Displaced and Disconnected

Middle East and North Africa Region

Egypt, Iraq, Jordan and Lebanon
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Understanding the legal and regulatory barriers to accessing mobile connectivity and digital financial services faced by refugees, asylum seekers, and stateless persons in the MENA region.

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Acknowledgments

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### List of Acronyms

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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
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<tr>
<td>CBE</td>
<td>Central Bank of Egypt</td>
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<td>CBI</td>
<td>Central Bank of Iraq</td>
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<td>CBJ</td>
<td>Central Bank of Jordan</td>
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<tr>
<td>CDD</td>
<td>Customer Due Diligence</td>
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<tr>
<td>CFT</td>
<td>Combating the Financing of Terrorism</td>
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<tr>
<td>DNFBPs</td>
<td>Designated Non-financial Businesses and Professions (Iraq)</td>
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<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
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<td>FSP</td>
<td>Financial Service Provider</td>
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<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>ID</td>
<td>Identification</td>
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<td>IDPs</td>
<td>Internally Displaced Persons</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMEI</td>
<td>International Mobile Equipment Identity</td>
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<td>INGO</td>
<td>International Non-governmental Organization</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>JCCC</td>
<td>Joint Crisis Coordination Centre</td>
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<td>KII</td>
<td>Key Informant Interview</td>
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<td>KRG</td>
<td>Kurdistan Regional Government</td>
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<tr>
<td>KRI</td>
<td>Kurdistan Region of Iraq</td>
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<tr>
<td>KYC</td>
<td>Know Your Customer</td>
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<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
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<td>MOI</td>
<td>Ministry of Interior</td>
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<td>MMSP</td>
<td>Mobile Money Service Provider</td>
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<tr>
<td>MNO</td>
<td>Mobile Network Operator</td>
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<tr>
<td>PCMOI</td>
<td>Permanent Committee of the Ministry of Interior (Iraq)</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<td>NTRA</td>
<td>National Telecommunication Regulatory Authority (Egypt)</td>
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<td>RSD</td>
<td>Refugee Status Determination</td>
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<td>SIM</td>
<td>Subscriber Identity Module</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNRWA</td>
<td>United Nations Relief and Works Agency for Palestine Refugees in the Near East</td>
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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.9

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 34 countries as they relate to digital and financial inclusion of refugees and other forcibly displaced people. 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 forcibly displaced people, particularly refugees, asylum-seekers, and stateless persons.9 In order for digital and financial inclusion to take hold, refugees and other forcibly displaced people must have access to services, including mobile phones and SIM cards, bank accounts, and digital financial services, such as mobile money.

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.

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.

The report discusses overarching trends in the Middle East and North Africa (MENA) region related to refugees’ and other forcibly displaced people’s access to mobile connectivity and financial services, particularly in light of proof of identity barriers related to SIM registration and Know Your Customer (KYC)/Customer Due Diligence (CDD) requirements. It also provides a comprehensive review of the legal and regulatory environments governing the telecommunications and financial sectors in a few key countries in the region.

The report concludes with recommendations for government actors, UN agencies, humanitarian organizations, and service providers as they seek more inclusive regulatory environments that grant refugees, asylum-seekers, and other forcibly displaced people’s greater access to digital and financial services through open-loop systems.

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3 UNHCR, Cash Assistance and Access to Formal Financial Services.
4 Id.
5 Id.; CALP Network, Glossary of Terms.
Research Methodology and Limitations

Research for this report was conducted between April 2022 and December 2022. It consisted of a literature review on digital and financial inclusion of displaced persons and a comprehensive desk review and legal analysis of the relevant laws and regulations governing the telecommunications and financial sectors in Egypt, Iraq, Jordan, and Lebanon, as well as the broader MENA Region.

It also included qualitative data collection in the form of key informant interviews (KII) conducted remotely with stakeholders in Egypt and Iraq, and consultations with UNHCR staff in Egypt, Iraq, Jordan, and Lebanon. The primary data collected is not meant to serve as a representative set of data; rather, it is used to inform, confirm, and clarify the secondary material on digital and financial inclusion of displaced persons in the MENA Region.

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

Regional Trends

By the end of 2022, the MENA Region hosted an estimated 16 million forcibly displaced people, including stateless persons and internally displaced persons (IDPs). The region is notable for having the top two countries hosting the largest number of refugees per capita: Lebanon (with refugees comprising roughly 20 percent of its population) and Jordan (where refugees make up roughly 7 percent of the population). It also includes the largest refugee-generating country: the Syrian Arab Republic (hereinafter Syria). An estimated 6.8 million of the 32.5 million refugees worldwide originate from Syria. The MENA Region not only serves as both a major source and destination for large numbers of refugees, but certain countries in the region — such as Libya, Morocco, and Algeria — are known as key transit areas for persons traveling in mixed movements from Africa and the Middle East to Europe.

Despite hosting large numbers of refugees, many countries in the region — including Jordan and Lebanon — have not ratified the 1951 UN Convention on Refugees (hereinafter Refugee Convention) and lack comprehensive national legislation pertaining to refugees. This can result in gaps in terms of legally mandated protections and access to services, including digital and financial services. However, whether or not the country is a party to the Refugee Convention does not appear to have a meaningful impact on refugees’ and asylum seekers’ access to banking services or telecommunications services in the MENA countries studied for this report.

Refugees and asylum seekers have very limited access to formal financial services — including banks — whether they are living in Egypt and Iraq, which have ratified the Refugee Convention, or Jordan and Lebanon, which have not. Similarly, little difference exists in terms of legal access to SIM cards in countries which have ratified the Refugee Convention and those that have not. Nearly all countries in the MENA region mandate SIM registration and at least 14 countries in the Middle East require proof-of-identity.

Notes:
11 UNHCR, Factsheet: Lebanon, Oct. 2022, (https://reporting.unhcr.org/document/2798) reporting that the Lebanon Government estimates 1.5 million Syrian refugees in the country and more than 12,000 refugees from other countries.
15 Norwegian Refugee Council, Final Report: Digital Livelihoods and Gig Economy in the MENA Region (May 2022), p. 23. Other MENA countries that have not ratified the Refugee Convention include: Bahrain, Kuwait, Libya, Oman, Saudi Arabia, Syria and United Arab Emirates.
16 See infra Part 4.
of-identity for that registration, including Egypt, Iraq, Jordan, and Lebanon. While each country has its own specifications as to what documentation is necessary for customer verification, in none of these four countries does a UNHCR-issued certificate or ID satisfy the proof of identity requirements for SIM registration. Legal barriers notwithstanding, practical access to SIM cards in these countries tends to be achieved with some ease.

Mobile money, which has been seen as a pathway to financial inclusion for refugees and asylum-seekers in some regions, has been slower to take hold in the MENA region and access varies widely across the region. Unlike many countries around the world where these services can be accessed solely through mobile network operators (MNOs), some countries in the MENA region, including Egypt and Lebanon, require mobile money accounts to be directly linked to a bank account. As such, those services are subject to the KYC regulations set forth for banks. More restrictive still, the mobile money regulations in both Egypt and Lebanon state that mobile wallets are only available to nationals, thus fully barring refugees and asylum-seekers (as well as other foreigners) from using such services. In October 2022, the World Bank reported that the MENA region as a whole “lags [behind other regions] with respect to an enabling regulatory environment for the digital economy and adoption of productive digital services such as mobile money.” Yet in a few MENA countries, such as Iraq and Jordan, steps have been taken to loosen the regulatory environment governing mobile money to provide refugees and asylum-seekers greater access.

While this report focuses on forcibly displaced people’s legal access to these services, societal and general economic factors play an important role in the region and overlap with the regulatory barriers. For example, the MENA region is marked by “larger than average informal economies” fueled by cash transactions, as well as widespread distrust in the banking sector (and in governments in the region more broadly) among both nationals and displaced populations.

<table>
<thead>
<tr>
<th>Country</th>
<th>SIM Registration</th>
<th>Bank Account</th>
<th>Mobile Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
</tr>
<tr>
<td>Iraq</td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
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<tr>
<td>Jordan</td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
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<tr>
<td>Lebanon</td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
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</tbody>
</table>

Table 1. Summary of Legal Access

Thus, even if refugees and asylum-seekers gain legal access, they may not be interested in formal banking. Moreover, the widespread distrust in the banking system also can discourage use of digital payment platforms. Yet, as the World Bank recently reported, a regulatory framework “that is flexible enough to adapt to new technologies … would help build the trust needed to induce consumers to shift from using cash.” Thus relevant actors should not hide behind low demand to stymie regulatory reform necessary to open up these sectors to refugees and asylum-seekers in the region.

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19 By contrast, a high degree of variation exists in the region in terms of penetration/use of digital technology and individual-country infrastructure capabilities for such services. Gulf Cooperation Council (GCC) countries “have made the most progress in digitizing their economies.” But none of those countries have significant refugee and asylum-seeker populations. The most digitally advanced – the United Arab Emirates and Qatar – have an index of digitalization almost as high as those seen in advanced economies; on the other end of the spectrum, Algeria, Iraq, Libya, Mauritania, and Syria “lag far behind” other countries in the region in terms of digitalization. Shnirshol Farbodoun and Mustapha K. Nabi, “Growth, Employment, Poverty, Inequality, and Digital Transformation in the Arab Region: How Can the Digital Economy Benefit Everyone?”, Economic Research Forum, Oct. 2022, pp. 8, 27, available at: https://www.weforum.org/agenda/2019/04/what-are-the-challenges-and-opportunities-of-the-digital-economy/.
20 See Pt. 4, infra.
23 Id. at 215.
24 White Iraq’s Central Bank permits simplified KYC procedures for mobile money, which means that refugees and asylum-seekers may open a mobile money account using just their UNHCR certificate according to Central Bank regulation, legal access is limited by telecommunications barriers related to SIM registration. To register a SIM card (which is legally necessary to set up a mobile money account), refugees and asylum-seekers must also present a residence permit issued by the Kurdistan Regional Government or a PCMOI card. See discussion in Iraq country report, infra.
25 As discussed in the Jordan update, infra, refugees and asylum-seekers from countries other than Syria, can only register a SIM card in their name if they have a valid passport. For Syrian refugees and asylum-seekers, they also may register a SIM card using their ID card (or a proof of registration for those living in camps).
26 As discussed in the Jordan update, infra, Syrian refugees and asylum-seekers can access mobile money with their ID cards. Non-Syrian refugees and asylum-seekers only have access if they possess a valid passport.
27 The necessary documentation to legally register a SIM card in Lebanon depends on the person’s legal status in the country as well as the type of SIM card they wish to register (prepaid or postpaid). See Section ...., infra. Refugees and asylum-seekers with residency in Lebanon may register a prepaid SIM card with a residence permit or valid (unexpired) passport. For refugees and asylum-seekers without residency in Lebanon, a valid passport and direct debit at a bank is required, thus severely limited access for non-resident forcibly displaced persons. A prepaid SIM can be registered using a valid passport, ID, or various military service cards, many of which are only available to Lebanese citizens. See Lebanon update, infra. The UNHCR certificate is not accepted as proof of identity documentation for the registration of any SIM cards, id.
Country Reports and Updates

Egypt

Operational Context

Egypt is a transit and destination country for refugees and asylum-seekers arriving from across the Middle East and East Africa. Egypt’s refugee population increased dramatically in 2012 as a result of the conflict in Syria, with tens of thousands of refugees today living in a situation of protracted displacement. Yet, the number of refugee population in Egypt continues to rise due to the recent outbreak of conflict in Sudan, with an influx of approximately 250,000 Sudanese refugees in the country, as of June 2023.32

Syrians, who account for half of the displaced population in Egypt, are generally welcomed in the country and have reportedly received favorable treatment by government authorities as well as society.33 For example, they enjoy “access to public education and health services on equal footing to Egyptians.”34 However, legal and administrative barriers that Syrians and other refugees and asylum-seekers face in accessing formal employment leave them in a precarious situation.35

Challenging economic conditions – including high inflation rates and increasing prices – “have considerably increased the vulnerability of both refugees and host community members.”36 And many refugees and asylum-seekers in Egypt are heavily reliant on humanitarian assistance.37 COVID-19 exacerbated the humanitarian situation – with movement restrictions and shorter working hours affecting refugees’ livelihoods and sources of income.38

34 Id.; Refugee children from Sudan, South Sudan, and Yemen also have access to public education on the same footing as Egyptians. Radwa Sharaf, Four Opportunities that Facilitate Refugees’ Access to Education, UNHCR (24 Jan. 2022), https://www.unhcr.org/eg/29017-four-opportunities-that-facilitate-refugees-access-to-education.html.
35 ACAPS, Egypt: Syrian Refugee Crisis Updates, https://www.acaps.org/country/egypt/crisis/syrian-refugee-crisis; see also 3RP, Regional Refugee and Resilience Plan In Response to the Syria Crisis, 2020-2021, p. 4 (“Significant administrative barriers limit access to work permits [and] cause refugee households to resort to informal employment that can be sometimes unsafe and exploitative.”).
37 ACAPS, Egypt: Syrian Refugee Crisis Updates, https://www.acaps.org/country/egypt/crisis/syrian-refugee-crisis, see also 3RP, Regional Refugee and Resilience Plan In Response to the Syria Crisis, 2020-2021, p. 4 (“Significant administrative barriers limit access to work permits [and] cause refugee households to resort to informal employment that can be sometimes unsafe and exploitative.”).
38 Id.; see also UNHCR, Egypt Fact Sheet, July 2020, https://reporting.unhcr.org/sites/default/files/UNHCR%20Egypt_Fact%20Sheet_July%202020.pdf.
39 (“The majority of refugees and asylum-seekers in Egypt were already highly vulnerable prior to the outbreak of COVID-19, and have been directly impacted by the evolving circumstances.”).
Registration and Identification of Displaced Persons

As of March 2023, Egypt hosts 291,578 registered refugees and asylum-seekers. Although refugees and asylum-seekers in Egypt originate from 65 different countries, almost half (143,803) are Syrian. Other countries of origin include Sudan (58,448), Eritrea (22,595), South Sudan (22,291), Ethiopia (16,224), Yemen (10,645), and Somalia (6,884). There are no refugee camps in Egypt. The majority of refugees and asylum-seekers live in urban areas of Greater Cairo and the North Coast (particularly Alexandria and Damietta).

UNHCR is responsible for registering refugees and asylum-seekers on behalf of the Government of Egypt and for issuing their identity documents. Registration includes the use of biometric information such as iris scanning and fingerprinting. Registered refugees receive a “blue card,” valid for 3 years, while asylum-seekers receive a “yellow card” that is valid for 18 months. As discussed below, these Identity (ID) credentials on their own are insufficient to access digital and financial services in the country; refugees and asylum-seekers must also have valid (unexpired) residency, which is issued through the Ministry of Foreign Affairs.

However, maintaining valid government-issued identity documents without interruption can be a challenge. While the Government of Egypt typically grants residency to refugees and asylum-seekers registered with UNHCR, that residency has a duration of only six months before it must be renewed. The Ministry of Foreign Affairs is centralized, which means that refugees living in Alexandria or elsewhere on the North Coast must travel to Cairo to renew it. The renewal process reportedly takes multiple months.

*They must travel at 4:00 in the morning to start the procedures at 8:00 a.m. and finish by the end of the day. So it is a challenge for all refugees in Alexandria and the northern governates.*

INGO staff speaking of difficulties refugees face in renewing their residency permits

[^41]: Id.
[^42]: UNHCR, Egypt Fact Sheet, June 2022. An additional 8,603 refugees and asylum-seekers come from other countries of origin. Id
[^45]: UNHCR, Egypt Fact Sheet, June 2022
[^46]: Syrians and Yemenis are granted Asylum Seeker status (not refugee status) upon registration without having to undergo Refugee Status Determination (RSD). They then carry yellow cards.
[^47]: Interview with INGO in Egypt, 1 June 2022
[^48]: Interviews with INGOs and NGOs in Egypt, 1-2 June 2022; see also 3RP, Regional Refugee and Resilience Plan In Response to the Syria Crisis, 2020-2021 ("[T]he lengthy process to obtain and renew [a] residence permit remains a major challenge for many refugees.")
If someone arrives without ID documents from their home country, the lack of documentation necessary to obtain digital and financial services is even more acute. They receive an asylum-seeker certificate known as a “white paper.” They typically will not obtain a blue or yellow card until their refugee status determination (RSD) interview. Some asylum-seekers wait up to one to two years with a white paper.\(^49\)

During this time, while they only hold a white paper, they cannot obtain a residence permit.\(^50\)

It is possible for Syrian refugees to get a passport from the embassy in Cairo. However, significant barriers to obtaining a passport from their home country exist, including fear and protection concerns with engaging with the Syrian embassy as well as the cost.\(^51\)

**SIM Registration**

SIM registration is mandatory in Egypt. It is regulated by the National Telecommunication Regulatory Authority (NTRA). The NTRA sets different requirements for SIM registration/activation for Egyptians and non-Egyptians (foreigners).

For foreigners, including refugees and asylum-seekers, an original passport with a valid residency permit must be presented to a mobile network operator (MNO) branch.\(^52\) UNHCR-issued ID does not satisfy the customer verification requirements to register a SIM card. However, after advocacy from UNHCR, at least one MNO recently received approval from NTRA to exempt refugees from providing the required identity documents.\(^53\) This is a specific “corporate deal” for UNHCR beneficiaries, where the UNHCR focal point provides the names and phone numbers of the beneficiaries and the MNO registers the SIM cards.\(^54\) If an individual refugee or asylum-seeker went to the MNO to activate a new line, they would still be subject to the document requirements: a passport and residence permit.\(^55\)

\(^{49}\) Interview with NGO in Egypt, 2 June 2022.

\(^{50}\) Interview with NGO in Egypt, 2 June 2022.

\(^{51}\) Interview with INGO in Egypt, 1 June 2022; Interview with NGO in Egypt, 2 June 2022.

\(^{52}\) NTRA, Mobile SIM Cards Sales Regulations for Individuals, https://www.tra.gov.eg/en/regulations/regulatory-framework/mobile-sim-cards-sales-regulations-for-individuals/ (last accessed 13 July 2022) (noting that the MNO agent must check the documents and “make sure the residency period mentioned in the residency document is still valid”).

\(^{53}\) Interview with MNO in Egypt, 26 July 2022.

\(^{54}\) Interview with MNO in Egypt, 26 July 2022.

\(^{55}\) Idem.

\(\text{INGO in Egypt}

\[\text{“For foreigners, SIM registration is tied to our residency permits. The MNO will know when that is expiring and they will cut the line.”}\]
Refugees and asylum-seekers with no residency permit (e.g., those holding only a white paper) or an expired residency permit must rely on the gray market to buy a SIM card or otherwise obtain SIM cards from other people. But SIM cards obtained in this manner are also only valid for the length of the residency permit of the person under whose identity the number is registered. That individual would be required to provide the MNO with a new residency document every time their residency expires (which otherwise triggers the deactivation of the SIM). Such workarounds are not sustainable solutions. To the contrary, they highlight the need for a more inclusive regulatory environment which recognizes UNHCR-issued documentation as sufficient proof of identity for SIM registration.

Another challenge refugees and asylum-seekers face with SIM registration is that the regulations mandate that the MNO "link the validity period of the SIM Card to the period of residency of the foreign customer inside Egypt." The MNO will deactivate the SIM one month after the expiry of the residency period if the customer does not provide a new extended residency document. Enforcement of this requirement reportedly increased in 2022.

Enforcement of this requirement reportedly increased in 2022.

Refugees and asylum-seekers with no residency permit (e.g., those holding only a white paper) or an expired residency permit must rely on the gray market to buy a SIM card or otherwise obtain SIM cards from other people. But SIM cards obtained in this manner are also only valid for the length of the residency permit of the person under whose identity the number is registered. That individual would be required to provide the MNO with a new residency document every time their residency expires (which otherwise triggers the deactivation of the SIM). Such workarounds are not sustainable solutions. To the contrary, they highlight the need for a more inclusive regulatory environment which recognizes UNHCR-issued documentation as sufficient proof of identity for SIM registration.

**KYC/CDD Rules for Financial Institutions**

The Anti-Money Laundering Law No. 80 of 2002 sets forth the anti-money laundering (AML)/countering the financing of terrorism (CFT) obligations for financial institutions, including customer due diligence (CDD) procedures. Article 8 of AML Law No. 80 requires both financial institutions and "non-financial professions and businesses" to "establish systems adequate for applying customer due diligence and other rules and procedures relating to combating money laundering and terrorist financing." The AML/CFT Regulations for Banks put those obligations into effect. According to the AML/CFT Regulations, banks should follow KYC rules issued by the Money Laundering and Terrorist Financing Combating Unit when setting internal regulations for identifying customers. According to the Money Laundering and Terrorist Financing Combating Unit's 2020 Due Diligence Procedures for Bank Customers, both identity verification and address verification are required to open a bank account. Those CDD procedures explicitly recognize the Refugee Travel Document among the accepted official identity documents. However, asylum-seekers in Egypt cannot open a bank account unless they can verify their identity with a valid (unexpired) passport. For proof of residency, the CDD procedures are not exhaustive, but indicate by way of example that utility bills (such as water, gas, electricity or telephone) are accepted.

Egypt is a member of the Financial Action Task Force (FATF). In 2021, the FATF recommended that Egypt amend its Anti-Money Laundering Law. On 20 April 2022, Egypt's cabinet approved a draft law to amend some provisions of the AML Law No. 80; however, there were no changes to KYC/CDD procedures.

Some humanitarian organizations — including UNHCR — use the Egyptian Post Office to disperse cash to beneficiaries. Unlike banks and other financial institutions, the Post Office does not fall under Central Bank's rules and regulations and therefore can apply more relaxed customer identification/verification measures. Others use non-bank financial service providers to transfer money electronically to beneficiaries due to the "hassle of regulations on mobile companies."  On 19 January 2021, the Egypt Financial Regulatory Authority (FRA) implemented the Anti-Money Laundering and Terrorist Financing Decree No. 2/2021. Pursuant to the decree, non-financial institutions (including the Egyptian Post Office) are now obligated to prepare an internal procedural guide outlining ways to combat money laundering. The guide must consist of AML mechanisms and KYC analysis, among other things.

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56 National Telecom Regulatory Authority (NTRA), Mobile SIM Cards Sales Regulations for Individuals, [https://www.tra.gov.eg/en/regulations/regulatory-framework/mobile-sim-cards-sales-regulations-for-individuals/](https://www.tra.gov.eg/en/regulations/regulatory-framework/mobile-sim-cards-sales-regulations-for-individuals/) (last accessed 27 Oct. 2022) [hereinafter NTRA Mobile SIM Cards Sales Regulations]; Interview with NGO in Egypt, 2 June 2022. Under the “corporate deal” discussed above, the lines are not connected to the refugees’/asylum-seekers’ residence permit and therefore remain active even when the residence permit expires. Interview with MNO in Egypt, 26 July 2022.

57 NTRA Mobile SIM Cards Sales Regulations

58 Interviews with INGOs and NGOs in Egypt conducted in June 2022

59 Interview with NGO in Egypt, 2 June 2022.

60 Interview with NGO in Egypt, 2 June 2022.
"If doing an open loop, then [you’re] going through the rules of the Central Bank. If doing a closed-loop, then it’s easier. The bank can issue the [pre-paid] card and it’s done. ... It’s a liability on us [the UN] if you open an account for the beneficiary and it’s an open loop. ... The optimum solution would be that the beneficiary open their own account and we transfer the money to them."

UN Agency in Egypt

KYC/CDD Requirements for Mobile Money

Refugees and asylum-seekers do not have legal access to mobile money services in Egypt. Mobile money service providers (MMSPs) are regulated by both the NTRA and the Central Bank. In November 2021, the Central Bank approved mobile money regulations. According to regulation, mobile wallet registration is allowed only for Egyptians with a valid national ID number.

This explicit prohibition against non-Egyptians is not the only regulatory roadblock in play when it comes to mobile wallets. Mobile money services in Egypt must be “sponsored” or “backed” by a bank, and therefore the same KYC for bank accounts applies to mobile money. Thus, even if the specific mobile money regulations are amended to be more inclusive, this arrangement triggers the banking regulations governing CDD/KYC discussed above.

Furthermore, even if refugees and asylum-seekers could legally access mobile wallets, significant practical challenges exist in terms of making this a viable financial service for these populations as long as SIM activation is linked to the expiration of the residence permit. One service provider indicated that humanitarian organizations such as UNHCR could submit a request to open wallets for beneficiaries related to a specific project and work together with the service provider to seek approval from the Central Bank, as done with SIM registration (discussed above). Such collaborative efforts could ensure greater digital and financial inclusion of refugees and asylum-seekers.

Data Protection

In July 2020, Egypt introduced the Law on the Protection of Personal Data under Resolution No. 151 of 2020. The law officially came into force in October 2020. Notably, personal data required by national security authorities and the Central Bank are excluded from the application of Law No. 151 on the Protection of Person Data.

In addition to the comprehensive data protection law, the Anti-Money Laundering Regulations for Banks prohibit banks from “divul[ing] to customers, beneficiaries, or any other entities except the authorities and entities entitled to enforce the Anti-Money Laundering Law, any reporting procedures or data regarding financial transactions suspected of involving money laundering.”

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68 There are four MMSPs in Egypt: Vodafone, Orange, WE, and Etisalat.
71 Interview with Orange (an MNO in Egypt), 26 July 2022.
74 Anti-Money Laundering Regulations for Banks (unofficial English translation).
Iraq

Operational Context

Iraq has struggled with decades of violence both within its borders and in neighboring countries. As a result, it has experienced large scale internal displacement as well as significant influxes of refugees, particularly from Syria. Iraq remains in a precarious humanitarian situation in many areas of the country due to continued intermittent conflict, economic and climate shocks, and damaged infrastructure. Unemployment remains high, including for displaced persons, most of whom work in the informal sector, while the COVID-19 pandemic and collapse in oil prices in 2020 exacerbated the situation.

The operational context is marked with complexity and variation due to the separation of KRI from Federal Iraq in terms of laws, governance, and practice. Iraq is not a party to the 1951 Convention Relating to the Status of Refugee or its 1967 Protocol. Thus, the 1971 Political Refugee Law is the legal framework under which refugees may be legally recognized in Federal Iraq. Yet Syrians, who are the majority of refugees in the country (~90 per cent) and roughly 50 per cent of the refugees in Center and South (Federal Iraq) are not recognized under the Political Refugee Act as refugees, but as displaced persons from the border areas under Iraq under the National Security Council Decision No. 9 in 2019.

The Constitution recognizes Kurdistan as the only federal region "with its own institutions (regional government, parliament, presidencies and internal security forces)." However, the Kurdistan Regional Government (KRG) does not legally have the authority to grant refugee status to asylum-seekers, nor has it incorporated provisions from the 1971 Political Refugee Law into its laws.

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75 Syrian refugees comprise the vast majority of refugees living in Iraq. Between 2012 and 2014 thousands of Syrians crossed into northern Iraq and were granted prima facie refugee status by the Iraqi government. World Food Program and UNHCR, WFP UNHCR Joint Assessment Mission Kurdistan Region-Iraq, 2014, https://documents.wfp.org/stellent/groups/public/documents/ena/0/274702.pdf. In August 2013, the Kurdistan Region of Iraq (KRI) received its largest influx of refugees from Syria. In response, the Kurdistan Regional Government (KRG) and the United Nations High Commissioner for Refugees (UNHCR) established several camps in the KRI, including in Dohuk, Erbil, and Sulaymaniyah (though a significant number of refugees live outside the camps).

76 World Food Program, WFP Iraq Country Brief, May 2022, https://docs.wfp.org/api/documents/WFP-0000403478/download?_ga=2.208153362.182807268.1658740530-1019381227.1658740530. The World Bank reported in May 2022 that Iraq is the 5th most affected country globally by climate change. Id. See also Cash Working Group Iraq, Financial Service Providers and Transfer Mechanisms in Iraq, September 2020, available at: https://reliefweb.int/report/iraq/financial-service-providers-and-transfer-mechanisms-mapping-iraq (noting that "basic services and infrastructure have been badly affected by the conflict and by the government's fiscal situation").

77 For the public sector only.

78 Syrian refugees comprise the vast majority of refugees living in Iraq. Between 2012 and 2014 thousands of Syrians crossed into northern Iraq and were granted prima facie refugee status by the Iraqi government. World Food Program and UNHCR, WFP UNHCR Joint Assessment Mission Kurdistan Region-Iraq, 2014, https://documents.wfp.org/stellent/groups/public/documents/ena/0/274702.pdf. In August 2013, the Kurdistan Region of Iraq (KRI) received its largest influx of refugees from Syria. In response, the Kurdistan Regional Government (KRG) and the United Nations High Commissioner for Refugees (UNHCR) established several camps in the KRI, including in Dohuk, Erbil, and Sulaymaniyah (though a significant number of refugees live outside the camps).

79 World Food Program, WFP Iraq Country Brief, May 2022, https://docs.wfp.org/api/documents/WFP-0000403478/download?_ga=2.208153362.182807268.1658740530-1019381227.1658740530. The World Bank reported in May 2022 that Iraq is the 5th most affected country globally by climate change. Id. See also Cash Working Group Iraq, Financial Service Providers and Transfer Mechanisms in Iraq, September 2020, available at: https://reliefweb.int/report/iraq/financial-service-providers-and-transfer-mechanisms-mapping-iraq (noting that "basic services and infrastructure have been badly affected by the conflict and by the government’s fiscal situation").


83 Id.

84 Id.

85 The Iraqi Constitution grants the Government of Iraq exclusive authority over regulating issues related citizenship and naturalization, residency, and the right to apply for political asylum. See Iraq Const. (2005), Art. 11(5).
In practice, regional authorities in the Kurdistan Region of Iraq (KRI) regulate the stay and status of refugees and asylum-seekers who have entered KRI irregularly (i.e., without the necessary legal documentation such as a passport and entry visa) by giving them humanitarian residency. And the aforementioned challenges notwithstanding, the protection environment in KRI is viewed as favorable, with both local authorities and host communities “welcoming and accommodating . . . the refugee population.”

**Registration and Identification of Displaced Persons**

As of February 2023, Iraq hosts 287,314 refugees and asylum-seekers. Iraq is home to an even larger internally displaced population – with close to 1.2 million IDPs living in situations of protracted displacement. The vast majority of refugees (262,756) are Syrian, with others originating mainly from Türkiye, Iran, Palestine, and Sudan. Most Syrian refugees arrived in Iraq after fleeing Syria in 2012 and 2013.

UNHCR registers asylum-seekers and refugees and issues a UNHCR certificate to all persons seeking international protection in Iraq. It also supports the Permanent Committee of the Ministry of Interior (PCMOI) in its parallel registration of refugees and asylum-seekers in Federal Iraq. The PCMOI reviews applications for refugee status made under the Political Refugee Act of 1971 and then issues recommendations to the Minister of Interior. If approved, the PCMOI issues its own identity document (a “PCMOI card”). The PCMOI does not have permission from the KRG to register refugees/asylum-seekers in KRI due to the PCMOI’s refusal to provide Syrians with refugee status. Thus, at present, the PCMOI only registers those asylum-seekers and refugees in Federal Iraq, which amounts to roughly 10 per cent of the total refugee/asylum-seeker population. Over 90 per cent of all refugees and an estimated 97 to 99 per cent of Syrian refugees live in KRI. In addition, PCMOI does not register Syrian refugees who arrived after 2019.

In KRI, the KRG issues humanitarian residency permits to refugees and asylum-seekers who have registered with UNHCR and been cleared by Asayish (Kurdish security forces). However, these humanitarian residency permits, which are not issued under the national refugee law, are not recognized by the Federal Government of Iraq. Thus, refugees and asylum-seekers with a valid residence permit issued by the KRG are free to move only within KRI governance; they cannot travel legally to the center or southern regions of Iraq without specific authorization and face additional obstacles to accessing banking services.

**SIM Registration**

SIM registration is mandatory in Iraq. The Ministry of Transport and Communications regulates the telecommunications sector in KRI. In Federal Iraq, the Ministry of Communications and the Communications Media Commission (CMC) regulate the sector.

There are no legal restrictions that prohibit refugees and asylum-seekers from registering SIM cards in their own name – whether in KRI or in Federal Iraq; however, the UNHCR certificate alone is not sufficient. Pursuant to Instruction 110 for 2021, in KRI refugees and asylum-seekers may register a SIM in their own name if they provide the MNO with their UNHCR ID and a valid residency permit. Refugees and asylum-seekers in Federal Iraq must have a PCMOI card in addition to their UNHCR certificate in order to register a SIM card. These documentation requirements notwithstanding, unregistered SIM cards may be purchased on the informal market; however, such access does not foster an open-loop system or contribute to a more inclusive regulatory landscape.

**KYC/CDD Rules for Financial Institutions**

Decades of financial sector instability as well as the financial crisis in the KRI have led to a general distrust in the formal banking system that persists today. Iraq thus remains a largely cash-based economy and its digital ecosystem is considered underdeveloped.
Only 26 per cent of companies in Iraq use the formal banking system, with most companies still operating in cash and 98 per cent of employers paying in hard currency.98 Only 23 per cent of "Iraqi households have access to an account at a financial institution."99 For refugees and asylum-seekers, access is virtually non-existent.100

Iraq is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF). In 2015, Iraq’s parliament passed a law criminalizing money laundering and the financing of terrorism. That law – Law No. (39) of 2015, Anti-Money Laundering and Counter-Terrorism Financing Law – sets forth the required customer due diligence (CDD) measures for financial institutions and "designated non-financial businesses and professions." These measures include identifying and verifying the customer’s identity through "reliable, independent source documents, data or information."101 Iraq’s AML/CFT law does not specify what forms of documentation satisfy this requirement; rather, it notes that CDD rules for financial institutions are to be established by the Governor of the Central Bank.

The Central Bank of Iraq (CBI) regulates the banking sector in both the Federal Iraq and KRI. It has taken several steps in recent years to promote financial inclusion across the country and the MENA region. It identifies financial inclusion as an objective in its 2016-2020 strategic plan, joined the region’s Financial Inclusion Task Force (FITF) in 2016, and joined the Alliance for Financial Inclusion (AFI) in January 2021.102

The CBI also collaborates with the Financial Inclusion in the Arab Region Initiative (FIARI).103 Iraq’s efforts to support greater financial inclusion reportedly extend to forcibly displaced people.105 However, at present, there is no simplified KYC for bank accounts.

While multiple sources suggest that the Iraqi banking system only permits citizens to open bank accounts,106 the International Labour Organization (ILO) has clarified that while there is "a wide perception among refugees and banks themselves that refugees cannot open a bank account without Iraqi national ID, there are no legal barriers to doing so."107 Legally, refugees with a valid passport containing a valid visa or valid residency may open a bank account.

Yet barriers related to identity documents persist for those refugees and asylum-seekers residing in KRI (which, as noted above, is the vast majority): they must be registered with the federal government of Iraq (i.e., the PCMOR).108 Thus, refugees and asylum-seekers in KRI cannot access banks because they do not have legalized stay (residency) from the federal government of Iraq. In practice, banks consistently refuse to permit refugees to open bank accounts.

As a result of a challenging regulatory environment surrounding banking services, many humanitarian organizations use other modalities for cash disbursements, such as traditional hawalas, which accept the UNCHR certificate for identity purposes.109 Others have contracted with microfinance institutions, which are registered as non-governmental organizations (NGOs), and do not fall under the Central Bank.110 Digital banking is expected to “dramatically simplify the process” of opening a bank account in Iraq.111

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100 According to various stakeholders, due to widespread distrust in the banking system, many refugees and asylum-seekers would not be interested in opening a bank account even if they had access.
103 See Law No. (39) of 2015, Anti-Money Laundering and Counter-Terrorism Financing Law.
105 See Fazel Hawramy, New electronic banking service seeks to move Iraq away from cash economy, RUDAW (7 Feb. 2021), https://www.rudaw.net/english/middleeast/iraq/07022021 (reporting that citizens can only open bank accounts “in person and only after offering documents and going through a cumbersome process”).
107 ILO, A diagnostic of the informal economy in Iraq, Nov. 2021, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---r-bahrain/documents/publication/wcms_777429.pdf (“Foreign investors including refugees are not banned legally from access to credit, bank accounts, opening a business, rather this is a widespread wrong perception.”).
108 Interview with UN Agency, 22 June 2022 (“The Central Bank was asked if there are restrictions around refugees opening a bank account. They said no – there are no legal restrictions; they can open one. But, practically, they must be registered with Federal Iraq. So in practice, they don’t have access to bank loans.”).
109 Interview with NGO, 22 June 2022. Hawaladars (money traders) “are the most commonly used financial services providers in the country, offering a widely available cheap and traditionally trusted network to move money (either payments, donations or loans) between individuals, and sometimes also for lending.” See ILO (2019), Advancing livelihoods through financial inclusion in Iraq: Report highlights, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---r-bahrain/documents/publication/wcms_777429.pdf.
110 Interview with UN Agency, 22 June 2022 (noting that the Central Bank is trying to have oversight over microfinance institutions, but has not yet been successful).
111 See Fazel Hawramy, New electronic banking service seeks to move Iraq away from cash economy, RUDAW (7 Feb. 2021), https://www.rudaw.net/english/middleeast/iraq/07022021 (noting that customers will need to "download the application and then scan either their passport or their national ID.

UNHCR, Iraq
The CBI plans to prepare an electronic KYC project “by adopting the use of digital identification for opening bank accounts and digital onboarding of customers.” While the CBI’s objective in supporting digital financial services is reportedly intended to contribute to enhancing financial inclusion, access to banking will continue to prove challenging for refugees and other forcibly displaced people unless the CBI expands the list of documents that may be accepted for KYC to include the identity documents issued to these populations.

**KYC/CDD Requirements for Mobile Money**

Mobile money was introduced in Iraq in 2016 – with the launching of AsiaHawala by Asiacell in January 2016 and Zain Cash by Iraq Wallet in February 2016. Both Asiacell and Iraq Wallet are licensed by the CBI. There is no difference in regulation between mobile money services in KRI and Federal Iraq.

The Central Bank permits simplified KYC to make it easier for refugees and asylum-seekers to open a mobile money account, yet telecommunications barriers persist. Refugees and asylum-seekers in Iraq can legally access mobile money using just their UNHCR certificate. However, as noted above, for SIM registration, the UNHCR certificate must be accompanied by a residence permit from the KRG or a PCMOI card.

In light of the CBI’s permission to adopt simplified KYC procedures for mobile money, both mobile money service providers (MMSPs) offer different categories of mobile wallets with different KYC requirements. With Zain Cash, the mobile wallet available to refugees and asylum-seekers (as well as IDPs) is called the “beneficiary wallet” or “charity wallet.” Any refugee/asylum-seeker with an original UNHCR certificate can register for this type of wallet. In fact, Zain Cash – with permission from the Central Bank – accepts UNHCR certificates that have expired by up to one year to open a beneficiary wallet. The monetary limit on these wallets is 10 million Iraqi dinar (IQD) (approximately USD 6,880), with a daily cash out limit of 1.5 million IQD (or roughly USD 1,030). Historically, customers with this wallet have not been able to send money from one wallet to another; however, the CBI approved in 2022 additional features for the beneficiary wallet, including allowing domestic transfers to and from one mobile wallet to another and permitting them to top up their wallets from an MMSP agent by using their wallet number. Once a refugee or asylum-seeker opens a beneficiary wallet, it can be used beyond humanitarian assistance.

113 Id.
115 Interview with Zain Cash, 4 July 2022.
116 Interview with UN Agency in Iraq, 22 June 2022.
117 Interview with Zain Cash, 4 July 2022; E-mail correspondence with Zain Cash, 28 July 2022.
118 Interview with Zain Cash, 4 July 2022. For IDPs, their original civil ID or original national ID is required. Id.
119 Interview with Zain Cash, 4 July 2022.
120 E-mail correspondence with Zain Cash, 28 July 2022.
121 Interview with Zain Cash, 4 July 2022.
122 Interview with Zain Cash, 4 July 2022.

“The [beneficiary] wallet is not just for receiving cash assistance. It can be used for daily life. They may receive money from someone else [or] they can pay bills by using this application.”

Zain Cash, Iraq
Refugees and asylum-seekers also have access to mobile wallets through AsiaHawala. AsiaHawala historically has offered the “light wallet” and the “standard wallet.” The light wallet does not require any KYC.\textsuperscript{123} Any customer can download the application and use his mobile number to get a password. However, the life cycle of that wallet is only two months; after that, the customer must visit an AsiaHawala agent to upgrade the wallet to a standard wallet. If they fail to do so, the wallet will be suspended.\textsuperscript{124} The standard wallet has higher limits than the light wallet: a 5 million IQD wallet maximum and 2 million IQD daily limit.\textsuperscript{125}

In the past, refugees have been registered for AsiaHawala standard wallets using their UNHCR certificates.\textsuperscript{126} However, in 2022, the CBI issued new instructions for mobile wallet limits and AsiaHawala is currently re-working its offerings in response. The standard wallet will no longer be available when the MNO’s system is upgraded to align with the CBI’s new requirements.\textsuperscript{127} Going forward, the wallet offerings will be the “initial wallet” with a cap of 1 million IQD (approximately 671 USD) per month or an “authenticated wallet” with a limit of 10 million Iraqi dinar (per month).\textsuperscript{128}

Under the new paradigm, refugees can access an initial wallet with their UNHCR ID; however, refugees will not have access to an authenticated wallet unless they have a valid (unexpired) passport.\textsuperscript{129} Thus, in effect, the CBI’s initiative may result in greater barriers in terms of financial inclusion of refugees and asylum-seekers as they will be all but excluded from accessing the larger monetary limits of the authenticated wallet.

**Data Protection**

Iraq has a data protection law governing the public sector, but no specific data protection legislation is in place for the private sector. Nor is there a data protection regulator/authority. However, various laws address data protection, including the Constitution (which contains a right to privacy), Penal Code No. 111 of 1969,\textsuperscript{130} the Iraqi Civil Code, and sector-specific laws such as banking, securities, labour, and tax laws.\textsuperscript{131} According to the UN Conference on Trade and Development, Iraq has a draft Data Protection and Privacy Law.\textsuperscript{132}

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\textsuperscript{123} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{124} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{125} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{126} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{127} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{128} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{129} Interview with AsiaHawala, 7 July 2022.
\textsuperscript{130} Pursuant to Article 437 of the Penal Code, “any person who by reason of their office, profession, trade, or the field of nature of their work, is privy to confidential information and discloses such information in circumstances other than those specified by law, or uses it to their advantage or to another’s advantage, is punishable by a period of detention not exceeding two years and a fine for one of those penalties.”
Registration and Identification of Displaced Persons

The Hashemite Kingdom of Jordan (hereinafter Jordan) continues to be the second largest host country for refugees per capita. As of February 2023, Jordan hosts 743,773 registered refugees. The majority (661,854) originate from Syria and live in communities (non-camp settings). Other refugees and asylum-seekers originate from Iraq (65,772), Yemen (12,919), Sudan (5,478), and Somalia (649).

Upon registration with UNHCR, asylum-seekers living in host communities are issued an Asylum Seeker Certificate (ASC) valid for 12 months subject to renewal. Those living in camps are issued a Proof of Registration, with the same terms of validity and renewal as an ASC. UNHCR collects biometric data from asylum-seekers and refugees in Jordan through iris scanning to enhance identification, registration, and documentation management, as well as in fraud prevention and for assistance delivery.

The Government of Jordan through the Ministry of Interior (MOI) issues registered Syrian refugees an “MOI service card” (commonly referred to as the “MOI card”). The MOI card allows Syrian refugees to access different services within the Kingdom of Jordan, including digital and financial services, as discussed below.

SIM Registration

SIM registration in Jordan continues to be linked to identity documentation; there is no SIM registration through biometrics at this time. As noted in the previous Displaced and Disconnected Jordan country report, non-Jordanians must provide one of the following identity documents to register a SIM card in their own name: (1) an active passport, residence permit, or work permit; (2) an identity card for persons from the Gaza Strip; (3) a tourist visa (if a tourist); (4) an active security card for citizens of exempt states (including Syria) of the Residential and Foreign Affairs Law; or (5) entry permits for workers in the ocean transport sector coming from Aqaba’s borders.

In practice, Syrian refugees and asylum-seekers living in host communities can register a SIM card in their own name using an MOI card or a valid (unexpired) passport. Syrian refugees and asylum-seekers living in camps need a valid proof of registration or MOI card to register a SIM card. Refugees and asylum-seekers originating from countries other than Syria can only register a SIM card in their name if they have a valid passport. While technically speaking any refugee or asylum-seeker with a valid passport can register a SIM card in their name under the law, many refugees flee without passports or, due to the protracted nature of their displacement, hold only an expired passport. Thus, non-Syrian refugees and asylum-seekers do not have meaningful legal access to SIM registration because they lack MOI documentation.

Due to the above challenges, formal and informal workarounds have been used to expand practical access to SIM cards for refugees and asylum-seekers. For example, in 2014 UNHCR in Jordan started a project of SIM card distribution to refugees and asylum-seekers through the telecommunication company Zain to ensure that refugees’ and asylum-seekers’ communication needs are met. The SIM cards are owned by UNHCR but assigned a unique identifier for that individual. The main features of the SIM cards provided by UNHCR is that refugees and asylum-seekers can call UNHCR’s Helpline for free and that the SIM remains valid for one year even without airtime top-up. The SIM card packages are provided with cheap internet bundles and competitive international calls to the country of origin. Additionally, individuals holding a SIM card through this UNHCR program can each other for free and receive a 500MB internet bundle.

While this and other workarounds help facilitate greater access to connectivity – particularly for non-Syrian refugees who may not be able to register a SIM in their own name – they do not alter the regulatory landscape around SIM registration which remains largely closed for non-Syrian refugees due to documentation requirements.

References:

137. Id.; As of 28 February 2023, 818 per cent of refugees in Jordan were living out of camps in host communities. Id. The Government of Jordan estimates that there are as many as 1.4 million Syrian refugees living in Jordan. Development Initiatives, Financing for Protracted Displacement: In the Syrian Refugee Context In Jordan, Jan. 2022, available at https://reliefweb.int/report/jordan/financing-protracted-displacement-syrian-refugee-context-jordan-january-2022
139. While the Proof of Registration (POR) is issued at the family level (i.e., one copy per family/registration group), each registered member of the family or group is assigned a unique UNHCR registration ID number, which is included in the POR.
142. This arrangement is facilitated through an agreement between UNHCR and Zain.
144. In practice, someone can buy SIM cards from a shop without registering them.
KYC/CDD Rules for Financial Institutions

While nothing from the Central Bank of Jordan (CBJ) or in the relevant legislation specifically bars refugees and asylum-seekers in Jordan from opening bank accounts, documentation requirements effectively exclude them from the formal banking sector.\(^{146}\) Although the CBJ requires financial service providers to offer a "basic account" with no minimum balance requirement and without many of the fees associated with formal banking, refugees and asylum-seekers cannot access these accounts.

In general, the limited access to bank accounts and banking services is owed primarily to the lack of proper documentation as accepted by the government of Jordan as well as the high threshold requirements that are in place to access banking services even for Jordanians. For foreigners, which would include refugees, a valid passport, residence/work permit, and a proof of address is needed as KYC. In addition, an attestation letter from the employer or a deposit is needed.

The CBJ has taken several steps that demonstrate its genuine interest in fostering greater financial inclusion. In 2016, the CBJ joined the Alliance for Financial Inclusion (AFI), committed to the Maya Declaration,\(^{147}\) and stated at the launch event for the Financial Inclusion Vision for Jordan that it is the right of every person to have access to financial services.\(^{148}\) It set forth its vision and a framework for financial inclusion in its National Financial Inclusion Strategy 2018-2020\(^{149}\) and launched various digital financial services (DFS) initiatives. It also established a FinTech regulatory sandbox "in an effort to drive innovation in the financial sector, and produce more adaptive regulations that do not compromise on the safety of the financial sector."\(^{150}\)

These many efforts notwithstanding, it has yet to expand legal access to formal financial services, including bank accounts, in a meaningful way for refugees and asylum-seekers.

Mobile Money

While mobile money was still in its nascent stages during the previous Displaced and Disconnected reporting,\(^{151}\) there has been "an increased uptake of electronic mobile wallets (e-wallets)" in recent years, particularly due to the need to digitalize during the COVID-19 pandemic.\(^{152}\) Indeed, according to GSMA’s Mobile Money Regulatory Index 2021, there exists now "a huge opportunity for mobile money in Jordan especially in serving the high refugee population in the country."\(^{153}\)

The CBJ regulates mobile money services and specifies who can have access to mobile wallets and what documents are accepted for customer verification. It first issued Mobile Payment Services Instructions in 2013, which still provides the regulatory framework for mobile money services in Jordan.\(^{154}\) Pursuant to regulation, Syrian refugees and asylum-seekers, with their MOI cards, can access mobile money. Non-Syrian refugees and asylum-seekers are currently excluded from mobile money services if they do not have valid passports.

The Central Bank has not only expressed its commitment to “accelerating financial inclusion” and promoting “digital financial services,” but has demonstrated it through its spearheading of the Jordan Mobile Payments (JoMoPay) initiative and by launching the Mobile Money for Resilience (MM4R) initiative. JoMoPay, which was launched in 2014, is an electronic platform that provides mobile payment services including mobile wallets. There was a reported “major shift in preference” in 2020 to the usage of JoMoPay to make payments through digital transactions, “with both the number and value of transactions increasing significantly following March [2020].”

Through the MM4R initiative, which was one component of Jordan’s 2018-2020 National Financial Inclusion Strategy – the CBJ reportedly intends to “provide refugees and low-income Jordanians with access to mobile financial services, including money transfers, digital payments, savings and credit.” In 2019, JoPACC partnered with MM4R and the CBJ to foster greater access to DFS – particularly mobile wallets – for Jordanians and refugees in Mafraq. Furthermore, in its commitment to the Maya Declaration, the CBJ set forth nine targets to achieve its national goal of increasing financial inclusion by 2020, one of which was to “[p]rovide refugees and non-nationals with access to DFS[.]”

As mobile money services begin to permeate the country, it will be important for the Jordanian government – particularly the CBJ – to make good on its commitments and open up the legal landscape to include non-Syrian refugees and asylum-seekers.

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158 JoPACC, JoMoPay – Mobile Payment Switch; https://www.jopacc.com/EN/Pages/JoMoPay__Mobile_Payment_Switch (last accessed 16 Sept. 2022).
160 See Access Now, How to strengthen Jordan’s data protection law (April 2022), available at https://www.accessnow.org/cms/uploads/2022/05/Access-Now-Policy-Brief_Jordan_Data-Protection_bill-vs-GDPR.pdf. Jordan is a state party to the Arab Convention on Combating Information Technology Offences. See Constitution of Hashemite Kingdom of Jordan, Arts. 7(2) and 18. Article 7(2) provides that "every infringement of the rights, public freedoms, and "inviolability of the private life of Jordanians" is a crime. See also the Law on Securing the Right to Information Access No. 47 of 2007, Arts. 13(e), (f) and (i). Pursuant to Article 18, all postal and telegraphic correspondence, telephonic communications, as well as other means of communications, must be regarded as secret and must not be subject to censorship, viewing, suspension, or confiscation, except by judicial order in accordance with the law. See also Banking Law No. 28 of 2000, arts. 72 and 73, Credit Information Law No. 15 of 2010, arts. 8, 17, 18 and 23, Electronic Transactions Act No. 15 of 2016, arts 15, Ministry of Digital Economy and Entrepreneurship, Government of Jordan, The Personal Data Protection Law No 5 of 2022, Proposed Bill available on the ministry’s website.
Registration and Identification of Displaced Persons

With a total population of 6.7 million\(^{164}\) and an estimated refugee population of 1.5 million, Lebanon hosts the largest number of refugees per capita in the world.\(^{165}\) Syrian refugees comprise the vast majority of refugees in Lebanon, with smaller populations from Iraq, Sudan and other countries.\(^{166}\) In addition, Lebanon hosts an estimated 479,000 Palestinians registered by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).\(^{167}\)

At the request of the Lebanese government, UNHCR discontinued the registration of Syrian refugees in 2015. However, UNHCR continues to issue certificates with the UNHCR emblem to Syrian refugees who registered before 2015 and to non-Syrian refugees. Non-registered refugees may receive counseling on protection and assistance in Lebanon at UNHCR reception centers.

Thousands of Syrian refugees do not have government-issued identification unless they obtain legal residency through other means (e.g., based on a work permit, sponsorship, or other categories such as a student residence permit). Some sources suggest that over 80 per cent of Syrian refugees in Lebanon lack legal residency.\(^ {168}\) For non-Syrian refugees, UNHCR conducts registration and refugee status determination (RSD) and issues a UNHCR certificate printed on secure paper (containing UNHCR’s emblem, but not the government’s logo).

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**SIM Registration**

Documentation requirements for SIM cards depends both on the type of SIM card (prepaid or postpaid) and, for postpaid cards, the individual’s status in the country: whether Lebanese, a foreign resident, or a foreign non-resident. For refugees and other forcibly displaced people who have residency in Lebanon, a valid passport or residence permit is accepted to purchase a postpaid SIM card.170 For refugees and other forcibly displaced people without resident status, they must provide a valid passport and a direct debit at a bank.171 To purchase a prepaid SIM card, any of the following may be used: an ID, valid passport, military service card, army reserve card, military exemption card.172 While the list of required documents for prepaid cards does not differentiate those documents required for Lebanese versus foreigners or foreign residents versus foreign non-residents, many of the documents on the list are only available to Lebanese citizens. Moreover, the UNHCR certificate is not accepted documentation for proof of identity for the registration of any SIM cards.

As noted above, the vast majority of Syrian refugees in the country (~80 per cent) lack legal residency which, according to information provided on MNO Alfa’s website, means that they can only register a postpaid SIM card if they possess a valid passport.173 However, in practice, refugees can access SIM cards with relative ease in Lebanon. Lebanon’s two major MNOs – Alfa and Touch – accept a Syrian national ID for both prepaid and postpaid SIM cards.174 Some Syrian refugees near the border use Syrian SIM cards.175 Moreover on the local market, anyone may purchase a pre-registered, active SIM card. However, such SIM cards are not registered in the user’s name and this form of workaround grants no legal access to SIM registration for the users.

**KYC/CDD Rules for Financial Institutions**

Under the existing regulatory framework, refugees with a passport or residence permit may legally open bank accounts. Practically speaking, however, at present, demand for bank accounts does not exist and access – particularly for Syrian refugees – is limited. With the ongoing financial crisis in Lebanon, the general population as well as forcibly displaced people have lost trust in banking institutions and the country is converting back to a cash economy. Moreover, due to international sanctions,169 Lebanese banks have been hesitant to open bank accounts for Syrians because doing so would raise issues with the global banking system.182 Some banks reportedly closed some existing accounts held by Syrians.183

For purposes of humanitarian assistance, UNHCR continues to issue pre-paid bank cards to refugees and other forcibly displaced people. But this does not create open-loop access to the banking system; rather, UNHCR puts money on the card and it is taken out by the beneficiary. The bank cards do not permit any other financial transactions with other individuals or merchants.

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170 For foreign residents who do not have their permit, the following can be used as proof of residence: a $50 deposit, Letter of Guarantee, Residence Certificate signed by the mayor, water bill, PSTN, electricity bill issued in their name, house lease contract, or house property deed. See Alfa, Support: FAQ, [https://www.alfa.com.lb/en/support/faq](https://www.alfa.com.lb/en/support/faq) (last accessed 30 Dec. 2022).


172 Id.

173 According to Alfa’s website, foreigners must provide either a valid passport (with an entry visa if necessary) or a valid residence permit to buy a new prepaid SIM. See Alfa, Support: FAQ, [https://www.alfa.com.lb/en/support/faq](https://www.alfa.com.lb/en/support/faq) (last accessed 30 Dec. 2022). While there is a Syrian Embassy in Beirut where refugees could in theory obtain a passport, concerns over approaching the Syrian Embassy and the cost to obtain a Syrian passport are prohibitive for many refugees.

174 Information provided by Alfa and Touch call centers to UNHCR staff in Lebanon.


176 SMEX, Ministry of Telecommunications' IMEI Registration Policy Threatens Digital Privacy, 4 Dec. 2018, [https://smex.org/ministry-of-telecommunications-imei-registration-policy-threatens-digital-privacy/](https://smex.org/ministry-of-telecommunications-imei-registration-policy-threatens-digital-privacy/). The IMEI number is a 15-digit number linked directly to the physical device (phone). IMEI numbers can be used to detect stolen phones and subsequently prevent the phone being used. Id. In 2013, IMEI registration was introduced by then-telecommunications minister Nicolas Sehnaoui, but the policy was ended by the subsequent telecommunications minister due to his views that the policy was costly and ineffective. Privacy International, State of Privacy Lebanon, 27 Jan. 2019, [https://privacyinternational.org/state-privacy/Z81/state-privacy-lebanon](https://privacyinternational.org/state-privacy/Z81/state-privacy-lebanon).

177 Id.

178 Id.


180 Id.

181 See Howard J. Shatz, Commentary: The Power and Limits of Threat: The Caesar Syrian Civilian Protection Act at One Year, THE RAND BLOG, 8 July 2021, (reporting that “the law enabled the United States to sanction non-Syrian entities”; in light of this, shortly after the law took effect, “CISCGroup of Lebanon stopped servicing Syrian ATMs.”).

182 Id.

183 Id.
Mobile Money

Mobile money and other digital financial services are regulated by the Banque du Liban (Lebanon’s Central Bank). There have been several changes in the regulatory framework governing mobile money and e-wallets in Lebanon since the previous Displaced and Disconnected country report as well as the emergence of new service providers.184 However, there has not been a corresponding uptake in the use of these digital financial services. Though laws exist for electronic or mobile wallets, they are neither popular nor widely used – due at least in part to the loss of trust in banks stemming from the ongoing economic crisis and the reversion to a largely cash-based society, as discussed above.185

In January 2020, bank account holders gained access to electronic wallets (e-wallets), with the adoption of Intermediate Circular 539, which amended Basic Circular No. 69.186 Because mobile money services in Lebanon are connected to the banking system, individuals cannot open an electronic/mobile wallet without a bank account. Thus refugees’ and other forcibly displaced people’s access to such services would be limited by the KYC procedures for banks, set forth above.187

For example, to load money onto PinPay’s mobile application, one must have a credit card or debit card or other link to a bank account.188 Areeba’s mobile wallet (Zaky), which was the first to be licensed by the Central Bank, in 2020, similarly appears to require linking the wallet to a bank card.188 In June 2021, the Central Bank issued Intermediate Circular 588, which grants every Lebanese access to an e-wallet, whether or not they have a bank account.189 However, digital wallets are only available to Lebanese citizens.

Data Protection

There is no specific data protection law. In 2018, Lebanon passed Law No. 81 Relating to Electronic Transactions and Personal Data, which includes provisions on personal data protection.190 However, the 2018 law – which designates the Ministry of Economy and Trade as the country’s data protection authority – has been criticized for containing inadequate “safeguards to protect user data and privacy.”191

The absence of a comprehensive legal framework governing data protection is particularly concerning in light of reports of an increase in recent years in the number of personal devices seized by Lebanese security agencies.192 The 2018 Electronic Transactions and Personal Data Law transferred the authority to search and seize devices in investigations from the examining magistrate to the public prosecution.192 Another concern that has been raised with regards to the 2018 law is that it does not explicitly mention the IMEI number as personal data.194
Conclusion and Recommendations

Several governments across the MENA region have taken steps in recent years to improve digital and financial inclusion of their populations. Yet in many instances, proof of identity requirements for SIM cards, bank accounts, and mobile wallets limit legal access to these services for refugees and other forcibly displaced people. While SIM cards tend to be fairly easy to access through formal or informal workarounds, this is not a long-term solution to the legal and regulatory barriers facing these populations. Meanwhile, refugees are all but barred from accessing banks in several MENA countries, including the specific countries discussed in this report. Because mobile money is frequently linked directly to a banking institution, refugees in MENA tend to have more limited access to these services, which in many countries around the world successfully provide financial inclusion of these populations where formal banking does not.

As efforts continue to be undertaken by both the Government and UN agencies in the name of inclusion, special attention should be paid to ensure that the legal and regulatory environments surrounding the relevant service sectors open doors rather than close them for refugees and other forcibly displaced and vulnerable populations.

Government agencies and regulatory bodies

1. Ensure that national financial inclusion strategies and policies consider refugees and other forcibly displaced people in a manner which leads to increased access to financial services and employment opportunities.

2. Update banking regulations to allow refugees and asylum-seekers to open bank accounts using the UNHCR certificate and relevant government document (e.g., the PCMOI card in Federal Iraq, humanitarian residence permit in KRI, or MOI card in Jordan) to satisfy CDD/KYC requirements.

3. Review and revise regulations governing SIM card registration to broaden the categories of accepted proof of identity documentation for refugees and asylum-seekers, specifically, to recognize the UNHCR ID card on its own as a valid identity to enhance inclusion of forcibly displaced populations.

4. Update regulations on KYC/CDD for mobile money services to foster greater financial inclusion; namely, expand legal access to refugees and asylum-seekers by recognizing the UNHCR ID cards as an accepted form of customer identification to activate a mobile wallet, transact, and cash-in and cash-out.

5. Test new approaches to KYC/CDD in ‘regulatory sandboxes’ in advance of amending regulations to ensure risks are understood and mitigated, where necessary.195

UN agencies and humanitarian organizations

1. Engage in joint dialogue with the central banks to advocate for greater inclusion of refugees and asylum-seekers in national financial inclusion strategies and policies.

2. In countries that lack a financial inclusion strategy, hold round table discussions with UN agencies, the World Bank, Financial Action Task Force, International Telecommunications Union, development banks, and other relevant actors in the financial sector to develop a financial inclusion strategy/plan that promotes best practices.

3. Convene MNOs and FSPs to generate buy-in for the acceptance of refugees’ and asylum-seekers’ identification documents for SIM registration and financial sector KYC/CDD requirements.

4. Coordinate advocacy efforts around making KYC requirements more flexible for refugees and asylum-seekers in MENA countries, particularly by engaging the central banks for the acceptance of identity documents issued to these populations for KYC purposes;

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5. Together with MNOs and FSPs, engage with the relevant government authorities – including central banks and telecommunications regulators – to expand the legal access that refugees and asylum-seekers have to SIM cards and mobile wallets by recognizing UNHCR ID documents on an equal basis as the national ID for customer verification purposes;

6. Pilot cash disbursement programs with MMSPs to promote open loop systems using mobile wallets; and

7. Sensitize financial and telecom service providers and their agents on laws and regulations that permit the acceptance of refugees' and asylum-seekers' ID documents.

**Service providers**

1. Together with UNHCR and other humanitarian agencies, engage government authorities in discussions related to relaxing the regulatory requirements for SIM registration and banks' CDD/KYC procedures; in particular, to recognize the UNHCR certificate and/or other identification issued to refugees and asylum-seekers for customer verification purposes; and

2. Advocate for the leveraging of innovative technologies – such as iris scanning and other biometrics – to eliminate the need for identity documents.