





**Digital Financial Inclusion & Digital Fiat Currencies –
Challenges & Opportunities**

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The need for Financial inclusion

- A significant number of adults (2 billion) in the developing world have no access to basic banking services
- This lack of access constrains growth and prosperity for both consumers and the economy
- Using mobile phones for banking (m-banking) offers tremendous opportunities to enhance growth and development.

Status of Mobile Money

**276 Mobile Money Active
Deployments in 90
Countries**

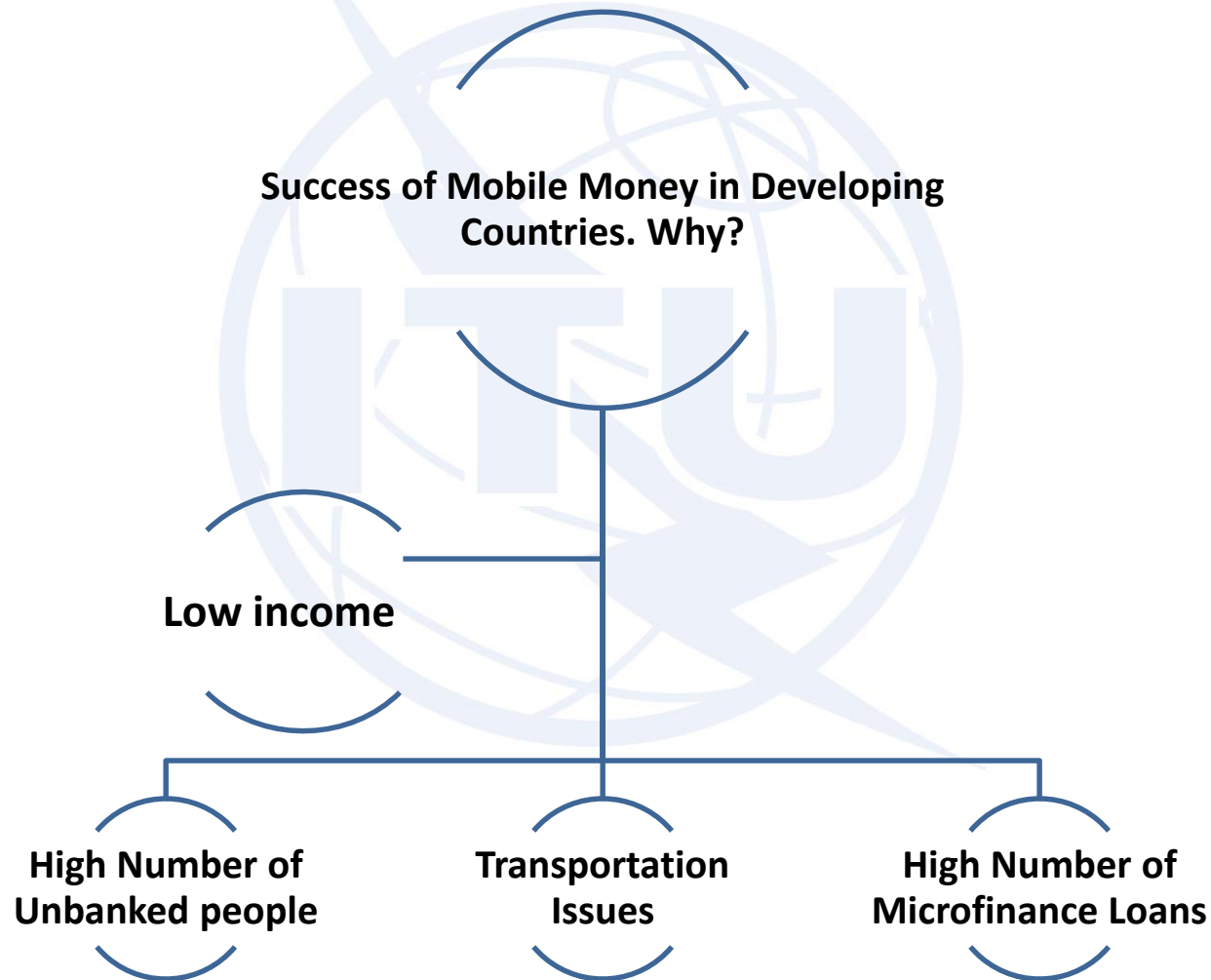
**690 Million registered
Mobile money account
worldwide**

**Mobile Money direct
revenues reached over
2.7 Billion USD**

**Mobile Money Industry is
processing over 1 Billion
USD on a daily basis**

**168 M active account
transferring an average
amount of 188 USD
monthly**

In general most of the mobile money success stories are in the developing countries.



Roles of the Telecom & Banking regulators

Telecom Regulator

- * Market Entry
- * Competition
- * Charges & Tariffs
- * Universal Access
- * Quality of Service

Banking Regulator

- * KYC
- * Security
- * Integrity of Transactions
- * Cashing Out

Coordination between Telecom and banking sectors on the security matters

- Support KYC
- Necessary infrastructure deployed
- Necessary regulatory Framework
- Continues Audit on the outlets

Still there are lots Challenges in expanding the usage of mobile banking services

- Awareness & Trust
- Dual Regulatory Reference
- Security
- Customer Intelligence: Understanding customers' needs
- Interoperability between service providers
- Involving more non banking institutions

Will Digital Fiat currency resolve the Regulatory & Security Challenges?

What is Digital Fiat Currencies?

It is the digital form of fiat money which is a currency established as money by government regulation or law.

More features:

- Issued by Central banks
- Sovereign Domination

Challenges for Digital Fiat Currency

- Regulations
- Security
- Ecosystem Challenges (Central banks, merchants, Operators, etc)

Challenges for Digital Fiat Currency

- Consumer protection & Trust
- Awareness
- Cost of Transformation

Opportunities for Digital Fiat Currency

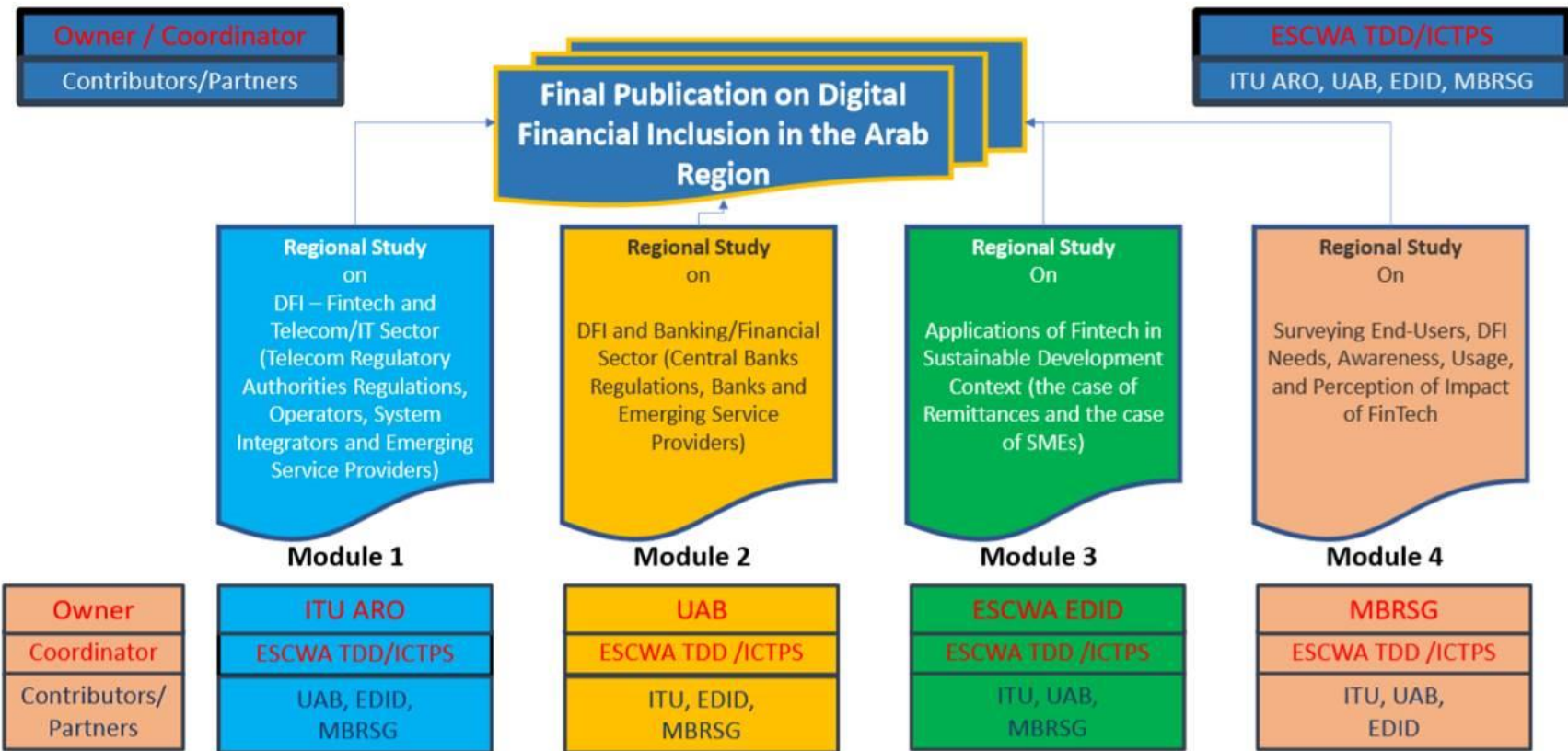
- Reduce the cost of cash
- Ease of Flow of money between Government and individuals
- More transparency for informal economy
- Provide highest degree of security to enhance trust in digital ecosystem
- Accelerate financial inclusion
- Increase in E-commerce & the use of Mobile financial service

Opportunities for Digital Fiat Currency

- Solidifies central bank role as the sole issuer of DFC
- Enables interoperability, standardization and faster development of digital economy ecosystem
- Reduction of transaction & payment fees
- Monetary Policy Assistance

Regional Studies on Digital Financial Inclusion in Collaboration with UNESCWA, MBRSG and UAB

Skeleton for Inter-Organizational Partnership on Arab Digital Financial Inclusion Initiative ADFII



Thank you

