Mobile Money Services in Haiti

Mobile Payments: Global Markets, Consumers & New Rules?

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### Mobile money opportunity in Haiti

#### Limited access to financial services through traditional channels

- Poorest country in western hemisphere
- Less than 20% of population have bank accounts – percentage is lower outside top 5 cities
- Bank branches in rural Haiti aren’t economically viable
- One-third of bank branches were destroyed in earthquake
- Essentially a cash/barter economy; only 12k credit card holders/30k debit card holders
- Formal economy is limited; large informal sector lacks records for access to credit
- Cash presents security risks

#### Wireless advantages

- Mobile phone networks cover 90% of population
- 3.5M subscribers, representing 40% of population but 85% of households
- Pervasive distribution networks
- Low service rates allow all economic strata to access mobile services
- International recharge/top-ups allow low-income users to maintain accounts
### Rationales for mobile money in Haiti

#### Customers
- Secure method for storing money
- Convenient and secure method for purchasing goods and services
- Convenient method transferring money to employees/family members elsewhere in country
- Means to develop records of financial activity

#### Wireless carrier
- Customer retention
- Appeal to high-value customers: businesses and NGOs
- Branding: innovation, relevancy, and social responsibility
- Economic stimulation: efficient commerce, wealth creation, and growth in communications
# Functional objectives

## Features and services

- Cash in/cash out
- Countrywide electronic transfers of stored value: consumers and businesses
- Electronic payment for goods and services
- International remittances in future
- Mobile wallets that graduate to formal bank accounts

## Design objectives

- Service based on basic USSD commands: supported by all handsets
- Simple interfaces: intuitive for first-time users
- Secure
- Ability to track transactions and access balances
- Convenient and efficient for merchants and agents
# T-Cash service participants

## Wireless carrier - Voila
- Large customer base
- National presence
- Electronic recharge/top up platform that can handle transfers of electronic value
- Voila will establish trust account that guarantees T-Cash mobile wallet accounts

## Bank partner - Unibank
- Unibank is a leading Haitian bank with national presence
- Affiliate Unitransfer has broad distribution system providing money transfer services
- Affiliate Dynasa has broad retail presence distributing fuel
- Unibank will manage trust account that holds funds guaranteeing mobile wallet accounts
- Unibank will handle T-Cash financial reporting, know-your-customer (KYC), and anti-money laundering (AML) responsibilities
Service participants

Super agents, agents, merchants

- Super agents establish bank accounts and purchase T-Cash value by transferring cash to Voila trust account
- Super agents appoint sub-agents to act as T-Cash points of exchange
- Sub-agents fund their mobile wallets by paying cash to super agents in exchange for T-Cash value on their mobile wallets
- Sub-agents selected based on ability to handle cash transactions (cash-out capability)
- Merchants will establish mobile wallets to accept T-Cash transfers from consumers

Commission structure

- Super agents and merchants earn commissions on cash-out transactions and purchases
  - Commissions paid by Voila and Unibank as well as consumers
- Voila and Unibank earn commissions on transfers from one customer to another
- No commissions paid by customers on small transactions
Transactional overview – Agent m-wallet
Transactional overview – P2P transfer
Creating a mobile wallet
Creating a mobile wallet
Creating a mobile wallet
Votre compte T-Cash a été créé avec succès.
Votre code PIN est le #####.
Transferring T-Cash

Transfert de fonds d’une personne à une autre
Accessing transactional history
Accessing transactional history
## Regulatory issues

### Central bank

- Financial integrity: all mobile wallets backed by cash deposits
- Accountability of bank and wireless provider
- Bank accounts and KYC procedures
- Anti-money laundering procedures
- Consumer protection: transparency of fees, access to records, complaint resolution procedures
- Interoperability among mobile money systems

### Telecom regulator

- Security and reliability of communications
- Consumer protection: access to records, complaint resolution procedures
- Interconnection and interoperability among wireless networks
- Ability to move accounts from one provider to another