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GENERAL ASPECTS

IAFI¹

PROPOSAL FOR A NEW ITU-R REPORT ON IMT APPLICATION FOR FINANCIAL INCLUSION

1 Introduction

The Question [ITU-R 262/5](#) addressing the usage of the terrestrial component of IMT systems for specific applications calls upon ITU to study specific industrial and enterprise applications, their emerging usages, and their functionalities, that may be supported by IMT.

Based on this Question ITU-R 262/5, Sub-Working Group (SWG) Specific Application developed some ITU-R Reports in the last cycle. Besides them, a demand for the use of IMT technologies for financial applications is being developed very quickly and can be supported by IMT-2020.

It is therefore suggested that Working Party (WP) 5D consider the development of a new Report for use of IMT technologies for financial applications.

IMT based financial transactions have become a game-changer for the digital payments in India, becoming the preferred method for millions of users, because of their simplicity and convenience, 24 × 7 availability, user-friendly application for any IMT smart phone, real-time transactions and seamless integration with all the banks. On an average over 10 Billion financial transactions amounting to Indian Rupees 1 600 Billion (USD 15-20 Billion) are being made over IMT devices every month in India. According to a 2023 Report², the use of the IMT based application -universal payment interface (UPI) is expected to reach 1 billion transactions per day by 2026-2027. The report also predicts that IMT based payments will account for 90% of total transaction volumes over the next five years.

¹ ITU-APT Foundation of India is a sector member of ITU (<https://iafi.in>).

²

<https://www.pwc.in/ghost-templates/the-indian-payments-handbook-2023-2028.html#:~:text=Payments%20made%20via%20UPI%20increased,value%20reached%20INR%2039.7%20trillion>

2 Proposal

Taking into account the above, IAFI proposes WP 5D to start the development of a new ITU-R Report addressing financial applications of IMT technologies.

Further, it is proposed that a liaison statement be considered to be sent out to all external organizations as well as ITU-T and ITU-D to collect relevant information.

Attachment: 1

ATTACHMENT

Outline of a proposed draft new ITU-R Report on use of IMT technologies in financial applications to support Financial Inclusion

Scope

This report addresses the use of IMT Technologies in financial applications to support Financial Inclusion. Financial inclusion, the accessible, secure and affordable availability of financial services to all segments of society, is crucial for economic development. In the contemporary landscape, technology plays a pivotal role in bridging the financial inclusion gap. It facilitates the delivery of financial services to the unbanked and underbanked populations, promoting economic stability and growth.

1 Introduction - The role of IMT technologies in bridging the financial inclusion gap

Advancements in IMT technologies and in particular the widespread adoption of IMT smartphones, have revolutionized the financial sector. Mobile banking, digital wallets, and online payment systems have expanded financial services' reach to remote areas, making transactions convenient and inclusive. This shift is especially pronounced with the advent of IMT technologies.

The evolution from IMT-2000 to IMT-2020 signifies a leap in connectivity, speed, and efficiency. In the realm of financial services, this translates to faster and more reliable transactions, enhanced security, and improved accessibility. IMT-2020, with its low latency and high bandwidth, is particularly instrumental in enabling real-time financial interactions.

2 Benefits of IMT in expanding financial inclusion

The advent of IMT technologies has significantly improved access to financial services in remote and underserved areas. Traditional banking infrastructure struggles to reach these regions, but high-speed mobile connectivity bridges the gap. With IMT technologies, individuals in remote locations can now access banking services, make digital transactions, and engage in financial activities, fostering economic inclusion in areas previously excluded from mainstream financial systems.

2.1 Enhanced mobile banking experiences

IMT technologies have transformed mobile banking experiences. The increased bandwidth and lower latency enable seamless and responsive mobile banking applications. Users can access their accounts, transfer funds, and perform various financial transactions with greater speed and reliability. This enhanced user experience encourages more people to adopt digital banking, contributing to the overall expansion of financial inclusion.

2.2 Increased availability of affordable smartphones

The proliferation of IMT-Advanced and the ongoing deployment of IMT-2020 have led to a surge in the availability of affordable smartphones. This democratization of technology ensures that a larger population can now access the internet from any location and, by extension, access the financial services on the go. Affordable smartphones empower individuals to engage in online banking, use digital wallets, and participate in the broader financial ecosystem, levelling the playing field for diverse socioeconomic groups.

2.3 Faster and more reliable internet connectivity

IMT technologies provide faster and more reliable internet connectivity, crucial for real-time financial transactions. This reliability is especially vital for individuals and businesses in need of instant and secure financial services. The low latency of IMT-2020, in particular, ensures that financial data is transmitted swiftly, reducing transaction times and enhancing overall efficiency in financial processes.

2.4 Support for data-intensive financial applications

As financial services increasingly rely on data-intensive applications, IMT technologies play a pivotal role in supporting these functionalities. From complex analytics to real-time market updates, the high-speed and low-latency capabilities of IMT-2020 empower the financial sector to implement sophisticated applications. This not only improves operational efficiency but also opens new avenues for innovative financial solutions, fostering a dynamic and inclusive financial landscape.

In summary, the benefits of IMT in expanding financial inclusion are multifaceted, encompassing improved access, enhanced user experiences, affordability, reliable connectivity, and support for advanced financial applications. These technological advancements are pivotal in building a more inclusive and accessible financial ecosystem worldwide.

3 The role of UPI in enabling financial inclusion

3.1 Introduction to unified payments interface through IMT technology

Unified Payments Interface (UPI) is a financial application based on the use of IMT. UPI, alongside other technologies like blockchain and biometric authentication, streamlines financial transactions, ensuring efficiency and security. UPI is a real-time payment system that enables seamless money transfers between different banks through IMT mobile devices. UPI simplifies the complexities of traditional banking, offering a user-friendly, secure, and interoperable platform that facilitates a wide range of financial transactions on the IMT user devices. UPI App seamlessly transforms any IMT user smartphone into a financial tool. With intuitive functionality and broad compatibility across IMT-Advanced and IMT-2020 networks, UPI empowers even the most underserved segments of society to participate actively in the economy. Use of the UPI application working in conjunction with IMT technologies has created a transformative force in the financial landscape, particularly in the context of developing countries such as India.

3.2 Advantages of UPI in promoting financial inclusion

3.2.1 Seamless and instant peer-to-peer transactions

One of the key advantages of UPI lies in its ability to facilitate seamless and instant peer-to-peer transactions using IMT devices. Users can transfer money in real-time from their mobile IMT phones, eliminating the delays associated with traditional banking methods. This speed and simplicity are particularly impactful in rural and underserved areas, enabling individuals to engage in financial transactions with unprecedented ease.

3.2.2 Integration with various services and applications

UPI's versatility is evident in its integration with various services and applications. From e-commerce platforms to utility bill payments, UPI provides a unified platform for diverse financial activities. This integration not only enhances the convenience for users but also encourages the adoption of digital payments across different sectors, contributing to a more inclusive financial ecosystem.

3.2.3 Enabling digital payments for the unbanked population

One of the most significant contributions of UPI working on IMT technology to support financial inclusion is its role in enabling digital payments for the unbanked population. Using this IMT application, any individual can access and utilize financial services through their IMT devices. Thus, any individual residing/roaming in an unbanked area, can effortlessly send and receive money, pay bills, recharge services, shopping and many more. This inclusive approach empowers those on the fringes of the formal financial system, fostering economic participation and reducing the barriers to entry for digital transactions.

In conclusion, UPI has emerged as a catalyst for financial inclusion by revolutionizing the way individuals transact and engage with financial services. Its seamless transactions, diverse integrations, and focus on the unbanked population collectively contribute to creating a more inclusive and accessible financial landscape.

4 Conclusion

4.1 Recap of the role of IMT technologies in promoting financial inclusion

In the journey towards financial inclusion, the role of IMT technologies have been transformative. These high-speed and efficient connectivity platforms have expanded the reach of financial services, making them accessible to remote and underserved areas. From improved access to enhanced mobile banking experiences, these technologies have played a pivotal role in shaping a more inclusive financial landscape.

4.2 Emphasis on the significance of IMT for financial inclusion

IMT devices with UPI app has emerged as a cornerstone in fostering financial inclusion. Mobile IMT devices used for seamless transactions has the ability to enable digital payments for the unbanked population. The synergy of IMT working with UPI, mobile wallets, biometric authentication, and social media platforms collectively contributes to a robust and inclusive financial ecosystem.

4.3 The bright future ahead for inclusive financial services through IMT-2020 and IMT-2030

Looking ahead, the future of inclusive financial services appears bright, fuelled by the continuous evolution of IMT and related technologies. As IMT-2030 technology unfolds, promising faster, more secure transactions and increased connectivity, the potential for financial inclusion expands further. The convergence of technologies like AI, blockchain, IoT, and advanced authentication systems in IMT-2030 hints at a future where financial services are not only accessible but also innovative, catering to the diverse needs of a global population. The commitment to overcoming challenges and embracing these advancements signals a transformative era, where inclusive financial services become a reality for everyone, regardless of geographical or socio-economic constraints.