



DIGITAL FINANCIAL INCLUSION FOR MONGOLIA

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Country Profile





Demography

Population: 3,165,000

Density: 1.76 per km²

Capital: Ulaanbaatar (45%)

No. of province: 21 provinces

Language : Mongolian

Ethnic groups: 82.4 % Khalkh

3.86 % Kazakh 13.74 % Others

Religion: Buddhism 53%,

Muslim 3%,

Shamanism 3%,

Christian 2%

Geography and climate

Territory: 1,564,115.75 km² (19th)

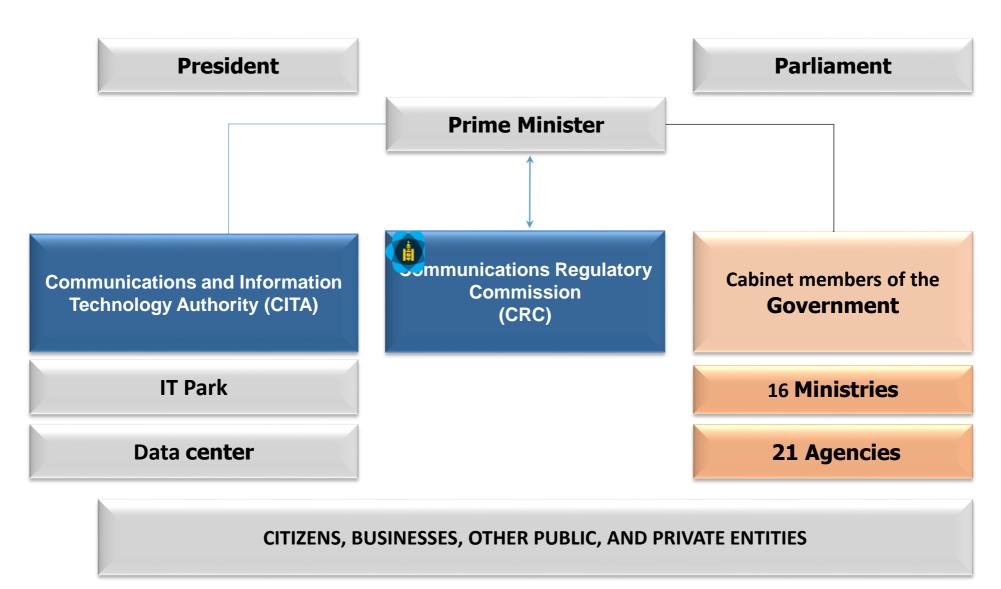
Climate: 4 seasons, extreme continental winter ave. -23,

summer ave. +25 sunshine >250 days/year

Highest peak: 4,267 m above the sea.

ICT sector organizational structure







DFI timeline



July 2014 Geneva, Switzerland

- ✓ ITU Focus Group on Digital Financial Service established by 60 organization of 30 countries
- ✓ Lead by Mastercard, Telenor, Oredoo

November 2016 Bangkok, Thailand

- ✓ ITU FG finalize the guidelines and documents
- ✓ ITU-D established DFI WG
- ✓ CRC and Mobicom participated the WG meeting

December 2016 Teleconference

- ✓ Mobicom intended to be Pilot Project
- ✓ Promoting CRC to lead the project

July 2017 Nassau, Bahama

✓ ITU will introduce and finalize the report at ITU CRO meeting.

June 2017 Ulaanbaatar, Mongolia

✓ ITU and stakeholders discussed about current condition and challenges

May 2017 Teleconference

✓ ITU, CRC, and Mobicom were agreed project scope, agenda, outcome

Teleconference

February 2017

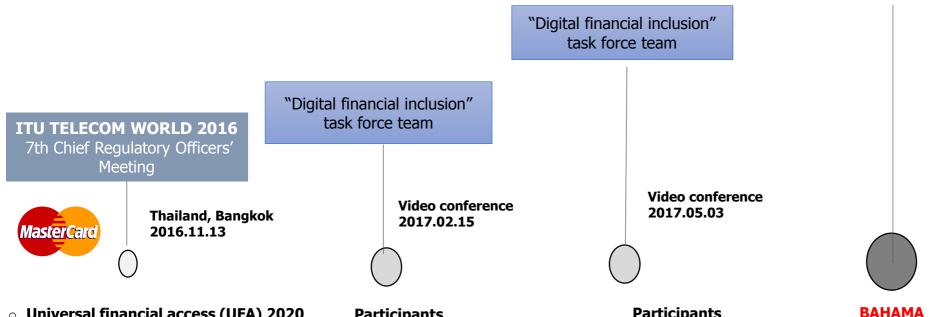
✓ ITU announced that Mongol and Sudan are selected to be the pilot project.



DFI timeline



Chief Regulatory Officers' working group



- o Universal financial access (UFA) 2020
 - World bank
 - o ITU members
- o Digital financial inclusion-
- Working group
 - o Legal framework,
 - o Cross-sector activity (Communications and Financial institution)
 - o Pilot, case study

- **Participants**
 - Master card
 - o CRC
 - Mobicom
 - o Other 19 participants

Output

- Mongolia
- Sudan
- System security case study

Participants

- o CRC
- o FRC
- Mobicom
- o ITU

Output

- Consulting assistance
 - o ITU consulting in **June to Mongolia**

2017.07.12

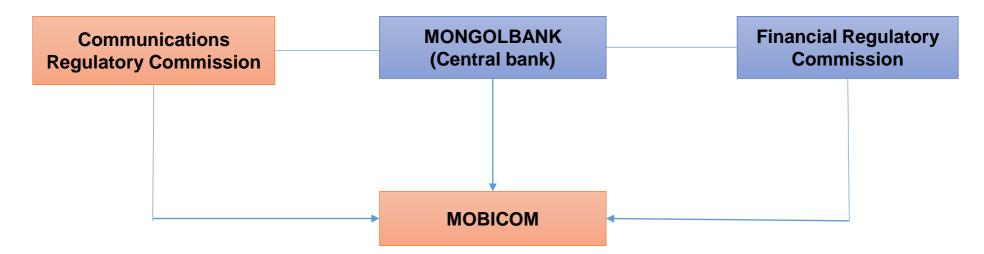


Legal framework



- ❖ In 31 of May 2017 Mongolian Parliament approved NATIONAL PAYMENT SYSTEM LAW
- **❖** Should be changed 12 regulation related to new law

Stakeholders



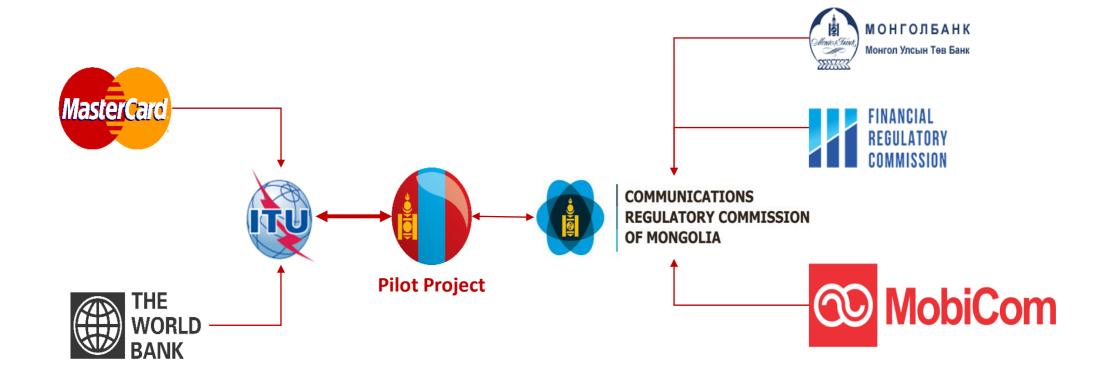
OUTCOME

- raise awareness of the regulatory, policy, technical and market issues relating to DFS
- foster a common understanding of the policy issues and regulatory approaches related to the dynamic interaction between telecom services markets and mobile financial services
- serve as a platform for enhanced cross-sector dialogue and coordination of each sector's relevant mandates, strengths and powers on specific issues
- sharing of best practices with other countries.





Legal framework



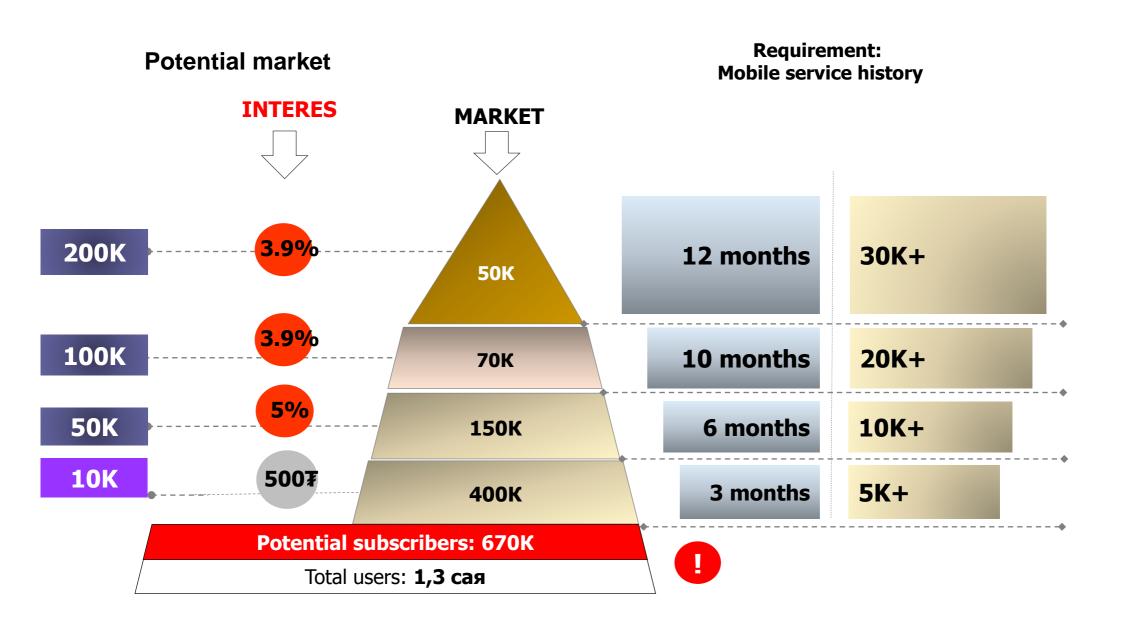
OUTCOME:

- Mongol Bank agreed to have National Payment System Council member from CRC and NBFIA
- ✓ Mongol Bank will openly get comment on new regulation by its website.
- Established good networking with stakeholders
- ✓ Discussed stakeholders' challenges
- ✓ Waiting final report from ITU





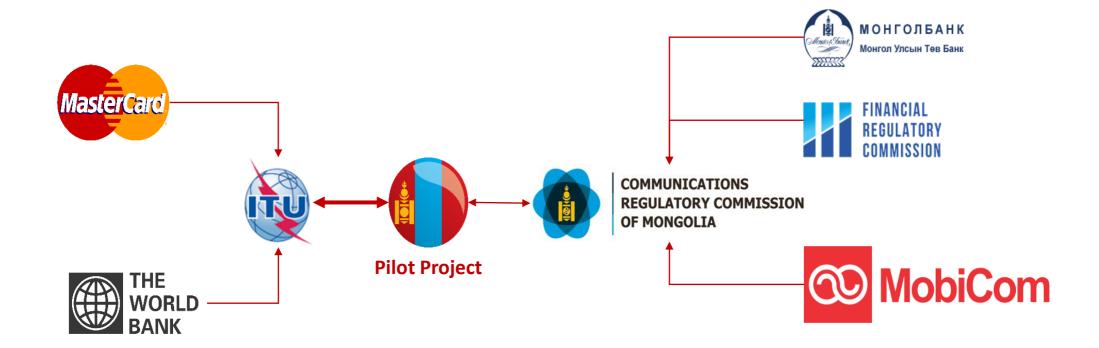
Message Loan (Pilot ongoing project)







Outcome and challenge



OBJECTIVE: WHAT REGULATORS NEED TO KNOW

- WG will develop an in-country assessment on the current ecosystem for Digital Financial Services (DFS) and Digital Financial Inclusion (DFI)
- WG focus on regulatory policy areas for cross-sector collaboration between financial and telecommunications/ICT regulators and other stakeholders such as competition authorities and cyber security agencies and stakeholders.
- The assessment study will focus on areas and mechanisms for formal and informal collaboration between financial and telecommunications/ICT regulators with respect to DFS and DFI



COMMUNICATIONS
REGULATORY COMMISSION
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THANK YOU FOR YOUR ATTENTION

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