

Building trust through transparency

The Daily Star (TDS): How is Bangladesh progressing towards a cashless society?

Farman R Chowdhury (FRC): The journey of transitioning to a cashless ecosystem is still in its early stages. Although there are a number of mobile financial services that have revolutionised digital payments in Bangladesh, the government has also been actively promoting digital payments through various policies and initiatives. Bangladesh has been making gradual and steady progress in its

FRC: Al-Arafah Islami Bank has taken several innovative steps to accelerate the shift towards a cashless economy, leveraging technology to enhance customer convenience and financial inclusion. These initiatives have had a positive impact on customers, making banking more accessible, secure, and efficient. Not only that, but these initiatives also align with the broader vision of Digital Bangladesh and aim to enhance customer convenience, financial inclusion, and operational efficiency. As the bank continues to innovate and address existing challenges, it is well-positioned to play a key role in Bangladesh's transition

to a cashless society.

TDS: What policies or government initiatives do you believe are crucial for making the transition to a more secure, inclusive, and widely adoptable ecosystem?

FRC: No "one size fits all" kind of initiative will work to create a secure, inclusive, and widely adoptable cashless society. As far as I am concerned, there has to be a combination of regulatory, infrastructural, and educational initiatives to address the challenges of digital literacy, cybersecurity, accessibility, and trust. The enactment of comprehensive cybersecurity laws, data privacy regulations,

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transition to a cashless society, driven by government initiatives, technological advancements, and increasing digital literacy. However, overcoming the inherent challenges related to infrastructure, public trust, and accessibility will be critical for achieving widespread adoption. With continued efforts and investments, Bangladesh has the potential to significantly reduce its reliance on cash in the coming years.

TDS: What innovative steps has Al-Arafah taken to accelerate the shift towards a cashless economy, and how have these impacted customers?

AIB has introduced mobile banking, internet banking, an agent banking network, QR code-based (Bangla QR) payment systems, contactless debit and credit cards, partnerships with fintech companies, SMS banking alerts, Islami Wallet, and so on. There are other services also in the pipeline, to be launched soon. As far as the impact on customers is concerned, these have certainly enhanced convenience by providing improved security and faster, less costly transactions. As we proceed to include more and more unbanked people into our digital network, we ensure greater transparency for our customers, which helps us create a bond of trust between

real-time monitoring, and fraud detection, improved and faster internet connectivity, power supply reliability, affordable smartphones and devices, public awareness campaigns, digital literacy programmes, partnerships with NGOs and the private sector, incentivising digital payments through tax incentives and cashback rewards, and effective use of AI are just a handful of crucial issues. In a nutshell, a secure, inclusive, and widely adoptable transition to a cashless society requires a holistic approach involving regulatory reforms, proper and adequate investment in infrastructure development, and public awareness to ensure a smooth and faster transition to a cashless ecosystem.

Central cybersecurity forum needed to mitigate digital transaction threats

The Daily Star (TDS): How is Bangladesh progressing in its transition to a cashless economy?

Selim R. F. Hussain (SRFH): The government and financial institutions are putting numerous plans into action to encourage digital payments. These days, customers use banking apps and mobile financial services (MFS) like bKash for cashless payments. Digital transactions are becoming popular daily, and people increasingly prefer cards, mobile apps, and MFS wallets instead of cash payments for greater convenience.

TDS: What innovative steps has your bank taken to accelerate the

free for our 'Astha' users. The app is now a family of more than 7 lac users with monthly transactions of BDT 17,000 crore.

We are issuing dual-interface cards to our customers, through which our customers can perform a certain amount of transactions only by tapping the card. We provide discounts and cashback offers to our cardholders and mobile app users to promote cashless transactions.

Our internet banking platform for corporate and commercial customers, 'CORPnet', provides seamless transaction banking services with a straight-through payment facility. The bank has already established API connectivity with the National Board of Revenue, WASA, City Corporation, and other entities

where customers can go cashless in transaction. They do not need to carry cash at this time of Eid shopping spree when malls are over-crowded.

TDS: What policy changes or government initiatives do you believe are crucial for making digital transactions more inclusive, secure and widely adopted?

SRFH: A strong partnership between the government and the private sector is key to building a cashless ecosystem. Reliable, high-speed internet is essential to prevent transaction delays, enhancing customer experience and eliminating fears of transaction loss. Financial institutions, mobile operators, and the government should offer free or low-cost data for digital payments.

Smartphones are necessary for



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shift toward a cashless economy, and how have they impacted customers?

SRFH: BRAC Bank works closely with its customers, partners, regulators, and government to advance toward a cashless economy. It has played a leading role in every initiative by the Bangladesh Bank toward digital payment.

We provide charge-free data for our app 'Astha', offering the highest fund transfer limit using the app. To promote digital transactions, we keep fund transfers charge-

to facilitate digital bill and fee payments. Our customers enjoy e-commerce payment through VISA and MasterCard using our state-of-the-art Online Merchant Service Portal.

As a leader, we have connected to the highest number of MFS providers, offering customers the convenience of transferring funds between their bank account and MFS wallet, reducing the need for cash transactions.

We also offer corporates the option to pay salaries to their workers through bank to bKash, which is contributing to reducing cash transactions.

This Ramadan, BRAC Bank offers exclusive discounts at over 1,200 partner outlets nationwide,

QR code and mobile app payments, yet many still use outdated button phones. Financial institutions and telecom providers could offer loans for smartphone purchases, while the government should take measures to reduce costs. Incentives and promotional offers should be introduced to make cash payments expensive and to reward digital payments.

Finally, cybersecurity is crucial as digital transactions grow. Bangladesh Bank could establish a central cybersecurity forum with financial institutions, MFS providers, regulators, and cybersecurity experts to share knowledge, issue alerts, and mitigate emerging cyber threats effectively.

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