



GPI

Global Partnership
for Financial Inclusion

G20 National Remittance Plan

United Arab Emirates 2021

Biennial Update

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1 Introduction

The Group of Twenty (G20) recognizes that remittance flows are an important driver for economic growth and prosperity in developing countries. When leveraged properly and when confined to regulated and monitored channels, in both sending and receiving countries, remittance flows can better help to lift people out of poverty, improve economic infrastructure, and encourage more engagement in the regulated financial sector. Among other positive spill-over effects, remittances can be an accelerator for financial inclusion and participation in the digital economy.

The G20 and non-G20 countries have been leveraging the G20 National Remittance Plans' (NRPs) process to develop plans to implement measures, appropriate to each member's circumstances and the needs of different remittance corridors. Further, the NRPs support the GPF's alignment to the UN 2030 Agenda, including the target 10.c (i.e., to reduce to less than 3 per cent the cost of remittances and to eliminate remittance corridors with costs higher than 5 per cent by 2030) under Sustainable Development Goal 10.

In accordance with the High-level statement on remittances and the related [NRPs monitoring framework](#), established during the 2015 G20 Turkish Presidency, Leaders agreed to review the NRPs annually, and to update NRPs every two years. While the current NRPs Template, last updated in 2019, already provides a sound basis for G20 members to report on their current remittance market state of play and recent activities, this template for biennial NRPs update has been revised appropriately to incorporate any new information from the new G20 Cross-Border Payments Roadmap as well as further information available related to the emerging realities and priorities that have been highlighted during the crisis.

Therefore, this template is intended as a guidance for the members to use in developing the biennial NRP updates. Each member can pick the relevant and feasible items from this guidance when formulating their respective NRP updates. This document is organized as follows: Section 2 provides a brief historical account of the G20's work on remittances. Guidance on how to use this document is provided in Section 3. This section focuses on the development of a national remittances plan and reporting annual progress using the material in the rest of this document in a way which allows for harmonization across different plans yet providing flexibility to the countries for accounting for their nuances. Section 4 includes a questionnaire. This questionnaire aims to help countries in gathering the necessary information and data to proceed with drafting their national remittances plans. Section 5 outlines several policies that can be included in a national remittances plan in order to lower remittance costs and improve the enabling environment for sending and receiving remittances. Countries can choose from these policies to include in their plans to the extent the policies are meaningful for their context. The document also includes several annexes. Annex 1 provides a list of important guidelines and technical notes by standard setting bodies and international organizations to which the countries can consult in drafting their national remittance plans. Annex 2 proposes a template plan for the countries to fill in and maps this template to the questions provided in Section 4. Annex 3 includes a second set of questions which can be used as a guidance for members to use in submitting their annual progress

reports, both of these would serve as inputs to draft the annual *Update to the Leaders* report. Annex 4 includes a glossary of terms.

Please refer to the “Impact of COVID-19 on Remittances Markets and G20 National Remittances Plans (NRPs) Updates” concept note by IFAD and the World Bank for further background information.

2 G20 Targets on Remittances and the National Remittance Plans

In 2014, the G20 announced its Plan to Facilitate Remittance Flows.¹ This plan also included an outline for country-led actions to support reducing cost of sending remittances. In 2015, G20 countries announced their National Remittances Plans, and agreed for the GPFi to review progress annually and to update the plans every two years. The 2015 G20 National Remittances Plans, the successive annual reviews and the 2017 and 2019 updates to these plans are on the website of the GPFi.²

The G20 work on remittances was also aligned with its work on financial inclusion. In 2017,³ the GPFi identified four key actions for achieving financial inclusion that had linkages with remittances:

- recognition of the 2030 Sustainable Development Agenda,
- importance of digital innovations,
- expanding responsible access and usage for the poor, the vulnerable and the underserved, and
- mainstreaming financial inclusion along with financial stability, financial integrity and financial consumer protection.⁴

According to the 2017 Financial Inclusion Action Plan (FIAP), in addition to the implementation of the updated G20 National Remittance Plans, the GPFi will continue its efforts to improve the enabling environment for remittances in accordance with Action Area 8: “Reduce the cost of sending remittances taking into account systemic causes of high remittance transfer costs, while ensuring the quality of remittances services and service delivery, and working to establish a supportive policy and regulatory environment for competitive remittance markets, as well as to maximize their impact on local economic development.”⁵

The 2017-2020 FIAP Progress Report noted the progress in remittances cost reduction and the need for further international collaboration due to challenges in cross-border payments.⁶ This in turn led to the

¹ <https://www.gpfi.org/publications/g20-plan-facilitate-remittance-flows>

² <http://www.gpfi.org/g20-national-remittance-plans>

³ See update of the GPFi Financial Inclusion Action Plan (FIAP), <https://www.gpfi.org/publications/g20-financial-inclusion-action-plan-fiap-2017>

⁴ [http://www.gpfi.org/sites/gpfi/files/documents/10-G20 Survey on De-Risking Activities....pdf](http://www.gpfi.org/sites/gpfi/files/documents/10-G20%20Survey%20on%20De-Risking%20Activities....pdf)

⁵ <https://www.gpfi.org/publications/g20-financial-inclusion-action-plan-fiap-2017>, p. 13.

⁶ GPFi (2020). *G20 Financial Inclusion Action Plan Progress Report 2017-2020*.

Saudi Arabian G20 Presidency asking the Financial Stability Board (FSB) to develop a roadmap to enhance cross-border payments.

The 2020 G20 FIAP recognized the importance of reducing remittance costs and emphasized the need for focused efforts on remittances due to the negative impact of COVID-19. Going forward, the work on remittances will be under the *Digital Financial Inclusion* workstream of the GPMI, implying the additional importance the G20 places on the role of remittances in financial inclusion and increased attention to digitalization of remittances. More specifically, the 2020 FIAP includes an action item as follows: “... Promote the development of responsible innovative payment systems that provide affordable, secure, interoperable, transparent, and inclusive payment solutions across borders and within G20 and non-G20 countries to support progress on reducing the cost of remittances, while maintaining consumer protection and requisite disclosures...”⁷

3 How to Use the National Remittance Plan Templates

This document provides guidance for countries that are willing to develop National Remittance Plans. The guidance is based on a set of background documents which are listed in Annex 1 of this note. The members are recommended to use the questionnaire presented in Section 4 of this document to do a self-assessment of the market landscape. Based on the outcomes of this questionnaire, the members are then invited to use the proposed policy actions in Section 5, where relevant, to develop their National Remittance Plans. Annex 2 of this document also includes a drafting template which proposes an outline for the Plans.

4 Questionnaire

Country remittances profile

1. Please provide remittance outflows and/or inflows for the last 3 years (country-level data from the central bank as per the IMF BPM 6 Framework, if possible, please provide the data denominated in USD):

Year	Family Remittance in USD Mn Inflow (if 1b or 1c)	Family Remittance in USD Mn Outflow (if 1a or 1c)
2021 (if available) (Jan-Sept)	6,750.8	35,490.1
2020	6,779.5	42,696.3
2019	6,943.1	44,978.8
2018	7,769.2	46,098.4

⁷ GPMI (2020). *G20 2020 Financial Inclusion Action Plan*.

2. Based on available data on remittance flows, the country is: ⁸
 - a. Mainly a remittance-sending country
 - b. Mainly a remittance-receiving country
 - c. Both sending and receiving are significant

Respond only if 2a or 2c [Sending Country]:

3. If 2a or 2c, please provide specific identifications schemes applicable to migrants in your country (e.g. Marticula Consular in Mexico, Overseas Citizen of India, Blue Card in Turkey)

The Emirates ID is a unique identifier issued by the UAE Federal Authority for Identity and Citizenship to all citizens and residents of the UAE. This ID is the largely used as in identification for remittances.

If 1a or 1c, please provide the migrant stock as a share of total population for the last 3 years:

Year	Migrants/Population
2021 (if available)	N/A
2020	N/A
2019	N/A
2018	N/A

4. If 2a or 2c: Please list main corridors for international remittances sent.⁹

No.	Country Name	%
1	India	33.6
2	Pakistan	11.9
3	Philippines	6.7
4	Egypt	6.5
5	Switzerland	4.4
6	United States of America	4.3
7	Bangladesh	4.2
8	United Kingdom	3.1
9	Jordan	2.6
10	Singapore	1.7

⁸ Classification of a country as a sending or a receiving country or both is left to the countries themselves. However, please note that, in general, high-income countries are considered sending countries to low- and middle-income countries. There are exceptions. Some middle-income countries have large migrant populations originating from low-income countries and can be classified as both sending and receiving countries.

⁹ Main corridors for a sending country include those that are the largest receivers from that country in terms of volume.

5. If 2a or 2c: What is the average cost of sending \$200 from your country? Provide available quarterly data for the current year, plus quarterly data from the previous calendar year.

The cost varies from service provider to service provider and further depends on the destination of remittance. On an average, the cost is around USD 5 across all the market.

Respond only if 2b or 2c [Receiving Country]:

6. If 2b or 2c, Please provide specific identifications schemes applicable to the diaspora (e.g. Marticula Consular in Mexico, Overseas Citizen of India, Blue Card in Turkey)

Not Applicable

7. If 2b or 2c: Please list main corridors for international remittances received.¹⁰

Not Applicable

8. If 2b or 2c: What is the average cost of receiving \$200 in your country? Provide available quarterly data for the current year, plus quarterly data from the previous calendar year.

Not Applicable

Competition in the market

9. Please indicate the types of remittance service providers (RSPs) allowed:

	Allowed to provide remittance services	If "yes"			
	[Yes/No]	Number of providers of each type	Market share for each provider type? (in terms of number of transactions)	Average cost of sending \$200 if 2a or 2c*	Average cost of receiving \$200 if 2b or 2c
Commercial banks	Yes	46 (Excluding Wholesale banks)	28% (based on amount transferred)	USD 5	

¹⁰ Main corridors for a receiving country include those that are the largest senders for that country in terms of volume.

MTOs – Exchange Houses	Yes	74	72% based on amount transferred)	USD 5	
Postal network					
Mobile money operators					
Fintech platforms					
Remittance hubs					
Others (please specify)					

* On an average, the cost is around USD 5 across all the market.

10. Is there a price comparison tool for remittances (e.g. a national remittances database) in your country that is publicly available? [Yes/No]

No

11. Are there any incentives to RSPs in your country to promote competition? (e.g. tax incentives) If yes, please describe.

No

Regulatory environment

12. Transparency requirements as specified in regulations/circulars/guidance

If 2a or 2c [Sending Countries]:

- Please discuss transparency in terms of cost breakdown between foreign exchange margins and fees.

Fx rates and fees must be disclosed in the transaction receipt given to the customer, in addition to the value of Tax.

- Do the RSPs have to provide information on whether there are additional fees for receivers?
Yes

- Transparency in terms of speed: time it takes for funds to be available to the receiver after the sender initiates payment

Yes: RSPs mention the cap in terms of time.

- Do RSPs have to provide this information prior to the transaction initiation?

Yes

- Are there any additional fees or taxes the receivers must pay? (For example, if remittances are received into an account, is there a fee to cash out?) If so, are these disclosed to the senders/receivers?

This depends on the policy of the correspondent/routing bank and beneficiary's bank. When applicable, these fees are disclosed to the sender.

If 2b or 2c [Receiving Countries]:

- Are there any additional fees or taxes the receivers must pay? (For example, if remittances are received into an account, is there a fee to cash out?) If so, are these disclosed to the senders/receivers?

Not Applicable

13. Other relevant legislation for remittances that have been passed since the last NRP update, including:

- Are there any simplified customer due diligence (CDD) measures in place for specific channels and/or below a transaction amount limit?

Yes (below an amount standard KYC / over the amount enhanced Diligence)

- Are there any government-issued e-ID facilities, and are they used for financial services?

Yes

- Are regulatory sandboxes or similar regulatory tools to facilitate emergence of new business models available?

Yes in off-shore financial free zones

- AML/CFT regulations for account opening and ongoing customer due diligence.

Yes

- Use of agents by RSPs and agent exclusivity

Yes for agents but no exclusivity

- Competition policy Yes

- Consumer protection Yes

- Non-bank payment service providers licensed to provide international remittance services including use of digital or mobile wallets. In progress

- Regulatory compliance of products and services offered by fintechs. Yes

If 2b or 2c [Receiving Countries]:

- Existence of basic accounts and whether basic accounts can be open in a remote way and receive remittances

Not Applicable

- Can basic payment accounts be provided by non-bank RSPs in the form of e-money?

Not Applicable

Payment infrastructure

14. Do non-bank RSPs have access to the national payment infrastructures?

All licensed financial institutions have access to the national payments infrastructure, including for example (Banks, finance companies, exchange houses)

15. Are there interfaces between payment systems in your country and payments systems in other countries? If so, which countries and what type (e.g., ACH, card switch, etc.)?

- Visa, MasterCard and, Swift (Worldwide connectivity).
- GCC countries (ATM and POS connectivity)

16. Have you issued any new legislation on fintech and/or non-bank financial institution that strengthens and advances the payment infrastructure?

Yes

1. Store Value Facilities regulation that sets out the regulatory framework for e-money and digital wallets, and allows non-banks to become licensed providers for e-money and digital wallets.
2. Retail Payment Systems Regulation that allows to license and regulate retail payment systems in the UAE.
3. Retail Payment Services and Card Schemes Regulation. This regulation sets out the regulatory framework to license and regulate the following services:
 - Payment Account Issuance Service
 - Payment Instrument Issuance Service
 - Merchant Acquiring Service
 - Payment Aggregation Service
 - Domestic Fund Transfer Service
 - Cross-border Fund Transfer Service
 - Payment Token Service
 - Payment Initiation Service
 - Payment Account Information Service
 - Card schemes operations.

17. Are there any financial Incentives to promote the digitization of payment infrastructures in line with the FSB's work on enhancing cross-border payments (the Stage 3 Roadmap)?

Yes. The UAE authorities are developing the required financial market infrastructure that is in line with the the FSB's work on enhancing cross-border payments (the Stage 3 Roadmap). This includes:

- Implementing the National Payment Systems Strategy (NPSS), and particularly the Instant Payment Platform (IPP) that enables real-time faster payments and funds transfers around the clock (24*7), and digital payments across the UAE financial sector. This will

introduce convenient and innovative payment services such as: person to person, person to merchant, business to person, government to person, request to pay, pay to alias (mobile number or email ID), electronic direct debit, electronic cheque issuing and clearing.

- The Open Finance framework. The aim of this initiative is to establish the governance framework and technical standards to facilitate the secure exchange of financial data between financial institutions and licensed OR accredited third-party providers with consumer consent.
- Nation-wide e-KYC platform. This initiative aims to facilitate the secure exchange of KYC data between participating licensed institutions.

Governance and Risk Management

18. What type of risk management practices are required for RSPs (financial, legal, operational, cyber, fraud, and reputational risks)?

- Technology Risk and Information Security
 - Technology Risk
 - IT Governance
 - Security Requirements
 - Network and Infrastructure Management
 - Cyber Security Risk
 - Retail Payment Service User Authentication
 - Login Attempts and Session Management
 - Administration of Retail Payment Service User Accounts
 - Business Continuity
 - Alternate Sites for Business and IT Recovery
 - Reputation Risk Management
- Ongoing Requirements
 - Governance
 - Compliance Function
 - Internal Audit Function
 - Risk Management
 - Risk Strategy
 - Information Security
 - Disaster Recovery and Business Continuity Management
 - Risk Assessment
 - Risk Mitigation
 - Monitoring
 - Assurance
 - Winding Down
 - Fraud Detection Systems

19. Are there any specific AML/CFT regulations/guidelines available for non-bank RSPs for their relations to banks or their customers?

The same AML/CFT regulations applies to non-bank licensed institutions. Payment Service Providers must comply with the relevant UAE AML Laws and Regulations and address money laundering and terrorist financing risks through appropriate preventive measures to deter abuse of the sector as a conduit for illicit funds, and detect money laundering and terrorist financing activities and report any suspicious transactions to the Financial Intelligence Department at the Central Bank.

Access to financial services

If 2a or 2c [Sending Countries]:

20. Can all migrants in your country access services provided by regulated RSPs? Do you monitor migrant workers' level of financial inclusion in your country, including transaction account ownership, to send remittances in cash and digitally via regulated channels?

All residents of the UAE, including citizens, have access to services either face to face or via digital channels.

21. What are the requirements for migrants to open a transaction account (are they the same as for any other citizen)? Do these accounts have a cost? What is the account ownership levels for the migrants (if this information is available)?

The requirements to open transaction accounts are the same for migrants, who can start conducting remittance transactions after fulfilling KYC requirements.

22. What channels do undocumented migrants use – to the best of your knowledge?
Not Applicable

23. Do RSPs have sufficient coverage in areas where migrants live?¹¹
Yes

24. Do you have information on the financial inclusion rate of remittance sending migrants?
Not Available

¹¹ Sufficient coverage in this context can be explained as “a remittance transaction can be originated in all relevant areas of the sending country.” This concept is further elaborated in the World Bank’s (2016) *SmaRT Methodology*. In addition to the physical availability of access points, if the service requires access to an account or to internet or to other technologies, access to these (e.g., transaction account ownership, mobile phone penetration, and internet penetration) can be measured. Such data are available from the World Bank’s Global Findex Database (for transaction account ownership) and ITU (mobile phone and internet penetration).

25. Are you able to measure the switch from in-cash to on-line/transaction methods to send remittances?

To a certain extent, yes, but the use of online methods is continuously increasing especially following the Covid-19 outbreak.

26. Are there any incentives for digitalization of remittances, e.g. to promote targeted incentives that encourage the use of digital remittance products?

RSP are encouraged to incentivize customers to use digital remittances to conduct remittances.

If 2b or 2c [Receiving Countries]:

27. Do RSPs have sufficient coverage in rural areas?¹²

Not Applicable

28. What proportion of adults have access to a transaction account (which can also facilitate the receipt of international remittances)?

Not Applicable

29. Do you include digitalization of remittances as an objective and/or component in your national financial inclusion strategies?

Not Applicable

30. Usage rates of card/mobile payments and usage of online channels (e.g., mobile or internet banking), if available.

Not Applicable

31. Do RSPs provide digital onboarding tools and services to their customers (e.g., mobile apps, dedicated website, etc.)?

Not Applicable

32. What solutions help promote equal access to financial services (including ID, digital ID, e-KYC and/or credit registry platforms by bank and non-bank RSP)?

¹² Sufficient coverage in this context can be explained as “a remittance transaction can be delivered to recipient nationwide or at least in all relevant areas of the receiving country.” Please see World Bank’s (2016) *SmaRT Methodology*. Also please see footnote 12 on measuring access to remittance services in terms of physical locations and/or access to technology.

Not Applicable

33. Are you able to measure the switch from remittances received over-the-counter to transaction account remittances?

Not Applicable

34. Are there any incentives for digitalization of remittances, e.g. to promote targeted incentives that encourage the use of digital remittance products?

Not Applicable

Crisis mitigation and prevention (COVID-19)

35. Were remittances included in the list of essential services during the lockdown periods in your country?

Instructions were issued to RSPs to promote digital remittance channels

36. Did RSP locations remain open during the lockdowns (if your country imposed lockdowns)? Please consider specifically non-bank RSPs in this question.

Majority of the RSPs were open except some branches in highly sensitive areas

37. Were there any specific measures imposed by authorities to expedite the use of online transaction methods to send remittances during the crisis?

Instructions were issued RSPs to promote digital remittance channels

38. Has your country taken any other measures to encourage the sending or receiving of remittances - where appropriate, refer to relevant aspects mentioned above?

Instructions were issued RSPs to promote digital remittance channels

5 Content for the National Remittance Plans

This section provides an overview of the relevant content in developing the National Remittance Plans. The contents of this section are based on the reference list provided in Annex 1. This section also links the material presented here with the Building Blocks of the G20 Roadmap for Cross-Border Payments.

The policy levers presented in this section are to provide guidance for countries to develop their National Remittance Plans and are optional. Depending on the areas identified via the questionnaire provided in Section 4, the countries are advised to choose appropriate policy actions that fit their needs from the levers provided in this section.

General Principles for International Remittance Services and the G20 Roadmap for Cross-Border Payments

Please note that the General Principles for International Remittance Services by CPMI and World Bank (2007) continues to be relevant as guidance for international remittances, and the General Principles described in this Guidance Note are consistent with the G20 Roadmap on Enhancing Cross-Border Payments as it applies to remittances.

In this context, the G20 Roadmap for Cross-Border Payments identifies the following four challenges:¹³ cost, speed, access, and transparency.

The National Remittances Plans, along these lines, can indicate how a country plans to take additional steps (if any) to:

- Improve the speed of a remittance transaction
- Improve access to services offered by RSPs
- Improve transparency for remittance services in your jurisdiction
- Improve the enabling environment to expand access to national payment system infrastructures by non-bank RSPs and fintechs for the uptake of digital channels for remittances.

The G20 Roadmap also has five focus areas for policy actions:¹⁴

- A. Public and private sector commitment
- B. Regulatory, supervisory and oversight frameworks
- C. Existing payment infrastructures and arrangements
- D. Data and market practices
- E. New payment infrastructures and arrangements

As part of the G20 Roadmap, the CPMI's Stage 2 report identifies building blocks for improving cross-border payments and maps them into these five focus areas as follows:

¹³Please see FSB (2020). Enhancing Cross-Border Payments: Stage 3 Roadmap, October 2020.

¹⁴CPMI (2020). Enhancing Cross-Border Payments: building blocks of a global roadmap, July 2020.



Source: CPML

In what follows, the proposed action items are mapped into these five focus areas.

In addition, for specific COVID-19 and similar crisis related actions, the National Remittance Roadmaps can include specific actions for mitigation.¹⁵

Members can choose their potential actions, as appropriate, using these or other options if desired. The following narrative outlines potential areas in which members can organize their NRP actions.

Improve the Enabling Policy and Regulatory Environment for International Remittances

¹⁵ Please refer to the RCTF Blueprint for specific actions outlined.

Potential actions include, where appropriate:

- **Encourage better coordination** between government agencies in sending and receiving countries as well as international coordination between respective national financial regulators and supervisors to improve the development impact of remittances. Policymakers should ensure that domestic policies are coherent and a degree of coordination, based on international best practices, between sending and receiving countries exists when relevant and appropriate. Moreover, coordination between regulators and innovators as well as other regulatory environment approaches to support successful models should be promoted. (Focus Area A)
- **Address regulations that constrain competition** in the RSP sector and impede a greater choice and interoperability of payout service points to consumers, especially in rural areas. Regulations that require remittance payout to occur only through banks reduce market competitiveness and restrict services for unbanked consumers. (Focus Area B)
- **Facilitate the entrance of more types of RSPs** into the formal remittances market. Establish a more level regulatory playing field for entry of non-traditional and non-bank providers offering mobile-based or digital only remittances. Without introducing a bias, national authorities could support the development of FinTech firms, including remittance service providers, through enabling legal and regulatory frameworks. Enable access to payment systems by service aggregation platforms/ operators and hub-based processing/operational facilities for RSPs to scale quicker without incurring disproportional operational and regulatory costs. (Focus Area B)
- **Improve the processes for CDD.** Appropriate authorities must ensure effective anti-money laundering/counter terrorism financing (AML/CFT) compliance programs that comply with the international standards are applied. Use of reliable unique ID, digital ID or e-KYC platforms to facilitate remote account opening with appropriate risk mitigation measures in place. (Focus Areas B and D)
- **Improve supervision and oversight of RSPs.** Poor supervision and oversight practices can be a barrier to entry in the RSP sector, allows illicit activities such as fraud, money laundering, or terrorist financing, and sustains de-risking driven account closures of RSPs. Therefore, national or other relevant authorities should reassess their supervisory and oversight frameworks and revise and strengthen it where necessary, concerning both solvency, AML/ CFT and market conduct supervision, which would increase confidence in the RSP sector and protect against abuse of RSPs. Both supervisory and oversight requirements should comply with international standards. Nevertheless, countries should continue to monitor and address the causes and consequences of the withdrawal of correspondent banking relationships. Moreover, countries should assess whether AML/CFT preventive measures and supervision activities unintendedly cause de-risking phenomenon and should consider taking necessary measures to avoid it. (Focus Area B)
- **Enable supervisors to collect data and analyze it** to effectively oversee the remittance sector, both at the national level and at the provider level. (Focus Area B)

- **To reduce the impact of de-risking, promote safe corridor approach and leverage mobile money and fintech platforms.** Provisions for coordination between regulators to promote safe corridors in countries where RSPs rely on financial institutions for correspondent banking accounts, provide additional guidance to banks to assess exposure to AML/CFT risks and improve availability of banking services to RSPs. Public authorities should support RSPs' efforts to secure access to banking services, provided that RSPs comply with international risk mitigation standards set out by FATF. Agreement between relevant overseers and regulators at both ends of the corridor about issues to be covered and allocation of tasks. (Focus Area B)
- **Address anti-competitive practices.** Where exclusivity agreements have been legally prohibited but still operate, appropriate authorities should step up enforcement of competition laws. Where there is evidence that exclusivity agreements are inappropriately restricting remittance market competitiveness, authorities should evaluate such allegations and address anti-competitive practices. (Focus Area B)
- **Encourage remittance-related technical assistance and knowledge exchange** focused on the strengthening legal and regulatory framework of RSPs, with a view on the opening of the market to innovative services and non-bank providers, to ensure safety (*i.e., national risk-assessments*), efficiency and competitiveness of the market. (Focus areas A and B)
- **Measure remittance flows to monitor the impact of the pandemic on overall remittance flows to developing countries.** Wherever possible, countries should coordinate on how this data is collected and utilized. (Focus Areas A and D)

Improve Financial System Infrastructures, Support Innovation and Harness Emerging Technologies

Potential actions include, where appropriate:

- **Support modernization and interoperability of the retail payments system infrastructure** and support the development of open payments platforms that are linked to countries' clearing and settlement systems and provide access to eligible banks, non-bank financial institutions, and emerging payment service providers. This would further improve interoperability and consumer choice. (Focus Areas C and E)
- **Improve access national level retail payments infrastructures by banks and non-bank RSPs.** Allowing equal access to existing and new cross-border non-bank RSPs to participate in the national payment systems with settlement in central bank money can lower the market entry barriers for those providers. Direct access to domestic payment systems enables digital means for

sending and receiving remittances, improves efficiency of remittances, and reduces costs.¹⁶ (Focus Area C)

- **Promote equal access to ID, digital ID, e-KYC and/or credit registry platforms by bank and non-bank RSPs** to facilitate account opening, authentication and development and issuance of alternative digital products and channels. Use of ID, digital ID and e-KYC solutions promote compliance with FATF standards. As remittance senders need to be identified and remittances flows need to be traceable, facilitating this process through national ID systems, including digital ID or eKYC solutions (if already implemented in the country), is a critical enabler as it promotes access and reduces costs for RSPs, and also helps addressing de-risking. Equal access of ID, digital ID and e-KYC solutions should be provided to bank and non-RSPs to ensure that the compliance costs are kept low and service providers are able to develop customer centric digital solutions at a low cost. (Focus Areas B, C and D)
- **Ensure fair and affordable access to, and wide availability of access points for end users to facilitate digital penetration for remittance services into all relevant geographical areas**, especially rural, underserved areas. Fair and affordable access to bank/transaction accounts, USSD, SMS, or digital mobile wallets, payment cards (mainly debit cards linked to bank accounts or prepaid cards). Wide availability of access points for remittance services including ATMs, card and mobile wallet acceptance points, Cash-in Cash-out agents (CICO) including postal operators in rural areas, online/internet payment access points, and bank branches. (Focus Areas B and C)
- **Enhance domestic retail payment systems by promoting interoperability and facilitating use of new technology-enabled business models** (consistent with the *G20 High Level Principles on Digital Financial Inclusion*), such as mobile money, prepaid payment cards, mobile point-of-sale (mPOS) systems, and card-less ATM access, and fast payment systems to reduce costs and enhance access to remittances, particularly for low-income consumers who reside in remote areas. (Focus Areas C and E)
- **Investigate and implement ways to facilitate to extent feasible access to transaction accounts** to final users, offered by banks and non-banks, within national legislation, looking forward to promoting cooperation among countries to work together on innovations to facilitate cross-border transactions. (Focus Area B)

¹⁶ Access to the payment system infrastructures by non-bank RSPs requires an assessment of risks posed by the prospective participants to the payment system infrastructures. Participation rules should be designed to be proportionate and risk-based. General Principle #4 in the CPMI-World Bank (2007) report on the *General Principles for the Markets for International Remittance Services* stresses the importance of this point, and provides guidance on the broad contours of access to domestic payment system infrastructures. In addition, Principles #18 and #19 of the CPMI-IOSCO (2012) *Principles for Financial Market Infrastructures* provide detailed guidance on access and participation requirements for payment and financial market infrastructures.

- **Foster innovations that would enlarge the scope of digital financial services accessible to remittance users** through the provision of incentives to the private sector to test and scale next generations of digital remittance services. (Focus Areas A and B)
- **Adopt harmonized data messaging standards across jurisdictions.** Since data messaging standards and formats vary significantly across countries, infrastructures and message networks, and data frameworks vary across jurisdictions. Analysis of constraints on cross-border data-sharing imposed by existing national/regional data frameworks could be done with the view of promoting straight through processing and automated reconciliation between cross-border systems. Use of common data message formats, such as a harmonized version of ISO 20022, can play the dual role of interlinking different payment systems as well as address data quality in cross-border payments. Standardized data approach also facilitates development of multilateral platforms and other fintech led solutions. (Focus Area D)

Improve Transparency, Consumer Protection, Digital and Financial Literacy for Remittance Users

Potential actions include, where appropriate:

- **Require RSPs to clearly display and disseminate up-to-date and complete information** on remittance transfer costs and terms, including fees, as well as recourse mechanisms, and, where applicable, taxes and exchange rates. (Focus Area B)
- **Enable consumers to compare transfer costs via a remittance price database** or other measures that increase cost transparency and improve consumers' understanding of the terms offered by RSPs operating in the corridor. (Focus Area B)
- **Reform financial consumer protection rules**, if needed, to provide for fair cancellation and error-resolution rights, as well as for improved data protection. (Focus Area B)
- **Encourage both public- and private-sector-led awareness-building campaigns to boost digital and financial literacy and capability of remittance consumers.** Support the inclusion of remittance families in gender-responsive national financial and digital education programs, also focusing on risk of frauds affecting online and mobile-enabled remittance services. (Focus Areas A and B)
- **Encourage increased knowledge on customer behavior and use of remittance services** to improve remittance service provision, develop digital financial service use cases that cater to remittance users and deepen the digital payment ecosystem. (Focus Areas A and B)
- **Ensure fair and accessible grievance redress mechanism**, including Alternate / Online Dispute Resolution Mechanism for users of remittance services. (Focus Area B)

- **Ensure protection of personal data** which should be outlined in detail in respective laws/regulations/policies. (Focus Areas B and D)
- **Ensure users understand digital remittance product features and are aware of risks** including protection of data, privacy and security. (Focus Areas B and D)
- **Promote awareness of unregulated remittance transfer risks and alternative solutions** for consumers in the appropriate language. (Focus Area B)

Introduce Measures to Mitigate and Prevent Crises

Potential actions include, where appropriate:

- **Improve the collection and dissemination of remittance data** in host and home countries disaggregated by corridors and payment methods. Measuring flows is crucial to monitor the impact of the pandemic on remittance flows to developing countries. Wherever possible, qualitative research could be undertaken, which would provide further insights on key developments, including developments in times of the pandemic.
- **Declare remittance services to be essential during lockdowns.**
- **Consider temporary revision of transaction and balance limits, remote identification and account opening, tax exemption and incentives to encourage the use of digital channels.**

Annex 1: Background Documents

G20 members are also encouraged to consider new areas of action and utilize other relevant material including:

- [*the CPMI-World Bank General Principles for International Remittance Services,*](#)
- [*the G20 Principles for Innovative Financial Inclusion,*](#)
- [*the Better Than Cash Alliance Responsible Digital Payments Guidelines*](#)
- [*the G20 High-Level Principles for Digital Financial Inclusion*](#)
- [*Financial Stability Board: Enhancing Cross-border Payments: Stage 3 roadmap.*](#)
- [*Remittance Community Task Force \(RCTF\): Blueprint for Action “Remittances in Crisis: Response, Recovery, Resilience.”*](#)
- [*The use of remittances and financial inclusion, IFAD, WB.*](#)
- [*Payment Aspects of Financial Inclusion, CPMI and WB, 2016.*](#)
- [*Guidelines for the Successful Regional Integration of Financial Market Infrastructures, WB 2014.*](#)

Annex 2: Drafting the Country Plans

This Annex provides a template for the members to use in developing their National Remittance Plans, if desired. The National Remittance Plans are recommended to be organized around three major sections: “Call to Action on Remittances” by each country; the “Current State of the Market for International Remittances” for the country; and “2022-2023 Country Plan for Reducing Remittance Transfer Costs.” The proposed contents for each section are outlined below.

Note: Country plans should be no more than four pages

Call to Action on Remittances

Insert your countries’ 2014 Call to Action on Remittances and provide any updates/outcomes since the commitment was made, including the 2016 G20 commitment towards achieving the Sustainable Development Goals (SDGs) under the United Nations 2030 Agenda and the Addis Ababa Action Agenda.

Please discuss action items related to SDG 10.c.1 on remittance costs specifically.

Current State of the Market for International Remittances

Provide a summary of the current remittances sector in your country and region, such as key emerging issues and/or challenges, e.g., number and types of providers, main corridors, costs (including how much they have changed and why), legislative and regulatory overview. Where possible include the latest available data for the following: remittances sent and/or received as percentage of national GDP, total remittance inflows and/or outflows by region, percentage of total remittances (sent and/or received) for your country as a share of total regional remittance flows, and size of the migrant (and if available diaspora, upon country’s definition) population abroad and/or within your country.

In this section, please use the information compiled via the Questionnaire presented in Section 4 of this document.

2022-2023 Country Plan for Reducing Remittance Transfer Costs

Please outline how your country will take (additional) steps to **help reduce the cost** of transferring remittances and **improve the availability** of remittance services, while **ensuring quality** of remittances services and service delivery. Please provide specific actions taken domestically and internationally, and timeframes for when commitments will be implemented drawing from the optional policy levers outlined in Section 5.

Annex 3: Annual Monitoring for the National Remittance Plans

[To be used in 2022 onward]

Progress Monitoring of 2021 National Remittance Plans

This process is intended to help identify achievements made under the 2021 National Remittance Plans. It is encouraged that GPMI members work collaboratively across their Government, to provide an update on progress, achievements and changes that have occurred since the development of the 2021 National Remittance Plans.

For the last 12 months, please provide summary data for the key remittance trends in your country and region, such as number and types of providers, main corridors, costs (including how much they have fallen and why), improvements to legislative and regulatory environment. Where possible include the latest available data for the following: remittances sent and/or received as percentage of national GDP, total remittance inflows and/or outflows by region, percentage of total remittances (sent and/or received) for your country as a share of total regional remittance flows, and size of the migrant population within your country. The following questions are intended to provide guidance for this purpose.

Country remittances profile

1. Please provide remittance outflows and/or inflows (country-level data from the central bank as per the IMF BPM 6 Framework, if possible, please provide the data denominated in USD):

Year	Inflow (if 1b or 1c)	Outflow (if 1a or 1c)
2021		

2. Is your country (a) mainly a remittance-sending country, (b) mainly a remittance-receiving country or (c) are both sending and receiving significant?¹⁷

If 2a or 2c:

3. Please provide the migrant stock as a share of total population:

¹⁷ Classification of a country as a sending or a receiving country or both is left to the countries themselves. However, please note that, in general, high-income countries are considered sending countries to low- and middle-income countries. There are exceptions. Some middle-income countries have large migrant populations originating from low-income countries and can be classified as both sending and receiving countries.

Year	Migrants/Population
2021	

4. Please list main corridors for international remittances sent.¹⁸
5. What is the average cost of sending \$200 from your country? Provide available quarterly data for the latest 4-6 quarters.

If 2b or 2c:

6. Please list main corridors for international remittances received.¹⁹
7. What is the average cost of receiving \$200 in your country? Provide available quarterly data for the latest 4-6 quarters.

Competition in the market

8. Please indicate if there was any change in the types of remittance service providers (RSPs) allowed in your country due to regulatory reforms (column 1) and please fill in the rest of the table to the extent feasible:

	Allowed to provide remittance services (1)	If “yes”			
	[Yes/No]	Number of providers of each type	Market share for each provider type? (in terms of number of transactions)	Average cost of sending \$200 if 2a or 2c	Average cost of receiving \$200 if 2b or 2c
Commercial banks					
MTOs					
Postal network					
Mobile money operators					
Fintech platforms					
Remittance hubs					
Others (please specify)					

¹⁸ Main corridors for a sending country include those that are the largest receivers from that country in terms of volume.

¹⁹ Main corridors for a receiving country include those that are the largest senders for that country in terms of volume.

9. If there was no publicly available price comparison tool for remittances (e.g. a national remittances database) in your country when the NRPs were last drafted/updated, has one been developed since then? [Yes/No]
10. Have you implemented any incentives to RSPs in your country to promote competition in the past year? (e.g. tax incentives) If yes, please describe.

Regulatory environment

11. Changes in transparency requirements as specified in regulations/circulars/guidance in the past year:

If 2a or 2c:

- Please discuss any changes to transparency requirements in terms of cost breakdown between foreign exchange margins and fees, additional costs, speed, etc. The following points provide guidance on what reforms can be included for this purpose, if any.
 - Requirement for RSPs to provide information on whether there are additional fees for receivers
 - Transparency in terms of speed: time it takes for funds to be available to the receiver after the sender initiates payment.
 - Requirement for RSPs to provide all the necessary information prior to transaction initiation
 - Are there any new additional fees or taxes the receivers must pay? (For example, if remittances are received into an account, is there a fee to cash out?) If so, are these disclosed to the senders/receivers?

If 2b or 2c:

- Are there any new additional fees or taxes the receivers must pay? (For example, if remittances are received into an account, is there a fee to cash out?) If so, are these disclosed to the senders/receivers?

12. Please describe any new relevant legislation for remittances that have been passed since the last NRP update, including:

- Are there any simplified CDD measures in place for specific channels and/or below a transaction amount limit?
- Are there any government-issued e-ID facilities, and are they used for financial services?
- Are regulatory sandboxes or similar regulatory tools to facilitate emergence of new business models available?

- AML/CFT regulations for account opening and ongoing customer due diligence.
- Use of agents by RSPs and agent exclusivity
- Competition policy
- Consumer protection
- Non-bank payment service providers licensed to provide international remittance services including use of digital or mobile wallets.
- Regulatory compliance of products and services offered by fintechs.

If 2b or 2c:

- Existence of basic accounts and whether basic accounts can be open in a remote way and receive remittances
- Can basic payment accounts be provided by non-bank RSPs in the form of e-money?

Payment infrastructure

Please describe if there have been any changes in the following since the latest drafting/updating of the NRPs:

13. Do non-bank RSPs have access to the national payment infrastructures?
14. Are there interfaces between payment systems in your country and payments systems in other countries? If so, which countries and what type (e.g., ACH, card switch, etc.)?
15. Have you issued any new legislation on fintech and/or non-bank financial institution that strengthens and advances the payment infrastructure?
16. Are there any Incentives to promote the digitization of payment infrastructures in line with the FSB's work on enhancing cross-border payments (the Stage 3 Roadmap)?

Governance and Risk Management

17. Have there been any policy reforms in the type of risk management practices are required for RSPs (financial, legal, operational, cyber, fraud, and reputational risks)?
18. Have there been any changes in the existing AML/CFT regulations/guidelines available for non-bank RSPs for their relations to banks or their customers?

Access to financial services

If 2a or 2c:

19. Have there been any changes in migrants' access to services provided by regulated RSPs? If you monitor migrant workers' level of financial inclusion in your country, including transaction account ownership, to send remittances in cash and digitally via regulated channels, please provide the latest figures.
20. Have the requirements for migrants to open a transaction account (are they the same as for any other citizen) changed since the latest NRP draft/update including the cost structure of these accounts? Do these accounts have a cost? What is the account ownership levels for the migrants (if this information is available)?
21. Have you observed any differences in channels used by undocumented migrants use?
22. Have there been any changes in the coverage of RSPs where migrants live?²⁰
23. Do you have information on the financial inclusion rate of remittance sending migrants?
24. Are you able to measure the switch from in-cash to on-line/transaction methods to send remittances?
25. Are there any incentives for digitalization of remittances, e.g. to promote targeted incentives that encourage the use of digital remittance products? Please note if such policies were used in the last 12 months.

If 2b or 2c:

26. Have there been any changes in the coverage of RSPs in rural areas?²¹
27. What proportion of adults have access to a transaction account (which can also facilitate the receipt of international remittances)? (For 2021)

²⁰ Sufficient coverage in this context can be explained as "a remittance transaction can be originated in all relevant areas of the sending country." This concept is further elaborated in the World Bank's (2016) *SmaRT Methodology*. In addition to the physical availability of access points, If the service requires access to an account or to internet or to other technologies, access to these (e.g. transaction account ownership, mobile phone penetration, and internet penetration) can be measured. Such data are available from the World Bank's Global Findex Database (for transaction account ownership) and ITU (mobile phone and internet penetration).

²¹ Sufficient coverage in this context can be explained as "a remittance transaction can be delivered to recipient nationwide or at least in all relevant areas of the receiving country." Please see World Bank's (2016) *SmaRT Methodology*. Also please see footnote 12 on measuring access to remittance services in terms of physical locations and/or access to technology.

28. Usage rates of card/mobile payments and usage of online channels (e.g., mobile or internet banking), if available. (For 2021)
29. Please list any changes in, new additions to the solutions that help promote equal access to financial services (including ID, digital ID, e-KYC and/or credit registry platforms by bank and non-bank RSP).
30. Are you able to measure the switch from remittances received over-the-counter to transaction account remittances?
31. Are there any incentives for digitalization of remittances, e.g. to promote targeted incentives that encourage the use of digital remittance products that were in effect in the past 12 months?

Annex 4: Glossary of Terms

Term	Definition	Source
Access point	Location where end users can send or receive remittance transfers. An access point can be physical (e.g., shop) or virtual (e.g., website, telephone).	CPMI-WB
Agent	An entity that captures or distributes remittance transfers on behalf of a remittance service provider. “Capturing” means receiving the money and instructions from the sender. “Disbursing” means giving the money to the receiver.	CPMI-WB
Anti-money laundering and combating the financing of terrorism (AML/CFT) policies	Money laundering is the process of concealing the illicit origin of the monetary proceeds of crimes. Terrorist financing is the collection or the provision of funds for terrorist purposes. An effective anti-money laundering/counter-financing of terrorism framework must therefore address both risk issues: it must prevent, detect and punish illegal funds entering the financial system and the funding of terrorist individuals, organizations and/or activities.	IMF
Correspondent banking	Correspondent banking is the provision of banking services by one bank (the “correspondent bank”) to another bank (the “respondent bank”). Large international banks typically act as correspondents for thousands of other banks around the world. Respondent banks may be provided with a wide range of services, including cash management (e.g., interest-bearing accounts in a variety of currencies), international wire transfers, cheque clearing, payable through accounts and foreign exchange services.	FATF
De-risking	The phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients in order to avoid rather than manage risk in line with the FATF’s risk-based approach.	FATF
E-money	Electronic money (e-money) is broadly defined as an electronic store of monetary value on a technical device that may be widely used for making payments to entities other than the e-money issuer. The device acts as a prepaid bearer instrument that does not necessarily involve bank accounts in transactions. E-money products can be hardware-based or software-based, depending on the technology used to store the monetary value.	ECB
Exclusivity condition	An exclusivity condition is where an RSP allows its agents or other RSPs to offer its remittance service only on condition that they do not offer any other remittance service.	CPMI-WB
FinTech	Fintech refers to technology-enabled innovation in financial services.	BIS
Interoperability	The technical or legal compatibility that enables a system or mechanism to be used in conjunction with other systems or	BIS

	mechanisms. Interoperability allows participants in different systems to conduct, clear and settle payments or financial transactions across systems without participating in multiple systems.	
Migrant stock	Migrant stocks are the total number of international migrants present in a given country at a particular point in time who have ever changed their country of usual residence.	UN DESA
Migrant worker	A “migrant worker” is defined as a person who migrates from one country to another (or who has migrated from one country to another) with a view to being employed other than on his own account, and includes any person regularly admitted as a migrant for employment.	International Labour Organization
Mobile money account	An e-money account that is primarily accessed using a mobile phone and which is held with the e-money issuer. In some jurisdictions, e-money accounts may resemble conventional bank accounts but are treated differently under the regulatory framework because they are used for different purposes (for example, as a surrogate for cash or a stored value used to facilitate transactional services).	GSMA
Money transfer operator (MTO)	A non-deposit-taking PSP where the service involves payment per transfer (or possibly payment for a set or series of transfers) by the sender to the PSP (for example, by cash or bank transfer).	CPMI-WB
Remittance corridor	Specifies the remittance flow between an originating country (or region) and a receiving country (or region).	
Remittances	A cross-border, person-to-person payment of relatively low value. In practice, the transfers are typically recurrent payments by migrant workers (e.g., who send money to their families in their home country every month). The term “remittance transfer” is used for simplicity (i.e., it is assumed the transfer is international).	CPMI-WB
Remittance service provider (RSP)	An entity, operating as a business, that provides a remittance service for a price to end users, either directly or through agents.	CPMI-WB
Transaction account	Broadly defined as an account held with a bank or other authorized and/or regulated service provider (including a non-bank) which can be used to make and receive payments. Transaction accounts can be further differentiated into deposit transaction accounts and e-money accounts.	CPMI-WB
Safe corridor	Safe corridors imply compliance with AML/CFT standards. Achieving this designation includes conducting adequate risk assessments for the targeted corridors as well as the use cases (e.g., mobile money), with a mutual recognition of the results between regulators of send/receive countries. This approach has the potential to reduce compliance-related concerns (resulting in de-risking) and lower market entry barriers for new payment service providers to operate in these corridors.	CPMI