

GPFI Markets and Payment Systems Subgroup: 2015 Work Plan

Objective of the subgroup

The overall goal of the subgroup for the next five years is to advance utilisation of payment systems including remittances in the pursuit of increased and sustainable financial inclusion. The initial focus will be on remittances. The sub-group will focus on emerging technologies and business models and will incorporate strong links to market based approaches through engagement with financial service providers. The sub-group responds to the call in the G20's St. Petersburg Development Outlook for the GPFI to explore in 2014 "targeted actions to . . . harness emerging mechanisms such as electronic payments and mobile technology that can significantly improve access".

Markets and Payment Systems Subgroup structure

Provide the following information for each subgroup:

- Co-chairs (countries): Australia, Mexico and South Africa
- Countries participating in subgroup work (non-G20 and G20): Brazil, Canada, EU, France, Germany, Indonesia, Italy, Netherlands, Turkey, UK and USA
- Subgroup Implementing Partners: AFI, BTCA, CGAP, IFAD and WB/IFC

Key Outcomes (one page per subgroup)

Describe the key outcomes for the subgroup during 2015 (up to four):

1. Work on remittances, particularly the cost of sending remittances and the bank account closures issue affecting many money transfer operators
2. Undertake a stocktake including an inventory of innovative payment systems and a suggested framework within which implementation issues for harnessing emerging technologies can be considered
3. Develop a guidance note for regulators, other government agencies and the private sector on the sustainable provision of inclusive payment eco-systems
4. Publicize examples of successful remittance products, to assist stakeholders develop a framework for the use of remittances to further financial inclusion

Describe what will be achieved for each outcome in more detail (one paragraph, up to 120 words on each outcome):

1. The subgroup will initially focus on actions related to remittances, specifically working with the DWG to monitor the Remittances Plan to reduce the cost of sending remittances. The second issue has been created by the fact that a number of financial institutions have recently closed the bank accounts of non-bank remittance service providers and other institutions; the subgroup will raise awareness of, identify drivers of, and help identify appropriate solutions to, the issue. The subgroup will also identify how best to leverage remittances to further financial inclusion.
2. The subgroup will undertake a stocktake including an inventory of innovative payment systems relevant to determining the specific work streams for the subgroup and the key challenges appropriate for the GPFI to address. Secondly, the subgroup will identify a suggested framework within which implementation issues for harnessing emerging technologies to expand financial inclusion can be considered. This work will also identify the roles of government and the private sector in the creation and development of an inclusive payment ecosystem.
3. The subgroup will lead work on developing policy options and implementation approaches (incorporating a set of principles, policy guidelines, implementation frameworks and some practical guidelines) for the private sector, regulators, other government agencies and other players in the payment services environment to guide their efforts in using payment systems to sustainably increase financial inclusion. Subsequently, the subgroup will develop a standard approach that would allow countries to aggregate and record agreed indicators of progress on developing inclusive payments.
4. The subgroup will publicize the successful take-up of appropriate emerging technologies in relation to remittances, such as through country case studies, and the lessons that can be applied elsewhere in the world. It will also compile and keep up to date as complete as possible an inventory of innovative payment system and related implementations, incorporating both technological and business model innovations and focusing on the low-income end of the market. The aim of such an inventory is to assist policy makers, regulators and financial service providers in developing a framework for the use of remittances to further financial inclusion.

The subgroup will work in close cooperation with the other GPFI subgroups, particularly the Regulation & SSB subgroup on policy guidelines and regulatory approaches, and other organizations as appropriate.

GPFI Timeline of events and outputs

Date	Event	Location	Activities
3 June	First GPFI Meeting	Izmir, Turkey	Report on activities to date
11-12 September	GPFI Forum and Plenary	Antalya, Turkey	Report on subsequent activities

The subgroup is considering whether it is able to contribute to the private sector event being planned for the GPFI Forum.

Output	Release date (TBC)
1a. Agree GPFI involvement in DWG Remittances Plan	April 2015
1b. Market research on bank account closure issue	August 2015
2. Stocktake of innovative solutions for an inclusive payment eco-system	November 2015
3. A guidance note for policymakers and regulators on appropriate approaches to governing and enabling inclusive payment eco-systems	Mid 2016
4. A framework for the use of remittances including case studies and an inventory of innovative payment system to further financial inclusion	October 2015