



ID SOLUTIONS

# SK ANNUAL CONFERENCE

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# PAYMENTS IN DIGITAL ERA

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Latvijas Banka

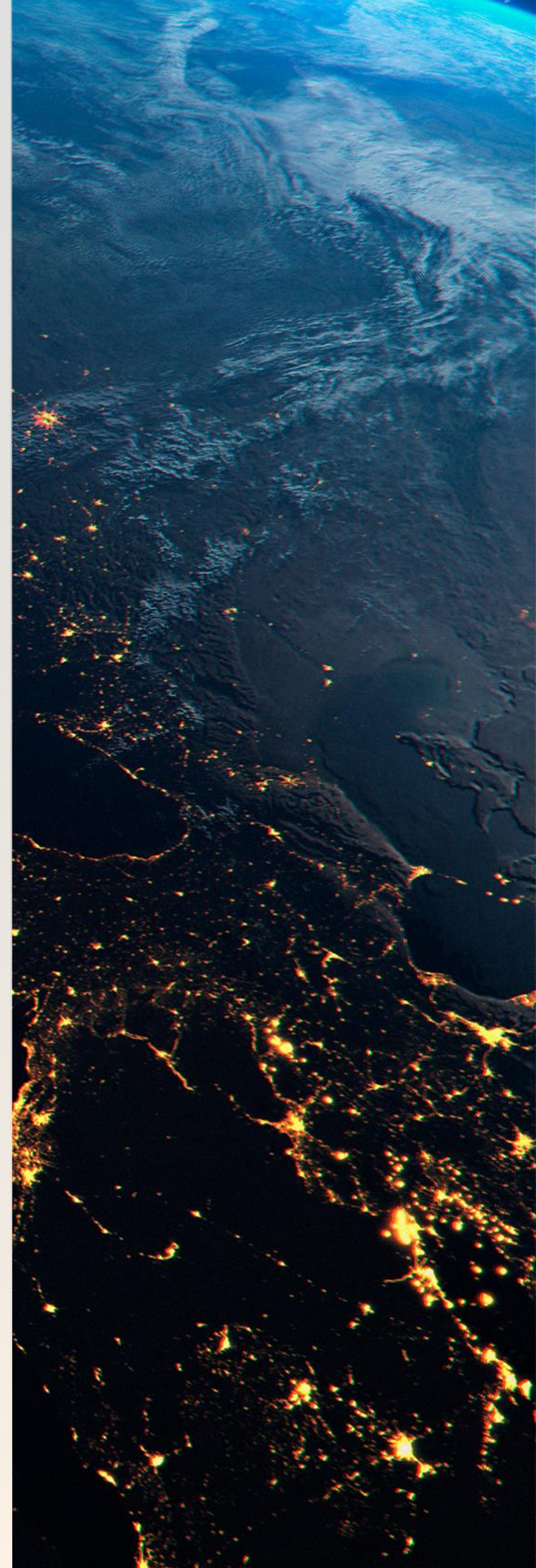






*"When you're finished changing,  
you're finished."*

*Benjamin Franklin*





# CHANGING WORLD

## Banking and payments ecosystem

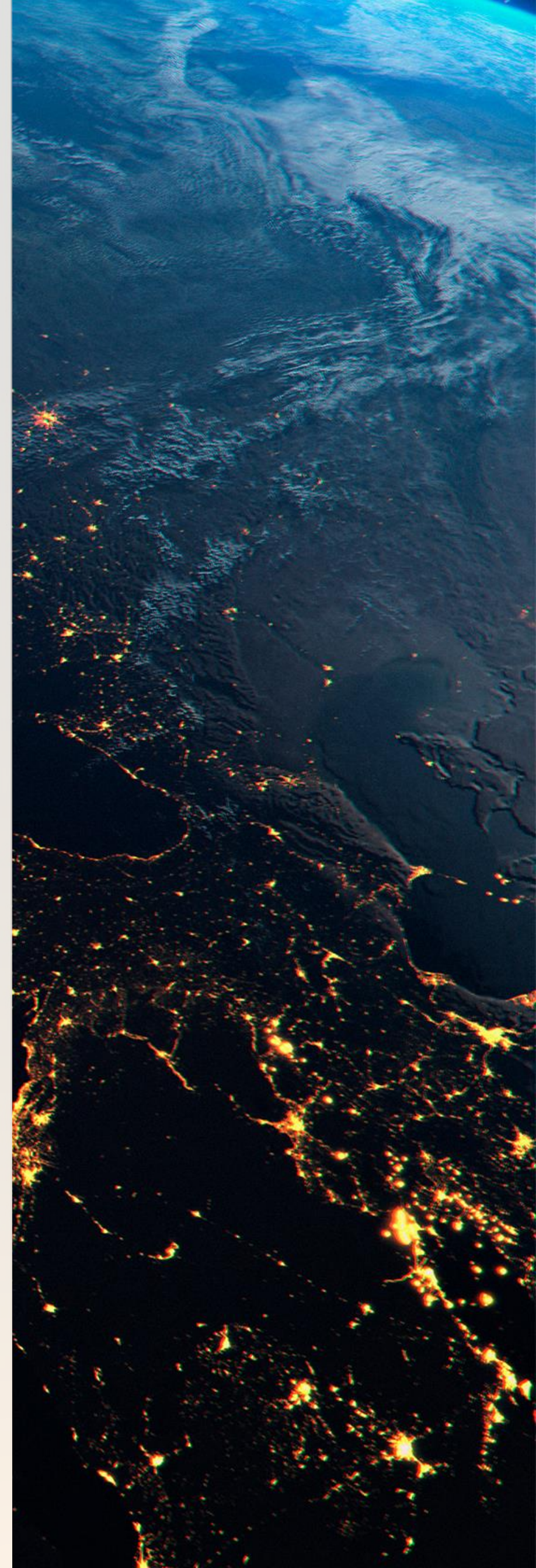
- Disintermediation?  
Disruption?

## Geopolitical changes

- End of Europe?

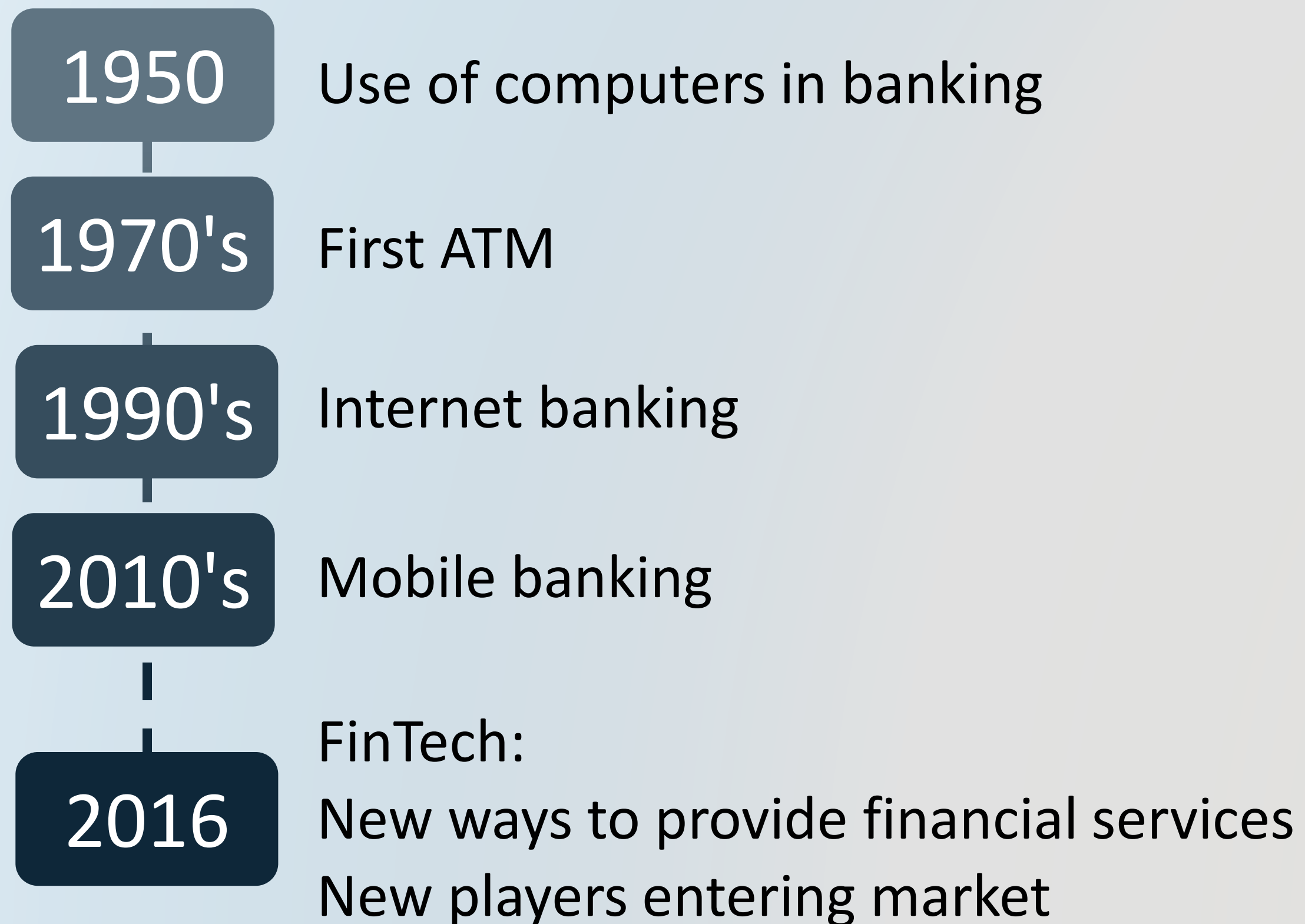
## Changes in regulatory environment

- Over-regulation?





# BANKING AND PAYMENTS ECOSYSTEM

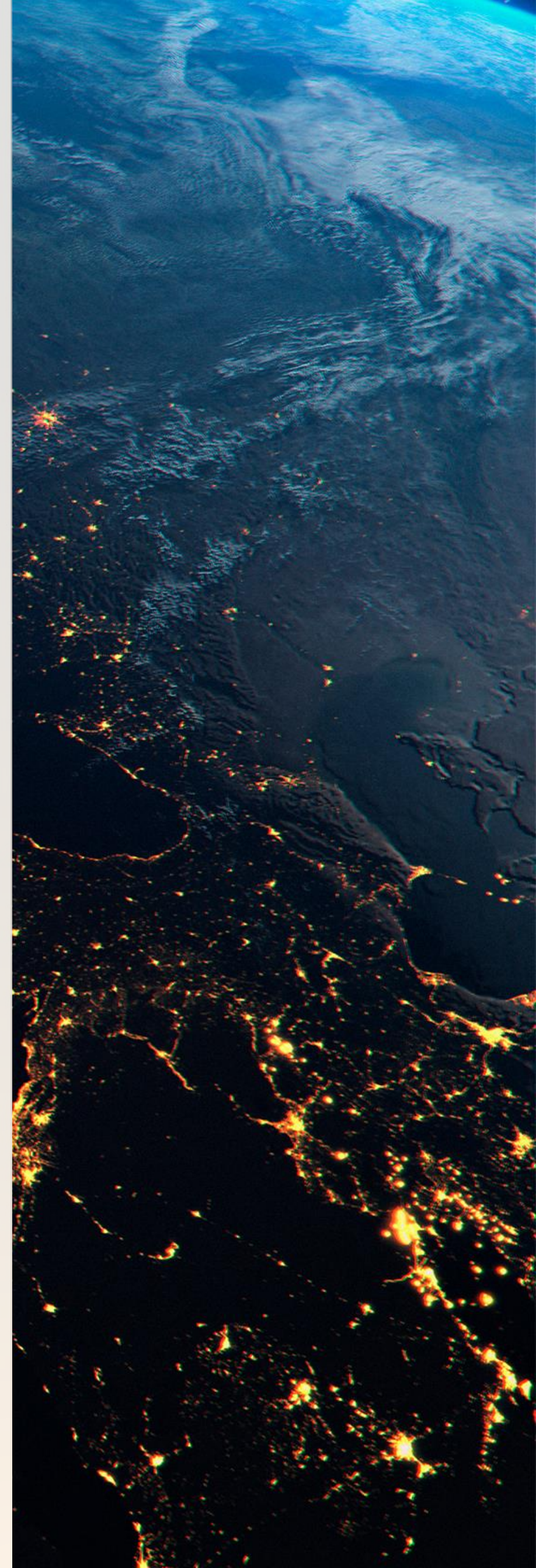


Key drivers of adaptation

**Customer expectation, behavior** → new, diverse services; speed up applications, onboarding.

**Profitability concerns** → fewer physical branches, more online and phone banking; automation.

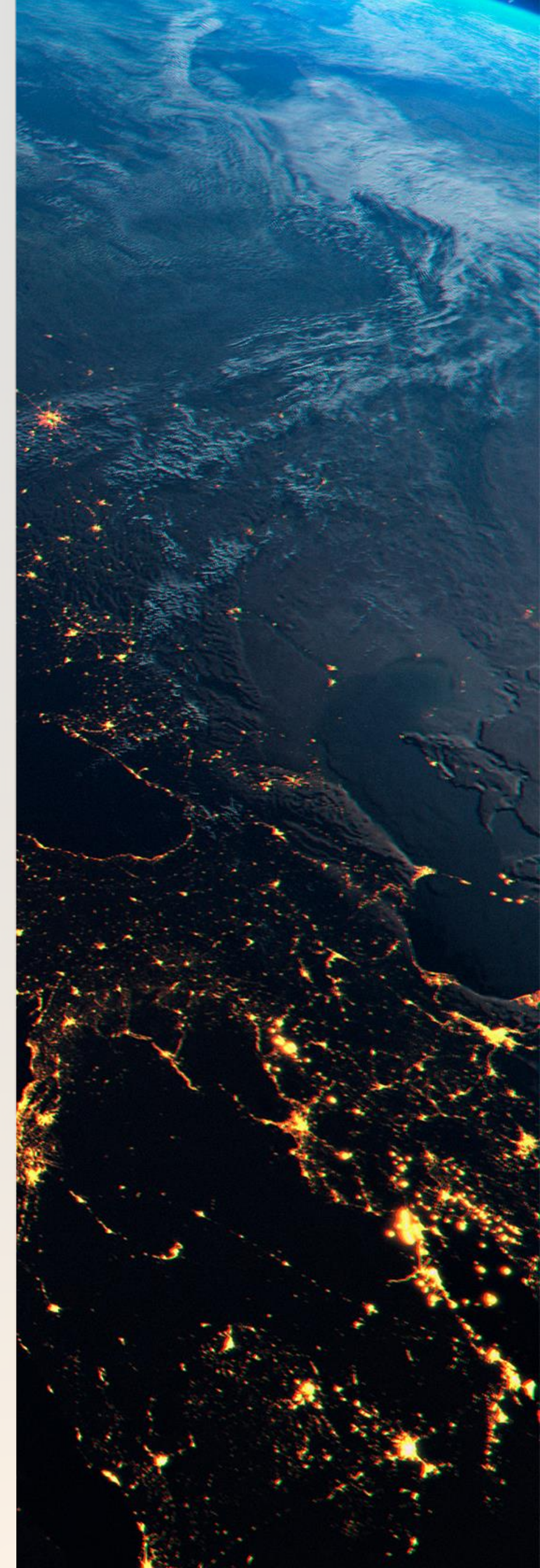
**Competition** → engaging technology; open banking/ open finance.





# GEOPOLITICAL CHANGES

- US and China contest
- European payment market dominated by non-European infrastructures





# REGULATORY ENVIRONMENT

Changes in regulatory environment:

- Rationale behind regulation
- Shift of paradigm: institutional → functional
- Changes in financial products or services
- Same activity, same risks, same rule

EC legislative initiatives:

- MiCA
- DLT RPR
- DORA
- SFD



# WHAT DOES LATVIJAS BANKA DO?

## PRIORITY

**Access** to safe, efficient and innovative payment infrastructure and services

**Maintenance** of payment infrastructure; promotion of development and use of innovative payment services

## Digitalisation of payments

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ZIBMAKSĀJUMS

Instant payments  
("zibmaksājumi")



ZIBLAB++

Proxy Registry "Instant Links"  
instant payment request  
Instant payment laboratory

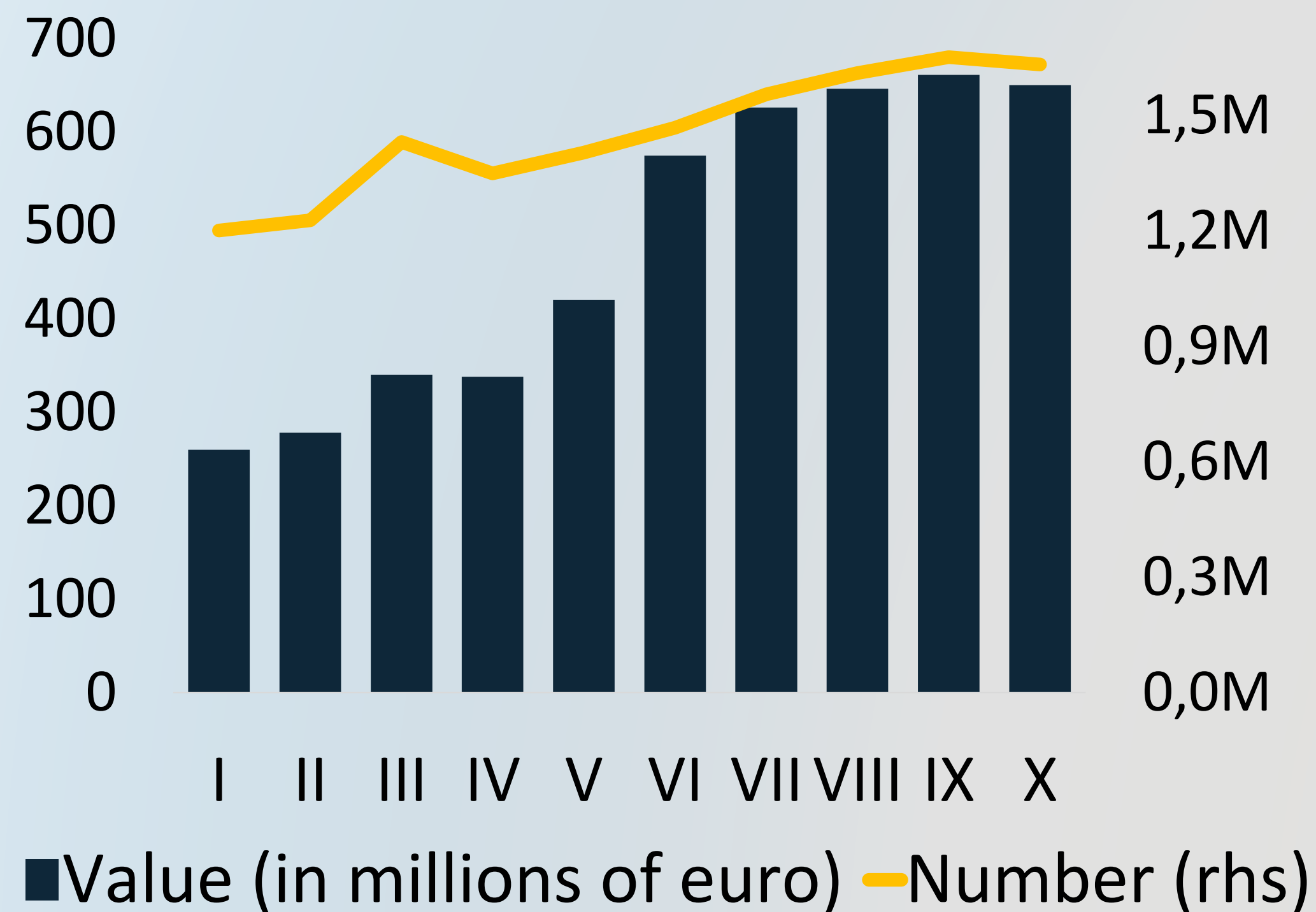


Digital euro

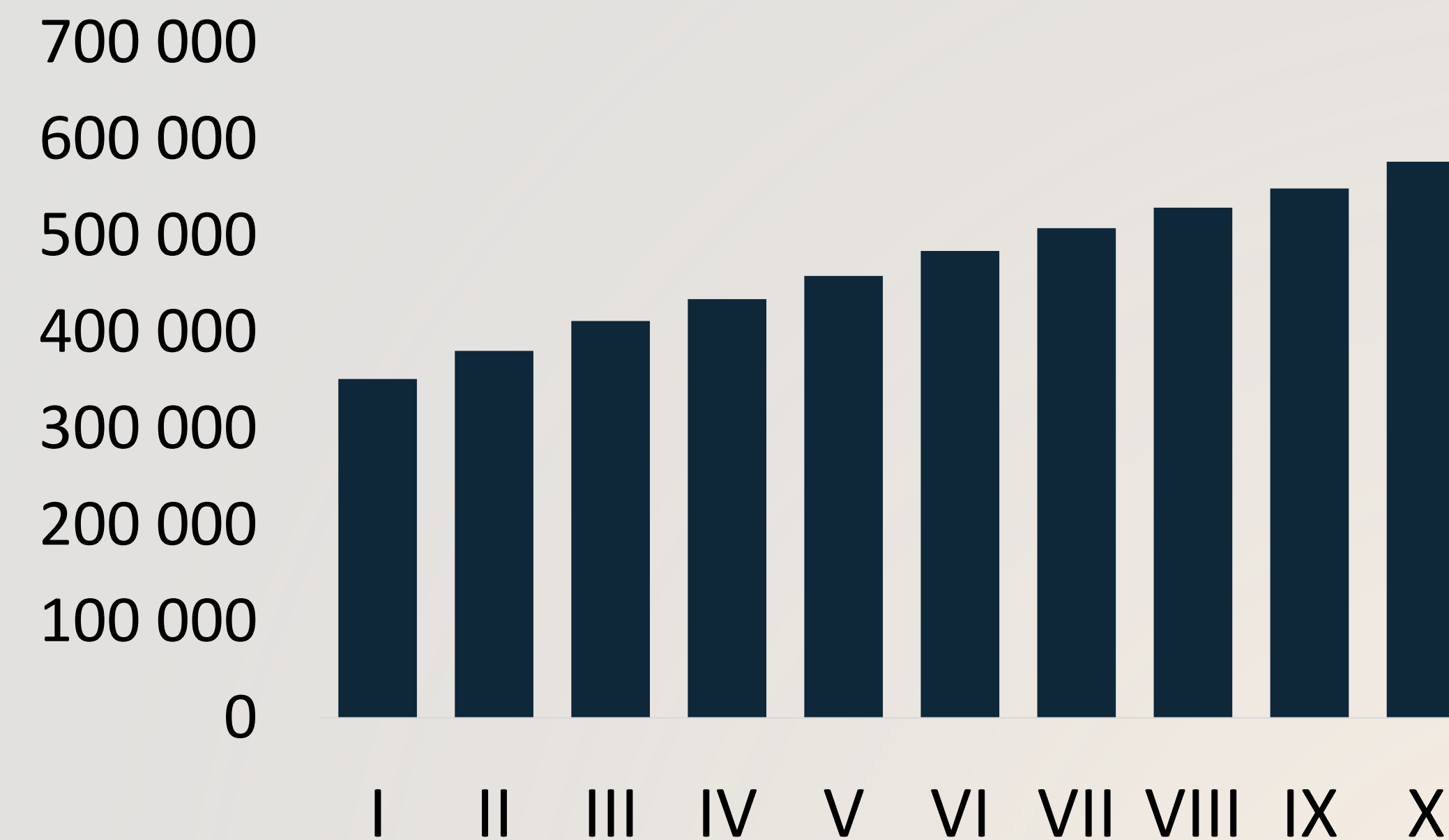


# INSTANT PAYMENTS

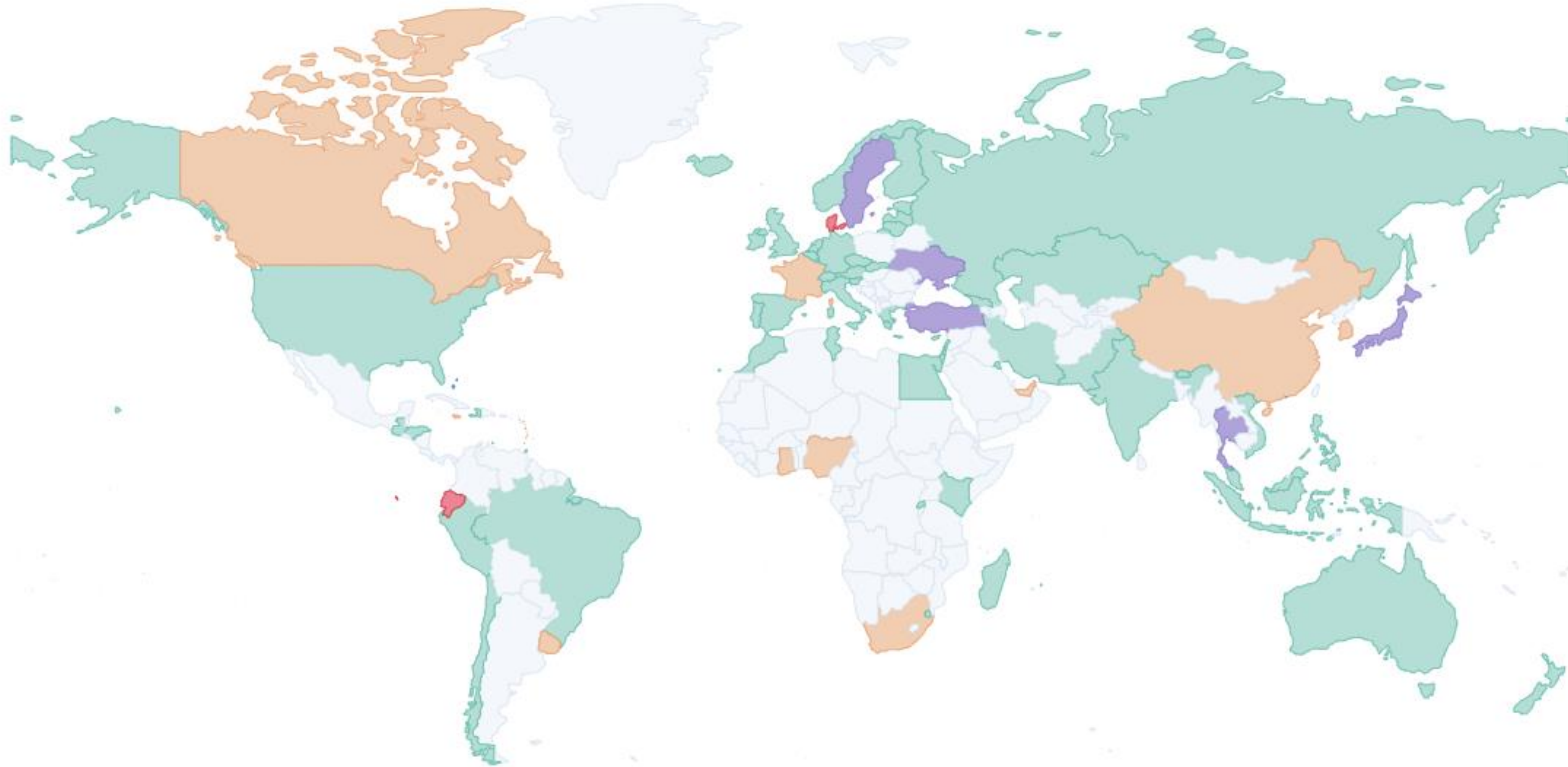
Number and value of payments in Instant payments service of EKS system in 2021



Number of active entries in Proxy Registry "Instant Links" in 2021











# DIGITAL EURO

Central bank liability offered in digital form for use of citizens and businesses for their retail payments.

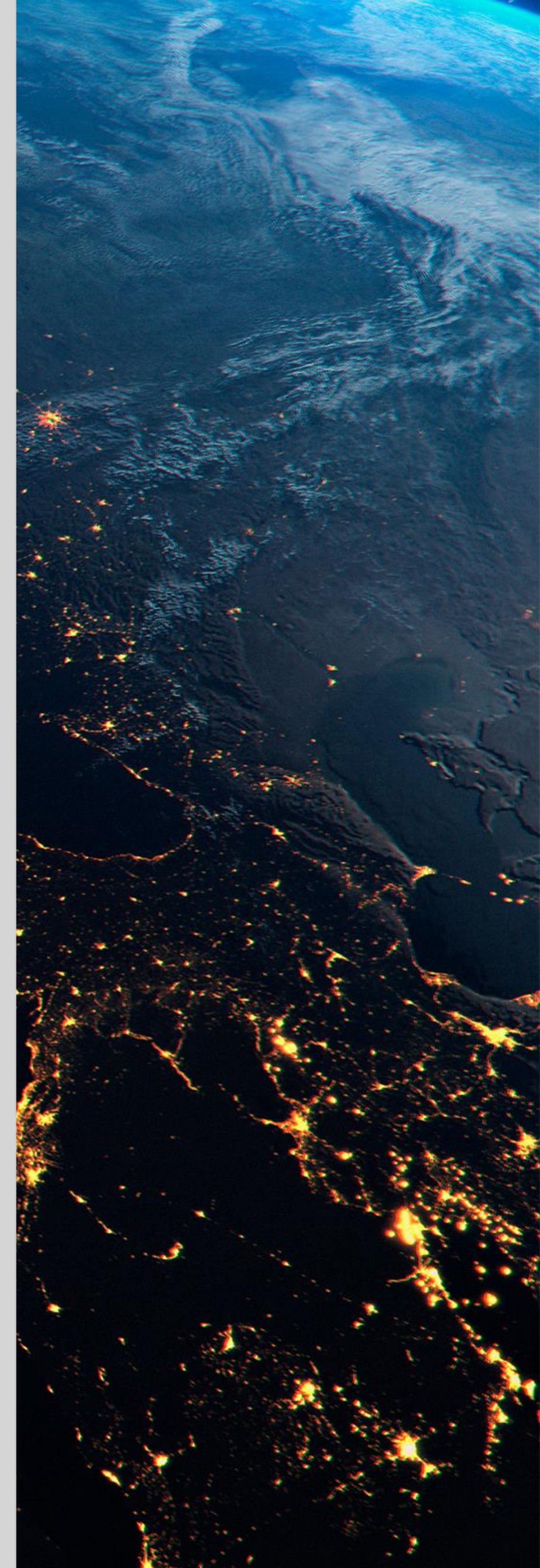
*"Our role is to secure trust in money.  
This means making sure the euro is fit  
for the digital age."  
Christine Lagarde*



# WHY DIGITAL EURO?



- Europe's strategic sovereignty
- Europe's digitalization
- Significant decline in use of cash
- Emergence of alternative payment solutions
- Stronger international role of the euro
- Cost efficiency and improved ecological footprint





# IMPORTANT FEATURES OF DIGITAL EURO

- Accessibility
- Security
- Efficiency
- Privacy



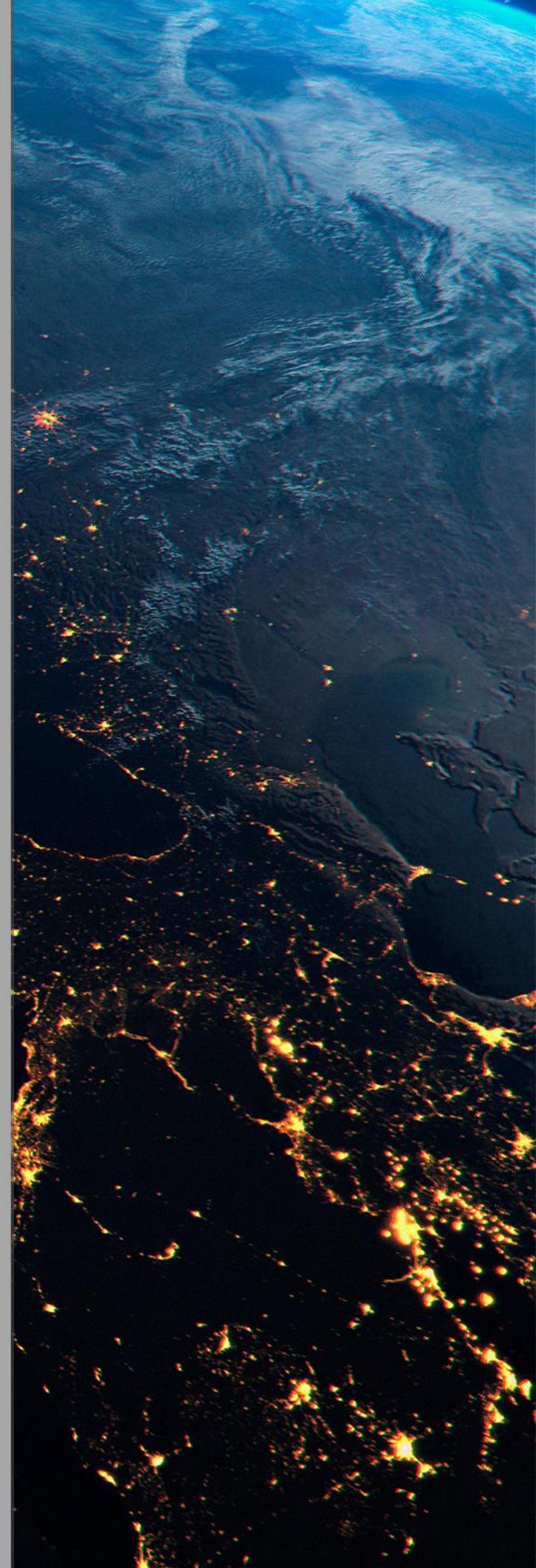
*Public consultation*

*(12/10/2020–12/01/2021):*

*Privacy*

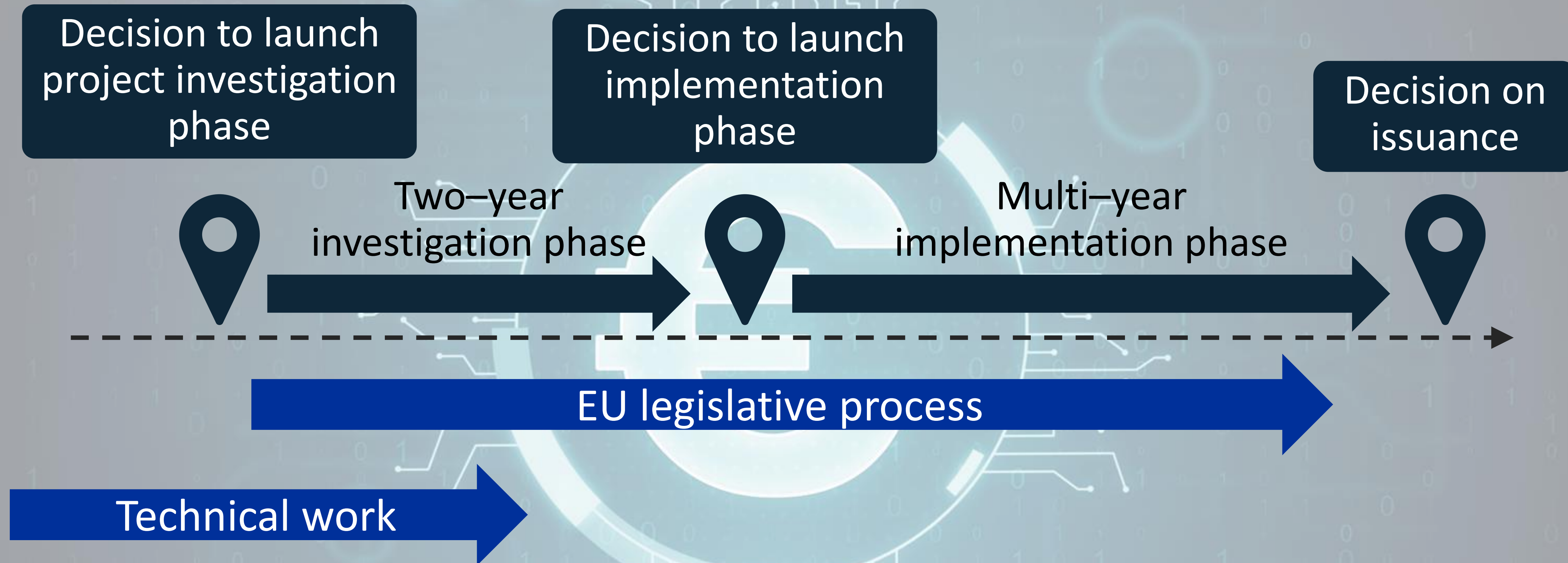
*Security*

*Ability to pay across the  
euro area*





# IMPLEMENTATION OF DIGITAL EURO





# ***REALLY STABLE COINS***

***BY LATVIJAS BANKA***

Contest  
"Coin Constellation–  
2021"

Unique concept



LINDEN LEAF

Best artistic solution



MODERNISM IN LATVIA.  
THE 1960S

Silver coin of the year  
(3rd place)



PERSONAL FREEDOM