

## GOOGLE CODE IN 2019



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### Digital Financial Services Mobile Money Ecosystem

**Who are the major mobile money players in Burundi?**

- Alipay
- WeChat Pay
- World Remit



**How widely is Mobile Money used in Burundi? Is it interoperable?**

CGAP research indicates that cross-border remittances are an opportunity. CGAP performed a nationally representative survey across East African markets and found that around 8 percent of phone owners send/receive across borders, and 2-3x this number travel across borders. While many cross-border transactions are being made through mobile money corridors, the vast majority of travelers still carry cash. Add to this the fact that the number of travelers is at least double the number transacting, and a significant potential opportunity emerges. Around 75 percent said they would prefer to use mobile money cash-out if available. Yes, it is interoperable now.

## **Alipay**

Services/Products- Alipay is used in smartphones with their Alipay Wallet app. QR code payment codes are used for local in-store payments.<sup>[16]</sup> The Alipay app also provides features such as credit card bills payment, bank account managements, P2P transfer, prepay mobile phone top-up, bus and train ticket purchase, food order, ride hailing, insurance selection, digital identification document storage.<sup>[17]</sup> Alipay also allows online check-out on most Chinese-based websites such as Taobao and Tmall.

Cost structure- Alipay charges a fee of 0.1 percent to customers who use the service to decrease their credit card debt.

No. of users-1 billion users

Transaction volume of ALIPAY- The limit is different according to different payment option and different bank card, you can see the notice details when you check the payment option on Alipay account. On the PC end, the verified account's limit on each transaction is 20K RMB and 20K RMB for a day.

## **WeChat Pay**

Services/Products- WeChat is a Chinese multi-purpose messaging, social media and mobile payment app developed by Tencent. It was first released in 2011, and became one of the world's largest standalone mobile apps in 2018.

Cost structure- Transaction fees structure with WeChat Pay is very similar to AliPay – it is free for most transactions. The fees of 0.1% start at withdrawals over 10,000 RMB as well as overseas transactions such as in case of cross border commerce.

No. of users- 1 billion users

Transaction volume of WeChat Pay-On WeChat, the daily limit for each transaction is 10,000 RMB(1,500 USD), the annual transaction limit of WeChat “Balance” is 200,000 RMB (30,000 USD).

## **World Remit**

Services/Products- WorldRemit is an online money transfer service that provides international remittance services. It was founded in 2010 by Ismail Ahmed, Catherine Wines, and Richard Igoe.

Cost structure-

No. of users- 3 million

Transaction volume of World Remit- Usually, the fee for bank transfer is lower and it is higher for cash pickup and mobile wallet transfers. The transfer fee can range from \$3.99 to \$24.99 depending on various factors such as the currency, country, amount, and delivery option.

## Digital Infrastructure

### Level of adoption of electronic money in Burundi



Burundi's economic and financial program, supported by the International Monetary Fund (IMF) under the Extended Credit Facility (ECF), aims to consolidate economic and political gains, promote inclusive economic growth, contain inflation, and strengthen policies designed to combat endemic poverty in rural and urban areas. The Memorandum of Economic and Financial Policies (MEFP) supplements the December 2011, July 2012 and January 2013 MEFPs. It reports on implementation of the program's quantitative targets and structural benchmarks through end March 2013 and defines the economic policies and reforms the government intends to implement in the second half of 2013 to achieve the objectives of its economic and financial program.

**Reference-**[https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/04/SOTIR\\_2015.pdf](https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/04/SOTIR_2015.pdf)

<https://www.imf.org/external/np/loi/2013/bdi/082113.pdf>

**Have there been any national laws passed to ease transition away from cash?**



The judicial system is organized through the Code of Organization and Judicial Competence of 17 March 2005. There's a Burundi Poverty Reduction Strategy Paper.

**Reference-**

[https://books.google.co.in/books?id=xMBLsPHAOO8C&pg=PR8&lpg=PR8&dq=national+laws+passed+to+ease+transition+away+from+cash+in+burundi&source=bl&ots=ohIBrk\\_WwJ&sig=ACfU3U2i\\_uwWSPDqZU6\\_4liawKXOThNphQ&hl=en&sa=X&ved=2ahUKEwjNwoDU5o\\_nAhXZzzgGHf-fDu4Q6AEwAHoECAoQAQ#v=onepage&q=national%20laws%20passed%20to%20ease%20transition%20away%20from%20cash%20in%20burundi&f=false](https://books.google.co.in/books?id=xMBLsPHAOO8C&pg=PR8&lpg=PR8&dq=national+laws+passed+to+ease+transition+away+from+cash+in+burundi&source=bl&ots=ohIBrk_WwJ&sig=ACfU3U2i_uwWSPDqZU6_4liawKXOThNphQ&hl=en&sa=X&ved=2ahUKEwjNwoDU5o_nAhXZzzgGHf-fDu4Q6AEwAHoECAoQAQ#v=onepage&q=national%20laws%20passed%20to%20ease%20transition%20away%20from%20cash%20in%20burundi&f=false)

**Is there a national real-time payment system in Burundi? What are the payment systems?**



CMA is carrying on the project for providing the Bank of the Republic of Burundi with Automated Transfer System (ATS), including RTGS (Real Time Gross Settlement System), ACH (Automated Clearing House) and Central Securities Depository (CSD).

ATS will be later connected to COMESA's Regional Payment and Settlement System (REPSS) and Eastern African Payments System (EAPS). Development of the ATS is initiated by the Project for the Development of the financial and Private sectors (PSD) with the support of the International Development Association (IDA).

CMA counts more than 15 national and interregional projects covering more than 40 African countries and is keen to strengthen its leadership position in Africa, having in its portfolio the majority of the projects implemented in French speaking countries, through the interregional integration projects. The system is under implementation.

## **Mobile Wallets & Payment Systems**

**Who are the major mobile wallet providers?**

Alipay, WeChat Pay and World Remit are the major mobile wallet providers.

### **Alipay Business Model**-Tackling the Issue of Trust

**WeChat Pay Business Model**- WeChat provides diversified services and its business model is complex. As WeChat serves different parties (both individual users and service providers), its business model is a multi-sided model.

**World Remit Business Model**- WorldRemit is an example of a “product” business model. The company has created a product allowing customers to transfer money electronically via its website or mobile phone app to third parties.

### **Who are major Fintech players? What banks have finlabs or financial innovation labs?**



- FinBank Burundi.
- Banque Commerciale du Burundi (Burundi Commercial Bank) (BANCOBU)
- Banque de Gestion et de Financement (Banque de Gestion et de Financement) (BGF)
- Banque Burundaise pour le Commerce et l'Investissement (Burundi Bank of Commerce and Investment) (BBCI)

### **Which ones are focused on financial inclusion in Burundi? What products & services do they offer?**

The Bank of the Republic of Burundi (BRB) realized that they couldn't develop effective financial inclusion policies without reliable data on access, usage and quality of financial services in the country. To this end and with support from AFI, they undertook a national demand-side survey to diagnose the state of financial inclusion. The study describes the multi-stakeholder approach, involving both the public and private sector and gives a

summary of the findings. The findings enabled policy makers to identify barriers and areas of focus for financial inclusion, leading to the development a national strategy. The data also enabled policymakers to set national financial inclusion targets.

**Reference- <https://www.gpfi.org/publications/use-financial-inclusion-data-country-case-study-burundi>**

**Reference-<https://www.bizcommunity.com/Articles/36/751/key1-20180706105000.html>- FINTECH NEWS BURUNDI**

**CONCLUSION-** Major problems are delays in the operationalization of the National Financial Inclusion Strategy (NFIS) and Low coverage of the telecommunication network in Burundi. The Bank of the Republic of Burundi (BRB) realized that they couldn't develop effective financial inclusion policies without reliable data on access, usage and quality of financial services in the country. To this end and with support from AFI, they undertook a national demand-side survey to diagnose the state of financial inclusion.

## **SOURCES ATTACHED WITH THE TASK**

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