

AMPI

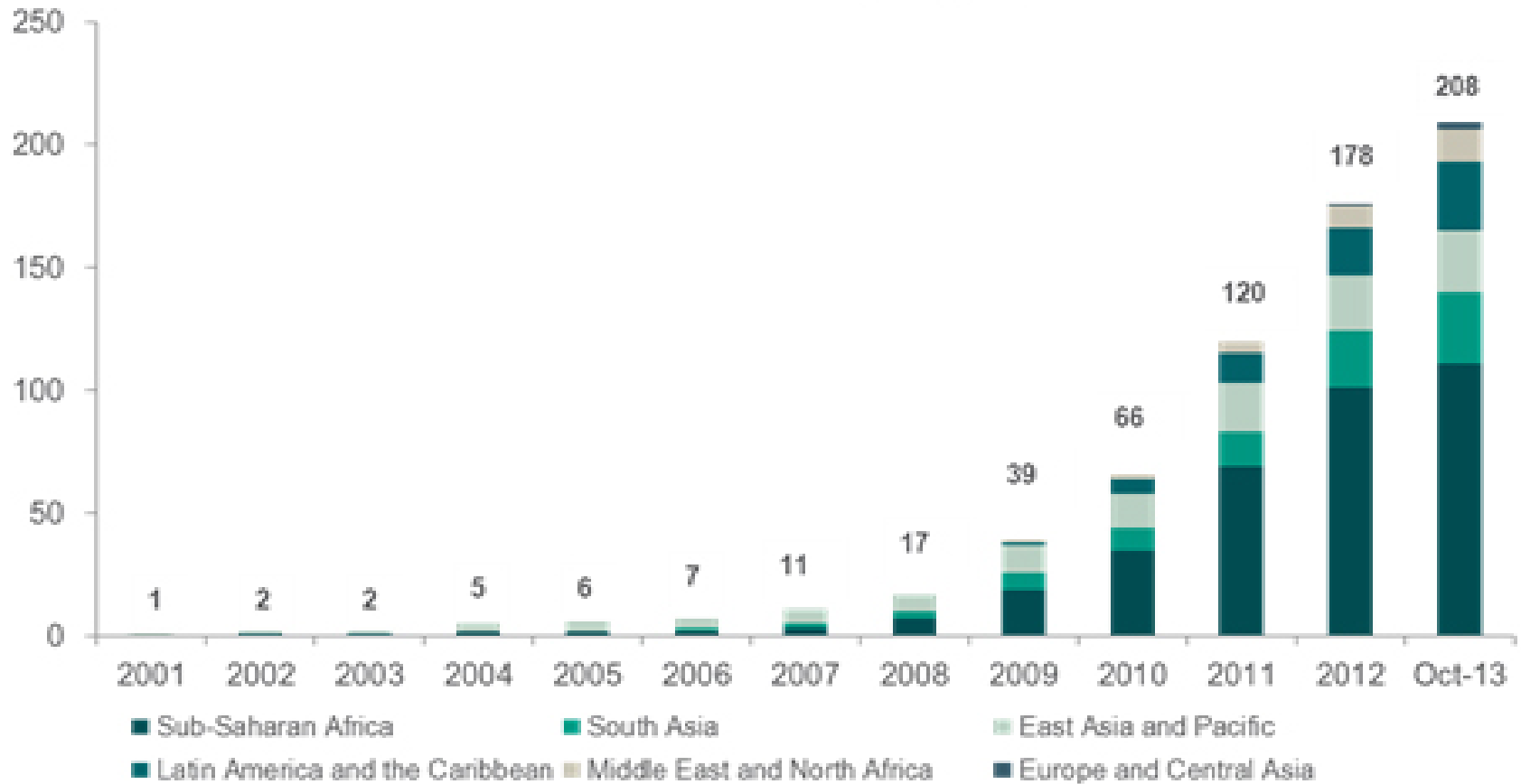
The African Mobile Phone
Financial Services Policy
Initiative

Where are Mobile Financial Services in Africa?

John Owens, Senior Policy Advisor Digital
Financial Services, 05 February 2014



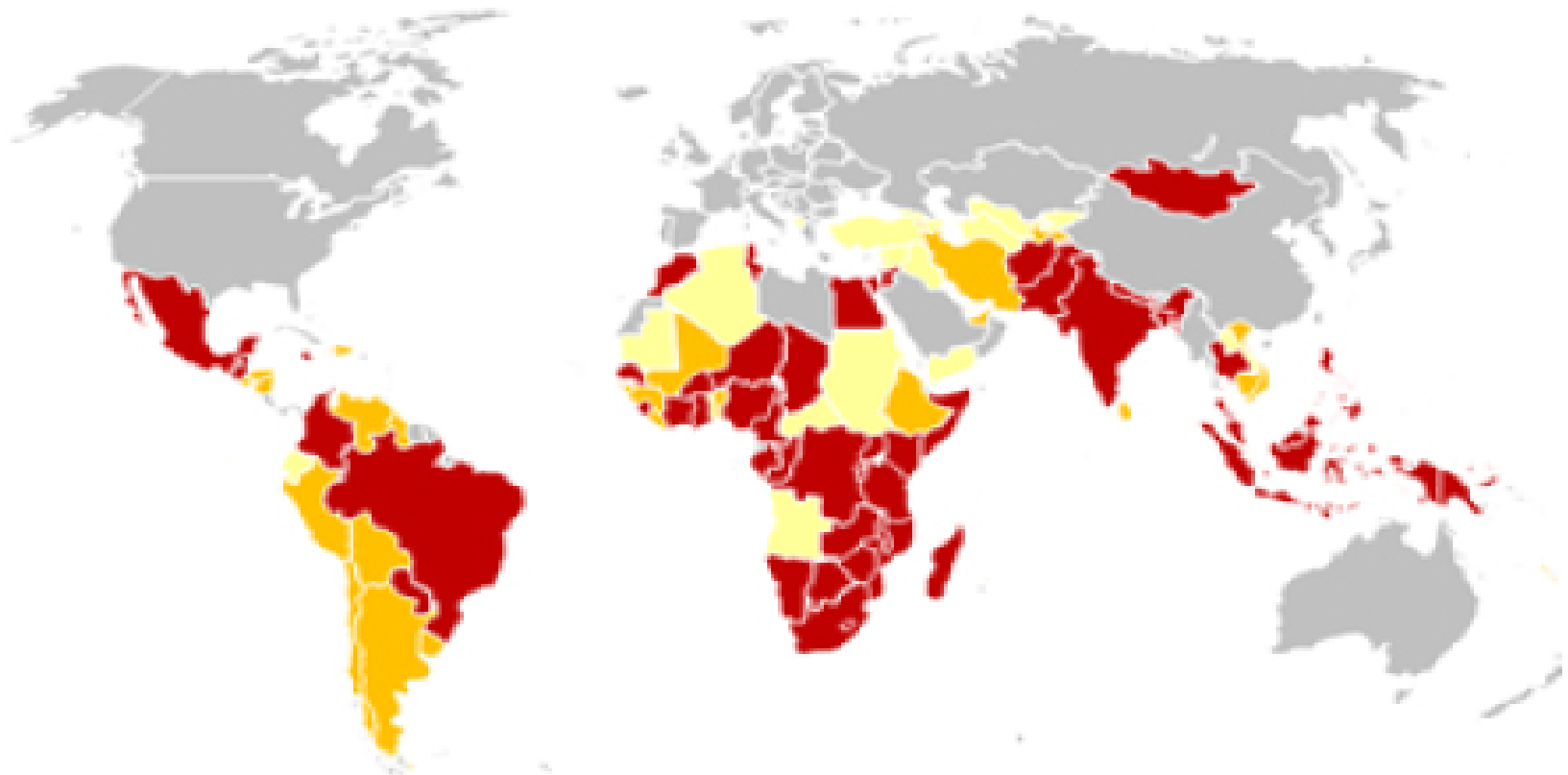
Number of Mobile Money Deployments



Source GSMA MMU 2013 Global Mobile Money Adoption Survey



Map of Mobile Money Service Providers Globally



- Two or more mobile money services
- One mobile money service
- Planned mobile money services

Source GSMA MMU 2013 Global Mobile Money Adoption Survey





Countries with more mobile money accounts than bank accounts and more mobile money agents than bank branches

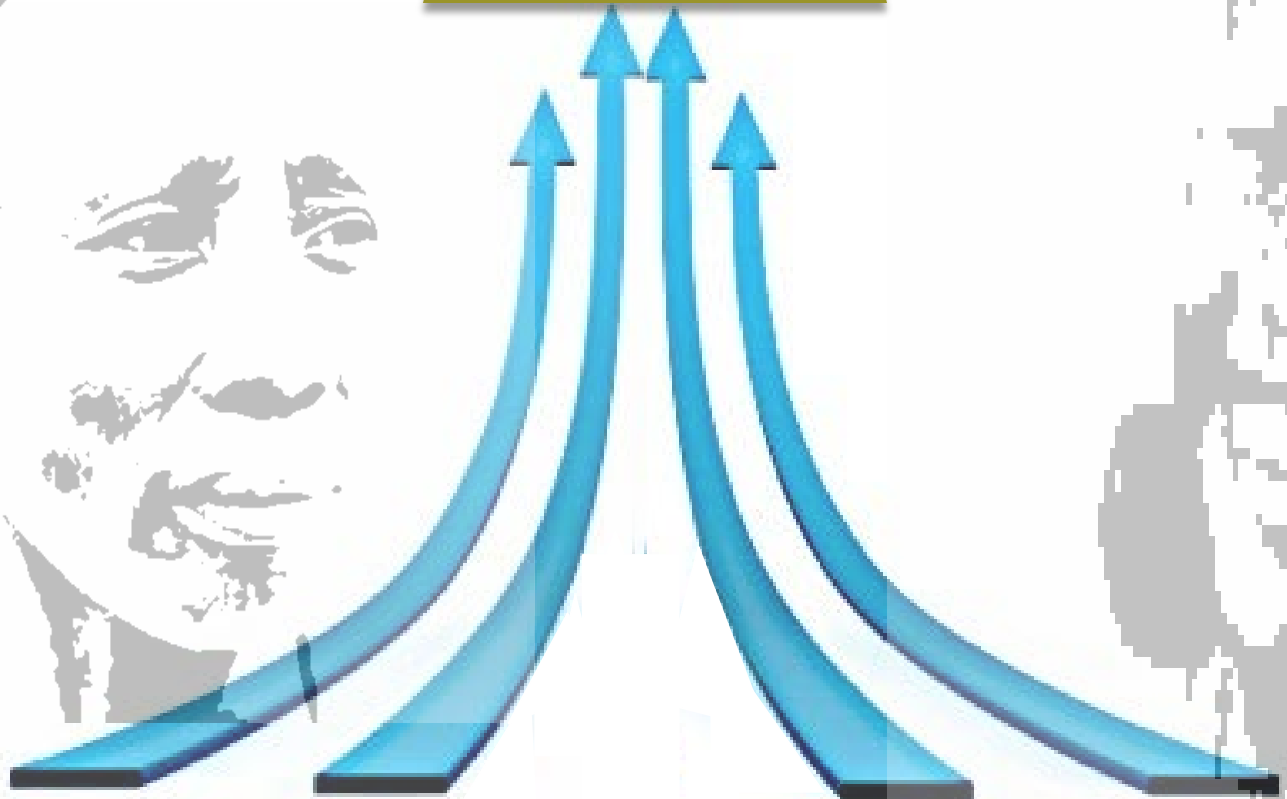


Source GSMA MMU 2012 Global Mobile Money Adoption Survey

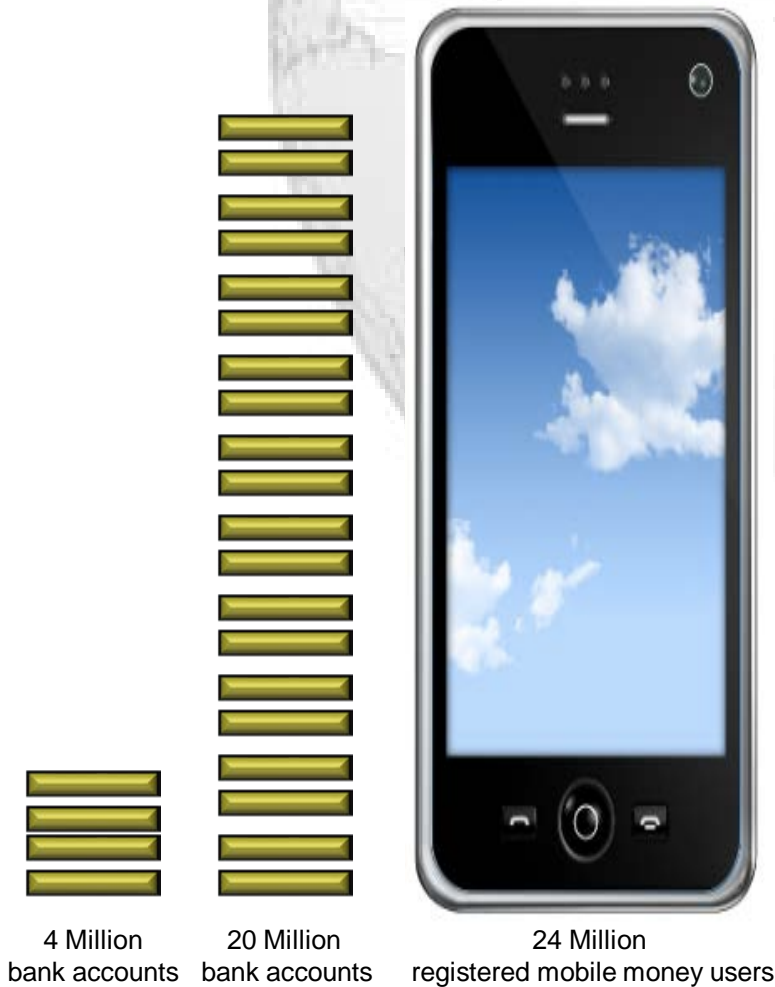
Partnership as a driving force of Financial Inclusion



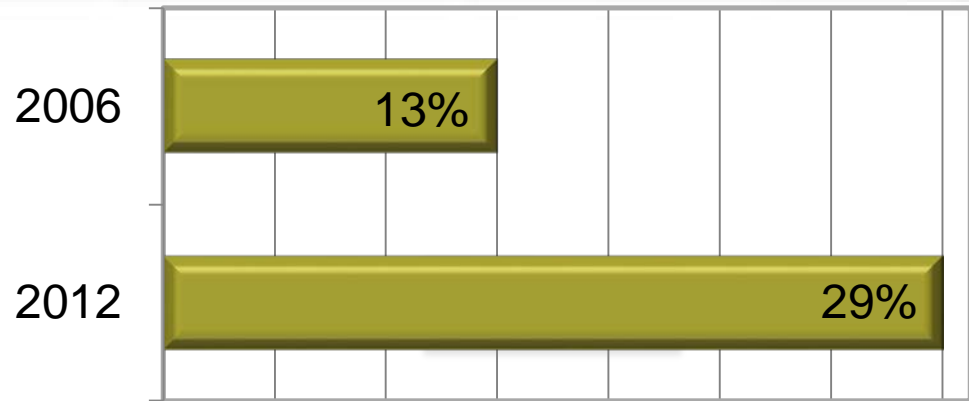
afi Alliance for Financial Inclusion



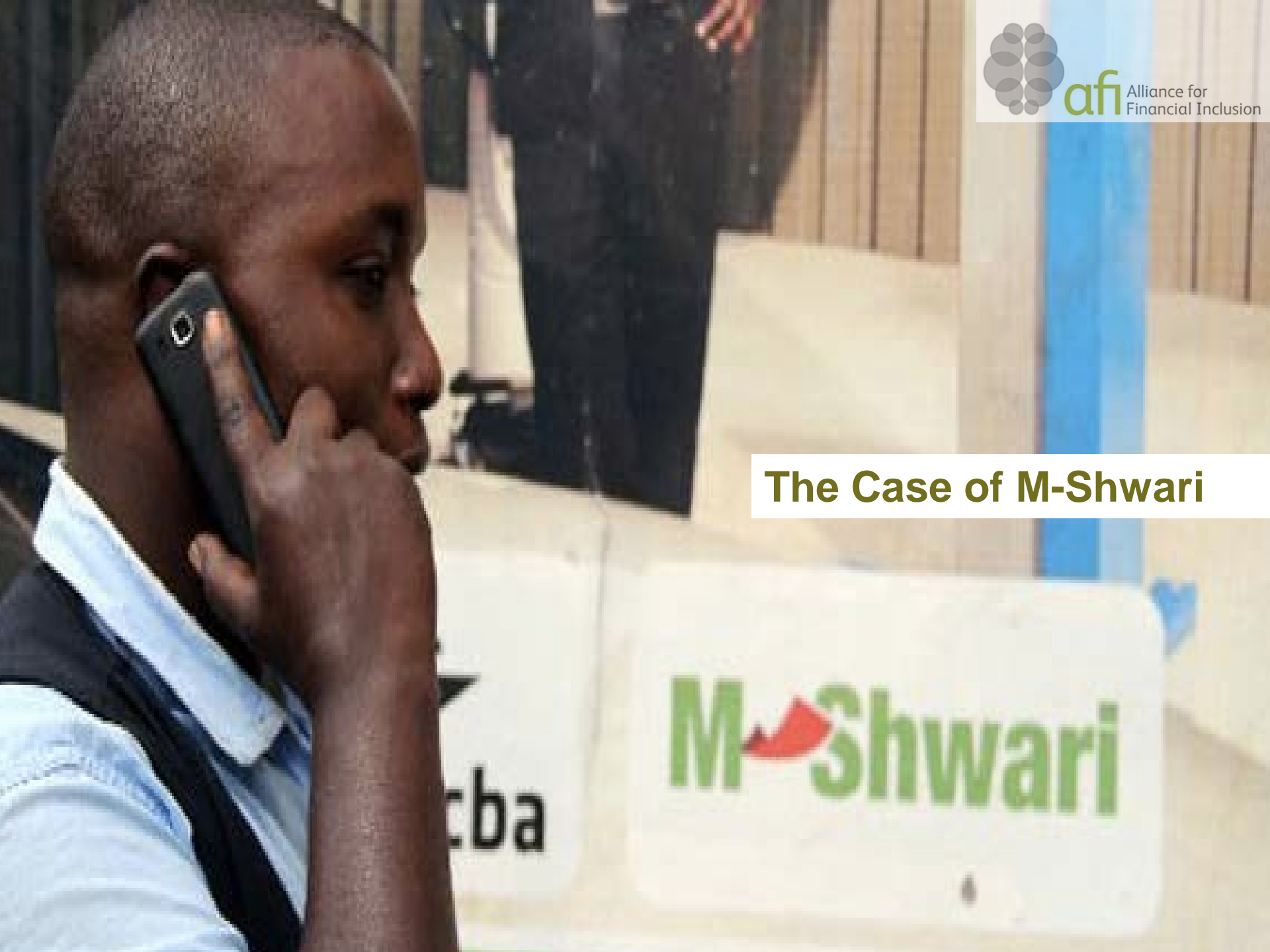
Mobile Money Supporting Financial Inclusion in Other Ways




Percentage of adults using a bank account



The Case of M-Shwari





Terms of condition

Primarily based on data analysis of customer's use of M-PESA

Small Value and Credit Savings

M-Shwari, a savings and credit product from Safaricom and Commercial Bank of Africa (CBA) has registered a phenomenal uptake.

The product enables M-PESA subscribers registered for at least **6** months to get a loan, anywhere from **\$1.15** to **\$235** for a **30** day term instantly into their e-wallets.

Collective deposits
26 billion KES

CBK now
2nd largest bank in terms of # of accounts

Loan balance of
5.2 billion KES

Number of deposit accounts at CBA from
35,000 to 6 Million in a little over one year

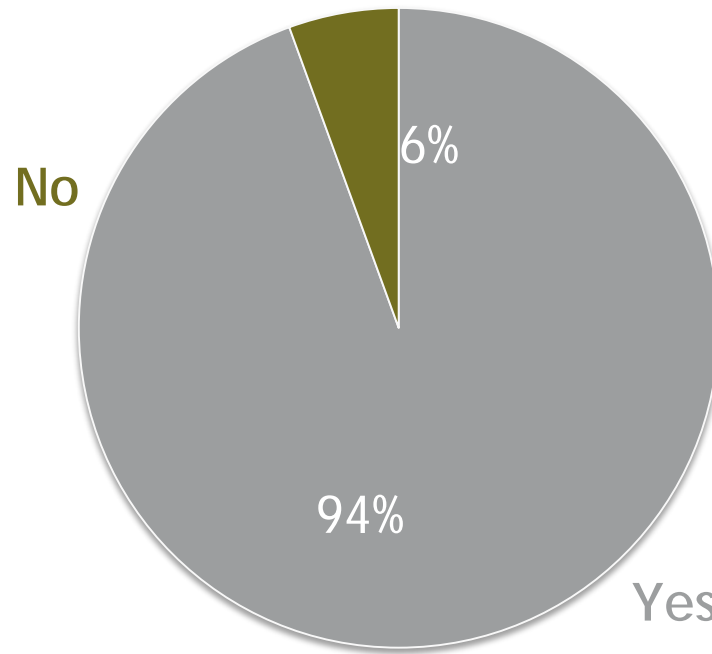
Preliminary Results: Policy Profile Questionnaire



- Covered 4 policy areas: Financial Inclusion Data, Mobile Financial Services, Financial Integrity, and Consumer Protection
- Questionnaire sent to 29 African countries and BCEAO totaling 37 countries.
- Angola, Burundi, Cameroon, Cape Verde, Central Africa Republic, Chad, DRC, Egypt, Gabon, Gambia, Ghana, Guinea, Kenya, Liberia, Madagascar, Malawi, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Sao Tome and Principe, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe and BCEAO (Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal, and Togo).
- 10 countries and BCEAO have responded. The respondents altogether represent 18 countries (49%).

Is there an enabling law, such as an NPS Act, which gives the financial regulator clear authority over payment services including MFS?

Guinea

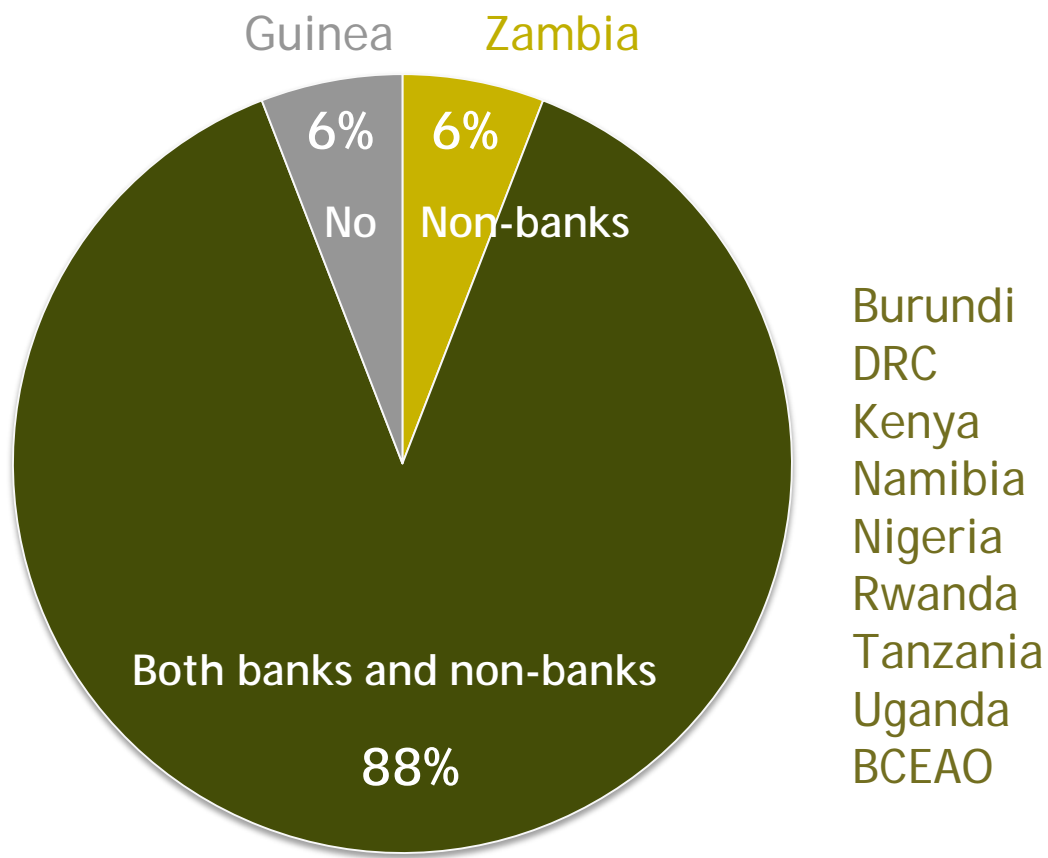


Uganda
Burundi
DRC
Kenya
Namibia
Nigeria
Rwanda
Zambia
BCEAO
Tanzania

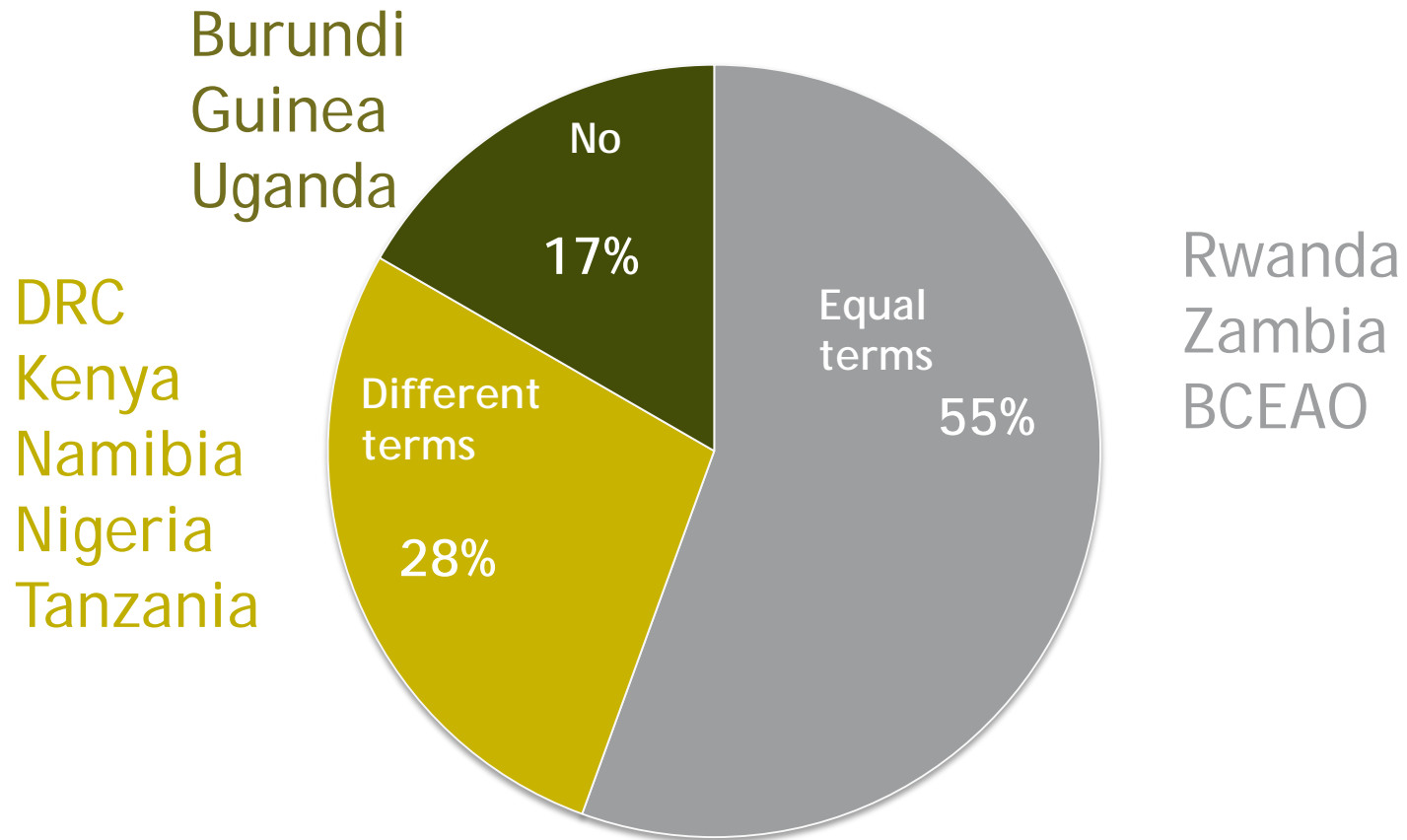
Almost all respondents have the clear legal mandate to regulate MFS.

Are there existing category of account, other than deposit accounts, in which client funds are repayable on demand and which may be issued by banks and/or non-banks?

The vast majority of respondents appears to allow both banks and non-banks to issue e-money.



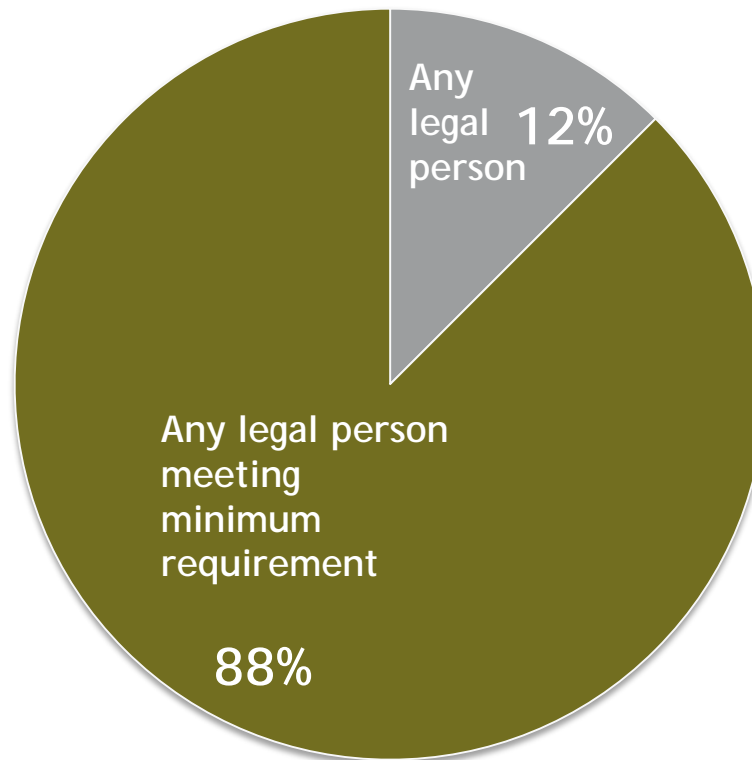
Are both bank and non-bank payment service providers allowed to appoint agents to provide cash handling services, on the same terms and conditions?



The industry appears to be moving towards a level playing field with regards to agents.

Which types of entity may serve as agents for financial service?

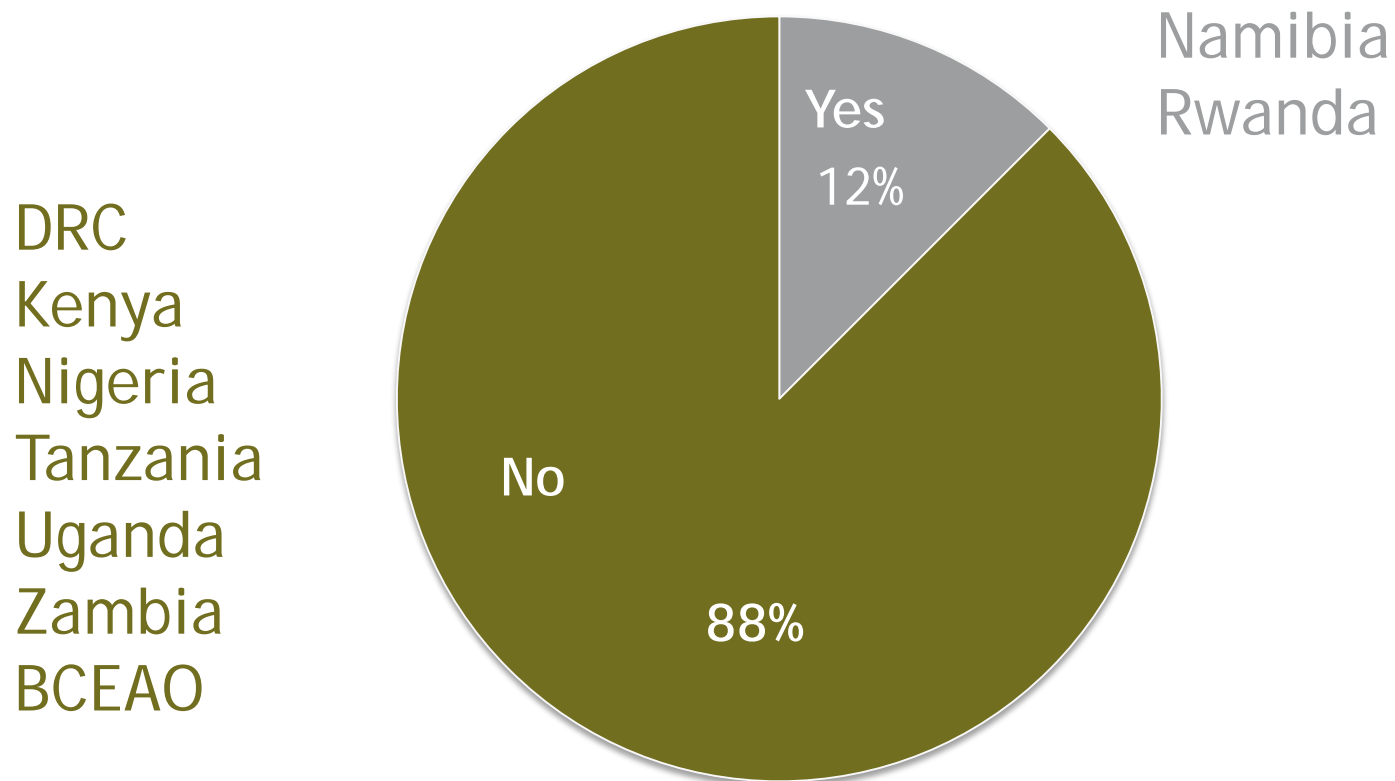
DRC
Kenya
Namibia
Nigeria
Tanzania
Uganda
BCEAO



Rwanda
Zambia

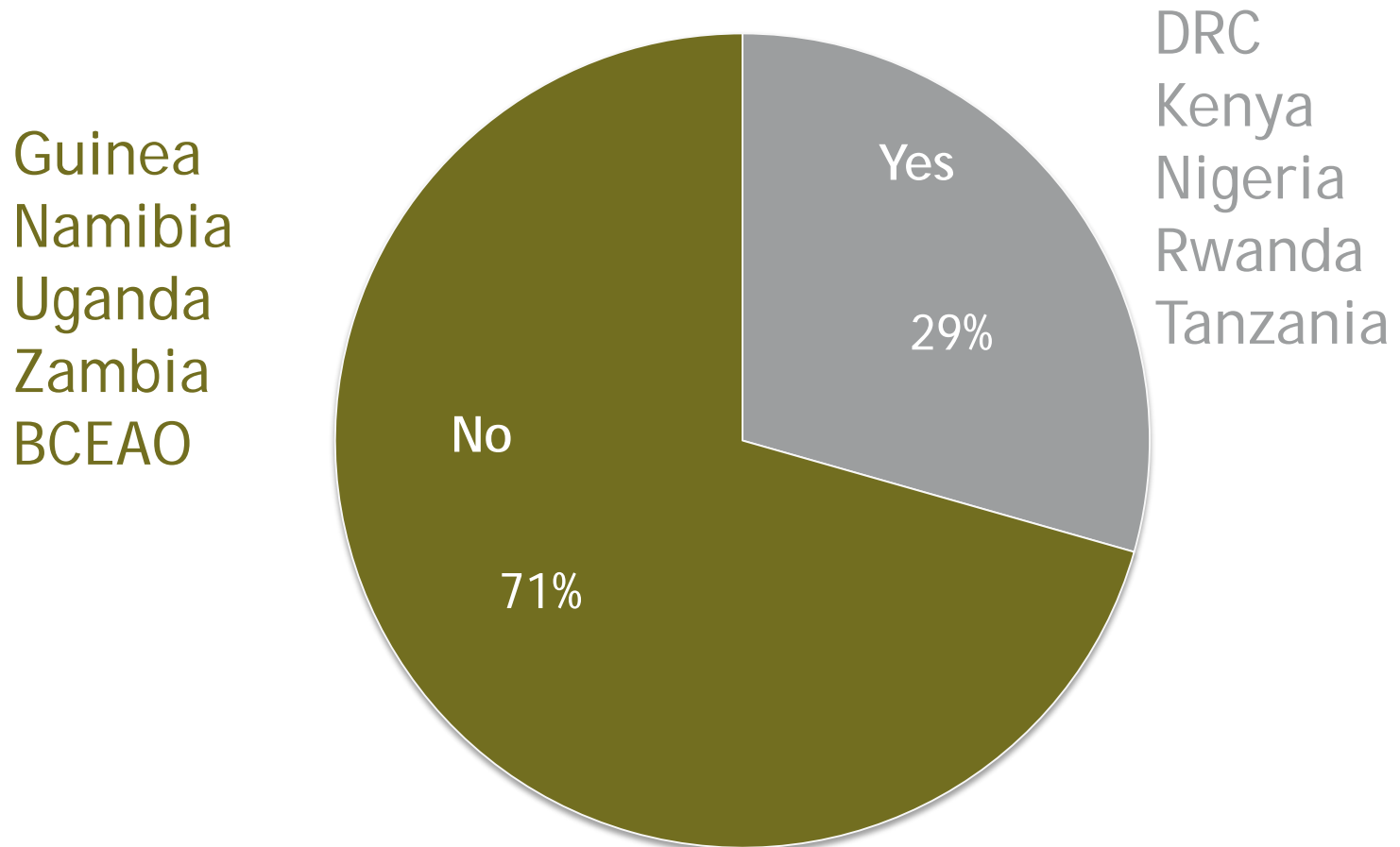
Minimum requirements for agents are the norm.

Are exclusive contracts between financial institutions with agents allowed?



The trend appears to be to prohibit exclusivity of agents, especially in the most advanced mobile money markets.

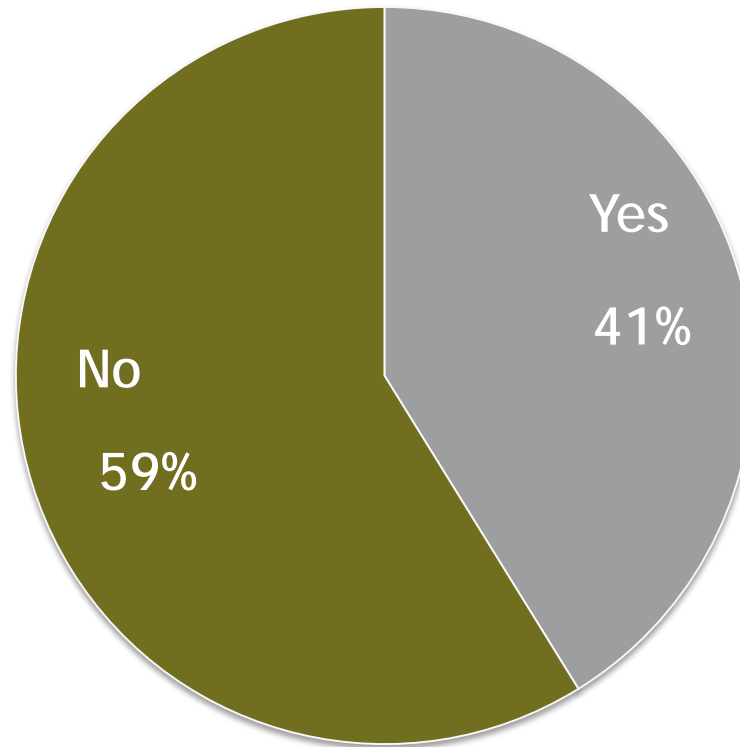
Is remote account opening (such as over the air on a mobile device) allowed for transactional accounts?



The majority do not allow remote opening of accounts but most of the fastest growing markets & national IDs do allow this.

Are payment service providers required to receive customer complaints and enquiries at all times and have to respond within a specified window?

Guinea
Namibia
BCEAO

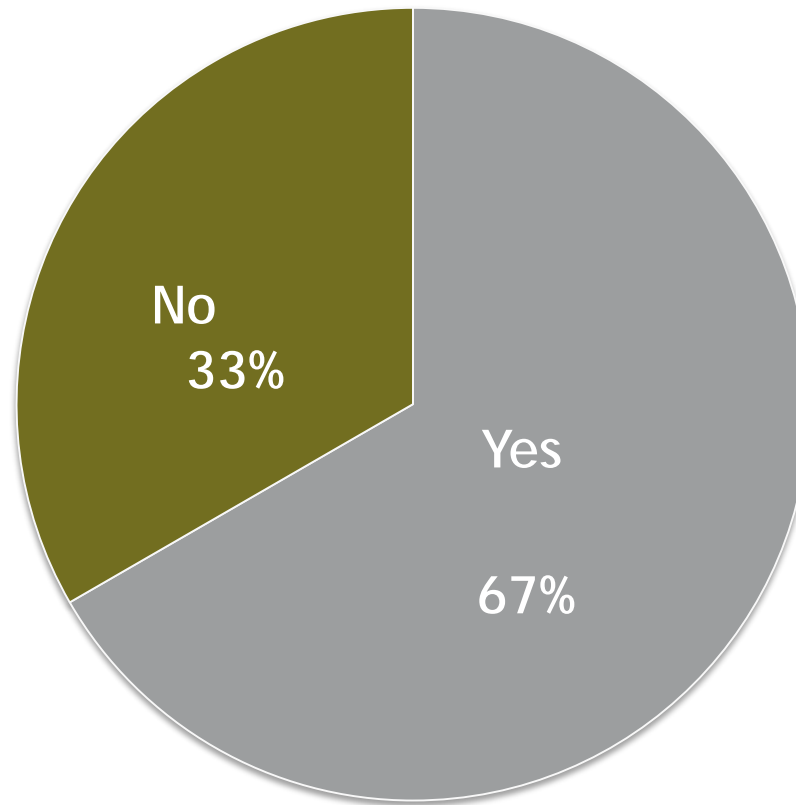


DRC
Kenya
Nigeria
Rwanda
Tanzania
Uganda
Zambia

There is scope for improvement on consumer protection

Does your law, regulations or guidance allow for risk-based simplified CDD where in relation to specific low-risk products and services?

Burundi
Guinea
Kenya
Rwanda
Tanzania
Uganda

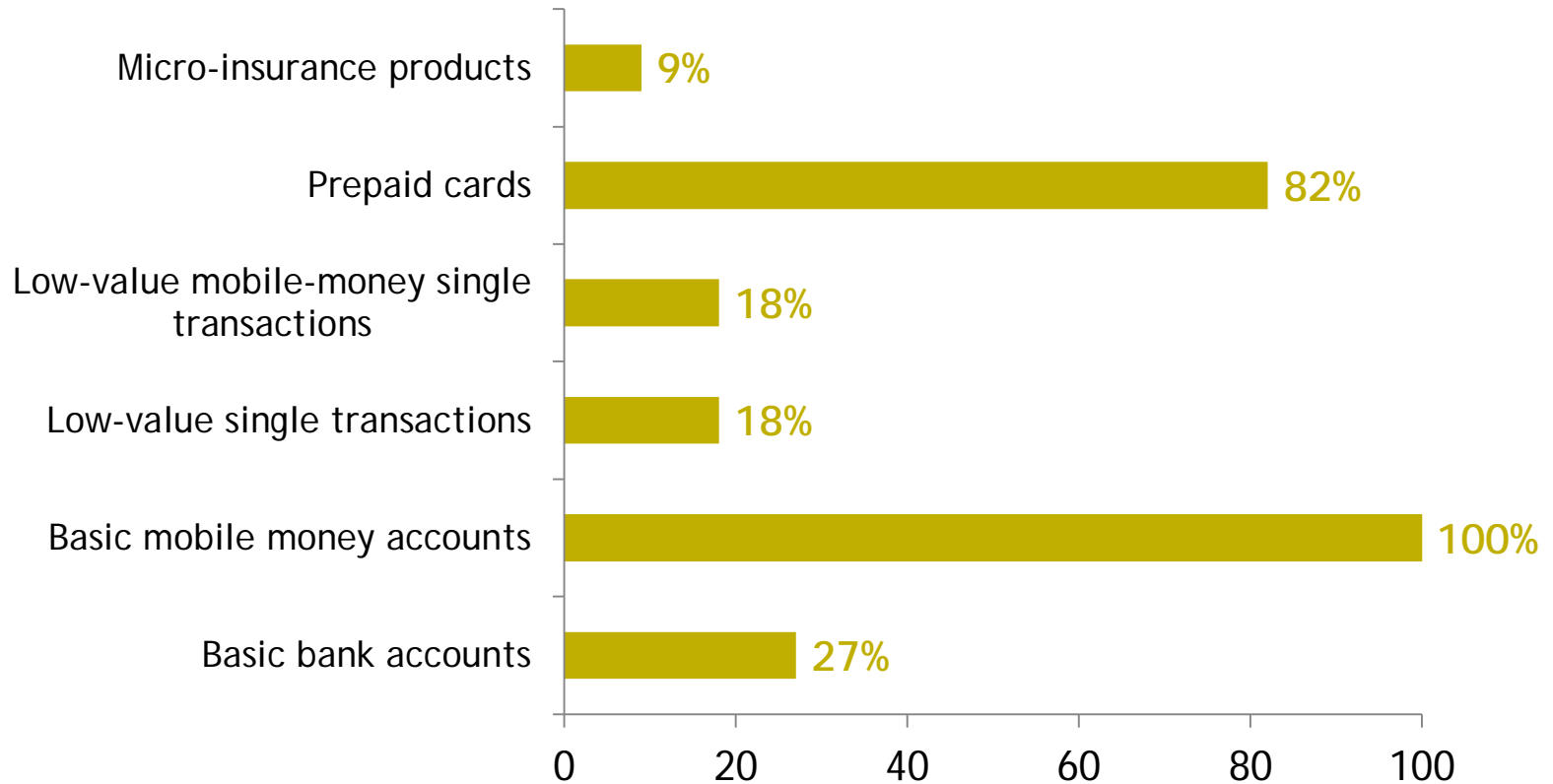


Namibia
Nigeria
Zambia
BCEAO
DRC

While the majority of countries in the survey do now allow for risk-based simplified CDD, many are still working on regulations.

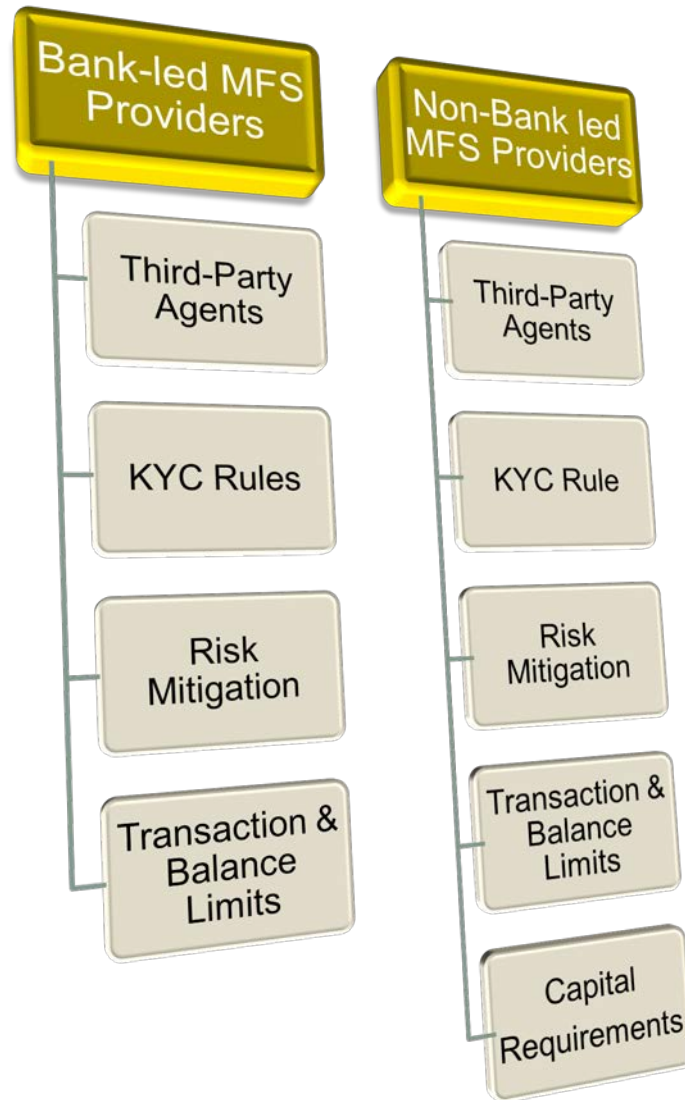
What types of low-value products qualify for simplified CDD in terms of the country's AML/CFT framework?

Percentages* of countries with simplified CDD, by product types



* The denominator is a number of countries that allow risk-based simplified (=11 countries)

AMPI Stock-Taking: Regulatory Environment of MFS in Africa



Measuring Access & Usage of MFS

Dimension Definition		Indicators
Access	Ability to use formal financial services, i.e. minimal barriers to opening an account <ul style="list-style-type: none"> - Physical proximity - Types of services 	Number of MFS cash points per 10,000 adults
		Number of MFS cash points per model
		% of Relevant administrative units with MFS cash points
		% of active MFS cash points
		Average number of MFS types offered by MFS deployment
Usage	Actual usage of financial services / products <ul style="list-style-type: none"> - Regularity - Active vs. Registered 	% of adults with at least one MFS account
		Proxy: # of MFS Accounts per 10,000 adults
		Proxy: # of MFS accounts per 10,000 adults by deployment
		% active MFS accounts
		% active MFS accounts by deployment
		Total Value in US\$ of MFS transaction monthly for all MFS deployments
		Ave. # of MFS transactions per active MFS cash points monthly

Thank you!

info@afi-global.org

www.afi-global.org