The Pix Case
Lessons Learned from the Brazilian Instant Payment Scheme
November 2021
Pix | The Brazilian Instant Payment

The new way to pay and to transfer money
Part 1

Pix
Overview and accomplishments
Why Pix?
The Brazilian Payments Landscape

- Digital Revolution
  - New business models
  - New needs

- High usage of cash

- Flaws of traditional payment instruments

- International Trend
Main Characteristics

**Instant solution**
Payments in a few seconds, with immediate availability of funds to the final beneficiary.

**Convenience**
Payments without friction, according to each user's needs.

**Versatility**
Multi-purpose payment instrument, for payments and transfers, for individuals, businesses and government entities.

**Open environment**
Broad range of PSPs offering Pix, producing a highly competitive environment.

**Full-time availability**
Around-the-clock payment solution.

**Low-cost functionality**
No fees for individuals. Low cost for businesses.

**Integrated processing**
Funds and information flowing together, improving automation and reconciliation capabilities.

**Safety**
Robust anti-fraud solutions to ensure the security of transactions.
Pix Users and Keys

- Number of those who have used Pix to pay or receive payment: **101.3 mi**
- 61% of the adult population
- 40 mi new users in the National Financial System
- **7.6 mi**
  - 54% of companies with relationships in the National Financial System
- **330.8 mi**
  - Pix Keys

Transactions

**5.8 bi** Pix transactions

**3.5 tri** volume

Evolution in Pix transactions

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume (R$ bi)</th>
<th>Amount (mi)</th>
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<tbody>
<tr>
<td>nov/20</td>
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<td>121</td>
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<tr>
<td>dec/20</td>
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<td>121</td>
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<tr>
<td>jan/21</td>
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<td>feb/21</td>
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<td>jun/21</td>
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<td>jul/21</td>
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<td>aug/21</td>
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Figures

Volume of Transactions

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<tr>
<th>Month</th>
<th>Others</th>
<th>P2P</th>
<th>P2B</th>
<th>B2B</th>
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<td>Nov/20</td>
<td>5.9%</td>
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<td>Dec/20</td>
<td>6.5%</td>
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<tr>
<td>Jan/21</td>
<td>7.3%</td>
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<tr>
<td>Feb/21</td>
<td>9.0%</td>
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<td>Mar/21</td>
<td>9.4%</td>
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<td>9.4%</td>
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<tr>
<td>May/21</td>
<td>10.9%</td>
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<tr>
<td>Jun/21</td>
<td>11.3%</td>
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<td>Jul/21</td>
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<tr>
<td>Sep/21</td>
<td>7.7%</td>
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</tbody>
</table>
Figures

Volume of Transactions (millions)

- Pix
- Other
- Bank transfers
- Credit card
- Debit card
- Pre-paid card
Pix Adoption

International Perspective

Adoption Rate of Instant Payment Schemes in Various Countries (number of transactions per capita)

INCLUSION
43 million new transfer users

* Data from November 2020 to September 2021 | Source: Bech, Hancock e Zhang (2020) and the BCB (data for Brazil)
Pix
Implemented by the Central Bank
The Roles of the BCB
Twofold Role in the Pix Implementation

Scheme owner: Pix Rulebook
Settlement Platform Operator

Payer

Beneficiary

Settlement Platform

Payment Initiator (PISP)

A2A (account to account)
The Role of Scheme Owner
A Large Success Factor for Implementation

**Single name and brand**

**Multiplicity of use cases**

Mandatory **participation** of big institutions

**Governance** to set the rules

**Engagement** of stakeholders

**No charges** for individuals

*particular cases may be charged*

**Pix Key**: use of alias to identify the payee and standardization of QR Codes

Focus on the user and on the **rules** governing the scheme (not the system)

**Scheme openness**: banks and non-banks can join the scheme

**Standardization**: 
- UX – apps for natural persons in Pix
- APIs for merchants
Recipe for Making Pix

Co-creation

Pix Forum (advisory committee)

- Working Groups
  - Business rules
  - Standards and technical requirements
  - Electronic data interchange (messages)
  - Security

Public Consultation
Agenda BC#

Initiatives

- International Initiatives
- Participation in International Groups – BIS/CPMI
- Modernization of the Legal Framework
- Regulatory Innovation (Pix, Open Banking/Open Finance, CBDC)
**Pix Insights**

- Standardization – Protocols and User Experience/Interface
- Stakeholder Engagement
- Inclusion of Relevant Large Players
- Low Cost
- Special Attention to Use Cases
Thank you!!!
Frequently Asked Questions
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