



UNHCR Innovation Services - Digital Innovation Programme

Displaced and Disconnected



East and Horn of Africa and Great Lakes Region



Displaced and Disconnected

East and Horn of Africa and Great Lakes Region

Understanding the legal barriers that refugees and asylum-seekers face due to the proof of identity documentation required for SIM card registration and the financial sector.

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UNHCR, the UN Refugee Agency, believes that digital is and will further become one of the most important vehicles to deliver economic empowerment and self-reliance for refugees. The rapidly expanding global digital economy can drive positive change, allowing forcibly displaced people to build livelihoods and fostering access to employment opportunities.

However, many forcibly displaced and stateless persons encounter impediments when attempting to access digital opportunities. These challenges are often compounded by legal restrictions and the digital and infrastructure divide.

To address these issues, UNHCR and ILO have developed a project - Promotion, Inclusion and Protection of Refugees in the Gig Economy - funded by the Dutch Ministry of Foreign Affairs through its 'PROSPECTS Opportunity Fund'. The project aims to improve the working conditions of forcibly displaced people and their hosting communities on digital labour platforms and mitigate associated digital risks, while working towards conducive and inclusive national and local employment strategies.

Executive Summary

Refugees and other forcibly displaced persons (FDPs) around the world face a number of challenges accessing basic services such as mobile phone connectivity and bank accounts. The East and Horn of Africa and Great Lakes Region is no exception. This report focuses on one such challenge: legal barriers that refugees and asylum-seekers face due to the proof of identity documentation required for SIM card registration mandated by the telecommunications sector and Know Your Customer (KYC)/Customer Due Diligence (CDD) procedures in the financial sector.

SIM registration is mandatory in all nine East African countries studied in this report. While every country's legal framework differs slightly, they all require proof of identity documents to register a SIM card. In some countries, those requirements deny refugees and/or asylum-seekers legal access to SIM cards registered in their own name. KYC/CDD requirements – typically set forth in the country's laws and regulations on anti-money laundering and countering the financing of terrorism – create legal barriers for refugees and asylum-seekers in accessing formal financial institutions, as well as mobile money and other digital financial services in many countries.

While formal and informal workarounds exist both in the context of mandatory SIM registration and for accessing financial services, including mobile money, these workarounds are inferior to having an open and inclusive legal framework. Workarounds carry risks and liabilities for humanitarian organizations engaged in cash assistance and promote close-looped systems which stymie true financial inclusion for the concerned populations. With this in mind, this report concludes by setting forth recommendations for both government and humanitarian actors in the focus countries with the aim of achieving a more inclusive legal landscape which affords refugees, asylum-seekers, and other FDPs greater access to digital and financial services.

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Acronyms

AML	Anti-money laundering
ARRA	Agency for Refugees and Returnees Affairs (Ethiopia)
BIMS	Biometric Identity Management System
BoSS	Bank of South Sudan
CBOS	Central Bank of Somaliland
CDD	Customer Due Diligence
CFT	Combatting the Financing of Terrorism
COR	Commission for Refugees (Sudan)
CRA	Commission for Refugee Affairs (South Sudan)
DRS	Department of Refugee Services (Tanzania)
EMR	Electronic Money Regulation
FATF	Financial Action Task Force
FDPs	Forcibly displaced persons
FSP	Financial Service Provider
HAC	Humanitarian Aid Commission
ID	Identification
IDPs	Internally displaced persons
IMF	International Monetary Fund
INGO	International non-governmental organization
IOM	International Organization for Migration
IPP	Immigration and Passport Police (Sudan)

ITU	International Telecommunication Union
KII	Key informant interview
KYC	Know Your Customer
MINEMA	Ministry in Charge of Emergency Management (Rwanda)
MMSP	Mobile Money Service Provider
MNO	Mobile Network Operator
NBE	National Bank of Ethiopia
NCA	National Communications Authority
NCRI	National Commission for Refugees and IDPs (Somalia)
NDRA	National Displacement and Refugee Agency (Somaliland)
NGO	Non-governmental Organization
NIDA	National Identification Authority
NIN	National identification number
NTC	National Telecommunications Corporation (Sudan)
RSD	Refugee Status Determination
RURA	Rwanda Utilities Regulatory Authority
SIM	Subscriber Identity Module
TPRA	Telecommunications and Post Regulatory Authority (Sudan)
UCC	Ugandan Communications Commission
UNHCR	United Nations High Commissioner for Refugees
VSLA	Village Savings & Loan Association

Glossary

Cash-out	The action undertaken by recipients to access their cash; it may take the form of cashing a check or money order, using an ATM or a mobile money agent, or some other form to withdraw cash. ¹
Closed-loop system	“A system in which the institution that issues the payment card is always the same institution that provides the acquiring infrastructure. The card or password can only be used on the acquiring infrastructure of that one institution.” ²
Customer Due Diligence	Customer Due Diligence (CDD) is typically defined within each country’s AML/CTF laws and regulations. Generally speaking, CDD “is a set of measures that financial service providers are required by regulation to undertake in certain circumstances, including establishing business relationships.” ³ CDD requirements include measures financial institutions must take “to identify the customer and verify the customer’s identity using reliable, independent source documents, data or information.” ⁴ The term is often used interchangeably with “Know Your Customer” (KYC).
Know Your Customer	Know Your Customer (KYC) is a term used to describe the identity verification that regulators require financial service providers to collect about customers. While often used interchangeably with CDD, KYC is a part of the CDD process for onboarding customers. ⁵
Mobile Money	A paperless form of currency that uses mobile phones to facilitate financial services, including payments, transfers, savings, and credit. ⁶
Open-loop system	A system that allows customers to transact with any other customer or merchant, without being reliant on an organization to facilitate access. Open-loop systems “use local ecosystems and enable recipients to access a range of financial services.” ⁷
Prima facie basis	The recognition by a government or UNHCR of refugee status “on the basis of readily apparent, objective circumstances in the country of origin or, in the case of stateless asylum-seekers, their country of former habitual residence.” ⁸ It is typically applied in group situations that render individual refugee status determination impractical, impossible or unnecessary.

1. Introduction

This research was carried out in connection with UNHCR’s Displaced and Disconnected workstream, which has produced reports examining the legal and regulatory environments in 32 countries as they relate to digital and financial inclusion of refugees and other forcibly displaced persons (FDPs). As discussed in the first *Displaced and Disconnected* report published in 2019, digital and financial inclusion are key components of protection and long-term solutions for FDPs, particularly refugees, asylum-seekers, and stateless persons.⁹ In order for digital and financial inclusion to take hold, refugees and other FDPs must have access to services, including mobile phones and SIM cards, bank accounts, and digital financial services, such as mobile money.

The report identifies relevant legal barriers to accessing mobile connectivity and financial services in nine countries in the East and Horn of Africa and Great Lakes Region. It builds upon the research carried out in 2018-2019 in Burundi, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda and provides updates to the legal and regulatory environments governing the telecommunications and financial sectors in those countries. It also provides an in-depth examination of the legal and regulatory environments in Somalia, South Sudan, and Sudan, which have not been covered previously in UNHCR’s *Displaced & Disconnected* reporting.

Despite several positive developments of policy and practice in the region surrounding digital inclusion of refugees in recent years,¹⁰ a number of barriers persist in terms of access in many countries, including challenges related to physical proximity, low digital and financial literacy, and poor infrastructure and network coverage. However, this report – like the previous reports published within the Displaced and Disconnected workstream – focuses on proof of identity barriers. To that end, particular focus is placed on the legal and regulatory frameworks governing SIM registration and Know Your Customer (KYC)/Customer Due Diligence (CDD) requirements for financial institutions and mobile money.

Refugees, asylum-seekers, and stateless persons, in particular, face challenges meeting proof of identity requirements required for inter alia registering a SIM card, opening a bank account or obtaining a loan under KYC/CDD regulatory frameworks that do not include the ID documents issued to these populations among the forms of identification that satisfy KYC/CDD procedures.¹¹ Meanwhile, use of only informal financial instruments limits vulnerable populations – including refugees and other FDPs – “in their ability to save, repay debts, and manage risk responsibly.”¹²

The report concludes with recommendations for government actors and humanitarian/development organizations intended to guide efforts toward more inclusive regulatory environments that grant refugees, asylum-seekers, and other FDPs access to digital and financial services through open-loop systems.

2. Research Methodology and Limitations

Research for this report was conducted between October 2021 and January 2022. It consisted of a literature review on digital and financial inclusion of displaced persons in Burundi, Ethiopia, Kenya, Rwanda, Somalia, South Sudan, Sudan, Tanzania, and Uganda, and a comprehensive desk review and legal analysis of the relevant laws and regulations governing the telecommunications and financial sectors in Somalia, Sudan, and South Sudan.

It also included qualitative data collection in the form of key informant interviews (KIIs) conducted remotely with stakeholders in Somalia, Sudan, and South Sudan, and consultations with UNHCR staff in all nine focus countries. The primary data collected does not serve as a representative set of data, but informs, clarifies, and adds to the existing secondary material on digital and financial inclusion of displaced persons in the East and Horn of Africa and Great Lakes Region.

Research limitations stem from the exclusively remote nature of the research and the resulting challenges in reaching service providers, government regulators, and FDPs.

3. Regional Context

East Africa hosts one of the largest displaced populations in the world. As of June 2022, the region hosts over 5 million refugees and asylum-seekers and 12.6 million internally displaced persons (IDPs).¹³ There is a high level of mobility in the region, which “is both a source and a recipient of refugees[.]”¹⁴ In fact, three of the focus countries – Somalia, South Sudan, and Sudan – account for three of the four largest displaced populations in the region, with South Sudan considered the “largest refugee crisis in Africa and the third largest refugee crisis globally.”¹⁵ Conflict and insecurity as well as environmental shocks due to natural disasters and climate change are the main drivers of displacement in East Africa. Migratory movements in and out of the region are significant and often consist of mixed flows of refugees, asylum-seekers, and migrants.¹⁶

Development varies greatly across the region, including with respect to the countries' telecommunications and financial sectors. Kenya, Rwanda, Somalia, and Uganda on the one end of the spectrum have high levels of mobile phone penetration, good network coverage, and active mobile money markets.¹⁷ South Sudan and Burundi fall on the other end of the spectrum, with lower mobile phone penetration rates, unreliable or sparse network coverage (including in areas hosting large populations of displaced persons), few banks and other financial institutions (particularly in rural areas), and non-existent or nascent mobile money markets.

The nine countries covered in this report also differ in terms of the form of ID issued to each category of FDP (refugees, asylum-seekers, etc.). In some instances those differences can be significant, as individual Government-issued refugee ID cards can provide greater access to mobile and financial services than household-level documents, proofs of registration, or asylum-seeker certificates. Thus legal access varies not only across countries and services but also between displaced populations, as discussed in further detail in Section 4. See [Table 2](#) for a brief summary of legal access to mobile connectivity, bank accounts, and mobile money across the region.

A UNHCR internal survey from 2019 highlights that country legal frameworks are often not conducive to foster formalised access to employment with significant proportions of refugees having restricted right to work, limited freedom of movement and access to markets. Lack of legal work opportunities significantly impacts the resilience of the region's refugees, with only four countries in the region permitting refugees full economic participation.

Pre-existing poverty, low saving rates, and lack of economic assets diminish community member's resilience to respond to additional economic shocks as triggered by the pandemic containment measures. Surveys indicate refugee entrepreneurs and businesses facing challenges in accessing loans, formalizing businesses and inclusion into existing value chains. Lastly, limited access to training and skills development and recognition renders many income generating opportunities unattainable.

4. Key Findings

4.1 Legal and regulatory barriers to accessing mobile connectivity

SIM registration is mandatory in all countries across the region. The legal and regulatory framework governing SIM registration in **all nine countries** requires mobile network operators (MNOs) and their agents to obtain and verify each customer's identity. Proof of identity requirements for SIM registration continue to pose access challenges for refugees and asylum-seekers in the region, with some country contexts proving more difficult than others.

In almost half of the countries (**Ethiopia, Uganda, Somalia, and South Sudan**), the refugee ID card, asylum-seeker certificate, and/or proof of registration meet the ID documentation requirements for SIM registration.

In others, none of these identity documents are legally recognized to verify a customer's identity (Sudan and Tanzania), or only the refugee ID can be used to satisfy proof of identity requirements but not an asylum-seeker certificate or a proof of registration document (Burundi, Kenya, and Rwanda).¹⁸

"Not having a place to put their money makes them very, very vulnerable. A way around that could be mobile money, but then if they can't access a SIM card. . . [they cannot access mobile money]." – INGO, Sudan

Multiple KIs discussed the need to ease restrictions both in terms of registering SIM cards and opening bank accounts to give refugees and asylum-seekers greater financial inclusion.

4.2 Legal and regulatory barriers to accessing financial services

4.2.1 KYC/CDD Requirements for Banks and Other Financial Institutions

Refugees and asylum-seekers in East Africa continue to face challenges accessing formal financial institutions and opening bank accounts due to a lack of requisite identity documentation. In some countries, refugees have access but asylum-seekers do not; in others, neither refugees nor asylum-seekers can access bank accounts due to restrictive laws and regulations that fail to recognize their identity documents within the KYC/CDD framework.

The most inclusive of the nine countries in terms of legal access to banks and other financial institutions is Ethiopia. Ethiopia's 2019 Refugee Law grants an explicit right to refugees and asylum-seekers to open a personal bank account and access other banking services with the identity documentation they receive from the Agency for Refugee and Returnee Affairs (ARRA).¹⁹

In Rwanda and Sudan, refugees have legal access to bank accounts, but asylum-seekers do not. In Rwanda, per the *Directive No. 01/FIU/2018 of 16/02/2018 of the Financial Investigation Unit Relating to Anti-Money Laundering and Combating the Financing of Terrorism*, an "[o]riginal and copy of ID," passport, or national driving license may be used to satisfy financial institutions' KYC/CDD requirements for residents (which includes refugees).²⁰ In practice, all refugees with the refugee ID card have access to formal banking services and opening bank accounts.²¹ The requirements for asylum-seekers, as non-residents, which include an "original and copy of the passport/laissez-passer/ID" as well as a letter or contract from an employer confirming employment," are so limiting that they essentially bar access.²²

The Central Bank in Sudan issued a directive stating that Government-issued refugee ID cards qualify as KYC/CDD identity documents, thus granting refugees legal access to banks. However, while the directive exists on paper, many financial service providers (FSPs) do not follow the directive in practice and refugees continue to be denied access. Moreover, Sudan’s directive only applies to refugees; asylum-seekers remain fully excluded from formal banking.

In Kenya, refugees and asylum-seekers have limited access to bank accounts. Kenya’s Proceeds of Crime and Anti-Money Laundering Regulations, 2013 set forth details on the information financial institutions should obtain to verify the customer’s true identity. Accepted IDs include a birth certificate, national ID card, driver’s license, or passport.²³ In addition to the requirements set out in The Proceeds of Crime and Anti-Money Laundering Act, 2009, the institution may use the following to identify and verify the identity of the customer: a postal address, current physical or residential address, utility bill, employment details, source of income, income tax personal identification number issued by the Kenya Revenue Authority, or “where applicable, written references from acknowledged persons attesting to the customer’s identity”²⁴

Neither the Act nor the regulations indicate that a Government-issued refugee ID, asylum-seeker certificate, or proof of registration satisfies KYC/CDD requirements for banks in Kenya. However, while the legal and policy framework does not expressly highlight financial inclusivity of these displaced populations, it provides room for advocacy. Such advocacy has resulted in certain regulatory waivers from the Central Bank of Kenya that allows FSPs to extend financial services to refugees and asylum-seekers in designated areas (e.g., Kakuma and Dadaab). And in practice, refugees and asylum-seekers in these areas can access banking services at Equity Bank and KCB Bank.

Refugees in **South Sudan** have limited access to bank accounts under the regulatory framework, while asylum-seekers have none. South Sudan’s *Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017* requires an unexpired official document containing a personal ID number “or other unique identifier” and the customer’s photograph.²⁵ The Circular provides a list of examples of accepted ID documents: a passport, identification card, residence permit, social security records, or driver’s license.²⁶ Thus it does not exclude the IDs held by refugees and asylum-seekers (as those could be included within the reference to an “identification card”), but does not explicitly recognize them either.

Neither refugees nor asylum-seekers in **Somalia, Tanzania, and Uganda** have legal access to bank accounts due to their lack of recognized identification documentation. In Somalia, neither the Federal Government’s anti-money laundering and countering the financing of terrorism (AML/CFT) framework nor Somaliland’s Anti-Money Laundering and Countering Financing Terrorism Act of 2019 include the refugee ID or other identity documents held by refugees and asylum-seekers in their list of accepted KYC documents.²⁷

In Tanzania, the governing regulation related to KYC/CDD customer identification requirements is the Anti-Money Laundering Regulations, 2012, which were most recently amended in 2019. The regulations provide different rules for verifying customers who are citizens or residents of Tanzania and customers who are foreign nationals. Refugees and asylum-seekers are not specifically mentioned in the regulation, but are not likely to obtain the required documentation for either category.²⁸

The 2019 amendment to Tanzania’s AML Regulations introduce simplified CDD for customers for whom the financial institution “determines that the business relationship or transaction presents a low degree of risk of money laundering or terrorist financing[.]”²⁹ The amended regulation states that simplified CDD may include, among other things, verifying the customer’s identity after establishing the business relationship, but it does not specifically alter what forms of ID must be collected under the simplified process or identify refugees or other FDPs as low-risk customers.³⁰

In Uganda, while the Anti-Money Laundering Regulations, 2015, do not expressly recognize the refugee ID card for KYC/CDD purposes or appear to give refugees legal access, at least some banks accept it for opening an account.³¹ Asylum-seekers do not appear to have even de facto access to bank accounts.

4.2.2 KYC/CDD Requirements for Mobile Money

Refugees and other FDPs generally face fewer legal and regulatory barriers in accessing mobile money services than formal financial institutions. However, the degree of legal access to mobile money for refugees and asylum-seekers varies across the region, depending on what is an accepted ID for SIM card registration and the country’s KYC/CDD requirements for digital financial services, including mobile money services provided by MNOs.

Table 1: Regulatory Framework for Digital Financial Services

Country	Mandatory SIM Registration	Tiered (risk-based) KYC/CDD ³²	Electronic/Mobile Money Regulations
Burundi	Yes	No	No
Ethiopia	Yes	Yes	Yes ³³
Kenya	Yes	No	Yes
Rwanda	Yes	Yes ³⁴	Yes
Somalia	Yes	No ³⁵	Yes
South Sudan	Yes	Yes	Yes
Sudan	Yes	No ³⁶	No ³⁷
Tanzania	Yes	Yes	Yes
Uganda	Yes	Yes	Yes

Ethiopia, South Sudan, and Uganda have tiered KYC/CDD requirements for mobile money accounts which allow refugees and asylum-seekers to access the lowest threshold/tier accounts. In Ethiopia, they can access the lowest level account without any ID at all³⁸ or with any identification document issued to them by the ARRA, and in South Sudan, an ID from an NGO can be used to verify a customer’s identity.³⁹ Uganda’s National Payment Systems Regulations, 2021, expressly recognize the refugee ID card as a KYC identity document for the lowest tier electronic money (for cash out transactions).⁴⁰ However, asylum-seekers are likely to only be able to perform mobile money transfers, which only require a registered phone number and registered mobile money account.⁴¹

In **Rwanda**, both refugees and asylum-seekers have at least limited access to mobile money accounts. There is no express recognition of the refugee ID in the 2016 regulation governing electronic money;⁴² however, access to mobile money is now equivalent to SIM card registration, as new SIM cards come with mobile money services activated and refugees have access to SIM registration. Asylum-seekers do not have access to mobile money under the regulatory framework, but the August 2021 RURA Directive grants asylum-seekers access to SIM cards – and therefore mobile money – using “any legal document used to enter” Rwanda. As many, if not most, asylum-seekers flee their home country without ID documents, this would be difficult for asylum-seekers to provide. Nonetheless, in practice, asylum-seekers without accepted documentation use the proof of registration issued by UNHCR and MINEMA to register SIM cards and thus access mobile money accounts.

In **Sudan**, there is no dedicated electronic or mobile money regulation. However, *Circular No. 8/2014: Regulatory and Supervisory requirements for the Institutions Under the Supervision of Central Bank of Sudan on Anti-money Laundering and Combatting Laundering and Combatting of Terrorism* addresses measures institutions should take to manage and mitigate money laundering and terrorism financing risks arising from “new technologies,” including payments through mobile phones.⁴³ This Circular does not recognize the refugee ID as a KYC document.

The remaining countries (Tanzania, Kenya, Rwanda, Burundi, and Somalia) apply AML/CFT regulations for the financial sector to mobile money services, without a risk-based/tiered approach to KYC requirements, or with tiered KYC requirements that are prohibitive for refugees and asylum-seekers even for the lowest level accounts should the customer wish to cash out.

Tanzania’s Electronic Money Regulations, 2015, lay out a tiered framework, with different KYC/CDD requirements within each tier depending on the type of transaction (transfer, cash-in, or cash-out). It grants easy access to the lowest tier mobile money account for simple transfers – with no ID requirements. However, the ability to conduct cash-in and cash-out transactions even for the lowest tier pose greater challenges for refugees and asylum-seekers. Cash-in transactions add the requirement of an “[a]cceptable photo ID” (which is undefined and without examples in the regulation).⁴⁴ To cash-out, the regulation specifies limited forms of photo ID that all but prohibit access for refugees and asylum-seekers: voter’s registration, employment ID, social security ID, or letter from ward/village executive.

In **Kenya**, the Central Bank’s E-money Regulation, 2013, requires service providers to put systems in place “to identify e-money holders” but does not recognize the refugee ID card as a valid identity document for those purposes.⁴⁵ The Central Bank is currently working with the relevant government ministries, departments, and agencies to complete and launch e-KYC and tiered-KYC regulations/guidelines that are intended to be more inclusive,⁴⁶ but it is unclear whether they will specify the refugee ID, asylum-seeker pass, or proof of registration among accepted KYC identity documents. Advocacy initiatives have previously been made to include the refugee ID card as an accepted ID for purposes of SIM card registration and mobile money; however this is yet to translate into a change in the policy framework.

Both **Burundi** and **Somalia** lack clarity with regards to what KYC/CDD requirements apply to mobile money accounts. Burundi does not have a specific mobile money regulation; however, in practice, the refugee ID card is sufficient.⁴⁷

In Somalia, multiple regulations exist that address mobile money, creating regulatory inconsistencies pertaining to KYC/CDD procedures. As discussed in further detail in the Somalia Country Report found in Annex I, Somalia’s 2019 Mobile Money Regulations refer mobile money service providers (MMSPs) to the AML/CFT regulations governing KYC/CDD; however, the AML/CFT regulations do not set forth specific details as to what is required to verify a customer’s identity under KYC/CDD processes. Moreover, while the AML/CFT regulations do not contain a tiered/risk-based approach, Somalia’s Money Transfer Businesses on Customer Registration Regulations, 2015 – which also purportedly apply to mobile money services – do present a tiered KYC/CDD framework through which refugees and asylum-seekers would at least have legal access to the lowest thresholds.⁴⁸ In practice, mobile money accounts are relatively easy to access in Somalia. Nonetheless, the regulations need to be reviewed and revised to eliminate inconsistencies and formalize this inclusive environment.

Table 2: Summary of Legal Access

Country	Mobile Connectivity		Bank Account		Mobile Money	
	Refugees	Asylum-seekers	Refugees	Asylum-seekers	Refugees	Asylum-seekers
Burundi	Yes	No	Yes ⁴⁹	No	Yes	No
Ethiopia	Yes	Yes	Yes	Yes	Yes	Yes
Kenya	Limited	No	Limited	Limited	Limited	No
Rwanda	Yes	No	Yes	No	Yes ⁵⁰	Limited
Somalia	Yes	Yes ⁵¹	No ⁵²	No	Unclear ⁵³	Unclear
South Sudan	Yes	Yes	Limited	No	Yes	Yes
Sudan	Limited ⁵⁴	No	Yes ⁵⁵	No	No	No
Tanzania	No	No	No	No	No	No
Uganda	Yes	Yes	No ⁵⁶	No	Yes	Limited

4.3 Where legal and regulatory barriers exist, work-arounds provide de facto access

Despite the legal and regulatory barriers, refugees and asylum-seekers have been able to gain de facto access to registered SIM cards, mobile money accounts, and – to a lesser extent – bank accounts, in several of the countries included in this study through formal and informal workarounds.

Some refugees and asylum-seekers gain access to a registered SIM through a friend or family member who has an accepted form of ID; others through an MNO agent; and others through humanitarian organizations that distribute SIM cards registered in bulk under the organization’s name. KIIs reported that service providers are particularly willing to find solutions when there is an organization working with the refugee or asylum-seeker to access services.⁵⁷

“As much as we have KYCs on paper, they are very flexible. . . . The percentage of people in Somalia who have IDs is very small. But every person has at least one SIM card.” – INGO, Somalia

While undoubtedly useful tools in terms of gaining access to services, information, and cash assistance in the short-term, some of the workarounds do not serve the greater interest of long-term inclusion. For example, where SIM cards are registered in a humanitarian organization’s name and distributed to beneficiaries, this does not create legal access for those individuals to register a SIM card in their own name. Moreover, governments or MNOs decide periodically that SIM cards must be re-registered for continued access. If a refugee or asylum-seeker whose SIM is registered under another person or entity’s name cannot produce an acceptable identity document, he or she may lose access.

Similarly, where FSPs or MMSPs are willing to open bank accounts or activate mobile money accounts for a refugee who has the “backing” of an international non-governmental organization (INGO), this creates risk for the organization and does not inspire regulatory change that may be more beneficial for their long-term inclusion in the financial sector. Refugees and asylum-seekers cannot improve their livelihoods, reduce their vulnerability, increase self-reliance, or integrate into society if their only access to connectivity and financial services is through a humanitarian aid organization. Only through an open and inclusive legal and regulatory framework can these goals be achieved.

KIIs provided some examples where the workarounds to identification barriers do grant refugees and other FDPs open access to the services. For example, a UN agency working with IDPs in rural areas of Somalia reported that with cases where the beneficiary has a SIM card but not a mobile money account, the organization asks the MNO to open a mobile money account; at that time, the beneficiary must visit the agent and open the account. Once those individuals open a mobile money account, their use of the account is not limited to transfers from the organization.⁵⁸

Conclusion and Recommendations

While advancements have been made in some countries in the region to foster the inclusion of refugees, asylum-seekers, and other FDPs in telecommunications and financial sector services, the majority of the countries examined in this report continue to embrace regulations and policies that exclude refugees and asylum-seekers due either to limiting the accepted forms of ID to documents only available to nationals or that are difficult for refugees and asylum-seekers to obtain, or providing in legislation or regulation a series of examples that do not explicitly mention the refugee ID card, asylum-seeker certificate, or proof of registration and therefore fail to ensure acceptance of these documents by service providers, even if the regulation technically permits a more an inclusive approach.

As detailed above, workarounds are common but imperfect. When FDPs access a SIM card using another individual’s identification or an agent’s identification, that does not advance an inclusive telecommunications sector. Similarly, the ability to open a bank account or activate a mobile money account only with the “backing” of a humanitarian organization may cause liability issues for the organization and promote a closed-loop system that does not lead to long-term financial inclusion of refugees and other FDPs.⁵⁹

In light of the findings set forth above and in the country reports and updates contained in Annexes I and II, and in addition to the recommendations set forth in previous Displaced & Disconnected reports, the following recommendations aim to address existing legal and regulatory barriers to digital and financial inclusion of refugees, asylum-seekers, and other FDPs in the East and Horn of Africa and Great Lakes Region:

For Government agencies and regulatory bodies

- Recognize asylum-seeker certificates and proof of registration documents as legally valid documents for accessing mobile connectivity;
- Ensure recognized refugees are provided refugee ID cards with equivalent functionality as national IDs (e.g., if the national ID is biometric, refugees should be issued biometric ID cards), and then take measures to ensure that such equivalency is recognized within the relevant regulatory frameworks;
- Clarify within regulation or through a Central Bank directive (or equivalent) that the refugee ID card and any other Government-issued ID document held by refugees and asylum-seekers satisfies at least the lowest tier KYC identity requirements for financial institutions;
- Where applicable, amend legislation and regulations on KYC/CDD requirements for mobile money services to foster digital and financial inclusion of refugees and other displaced persons by outlining a risk-based/tiered KYC approach that permits refugees and asylum seekers to open accounts, transact, and cash-in and cash-out;
- Test new approaches to KYC/CDD in 'regulatory sandboxes' in advance of amending regulations to ensure risks are understood and mitigated, where necessary;⁶⁰
- Where proof of identity is mandated for SIM registration, seek to harmonize these requirements with the lowest KYC threshold requirements (and vice versa) and recognize the refugee ID, asylum-seeker certificate (or equivalent), and proof of registration ;⁶¹ and
- Sensitize financial and telecom service providers and their agents on updated laws and regulations specifying that refugee ID cards, asylum-seeker certificates, and proof of registration (where applicable) are accepted forms of KYC identification documents.

For UN agencies and other humanitarian organizations

- Advocate for legislative and regulatory reform aimed at greater financial inclusion for refugees and other FDPs, including engaging in more joint advocacy efforts with relevant government entities for the acceptance of refugees' and asylum-seekers' identification documents for SIM registration and financial sector KYC/CDD requirements;
- Advocate for the refugee ID to be recognized on an equal basis as the national ID for customer verification under KYC/CDD procedures for FSPs and MMSPs;
- Continue discussions among themselves on risks and liabilities regarding serving as a guarantor for refugees in opening bank accounts or mobile money accounts or registering a SIM card;⁶² and
- Convene MNOs and private entities to build momentum and generate buy-in for the acceptance of refugees' and asylum-seekers' identification documents for SIM registration and financial sector KYC/CDD requirements.

ANNEX I: Country Reports

Somalia

ITU Regulatory Tracker
Overall Score (2020);⁶³



GSMA Mobile Money
Regulatory Index (2021);⁶⁴



Party to the 1951
Refugee Convention:
Yes



Data Protection and
Privacy Legislation:
No



Operational Context

Somalia has suffered from decades of armed conflict and political upheaval since the outbreak of a civil war in 1991. It also has experienced environmental catastrophes such as persistent drought, floods, and locust infestations.⁶⁵ As a result of the protracted armed conflict and recurrent climate shocks, millions of people have been displaced. Somalia has one of the largest IDP populations in the world.⁶⁶ Somalia also is a country of origin, transit and return for international migration.⁶⁷ Somalia is a State party to the 1951 Refugee Convention and its 1967 Protocol as well as the 1969 OAU Convention, but “the status and treatment of refugees in Somalia is governed under different laws or structures depending on their location in the country.”⁶⁸

Territorial control in the different regions of Somalia complicates matters – with the self-declared autonomous Somaliland, autonomous armed forces in Puntland, and a mix of Federal government, al-Shabab, and/or local control in the central and southern parts of the country (“South-Central”).⁶⁹ The fractured government structure means that in matters relating to refugees and asylum-seekers, each regional state initiates and develops its own laws and has its own institutional focal points. For example, the National Commission for Refugees and IDPs (NCRI) is the federal institution with country-wide jurisdiction (granted by Somalia’s federal parliament).⁷⁰ But each regional state, including Puntland and Jubaland, has its own institution dedicated to refugee and IDP issues with a similar mandate to the NCRI at the regional level.⁷¹ Somaliland also has its own institutions, policies, and practices governing displaced populations.

Registration and Identification of Displaced Persons

As of 31 May 2022, Somalia hosts 14,968 registered refugees and 18,143 registered asylum-seekers.⁷² Registered refugees and asylum-seekers are displaced primarily from Ethiopia (68 per cent) and Yemen (27 per cent), with 3 per cent originating from Syria.⁷³ In addition, Somalia has an estimated 2.97 million IDPs.⁷⁴ The majority of refugees and asylum-seekers are located in Somaliland, while the majority of IDPs are located in South-Central Somalia.

In South-Central, the NCRI is the body responsible at the federal level for overseeing the registration of asylum-seekers. In Somaliland, the National Displacement and Refugee Agency (NDRA) conducts registration. And in Puntland, registration is conducted by the Human Protection Department of the Ministry of Interior, Federal Affairs and Democratization (HPD-MoIFAD). UNHCR coordinates registration and data management throughout Somalia, but the dynamics are different in each region. In South-Central and Somaliland, the government conducts their own registration and then sends the asylum-seeker or refugee to be registered with UNHCR. In Puntland, UNHCR is responsible for the initial registration.

In all three regions, UNHCR provides asylum-seekers and refugees with proof of registration.⁷⁵ Asylum-seekers typically will be issued with identification documents for the period between registration and the decision of the asylum application.⁷⁶ However, the documentation issued after registration differs across regions. In Somaliland, asylum-seekers are provided an asylum-seeker certificate with both UNHCR and government logos, while refugees are issued an ID card with only the government logo. In South-Central, refugees are issued a certificate; asylum-seekers only receive a proof of registration. And in Puntland, asylum-seekers and refugees are issued certificates with both government and UNHCR logos.

SIM Registration

SIM registration is mandatory in Somalia. The National Telecommunication Law, 2017, requires telecommunications companies to register all SIM card holders and requires customers to have “personal identification.”⁷⁷ However, the law does not specify what forms of personal identification are accepted for SIM registration and there is no existing regulation clarifying what forms of personal identification are acceptable under the law.

In 2018, a new independent regulatory body for the communications sector was established under the National Telecommunications Law: the National Communications Authority (NCA).⁷⁸ Yet according to key informant interviews (KII), enforcement of the SIM registration requirement is inconsistent throughout the country, with many individuals registering SIM cards without showing formal identification. According to one service provider, in Mogadishu, the personal ID requirement is enforced, but an ID from an organization such as UNHCR would be sufficient.⁷⁹ Even a refugee’s or asylum-seeker’s proof of registration would be accepted.⁸⁰

Some INGOs working in Somalia reported even easier access: “If today you went for a SIM card, [they] just ask for your name. They wouldn’t ask for identification. If you went to Mogadishu, there are Hormuud outlets, Somtel...The moment you ask for a SIM card, you will get the SIM.”⁸¹

“It’s not very hard to get a SIM card. As long as you have a referral. We work with most of the NGOs.” - MNO, Somalia

In South-Central (outside of Mogadishu), where no national identity registration system exists, the personal identification requirement may be satisfied through “community information” (word of mouth) – for example, if the customer gets a community elder or leader to vouch for him/her.⁸² For refugees and asylum-seekers, the community information may be in the form of a referral from the camp or from an organization.⁸³ One interviewee noted that “if an organization was working with refugees and wanted them to have SIM cards, they’d go to the MNO and have discussions with them and get them to accept the identification provided. . . .”⁸⁴

In Somaliland and Puntland, by contrast, several interviewees reported that most nationals have personal IDs and therefore proof of identity requirements are more strictly enforced.⁸⁵

KYC/CDD Rules for Financial Institutions

Refugees do not have legal access to bank accounts in Somalia.⁸⁶ UNHCR has been advocating for the recognition of the refugee ID in all three regions, but it has not yet been recognized as a KYC document for financial services.⁸⁷

South-Central and Puntland

Somalia is a member of the North Africa and Middle East Financial Action Task Force (MENAFATF). The Anti-Money Laundering and Countering the Financing of Terrorism Act (AML/CFT Act), 2016, is the primary statute of the Federal government's AML/CFT regulatory framework. It requires a person's identity to be verified "by the presentation of an original national identity card or passport, or other reliable documentation" as prescribed in regulation or guidance by the Central Bank of Somalia and other supervisory authorities.⁸⁸

Unfortunately, there is not a clear regulatory picture on KYC/CDD requirements for financial institutions, as multiple supervisory authorities prescribed regulations pursuant to the AML/CFT Act, which has resulted in a lack of clarity and legal certainty. The Financial Reporting Center issued Anti-Money Laundering & Countering the Financing of Terrorism (AML/CFT) Regulations in 2018, which incorporate relevant components of the 2016 Act, FATF Recommendations and other international best practices, but are internally inconsistent with respect to KYC/CDD proof of identity requirements.

Regulation 5.3 states that financial institutions must "obtain, verify and record" an original passport or national ID card for purposes of identification and due diligence⁸⁹ – documents that refugees and asylum-seekers often do not have. However, Regulation 5.5 suggests that financial institutions may apply a risk-based approach to KYC/CDD documentation "in the interest of improving access to financial services."⁹⁰ Regulation 5.5. states that depending on the level of risk, a (natural) person's identity may be verified by a passport, national ID card, birth certificate, "or other reliable information and documentation" as set forth in the regulation's Appendix II.⁹¹ However, Appendix II again only identifies a national ID card or passport as the identification document that must be obtained.

In 2019, the Ministry of Finance of the Federal Government of Somalia issued an Anti-Money Laundering & Countering the Financing of Terrorism (AML/CFT) Regulation for financial institutions, including banks, money transfer businesses and mobile money. This regulation states that it repeals and replaces all existing regulations. Yet the Ministry's AML/CFT regulation does not provide detailed guidance on KYC/CDD proof of identity documentation requirements.⁹²

In November 2020, the International Monetary Fund (IMF) reported that the federal government's Financing Reporting Center was "supporting capacity building on AML/CFT for stakeholders, including drafting guidelines for AML/CFT regulation for financial institutions."⁹³

Some KIIs noted that financial service providers (FSPs) have been somewhat flexible in practice when it comes to KYC – particularly when an individual is backed by an organization. Humanitarian organizations involved in cash assistance have negotiated with FSPs to accept the organization's ID for KYC for their beneficiaries. At least one bank, in partnership with a humanitarian aid organization, has accepted the organization's ID containing a photograph and unique ID number for proof-of-identity for beneficiaries to receive money.⁹⁴

Somaliland

Somaliland enacted its Anti-Money Laundering and Countering Financing Terrorism Act in 2019. It similarly requires financial institutions to identify and verify the identities of their customers – not only when beginning a business relationship or when it suspects money laundering or financing terrorism, but also when sending, receiving or delivering cash of any amount and when an individual receives an electronic money transfer and the institution does not have complete information about the sender of the money.⁹⁵

For proof of identity, the Somaliland legislation requires natural persons to provide an original ID card, valid passport (with a visa or residence permit affixed to it if the person was born in another country), driver's license, chief guarantee,⁹⁶ or any other identification included in the Bank's circular.⁹⁷

Somaliland's law makes no mention of the refugee ID card or asylum-seeker attestation. However, one INGO reported that they have been able to work with Amalbank to open bank accounts for refugees using the refugee ID card for identification purposes.

Mobile Money

Despite the ongoing insecurity and political instability in the country, compounded with poor infrastructure, technological innovation has progressed fairly rapidly over the past decade. There has been a massive shift from a cash-based economy to mobile money, in part due to substantial fluctuations of inflation rates and the devaluation of Somali currency. Somalia now has "one of the most active mobile money markets in the world."⁹⁸

In 2018, the World Bank reported an estimated 155 million mobile money transactions in Somalia, amounting to US\$ 2.7 billion per month, with more than 70 per cent of Somalia's adult population using mobile money services on a regular basis.⁹⁹ It has superseded the use of cash.¹⁰⁰ The majority of Somalis keep their money in a mobile wallet, transacting "directly and digitally with merchants" rather than using mobile money as simply a money transfer service or "cash[ing] out."¹⁰¹

By early 2021, more than two-thirds of all payments made in Somalia were reportedly made via mobile money platforms.¹⁰² According to the governor of the Central Bank of Somalia, mobile money service is the preferred choice among Somalis because of the "low bar for accessing it."¹⁰³ Somalia also has the advantage of a well-developed telecommunications system that has helped facilitate the use of mobile money.

Multiple INGOs interviewed for this research reported that 100 per cent of their cash distributions are now made via digital technologies, including mobile money platforms. In a September 2021 mapping of cash assistance in Somalia covering all 18 regions, 50 per cent of the Cash Working Group participants reported the delivery mechanism they use is mobile money; around 45 per cent reported use of e-vouchers; other methods were under 5 per cent.¹⁰⁴

South-Central Somalia

Although mobile money services emerged in Somalia over a decade ago, and it is considered a well-developed sector of the economy, the sector remained largely unregulated until 2019-2020. The Central Bank of Somalia (CBS) promulgated mobile money regulations in 2019 and amended them in 2020.¹⁰⁵ It issued the first license to a mobile money service provider in February 2021.

“Despite mobile money being a very developed sector in Somalia, regulations around it have been weak. . . . Earlier this year [2021], the first official license was issued by the Central Bank.” - Alessandro Bini, Chair of Somalia Cash Consortium

The CBS awarded the license to the country’s largest telecommunications provider, Hormuud Telecom, which operates the mobile money platform EVC Plus. EVC Plus is now subject to the regulation of the Central Bank.¹⁰⁶ For those MMSPs that have not received a license, they still have the oversight of the Central Bank and received an authorization from the Central Bank to operate.¹⁰⁷ However, according to a recent IMF Staff report as well as some KIIs, MMSPs are not sufficiently covered by Central Bank regulation or supervision.¹⁰⁸

Although mobile money has been one of the Central Bank’s key areas of regulatory development,¹⁰⁹ the mobile money regulatory framework contains numerous inconsistencies. For example, the Mobile Money Regulations, 2019 define mobile money differently than the pre-existing Regulations for Money Transfer Businesses on Customer Registration Regulations, 2015 (“MTB Regulations”), which are still in effect.¹¹⁰

In addition, the 2019 Mobile Money Regulations require MMSPs to “comply with the existing AML/CFT Law and regulations when establishing Know Your Customer (KYC) details of a consumer at the time of establishing a relationship and during every transaction.”¹¹¹ As noted above, the governing AML/CFT regulations appear to be the 2019 AML/CFT Regulation issued by the Ministry of Finance.¹¹² However, that regulation does not provide detailed guidance on KYC/CDD proof of identity documentation requirements (which only exist in the 2018 AML/CFT regulations which they replaced).

To further complicate matters, the MTB Regulations – unlike the Mobile Money Regulations – set forth a tiered KYC structure, where transactions of less than \$US 100 daily and \$US 200 monthly qualify for simplified KYC and require no verification of customer identification. Pursuant to these regulations, refugees and asylum-seekers should both have access to mobile money for low threshold transactions.

“Regular” KYC under the MTB Regulations applies where the daily transaction threshold is between \$US 100 and \$US 500 and monthly transaction threshold is between \$US 200 and \$US 500. For Regular KYC, customer identification can be verified through different combinations of identity documents. One combination may be a Government-issued photo ID (e.g., passport, ID card, or driver’s license) plus a document to verify the customer’s address (in the form of a private sector employee ID card, reference letter from employer, letter of marriage, reference letter from a “person with good standing in the community, reference letter from a hotel, title or deed of home, or a utility bill containing a customer reference number).¹¹³ While the Government-issued refugee ID card should satisfy the photo ID requirement, refugees are likely to have difficulty satisfying the address verification for threshold levels that trigger regular KYC measures.

“The challenge we have is a lack of harmonization of the institutions controlling the activities [of mobile money service providers]. . . . It’s still not clear who is providing what.” - UN Agency in Somalia

A recent report by IMF staff noted that both the MTB Regulations and Mobile Money Regulations should be adjusted to clarify the regulatory coverage of each in light of the inconsistencies.¹¹⁴

As most mobile money services are offered through MNOs, which fall under the Ministry of Posts, Telecom & Technology (MoPTT), mobile money services are also subject to regulation by the NCA.¹¹⁵ Several KIIs noted the need for better coordination between the financial sector regulators and the telecommunications regulators. The regulators have, in fact, taken steps toward greater coordination that could result in the harmonization of KYC/CDD requirements for mobile money. On 23 November 2021, the NCA and the CBS announced that they have signed a Memorandum of Understanding on regulating digital financial services, including mobile money.¹¹⁶

In practice, the MMSPs individually have established KYC guidelines with their own requirements. The development of such guidelines is reportedly on a company-by-company basis and therefore does not provide clear legal access to displaced persons seeking services. For example, with a registered SIM card, a Hormuud customer would be able to set up its mobile money service EVC Plus. However, there are some requirements in addition to a photo ID to activate the mobile money account. According to a KII in the telecommunications sector, the customer will typically be asked for a guarantor (e.g., someone who has had a SIM card with the company for one year).¹¹⁷ As with SIM registration, in South-Central (outside Mogadishu), where most people do not have IDs, identity will be confirmed through “word of mouth” by the local community. For refugees, a refugee card with their name on it, photo, and UNHCR logo would satisfy the ID requirement to activate an EVC Plus account.¹¹⁸

Somaliland

In Somaliland and Puntland, there is no independent regulatory body that oversees mobile money. In Somaliland, the Central Bank of Somaliland (CBOS) serves as the main regulatory authority for both financial institutions and mobile money and defines the KYC requirements for mobile money. The CBOS has developed a similar mobile money regulation to that in operation in South-Central Somalia.¹¹⁹ However, due to the COVID-19 pandemic, the process was put on hold in 2020 and the regulation has not yet been issued.¹²⁰

In Somaliland, mobile money has a 78 per cent penetration rate whereas formal banking institutions have less than 14 per cent.¹²¹ Telesom Zaad is the main MMSP in Somaliland, with 96.5 per cent of people using mobile money using its services, according to a 2019 report by GSMA.¹²² Unlike MMSPs in South-Central Somalia, Telesom Zaad operates under the supervision of the CBOS. Zaad reportedly has a tiered KYC policy, where beneficiaries with simplified requirements (and lower maximum) for persons without a passport or ID card.¹²³ In place of an ID card, Zaad will accept a “written letter from a local chief or prominent businessperson that verifies” the customer’s identity.¹²⁴ These alternative documents could be challenging for refugees and asylum-seekers to obtain if they are not well-integrated within a community.

Puntland

In Puntland, the Puntland State Bank regulates both financial institutions and MMSPs.¹²⁵ Puntland is the least developed of the three regions in terms of regulation and in the absence of its own, it often follows the legislation, regulations, and policies developed by the Federal Government of Somalia.¹²⁶ Prior to the COVID-19 pandemic, Puntland had drafted a number of regulations that pertain to the mobile money sector, including an AML regulation, Mobile Money Regulation, and a Telecommunications Services Law.¹²⁷ But at the time of writing, none of those have been finalized. Golis is the most widely used telecommunications service in Puntland, making its mobile money platform Sahel the most widely used in the region as well. Golis’s website states among its registration requirements “Identification document (passport, ID)” but does not indicate whether the what forms of “ID” are accepted.¹²⁸

Data Protection

No specific data protection law exists in Somalia at this time;¹²⁹ However, one is reportedly being drafted. In the meantime, provisions in various existing laws protect the confidentiality of consumer data. For example, the National Telecommunication Law authorizes the NCA to request information from a telecommunications service licensee “that is necessary for the performance of [the NCA’s] duties” in so far as it does not “disturb [] any right of personal privacy in accordance with” the National Telecommunication Law.¹³⁰ Telecommunications companies are prohibited from discussing the personal information of a customer except in consultation with the NCA and only if “public safety [is] at stake, and first priority should be given to the privacy of the customer.”¹³¹

The Federal government’s Mobile Money Regulations require MMSPs to “put in place a robust security” that ensures that “[a]ppropriate security policies, procedures and measures” are in place to safeguard the confidentiality of data, and “[c]onfidential or sensitive information, whether in the possession of a mobile money service provider, agent or third party service provider shall be fully protected from unauthorized access and usage.”¹³² Consumer details – including transactions – are to “be fully secured and protected from unauthorized access at all times[.]”¹³³

Recommendations

Government authorities in Somalia and Somaliland

- Promulgate regulations under the National Telecommunications Law, 2017, that provide clear regulatory guidance on proof-of-identity documents required to register a SIM card that are inclusive of the refugee ID card, asylum-seeker attestation, and proof of registration (where applicable);
- Introduce simplified CDD/tiered-KYC requirements for low-risk accounts within the AML/CFT regulations to expand upon the forms of personal identification that satisfy KYC requirements; in particular, the refugee ID card, asylum-seeker attestation, and proof of registration (where applicable), with adequate safeguards to ensure the integrity of the system;¹³⁴
- Prioritize coordination among financial regulators and telecom regulators to harmonize proof of identity requirements for SIM card registration and the lowest tier KYC requirements to ensure access for refugees and asylum seekers to mobile money accounts;¹³⁵
- Ensure timely issuance of personal identification documents for refugee-returnees and IDPs in line with Principle 8 of the National Policy on Refugee-Returnees and Internally Displaced Persons;¹³⁶ and
- Promote mobile money through a “regulatory sandbox” approach, in order to encourage innovation, improve compliance and risk management, and reduce opportunities for agent fraud and other harmful conduct and hold providers liable for agents.¹³⁷

UN Agencies and Humanitarian/Development Organizations

- Jointly promote digital and financial inclusion for persons of concern, including through collaboration with key stakeholders and advocacy for a conducive legal and policy environment;
- Advocate to the federal government for simplified KYC/CDD requirements for refugees and other forcibly displaced populations with low threshold account balances and transfer amounts, in particular specification that the refugee ID card, asylum-seeker attestation, and proof of registration (where applicable), with adequate safeguards to ensure the integrity of the system;
- Advocate for the harmonization of the financial and telecommunications regulatory frameworks impacting displaced persons’ access to mobile money and other digital financial services; in particular the acceptance of the refugee ID, asylum-seeker attestation, and proof of registration (where applicable) for both SIM registration and the lowest tier mobile money accounts;
- Advocate for amending the mobile money regulations to specify that the refugee ID card qualifies as proof-of-identity for KYC/CDD procedures;

- Advocate for the acceptance of other forms of humanitarian ID to satisfy KYC/CDD requirements for lowest tier accounts, particularly those containing the beneficiary’s name, photograph, date of birth, and unique number and/or biometrics; and
- Convene MNOs and private entities to build momentum and generate buy-in for the acceptance of refugees’ and asylum-seekers’ identification documents for SIM registration and financial sector KYC/CDD requirements.

Service Providers

- Engage with regulators in partnership with UN agencies and humanitarian organizations to better understand the needs of all the stakeholders including persons of concern; and
- Provide clear guidance on accepted identity credentials for refugees, asylum-seekers, and other forcibly displaced person.

South Sudan

ITU Regulatory Tracker
Overall Score (2020):¹³⁸



GSMA Mobile Money
Regulatory Index (2021):¹³⁹



Party to the 1951
Refugee Convention
YES



Data Protection
Privacy Legislation
No



Operational Context

South Sudan's protracted state of internal conflict has resulted in the destruction of infrastructure, currency depreciation, instability,¹⁴⁰ and the displacement of millions of South Sudanese, both within and outside of the country.¹⁴¹ Recent climate-related disasters and the COVID-19 pandemic have exacerbated the "already dire humanitarian situation."¹⁴²

Both the telecommunications sector and the banking system are underdeveloped, unreliable, and/or inaccessible to most people in the country. South Sudan's telecommunications sector is one of the least developed in the world.¹⁴³ The conflict has deterred investment in the necessary infrastructure (towers)¹⁴⁴ and many of the towers that existed before the conflict were damaged or destroyed during the fighting.¹⁴⁵ South Sudan has one of Africa's lowest mobile phone penetration rates, with some estimates reported as low as 15.5 per cent in 2019¹⁴⁶ and 21 per cent in 2020.¹⁴⁷ Formal banking institutions are scarce outside of the capital and the majority of South Sudan's population remains "unbanked." In 2019, the World Bank reported that only 13 per cent of the population owned a bank account¹⁴⁸ and a reported 80 per cent of money in South Sudan is not kept in banks.¹⁴⁹

Despite the dearth of banks around the country and near non-existence of a mobile money market, South Sudan has a fairly extensive regulatory framework governing Know Your Customer (KYC)/Customer Due Diligence (CDD) processes. The KYC/CDD regulatory framework for formal banking appears on its face to exclude refugees and asylum-seekers, while the mobile money regulations are more permissive, with tiered KYC requirements and more inclusive categories of proof-of-identity documents. However, mobile money is yet to take off in the country and the deficient telecommunications infrastructure poses challenges to widespread use among forcibly displaced persons (FDPs) as well as the general population. Nonetheless, interest exists in mobile platforms for financial transactions¹⁵⁰ and the lower KYC thresholds position it as a mechanism for greater financial inclusion of refugees and other FDPs.

Registration and Identification of Displaced Persons

As of 31 May 2022, South Sudan is host to 339,672 refugees and 4,320 asylum-seekers.¹⁵¹ The majority (92 per cent) of refugees have been displaced from neighboring Sudan, with significantly smaller populations from the Democratic Republic of Congo (5.7 per cent), Ethiopia (1.4 per cent), and other countries.¹⁵² Asylum-seekers in South Sudan originate primarily from Eritrea (57.7 per cent), Ethiopia (20.3 per cent), and Burundi (20 per cent).¹⁵³

Almost all refugees in South Sudan (98 per cent) live in camps or settlements,¹⁵⁴ primarily in Upper Nile and Unity states, which together host more than 300,000 refugees.¹⁵⁵ Conversely, almost all asylum-seekers are located in the capital, Juba, in Central Equatoria.¹⁵⁶ In addition, South Sudan is also home to over 2 million IDPs.¹⁵⁷

All newly arrived asylum-seekers and refugees in South Sudan aged five and above are registered individually through the Biometric Identity Management System (BIMS).¹⁵⁸ Registration is a joint effort between UNHCR and South Sudan's Commission for Refugee Affairs (CRA) and identity documentation is issued jointly by UNHCR and the CRA.¹⁵⁹ The documentation issued to asylum-seekers and refugees thus contain the logos of both entities.

Asylum-seekers in Juba are first issued an asylum-seeker certificate; if recognized as a refugee, they will be issued a refugee ID card. Those fleeing South Kordofan and Blue Nile states in Sudan are recognized on a prima facie basis and issued a refugee ID card. Each refugee ID is a PVC card¹⁶⁰ and contains a unique 14-digit number, photo, and basic biographic information.¹⁶¹ The refugee ID comes with a ration card and proof of registration. Due to the COVID-19 pandemic, most refugees in the north of the country have expired ID cards. UNHCR is planning a verification exercise in 2022.

Sim Registration

The National Communication Act of 2012 established the National Communications Authority (NCA) to regulate the communication sector. SIM card registration has been required in South Sudan since 2013.¹⁶² Registration requirements include a valid identity document.¹⁶³ In practice, both the refugee ID card and the asylum-seeker certificate can be used to register a SIM card. On 24 June 2021, MTN (one of the two mobile network operators in South Sudan) posted on Twitter the following requirements for SIM registration pursuant to guidance from the Government of South Sudan:

1. "Passport Photo.
2. SIM Registration Form FILLED.
3. National ID 'Jinsiya' or *any other identification document*."¹⁶⁴

According to a 2019 report commissioned by the World Bank, 94 per cent of SIM cards were registered despite the fact that the majority of the population does not have an ID.¹⁶⁵ Recently, a mobile network operator (MNO) has started requiring some users to re-register their SIM cards, which means that the user must physically go to a branch office or head office of the MNO to show proof of identity.¹⁶⁶ This may prove difficult for refugees, some of whom will have to travel 30 kilometers even to get to a branch office.¹⁶⁷

KYC/CDD Rules for Financial Institutions

The financial sector is regulated by the Bank of South Sudan (BoSS). In 2017, the Bank of South Sudan issued a Circular on KYC rules to all financial institutions operating in the country. The Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017 (hereinafter KYC Circular) was issued under the authority of the Bank of South Sudan Act 2011, the Banking Act of 2012, and the AML-CTF Act of 2012.¹⁶⁸ It prescribes the minimum standards for registering the identity of a person who opens a bank account or uses the bank for financial activities and states that banks “should not establish a banking relationship until the identity of a new customer is satisfactorily verified.”¹⁶⁹ Although the KYC Circular encourages banks to develop tiered- KYC/CDD procedures,¹⁷⁰ it does not mandate a tiered approach or provide banks with guidance on what type of identity documents may be accepted for different tiers.

To open an account or conduct on-going business, the KYC Circular’s requirements are quite extensive and likely very difficult, if not impossible, for refugees and other FDPs to meet. An in-person interview is required with every customer wishing to open an account or conduct ongoing business.¹⁷¹ The KYC Circular stipulates that “[s]pecial attention should be exercised in the case of non-resident customers and in no case should a bank short-circuit identity procedures just because the new customer is unable to be present for interview.”¹⁷²

In addition to the personal interview, banks must obtain an extensive list of personal identifying information, including the customer’s “correct permanent address” (post office box numbers are not sufficient); telephone number and e-mail address; date and place of birth; nationality; occupation; type of account and nature of the banking relationship; signature; and “[a]n official personal identification number or other unique identifier contained in an unexpired official document . . . that bears a photograph of the customer[.]”¹⁷³ The KYC Circular provides examples of accepted ID document: a passport, identification card, residence permit, social security records, or driver’s license.¹⁷⁴

Banks must then verify the identification information provided. For example, they must confirm the date of birth from an original document such as a birth certificate, passport, identity card, driver’s license, or social security records.¹⁷⁵ They must confirm the permanent address with, for example, “an original utility bill, tax assessment, bank statement, [or] a letter from a public authority[.]”¹⁷⁶ After the account has been opened, the bank per the KYC Circular needs to contact the customer by telephone, letter, or e-mail to confirm that the information provided is accurate. A disconnected phone, incorrect e-mail, or returned mail “should warrant further investigation.”¹⁷⁷ Finally, the validity of official documentation must be confirmed through “certification by an authorized person” such as a local government official or notary public.¹⁷⁸

Yet within the KYC/CDD regulatory framework, the identity document is not the biggest hurdle in accessing banks in South Sudan. In practice, Central Bank regulations are reportedly not enforced. The refugee ID card can be used to open bank accounts, and some financial service providers have informed at least one UN agency that they even accept a humanitarian ID.¹⁷⁹ Thus, the biggest practical barrier identified for refugees in terms of access to formal banking was simply the absence of banks in the areas where refugees live. However, legal barriers remain and should enforcement improve, refugees and asylum-seekers can be excluded from formal banking institutions.

In addition, for “one-off or occasional transactions where the amount of the transaction or series of linked transactions does not exceed USD 10,000[.]” the KYC Circular permits banks to require only the person’s “name, address and official personal identification number stated in an unexpired official document.”¹⁸⁰ This lower threshold appears to play out in practice as well, with one UN agency reporting that for small scale cash transfers the banks “are not as concerned about identification as much as the MNOs.”¹⁸¹ There are also many money transfer agents in South Sudan, including in remote areas, which do small scale transfers within the country. These money transfer agents reportedly do not ask for ID at all; they ask for the code associated with the transfer.¹⁸²

“We don’t have banks, mobile money transfer facilities . . . so the VSLAs have become one of the most important activities for both the refugees and the host communities here in Jamjang because of the lack of financial institutions[.]” - INGO, South Sudan

Village Savings and Loan Associations (VSLAs) have been a common approach taken by international organizations in South Sudan to enhance financial inclusion of refugees and other forcibly displaced populations. The VSLAs give refugees access to small loans, for example, without them needing to fulfill financial sector KYC requirements. The Cash Working Group has been active advocating for the funding of VSLAs and their expansion to include refugees.¹⁸³

Mobile Money

While there is no data on South Sudan’s mobile money penetration, mobile money is very new to the country and has not yet taken hold. Two service providers – M-Gurush and Nilepay – launched in August 2019 and have partnered with the MNO Zain. MTN is also reportedly interested in obtaining a mobile money license and entering the market,¹⁸⁴ but the weak telecommunications infrastructure and poor network coverage – particularly in rural areas (where most refugees are located) – create “a challenging environment for the uptake of mobile money services.”¹⁸⁵ In Adjontok and Pamir camps (near Jamjang in Unity state) the signal is unstable, resulting in frequent connectivity issues – at times going two weeks without network connectivity.¹⁸⁶ According to an organization working in area, Zain has plans to improve the signal and expand coverage in both camps.¹⁸⁷

“The movement of cash has been a problem – particularly for the government to approve the transport of money to where refugees are because of worry that it will end up in rebel hands.” - INGO, South Sudan

The weak infrastructure notwithstanding, there is an identified need for the expansion of digital financial services in the country. With banks inaccessible to most of the country and acute security risks surrounding the movement of cash, mobile money could play a pivotal role in cash assistance and financial inclusion in South Sudan.¹⁸⁸ Currently, humanitarian organizations with cash assistance programs for refugees and other FDPs must transport money from Juba to the beneficiaries. This involves a lot of processes (in terms of government approval), transportation costs, and risk.¹⁸⁹ A few humanitarian organizations reported that they will be piloting mobile money projects for cash assistance for the first time this year.

Unlike many countries in East Africa, the regulatory environment around mobile money is more developed than the sector itself. In 2017, the Bank of South Sudan issued an Electronic Money Regulation, which provides the regulatory framework for electronic money services, including mobile money, and aims to “establish a framework that encourages innovation for the growth of digital finance.”¹⁹⁰ Another key objective of the regulation is to “promote financial inclusion while applying sufficient safeguards to mitigate any risks. . . .”¹⁹¹ The regulations were drafted with technical assistance from the World Bank to align with global best practices.¹⁹²

The Electronic Money Regulation sets forth KYC requirements for mobile money providers on a tiered basis depending on the nature of the account, using the risk-based approach to AML/CFT. Mobile money accounts categorized as Tier 1 are “[e]ntry level accounts with simplified KYC.”¹⁹³ They are subject to lower transaction limits and limited documentation requirements for opening an account. Examples of accepted forms of documentation for a Tier 1 account include:

- a registered phone number;
- a voter registration card;
- a valid current university student ID;
- an employment ID that has been verified by the employer;
- an “institutional (e.g., NGO) ID for beneficiaries that has been verified by the institution or ministry”; and/or;
- “a letter from a prominent person who can reasonably verify the customer’s identity (e.g., local chief, local member of clergy).”¹⁹⁴

Both the refugee ID and the asylum-seeker certificate should thus satisfy the simplified KYC documentation requirements for Tier 1 accounts.

Tier 2 accounts have higher transaction limits and stricter account opening requirements, with “partial KYC.” Examples of accepted identification documents for Tier 2 accounts include “a government-issued ID such as a passport or driver’s license.”¹⁹⁵ While the wording is permissive of refugee ID cards, which are government-issued, the regulation does not specify these documents and it risks being read with a more limited scope where service providers believe the examples are exhaustive.

Despite the existence of fairly comprehensive regulations on mobile money, “financial experts and businesses say there needs to be proper accountability measures, including vetting of mobile money companies’ procedures and adherence to customer confidentiality.”¹⁹⁶ Moreover, the Electronic Money Regulations have created overlapping regulatory authority for mobile money services. “While regulatory authority over e-money now falls squarely with the BoSS,” pursuant to the 2017 Electronic Money Regulations, MNOs seeking to conduct mobile money business must also obtain a “no-objection letter” from the National Communications Authority.¹⁹⁷

Data Protection

No specific data protection legislation has been adopted in South Sudan. However, various laws and regulations address issues of data protection in specific contexts, including financial services. For example, Section 21 of the Electronic Money Regulations states that e-money services providers and their agents must “uphold [the] privacy and confidentiality of customer information and data” unless the customer or a court order authorizes the sharing of customer information or data.¹⁹⁸ The regulation further requires that e-money service providers disclose the “conditions under which customer information and date will be kept” before the customer enters into an agreement with the service provider and notes that “[p]rovisions of data protection including confidentiality shall be in tandem with all relevant laws.”¹⁹⁹

The Bank of South Sudan’s 2017 KYC Circular also includes data protection provisions. Section 32 provides: “No person who has acquired knowledge in his capacity as officer, employee or agent of the bank shall disclose to any person or governmental authority the identity, assets, liabilities, transactions or other information in respect of an account holder” except in specified permissible circumstances.²⁰⁰ A bank whose officer, employee or agent violates this provision is liable for a fine of up to \$50,000 USD.²⁰¹

Recommendations

Government of South Sudan

- Continue exploring regulatory measures to encourage investment in the telecommunications infrastructure in areas hosting forcibly displaced persons;
- Update the BoSS KYC Circular of 2017 to introduce tiered-KYC procedures for financial institutions that are inclusive of FDPs through recognition of the refugee ID and asylum-seeker certificate as identity documents sufficient to satisfy the KYC for the lowest tier(s); and
- Update the Electronic Money Regulation, 2017 to clarify that the refugee ID and asylum-seeker certificate satisfy KYC identification documentation requirements for Tier 1 and Tier 2 mobile money accounts.

UN agencies and other Humanitarian/Development Organizations

- Engage in advocacy with the Government of South Sudan, encouraging the BoSS to issue a circular specifying that the refugee ID and asylum-seeker certificate satisfy KYC identification documentation requirements for low-risk bank accounts and Tier 1 and Tier 2 mobile money accounts;
- Incentivize investment in mobile services through humanitarian interventions that leverage digital technology and digital financial services, including mobile money;
- Support alternatives pathways to financial inclusion that promote digital and financial literacy, including VSLAs; and
- Convene MNOs and government authorities to address strategic gaps in telecommunications and financial sector regulation and infrastructure.

Sudan

ITU Regulatory Tracker
Overall Score (2020):²⁰²



GSMA Mobile Money
Regulatory Index (2021):²⁰³



Party to the 1951
Refugee Convention:
Yes



Data Protection and
Privacy Legislation:
No



Operational Context

Sudan hosts the second largest refugee population in Africa and is one of the largest host countries in the world. UNHCR and Sudan's Commission for Refugees (COR) reported at the beginning of 2020 that the Government of Sudan maintains a "generous open border policy" for those fleeing persecution and/or conflict, but key protection gaps persist – including access to registration and documentation, basic services, and financial services.²⁰⁴ In addition, 2020 and 2021 brought several additional challenges to Sudan's refugee response with the COVID-19 pandemic, the conflict in Ethiopia's Tigray region sparking an outflow of refugees into eastern Sudan, and flash floods in White Nile State that submerged villages, destroyed crops and livestock, and displaced thousands of refugees. These challenges persist amidst the backdrop of an ongoing political crisis in the country.

The transitional government created in 2019 stated its commitment to improving financial inclusion by transitioning from cash to digital payment methods as part of its economic recovery and reform strategy.²⁰⁵ In February 2021, the transitional government created the Ministry of Telecommunications and Digital Transformation.²⁰⁶ It also began working on a Family Support Program that would distribute money through mobile transfers.²⁰⁷ Due to ongoing political instability and conflict, reform efforts have stalled. Moreover, political upheaval in early 2020's induced the shut-down of mobile platforms and digital financial solutions for more than two weeks, thus undermining much needed confidence for the transition to digital solutions.

Registration and Identification of Displaced Persons

As of 31 May 2022, Sudan hosts more than 1.13 million registered refugees and asylum-seekers, the majority of whom are displaced from South Sudan (805,989).²⁰⁸ Sudan also hosts refugees from Eritrea (130,379), Syria (93,480), Ethiopia (72,555), Central African Republic (28,033), Chad (4,628) and Yemen (2,250).²⁰⁹ In addition, more than three million people are internally displaced within Sudan, the vast majority of whom are in Darfur.²¹⁰

The largest concentration of refugees and asylum-seekers are in Khartoum and White Nile states, with 26.9 per cent and 24.8 per cent of the refugee/asylum-seeker population, respectively.²¹¹ Although the Sudanese government has an encampment policy for refugees, the policy is applied inconsistently and only approximately 30 per cent of refugees in Sudan live in camp settings, with the other 70 per cent living in outside of camp settings in rural settlements or urban areas.²¹² Sudan's encampment policy as well as socioeconomic factors have been cited as reasons for the onward movement of a fairly significant number of refugees and asylum-seekers.²¹³ An estimated 40 per cent of new arrivals in East Sudan (Gedaref and Kassala states) migrate onward.²¹⁴ Khartoum also serves as a hub for onward movement.

UNHCR and COR lead and coordinate the refugee response in Sudan. UNHCR supports the national authorities in registering and documenting asylum-seekers. All registered asylum-seekers and refugees receive a "proof of registration" at the household level, issued by both UNHCR and COR. COR issues the refugee ID card. Individual registration of asylum-seekers and refugees in Sudan is not yet in place for the total population. By May 2022, 70 per cent of refugees were individually registered.²¹⁵ UNHCR and COR are working to complete individual registration by the end of 2022 so that 100 per cent of the registered refugee population can be issued individual refugee ID cards in all parts of Sudan.

Registration with the Immigration and Passport Police (IPP) under the Civil Registry Directorate of the Ministry of Interior is a pre-requisite for the documentation of refugees and asylum-seekers.²¹⁶ The government's requirement to have an IPP foreign number in the COR ID card has prevented the ability to issue ID cards instantaneously upon recognition as a refugee, as the two are intended to be a parallel process.²¹⁷ However, an agreement was reached with the Civil Registry Department in 2021 to allow the issuance of COR ID cards without IPP numbers. As a result, ID cards are now issued immediately to recognized refugees in Khartoum and East Sudan.²¹⁸

UNHCR and COR are together reviewing the documentation process, including updating the format of the refugee ID card to contain similar features as the ID card issued to Sudanese nationals. For example, the national ID card contains biometric features, while the COR refugee ID does not. The hope is that synchronizing the refugee ID with the national ID will facilitate the use of the refugee ID as a Know Your Customer (KYC) document for financial services.

For certain populations, the process is a little different. Ethiopian Tigrayans fleeing from the Tigray region since November 2020 as well as South Sudanese asylum-seekers are recognized as refugees on a prima facie basis.²¹⁹ Historically, asylum-seekers from Syria and Yemen were granted prima facie refugee status and given the same residency and work ability as nationals. However, with the change in government in 2019, the policy for Arab nationals seeking asylum in Sudan is unclear. There has been no formal change in policy, but nationals of Syria and Yemen no longer enjoy the special treatment, and new arrivals from these countries are referred to COR for registration.²²⁰

SIM Registration

SIM registration is required by law in Sudan since 2008, however authorities did not begin enforcing mandatory SIM card registration until late 2017.²²¹ Subscribers were given the deadline of 31 December 2017 to register their phone numbers using their national ID, "which includes detailed personal information such as home address, birthplace, and mother's name."²²²

The National Telecommunications Corporation (NTC), which falls under the Ministry of Telecommunications and Information Technology, previously regulated Sudan's telecommunications sector and supervised the national SIM card registration campaign. However, in 2018, the government created the Telecommunications and Post Regulatory Authority (TPRA) which replaced the NTC and now serves as the telecommunications regulator in Sudan.²²³

Asylum-seekers and many refugees in Sudan do not have access to mobile SIM card registration in their own name. The (electronic) refugee ID card issued in Khartoum is accepted for registration, but the household-level proof of registration does not satisfy the identity requirements by mobile network providers (MNOs). In 2021, UNHCR and the TPRA reached an agreement on the use of the refugee ID card for purchasing SIM cards. COR is working on formalizing this agreement, after which TPRA will issue a circular to MNOs confirming the acceptance of the refugee ID card.

Documentation barriers notwithstanding, work-arounds are common and most refugees and asylum-seekers reportedly have de facto access to mobile phones and SIM cards. Some register a SIM card under the name of a friend or relative who has an accepted identity document. Others buy a SIM card and use it for a few months, and then when it is de-activated due to lack of registration, buy a new one.²²⁴ In some instances, humanitarian organizations provide beneficiaries (including refugees and other forcibly displaced persons (FDPs)) with SIM cards registered to the organization. One organization reported that it works with the MNO to register SIM cards in the beneficiary's name, but with someone from the organization as "backup." If, for example, the beneficiary does not have the required documentation, the MNO takes the details of the organization's delegate, but then registers the cards individually to the beneficiaries.²²⁵

KYC/CDD Rules for Financial Institutions

KYC requirements/CDD procedures for all financial institutions are set forth in *Circular No. 8/2014: Regulatory and Supervisory requirements for the Institutions Under the Supervision of Central Bank of Sudan on Anti-money Laundering and Combatting Laundering and Combatting of Terrorism* [hereinafter Circular No. 8/2014]. Financial institutions must apply KYC/CDD measures before "establishing a business relationship with a customer" or opening an account, and "[b]efore executing a transaction for a casual customer or in an amount equal to or above the equivalent of 15,000 Euros. . . ."²²⁶

The CDD customer identification and verification procedures require that the institution verify the individual's identity "using valid official documents (national identity card, driver's license, military card, judicial card, Police card, residency papers, passport or travel document)[.]"²²⁷ The identification data must include inter alia the customer's full name, "nationality, date of birth, address of permanent residence, phone numbers, work address" and other information deemed necessary by the institution.²²⁸ Banks must share full KYC information with the Central Bank.²²⁹

"Technically, if [refugees] try to access the bank directly, they can't..." - FSP, Sudan

The COR refugee ID is not recognized as a KYC document within the governing KYC/Customer Due Diligence (CDD) regulation, but in 2019 the Central Bank issued a Decree stating that the refugee ID card is a KYC document.²³⁰ In practice, however, this decree has made minimal impact in terms of giving refugees access to banks. It appears that only Blue Nile Mashreg Bank in Khartoum has allowed refugees to open bank accounts with their COR ID card. Other banks/FSPs do not appear to be honoring the Central Bank decree and refugees continue to be denied access.²³¹ Asylum-seekers in Sudan have no access to bank accounts.

Banks do not accept a refugee's national ID from their home country or an expired passport from their home country.²³² If a refugee has a work permit and receives a foreigner's work ID from the labor office, that reportedly would be an accepted ID at the bank.²³³ But it is "extremely difficult to enter the [labor] market as a refugee, even if you have the required skills."²³⁴ And only refugees have the right to work under the Asylum Act, not asylum-seekers. Circular No. 8/2014's KYC/CDD requirement that customers provide a permanent address could pose another challenge for refugees.

Circular No. 8/2014 provides that while all institutions under the supervision of the Central Bank of Sudan must apply KYC/CDD measures, the institution "may determine the extent of each measure using a risk-based approach."²³⁵ In practice, there is no tiered KYC/CDD structure for bank accounts in Sudan.²³⁶ However, several banks offer mobile wallets, for which the banks reportedly use tiered KYC procedures and for the lowest level only require a phone number and name.²³⁷

In addition, there have been some formal work-arounds implemented by humanitarian organizations and FSPs for cash assistance efforts in Sudan where beneficiaries lack IDs. For example, one FSP issues cards that are legally owned by the organization themselves. Funds loaded on the cards are pre-paid by the organization and the cards are anonymous with no name on them. When issuing cards to the organization directly, individual KYC requirements are not implemented.²³⁸ It is important to note that this approach could present liability issues for the organization under the AML/CFT framework. And while the workaround fosters successful cash assistance, it does not further financial inclusion for the beneficiaries.²³⁹

"The downside [of using pre-paid cards owned by the organization] is that we don't communicate directly with the beneficiary; it all goes through the organization." - FSP, Sudan

Microfinancing has the same KYC requirements as banks. However, pursuant to the Central Bank regulations, microfinance is only available to Sudanese citizens, making it inaccessible for a refugee in Sudan regardless of documentation.²⁴⁰

Mobile Money

The 2019 GSMA Mobile Connectivity Index shows a 78 per cent penetration for mobile connections.²⁴¹ However, mobile money is relatively new to the country.²⁴² Two MNOs – MTN and Sudatel – have obtained their licenses for mobile money services from the regulatory authority and only a few humanitarian organizations have begun to pilot mobile money programs or have plans for pilot projects in the coming year.²⁴³

“Protection issues remain a high concern. In some areas refugees are exposed to high security risk. . . . Mobile transfers are a good option because they are much more discreet than what we are doing at the moment.” - UN agency, Sudan

Several KIIs indicated that due to security risks surrounding the delivery of cash, cash distribution via mobile money could have huge benefits for both the organization and the beneficiary. However, the mobile money ecosystem is still evolving and the regulatory framework remains underdeveloped. Circular No. 8/2014 addresses measures institutions should take to manage and mitigate money laundering and terrorism financing risks arising from “new technologies,” including payments through mobile phones.²⁴⁴ As noted above, Circular No. 8/2014 does not recognize the refugee ID as a KYC document. There is no dedicated electronic or mobile money regulation.

“If the regulatory environment is friendly enough, that’s when we can move to the other [digital] solutions.” - UN agency in Sudan

Data Protection

No specific data protection law has been adopted in Sudan.²⁴⁵ And there is no independent regulator that oversees the collection, storage, or use of personal data.²⁴⁶ However, there are provisions pertaining to data privacy and data protection in a number of laws in Sudan. For example, the Anti-Money Laundering and Terrorist Financing Law of 2014 contains a confidentiality of information provision prohibiting financial and non-financial institutions from disclosing any notifications or investigations into money laundering or terrorist financing under the Act (other than between managers and staff and with the competent authorities).²⁴⁷ Article 19 obliges employees to maintain the confidentiality of the information they come across during the performance of their duties and after the end of their service and permits them to only use the information “for the purposes of implementing the provisions of this law.”²⁴⁸

Recommendations

Government authorities

- Sensitize banks and other FSPs on the recognition of the COR refugee ID for KYC identity requirements for opening a bank account, as decreed by the Central Bank; and
- Formalize the agreement between the TPRA and UNHCR on the use of the COR refugee ID card for purchasing SIM cards and issue a circular to MNOs confirming the acceptance of the refugee ID card.
- Include recognition of asylum-seeker certificates and proof of registration documents as legally valid documents for accessing mobile connectivity

UN agencies and Humanitarian/Development organizations

- In coordination with COR, ensure that 100 per cent of recognized refugees are provided an individual ID card, containing their name, photograph, and date of birth, and a unique number for use in accessing telecommunications and financial services;
- In coordination with COR, sensitize FSPs on the recognition of the COR refugee ID for KYC identity requirements for opening a bank account;
- Convene MNOs and government authorities to address strategic gaps in telecommunications and financial sector regulation and infrastructure.

ANNEX II: Regional Updates

In 2019, UNHCR published *Displaced & Disconnected Country Reports* for 20 countries, including six East African countries: Burundi, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda. Updates to the operational context and registration data set forth in those reports can be found on UNHCR's [Global Focus](#) platform and [Refugee Population Statistics Database](#). The information provided in this Annex focuses on recent changes to the relevant legal and regulatory frameworks in each of these six countries with respect to SIM registration, KYC/CDD for financial institutions, mobile money, and data protection and any advancement in the digital and financial inclusion of refugees and asylum-seekers since the publication of the previous country reports.

Burundi

Burundi's National Financial Inclusion Strategy (2015-2020) has now expired and needs to be replaced. The strategy did not provide for the inclusion of refugees or other displaced populations.²⁴⁹

Ethiopia

Ethiopia's legal and regulatory landscape on telecommunications services and financial services, including digital financial services, has transformed fairly significantly since the publication of the *Displaced and Disconnected* country reports. In February 2019, Ethiopia enacted a new law affording greater rights to both recognized refugees and asylum-seekers. *Refugees Proclamation* No. 1110/2019 grants refugees and asylum access to banking services and telecommunications services with the identification document issued by Ethiopia's Agency for Refugees and Returnees Affairs (ARRA).²⁵⁰ The law defines "identification document" to include all of the following documents issued by the ARRA: "identity paper, travel document, pass permit, proof of registration, birth certificate, or similar documents that attest as to the identity of the bearer[.]"²⁵¹

The regulatory framework governing digital financial services, including mobile money, shifted from a "bank-led model" to a "telco-led model." Under the "bank-led model," only banks and micro-finance institutions had rights to be licensed as payment service providers. MNOs were not allowed to independently offer digital financial services.²⁵² In 2020, the National Bank of Ethiopia (NBE) issued the Licensing and Authorization of Payment System Operators Directive No. ONPS/02/2020, which permits non-bank institutions to operate payment systems²⁵³ and the *Licensing and Authorization of Payment Instruments Issuers Directive* No. ONPS/01/2020 ("PII Directive"), which allows "non-bank financial institutions" – including MNOs – "to be licensed as financial service providers."²⁵⁴ The PII Directive repealed *Regulation of Mobile and Agent Banking Services Directive* No. FIS/01/2012.

The PII Directive sets forth minimum KYC/CDD requirements for electronic money accounts using a tiered KYC approach with three categories of accounts.²⁵⁵ The stated goal of the directive's tiered approach is "to improve the inclusivity and reach of financial services and digital payments."²⁵⁶ A Level 1 account has the lowest transaction limits (Ethiopian Birr 5,000 maximum account balance, 1,000 aggregate daily transaction limit, and 10,000 monthly transaction limit)²⁵⁷ and minimal KYC requirements – it can be opened without any ID. The minimum KYC/CDD requirements for Level 1 accounts include the customer's "name, date of birth, residential address, telephone number," and a recent photo. In lieu of an ID, the customer must be "introduced by another person who already maintains an account with the payment instrument issue."²⁵⁸ As long as a refugee or other forcibly displaced person knows someone who can make such introduction to the company, they can access Level 1 mobile money accounts. However, refugees and asylum-seekers can use their ARRA-issued IDs to access level 1 accounts.

Level 2 accounts have higher transaction and balance limits (Ethiopian Birr 5,000 for the aggregate daily transactions, 40,000 for monthly aggregate, and 20,000 maximum account balance) and require an ID card for KYC purposes.²⁵⁹ The Directive does not specify what time of ID card is accepted to open/maintain a Level 2 account, but refugees and asylum-seekers can access level 2 accounts with their Government (ARRA)-issued identity documents.

Ethio Telecom launched mobile money services in May 2021²⁶⁰ As Ethio Telecom is the sole MNO in Ethiopia, it is also the first MNO in the country to offer mobile money.²⁶¹ In July 2021, the NBE issued a three-year digital payments strategy "to modernize and expand the country's digital payments infrastructure."²⁶² According to the National Digital Payment Strategy, 2021-2024, the Ministry of Finance is "structuring the telecommunications operator license which will define the role of MNOs in the digital payment ecosystem in line with the PII Directive."²⁶³

The National Digital Payment Strategy recognizes the need for "intentional and targeted regulatory reforms . . . that are adaptable enough to work with a highly changing system."²⁶⁴ Strategic Pillar 3 is to "Build a robust and consistent regulatory and oversight framework."²⁶⁵ It also recognizes challenges forcibly displaced persons without an ID may face in opening a bank account or mobile money account and how this may hamper financial inclusion.²⁶⁶

Likely due to these regulatory developments, Ethiopia's index score on the GSMA Mobile Money Regulatory Index increased significantly since the publication of the previous *Displaced & Disconnected Country Reports* – from 65.83 to 89.²⁶⁷ In the most recent index, it achieved a score of 100 in both consumer protection and KYC.

Kenya

Kenya continues to be at the forefront of digital financial services, with advances in mobile banking, mobile wallets, and digital lending.²⁶⁸ Inclusion of refugees and asylum-seekers in the financial sector is still somewhat elusive; however, recent changes suggest greater inclusion may be on the horizon.

In 2019, the President launched a “Digital Economy Blueprint” formulated by the Ministry of Information, Communication and Technology and stakeholders, which envisions a “digitally empowered citizenry, living in a digitally enabled society.”²⁶⁹ And in December 2020, the Central Bank of Kenya published the Kenya National Payments System Vision and Strategy 2021-2025. The Vision and Strategy document expresses the Central Bank’s commitment to increase the use of mobile money and digital payments.²⁷⁰

Among the “[s]trategic initiatives on trust” set forth in the Vision and Strategy Document is that the Central Bank will “encourage the integration of digital identity information,” including the adoption of electronic KYC (e-KYC).²⁷¹ This is intended to increase customer centricity and innovation, and while the Vision and Strategy Document does not explicitly address refugees or other FDPs, it does assert that “[p]articular efforts will be made to ensure that marginalised segments of the population are not denied access to digital payment services due to lack of e-KYC or identity information.”²⁷² To this end, the Central Bank is working with the relevant government ministries, departments, and agencies to complete and launch e-KYC and tiered-KYC regulations/guidelines.²⁷³

Rwanda

UNHCR and the Government of Rwanda (including the Ministry in Charge of Emergency Management and the National Identification Agency (NIDA)) conducted a joint verification exercise which concluded in the first quarter of 2019²⁷⁴ Following the verification, more than 70 per cent of refugees over 16 years old living in camps and urban areas were issued a refugee ID card valid for 5 years.²⁷⁵ Since then, new refugee ID cards have been issued to refugees in camps and urban locations. From June to September 2021, NIDA enrolled biometrics (fingerprint and picture) for an additional 11,300 refugees in the national population registry.

On 31 August 2021, Rwanda’s telecom regulator, the Rwanda Utilities Regulatory Authority (RURA), issued a directive on new SIM card registration procedures. The RURA directive expressly recognizes the refugee ID as a customer verification document. It permits asylum-seekers to register a SIM card with “any legal document used to enter the republic of Rwanda.”²⁷⁶ However, as many, if not most, asylum-seekers flee their home country without ID documents, this is likely be difficult for asylum-seekers to provide. Nonetheless, in practice, both refugees and asylum-seekers without an accepted form of documentation have been able to use the proof of registration issued by UNHCR and the MINEMA to register SIM cards

The National Bank’s Regulation No. 08/2016 Governing the Electronic Money Issuers²⁷⁷ sets forth tiered KYC requirements.²⁷⁸ According to Regulation 11, the first tier covers individual customers and the second tier applies to individual customers with higher limits.

There is no express recognition of the refugee ID in the 2016 regulation governing electronic money;²⁷⁹ however, access to mobile money is now equivalent to SIM card registration, as new SIM cards come with mobile money services activated. Asylum-seekers in Rwanda do not have access to mobile money under the regulatory framework, but as noted above, the August 2021 RURA Directive grants asylum-seekers access to SIM cards – and therefore mobile money – using “any legal document used to enter” Rwanda. Even if such documentation is difficult for asylum-seekers to provide, in practice, asylum-seekers have been able to use the proof of registration issued by UNHCR and MINEMA to register SIM cards and thus access mobile money accounts.

On 13 October 2021, Rwanda enacted Law N° 058/2021 Relating to the Protection of Personal Data and Privacy.

Tanzania

The Tanzanian National Identification Authority (NIDA) rolled out the national identity scheme which is Tanzania’s foundational ID system. The registration of persons of concern (PoCs) by the NIDA started in 2019 with PoCs from Nyarugusu, Nduta and Mtendeli camps, as well as in the Old Settlements (Katumba, Mishamo and Ulyankulu).²⁸⁰ According to NIDA statistics a total of 197,050 PoCs have been registered; of whom 92,767 have been issued a National Identification Number (NIN).

The current practice is that an individual must register a SIM card by presenting his or her NIDA ID to the service provider. The service provider must verify the individual’s fingerprint with NIDA. Online identity verification of the applicant is normally done thereafter and the SIM card is then registered by the individual’s name. However, for refugees, access to SIM card registration remains a challenge. While the proof of registration has been used to register SIMs inside camps, these lines are regularly deactivated following a grace period of 30 days, presumably due to documentation issues. Agents are reportedly informing refugees that they can no longer accept proof of registration to satisfy ID requirements for SIM registration and have advised refugees to ask Tanzanian nationals to register phone lines on their behalf, a practice that could expose persons of concern to harm. Advocacy is ongoing with the Tanzanian Government to recognize proof of registration as a legally valid document for accessing mobile connectivity and certain forms of financial services.

In 2019, Tanzania amended its 2012 Anti-Money Laundering regulations, which are still the controlling regulations on KYC/CDD for financial institutions. The Anti-Money Laundering (Amendment) Regulations, 2019 introduced simplified CDD measures for low-risk customers.²⁸¹ However, the new provision (Regulation 28B) does not clearly relax customer identification requirements in a way that would be inclusive of the documents held by refugees or asylum-seekers. Nor does it identify refugees or other FDPs as low-risk customers for whom simplified CDD may be appropriate.

In practice, refugees in Tanzania remain unable to open a bank account in their own name due to their lack of recognized identification documentation. This has been aggravated by the imposition by the Department of Refugee Services (DRS) of stringent measures barring any forms of formal or informal financial services (e.g., VSLAs) inside refugee camps, which came into effect in 2019 and 2020.²⁸² Common markets that served refugees and host communities have been closed since 2018, resulting in reduced business opportunities – all cash-based interventions were banned. Consequently, commercial banks are no longer allowed inside refugee camps to offer products to refugees.

Mobile money penetration in Tanzania reached 53 per cent with 29.7 million mobile money subscriptions in 2020, compared to 21 million in 2018 – an increase of 41 per cent.²⁸³ However, financial inclusion of refugees remains a huge challenge because of the existing refugee policy in Tanzania which limits private sector engagement in refugee camps.

The Tanzania government is due to review the National Refugee Policy of 2003 in 2022, though it currently remains unclear whether the policy revision would pave the way for more opportunities for refugees to be included in national systems.

In November 2021, the government of Tanzania “reiterated its commitment” to introducing a law on personal data protection. The drafting process is reportedly ongoing.²⁸⁴

Uganda

In August 2019, the Uganda Communications Commission (UCC) issued a directive making any refugee document – including a family attestation issued by the Office of the Prime Minister – an accepted form of ID for SIM registration. In 2020, GSMA reported that as a result of this directive, over 600,000 refugees who did not have the Government-issued refugee ID gained access to mobile-enabled services in their own name.²⁸⁵ In addition, SIM card registration for refugees now includes biometrics and secondary identity verification against UNHCR’s ProGres v4 database, through an application programming interface.

There also have been some significant regulatory changes in the mobile money sector in recent years. In 2020, Uganda’s parliament enacted the National Payments Systems Act. The Act specifies certain requirements for electronic money issuance and circulation, including that the service provider comply with requirements set forth by the Central Bank in regulations on customer due diligence and compliance with the Anti-Money Laundering Act of 2013.²⁸⁶ It also calls upon the Central Bank to “establish a regulatory sandbox framework for purposes of governing the manner in which a person may obtain limited access to the payment system ecosystem to test innovative financial products or services without obtaining a license[.]”²⁸⁷

The Central Bank issued several new regulations and policies in 2021 pursuant to the National Payments Systems Act. The National Payment Systems Regulations, 2021, sets forth in Schedule 5 the customer verification (KYC/CDD) requirements for seven different categories of electronic money accounts, including individual accounts (Tier VII) and “individual accounts with higher limits” (Tier VI). The regulations explicitly recognize the refugee ID card as a KYC identity document.

For Tier VII individual accounts, with transaction limits of 3,000,000 (approximately US\$ 850) for a single transaction and 10,000,000 (approximately US\$ 2,800) for total daily transfers and daily balance, the KYC requirements for mobile money/e-money transfers necessitate only a registered phone number and registered mobile money account customer.²⁸⁸ So even asylum-seekers would be able to satisfy this. “[C]ash-in transactions” include the same KYC requirements as transfer transactions plus an “[a]cceptable passport photo and Identification Card.”²⁸⁹ Again, a Government-issued asylum-seeker certificate, as well as the refugee ID card, should satisfy this requirement. This is underscored by the fact that for “cash-out transactions” – which typically, where countries differentiate within the tiers, have more stringent KYC requirements – the refugee ID card is explicitly listed among the ID documents that satisfy customer verification requirements.²⁹⁰

Tier VI individual accounts have higher limits, the maximum single transaction is 5,000,000 and the maximum daily transfer and the maximum daily balance are capped at 20,000,000. The KYC documentation requirements are the same as Tier VII accounts; however, all individuals “should be both electronically and physically registered, and the storage of documents shall be in the mobile money customer account registry applying Know Your Customer/Customer Due Diligence control.”²⁹¹

Pursuant to the National Payment Systems Oversight Framework, the Bank of Uganda exercises oversight over mobile/electronic money services run by MNOs.²⁹² The Oversight Framework recognizes the need for coordination among regulatory agencies in the oversight of payment systems, including the Central Bank and the UCC, which cooperate “under a framework to promote collaborative oversight of their systems.”¹

Uganda adopted a Data Protection and Privacy Act in 2019.²

1 The National Payment Systems Oversight Framework, at 6.2.

2 <https://ict.go.ug/wp-content/uploads/2019/03/Data-Protection-and-Privacy-Act-2019.pdf>

Annex III: 2019 Country Reports (Burundi, Ethiopia, Kenya, Rwanda, Tanzania, Uganda)

The 2019 Displaced and Disconnected country reports can be read and downloaded on the links below

- English Version



<https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-ENGLISH.pdf>

- Arabic Version



<https://www.unhcr.org/innovation/wp-content/uploads/2021/04/Connectivity-For-Refugees-Country-Reports-Arabic.pdf>

- French Version



<https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-FRENCH.pdf>

References

- 1 CALP Network, Glossary of Terms, <https://www.calpnetwork.org/resources/glossary-of-terms/>.
- 2 Id.; UNHCR, Cash Assistance and Access to Formal Financial Services: Information on assessing KYC and CCD regulations, <https://www.unhcr.org/en-us/616e8d244> (hereinafter UNHCR, Cash Assistance and Access to Formal Financial Services).
- 3 UNHCR, Cash Assistance and Access to Formal Financial Services.
- 4 Id.
- 5 See id.; CALP Network, Glossary of Terms.
- 6 CALP Network, Glossary of Terms.
- 7 World Economic Forum, Principles on Public-Private Cooperation in Humanitarian Payments, https://www3.weforum.org/docs/IP/2016/FS/WEF_FI_Principles_Humanitarian_Payments.pdf.
- 8 UNHCR, Guidelines on International Protection No. 11: Prima Facie Recognition of Refugee Status, HCR/GIP/15/11 (24 June 2015), <https://www.unhcr.org/en-us/publications/legal/558a62299/guidelines-international-protection-11-prima-facie-recognition-refugee.html>
- 9 UNHCR, Displaced & Disconnected, 2019, <https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-English.pdf>
- 10 Including successful policy changes in Uganda as a result of advocacy coming out of the earlier Displaced & Disconnected research on these issues.
- 11 UNHCR, Cash Assistance and Access to Formal Financial Services. For purposes of streamlining the language used to discuss the key persons of concern facing proof of identity documentation challenges, reference will be made to refugees and/or asylum-seekers; however, that should not suggest that stateless people have access simply because they are not specifically mentioned.
- 12 Kevin Donavan, Mobile Money for Financial Inclusion in Information and Communications for Development 2012: Maximizing Mobile, World Bank, Aug. 2012, available at: https://web.worldbank.org/archive/website01523/WEB/IMAGES/IC4D_2-4.PDF
- 13 UNHCR, Operational Data Portal: Regional View, <https://data.unhcr.org/en/situations/rbehaq/> (last accessed 5 July 2022).
- 14 James Owino, Durable solutions to migration challenges in East Africa and the Horn, INSTITUTE FOR SECURITY STUDIES, Nov. 2021, p. 3, <https://issafrica.s3.amazonaws.com/site/uploads/ear-43v1.pdf>.
- 15 World Food Programme, WFP Eastern Africa: Regional Refugee Update.
- 16 Owino, p. 28.
- 17 In Kenya, M-Pesa has been offering mobile money services for 15 years. In Somalia, mobile money has superseded the use of cash, with transactions reaching an estimated USD 2.7 billion per month in 2018.
- 18 Pursuant to the Rwanda Utilities Regulatory Authority (RURA) Directive issued in August 2021, asylum-seekers can register a SIM card by using “any legal document used to enter the republic of Rwanda.” Rwanda Utilities Regulatory Authority, Public Notice, 31 Aug. 2021, https://rura.rw/fileadmin/publication/Public_Notice_on_SIM_Card_registration_and_swap_for_telecom_users.pdf. However, as many, if not most, asylum-seekers flee their home country without ID documents, this would be difficult for asylum-seekers to provide. Nonetheless, in practice, both refugees and asylum-seekers without an accepted form of documentation have been able to use the proof of registration issued by UNHCR and the Ministry in Charge of Emergency Management (MINEMA) to register SIM cards.
- 19 The law recognizes the following ARRA-issued documents: “identity paper, travel document, pass permit, proof of registration, birth certificate, or similar documents that attest as to the identity of the bearer.” Ethiopia, Proclamation No. 1110/2019, 27 Feb. 2019, available at: <https://www.refworld.org/docid/44e04ed14.html>.
- 20 National Bank of Rwanda, Per the Directive No. 01/FIU/2018 of 16/02/2018 of the Financial Investigation Unit Relating to Anti-Money Laundering and Combating the Financing of Terrorism, https://www.bnr.rw/fileadmin/user_upload/NEW_DIRECTIVE_No_01_FIU_2018_OF_16_02_2018_OF_THE_FINANCIAL_INVESTIGATION.pdf
- 21 Since 2017, refugees have had access to personal bank accounts as part of UNHCR’s introduction of cash assistance in the camps. The Central Bank issued a waiver for the acceptance of the UNHCR proof of registration document “as proxy KYC for refugees who did not yet have the formal Government-issued refugee ID[.]” UNHCR, Cash assistance and access to formal financial services.
- 22 Id. at Appendix 2.
- 23 As previously reported in the Displaced & Disconnected Country Reports, the KYC/CDD requirements set forth in Kenya’s Proceeds of Crime and Anti-Money Laundering Act, 2009, require “an official record reasonably capable of establishing the true identity of the applicant,” such as a birth certificate, national ID card, driver’s license, passport, or “any other official means of identification as may be prescribed.” Kenya, Proceeds of Crime and Anti-Money Laundering Regulations, 2013, available at: <http://kenyalaw.org:8181/exist/kenyalex/sublegview.xql?subleg=No.+9+of+2009>.
- 24 Id.
- 25 Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017, para. 22.
- 26 Id. at paras. 10 and 22.
- 27 For further information about Somalia’s KYC requirements for banks and other financial institutions, see the Somalia country report in Annex I.
- 28 For residents, a passport, travel document, residence permit or driving license are accepted forms of ID; however, they also may also be required to produce other documentation such as “an introductory letter from relevant authority such as employer or government official” or “employee identity card with an introductory letter from employer[.]” See United Rep. of Tanz., Anti-Money Laundering Act Subsidiary Legislation (regulations), 2012, <https://www.fiu.go.tz/AMLA-Regulations-2012.pdf>, Reg. 3. For foreign nationals, banks and other financial institutions must obtain and verify the person’s full name and residential address, date and place of birth, nationality, Tax Identification Number (if the person has one), telephone number, postal and/or e-mail address, signature and thumb print, and passport and visa (if relevant). Id. at Reg. 5.
- 29 United Rep. of Tanz., The Anti-Money Laundering (Amendment) Regulations, 2019, https://www.fiu.go.tz/AML_AMENDMENT_REGULATIONS_2019.pdf, Reg. 28B.
- 30 It appears that the Government’s 2009 Guidelines for the Verification of Customers’ Identities (discussed in Displaced & Disconnected: Country Reports) are still in effect, which on their face are permissive of the use of Government-issued identity documents held by displaced persons to satisfy KYC/CDD customer identity requirements. However, the provisions on verification of natural persons’ identities refer to the Anti-Money Laundering Regulations, 2007, which were revoked upon publication of the AML Regulations of 2012.
- 31 See, e.g., Stanbic Bank Account opening requirements, p.2, https://www.stanbicbank.co.ug/static_file/Uganda/Downloadable%20files/BB%20account%20opening%20doc/ACCOUNT%20OPENING%20REQUIREMENTS%20.pdf (last accessed 14 April 2022).
- 32 Tiered KYC/CDD requirements permit different levels of access to bank accounts and/or mobile money services with less stringent ID requirements for accounts with low thresholds and/or where the customer’s perceived risk level is low.
- 33 Authorization of Payment Instruments Issuers Directive No. ONPS/01/2020.
- 34 A tiered system is mentioned, but the different tiers and what satisfies each tier are not specified within the regulation.
- 35 Somalia’s AML/CFT regulations do not contain a tier-/risk-based approach; however, Somalia’s Money Transfer Business on Customer Registration Regulations, 2015, which in theory should apply to mobile money services, do present a tiered KYC/CDD framework. However, as discussed infra, the legal and regulatory framework governing mobile money in Somalia lacks clarity. In Somaliland, the dominant mobile money service provider (Telesom Zaad) uses a tiered KYC structure for mobile money accounts. See GSMA, Telesom Zaad: Pushing the mobile money CVA frontier, June 2019, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/06/Somaliland_Mobile_Money_CVA_Case_Study_Web_Spreads.pdf.
- 36 While Sudan’s Circular No. (8/2014): Regulatory and Supervisory Requirements for the Institutions Under the Supervision of Central Bank of Sudan does not provide a risk-based/tiered KYC structure, it is permissive of such approach, stating: “The institution shall apply all CDD measures set out in this provision but may determine the extent of each measure using a risk based approach.” In addition, several banks offer mobile wallets, for which the banks reportedly use tiered KYC procedures and for the lowest level only require a phone number and name. Interview with FSP, Sudan, 1 Dec. 2021.
- 37 However, Circular No. 8/2014 addresses measures institutions should take to manage and mitigate money laundering and terrorism financing risks arising from “new technologies,” including payments through mobile phones.
- 38 In lieu of an ID, a customer must be “introduced by another person who already maintains an account with the payment instrument issue” to open a Tier 1 (lowest level) mobile money account. See National Bank of Ethiopia, Licensing and Authorization of Payment Instrument Issuers Directive No. ONPS/01/2020, <https://www.nbe.gov.et/wp-content/uploads/pdf/proclamation/oversight-the-national-payment-system.pdf>, Art. 11(2)(a). Thus, as long as a refugee or asylum-seeker knows someone who can make such introduction to the company, they can access mobile money.
- 39 For Tier One accounts, “[e]xamples of verification requirements include a registered phone number, voter registration card, a valid or current university student ID, an employment ID that has been verified by the employer, a[n] institutional (e.g., NGO) ID for beneficiaries that has been verified by the institution or ministry, and/or a letter from a prominent person who can reasonably verify the customer’s identit[y] (e.g., local chief, local member of clergy[.]” Bank of South Sudan, Electronic Money Regulation 2017, Reg. 15.
- 40 See Rep. of Uganda, The National Payment Systems Regulations, 2021, Schedule 5, available at <https://www.bou.or.ug/bou/bouwebsite/bouwebsitecontent/PaymentSystems/Legal-Frameworks/National-Payment-Systems-Regulations-2021.pdf>. Both Uganda’s National Payments Act, 2020, and National Payment Systems Regulations, 2021, set forth a tiered-KYC framework for mobile money.
- 41 See id.
- 42 The Rwanda National Bank’s Regulation No. 08/2016 Governing the Electronic Money Issuers, which applies to both financial and non-financial institutions authorized to issue electronic money, requires non-residents to provide an original passport or laissez-passer for KYC/CDD identity verification – documents not issued to refugees or asylum-seekers.
- 43 Circular 8/2014, para. 47.
- 44 United Rep. of Tanz., The Electronic Money Regulations, 2015, <https://www.bot.go.tz/Publications/NPS/GN-THE%20ELECTRONIC%20MONEY%20REGULATIONS%202015.pdf>
- 45 UNHCR (2019), Displaced & Disconnected: Country Reports, p. ____.
- 46 Central Bank of Kenya, Kenya National Payments System Vision and Strategy 2021-2025, <https://www.centralbank.go.ke/wp-content/uploads/2020/12/CBK-NPS-Vision-and-Strategy.pdf>, p. 51. Kenya’s GSMA Mobile Money Regulatory Index score has increased from 79.24 to 85 in 2020; however the score for KYC remains low at just 32. See GSMA, Mobile Money Metrics, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index>. For details on Kenya’s existing KYC obligations with respect to customer identity, see the 2019 Kenya Country Report in Annex III.
- 47 UNHCR (2019), Displaced & Disconnected: Country Reports.

48 In Somaliland, there is no governing mobile money regulation. The Central Bank of Somaliland has developed a mobile money regulation similar to that of the Federal Government of Somalia; however the approval process was put on hold in 2020 due to the COVID-19 pandemic.

49 UNHCR (2019), *Displaced & Disconnected: Country Reports*.

50 Although The Rwanda National Bank's Regulation No. 08/2016 Governing the Electronic Money Issuers, which applies to both financial and non-financial institutions authorized to issue electronic money, requires non-residents to provide an original passport or laissez-passer for KYC/CDD identity verification – documents not issued to refugees or asylum-seekers – the refugee ID is accepted for SIM registration pursuant to the 2021 RURA Directive, which gives them legal access to mobile money because every new SIM card comes with a mobile money account.

51 Somalia's National Telecommunication Law, 2017, requires customers to provide "personal identification" but does not specify what forms of personal identification are accepted. There is no existing regulation clarifying what forms of personal identification are acceptable under the law for SIM registration. Without further interpretation by the regulatory body, identity documents issued to refugees and asylum-seekers should be able to qualify for SIM registration.

52 Somaliland's 2019 AML/CFT law requires natural persons to provide an original ID card, valid passport (with a visa or residence permit affixed to it if the person was born in another country), driver's license, chief guarantee, or any other identification included in the Bank's circular. This language is permissive of acceptance of the refugee ID, but the Central Bank of Somaliland has not issued a Circular providing further details about accepted forms of ID for KYC requirements. Nonetheless, one INGO reported that they have been able to work with Amalbank to open bank accounts for refugees using the refugee ID card for identification purposes.

53 In South-Central Somalia, a number of inconsistencies exist in the regulatory framework surrounding mobile money (particularly between the Mobile Money Regulations of 2019 and the pre-existing Regulations for Money Transfer Businesses on Customer Registration Regulations, 2015, which have not been repealed). As such, the legal access to mobile money for refugees and asylum-seekers is unclear; however, in practice, MMSPs individually establish KYC guidelines with their own requirements and a refugee card with their name on it, photo, and UNHCR logo would satisfy the ID requirement to activate a mobile money account. See discussion of KYC/CDD requirements for mobile money in the Somalia Country Report in Annex I. In Somaliland, Telesom Zaad – the main MMSP in the region, does not require an ID; instead a "written letter from a local chief or prominent business person" can be used to verify the customer's identity.

54 In 2021, UNHCR and the Telecommunications and Post Regulatory Authority (TPRA) reached an agreement on the use of the COR refugee ID card for purchasing SIM cards. COR is working on formalizing this agreement, after which TPRA will issue a circular to MNOs confirming the acceptance of the refugee ID card.

55 In February 2019, the Central Bank issued a decree stating that the Government-issued refugee ID is a recognized identity document for accessing financial services; however, most financial institutions are not adhering to this decree. Several banks have informed UNHCR that they do not accept the refugee ID as a KYC identity document.

56 The Anti-Money Laundering Regulations, 2015, do not expressly recognize the refugee ID card for KYC/CDD purposes or appear to give refugees legal access. See <https://chapterfourganda.org/sites/default/files/downloads/The-Anti-Money-Laundering-Regulations-2015.pdf>. However, at least some banks recognize the refugee ID as an acceptable identification document for KYC/CDD purposes. See https://www.stanbicbank.co.ug/static_file/Uganda/Downloadable%20files/BB%20account%20opening%20doc/ACCOUNT%20OPENING%20REQUIREMENTS%20.pdf.

57 Interview with INGO, Somalia, 18 Nov. 2021 (stating that during discussions with MNOs in 2019, the MNOs said they "could have agreements with the different organizations for the individual to use the identification from the organization. For example, the organization could provide a list to the MNO and then [the individuals] bring their organization ID and the number on that is used as identification for that person.").

58 Interview with UN Agency, Somalia, 18 Nov. 2021. This interviewee was speaking specifically about the Zaad – the Telesom's mobile money service, which operates in Somaliland.

59 UNHCR, *Digital payments to refugees: A pathway towards financial inclusion*, Dec. 2020, <https://www.unhcr.org/5fdcd8474.pdf> (noting that "close-looped systems" make only a limited contribution to financial inclusion). UNHCR prioritizes "open-loop systems that leverage local markets and ecosystems, rather than investing in closed-loop systems." See UNHCR, *Cash Assistance and Access to Formal Financial Services*.

60 Aaron Martin and Giulia Balestra, *Using Regulatory Sandboxes to Support Responsible Innovation in the Humanitarian Sector*, 9 Sept. 2019, <https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.12729>.

61 GSMA, *Enabling Access to Mobile Services for the Forcibly Displaced: Policy and Regulatory Considerations for Addressing Identity-Related Challenges in Humanitarian Contexts*, Sept. 2017, <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2017/09/Policy-Note-FDPs-and-Mobile-Access.pdf> (noting that such harmonization "will require close collaboration between the telecommunications regulator or the relevant Ministry dealing with SIM registration rules and the financial sector regulator dealing with KYC requirements").

62 Aaron Martin (2019), *Mobile Money Platform SURVEILLANCE, SURVEILLANCE & SOCIETY*, <https://ojs.library.queensu.ca/index.php/surveillance-and-society/article/view/12924/8497>.

63 ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 14 April 2022).

64 GSMA, *Mobile Money Metrics Regulatory Index*, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 28 April 2022).

65 The World Bank has described a "Triple Shock" to Somalia's economy in 2020 stemming from "the COVID-19 pandemic, extreme flooding, and the locust infestation." World Bank, *Press Release, Somalia's Economy Rebounding from 'Triple Shock'* (14 Sept. 2021), <https://www.worldbank.org/en/news/press-release/2021/09/14/somalia-s-economy-rebounding-from-triple-shock>.

66 UNHCR, *Submission for the Universal Periodic Review: 38th Session, Somalia*, Oct. 2020, <https://www.refworld.org/docid/60760b4e4.html>.

67 Id.

68 Id.

69 Claire Felter, Jonathan Masters, and Mohammed Aly Sergie, *Background: Al Shabab*, Council on Foreign Relations (19 May 2021), <https://www.cfr.org/backgrounder/al-shabab>.

70 UNHCR, *Submission for the Universal Periodic Review: 38th Session, Somalia*.

71 Id.

72 UNHCR Data Portal, <https://data2.unhcr.org/en/country/som> (last accessed 30 June 2022).

73 UNHCR, *Operational Update: Somalia, May 2022*, <https://data.unhcr.org/en/documents/details/93924>.

74 Id.

75 The proof of registration contains identifying information such as name, date of birth, address, and a photograph. UNHCR has been involved in registering Somali refugees returning to the country (e.g., from the camps closing in Kenya); however, it does not issue proof of registration to returnees. UNHCR does not conduct IDP enrolment or provide documentation to IDPs in Somalia.

76 Note: Somalia grants prima facie refugee status to asylum-seekers arriving from Yemen upon registration, and Somaliland grants prima facie refugee status to Afghans, Syrians, and Palestinians. In prima facie cases, refugees are automatically granted status; all other cases will be subject to individual refugee status determination.

77 Fed. Rep. of Somalia, *National Telecommunications Law, 2017*, Art. 67.

78 The National Telecommunications Law was enacted in 2017, but the NCA was not established under the law until 2018. GSMA *Regulatory Environment Analysis*. The NCA operates in South-Central, while Somaliland and Puntland have not yet created independent regulatory bodies over the ICT sector.

79 Interview with MNO, Somalia, 14 Dec. 2021.

80 Interview with MNO, Somalia, 14 Dec. 2021.

81 Interview with INGO, Somalia, 1 Dec. 2021. It is not possible in Somalia to use an unregistered SIM card, so in such instances vendors may be registering the SIMs to their own ID or other IDs.

82 Interviews with INGOs in Somalia; Interview with MNO, Somalia, 14 Dec. 2021.

83 Interview with MNO, Somalia, 14 Dec. 2021.

84 Interview with INGO, Somalia, 18 Nov. 2021 (explaining that during discussions with MNOs in 2019, the MNOs said they "could have agreements with the different organizations for the individual to use the identification from the organization. For example, the organization could provide a list to the MNO and then [the individuals] bring their organization ID and the number on that is used as identification for that person.").

85 Note that if someone is displaced from South-Central to Somaliland, they "would be treated as outsiders," not as nationals, so they may have ID challenges as well. Interview with INGO, Somalia, [DATE].

86 Interviews with INGOs working in Somalia.

87 Interview with UNHCR CBI Officer, Somalia, 11 Nov. 2021.

88 Fed. Rep. of Somalia, *Anti-Money Laundering and Countering the Financing of Terrorism Act, 2016*, Art. 5(4), available at: <http://somfrc.so/wp-content/uploads/2016/09/Anti-Money-Laundering-and-Countering-the-Financing-of-Terrorism-Act-2016-English-Version.pdf>.

89 Financial Reporting Center, *Anti-Money Laundering & Countering the Financing of Terrorism (AML/CFT) Regulations, 2018*, Reg. 5.3 and Appendix II, available at: <http://frc.gov.so/demo/wp-content/uploads/2019/04/AML-CFT-REGULATIONS-FOR-FINANCIAL-INSTITUTIONS-IN-SOMALIA-ENGLISH-VERSION2.pdf> [hereinafter AML/CFT Regulations]. The KYC/CDD requirements also include residential address details, phone number, date of birth, nationality/place of birth, and the source of funds. Id.

90 AML/CFT Regulations at Reg. 5.5.

91 AML/CFT Regulations at Reg. 5.5.

92 See https://centralbank.gov.so/wp-content/uploads/2020/06/AML-CFT-Regulation-for-Financial-Institutions_signed-by-the-Minister.pdf. Article 4, which covers "Customer identification for Personal Accounts or Transactions" simply states that "A Financial Institution shall verify/ascertain the identity of their individual customers" and "shall ensure that the customer is the person he/she claims to be."

93 International Monetary Fund, *Somalia: First Review Under the Extended Credit Facility – Press Release; Staff Report; and Statement by the Executive Director for Somalia*, 30 Nov. 2020, <https://www.imf.org/en/Publications/CR/Issues/2020/11/30/Somalia-First-Review-Under-the-Extended-Credit-Facility-Press-Release-Staff-Report-and-49924>, para. 29.

94 Interview with INGO in Somalia, 18 Nov. 2021.

95 Rep. of Somaliland, *AML and CFT Act, 2019*, Art. 20(1), available at: <https://bankofsomaliland.net/laws-and-regulations/aml-and-cft-act/>.

96 In other words, someone reputable in the tribe vouches for another person who does not have an official form of identification.

97 Rep. of Somaliland, *AML and CFT Act, 2019*, Art. 20(2). At the time of writing, the Central Bank of Somaliland has not issued a Circular providing further details about accepted forms of ID for KYC requirements.

98 World Bank, *Press Release, Somalia Economic Update: Rapid Growth in Mobile Money*, 13, Sept. 2018, <https://www.worldbank.org/en/news/press-release/2018/09/13/somalia-economic-update-rapid-growth-in-mobile-money>.

99 Harun Maruf, *Somalia Issues First License to Mobile Money Service*, VOA (27 Feb. 2021), https://www.voanews.com/a/africa_somalia-issues-first-license-mobile-money-service/6202644.html.

100 World Bank, *Press Release, Somalia Economic Update: Rapid Growth in Mobile Money*.

101 <https://nextbillion.net/somalia-mobile-money-success-story/>.

102 Reuters, *Hormuud Telecom awarded Somalia's first mobile money licence* (27 Feb. 2021), <https://www.reuters.com/article/uk-somalia-telecom/hormuud-telecom-awarded-somalias-first-mobile-money-licence-idUSKBN2ARODR>.

- [103](#) Maruf, Somalia Issues First License to Mobile Money Service.
- [104](#) Interview with Mary Karanja, Chair of Somalia Cash Working Group, 18 Nov. 2021; <https://data.humdata.org/visualization/somalia-cash-programing-v4/>.
- [105](#) Central Bank of Somalia, Mobile Money Regulations, as amended 2020, https://centralbank.gov.so/wp-content/uploads/2021/03/Mobile-Money-Regulation-2020_amended.pdf.
- [106](#) Maruf, Somalia Issues First License to Mobile Money Service; Melanie Mingas, Hormuud Telecom's mobile money first for Somalia, CAPACITY MEDIA (1 March 2021), <https://www.capacitymedia.com/articles/3827857/hormuud-telecoms-mobile-money-first-for-somalia>.
- [107](#) Interview with INGO, Somalia, 16 Nov. 2021 (noting that even before the Central Bank started issuing licenses for mobile money, MMSPs received authorization from the Central Bank before operating. And although they had not been operating under the Central Bank's regulations, they have their own KYC guidelines/framework.)
- [108](#) International Monetary Fund, Somalia: Technical Assistance Report-Bank Supervision and Regulation, 31 March 2021, <https://www.imf.org/en/Publications/CR/Issues/2021/03/31/Somalia-Technical-Assistance-Report-Bank-Supervision-and-Regulation-50315>, para. 66 [hereinafter IMF Staff Country Report: Somalia].
- [109](#) IMF Staff Country Report: Somalia, para. 62.
- [110](#) Regulations for Money Transfer Businesses on Customer Registration Regulations, 2015, as amended, <https://centralbank.gov.so/wp-content/uploads/2019/05/Regulation-For-Money-Transfer-Businesses-on-Anti-Money-Laundering-2015-AMENDED-2018.pdf>. The regulations define "money transfer business" as "any provider that accepts cash, checks and other payment instruments, mobile money [also including other store-valued products], in one location, and payment [disbursement] of a corresponding sum in cash or other form to a recipient in another location."
- [111](#) Central Bank of Somalia, Mobile Money Regulations 2019, sec. 20(3), <https://centralbank.gov.so/wp-content/uploads/2019/08/Mobile-Money-Regulation-2019.pdf>.
- [112](#) https://centralbank.gov.so/wp-content/uploads/2020/06/AML_CFT-Regulation-for-Financial-Institutions_signed-by-the-Minister.pdf
- [113](#) The regulation also provides two combinations of documents to satisfy regular KYC where a Government-issued photo ID cannot be produced. For example, in such a case, customer verification for regular KYC can be satisfied with two of the following documents: a Government employee ID card, Government-issued marriage certificate, university or high school diploma certified by the Minister of Education or the Ministry of Foreign Affairs, reference letter from a judge/magistrate, reference letter from a local government authority, reference letter from a CBS licensed Bank, or a reference letter from a village head or customary authority.
- [114](#) IMF Staff Country Report: Somalia, para. 66.
- [115](#) GSMA Regulatory Environment Analysis. According to the NCA's website, its mandate includes regulating eCommerce services. <https://nca.gov.so/about-us/> (last accessed 3 Jan. 2022).
- [116](#) Facility for Talo and Leadership, NCA and Central Bank to Regulate Somalia's Digital Financial Services (23 Nov. 2021), <https://www.ftisomalia.com/nca-and-central-bank-to-regulate-somalias-digital-financial-services/>.
- [117](#) Interview with Hormuud, 14 Dec. 2021.
- [118](#) Interview with Hormuud, 14 Dec. 2021. Hormuud does not have tiered KYC requirements; for all individual accounts with Hormuud's EVC Plus, there is a mobile wallet limit of \$300 USD. Id.
- [119](#) GSMA Regulatory Environment Analysis at 1.3.2.
- [120](#) GSMA Regulatory Environment Analysis at 1.5.
- [121](#) GSMA, Telesom Zaad Pushing the mobile money CVA frontier, June 2019, p. 8 (Figure 2), https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/06/Somaliland_Mobile_Money_CVA_Case_Study_Web_Spreads.pdf.
- [122](#) Id. at p. 8.
- [123](#) Interview with INGO, 18 Nov. 2021. The lowest tier sets a \$300 USD limit on the account. Id.
- [124](#) GSMA, Telesom Zaad Pushing the mobile money CVA frontier, pp. 11-12.
- [125](#) GSMA Regulatory Environment Analysis at 1.2.1.
- [126](#) GSMA Regulatory Environment Analysis. According to one respondent, the Federal Government of Somalia does not enforce its legislation and regulations in Puntland.
- [127](#) GSMA Regulatory Environment Analysis at 1.2.1.
- [128](#) See Golis, Sahal Services, <https://golistelecom.com/sahal/> (last accessed 4 Jan. 2022).
- [129](#) Brian Daigle, Data Protection Laws in Africa: A Pan-African Survey and Noted Trends, U.S. Int'l Trade Comm., J.INT'L. COMMERCE AND ECONOMICS, Feb. 2021, https://www.usitc.gov/publications/332/journals/jice_africa_data_protection_laws.pdf.
- [130](#) National Telecommunications Law, Art. 16(1) (English translation).
- [131](#) National Telecommunications Law, Art. 30(3) (English translation).
- [132](#) Central Bank of Somalia, Mobile Money Regulations, 2019, Reg. 16, <https://centralbank.gov.so/wp-content/uploads/2019/08/Mobile-Money-Regulation-2019.pdf>.
- [133](#) CBS Mobile Money Regulations, Reg. 16. The MMSP's security system also must ensure that access to information in the system is password-protected or secured by "other appropriate protection measures" and that "[d]ata, systems, application software, utility communication lines, servers, system software and all other essential facilities" are protected and controlled accordingly. Id.
- [134](#) While the AML/CFT regulations provide examples of instances where simplified CDD would be appropriate, this approach is not sufficiently clear as to what qualifies for simplified CDD procedures and thus fails to provide explicit guidance to financial service providers that refugees, asylum-seekers, and other FDPs would qualify.
- [135](#) GSMA, Overcoming the Know Your Customer hurdle: Innovative solutions for the mobile money sector (2019), <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/02/Overcoming-the-KYC-hurdle-Innovative-solutions-for-the-mobile-money-sector.pdf>.
- [136](#) Feb. Gov. of Somalia, National Policy on Refugee-Returnees and Internally Displaced Persons, 2019, <https://www.refworld.org/docid/5d8332c64.html>
- [137](#) World bank (2018) Rapid Growth in Mobile Money: Stability or Vulnerability? Somalia Economic (Update); see also Aaron Martin and Giulia Balestra, Using Regulatory Sandboxes to Support Responsible Innovation in the Humanitarian Sector, 9 Sept. 2019, <https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.12729>.
- [138](#) ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 14 April 2022).
- [139](#) GSMA, Mobile Money Metrics Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 28 April 2022).
- [140](#) See World Bank, The World Bank in South Sudan: Overview, <https://www.worldbank.org/en/country/southsudan/overview#1>.
- [141](#) IOM, IOM Appeals for USD 122 million to Support Displaced People, Returnees in South Sudan (5 Feb. 2019) <https://reliefweb.int/report/south-sudan/iom-south-sudan-appeal-january-december-2019>.
- [142](#) World Bank, The World Bank in South Sudan: Overview, <https://www.worldbank.org/en/country/southsudan/overview#1>.
- [143](#) The World Bank and Altai Consulting (2019), Mobile Money Ecosystem Survey in South Sudan: Executive Summary, para. 45, <https://documents1.worldbank.org/curated/en/460341563539588094/pdf/Mobile-Money-Ecosystem-Survey-in-South-Sudan-Exploring-the-Current-and-Future-Potential-of-Using-Mobile-Money-for-Effective-Humanitarian-and-Development-Cash-Programming-Executive-Summary.pdf> [hereinafter World Bank Mobile Money Ecosystem Survey].
- [144](#) Interview with INGO, South Sudan, 30 Nov. 2021.
- [145](#) World Bank Mobile Money Ecosystem Survey, para. 11.
- [146](#) Paula Gilbert, Mobile Money Takes Off in South Sudan, CONNECTING AFRICA, 7 Aug. 2019, http://www.connectingafrica.com/author.asp?section_id=761&doc_id=753309; but see World Bank Mobile Money Ecosystem Survey, at para. 15 (reporting that 45 per cent of the population owns a phone).
- [147](#) Africa Defense Forum (ADF), South Sudan Gets Mobile Money Service (22 June 2020), <https://adf-magazine.com/2020/05/south-sudan-gets-mobile-money-service/>; GSMA Mobile Connectivity Index, <https://www.mobileconnectivityindex.com/#year=2019&zonsocode=SDN.SSD> (showing 20 per cent penetration for mobile connections).
- [148](#) World Bank Mobile Money Ecosystem Survey, para. 35;
- [149](#) Sam Mednick, South Sudan launches mobile money to boost recovery from war, ABC News, 26 Sept. 2019, <https://abcnews.go.com/International/wireStory/south-sudan-launches-mobile-money-boost-recovery-war-65871023>.
- [150](#) World Bank Mobile Money Ecosystem Survey, para. 68 (noting that "[e]vidence suggests that there is significant interest for mobile money services among the South Sudanese population).
- [151](#) UNHCR, South Sudan: Refugee and Asylum Seeker Population Map, 31 May 2022, <https://reporting.unhcr.org/document/2746>; UNHCR, Operational Data Portal, <https://data.unhcr.org/en/country/ssd> (last accessed 5 July 2022).
- [152](#) UNHCR, South Sudan Population Dashboard, 31 May 2022, <https://reporting.unhcr.org/document/2740> (.7 per cent from Central African Republic, .2 per cent from Eritrea and .1 per cent from Burundi).
- [153](#) Id. (Other countries of origin include Somalia (.7 per cent), DRC (.5 per cent), and Sudan (.4 per cent).)
- [154](#) Id.
- [155](#) UNHCR, South Sudan: Refugee and Asylum Seeker Population Map.
- [156](#) Id.
- [157](#) UNHCR, Operational Data Portal, <https://data.unhcr.org/en/country/ssd> (last accessed 5 July 2022).
- [158](#) However, in 2020 due to COVID-19, UNHCR in many countries – including South Sudan – continued registration, but without biometrics. At the time of writing, registration via BIMS has resumed, but many refugees in the north of the country have expired ID cards due to the COVID-19 pandemic. <https://help.unhcr.org/southsudan/how-to-apply-for-asylum/>.
- [159](#) The asylum-seeker certificate is valid for one year; refugee identity cards are valid for three years.
- [160](#) PVC stands for "polyvinyl chloride" and is a strong plastic material used for professional ID card printing.
- [161](#) World Bank Mobile Money Ecosystem Survey, para. ___; Information provided by UNHCR country team.
- [162](#) David Manyang Mayar, In South Sudan, a Day of Deadlines, VOICE OF AMERICA, 28 Feb. 2013, <https://www.voanews.com/a/south-sudan-mobile-phone-pharmaceutical-deadline-registration/1612779.html>.
- [163](#) https://media.africaportal.org/documents/Digital-Rights-in-South-Sudan_2021-UPR-Submission.pdf
- [164](#) <https://mobile.twitter.com/mtnssd/status/1408070581472223233?lang=bg> (emphasis added). The image embedded in the post identifies the following examples of accepted identity documents: "Payam Letter, Referendum card, Passport, Driver's license, National ID."
- [165](#) World Bank Mobile Money Ecosystem Survey, para. ___. Only 16 per cent of the population had ID cards in 2019. Sam Mednick, South Sudan launches mobile money to boost recovery from war, ABC NEWS, 26 Sept. 2019, <https://abcnews.go.com/International/wireStory/south-sudan-launches-mobile-money-boost-recovery-war-65871023> .
- [166](#) Interview with INGO, 17 Dec. 2021.
- [167](#) Interview with INGO, 17 Dec. 2021.
- [168](#) Anti-Money Laundering and Counter Terrorist Financing Act, 2012, Act No. 29, https://www.wto.org/english/thewto_e/acc_e/ssd_e/wtaccssd6_leg_3.pdf.
- [169](#) Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017, para. 8.

[170](#) Id. at paras. 6 (“Banks should develop graduated customer acceptance policies and procedures that require more extensive due diligence for higher risk customers.”) and 15 (“The extent and nature of the information [needed to establish the true identity of each new customer] depends on the type of applicant (personal, corporate, etc.) and the expected size of the account.”).

[171](#) Id. at para. 20 (“Banks must not open an account or conduct ongoing business with a customer without having conducted an in person interview with the customer (natural persons) or one or more of its authorized representatives (legal persons).”).

[172](#) Id. at para. 11.

[173](#) Id. at para. 22.

[174](#) Id. at paras. 10 and 22.

[175](#) Id. at para. 23(a).

[176](#) Id. at para. 23(b).

[177](#) Id. at para. 23(c).

[178](#) Id. at para. 23(d). The verification process further includes: seeking personal reference by an existing customer of the bank; requesting prior bank reference and contact with the bank regarding the customer; verifying source of income or wealth (e.g., with an original pay-slip or letter from an employer); confirmation of employment or public position held. The signature must take place in the presence of a bank officer and for foreigners, additional information related to nationality or country of origin must be verified. Id. at para. 23(e)-(j).

[179](#) Interview with UN Agency, South Sudan, 2 Dec. 2021 (expressing confidence in the organization’s ability to negotiate with the government to get acceptance of the humanitarian ID enforced).

[180](#) Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017, para. 10.

[181](#) Interview with UN Agency, South Sudan, 30 Nov. 2021.

[182](#) Interview with UN agency, South Sudan, 30 Nov. 2021.

[183](#) Interview with INGO in South Sudan, 7 Dec. 2021.

[184](#) Interview with UN Agency in South Sudan, 2 Dec. 2021.

[185](#) World Bank Mobile Money Ecosystem Survey, paras. 10 and 13 (noting that network coverage is “nearly absent in many rural areas”). According to one UN agency operating in South Sudan, “Nilepay on paper is fine,” but it does not have density of where they are operating or “great overlap with where we want to be doing business.” Interview with UN Agency in South Sudan, 2 Dec. 2021.

[186](#) Interview with INGO in South Sudan, 7 Dec. 2021.

[187](#) Interview with INGO in South Sudan, 17 Dec. 2021.

[188](#) The World Bank reported use of airtime transfers as an alternative to cash transfers by which recipients may receive airtime on their mobile and choose to cash it out or use the airtime. World Bank Mobile Money Ecosystem Survey, para. 58. However, several limitations exist: cashing out carries high fees, airtime cannot be traded between different carriers; and while air time traders are present throughout the country, the majority are concentrated in urban areas, far from the vast majority of refugees.

[189](#) Interviews with INGOs in South Sudan, 2-17 Dec. 2021.

[190](#) Bank of South Sudan, Electronic Money Regulation, 2017, Reg. 4(l), available at <http://www.boss.gov.ss/reg/2017/ElectronicMoneyRegulation.pdf>.

[191](#) Electronic Mobile Money Regulation, Reg. 4(l).

[192](#) World Bank Mobile Money Ecosystem Survey.

[193](#) Electronic Money Regulation, 2017, Reg. 15.

[194](#) Id.

[195](#) Electronic Money Regulation, Reg. 15(ii). Tier 3 accounts have higher limits to facilitate corporate and government payments. Tier 3 accounts are subject to full KYC requirements as noted in the AML-CTF Act of 2012. Id. at Reg. 15(iii).

[196](#) Sam Mednick, South Sudan launches mobile money to boost recovery from war, AP (26 Sept. 2019), <https://apnews.com/article/492f79bcc3c8424d8421665caaf7b1c>.

[197](#) World Bank Mobile Money Ecosystem Survey, para. 51.

[198](#) Electronic Money Regulation, Reg. 21.

[199](#) Electronic Money Regulation, 2017, sec. 21.

[200](#) Customer Due Diligence and Know Your Customer (KYC) for Banks, Circular No. DSR/SD/1/2017, para. 32. The exceptions include: “a. with the written authorization of the account holder or of his heirs or legal personal representatives; or b. for the purpose of the performance of his duties within the scope of his employment in conformity with the provision of this Circular or other Regulations issued by the Bank of South Sudan; or c. when lawfully required to make disclosure by any court of competent jurisdiction within or outside South Sudan; or d. [u]nder the provisions of any laws of South Sudan.”

[201](#) Id. at para. 33.

[202](#) ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics>.

[203](#) GSMA Mobile Money Metrics Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 28 April 2022).

[204](#) UNHCR, Sudan Country Refugee Response Plan (Jan. 2020-Dec. 2020), https://reporting.unhcr.org/sites/default/files/Sudan%202020%20Country%20Refugee%20Response%20Plan%20-%20January%202020_0_1.pdf.

[205](#) Connecting Africa, Sudan commits to cashless future, http://www.connectingafrica.com/document.asp?doc_id=761626.

[206](#) Freedom House, Freedom on the Net 2021: Sudan, <https://freedomhouse.org/country/sudan/freedom-net/2021>.

[207](#) The program will reach an estimated 32 million persons (80% of the population). Interview with INGO, Sudan, 1 Dec. 2021; Connecting Africa, Sudan commits to cashless future. UNHCR is trying to get refugees included in the program, but ID is an issue.

[208](#) UNHCR, Operational Data Portal: Sudan, <https://data2.unhcr.org/en/country/sdn> (last accessed 30 June 2022).

[209](#) Id. In addition, 1682 refugees originate from other countries.

[210](#) Id.

[211](#) Id. Due to the Government’s encampment policy, additional refugees and asylum-seekers may be living in Khartoum but not registered with UNHCR/COR. Most new arrivals from the Tigray region of Ethiopia are living in camps in Gedaref State.

[212](#) Sudan Country Refugee Response Plan January 2020-December 2020, p. 5, https://reporting.unhcr.org/sites/default/files/Sudan%202020%20Country%20Refugee%20Response%20Plan%20-%20January%202020_0_1.pdf. E.g., Eritreans must live in camps. But for South Sudanese, the policy is not strictly enforced. Interview with INGO, Sudan, 2 Dec. 2021.

[213](#) Sudan Country Refugee Response Plan January - December 2021, <https://data2.unhcr.org/en/documents/details/85783>; Sudan Country Refugee Response Plan January 2020-December 2020.

[214](#) Sudan Country Refugee Response Plan January 2020-December 2020, p. 39.

[215](#) The COVID-19 pandemic prolonged the wait for those who applied at the end of 2019; many were still waiting for cards at the end of 2021. Interview with INGO, Sudan, 2 Dec. 2021.

[216](#) The IPP performs foundational registration by collecting basic biodata for all and biometrics (10 finger prints) for those 16 years and above.

[217](#) The issuance of foreign numbers by the IPP is much further behind than the individual registration of refugees by UNHCR/COR, with only approximately 20 per cent of individuals having received these numbers at the time of writing.

[218](#) At the time of writing, roughly half of issued ID cards do not have the foreigner number and therefore will need to be re-issued to be fully functional.

[219](#) They are presumptively recognized as refugees, without individual RSD procedures.

[220](#) Interview with UNHCR staff in Sudan, 24 Nov. 2021.

[221](#) Freedom House, Freedom on the Net 2021: Sudan, <https://freedomhouse.org/country/sudan/freedom-net/2021>; See also Freedom House, Freedom on the Net 2019: Sudan, <https://freedomhouse.org/country/sudan/freedom-net/2019>.

[222](#) See Freedom House, Freedom on the Net 2019: Sudan; Freedom House, Freedom on the Net 2021: Sudan.

[223](#) Freedom House, Freedom on the Net 2020: Sudan.

[224](#) Anyone can purchase a SIM card – they are available in the supermarkets. But if the SIM is not registered with the MNO within three months, it is de-activated. This is the case for all three main service providers: MTN, Zain and Sudani. This makes it difficult for humanitarian organizations because of the changing numbers of beneficiaries. Interview with INGO, Sudan, 12 Dec. 2021.

[225](#) Interview with INGO, Sudan, 12 Dec. 2021.

[226](#) Circular No. 8/2014, part IV, para. 7. The Circular defines “business relationship” as “a relationship which is established between an institution and its client and which is connected to the activities or services provided by the institution to the client, whenever the concerned institution expects the relationship to continue for a period of time.” “Casual customer” is defined as “a customer that does not have a continuous business relationship with the institution.” Id. at Part II(g).

[227](#) Central Bank of Sudan, Circular No. (8/2014): Regulatory and Supervisory requirements for the Institutions under the Supervision of Central Bank of Sudan, <https://cbos.gov.sd/en/content/circular-no-82014-regulatory-and-supervisory-requirements-institutions-under-supervision>.

[228](#) Id. One FSP confirmed that a refugee camp address would meet KYC/CDD requirements.

[229](#) Interview with FSP in Sudan, 1 Dec. 2021.

[230](#) The COR ID is accepted for KYC purposes only if it contains the Government-issued (IPP) foreign number; however, current discussions are taking place between COR and the Ministry of Interior to consider all COR refugee IDs as KYC documents.

[231](#) Various banks have informed UNHCR staff that they do not recognize the COR ID as a KYC identity document.

[232](#) Interview with FSP in Sudan, 1 Dec. 2021.

[233](#) Interview with international organization in Sudan, 2 Dec. 2021.

[234](#) Interview with international organization in Sudan, 2 Dec. 2021.

[235](#) Central Bank of Sudan, Circular No. (8/2014).

[236](#) Interview with FSP in Sudan, 1 Dec. 2021.

[237](#) Interview with FSP in Sudan, 1 Dec. 2021.

[238](#) Interview with FSP in Sudan, 1 Dec. 2021. This also permits the bank to avoid reporting KYC information back to the Central Bank (because it is not collected).

[239](#) See UNHCR, Cash Assistance and Access to Formal Financial Services, <https://www.unhcr.org/616e8d244>.

[240](#) Interview with FSP in Sudan, 1 Dec. 2021;

[241](#) GSMA Mobile Connectivity Index, <https://www.mobileconnectivityindex.com/#year=2019&zonesocode=SDN> (last accessed 30 June 2022). Sudan’s TPRA reported similar figures, with an estimated 34.2 million mobile subscribers as of December 2020 in a country with a population of roughly 45 million. See CIPESA, Sudan’s Bad Laws, Internet Censorship and Repressed Civil Liberties, Nov. 2021, https://cipesa.org/?wpfb_dl=481 (reporting that Zain held 47 per cent of the market; MTN 28 per cent and Sudani 25 per cent).

[242](#) Interviewees indicated that mobile money just started opening up in 2019, with the change of the regime.

[243](#) Interview with UN agency in Sudan, 1 Dec. 2021; see also UN News, How mobile money is rebuilding lives in Sudan, 30 Jan. 2020, <https://news.un.org/en/story/2020/01/1056302>.

[244](#) Central Bank of Sudan, Circular No. (8/2014), para. 47.

[245](#) Brian Daigle, Data Protection Laws in Africa: A Pan-African Survey and Noted Trends, U.S. Int’l Trade Comm., J.Int’l. Commerce and Economics, Feb. 2021, Appendix A, https://www.usitc.gov/publications/332/journals/jice_africa_data_protection_laws.pdf.

[246](https://globalvoices.org/2019/11/05/the-right-to-privacy-in-sudan-a-call-to-enact-a-data-protection-act/) Mohamed Suliman, The right to privacy in Sudan: A call to enact a data protection act, Global Voices, 5 Nov. 2019, <https://globalvoices.org/2019/11/05/the-right-to-privacy-in-sudan-a-call-to-enact-a-data-protection-act/>.

[247](https://moj.gov.sd/sudanlaws/#/reader/chapter/353) Anti-Money Laundering and Terrorist Financing Act, 2014, Art. 9, available at <https://moj.gov.sd/sudanlaws/#/reader/chapter/353>.

[248](#) Id. (unofficial English translation).

[249](https://www.brb.bi/fr/content/national-financial-inclusion-strategy) See Banque de la République du Burundi, National Financial Inclusion Strategy, <https://www.brb.bi/fr/content/national-financial-inclusion-strategy>.

[250](https://www.refworld.org/docid/44e04ed14.html) Ethiopia, Proclamation No. 1110/2019, 27 Feb. 2019, available at: <https://www.refworld.org/docid/44e04ed14.html>. The Proclamation repeals the Refugee Proclamation of 2004.

[251](#) Id.

[252](https://nbebank.com/wp-content/uploads/pdf/news/National-%20Digital-%20Payment%20Strategy.pdf) National Bank of Ethiopia, National Digital Payment Strategy, 2021-2024, p. 56, <https://nbebank.com/wp-content/uploads/pdf/news/National-%20Digital-%20Payment%20Strategy.pdf>.

[253](#) Id. at p. 51.

[254](#) Id.

[255](https://www.nbe.gov.et/wp-content/uploads/pdf/proclamation/oversight-the-national-payment-system.pdf) National Bank of Ethiopia, Licensing and Authorization of Payment Instrument Issuers Directive No. ONPS/01/2020, <https://www.nbe.gov.et/wp-content/uploads/pdf/proclamation/oversight-the-national-payment-system.pdf>, Art. 11 [hereinafter PII Directive 2020].

[256](#) National Digital Payment Strategy, p. 57.

[257](#) PII Directive 2020, Art. 8.

[258](#) PII Directive 2020, Art. 11(2)(a).

[259](#) PII Directive 2020, Art. 11(2)(b). There is no requirement for a Level 2 account to be introduced by an existing account holder.

[260](https://www.reuters.com/article/ethiopia-telecoms/update-1-ethiopia-state-telecoms-monopoly-launches-mobile-money-service-idUSL1N2MY209) Reuters, Update 1 – Ethiopia’s state telecoms monopoly launches mobile money service (11 May 2021), <https://www.reuters.com/article/ethiopia-telecoms/update-1-ethiopia-state-telecoms-monopoly-launches-mobile-money-service-idUSL1N2MY209>. The company registered an estimated 4 million users during its first month in operation. Reuters, Ethio Telecom’s mobile money lures 4 mln in first month, document says (30 June 2021), <https://www.reuters.com/article/ethiopia-telecoms/-ethio-telecoms-mobile-money-lures-4-mln-in-first-month-document-says-idUSL2N2OC0JY>. Mobile money services existed prior to 2021, but through financial institutions rather than MNOs. See Center for Global Development, Identifying Binding Constraints on Digital Payment Services in Ethiopia: An Application of a Decision Tree Framework (July 2021), https://www.cgdev.org/sites/default/files/Ethiopia_%20decision_tree.pdf.

[261](#) Foreign-owned MNOs are barred by law from offering mobile money services. Reuters, Ethio Telecom’s mobile money lures 4 mln in first month.

[262](https://www.centralbanking.com/central-banks/financial-stability/fmi/7861556/ethiopia-central-bank-launches-digital-payments-strategy) Rachael King, Ethiopia’s central bank launches digital payments strategy, Central Banking (29 July 2021), <https://www.centralbanking.com/central-banks/financial-stability/fmi/7861556/ethiopia-central-bank-launches-digital-payments-strategy>.

[263](#) National Digital Payment Strategy, p. 52.

[264](#) Id. at 51.

[265](#) Id.

[266](#) Id. at 57 (noting that “ID requirements are also a challenge for migrant women who lack a formal ID.”).

[267](https://www.gsma.com/mobilemoneymetrics/#regulatory-index) GSMA Mobile Money Metrics Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index>.

[268](https://www.oraro.co.ke/cbk-to-regulate-digital-lenders/) Oraro & Co. Advocates, CBK to Regulate Digital Lenders: The Central Bank of Kenya (Amendment) Act, 2021 Passed Into Law, <https://www.oraro.co.ke/cbk-to-regulate-digital-lenders/>.

[269](#) Kenya National Payments System Vision and Strategy 2021-2025.

[270](#) Id.

[271](#) Id. at 28.

[272](#) Id. at 28.

[273](#) Id. at 51. Kenya’s GSMA Mobile Money Regulatory Index score has increased – from 79.24 to 85 in 2020; however, the score for KYC remains low at just 32. See GSMA, Mobile Money Metrics, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index>. For details on Kenya’s existing KYC obligations with respect to customer identity, see the 2019 Kenya Country Report in Annex III.

[274](#) At the beginning of 2018, the Government of Rwanda through the Ministry of Emergency Management, the Rwanda Directorate General of Immigration and Emigration, and the National Identification Agency in partnership with UNHCR launched a verification exercise of all refugees and asylum seekers living in Rwanda with the purpose of updating information and verifying their physical presence in the country through biometric data.

[275](#) The figure of 70% was provided by MINEMA and inconsistency with UNHCR’s ProGres. Refugee ID cards are renewed when they expire. It is worthwhile noting that the renewal process is sometimes slowed down by movement restrictions and social distancing measures put into place to curb the spread of COVID-19 pandemic.

[276](https://rura.rw/fileadmin/publication/Public_Notice_on_SIM_Card_registration_and_swap_for_telecom_users.pdf) Rwanda Utilities Regulatory Authority, Public Notice, 31 Aug. 2021, (https://rura.rw/fileadmin/publication/Public_Notice_on_SIM_Card_registration_and_swap_for_telecom_users.pdf).

[277](#) The National Bank’s Regulation No. 08/2016 Governing the Electronic Money Issuers applies to both financial institutions and non-financial institutions authorized by the National Bank to issue electronic money (or proposing to issue electronic money). See Regulation No. 08/2016 Governing the Electronic Money Issuers, Reg. 3..

[278](#) Regulation No. 08/2016 Governing the Electronic Money Issuers, Art. 10.

[279](#) The KYC/CDD requirements provided in the regulation differentiate between residents and non-residents. Residents may produce an original ID, passport, or national driving license to satisfy the KYC ID requirements. Non-residents must produce an original passport or laissez-passer and a letter from an employer confirming employment, contract, address and an employment visa (if applicable).

[280](#) The NIDA registration exercise for 1972 Burundians in Kigoma town and in villages commenced in February 2020 but was halted due to COVID-19 pandemic. The exercise resumed in June 2021 and a total of 21,783 PoCs were registered whereby the majority are yet to be issued with NIN.

[281](https://www.fiu.go.tz/AML_AMENDMENT_REGULATIONS_2019.pdf) Rep. of Tanz., The Anti-Money Laundering (Amendment) regulations, 2019, https://www.fiu.go.tz/AML_AMENDMENT_REGULATIONS_2019.pdf, Reg. 28B.

[282](#) The DRS falls under the Ministry of Home Affairs. These measures are not official policy, but rather what is being imposed in practice by DRS.

[283](https://www.tanzaniainvest.com/mobile-money) Tanzania Invest, Mobile Money: Tanzania Mobile Money Subscriptions Market Shares 2020, <https://www.tanzaniainvest.com/mobile-money>.

[284](https://allafrica.com/stories/202111070087.html) Bernard Lugongo, Tanzania: Law on Personal Data Protection in Pipeline, allAfrica (7 Nov. 2021), <https://allafrica.com/stories/202111070087.html>.

[285](https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/03/Uganda_Case_Study_Web_Spreads.pdf) GSMA, Proportionate regulation in Uganda: A gateway for refugees accessing mobile services in their own name, Feb. 2020, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/03/Uganda_Case_Study_Web_Spreads.pdf.

[286](https://bou.or.ug/bou/bouwebsite/bouwebsitecontent/acts/supervision_acts_regulations/Payment-Systems-Act/The-National-Payments-Systems-Act-2020.pdf) The National Payment Systems Act, 2020, sec. 47, available at: https://bou.or.ug/bou/bouwebsite/bouwebsitecontent/acts/supervision_acts_regulations/Payment-Systems-Act/The-National-Payments-Systems-Act-2020.pdf.

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[289](#) Id. The regulations define “cash-in” as “accepting banknotes or coins and performing the necessary steps to credit that monetary value to the customer’s electronic money account.” Id. at Reg. 2.

[290](#) Id. at Schedule 5. The regulations define “cash-out” as “giving out banknotes or coins and performing the necessary steps to debit that monetary value from the customer’s electronic money account[.]” Id. at Reg. 2. For Tier VII accounts, all individuals “should be electronically registered” for KYC purposes.

[291](#) Id. at Schedule 5.

[292](https://bou.or.ug/bou/bouwebsite/bouwebsitecontent/acts/supervision_acts_regulations/Payment-Systems-Regulations/The-National-Payment-Systems-Oversight-Framework-June-2021.pdf) The National Payment Systems Oversight Framework, Appendix VII, https://bou.or.ug/bou/bouwebsite/bouwebsitecontent/acts/supervision_acts_regulations/Payment-Systems-Regulations/The-National-Payment-Systems-Oversight-Framework-June-2021.pdf.



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