



Mobile Money

“Ultimate Consumer Protection”



GK MPAY ROAD TO DEPLOYMENT

Country Visited	Objective	Product	Stakeholder Consultation
Kenya	Product Development	M Pesa	Service Provider; Regulator; Customer through focus groups
Manilla, Philippines	Product Development	G Cash	Telco; Regulator
Canada	Product Development	Zoompass	Service Provider
USA	Product Development	Rev Worldwide	Service Provider
Guyana	Product Development	Mobile Money Guyana	Service Provider; Regulator; Customer through surveys
Jamaica	Product Rollout	GK MPay	Telco; Regulator; Customer through surveys
Trinidad & Tobago	Product Development	N/A	Regulator

REGULATIONS - JAMAICA

- Regulations –Guidelines for Electronic Retail Payment Services (Bank of Jamaica @ 02/13)
 - Capital Requirements for Issuer – Minimum of USD100,000
 - Issuer must be licensed by Bank of Jamaica (application fee of USD5,000 and annual renewal of USD4,500)
 - Agents (registration; cash in; cash out) must be licensed by Bank of Jamaica (annul fee of USD200)
 - **An independent Custodian Bank must be appointed with a trust account with sufficient funds to fully back mobile wallet balances. Bank must report on a daily basis.**

Limits	Tier 1	Tier 2	Tier 3
Account Limits (JMD129:USD1)	JMD50,000 (USD387)	JMD100,000 (USD775)	JMD150,000 (USD1,162)
Daily Transaction Limits	JMD15,000 (USD116)	JMD40,000 (USD310)	JMD50,000 (USD387)
Cash out Limit within 24 hours	Up to JMD50,000		

REGULATIONS JAMAICA CNT'D

Requirements	Tier 1 – Account Limit of \$50,000	Tier 2 – Account Limit of \$100,000	Tier 3 – Account Limit of \$150,000
Customer Data	Name, Gender, Date of birth, Country of birth & Nationality	Name, Gender, Date of birth, Country of birth & Nationality	Name, Gender, Date of birth, Country of birth & Nationality
	Taxpayer Registration Number (TRN)	Taxpayer Registration Number (TRN)	Taxpayer Registration Number (TRN)
	Photo ID. Applicant must be physically present for validation	Photo ID. Applicant must be physically present for validation.	Photo ID. Applicant must be physically present for validation
		Source of funds must be verified and recorded	Photocopy of Photo ID must be retained
KYC and CDD Requirements			Source of funds must be verified and recorded
			Occupation/Line of business
			Proof of address must be verified and recorded

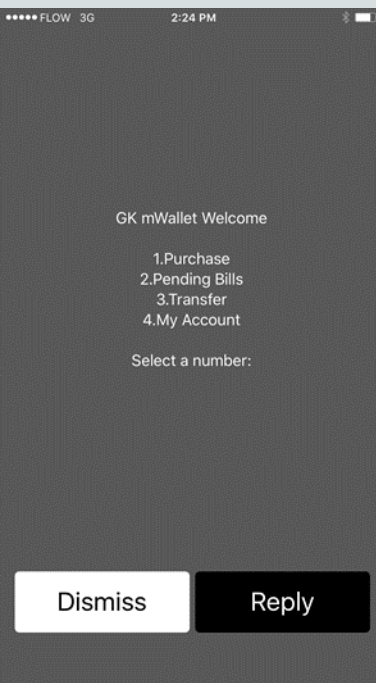
FACTORS AIDING CUSTOMER ADOPTION

- Visible engagement of regulator
- Size of unbanked/underbanked population
- High mobile phone penetration
- High level of Informal/Cash Transactions
- Ubiquity/Convenience of existing customer touch points
 - Bill Payments
 - Mobile Top Up
- Customer discomfort with engaging with formal financial institutions (fees, KYC regulations etc)
- Level of trust/goodwill vested in the Issuer

GK MPAY PRODUCT DEVELOPMENT

Considerations	Solution
Phone Type	Multiple Interfaces <ul style="list-style-type: none">• IOS/Iphone;Android; USSD (*170#)
User Types	Multiple User Interfaces <ul style="list-style-type: none">• Consumer Application (phone); Merchant Application (phone)• Web Application (consumer; merchant)
Security	<ul style="list-style-type: none">• Phone Activation using one time PIN• PIN access• PIN transaction approval• Transaction notification
Distribution	<ul style="list-style-type: none">• Wide network of registration, cash in and cash out points• Wide and diversified merchant network• Wide mix of non retail service merchants

GK MPAY PRODUCT



Peer to Peer Transfers

Remittance Loads (Western Union)

Bill payments (over 40 companies including all utility companies)

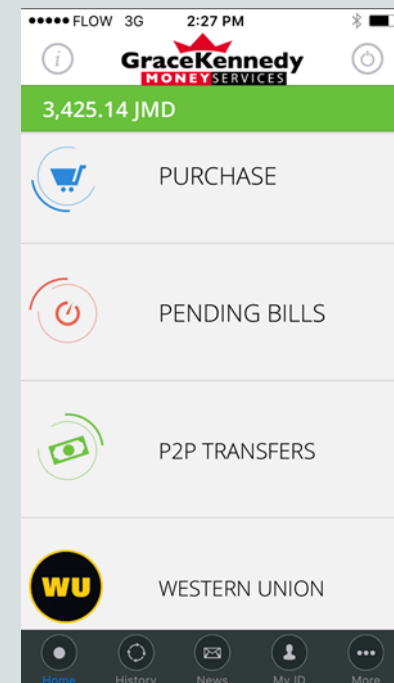
Mobile phone top up (Flow and Digicel – direct to prepaid phone)

Merchant/Retail payments

- Electronic Discount Coupons

Bulk Disbursements – Business to Consumer

Loyalty Points on select transactions



CUSTOMER PROTECTION -CONTRACT

- Non Disclosure of Customer Account Information to third parties
- Best efforts by Issuer to ensure system availability 24 hours/day and 7 days per week
- Best efforts by Issuer to train the customer in the proper use of the service
- Where Issuer is unable to pay funds due on termination the customer has a claim on the Custodian Bank which maintains a trust account fully backing funds on a mobile wallet
- Disputes not resolved between parties are subjected to mediation before binding arbitration

CUSTOMER PROTECTION - PRODUCT

Phone Activation by user with One Time PIN

Web Interface for administration

- Change some aspects of customer information
- View Transaction History
- switch channels – IOS;Android; USSD
- Change PIN/Password; Change Security Text; Generate Authentication Token for CSC identification
- Disable Service to block account

PIN requirement for each transaction

Security Text for CSC support

SMS and in app notification

CRITICAL SUCCESS FACTORS – MWALLET DEPLOYMENT

Regulatory

- Published Regulations/Guidelines to guide deployments and customer adoption
- Effective regulatory monitoring

Distribution

- Wide and varied distribution eg money service agents, banks, credit unions etc

Technology

- Capable, secure and effective technology
- Adaptable telecommunications environment to enable effective messaging and communication

Customer

- Strong goodwill vested in issuer
- Diverse use cases – bill payments, top up, retail purchases, peer to peer transfers, cash in and cash out capabilities

Compliance

- Strong governance and compliance capabilities vested in issuer

References

Regulator – Bank of Jamaica (www.boj.org.jm)

Issuer – GraceKennedy Payment Services Ltd (www.gkmsonline.com)

Product – GK Mpay (www.gkmpay.com)

