Recommended Minimum Standards
to Implement a Mobile Banking Program

Mercy Corps Philippines

This document is drawn on lessons learned from Mercy Corps Philippines' TabangKO program and is best read in conjunction with the TabangKO program's "Program Process, Partnership (3Ps) and User Experience Stories." It can also be used as a quick-reference for busy Program Managers implementing electronic cash transfer programs within a short time frame. Included is a checklist of priority considerations, common constraints, and practical workarounds.

How do use the Minimum Standards:

If mobile banking is new to you, we recommend that you read this in full to receive comprehensive guidance with real time examples of challenges and constraints, and tips and tricks on how you can mitigate them. If you are already familiar with many of the challenges of mobile banking, you may choose instead to review the summary checklist at the start of each section.

A brief introduction:

In cash transfer programs which utilize mobile banking, the INGO transfers money into a (mobile) bank account for each beneficiary. A mobile banking model uses a traditional mobile phone number/ SIM card as the primary means to communicate with the beneficiary. The beneficiary's mobile phone number is also the bank account number, making it easy to remember. Unlike a traditional brick-and-mortar bank, in a mobile banking model, the bank may choose to operate entirely through agents (also known as CICOs or cash in / cash out outlets) where beneficiaries conduct all their banking transactions. Cash outlets can be any retail store, pharmacy, or other small business located within the community. This offers greater convenience for the beneficiary while also increasing the bank's outreach into rural/ remote areas without the costs typical of opening new branch locations. The beneficiary conducts transactions at the cash outlets through their mobile phone and receives real time notifications of all transactions. Simultaneously, all of these transactions are linked to the bank's system via a simple USSD menu that works well on basic feature ("dumb") phone. In contrast to a mobile cash model (Kenya's Vodafone/ MPesa is a well-known example), the mobile banking model offers the added advantage of having an **interest-bearing savings account** as well as access to other financial products via the bank.

A. PROGRAM DESIGN QUESTIONS – PRIORITY CONSIDERATIONS

Overall Program Design Priority Considerations: Snapshot

□ Consider a hybrid model in a post-emergency setting: provide direct cash for the first transfer to offset delays in establishing mobile banking processes, which almost always take time to set up.

□ Your private sector partners (typically banks and mobile network operators) MNO/ telecom operator)[1] have different revenue-generating motives. When entering into agreements with them, verify the quality of their services and infrastructure capabilities (e.g., cell phone coverage and issue resolution).

□ Does the mobile banking technology's quality of services suit your beneficiary profile? Think specifically of the elderly, people with disabilities, people with special needs, and those with low literacy levels. Consider nominating a member of the household to support beneficiaries unfamiliar with the technology or with limited literacy levels.

□ Build concise, easily-comprehensive training modules for beneficiaries. Distribute pictorial brochures or handouts in the local language to empower beneficiaries to use the new technology. Supplement in person training with periodic SMS or voice messages sent to the beneficiaries' mobile phones to reinforce key training points at critical steps in implementation (for example the numeric codes or method to check the bank account balance using their phone).

□ The mobile banking model hinges on beneficiaries regularly using their SIM/ mobile phones to send messages and/or make calls (SIM cards expire with lack of usage). To promote usage, register beneficiaries' existing mobile phone numbers as their bank account number.

[1] Also referred to as Service Providers (SPs) or simply partners

DETAILED NOTES, AND TIPS & TRICKS

1. **Consider a hybrid program design:** If your program aims to rapidly provide cash while also building financial resilience in the long term (through access to bank accounts, encouraging savings and good financial behavior), consider a hybrid program model. In this scenario, the first transfer of cash if provided quickly, through direct distribution or another channel (i.e., remittances) will help mitigate any delays while mobile banking processes are being established. This allows assistance to reach beneficiaries while the time-consuming steps of registering beneficiaries for bank accounts, activating those accounts, etc. can be carried out to promote the longer-term gains such as savings (in an interest bearing account), accessing other financial services including loans or insurance

2. **Partners and partnership models:** Who are your partners on the program? Are you entering into separate agreements with your bank and MNO, or are they already in a partnership/ contractual relationship. Also, what mobile banking model will your program use?

   There are three primary types of mobile banking models –

   a. **One-to-one model:** The mobile bank is tied-up with only **one** mobile network operator (MNO/ Telecom Service Provider) in an exclusive partnership. All beneficiaries in this case **must** be existing users of this telecom network (Zain, MTN, Vodafone or similar) **or** become new users (i.e., be provided with a new SIM card from the same telecom service provider to be registered for a bank account.) This model makes contracting easier as the service providers are already in partnership.

   b. **One-to-many model:** The mobile bank can accept SIM cards from any/ all MNOs as the primary bank account number for the beneficiary. Beneficiaries who already have an existing SIM card/ mobile phone number can use this for their bank account number. Beneficiaries who don't can be given a new SIM card.

   c. **Many-to-many model:** Several banks (mobile banking service providers) are tied-up with multiple MNOs and beneficiaries can be registered for a bank account with any of the banks/ MNOs.

   While it is good practice to spread the risk by working with at least two service providers[2], in effect this also means that you will require separate partnership agreements (with separate processes and reporting requirements) with each partner.

[2] The availability of multiple service providers (particularly for mobile banking) depends entirely on the context. In the Philippines, which has a highly-developed environment for financial service providers and requisite infrastructure (reliable internet connectivity, good cell phone coverage), only one mobile banking partner was available.

If beneficiaries already have an existing SIM/ mobile number which they actively use, it is easiest to register this as the bank account number. This pre-empts technology related issues that can arise later (see also Section D: Process).

If you are providing beneficiaries with new SIM cards, consider providing a SIM from the telecom provider with the strongest signal in the beneficiaries' location. This prevents cell phone coverage issues. Ask beneficiaries if they have a preference based upon their knowledge of strong networks in their areas.

3. **Partners' incentives for service provision:** Your for-profit partner may well be entering into this partnership to generate profit by providing services to this lower income group/ disaster-affected population. This is an entirely acceptable reason to work together. The key questions you should ask are:

   a. **Quality of service provision:** What infrastructure does your partner have? What quality of service can they provide your target population? For example, are there adequate partner outlets (cash outlets) available? Are they within a reasonable distance for *your* target communities? If they are, great. If not, what is the time/ distance/ cost to access them?

   b. Is there adequate cell phone coverage in program target locations? (This is **mandatory** for a mobile banking program.) If not, how will your program reach out to poorly-serviced areas?

   c. **Issue resolution:** Do your partners have an issue resolution process in place? For example, if a beneficiary loses his/ her SIM card (which is their means of accessing cash), what process exists for that SIM card to be replaced? If there is a technology-related problem affecting a beneficiary's bank account, how will it be resolved? Is there a customer care/ customer service number that beneficiaries can use to call the bank/ MNO?

A good way to test your partners' assurance of service is to agree on Service Level Agreements (SLAs) at the time of contract signing. You may want to include penalties for unacceptable delays in service provision. For example, if your partner states that beneficiaries' bank accounts will be opened within 48 hours and this is delayed by more than a week, you may want to discuss including a penalty clause. While it is unlikely that your banking partner will agree to a penalty clause, this will help open up a discussion on the reasons they are not willing to consider penalty clauses and dig deeper into potentially problematic processes and find ways to mitigate these.

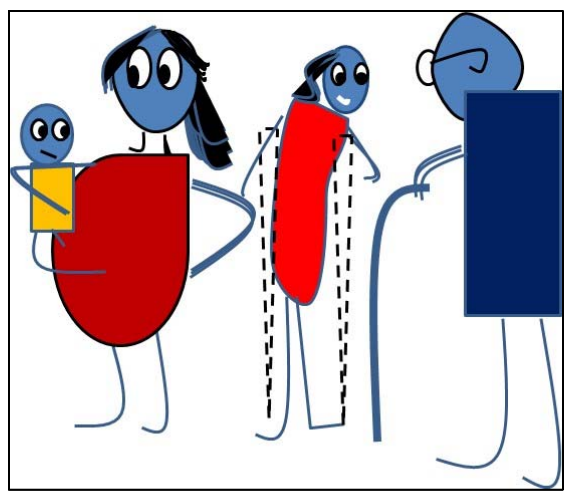
In a mobile banking model, the bank is the primary service provider and the MNO is the back-end provider of SIM cards. That being said, the MNO's infrastructure and services **must** be reliable since this is the primary medium through which the beneficiary receives their cash transfers/ conducts banking transactions. MNOs frequently practice "SIM recycling."

Essentially, this means that the MNO monitors all pre-paid SIM cards of their customers for telecom revenue-generating activity (i.e. making calls, sending SMS text messages, buying phone credit). If there is no revenue-generating activity within a specific period of time, the MNO's system automatically expires these SIMs and recycles them. After a certain period of time, these numbers become available again and are given to new users. In effect this means beneficiaries in a mobile banking program may be receiving phone numbers (SIM cards) that previously belonged to someone else and are also subject to the same risk of SIM expiry if they don't use their phones. When SIMs are connected to a mobile bank account, this also means that if a SIM expires, the beneficiary will no longer be able to access their bank account or cash, and the process of changing a SIM can be long and onerous.

If you are unsure if your beneficiaries will use their new SIMs to make calls or send messages, discuss the SIM expiry policy with your MNO and mobile banking partner. Oftentimes, SIM auto expiry can be circumvented if a beneficiary maintains a minimum balance on his/ her mobile phone.

4. **Beneficiary profile and training needs:** Consider your target beneficiary profile carefully. Mobile banking processes are technology-heavy and will require familiarity with technology and basic literacy/ numeracy skills.

If your target selection criteria include vulnerability criteria (female-headed households, people with disabilities, the elderly, etc.) consider ways in which you can make it easy for these groups to access and interact with their mobile banking account. Can an additional member of the household be a nominee/ alternate? If so, can this person access cash on behalf of the beneficiary or support the beneficiary in accessing cash?



If cash outlets are far from beneficiaries or difficult to reach (time/ distance/ cost of access), it may be prudent to provide a single, bulk transfer as opposed to several smaller transfers.

5. Training: If literacy levels or technology familiarity are very low, consider ways in which you can make the training easier for beneficiaries. For example, provide training in smaller sections, each emphasizing just 2 – 3 essential things beneficiaries need to remember. Trainings can be phased at different stages of the program.

Example: During registration when beneficiaries open their bank account, provide on-the-spot training on the advantages of this type of account (interest on savings, physical safety of cash, accessibility of cash from convenient locations). Following registration, provide training (or via SMS message) on how to check their bank account balance and whom they can call with questions. Prior to cash-out (when the beneficiary uses a partner outlet to access cash), provide training at the partner outlet instructing beneficiaries how to access their funds using the technology.

You can use SMS text messages or voice messages (Interactive Voice Recordings: IVR) to remind beneficiaries how to cash- out once the cash transfer has been deposited into their accounts, and/ or for other short training modules. This will help them remember the training modules, and ensure that these refreshers are timed when it is most useful to them.

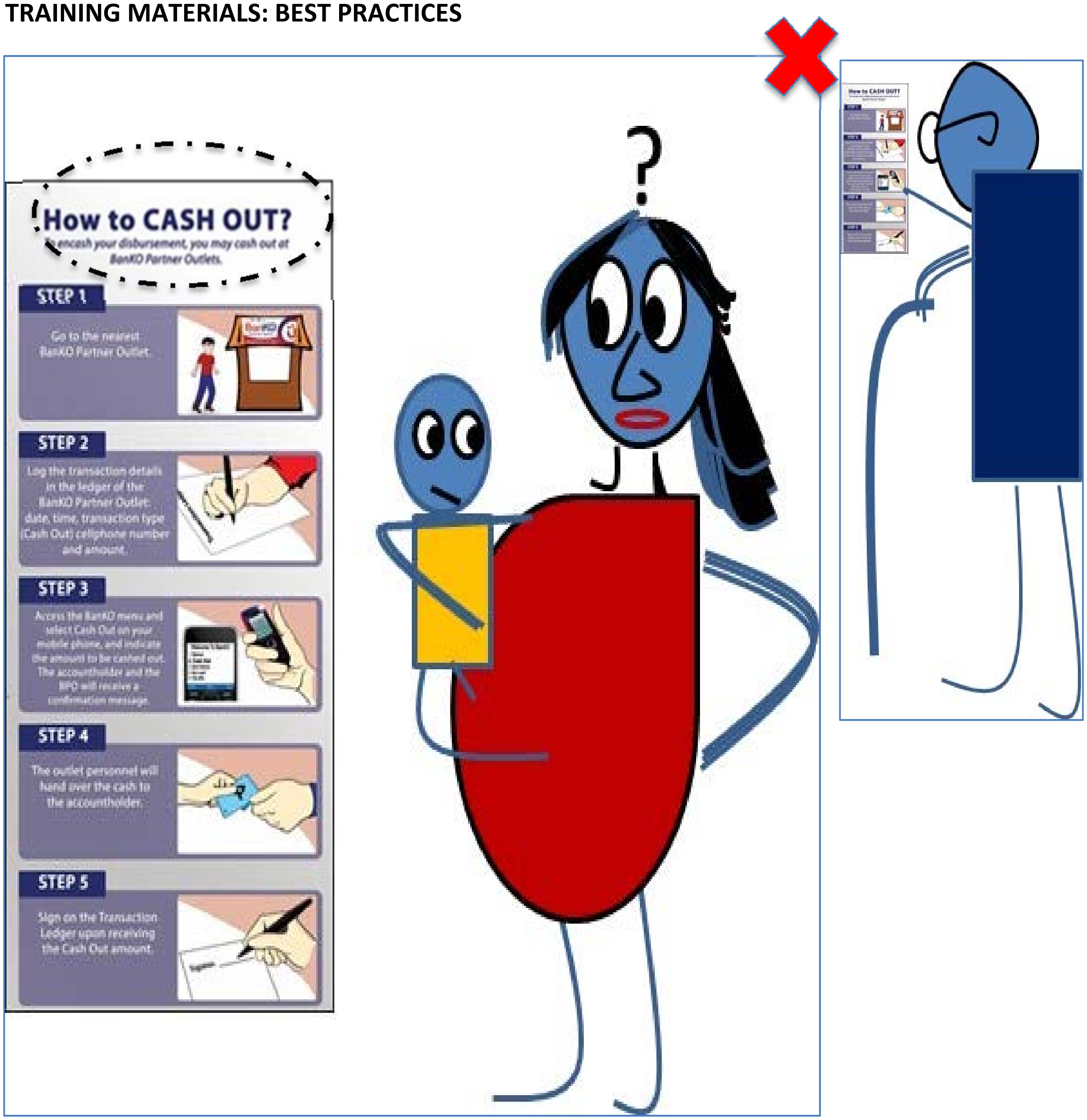
ALWAYS provide pictorial brochures with detailed steps for each feature of the training.

ALWAYS include practical trainings – using mobile phones to access the banking partner’s menu.

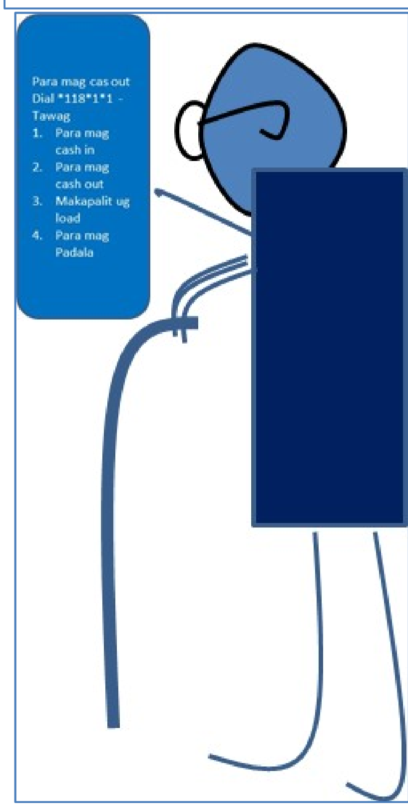
ALWAYS translate any information from English to the local language.

ALWAYS provide a Mercy Corps accountability hotline phone number, and contact numbers to the bank’s customer service centers to ensure that beneficiaries can call for any ongoing queries.

TRAINING MATERIALS: BEST PRACTICES




How to CASH OUT?
To encash your disbursement, you may cash out at BanKO Partner Outlets.
STEP 1
Go to the nearest BanKO Partner Outlet.
STEP 2
Log the transaction details in the ledger of the BanKO Partner Outlet: date, time, transaction type (Cash Out) cellphone number and amount.
STEP 3
Access the BanKO menu and select Cash Out on your mobile phone, and indicate the amount to be cashed out. The accountholder and the BPO will receive a confirmation message.
STEP 4
The outlet personnel will hand over the cash to the accountholder.
STEP 5
Sign on the Transaction Ledger upon receiving the Cash Out amount.
Para mag cash out
Dial *118*1*1 - Tawag
1. Para mag cash in
2. Para mag cash out
3. Makapalit ug load
4. Para mag Padala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B. (IMPLEMENTATION) PLANNING

Planning Considerations: Snapshot

□ Identify and discuss your program locations, number of beneficiaries, cash transfer value and/ or any other special requirements with the FSP (Financial Service Provider); it is best for cash transfer values to be rounded up (2,000 instead of 1,998, for example).

□ Map FSP partner outlets on a map using stickers or board pins (if they do not already have a usable map) to judge the distance/ cost for your beneficiaries to travel to these outlets.

□ Confirm that the FSP's partner cash outlets are functioning in all your program locations and can cater to people with special needs.

□ Confirm that the FSP's partner outlets have the capacity to take on your additional beneficiaries (i.e. cash flow, liquidity, additional human resources) over and above their own regular day to day customers.

□ Confirm that cell phone coverage is adequate in planned program locations; will you will be informed in advance of any planned outages which may affect electronic cash transfers.

□ Are all of the FSP's products and services also available to your target beneficiaries? E.g. interest on savings, loans, insurance, electronic bill payments.

DETAILED NOTES, AND TIPS & TRICKS

1. Identify program target locations, target number of households, and confirm cash transfer amount.

Cash transfer amounts should be rounded up (e.g. PhP[3] 2,000 instead of PhP 1,998);

2. Confirm with the FSP (mobile bank, mobile network operators) on availability of outlets in the program target locations. How many outlets are available?

If the FSP does not have a map of the outlets in the target area, use a physical map and mark partner outlets using red dots or board pins. This will help you understand the distance that the beneficiary has to travel to access their cash (and time/ money that they will likely spend for transport);

3. FSP's cash capacity: How many beneficiaries can transact at each outlet per day (per person transaction value.

[3] Philippine Pesos (PhP)

E.g.: 100 beneficiaries can withdraw up to PhP 1,000 per day per outlet). Does this meet your program needs? If not, what alternate measures can be taken?

4. How many non-program customers does the FSP's partner outlet serve each day?

Cash outlets also serve other "non-program" community members who may use them for other financial services. This, in turn, means that the FSP's partner outlets need to have adequate cash to be able to serve their regular customers **and** the increased number of people from your program. This will have an impact on additional resources that they need to invest (planning for additional cash for days where the volume of transactions may increase; additional staff to manage a larger group of people; additional cash that they have to plan for; increased withdrawals from their outlets).

Your partner's cash capacity is one of the most critical factors that can speed up or delay your program implementation. Each partner outlet may have its own separate cash capacity/ liquidity. Partner outlets do not carry too much additional cash for security reasons. Furthermore try to avoid peak religious holidays, festivals, or weekends for cash transfers as these may also be bank holidays, and it will be difficult for partner outlets to withdraw adequate cash to serve your beneficiaries.

FSPs may be able to temporarily increase the cash capacity of their partner outlets to suit the program's needs. This will require additional planning between you and the FSP.

It is very likely that all the beneficiaries in any given location will visit cash outlets immediately after you have transferred the funds into their bank accounts. Beneficiaries are notified of a cash transfer via SMS text message. You may control the number of people who go to a cash outlet by staggering cash transfer notifications. For example: If you have 200 beneficiaries in location A, the FSP may be able to send 100 text messages in the morning and the balance in the afternoon, thus ensuring that there is no overcrowding at the cash outlet. This also reduces the amount of time that beneficiaries spend waiting in line to collect their funds.

5. Are all the partners' outlets functioning? This is particularly relevant if this is in a post disaster context where some of the cash outlets may have been destroyed. This will impact planning around the number of beneficiaries who can collect cash from any given location and hence your implementation timeline.

6. Can the FSP accommodate people with special needs?

For the most vulnerable beneficiaries – elderly and people with disabilities – can the partner outlets provide priority services? Do the partner outlets have ramps for wheelchair access, or shaded areas in case of long waiting times? Can the partner outlets dedicate additional staff or resources to speed up the process for people with special needs?

7. What are the different services that the Financial Service Provider can offer (mobile banking, pre-paid cards, other)?

This will help you think through the various options that may be most relevant to your beneficiaries in a specific location.

Discuss what your program aims to achieve, with your FSP and your target beneficiary profile. FSPs may be able to offer helpful suggestions about what might best suit your program objectives and beneficiary needs.

8. Is the FSP providing all their relevant services to your beneficiaries?

For example, some mobile banks may provide insurance or loans, but this may only be applicable for clients of a specific income bracket.

C. CONTRACTING QUESTIONS

Contracting Considerations: Snapshot

□ Review any pre-existing contract template from the FSP and/ or MoU to understand your obligations/ paperwork that you as the INGO may need to provide (audited financial statements, business certification / registration papers).

□ Ensure your authorized signatories are readily available/ accessible to fast track the contract signing process once you have completed all negotiations.

□ Roles and responsibilities of each partner (including the INGO) should be clearly delineated.

□ What is the essential paperwork that beneficiaries have to submit to be registered as a new banking client (government regulations). What alternate identification is acceptable?

□ How is the FSP's fee payment structured? You can use this opportunity to negotiate paying a part of the fee once the process meets some of your program milestones (e.g. once beneficiaries have received their first cash transfer instead of at the time of registration for the bank account).

DETAILED NOTES, AND TIPS & TRICKS

1. Does the FSP have a pre-existing contract/ standard terms and conditions in place? If yes, they should share this with you to review the terms and conditions.

   If the FSP has a pre-existing contract, then it is likely that they have entered into similar agreements before and understand the extent of services that they can/ cannot provide. If your contracting process is taking time, it is good practice to sign a MoU to allow the FSP to begin preparing for implementation and/ or take limited financial risks to help speed up program start up.

2. What are the FSP's regulatory requirements to register beneficiaries?

Mobile banking and/ or mobile cash models are governed by Central Bank or government regulations to ensure the program is compliant with anti-terrorist financing and money laundering legislation. This means that beneficiaries will have to submit proof of identity and/ or other paperwork (known as KYC: Know Your Customer) requirements.

Check with the FSP on their KYC or other regulatory requirements for beneficiaries to open a new bank account, e.g. identification papers, bank account registration forms, government photo identification, etc. Can your beneficiaries provide this proof of identity? If not, discuss what alternate paperwork is acceptable. Can you as the INGO provide a program ID card for the beneficiary? Can you negotiate with village leaders/ local government offices to provide a temporary proof of identification if beneficiaries do not have the required papers or have lost them during a disaster/ conflict?

If government certification or proof of identification requirements impose an additional expense on the beneficiaries, the program should consider taking on this cost.

3. When do you have to pay the FSP's fee?

Most mobile banking partners will charge a fee for each bank account that is opened. The INGO may choose to pay for this as part of their program initiative. Consider at which points during the program implementation the INGO is required to pay these – at the time of beneficiary registration, at the time of bank account activation, at the time of cash transfer?

As a good practice, fees to the FSP should be paid when your program has achieved a milestone. Rather than pay the FSP a fee when a beneficiary is registered for a bank account (output), negotiate paying (or at partially paying) when the beneficiary has received his/ her cash transfer (milestone). This will ensure that the FSP's service provision meets the quality standards agreed to in the contract or MOU, and will also meet your internal program objectives. At the very least, this opens the door to discuss what the FSP needs from the INGO and in what time frame, for a successful cash transfer.

AND FINALLY -

D. PROCESS QUESTIONS

Process Considerations: Snapshot

□ Ask the FSP to provide a process flow from the time of beneficiary registration until cash-out. If they are unable to provide a process flow, conduct a mock role play with the FSP and ask “what if” questions relevant at each stage. E.g. what if the beneficiary does not have his ID papers? What if the beneficiary cannot go to the cash-out location?

□ Agree on a data collection process (standardized template, what data will be collected, who will collect this data), and regular data reconciliation schedule and ensure this happens as committed. Agree on a method of reconciling data discrepancies.

□ Check on how the FSP and their own partners (such as the MNO) collect and reconcile data discrepancies internally. The bank’s data, and that of the MNO, are interdependent but their systems and software are not shared in many cases, which can cause multiple erroneous cash transfers to unintended beneficiaries at later stages.

□ Data protection: If you are sharing data with the bank/ MNO, find out how the FSP and partners store data internally? What checks and balances are in place to ensure that beneficiary data is sensitive and confidential?

□ Data encryption: If you are storing beneficiary data on your laptop or office servers, always ensure that there is only one copy, and that it is encrypted and password protected for a second level of safety.

DETAILED NOTES, AND TIPS & TRICKS

1. Does the FSP have a clear process flow in place?

The process flow should outline all the steps that the beneficiary will go through from the time he/ she is registered for a new bank account until the time they receive their cash transfer.

Always do a mock role-play of the entire process with the FSP. Put yourself in the beneficiary's place to understand how this process will work for him/ her (lower literacy, living in a rural/ remote area, poor technology exposure or understanding, special needs).

As a best practice conduct a stress test of the entire process with a group of beneficiaries in the first 1 – 2 weeks of implementation, prior to ramping up the program, in all the target locations. If your total program target size is 5,000 beneficiaries, test the entire process with at least 500 people. Include testing of the process between you and your partners in this stress test. If your partner is required to provide you with the names and bank account numbers of beneficiaries within two days (based on your contractual agreement) and/ or you are required to transfer funds to your partner at least three days prior to initiating a cash transfer – all these processes must be tested to provide an accurate assessment of the program's complexities. This will help you identify potential problem and identify suitable ways to mitigate them.

Always include people with vulnerabilities in this stress test. The elderly may have additional challenges in accessing a mobile banking account or interacting with technology to access cash. Women with children may only be able to access cash outlets at specific times of the day, or may have to consider security risks of accessing certain locations. This testing for negatives will help you simplify the process and find ways to mitigate potential challenges that specific groups may face.

2. What is the process if the beneficiary cannot personally collect their cash and wants to send someone else from their household in their place? Can they register an alternate during the bank account registration so that person can they collect the cash instead of the beneficiary? Do they need additional authorization from the beneficiary allowing them to complete the transaction?

3. Who is responsible for collecting beneficiary data during registration?

If both the INGO and the FSP are collecting data, agree on details to be collected. Ensure a standardized template and format for data collection is followed so the data is easy to reconcile. Agree on a regular (preferably weekly) data reconciliation schedule.

□ How will any data discrepancies be resolved? E.g. if the INGO and FSP have the same beneficiary with two different mobile numbers in their systems, how will this be resolved?

□ If the FSP (mobile bank) is partnered with multiple telecom providers, how do they coordinate their data collection and data storage to provide the service? If the mobile bank procures phone SIM cards from the MNOs to provide to beneficiaries, how will they ensure that the name they have on their bank account is the same name on the MNO's internal systems for the beneficiary?

□ If the Telecom partner is also collecting data for beneficiaries, how do they reconcile data errors, if any? If there are software failures with the telecom partner's system, how will this affect the beneficiary? Who will be responsible for resolving this, and what systems are in place for that resolution?

□ Data protection: How will beneficiary data be used – by the mobile banking partner, by the MNO, by the INGO? Most for-profit partners may use beneficiary data to market their own or other products (for a fee). Can beneficiaries opt out of product messaging?

See also Encrypted Beneficiary Database template and guidance notes available along with this document and in the Digital Library.

MNOs and mobile banking partners are likely to have separate systems where data is collected and monitored. For example, MNOs may monitor network activity (does the beneficiary make/ receive calls, send/ receive SMS, buy phone credit?), and mobile banks may monitor savings, loans or other banking transactions. For confidentiality reasons these two systems may be entirely separate. This system separation does however mean that beneficiaries may be directed to different service providers to resolve their queries. For example, if the beneficiary enters the wrong Mobile Pin and is locked out of his/ her bank account, the beneficiary may be required to call the MNO customer service (to receive a new Mobile PIN).

MNOs may also provide services similar to those of the bank (mobile cash transactions through a mobile wallet to send/ receive remittances, etc.). If the MNO is using "recycled SIMs" it is highly likely that the previous owner of the SIM card may have been using mobile cash services offered by the MNO. In this case the MNO's system will continue to have the details for their previous client. If the same SIM is issued to a new mobile banking client, this can cause multiple transaction failures, particularly as the MNO's system and that of the bank are not inter-operable.

GLOSSARY OF TERMS:

INGO: International Non-Governmental Organization (Humanitarian Aid Actors), *this is also applicable to Local NGOs referred to as LNGOs*

FSP: Financial Service Provider, *this is not limited to just a traditional bank or a mobile bank, but can also include remittance agencies (such as Western Union) or in some cases electronic money providers which includes MNOs*

MNO: Mobile Network Operator or Telecom Operator

CICOs: Cash in cash out outlets, *this can be any retail store or pharmacy or other small business located within easy reach of the community. FSPs have a transaction fee based revenue sharing model with CICOs which helps them expand the FSPs outreach into hard to reach areas.*

SLA: Service Level Agreements, *a common practice instituted with private sector partners where the partner provides a guarantee or assurances of a minimum set of quality services within a reasonable time frame*

SIM: Subscriber Identifiable Module, *this is a chip card that, when inserted into a mobile phone identifies the user with a unique phone number and is the basis to send / receive SMS messages or make calls, and access other financial services where available.*

USSD: Unstructured Supplementary Data Service, *a text based information access system that allows the beneficiary's phone to communicate with the service provider's software / computers to access information. Beneficiaries can type in a series of numeric commands to 'pull' information on specific products or services on offer.*

SMS: Short messaging service, *text messages that allow the use of alpha numeric character, generally each SMS has a character limit of 160 characters and is a common means of communicating important messages among and between mobile phone users.*

MoU: Memorandum of Understanding, *generally used before a formal contract is signed, a MoU helps partners begin preparing for implementation. MoUs with FSPs essentially allows the FSP to take a limited amount of financial risk with the express understanding that this will lead to a formal contractual agreement.*

KYC: Know Your Customer, *essential paperwork required by a Central Bank or Ministry of Finance in a country that regulates financial transactions in a country. KYC requirements allow the FSPs to identify the person who is sending, receiving or using other financial services and track any suspicious transactions if required.*