

National Electronic Bills Payment Hub – Factsheet

Background on National Electronic Bills Payment:

1. The Ministry of Finance (MOF) and Infocomm Development Authority of Singapore (IDA) are looking for potential partners to build and operate a national electronic payment hub. This hub will offer secure and trusted electronic bill payments and related services to consumers. It will also provide billing organizations with an additional channel for online bill collection using a common online payment mode. This hub will bring together players from different sectors to establish a national electronic payment hub that provides open access to all service providers and users in Singapore.

2. The government believes that electronic bills payment is a vital component to bring about widespread adoption of e-commerce. Besides offering consumers greater convenience, it will also enable billing organisations to save time and cost in processing bills, thus freeing up resources which can be redirected to improving customer service, for instance.

3. Being one of the biggest billers in Singapore, Government's involvement is vital to jumpstart the process, and to bring together players from different sectors to establish a national e-payment hub that provides open access to all service providers and users in Singapore.

Key roles of the hub

4. There have been various efforts in the past by the industry to establish a widespread electronic bill payment and presentment system. A concerted effort is required to achieve a single national payment system.

5. Key roles of the hub are as follows:

- a) Provides online presentment and payment of bills for goods and services;
- b) Provides multiple e-payment modes
(be it online, real time or batched modes);
- c) Provides settlement and disbursement functions;
- d) Offers a single point of contact for BOs and consumers/businesses; and
- e) Offers a generic Internet collection service for BOs who do not have an online payment channel/website to reach their consumers.

Benefits of the hub

6. The national electronic bills payment hub brings greater efficiency to our financial system. By settling Government and private bills through electronic means, the hub aims to reduce the inefficiency and cost of payments as compared to existing payment modes such as cash and cheque payments.

7. From the consumers' point of view, they will enjoy the convenience of viewing potentially all their bills through a single portal, and use a common online payment mode to enable simple authorisation of payments. This will give consumers explicit control of what, when and how much to pay. This is in contrast to the situation today, where consumers need to establish multiple payment arrangements for different BOs, and contend with the characteristics and interfaces of various payment modes and proprietary payment systems. The national electronic bills payment hub will also serve as a one-stop channel for BOs to interface with consumers. It will eliminate the set-up and recurrent charges for BOs to interface with other payment systems.

8. In summary, this national e-payment hub aims to provide a common online payment mode that is:

- convenient
- easy to use
- trusted and secure
- bank neutral, i.e. comprehensive enough to cover all banks and not restricted to one or few banks

- widely available to consumers so long as they have bank account

Difference between this system and the bank-centric Electronic Bill Presentment and Payment (EBPP) study announced previously

9. The bank centric model refers to consumers making payments via their nominated bank's Internet banking service. There have been discussions in the past with regards to this bank-centric EBPP model but there was no general consensus from the banks to proceed with this initiative. The government's involvement in the form of a national electronic bills payment hub is necessary to bring together players from different sectors to establish a hub which provides open access to all service providers and users in Singapore.

Timeline for Hub Implementation

10. Work is in progress for a Request For Proposal (RFP) to implement the national electronic bills payment hub. It is expected to be implemented over a two-year period.

11. Over these 2 years, consumers can expect to make online payments to government agencies first, followed by private sector billers and online presentment of bills in the later phases.