

**WEBINAR QUESTIONS, February 2017**  
**RESPONSIBLE DIGITAL PAYMENTS GUIDELINES**

**Guideline 2.1: Are there any views as to whether the costs of holding e-wallet matching funds in a trust account are likely to be greater (or less than) risk-based prudential supervision?**

Mr. Ruan Swanepoel commented that there is insufficient evidence available to be able to give a definitive answer to this question. However, an increasing amount of regulatory attention is being paid to the safeguarding of client funds in e-wallets. This includes a focus on the safe management of trust funds. For example, in Tanzania external auditors will be required for these funds going forward. Further, in Peru, Mr. Elias Vargas Laredo noted that both bank and non-bank e-money issuers are supervised by the Superintendency of Banking (SBS) and have to meet the capital and risk management requirements.

**Guideline 2: Do both banks and non-banks have direct access to payments systems such as RTGS system in Peru?**

Mr. Elias Vargas Laredo responded that, in the case of Modelo Peru, both banks and non-banks issuers of e-money can make payments to each other directly through the platform, which is similar to an RTGS. Modelo Peru allows transactions to be carried out between all participants at any time and in real time.

**Guideline 2.1: In Peru, does deposit protection apply to matching funds held in trust accounts? If so, does it pass through for the benefit of individual account holders?**

Mr. Elias Vargas Laredo responded that, in Peru, deposit protection only applies to deposit accounts, which do not include e-money accounts or the related trust account. This is why another mechanism is needed to protect the funds of e-money clients (such as the trust account requirements).

**Guideline 3.2: How can cost concerns with responsible digital payments be managed by the provider? For example, the costs of providing transaction receipts?**

During the webinar, Mr. Madhur Deora noted that investing in consumer protection is not a difficult business decision-- as adoption of the Guidelines creates sustainable customer behavior, which is

consistent with the primary objective of any payments company to build trust in its platform. If a payments provider fails on these Guidelines, then its business will be hard to sustain.

**Guideline 4.1: How can you design a product that suits women’s needs, especially given possible language barriers?**

Designing any product to fit customer needs requires a deep understanding of the challenges of the market – or the market segment (such as women). Mr. Madhur Deora said that in India some of the challenges include, the issue of multiple languages, a large rural population, a cash-based society and potential users who have never made a card based transaction. On the question of language, **Paytm** has responded to the language concern by adding 10 Indian languages to their app.

**Guideline 5: What are the challenges to enabling interoperability? How can regulators help?**

Mr. Ruan Swanepoel commented that industry may not see interoperability as a priority because of concerns about protecting their market position. For example, agent interoperability is likely to be a concern for the first mover in the market. E-wallet interoperability at the customer level, which allows P2P transfers between clients of different schemes, is much more palatable. He suggested that interoperability is more likely to be successful if industry is involved in the design of the system and both sender and receiver share in the revenue opportunities.

Mr. Ruan Swanepoel also noted that regulators can help by creating an environment where all stakeholders openly participate and benefit from a sharing of guidance from the regulators and “lessons learnt” from other countries. Ideally interoperability is not mandated – rather it happens through willing participation in the scheme. Overall, the focus should be on building a framework which stimulates economic growth and facilitates competition, whilst protecting consumers.

From the Peruvian perspective, Mr. Elias Vargas Laredo noted there are currently no mandated interoperability requirements in Peru, although e-money law allows SBS to define them if needed. He referenced the Modelo Peru platform, which is interoperable across 3 levels: e-money issuers (transactions can be made between accounts with different issuers); MNOs (users can perform transactions between all MNOs); and agents (transactions can be performed at the agent of any participant in Modelo Peru).

