

Mojaloop Business Model

Setting up a scheme that matches all stakeholders' business models: hard lessons from Myanmar.

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Mojaloop in Myanmar

Deployment in progress

The Project: Interim Governance



Co-Chairs

Scheme Council

Scheme Advisory



- Lead scheme and set agenda for decision making

- Represent the scheme and approve or reject decisions
- Criteria: Integrate with UAT environment

- Provide input into key decisions (includes tech. vendors as well)
- Criteria: Sign letter of commitment to participate in the scheme

The Scheme: WynePay



Scheme Name

Purpose

Values



To expand the digital payment ecosystem in Myanmar by connecting the dots.

Inclusive

User-Centric

Honest

WynePay in Burmese means
“Let’s pay together”.

Path to Sustainability



Keep costs down

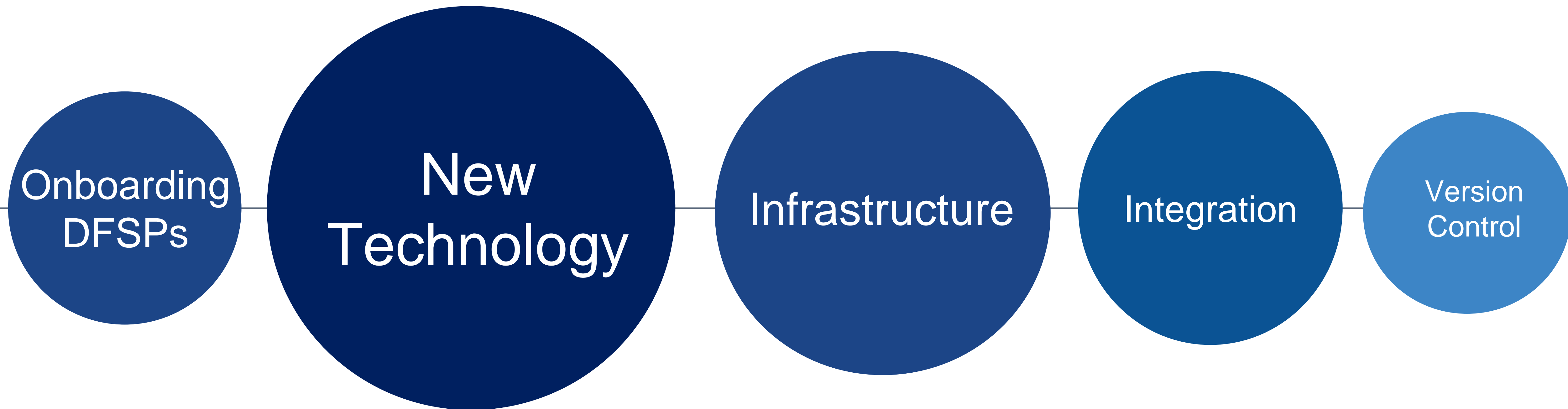
Keep revenue up

Maintain cash flow

Challenges: Costs



Biggest challenge: so many costs are unknown



- Impact of environmental uncertainty: political instability, market fit & industry-readiness
- Exposure to fluctuations in foreign exchange rate

Challenges: Revenue



Biggest challenge: participation fee does not sell well

- How do we pitch a not-for-loss model to stakeholders... when you don't know what the costs will be?
- Building products people care about....How do we prioritize use-cases?
- Details of decisions - hard to discuss before it's real but plenty of room for divergence
- Participation fee might make sense in theory but difficult to sell to DFSPs
- India UPI complaints and how to overcome them

Challenges: Cash Flow



Biggest challenge: revenue will not come until later.
Building a hub is a high risk investment - particularly for the last mile.

- **Mojaloop for a new scheme**

- Opportunity to use Mojaloop from the beginning to demonstrate value — but has to demonstrate real value to convince stakeholders

- **Mojaloop for an existing scheme**

- Opportunity to take advantage of traction and demonstrated value of an existing scheme but it comes with challenges and risks to deploy Mojaloop in a running operation

If someone funds your upfront costs, they may not be focused on the products that will drive revenue now.

Setting priorities



Mechanism

- ✓ WynePay must prioritize limited resources on use cases with specific criteria in mind.
- ✓ Lower priority use cases will be delayed until resources, internal or external, are available.
- ✓ Scheme Council will approve use cases to develop.

Use Case Prioritization Criteria

- ☐ Participant demand
- ☐ Volume generation
- ☐ Inclusion impact
- ☐ Revenue generation
- ☐ Level of complexity

Tools

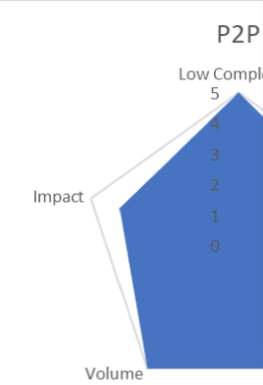
P2P

Description

A sender with an account in one wallet can select "Transfer funds", select the receiving institution, and enter an identifier (either phone number or account number). The sender receives confirmation of the recipient and fees, and the transfer. Funds are cleared in real time and settled at the end of the day. Until regulation allows, MFIs will need to perform KYC checks on recipients.

Analysis

The cash crunch in Myanmar makes all disbursement use cases dependent on P2P being enabled. This use case has the strongest demand from all classes of DFSP to reduce burden on agents and rising cash out fees. Impact is very high to reduce costs and increase participation in the digital economy. The level of complexity is the lowest among all potential use cases. Revenue generation is unknown at this stage because fees are not decided. To drive volumes, it is recommended to make transfers initially free to users. Participants will need to see the value of free transactions to overcome the advantage of the two leading wallets. The volume generation potential is the highest because network effects can take over. Other use cases are largely unidirectional and therefore have a finite number of potential transactions.



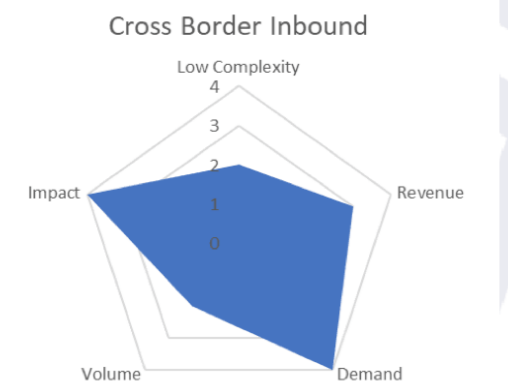
Cross Border Inbound Remittance

Description

A sender with a foreign bank account, initially Singapore, can send money to a Myanmar bank account or wallet using an alias as an identifier. Funds are cleared in near real time. The alias can be a phone number or account number. Forex and required CDD checks will be done by the settlement bank. The use case will probably require registration of receiving parties KYC prior to accepting. After traditional wallet receiving is enabled, direct MFI loan repayments can also be enabled.

Analysis

Participant demand is incredibly high and will drive additional wallets to use the platform. End user demand is also high with people using illegal mechanisms to fund wallets from Singapore to Myanmar. Volume potential is lower than domestic P2P as most digital cross border remittances struggle to gain significant traction, but revenue potential is high for each transaction. Impact potential is also very high as Myanmar migrant workers usually pay very high fees. The country and currency depends on remittances, which means formalizing cross border inbound remittances will have a positive impact on the country. Visa has expressed interest to participate in WynePay for this use case, which will bring a large number of wallets that would like to use Visa as a source of funds. Level of complexity of the use case is very high.



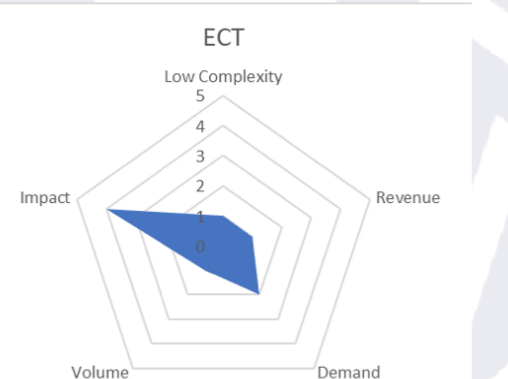
G2P / ECT

Description

A single organization like the GoUM, WFP or a factory wishes to send funds from a single account in a bank to a large number of accounts held by multiple DFSPs.

Analysis

G2P or ECT was initially intended to be part of the MMD project and remains on the roadmap, however a suitable ECT sending organization was not identified in time for the grant agreement. The market demand appears low from sending organizations and their beneficiaries. Existing INGO ECT programs will likely not generate enough volume or revenue to cover the CapEx of getting the use case live. This use case could drive more wallets to participate in the system. In the future, G2P programs like pensions or salary programs could provide enough scale to make investment by the scheme and hub operator viable. Alternatively CapEx could be covered by leading organizations wanting to use the platform. The potential for impact is very high.



		5 (highest)	5 (highest)	5 (highest)	5 (highest)	5 (highest)	
1	Repayment						
1.1	Repayment via wallet	4	4	4	5	3	
1.2	Repayment via OTC	5	5	5	4	4	
2	Loan disbursement						
2.1	Loan disbursement via wallet	3	4	4	5	3	
2.2	Loan disbursement via wallet - bulk	4	4	4	5	3	
2.3	Loan disbursement via OTC	5	5	5	2	4	
3	ECT/G2P	3	2	3	3	1	
3.1	To Wallet / Account	3	4	4	5	3	
3.2	Via OTC	4	4	4	5	3	
4	Savings deposit	5	5	5	2	4	
4.1	Savings deposit via wallet	3	2	3	3	1	
4.2	Savings deposit via OTC	3	4	4	5	3	
5	Savings withdrawals	4	4	4	5	3	
5.1	Savings withdrawals via wallet	5	5	5	2	4	
5.2	Savings withdrawals via OTC	3	2	3	3	1	
6	Cardless ATM withdrawals	3					
7	Cross border	3	4	4	5	3	
7.1	Inbound cross border	4	4	4	5	3	
7.2	Outbound cross border	5	5	5	2	4	
P2B		3	2	3	3	1	
P2P		5	5	5	5	5	4

Chicken and egg conversations



Reality

vs.

Theory

Changing personalities



At the Regulator

At the Scheme

At the DFSP



Thank you!