mojaloop Foundation, of which Google is a Sponsor member, and some additional thoughts on our shared RTP principles.



Introducing Mojaloop and the Mojaloop Foundation

Mojaloop is open source software that serves as a reference model for creating interoperable payments platforms connecting all digital financial providers and customers, especially the financially excluded. In May 2020, the [Mojaloop Foundation](#) was officially launched as a charitable, nonprofit organization to advance the financial inclusion mission of Mojaloop, and Google joined as a Sponsor member of the Foundation's general and technical advisory board.

Mojaloop open source software can be used whole, or adapted, to build payment platforms that connect all customers, merchants, banks, providers, and government entities in a country's economy, routing payments from anyone to anyone, securely. Rather than a financial product or application that customers or institutions would interact with directly, Mojaloop is a layer that can bridge fintech products and all the financial products and applications in use in any given market.

Because Mojaloop is open source, anyone in financial services is invited to explore and use [the code](#). In particular, it enables central banks, market infrastructures, payment processors, and fintech firms to accelerate the creation and deployment of interoperable payment platforms that can scale.

The Mojaloop Foundation seeks to increase financial inclusion by empowering organizations creating interoperable payments systems to enable digital financial services for all. Its vision is for universal financial inclusion, where everyone, everywhere, can access the digital financial services needed to connect to the global economy.

Guiding Principles for RTP Networks

Mojaloop provides implementers with a reference model of a commercially viable real-time, interoperable payments platform and is designed using a set of eight financial inclusion principles that Mojaloop Foundation members and community believe are required to expand safe, affordable digital financial services access to all, including:

- Open-loop interoperability between providers
- Adherence to well-defined and adopted international financial inclusion standards
- A push payments model with immediate funds transfer and same-day settlement
- Adequate system-wide shared fraud and security protection
- Efficient and proportional identity and know-your-customer (KYC) requirements
- Meeting or exceeding the convenience, cost, and utility of cash
- Enabling organizations to customize the open source software to update or evolve their own system and ensure appropriate compliance with internal operational standards and local regulations
- Continually improving via the Mojaloop open source community and the users that engage with it, contribute to it, test it and adapt it



Mojaloop in Action: Third-Party Payment Initiation

The Mojaloop Foundation is seeking to put these principles into practice by, as just one example, adding third-party payment initiation support. In this scenario, local developers could build out a business-to-business payroll processing system that would allow companies to pay semi-formal employees into their mobile wallets. Additional benefits resulting from interoperable payment systems:

- Enabling financial institutions and commercial providers to simplify and reduce the cost of developing inclusive payment platforms
- Creating national payment switching systems that, for example, enable individuals with digital wallets to connect with their employer's bank account and or children's school account to complete monthly transactions.
- Enabling the underserved with simple mobile phones to access to financial services is vital to enable them to become economically active such as helping farmers get paid for their produce, buy fertilizer and pay bills
- Empowering unbanked woman with a mobile phone to receive a salary payment, send money to other wallets, buy things, pay bills and more.



How Google Is Involved

Google's vision is one of inclusive access to information and economic opportunity for the next billion users coming online, and our mission is to mobilize resources and accelerate momentum to make it a reality. We strive to build products that anyone can use and access information and to unlock economic opportunities for individuals, businesses, and communities to thrive.

We work on products designed for the next generation of internet users in various areas, including payments. We have seen success in India in uplifting the ecosystem and want to share our experience with other emerging economies to help accelerate the digital transformation process.

Google believes Mojaloop offers the benefit of standardization. For example, if one country adds an innovative new feature, it is relatively simple for other countries to add this feature, as well. With many countries contributing to and using the same system, the benefits of the platform can be scaled. In addition, Mojaloop enables a company like Google to do security reviews - finding and fixing any potential security problems - and scale this approach.

If you would like to learn more about the Mojaloop Foundation or if we can provide any further assistance, we would be happy to discuss in more detail.