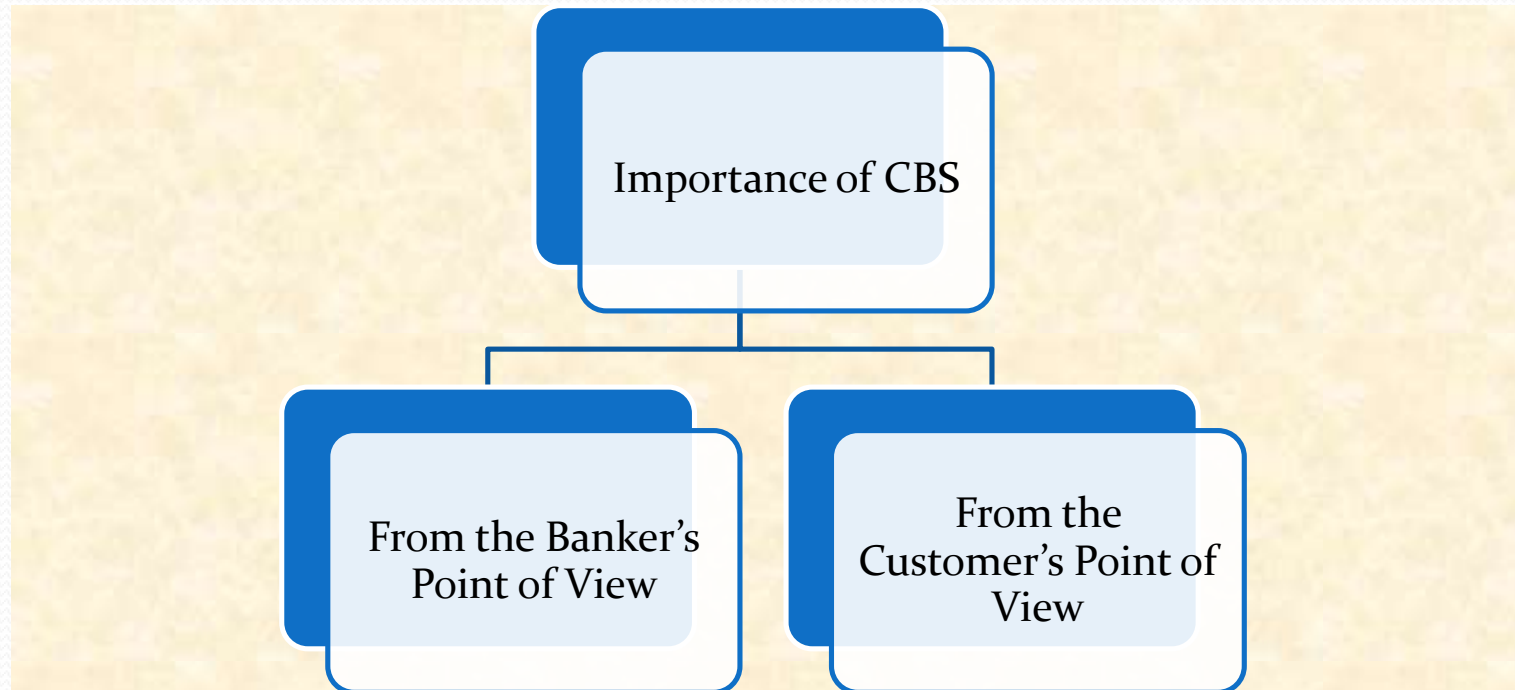


Subject : ECOMMERCE AND BUSINESS
COMMUNICATION
Topic: DIGITAL PAYMENT
SEM -II

Teacher:- S.BHATTACHARYYA
Dept. of Commerce
T H K Jain College

Core banking Solution (CBS)

CORE May be Defined As Centralised Online Real Time Exchange. CBS Redefined the Concept of Anywhere, Any Time Banking. It Means A Customer Under CBS is Not the Customer of te Particular Branch of the Particular bank rather Becomes the Bank's Customer.



Core banking Solution (CBS)

From the Banker's Point of View

- Centralised Working of the Banking
- Advanced Operations of the CBS Satisfy Customer's Demands Effectively
- Easily Merging of the Back Office Data Operations
- Introduction of the New service And making Any Changes In Existing Operations
- Services can Be Provided Across the Geographical Boundary
- Banking Services Are Much More Efficient And Technically Developed

Core banking Solution (CBS)

From the Customer's Point of View

- Customer Can open the account And Can Easily Manage The Account Seamlessly From Any Location
- Facilities Like ATM, Internet Banking, And Mobile Banking Extended Everywhere
- Deposit And Withdrawal of Cash And Cheque Become Much mosre hassle-free
- Get Statement of Account Easily
- Easily Accessible Through the Multiple Channel Including Mobile And Web
- Customers Can get Payment Proceeds Easily Through NEFT, RTGS, IMPS Fund Transfer Mechanism

RTGS, NEFT, IMPS

- **National Electronic Funds Transfer (NEFT)** is a payment system that facilitates one-to-one funds transfer. Using NEFT, people can electronically transfer money from any bank branch to a person holding an account with any other bank branch, which is participating in the payment system. Fund transfers through the NEFT system do not occur in real-time basis
- **Real Time Gross Settlement (RTGS)** is another payment system in which the money is credited in the beneficiary's account in real time and on gross basis. The RTGS system is primarily meant for large value transactions that require and receive immediate clearing.
- **Immediate Mobile Payment Services(IMPS)** is a real time instant inter-bank funds transfer system managed by National payment corporation of India. IMPS is available 24/7 throughout the year including bank holidays unlike NEFT and RTGS.

The terms will help in understanding the difference among different payment systems better.

➤ **Fund Transfer Limit**

The maximum and minimum amount of money allowed for transfer by each payment system may differ. Therefore, fund transfer value is an important factor in determining which fund transfer method will be appropriate for a customer.

➤ **Service Availability**

Some payment systems are available for 24*7 while others have specific timings. Payment systems that are available 24*7 allow remitters to initiate money transfer anytime and any day. However, the funds will settle only when the service is available.

➤ **Fund Settlement Speed**

Different fund payment systems have different fund settlement speed. Fund settlement speed here is the total time consumed to settle money from one account to another after the transfer has been initiated.

➤ **Fund Transfer Charges**

Transferring money involves charges. As per RBI, fund transfer charges for each payment system are decided by banks. The amount charged is based on the amount to be transferred, transfer speed and other features offered by the bank.

Electronic Money

Electronic money is referred to as the form of currency that is electronically stored in technical devices such as that of the banking computer systems. Unlike the decentralised crypto currency, electronic money is backed by a fiat currency. Meaning they are regulated by a central authority.

Benefits:

- Faster
- Convenient
- Time Saving
- User Friendly

Digital currency

It is a form of currency that is available only in digital or electronic form, and not in physical form. It is also called digital money, electronic money, electronic currency.

Key Takeaways

- Digital currencies are currencies that are only accessible with computers or mobile phones, as they only exist in electronic form.
- Since digital currencies require no intermediary, they are often the cheapest method to trade currencies.

ONLINE BANKING

Online Banking is Also Known As E banking/ Virtual Banking/ Web Banking/ Internet Banking That Allows the User to Conduct The Range of Banking Transactions Via Internet At their Own Convenient Time And Place Instead of Visiting Branch of the Particular Time.

The Customer Can Select Any Kind of Services or Perform Any Kind of Online Transactions Through the Proper Utilisation of the Internet Technology.

What is Internet Banking

- Internet Banking means Any User with a Personal computer & a browser gets connected to his bank websites to perform any virtual banking solutions.
- The method of banking in which the transactions are conducted Electronically via Internet.



Why E banking

- Internet Banking is becoming more and more popular Among the masses.
- To Provide more Quality Information on the Internet Banking.
- Differentiation of the Products from the Others.
- A combination of Regulatory & Competitive Reasons.
- Stress on Branchless Banking.
- Increasing the Volume of Banking Transactions.
- Providing Customers with the Cost effective Service.

Channels Of E banking:-

- Automated Caller Machine
- Plastic card (Debit Card, Credit Card)
- Tele Banking
- Mobile banking

Advantages of E Banking:-

- Convenience:- Unlike The Customer's Bank, Online Banking never Close. There are 24*7 Banking Hours. There are only Mouse Click Away.
- Universality:- If the Customer are out of state or even out of country, when there is a Requirement of Money they can Easily Transfer the money through Authentication Access.
- Transaction Speed:- Online Banking Website generally Execute & Confirm transactions At or the quicker than the ATM processing speeds.
- Efficiency:- The Customer can Access All of their Bank A/C, Including the securities Even A secure Sites.

Advantages of E Banking:- (Contd)

- Effectiveness:- Many Online Banking sites now after sophisticated tools, Including A/C Information's Stock Updates.
- Easy way of Payment:- Bill Payments can Also be handled properly & smoothly Instead of waiting of certain due dates.
- Low cost:- Internet Banking Is a low cost Characteristics.
- Attract Future customer:- Internet Banking Attracts the future customers.
- Instant details of A/C transactions:- Internet banking Gives Instant details of A/C transactions

TYPES OF SERVICES OFFERED IN E-BANKING

- Information Only System
- Electronic Information Transfer System
- Fully Electronic Transactional System
- Viewing Respective Account Balance
- Updating The Digital Passbook
- Any Kind of Bill Payments

INDIVIDUAL BENEFITS OF E-BANKING

B A N K

- Very low setup cost.
- Capability to cater to a very large customer base.
- Saves a lot of operational costs.
- Banks can offer a lot of personalized services.
- Reduction of burden on branch banking.

INDIVIDUAL BENEFITS OF E-BANKING (Contd.)

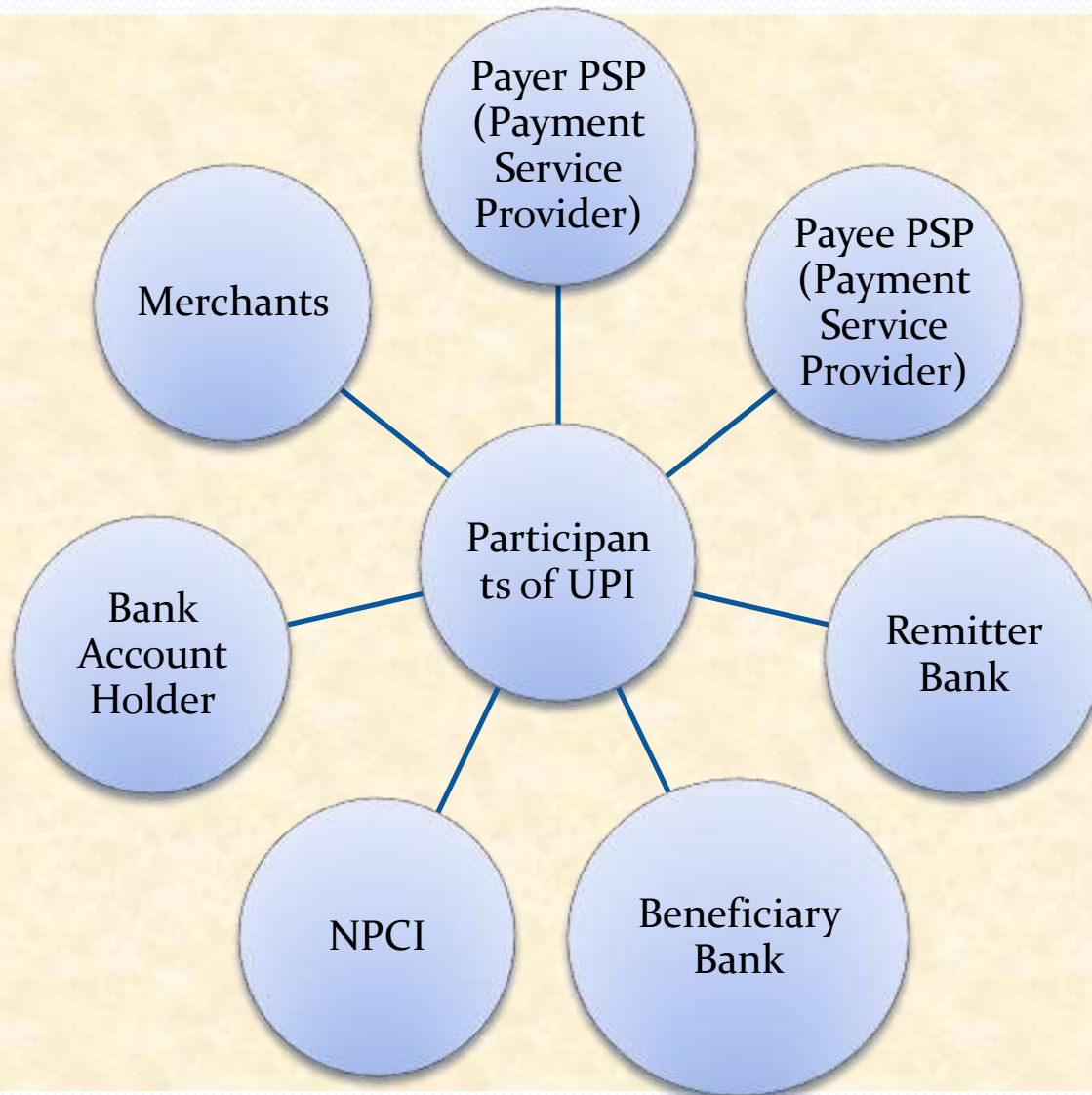
B U S I N E S S

- To run its operations more effectively
- User Friendly And Easy to Use
- Lower cost than traditional financial management mechanisms
- Easy Way to Transfer Fund, Bill Payments, Checking Account Balances

C U S T O M E R

- Convenience 24 hours a day, seven days a week
- Cost Reducing transfer fees
- Speed Faster circulation of assets
- Offering one-stop-shop solutions

United payment Interface (UPI)



Benefits of UPI

- Instant Money Transfer Round the Clock For 365 days
- Arising Any Complains And Feedback Through Mobile Application Directly
- Utility Bill Payments, Over the Counter Payments, Barcode Based Payments
- Sending Money To the Bank Accounts Through the Payment Transfer Medium
- Sending And Receiving Money Through the Payment Transfer Medium
- Payer PSP (Payment Service Provider)

Procedure of Registration With UPI

Download the Mobile Application from
the Respective Source



Create the Applicant's Profile by the
Providing the Details



Link or Manage the Bank Account Number
to the ID Created



MPIN is Required for Performing Any
Transactions

International Payment

International Payment is the Mechanism Which Is Available for Settlement of International Transactions. It Helps to Convert the Currency of Domestic Country Into the Currency of Another Country through Foreign Exchange Market.

Instruments of International Payments:

- Foreign Bills of Exchange
- Cheques And bank Drafts
- Mail Transfer
- Telegraphic Transfer (Transfer by Cable)

Factors Considered While Choosing International Payment

- Security And Trust
- Reliability
- Diversification
- Easy Integration
- Multiple Payment Options

Barriers Arises Due to International Payments

- International Payment Mechanism Surrounded With More Technology
- The Risk Arises Due to Fluctuation of the Exchange Rate
- Increasing Popularity in Spite of That Cash On Delivery is Highest Preferred By the Indian Companies.
- Consumer Needs to Learn How to make Cross Border Country payments

Risk Involved In Electronic Payment Systems

Credit Risk: There is risk to a transaction if a party cannot provide the necessary funds for a settlement to take place. This can occur if an originator goes bankrupt or returns come in after settlement. Weaknesses such as a lack of appropriate exposure thresholds or limits, and inadequate originator credit analysis, elevate the potential for credit risk.

Compliance Risk: This Risk Arises Due to Non-Conformance With Laws, Rules And Regulations Provided By The Government. Non- Conformance With Laws Will Lead to Compliance Risk.

Liquidity Risk: This Risk Arises When banks Are Unable To Meet Its Obligations In Due Time.

Risk Involved In Electronic Payment Systems(Continued)

Operational Risk: These Are the Risk Associated While Operating The Online Transaction. Such Risk Arises From Both The Perspective of Financial Institution And Consumer. For a Financial Institution, Operation Risk Is the Significant Deficiencies In the System Reliability Confidentiality Due to Loss of the Data Accidentally During the Transactions. From the Consumer Point of the View Such Risk Arises When the Consumer Misuses The Availability of the Online Facilities Over Internet.

Strategic Risk: Mismanagement Or the Inadequate Strategic Decision taken by the Senior Management for Developing the Long Term Strategy To Provide Information How to Use the Respective Services to the Customer By Using the Internet Leads to Strategic Risk.

Reputation Risk: Negative Public Opinion, Loss of the Trust Due to Unauthorised Use of the Customer Account's Information And Unable to Deliver the Marketing Claims Leads to Reputation Risk.

SECURE ELECTRONIC TRANSACTION (SET)

SET is the Security Protocol Applied In the Electronic Payment System. It Uses Different Encryption Technique to Ensure Security, Privacy, Confidentiality, Authentication And Integrity In the Electronic Transaction. It is the Protocol Includes Certification Authorities for Making Use of the Standard Digital Certificates.

Benefit of SET:

- It Provide Mutual Authentication of the Customer And the Merchant.
- It Keeps Order Information And Payment Information In Confidential.
- It Makes Best Security Mechanism



Thank You