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Building a secure, cost-effective digital payments ecosystem is a top priority: Governor SBP

Governor State Bank of Pakistan (SBP), Mr. Jameel Ahmad, addressed the launch ceremony of the new co-badged card introduced by Faysal Bank Limited in collaboration with *Mastercard* and Pakistan's national payment scheme, *PayPak.* He said the Co-Badging initiative would further strengthen Pakistan's Digital Payments Landscape. The event marked a key milestone in the country's journey toward a secure, efficient, and self-reliant digital payments landscape.

Congratulating the partner institutions, the Governor noted that through this initiative the consumers will be able to make international and e-commerce payments seamlessly, while domestic transactions will be settled within Pakistan thus enhancing efficiency and reducing reliance on external networks. He described the newly launched co-badged card as a 'win-win' financial product that offers convenience to customers and strengthens the national payments infrastructure.

Governor Ahmad noted that co-badging is gaining momentum in Pakistan's digital payments space. Today's launch follows the introduction of the *PayPak–UnionPay* co-badged card last month, reflecting a growing trend where Pakistan's domestic payment scheme is forming strategic alliances with global payment giants. He expressed confidence that more banks would adopt similar models due to the strong value proposition these collaborations offer.

Highlighting the evolution of *PayPak* since its inception in 2016, the Governor recalled that it was designed to provide an affordable, secure, and localized payment solution for a growing digital economy. While *PayPak* currently commands over 25% of the 53 million debit cards in circulation, its usage share remains at 6%. He attributed this gap to challenges such as limited acceptance on e-commerce and international platforms, modest marketing efforts, and the perception of *PayPak* as a low-value card.

Governor Ahmad stressed the importance of addressing these constraints to establish *PayPak* as a sustainable and competitive scheme. He appreciated recent efforts including marketing campaigns, co-badging arrangements, and integration with e-commerce gateways—steps that he believes will significantly strengthen *PayPak's* value proposition. He also urged 1Link to adopt a long-term strategy focused on investments in technology, fraud detection, cybersecurity, dispute resolution, and incentives for merchants and consumers. Such measures, he said, are essential to build trust and accelerate adoption of the national payment scheme.

Reaffirming SBP's commitment to developing a robust and inclusive digital payments ecosystem, the Governor underscored the importance of a regulatory framework that promotes innovation, competition, and consumer protection. He reiterated SBP's resolve to ensure a level playing field for all stakeholders, including international payment schemes, as Pakistan advances toward a secure, interoperable, and self-sustaining payments infrastructure.

Governor Ahmad concluded by noting that today's co-badging initiative exemplifies the power of mutually beneficial partnerships in enhancing consumer choice, expanding digital access, and supporting the country's digital transformation. He expressed hope that more financial institutions will pursue similar collaborations to accelerate the growth of digital payments and contribute to a modern and financially inclusive Pakistan.

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