

Artificial Intelligence for Business

Cases



Lecture 14

Professor: Asror Norov

I. Mobile Banking v/s Mobile Money

MOBILE BANKING

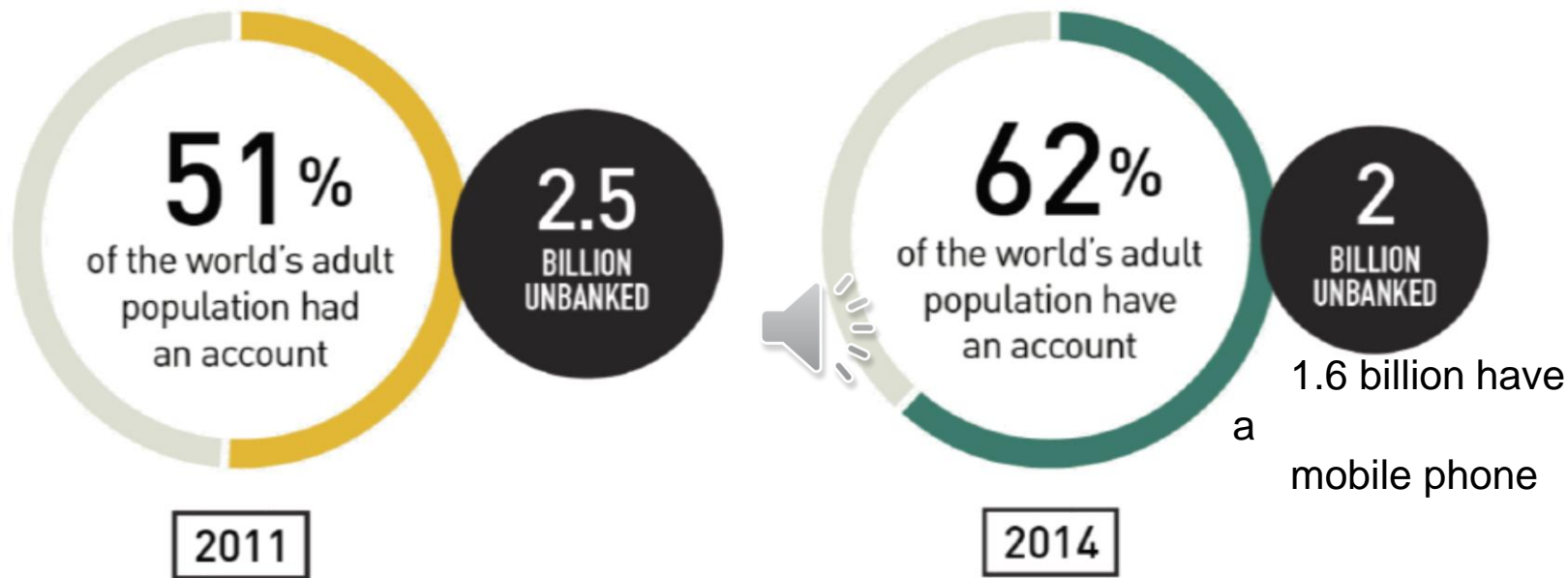
- Banking services delivered through a mobile phone. Need a bank account.

Digital Financial Services

- The use of ICTs and non-bank retail channels to extend the delivery of financial services to unbanked.
 - Bank account not needed.
 - Use of agents for cash in and cash out.
 - Use mobile handsets and other digital means for transactions

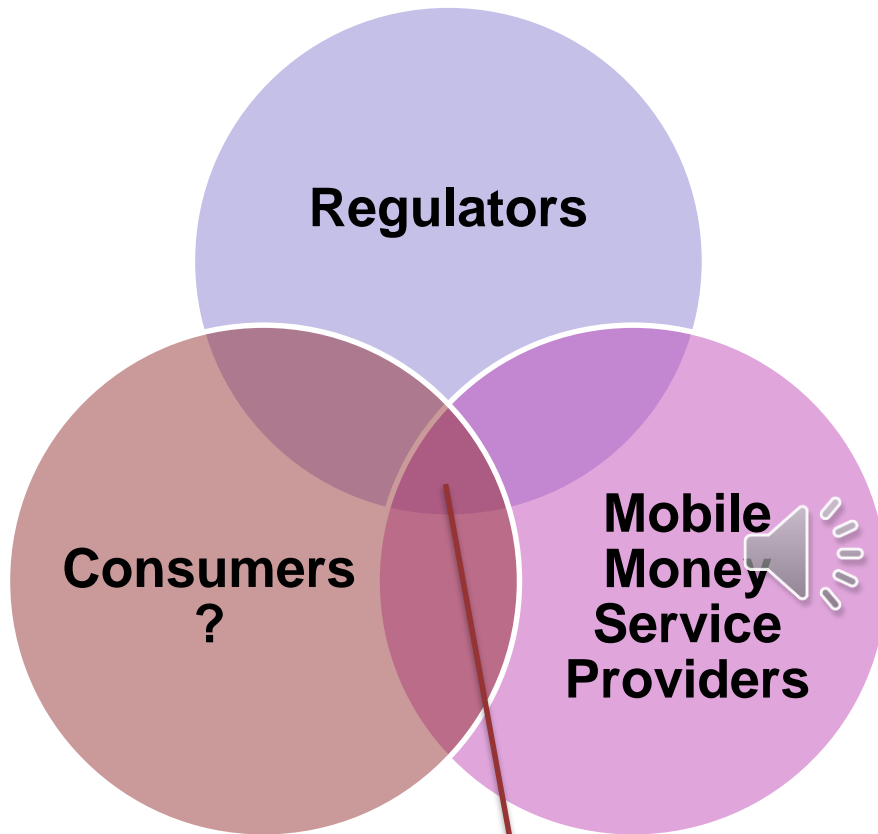
III. Digital Financial Services and Financial Inclusion

More adults have an account (with a financial institution or mobile money service) now than three years ago.



Source: FINDEX 2014

VI. Stakeholder Alignment



Successful Deployment


SERVICE PROVIDERS (commercial viability):

- ❑ High volume of low margin transactions
- ❑ For MNOs: increasing average revenue per customer, reducing customer churn
- ❑ For banks: expanding the customer base to low and middle income segments

REGULATORS :

- ❑ Mitigating systemic risk
- ❑ Protecting the consumer
- ❑ Promoting financial inclusion

VII. Critical Success Factors

- ◎ Interoperability
- ◎ Technology impact on ecosystem
- ◎ Regulatory Dialogue 
- ◎ Consumer Risks
- ◎ Security Issues
- ◎ User Friendliness

VIII. ITU FG DFS

ITU Focus Group Digital Financial Services (FG DFS)

- Duration: 2 years
- Open to all stakeholders
- 1st Meeting: Geneva, 5th December 2014.
 - 97 participants, 25 countries
- 2nd Meeting: Washington DC, 21st April 2015.
 - 78 participants, 25 countries
- 3rd Meeting: 30 Sept – 2 October 2015, Malaysia
- 4th Meeting:
 - 15-17 December, ITU, Geneva
 - 14 December: Workshop on Digital Financial Services and Financial Inclusion

www.itu.int/en/ITU-T/focusgroups/dfs/

Stakeholders

- ◎ International Organizations
- ◎ Central Banks
- ◎ Telecom Regulators
- ◎ Mobile Money Operators
- ◎ Payment Service Providers
- ◎ DFS Platform Providers
- ◎ Standards Development Bodies

VIII. ITU FG DFS

Stakeholders

BILL & MELINDA
GATES *foundation*



THE WORLD BANK



UNCTAD



Better Than Cash
Alliance



VIII. ITU FG DFS

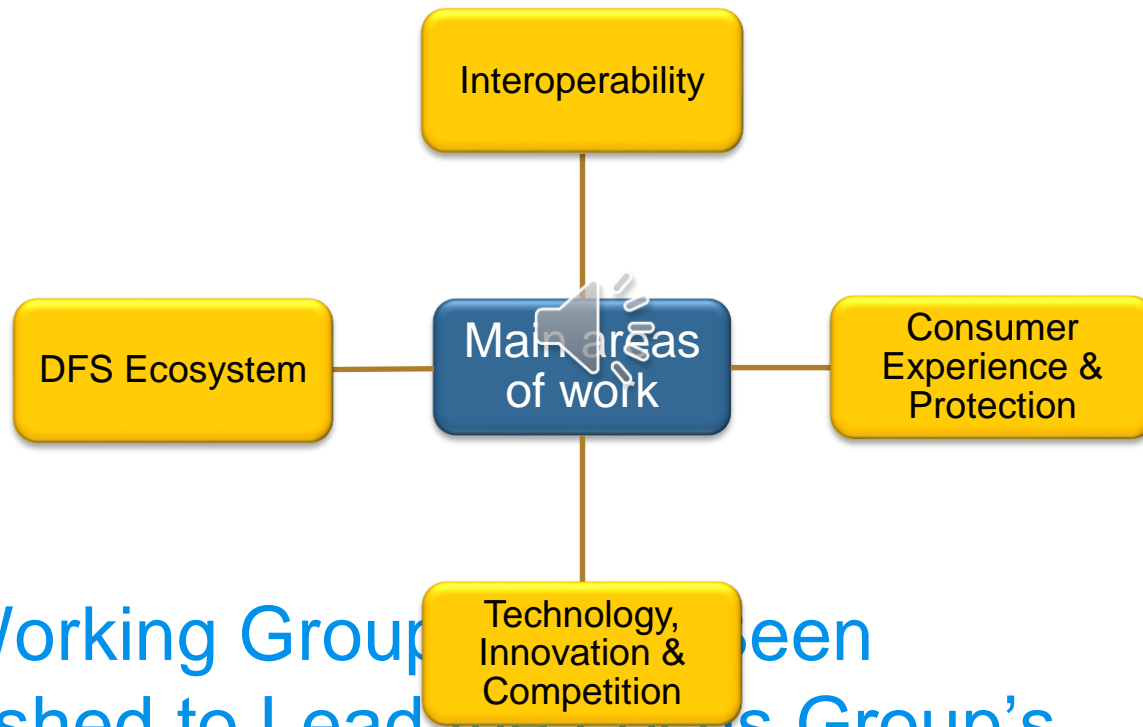
GOAL: Recommend a standardization roadmap for interoperable digital financial services for financial inclusion.

Objectives

- ❖ Identify the technology trends in digital financial services
- ❖ Describe the ecosystem for digital financial services.
- ❖ Identify successful use cases for implementation of secure digital financial services.
- ❖ Study the best practices related to policies, regulatory frameworks, consumer and fraud protection, business models and ecosystems for digital financial services.
- ❖ Suggest new work items for ITU-T Study Groups



VIII. ITU FG DFS



Four Working Groups have been
Established to Lead the Focus Group's
Efforts

Working Group Tasks

DFS Ecosystem

- Obtain, review and leverage **existing documents** on global digital financial service specifications, standards, guidelines (including SG2 in TSAG-TD 158), etc. Some 65 documents related to DFS have been reviewed
- **Describe definitions of terminology and taxonomy** for digital financial services
- **Describe the ecosystem for digital financial services** in developed and developing countries and the respective roles and responsibilities of the stakeholders in the ecosystem
- **Identify key elements** of the ecosystem necessary for financial inclusion
- **Establish liaisons and relationships** with other working groups; determine need for future ITU-T actions

Interoperability

- develop a working definition of interoperability for digital financial services,
- undertake stocktaking of successful / unsuccessful initiatives for interoperability,
- develop a descriptive paper (which will include amongst others; a definition of interoperability, use cases, and discuss the layers and dimensions of interoperability identified by the working group) and
- develop a toolkit for interoperability.

Working Group Tasks

Technology, Innovation and Competition

- Six workstreams have been established
 - Review of DFS Platforms
 - Collect handset specifications in use in developing markets
 - Collect handset types in use in developing markets
 - Security for DFS
 - Big data
 - Competition Issues



Consumer Experience and Protection

- Develop guidelines for consumer protection for DFS
- Develop guidelines for quality of service in DFS.