Going Digital
In SME Finance

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SME Finance Forum
The SME Finance Forum brings together 140+ banks, technology companies and DFIs to learn, link and lead to promote the growth of SMEs.

Established by the G20 and managed by IFC

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Large untapped opportunity: $19 trillion paper-based P2B, B2B¹ and B2P payments accepted and made by micro, small and medium retailers

1 B2B payments include only those from the retailers to immediate suppliers
WHY NOT SERVE SMMES? THE CURSE OF CASH!

Too expensive to acquire

Too expensive to serve
How we succeeded before
MSME Finance Gap, US$ trillions

Current Volume, 3.7

Finance Gap, 5.2

Potential Demand, 8.9

MSME FINANCE GAP = Potential demand – Existing supply

Finance Gap has been disaggregated by the enterprise type (micro, SME) and by gender (women- and men-owned enterprises).

In addition, number of enterprises and potential demand in informal sector has been estimated (see annex)
绿色食品
无明矾油条
Where we need to be
What can policymakers do?

<table>
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<th>Topic</th>
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| **E-Payments Infrastructure** | ▪ Simplify account opening  
▪ Allow e-money issuance  
▪ Ensure consent and consumer data protection  
▪ Help establish effective interoperability |
| **Formalization of Enterprises** | ▪ Create incentives for firms to formalize  
▪ Simplify tax codes to incentivize informal merchants to formalize |
| **Partnerships and Alliances** | ▪ Build ecosystem of private and public sector stakeholders to work towards a common solution |