Mobile Banking and Mobile Money Development in Asia and Africa

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Key Discussion Points

- Key Concerns in
  - Domestic Wallet
  - Cross Border Remittance
- Technology development in payments and mobile
- Regulatory support
Domestic Wallet

KYC

- KYC of Wallet Account Holder, Distributors, Billers
- External Audit at regular intervals on KYC process

CDD

Screen the mobile wallet account holder against global and local sanction list

Compliance

- Get MNO to adhere to Minimum Control standards
- Min standard based on local and International Regulations
Key concerns in Domestic Wallet

- Establish tight controls around creation and distribution of e-money
- Trust Account balance must match the balance in the MNO m-wallets
- Protect the mobile wallet holder funds
- Protect Money supply from being affected by e-money

The Banks need to adhere to domestic and international regulations
Virtual Card Issuance on Mobile Wallet: convert closed loop into open loop

Mobile Wallet & Closed loop EcoSystem + Virtual Card = Open Loop & Full eComm Interoperability
Cross Border Remittance

- Daily Limits, Txn size limit
- Limit on Total Balances in m-wallet account.
- Velocity check - # of Txn daily, monthly
- Post Transaction Analysis – AML patterns
- Provide FX rate held for a shorter time duration

Commercial banks need to adhere to regulations on sending and receiving country.

Need to adhere to local and international regulation

FX guidelines on both the sending and receiving markets

AML/CTF

Sanctions

- Txn level Sanction Filtering against global and local list
- Screen both sender and receiver during registration.
Technology Advancement in payment & mobile

**Domestic**
- Singapore Immediate Payments - G3
- Low value payments

**European Bank - Apps based**
- Link Bank account and mobile number
  - Get the app
  - Register
  - Send and receive money

**Interbank Mobile Payment Service**
- IMPS-India

**Cross border**
- Credit M- Wallet

- Cash
- MTO Agent
- MTO
- MNO
- MTO Agent
- MNO
- Cash

- MTO
- MNO
- SWIFT Remit
- MNO

- MNO
- MTO
- MNO

- Apps
- Details
- Phone
- Account
Future ATM’s with QR Code scanner and NFC readers

Technology Advancement in payment & mobile

- **Payment Network Providers M-wallet**
  - M-wallet can house supports discounts, loyalty, NFC enabled

- **M-wallet from Mobile Operating system providers**
  - Wallet focused on loyalty cards, coupons, stored value NFC enabled

- **M-wallet – jointly launched by multiple Telco’s**
  - Multi Telco Joint vendor wallet, with multi card network support

- **Mobile Dongle**
  - Converts mobile phone into a Point of Sale POS terminal
Regulatory support

- Establish a minimum control standard for operation of mobile money.
- Currently mobile money is regulated by Central Banks and Telco regulators. Central banks could look at regulating the Mobile money business of Telco.
- FX sell back is a challenge in restricted currency markets. Look at waiving off document required for FX Sell back for a minimum threshold amount.
- Rebate for home remittance to encourage cross border remittance via official channels.
- National ID scheme for easier KYC.
- Allow Interest on mobile wallet savings
- Allow micro loan on mobile wallet account
- Establish clearing infrastructure to clear between different wallet ecosystem and mechanism to clear between m-wallet and bank a/c.