



PAYMENTS INTEROPERABILITY FOR TRADE AND E-COMMERCE IN CENTRAL ASIA

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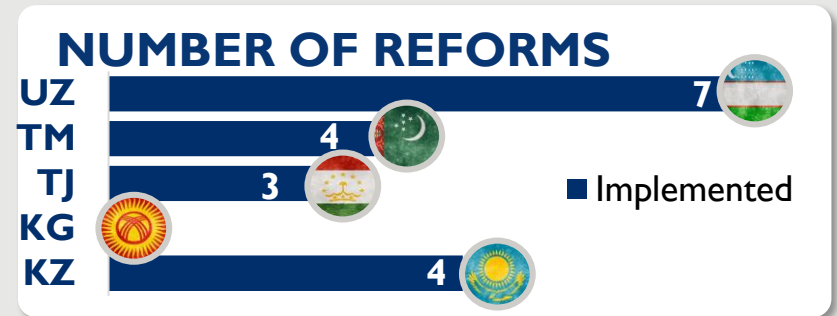
USAID's Future Growth Initiative (FGI)

Business Enabling Environment Component

Since 2019 USAID/FGI has implemented **18 reforms** across key project areas in five Central Asian countries, including **3 reforms focused on e-commerce**.

TERRITORY OF COVERAGE:

CENTRAL ASIA

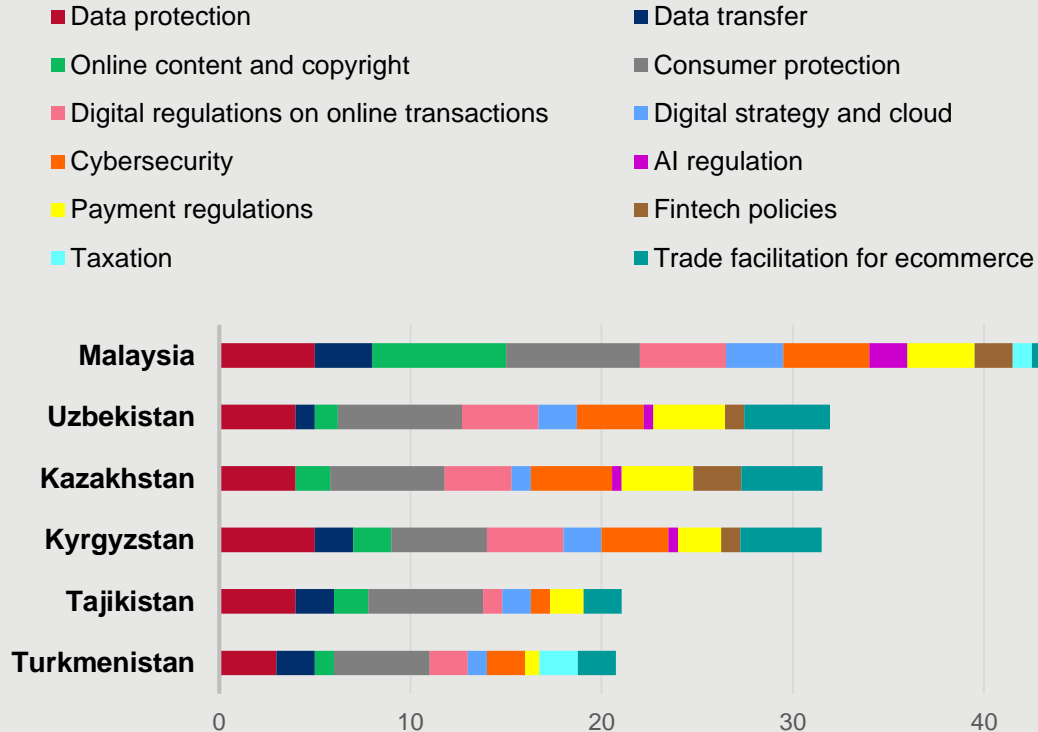


USAD/FGI participation in the development of e-commerce in Central Asia

1. **DEVELOPED** the “**E-COMMERCE CODE OF CONDUCT**” for e-commerce players in Central Asia
2. **DESIGNED** “**THE ROAD MAP FOR E-COMMERCE DEVELOPLMENT IN CENTRAL ASIA**”, which involved analyzing the regulatory framework, compiling a list of laws and regulations with a brief overview, and assessing payment interoperability and cross-border transactions for e-commerce in the region.
3. **SUPPORTED** the **C5+1 INITIATIVE AND THE TRADE AND INVESTMENT FACILITATION AGREEMENT BETWEEN THE UNITED STATES AND CENTRAL ASIA COUNTRIES** in collaboration with the Commercial Law Development Program (CLDP) of the U.S. Department of Commerce and other donors.
4. **SUPPORTED** the **B5+1 INITIATIVE** in cooperation with the Center for International Private Enterprise (CIPE) program to Improve the Business Environment in Central Asia countries (IBECA).



The level of regulatory penetration into e-commerce

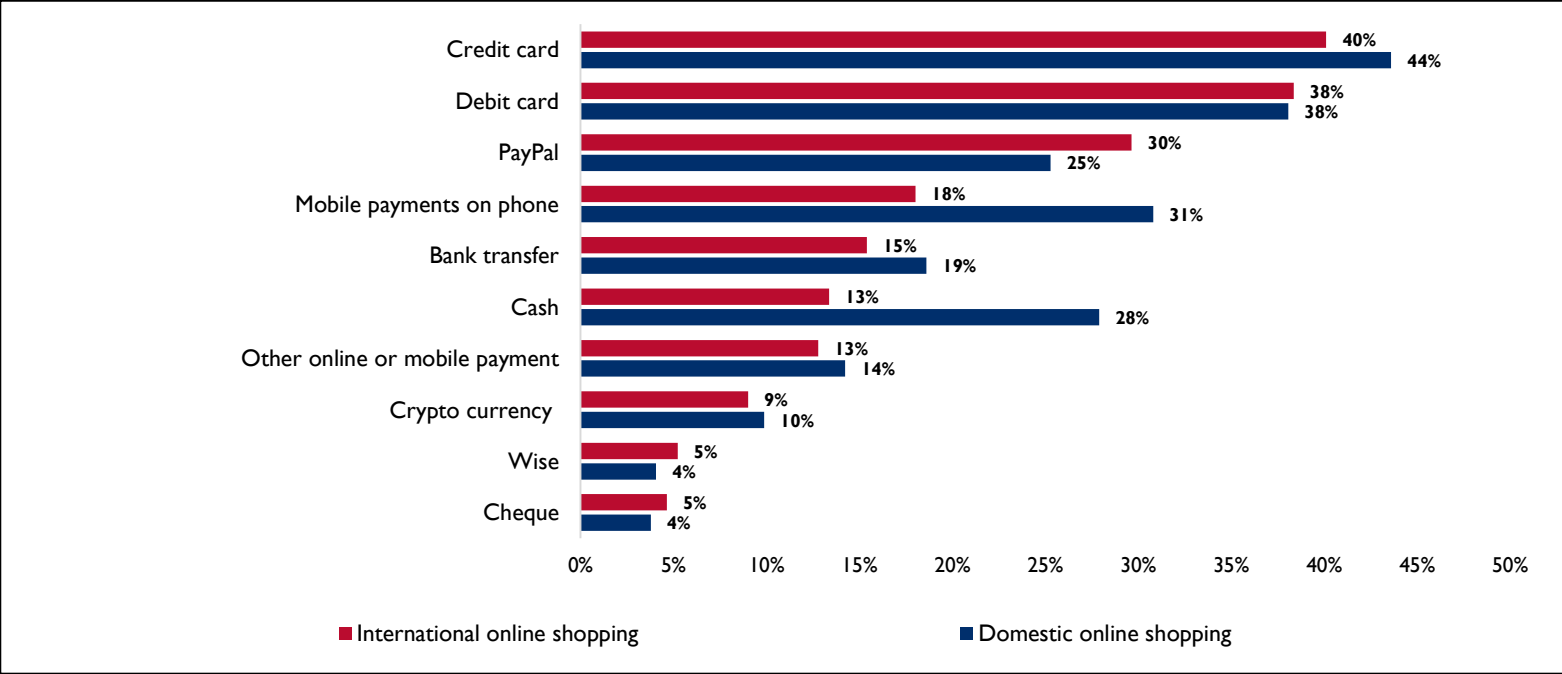


All Central Asia countries have adopted key strategies and policies such as *the digital strategy, a data privacy law, and electronic signatures law.*

However, all the economies should pay more attention to the areas such as online liability (A safe harbor law provides legal protection to online platforms and internet intermediaries, shielding them from liability for any copyright infringements committed by their users), as well as policies governing cloud computing, AI and trade facilitation.

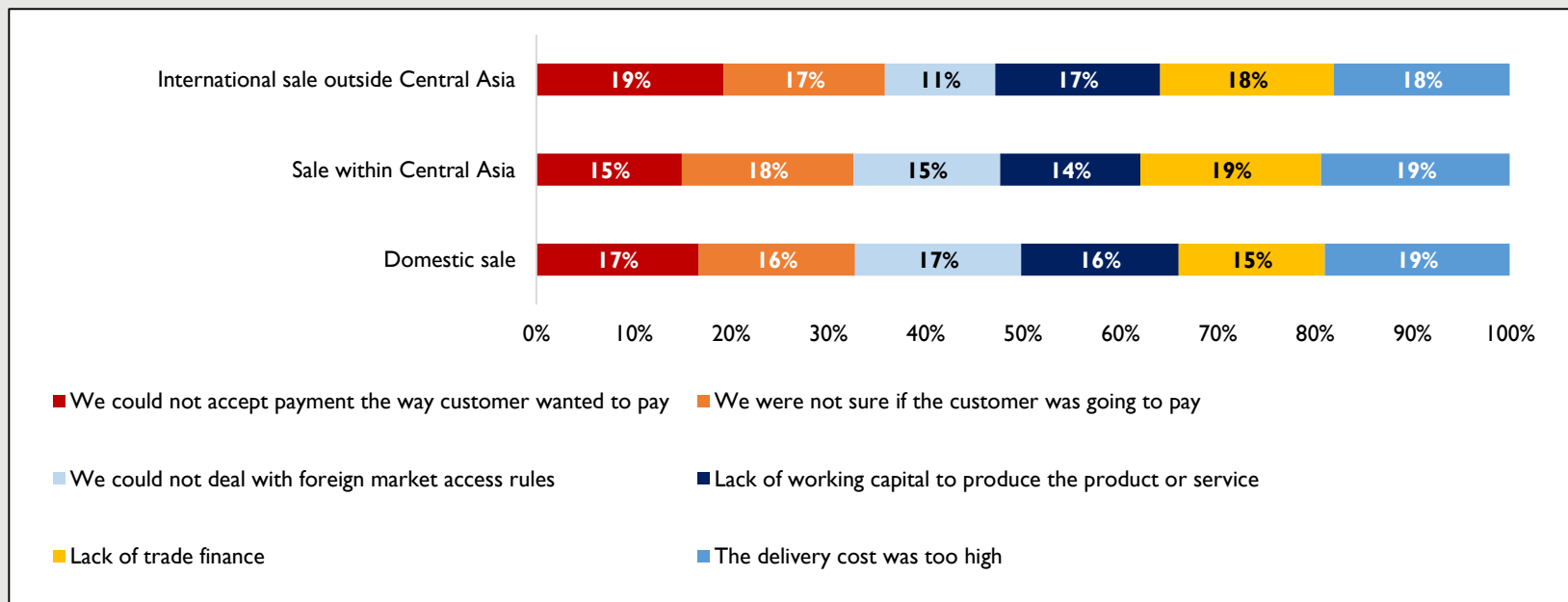
The current level of digitization in both domestic and cross-border payment systems in Central Asia

PAYMENT METHODS FOR CENTRAL ASIAN CONSUMERS TO MAKE E-COMMERCE PURCHASES



Challenges within payment systems in Central Asia: Scale and reasons

KEY REASONS FOR THE LACK OF EXPORT TRADE TRANSACTIONS BY COMPANIES FROM CENTRAL ASIA (BY TRANSACTION TYPES).



Comparison of regulatory frameworks in the payment sector and targeted policy measures in Central Asian countries, 2023

	KZ	KG	TJ	TM	UZ
E-payments law - maturity	Dark Blue	Dark Blue	Dark Blue	Light Blue	Dark Blue
Risk-based approach (RBA) Know Your Customer (KYC) regime	Dark Blue	Dark Blue	Light Gray	Light Gray	Blue
Regulations differentiated by payment service and risk	Dark Blue	Dark Blue	Light Gray	Light Gray	Dark Blue
Policies to promote digital payments	Dark Blue	Dark Blue	Dark Blue	Light Gray	Dark Blue
Policies for domestic payments interoperability	Dark Blue	Light Blue	Dark Blue	Light Blue	Dark Blue
Cross-border digital payments initiatives in place	Blue	Blue	Light Blue	Light Blue	Dark Blue
Regulatory Sandbox in place	Dark Blue	Dark Blue	Light Gray	Light Gray	Dark Blue
Fintech Innovation Hub in place	Dark Blue	Dark Blue	Light Gray	Light Gray	Dark Blue
ISO 20022 adopted	Light Gray	Light Gray	Light Gray	Light Gray	Light Gray
Cryptocurrency permitted	Blue	Light Gray	Light Gray	Light Gray	Blue
Central Bank Digital Currency (CBDC)	Blue	Light Blue	Light Gray	Light Gray	Light Blue

Key recommendations

Restore correspondent relationships with US banks



Enhance Regional Payment Compatibility through a Regional Pilot Project



Implement a Digital Identifier



Develop Central Bank Digital Currencies (CBDCs)

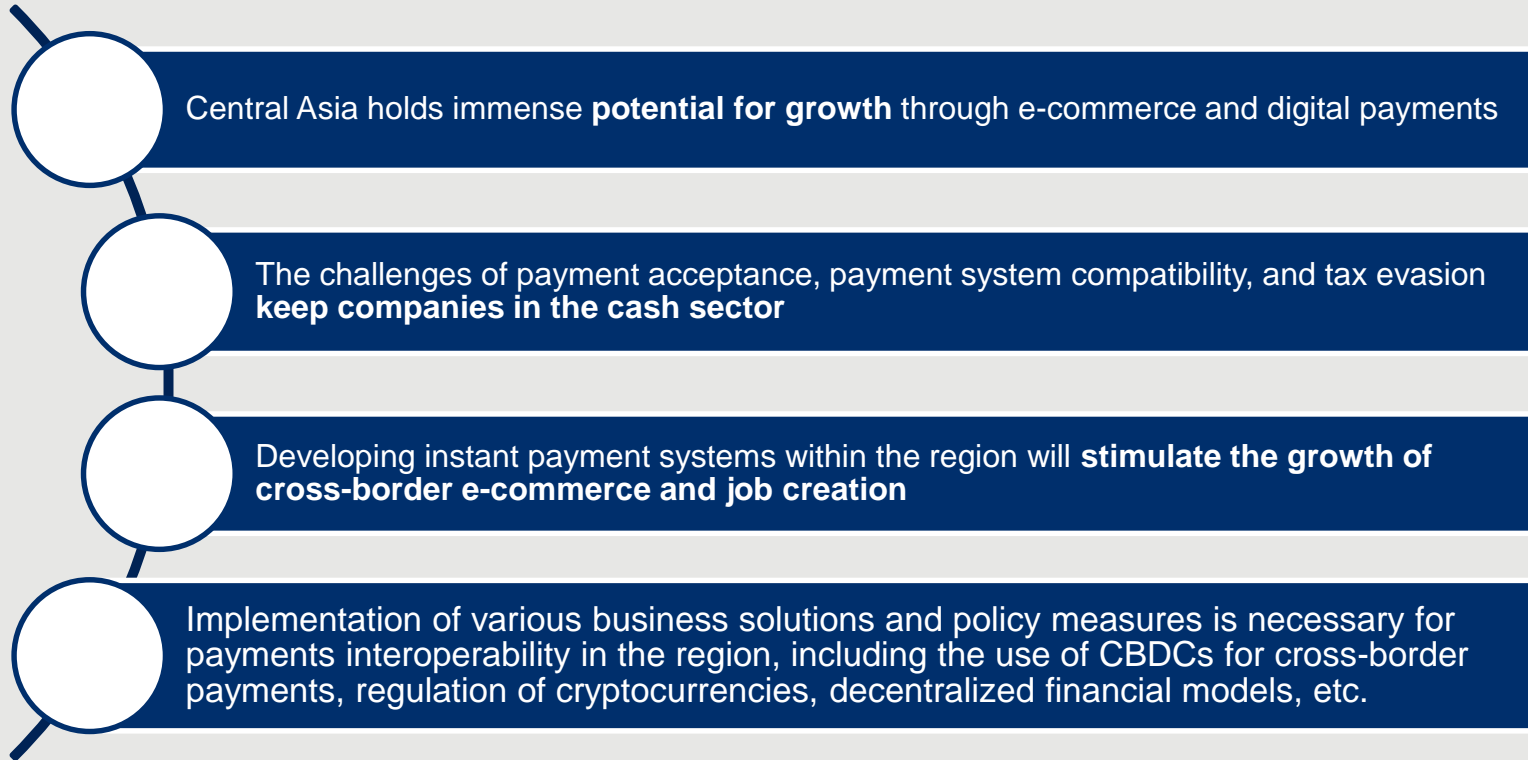


Harmonize payment systems and digital regulation in Central Asia

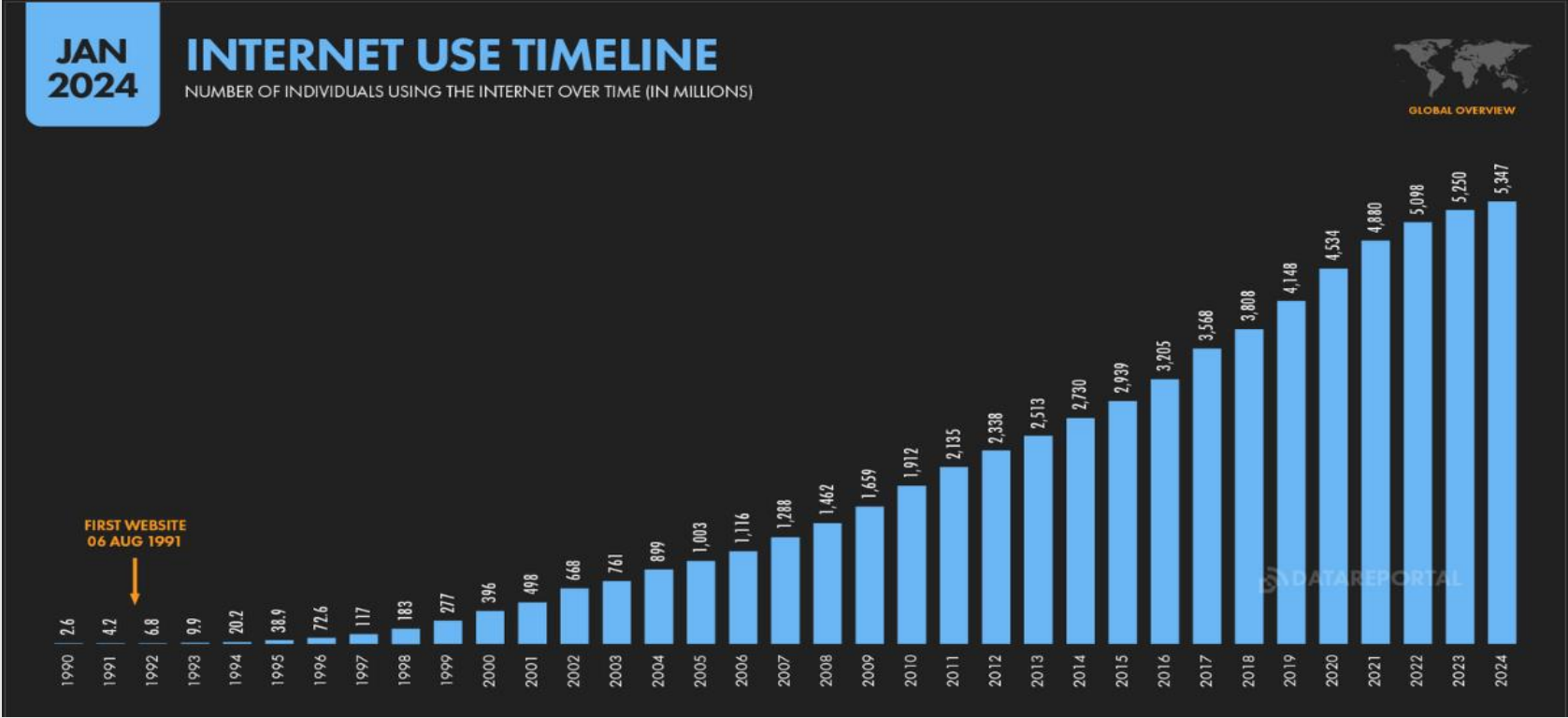


Support startups and niche enterprises

Conclusion

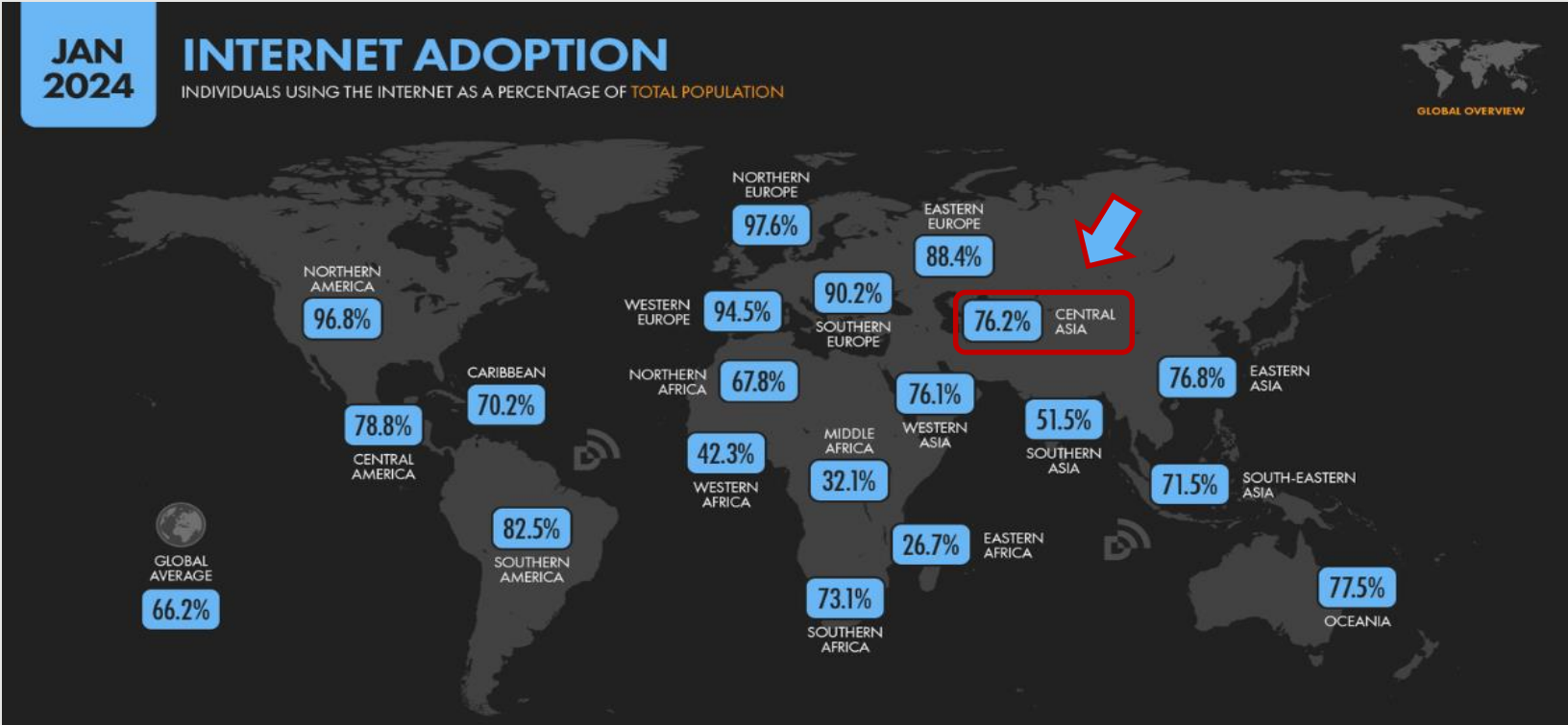


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