



Displaced and Disconnected

Middle East and North Africa Region

Egypt, Iraq, Jordan and Lebanon



UNHCR
The UN Refugee Agency

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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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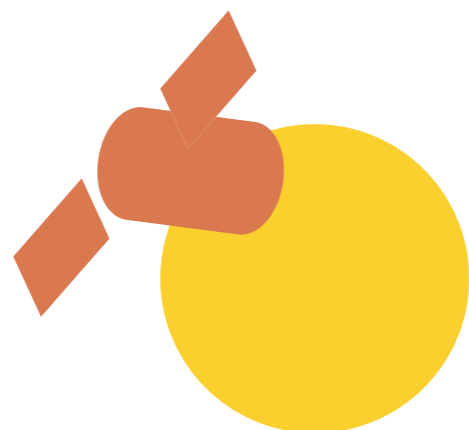
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List of Acronyms

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



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 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>.

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.

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.

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.

9 UNHCR, *Displaced and Disconnected*, 2019, <https://www.unhcr.org/innovation/wp-content/uploads/2019/04/Displaced-Disconnected-WEB.pdf>.

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 (KIIs) 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).¹⁰ The region is notable for having the top two countries hosting the largest number of refugees per capita: Lebanon (with refugees comprising roughly 20 per cent of its population)¹¹ and Jordan (where refugees make up roughly 7 per cent of the population).¹² 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.¹³ 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.¹⁴

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.¹⁵ 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.¹⁶ 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 registration¹⁷ and at least 14 countries in the Middle East require proof-

¹⁰ UNHCR, Global Focus, Global Report 2022: Middle East and North Africa, <https://reporting.unhcr.org/operational/regions/middle-east-and-north-africa>

¹¹ UNHCR, Factsheet: Lebanon, Oct. 2022, <https://reporting.unhcr.org/document/3918> (reporting that the Lebanon Government estimates 1.5 million Syrian refugees in the country and more than 12,000 refugees from other countries.).

¹² United Nations Jordan, Press Release, *On World Refugee Day, Jordan continues to be the second host country of refugees per capita in the world*, 20 June 2021, <https://jordan.un.org/en/132334-world-refugee-day-jordan-continues-be-second-host-country-refugees-capita-world>.

¹³ UNHCR, Refugee Data Finder, <https://www.unhcr.org/refugee-statistics/> (last accessed 28 Nov. 2022); Kathryn Reid, *Forced to flee: Top countries refugees are coming from*, World Vision, 22 July 2022, <https://www.worldvision.org/refugees-news-stories/forced-to-flee-top-countries-refugees-coming-from>.

¹⁴ See Council of the European Union, *Migration flows in the Central Mediterranean route: EU action to tackle the Central Mediterranean route*, <https://www.consilium.europa.eu/en/policies/eu-migration-policy/central-mediterranean-route/> (last accessed 20 Jan. 2023) (noting that many migrants [and asylum-seekers] transit through Libya on their journeys from North Africa to Europe); ACAPS, *Western Mediterranean Route: Algeria, Overview* dated 1 Dec. 2022, <https://www.acaps.org/country/algeria/crisis/western-mediterranean-route> (noting that Morocco and Algeria are “important crossing[s] for migrants and asylum-seekers trying to reach Europe by sea.”).

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. Other than Syria, however, these countries host far fewer refugees than those countries focused on in this report.

¹⁶ See *infra* Part 4.

¹⁷ GSMA (2018), *Access to Mobile Services and Proof-of-Identity: Global policy trends, dependencies and risks*, <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/02/Access-to-Mobile-Services-and-Proof-of-Identity.pdf>, Annex I.

of-identity for that registration,¹⁸ 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.¹⁹ Legal barriers notwithstanding, practical access to SIM cards in these countries tends to be achieved with some ease.²⁰

Mobile money, which has been seen as a pathway to financial inclusion for refugees and asylum-seekers in some regions,²¹ 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.”²² 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,²³ as well as widespread distrust in the banking sector (and in governments in the region more broadly) among both nationals and displaced populations.

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.²⁴ 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.”²⁵ 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.

Country	SIM Registration		Bank Account		Mobile Money	
	Refugees	Asylum Seekers	Refugees	Asylum Seekers	Refugees	Asylum Seekers
Egypt	Limited	Limited	Limited	Limited	No	No
Iraq	Limited	Limited	Limited	Limited	Limited ²⁶	Limited
Jordan	Limited ²⁷	Limited	Limited	Limited	Limited ²⁸	Limited
Lebanon	Limited ²⁹	Limited	Limited	Limited	No	No

Table 1. Summary of Legal Access

Yes: Yes, where a refugee ID or asylum-seeker certificate is accepted on its own or where restrictions can be met easily by refugees and asylum-seekers

Limited: Yes, though seldomly or with difficulty; i.e., with restrictions which are possible but not easy to meet or which can be met by some but not all refugees and asylum-seekers

No: No legal access

18 GSMA (2018), *Digital Identity: Proof-of-Identity and Access to Mobile Services*, <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/10/Access-to-mobile-services-infographic.pdf>.

19 By contrast, a high degree of variation exists in the region in terms of penetration/use of digital technology and individual countries’ infrastructure capabilities for such services. Gulf Cooperation Council (GCC) countries “have made the most progress in digitalizing 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. Shahrokh Fardoust and Mustapha K. Nabli, *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.wm.edu/as/economics/growth-employment-poverty-inequality-and-digital-transformation_prr_45_oct-2022.pdf.

20 See Part 4, *infra*.

21 UNHCR, *Digital payments to refugees: A pathway towards financial inclusion*, <https://www.unhcr.org/5fdcd8474.pdf>.

22 Ferid Belhaj et al., *A New State of Mind: Greater Transparency and Accountability in the Middle East and North Africa*, World Bank Group, Oct. 2022, p. 215, <https://openknowledge.worldbank.org/bitstream/handle/10986/38065/English.pdf?sequence=18>

23 Mahir Sheikh, *A Cashless Economy Could Boost the MENA Region*, Center for International Private Enterprise (CIPE), 10 Aug. 2020, <https://www.cipe.org/blog/2020/08/10/a-cashless-economy-could-boost-the-mena-region/> (noting that “[t]he informal sector is fueled by cash transactions that allow a significant part of the economy to go unregulated and unidentified.”).

24 Ferid Belhaj et al., *A New State of Mind: Greater Transparency and Accountability in the Middle East and North Africa*, World Bank Group, Oct. 2022, p. 208, <https://openknowledge.worldbank.org/bitstream/handle/10986/38065/English.pdf?sequence=18> (noting that societal trust between citizens and their governments and “between citizens and key institutions such as banks - is important for the development of a digital economy” and that “[d]istrust in government and the banking system can discourage citizens from adopting digital payments for transactions on digital platforms.”).

25 *Id.* at 215.

26 While 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*.

27 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 MOI card (or a proof of registration for those living in camps).

28 As discussed in the Jordan update, *infra*, Syrian refugees and asylum-seekers can access mobile money with their MOI cards. Non-Syrian refugees and asylum-seekers only have access if they possess a valid passport.

29 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 postpaid 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 card 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

ITU Regulatory Tracker
Overall Score (2022)³⁰



GSMA Mobile Money
Regulatory Index (2021)³¹



Data Protection and
Privacy Legislation - **Yes**



Party to the 1951
Refugee Convention - **Yes**



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

³⁰ ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 18 June 2023).

³¹ GSMA, Mobile Money Metrics Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 27 Oct. 2022).

³² UNHCR, Egypt: Sudan Emergency Response Update, 22 June 2023. <https://reporting.unhcr.org/egypt-sudan-emergency-response-update-7>

³³ 3RP, *Regional Refugee and Resilience Plan In Response to the Syria Crisis, 2020-2021*, p. 2, <https://www.3rpsyriacrisis.org/wp-content/uploads/2020/10/3RP2021EN.pdf>.

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.").

³⁶ UNHCR, *Refugee Context in Egypt*, <https://www.unhcr.org/eg/about-us/refugee-context-in-egypt> (last accessed 27 Oct. 2022).

³⁷ ACAPS, Egypt: Syrian Refugee Crisis Updates, <https://www.acaps.org/country/egypt/crisis/refugee-crisis> (last accessed 27 Oct. 2022).

³⁸ *Id.*; see also UNHCR, *Egypt Fact Sheet, July 2020*, https://reporting.unhcr.org/sites/default/files/UNHCR%20Egypt_Fact%20Sheet_July%202020.pdf

("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.³⁹ Although refugees and asylum-seekers in Egypt originate from 65 different countries,⁴⁰ almost half (143,803) are Syrian.⁴¹ 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).⁴² 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).⁴³

UNHCR is responsible for registering refugees and asylum-seekers on behalf of the Government of Egypt and for issuing their identity documents.⁴⁴ Registration includes the use of biometric information such as iris scanning and fingerprinting.⁴⁵ Registered refugees receive a “blue card,” valid for 3 years, while asylum-seekers receive a “yellow card” that is valid for 18 months.⁴⁶ 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.⁴⁷ The renewal process reportedly takes multiple months.⁴⁸

*“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

39 UNHCR, Egypt Fact Sheet, March 2023, <https://reporting.unhcr.org/index.php/document/4489>.

40 UNHCR, Egypt Fact Sheet, June 2022, <https://www.unhcr.org/eg/wp-content/uploads/sites/36/2022/07/Egypt-Factsheet-June-2022.pdf>.

41 *Id.*

42 UNHCR, Egypt Fact Sheet, June 2022. An additional 8,603 refugees and asylum-seekers come from other countries of origin. *Id.*

43 UNHCR, Egypt Fact Sheet, January 2022, <https://www.unhcr.org/eg/wp-content/uploads/sites/36/2022/02/2022.01-Egypt-Factsheet.pdf>; UNHCR, Refugee Context in Egypt, <https://www.unhcr.org/eg/about-us/refugee-context-in-egypt>; 3RP, *Regional Refugee and Resilience Plan In Response to the Syria Crisis*, 2020-2021, <https://www.3rpsyriacrisis.org/wp-content/uploads/2020/10/3RP2021EN.pdf>.

44 UNHCR, Egypt Fact Sheet, March 2023, <https://reporting.unhcr.org/index.php/document/4489>. UNHCR Egypt is the largest refugee status determination (RSD) operation globally and conducts RSD on behalf of the Egyptian Government for all nationalities except Syrians and Yemenis. See UNHCR, Egypt Fact Sheet, Oct. 2021, <https://reporting.unhcr.org/document/1323>; UNHCR, Egypt Fact Sheet, March 2023; UNHCR, Egypt Fact Sheet, June 2022.

45 UNHCR, Egypt Fact Sheet, Oct. 2021, <https://www.unhcr.org/eg/wp-content/uploads/sites/36/2021/12/Egypt-Factsheet-October-2021.pdf>

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

“For foreigners, SIM registration is tied to our residency permits. The MNO will know when that is expiring and they will cut the line.”

INGO in Egypt

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*.

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[.]”⁵⁶ 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.⁵⁷ Enforcement of this requirement reportedly increased in 2022.⁵⁸

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.⁵⁹ 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.⁶⁰ 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.

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/> (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. The regulations permit foreigners to purchase/register up to five voice lines and five data lines from each MNO. See NTRA Mobile SIM Cards Sales Regulations.

60 Interview with NGO in Egypt, 2 June 2022.

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 financ[ing].”⁶¹ 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 account⁶². 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.⁶³

Egypt is a member of the Financial Action Task Force (FATF). In 2021, the FATF recommended that Egypt amend its Anti-Money Laundering Law.⁶⁴ 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.⁶⁵ 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.”⁶⁶

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.⁶⁷

61 Anti-Money Laundering Law No. 80, 2002, Art. 8.

62 Arabic Republic of Egypt, Money Laundering and Terrorist Financing Combating Unit, Due Diligence Procedures for Bank Customers, 5.1, available in Arabic at: https://www.cbe.org.eg/-/media/project/cbe/page-content/rich-text/aml-and-cft/regulations/cdd-procedures-for-banks_ar.pdf.

63 *Id.*

64 Egypt Today, *Egypt’s gov’t establishes special unit in CBE for crimes of money laundering, terrorist financing* (20 April 2022), <https://www.egypttoday.com/Article/1/115095/Egypt%E2%80%99s-gov%E2%80%99t-establishes-special-unit-in-CBE-for-crimes-of>.

65 UNHCR has an official agreement with the Post Office to distribute cash assistance through the Post Office (throughout Egypt) using the blue or yellow card and iris scanning.

66 Interview with UN agency in Egypt, 2 June 2022.

67 The KYC procedures apply during account opening, and therefore do not apply to refugees and asylum-seekers because they do not open accounts; they only receive assistance from the Post Office using their UNHCR card (or biometric authentication) to verify their identity for purposes of humanitarian assistance.

“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.⁶⁸ In November 2021, the Central Bank approved mobile money regulations.⁶⁹ According to regulation, mobile wallet registration is allowed only for Egyptians with a valid national ID number.⁷⁰

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).⁷¹ 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 2020.⁷² 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.⁷³

In addition to the comprehensive data protection law, the Anti-Money Laundering Regulations for Banks prohibit banks from “divulg[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.”⁷⁴

68 There are four MMSPs in Egypt: Vodafone, Orange, WE, and Etislat.

69 Reuters, *Egypt central bank approves instant payment regulations* (8 Nov. 2021), <https://www.reuters.com/business/finance/egypt-central-bank-approves-instant-payment-regulations-2021-11-08/>.

70 See NTRA, *Mobile Wallets regulatory rules*, <https://www.tra.gov.eg/en/regulations/regulatory-framework/mobile-wallets-regulatory-rules/> (last accessed 13 July 2022).

71 Interview with Orange (an MNO in Egypt), 26 July 2022.

72 See Egypt Data Protection Law, https://www.dataguidance.com/sites/default/files/egypt_data_protection_law.pdf (Arabic).

73 Library of Congress, *Egypt: Country’s First Law on Protection of Personal Data Enters into Force*, 29 Oct. 2020, <https://www.loc.gov/item/global-legal-monitor/2020-10-29/egypt-countrys-first-law-on-protection-of-personal-data-enters-into-force/>.

74 Anti-Money Laundering Regulations for Banks (unofficial English translation).

Iraq

ITU Regulatory Tracker
Overall Score (2022)⁷⁵



GSMA Mobile Money
Regulatory Index (2021)⁷⁶



Data Protection and
Privacy Legislation

Yes



Party to the 1951
Refugee Convention

No⁷⁷



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.⁷⁸ 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.⁷⁹ Unemployment remains high, including for displaced persons, most of whom work in the informal sector,⁸⁰ while the COVID-19 pandemic and collapse in oil prices in 2020 exacerbated the situation.⁸¹

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.⁸² 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.⁸³ 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, presidency and internal security forces).”⁸⁴ However, the Kurdistan Regional Government (KRG) does not legally have the authority to grant refugee status to asylum-seekers;⁸⁵ nor has it incorporated provisions from the 1971 Political Refugee Law into its laws.

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/wfp274702.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-0000140478/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”).

⁸⁰ The World Bank, The World Bank in Iraq: Overview, <https://www.worldbank.org/en/country/iraq/overview> (last accessed 25 Oct. 2022); ILO, Review of national policy, legislative and regulatory frameworks, and practice in Iraq, 2022, at 2.1.2, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_854327.pdf (noting that an estimated 70 to 80 per cent of Iraq’s economy is in the informal sector, in which most refugees and IDPs work).

⁸¹ The World Bank, Iraq’s Economic Update – April 2022, 14 April 2022, <https://www.worldbank.org/en/country/iraq/publication/economic-update-april-2022>. According to recent UNHCR data, roughly one-in-five Syrian refugees in Iraq rely on charity and cash assistance for food. UNHCR, Factsheet: Iraq May 2022, <https://reporting.unhcr.org/document/2383>; see also UN News, Syrian refugees in Iraq, risk losing access to basic food supplies (17 May 2022), <https://news.un.org/en/story/2022/05/1118472> (reporting that 72,000 of 95,745 refugees living in camps receive food and cash assistance as well as other support from WFP and UNHCR).

⁸² ILO, Review of national policy, legislative and regulatory frameworks, and practice in Iraq, 2022, at 2.2.1, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_854327.pdf. KRI consists of the Erbil, Dahuk, and Sulaymaniyah governates. Federal Iraq includes the central and southern governates.

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. 110(5).

⁷⁵ ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 18 June 2023).

⁷⁶ GSMA, Mobile Money Metrics Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 25 Oct. 2022).

⁷⁷ For the public sector only.

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.⁸⁶ 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.”⁸⁷

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.⁸⁸ 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.⁸⁹ 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.⁹⁰ 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.⁹¹ Thus, refugees and asylum-seekers with a valid residence permit

86 The KRG is in the process of regulating this practice with a KRI Administrative Instruction on Residency, which is expected to also allow the registration of those who entered legally.

87 Regional Refugee & Resilience Plan (3RP), Iraq Country Chapter 2022, p. 4, https://www.3rpsyriacrisis.org/wp-content/uploads/2022/04/2022_3RP_Iraq_Country_Chapter_4apr22.pdf

88 UNHCR, Iraq Factsheet (August 2022), <https://reporting.unhcr.org/document/3075>. Another 5 million IDPs have returned to their home governates. *Id.*

89 Iraq Factsheet (May 2022), <https://reporting.unhcr.org/document/2383>. The PCMOI was established by the Political Refugee Law No. 51 of 1971 and given responsibility for the management of refugee affairs (as defined under the law).

90 See Norwegian Refugee Council et al., *Far From Home: Future Prospects for Syrian Refugees in Iraq*, 2019, p. 10, <https://www.nrc.no/resources/reports/far-from-home-future-prospects-for-syrian-refugees-in-iraq/> (reporting that approximately 98.8 per cent of Syrian refugees in Iraq are registered in KRI); Regional Refugee and Resilience Plan (3RP), *Iraq Country Chapter 2022*, p. 4, https://www.3rpsyriacrisis.org/wp-content/uploads/2022/04/2022_3RP_Iraq_Country_Chapter_4apr22.pdf (estimating that more than 97 per cent of Syrian refugees in Iraq reside in KRI).

91 ILO, *Review of national policy, legislative and regulatory frameworks, and practice in Iraq*, 2022 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_854327.pdf.

issued by the KRG are free to move only within KRI governates; they cannot travel legally to the center or southern regions of Iraq without specific authorization and face additional obstacles to accessing banking services.⁹²

SIM Registration

SIM registration is mandatory in Iraq.⁹³ The Ministry of Transport and Communications regulates the telecommunications sector in KRI. In Federal Iraq, the Ministry of Communications and the Communications and 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;⁹⁴ 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;⁹⁵ 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.⁹⁶ Iraq thus remains a largely cash-based economy and its digital ecosystem is considered underdeveloped.⁹⁷

92 See UNHCR, *Help Iraq: Civil Documentation and Residency*, (last accessed 25 Oct. 2022) <https://help.unhcr.org/iraq/en/rights-and-obligations/civil-documentation-and-residency/> (last accessed 25 Oct. 2022).

93 GSMA, *Access to Mobile Services and Proof of Identity 2020: The Undisputed Linkages*, March 2020, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/03/Access_to_mobile_services_2020_Singles.pdf; Privacy International, *Timeline of SIM Card Registration Laws*, <https://privacyinternational.org/long-read/3018/timeline-sim-card-registration-laws> (last accessed 25 Oct. 2022).

94 Interview with UN Agency, 22 June 2022.

95 See Freedom House, *Freedom on the Net 2022: Iraq*, <https://freedomhouse.org/country/iraq/freedom-net/2022>.

96 ILO, *ILO’s Financial Inclusion Strategy in Iraq 2020-2023*, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_775892.pdf (“The population displays a strong preference for cash, due in part to general distrust in the banking sector following decades of financial sector instability.”); World Bank (2015), *The Kurdistan Region of Iraq: Assessing the Economic and Social Impact of the Syrian Conflict and ISIS*, p. 28, <https://documents1.worldbank.org/curated/fr/574421468253845198/pdf/Iraq-Assessing-the-economic-and-social-impact-of-the-syrian-conflict-and-isis.pdf>; Interview with INGO, Iraq, 7 June 2022.

97 GSMA, *Partnering During Crisis: The Shared Value of Partnerships between Mobile Network Operators and Humanitarian Organisations*, April 2020, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/04/M4H_PartnershipDuringCrisis_R_WEB.pdf; see also ILO, *Review of national policy, legislative and regulatory frameworks, and practice in Iraq*, 2022 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_854327.pdf (reporting that “Iraq remains one of the Middle East region’s most underbanked countries”).

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.”¹⁰¹ These measures include identifying and verifying the customer’s identity through “reliable, independent source documents, data or information.”¹⁰² 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 identified 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 2021.¹⁰³

The CBI also collaborates with the Financial Inclusion in the Arab Region Initiative (FIARI).¹⁰⁴ 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 PCMOI).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 UNHCR 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

“On paper, refugees have access to the banking system, but some requirements they can only get by being registered with the Permanent Committee of the Ministry of Interior, under the central government of Iraq. ... Refugees and asylum-seekers with documents issued by the KRG cannot access banking.”

UNHCR, Iraq

98 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>.

99 *Id.* (citing <http://documents1.worldbank.org/curated/pt/749961562776584245/pdf/Bringing-Back-Business-in-Iraq-Analytical-Note.pdf>).

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.

101 See Law No. (39) of 2015, Anti-Money Laundering and Counter-Terrorism Financing Law.

102 Law No. (39) of 2015, Anti-Money Laundering and Counter-Terrorism Financing Law, Article 10 (English translation).

103 Alliance for Financial Inclusion, *Iraq’s central bank key supporter of regional financial inclusion* (24 Sept. 2021), <https://www.afi-global.org/newsroom/blogs/iraqs-central-bank-key-supporter-of-regional-financial-inclusion/>. AFI is the world’s leading organization on financial inclusion policy and regulation.

104 See Alliance for Financial Inclusion, *Iraq’s central bank key supporter of regional financial inclusion* (24 Sept. 2021), <https://www.afi-global.org/newsroom/blogs/iraqs-central-bank-key-supporter-of-regional-financial-inclusion/>.

105 *Id.*

106 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”); U.S. Committee for Refugees and Immigrants, *World Refugee Survey 2009 – Iraq*, 17 June 2009, available at: <https://www.refworld.org/docid/4a40d2a92.html> (“Refugees are unable to register businesses, own land, or open bank accounts, as all of these activities require Iraqi national identification documents.”).

107 ILO *et al.*, *A diagnostic of the informal economy in Iraq*, Nov. 2021, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_830086.pdf, p. 36; see also ILO, ILO’s *Financial Inclusion Strategy in Iraq 2020-2023*, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_775892.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 not legal restrictions; they can open one. But, practically, they must be registered with Federal Iraq. So in practicality, they don’t have access to bank loans.”).

109 Interview with INGO, 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/---ro-beirut/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.”).

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.”¹¹² While the CBI’s objective in supporting digital financial services is reportedly intended to contribute to enhancing financial inclusion,¹¹³ 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 2016.¹¹⁴ 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.¹¹⁵

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.¹¹⁶ 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.”¹¹⁷ Any refugee/asylum-seeker with an original UNHCR certificate can register for this type of wallet.¹¹⁸ 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.¹¹⁹ 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).¹²⁰ 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.¹²¹ Once a refugee or asylum-seeker opens a beneficiary wallet, it can be used beyond humanitarian assistance.¹²²

“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

112 Alliance for Financial Inclusion, *Iraq’s central bank key supporter of regional financial inclusion* (24 Sept. 2021), <https://www.afi-global.org/newsroom/blogs/iraqs-central-bank-key-supporter-of-regional-financial-inclusion/>.

113 *Id.*

114 GSMA, *An update on the state of mobile money in MENA: Mobile for Development* (17 Oct. 2016), <https://www.gsma.com/mobilefordevelopment/uncategorized/an-update-on-the-state-of-mobile-money-in-mena/>.

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.

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.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.¹²⁴ The standard wallet has higher limits than the light wallet: a 5 million IQD wallet maximum and 2 million IQD daily limit.¹²⁵

In the past, refugees have been registered for AsiaHawala standard wallets using their UNHCR certificates.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.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).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.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 1969,¹³⁰ the Iraqi Civil Code, and sector-specific laws such as banking, securities, labour, and tax laws.¹³¹ According to the UN Conference on Trade and Development, Iraq has a draft Data Protection and Privacy Law.¹³²

¹²³ Interview with AsiaHawala, 7 July 2022.

¹²⁴ Interview with AsiaHawala, 7 July 2022.

¹²⁵ Interview with Zain Cash, 4 July 2022.

¹²⁶ Interview with UN Agency in Iraq, 22 June 2022.

¹²⁷ Interview with Zain Cash, 4 July 2022; E-mail correspondence with Zain Cash, 28 July 2022.

¹²⁸ Interview with AsiaHawala, 7 July 2022. For the initial wallet, there is no daily limit. If a user is dormant for an entire year, the wallet will be deactivated. *Id.*

¹²⁹ Interview with AsiaHawala, 7 July 2022.

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.” OneTrust Data Guidance, *Iraq – Data Protection Overview*, <https://www.dataguidance.com/notes/iraq-data-protection-overview>.

¹³¹ *Id.* (Last accessed 25 July 2022)

¹³² UNCTAD, Data Protection and Privacy Legislation Worldwide, <https://unctad.org/page/data-protection-and-privacy-legislation-worldwide> (Last accessed 25 July 2022)

Jordan

ITU Regulatory Tracker
Overall Score (2022)¹³³



GSMA Mobile Money
Regulatory Index (2021)¹³⁴



Data Protection and
Privacy Legislation
Draft



Party to the 1951
Refugee Convention
No



¹³³ ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 18 June 2023).

¹³⁴ GSMA, Mobile Money Metrics, Regulatory Index, <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 28 April 2022).

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.¹³⁵ As of February 2023, Jordan hosts 743,773 registered refugees.¹³⁶ The majority (661,854) originate from Syria and live in communities (non-camp settings).¹³⁷ Other refugees and asylum-seekers originate from Iraq (65,772), Yemen (12,919), Sudan (5,478), and Somalia (649).¹³⁸

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.¹³⁹ 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.¹⁴⁰

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.¹⁴¹

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.¹⁴² 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.¹⁴³ Additionally, individuals holding a SIM card through this UNHCR program can call each other for free and receive a 500MB internet bundle.

While this and other workarounds¹⁴⁴ 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.

¹³⁵ See United Nations Jordan, Press Release, *On World Refugee Day, Jordan continues to be the second host country of refugees per capita in the world*, 20 June 2021, <https://jordan.un.org/en/132334-world-refugee-day-jordan-continues-be-second-host-country-refugees-capita-world>. Refugees in Jordan comprise 10.4 per cent of the country’s population. Eirik Christophersen, *These 10 countries receive the most refugees*, NORWEGIAN REFUGEE COUNCIL, 1 Nov. 2020 (edited 29 June 2022), <https://www.nrc.no/perspectives/2020/the-10-countries-that-receive-the-most-refugees/>.

¹³⁶ UNHCR, Operational Update: Jordan, February 2023, <https://reporting.unhcr.org/document/4518>.

¹³⁷ *Id.*; As of 28 February 2023, 81.8 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>.

¹³⁸ UNHCR, Operational Update: Jordan, 30 September 2022, <https://reporting.unhcr.org/document/2934>.

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.

¹⁴⁰ UNHCR, Help: Jordan, <https://help.unhcr.org/jordan/en/helpful-services-unhcr/registration-unhcr/>.

¹⁴¹ See UNHCR (2019), *Displaced and Disconnected: Country Reports*, <https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-ENGLISH.pdf>.

¹⁴² This arrangement is facilitated through an agreement between UNHCR and Zain.

¹⁴³ In addition to the partnership to facilitate greater SIM access for refugees in Jordan, UNHCR, Facebook and Zain Group collaborated in 2016 to provide refugees with greater internet access. See James Barton, Zain, *UNHCR and Facebook delivering Connectivity for Refugees in Jordan*, DEVELOPING TELECOMS (19 Sept. 2016), <https://developingtelecoms.com/business/humanitarian-comms/6711-zain-unhcr-and-facebook-collaborate-on-connectivity-for-refugees-initiative-in-jordan.html>.

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.¹⁴⁵ 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,¹⁴⁶ 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.¹⁴⁷ It set forth its vision and a framework for financial inclusion in its National Financial Inclusion Strategy 2018-2020¹⁴⁸ 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.”¹⁴⁹

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.

145 See GIZ, *Mobile wallet: secure money for refugees in Jordan*, 15 June 2022, <https://www.giz.de/en/mediacenter/110515.html>; UNHCR, *Refugee Access to Financial Services: Jordan*, March 2019, <https://data2.unhcr.org/en/documents/download/68947>; Int'l Rescue Comm., *COVID-19 and Refugees' Economic Opportunities, Financial Services and Digital Inclusion*, p. 5, <https://www.rescue.org/sites/default/files/document/5433/improvingfinancialhealth-r3.pdf> (noting that to access bank accounts in Jordan refugees “need a valid passport and other documentation, which most refugees do not have”).

146 The Maya Declaration is a “platform through which member institutions can commit to financial inclusion targets, implementing local policy changes, and share updates with a network of other stakeholder institutions.” JoPACC, *Lockdown But Not Shutdown: The Impact of the COVID-19 Pandemic on Financial Services in Jordan*, p. 5, Oct. 2020, https://www.jopacc.com/ebv4.0/root_storage/en/eb_list_page/covid-19_report_english.pdf [hereinafter *Lockdown But Not Shutdown*].

147 See Central Bank of Jordan, *The National Financial Inclusion Strategy 2018-2020*, p. 13 (citing High-level Policy Forum ‘Advancing Women’s Financial Inclusion in the Arab World,’ 22-23 Nov. 2016).

148 Central Bank of Jordan, *The National Financial Inclusion Strategy 2018-2020*, <https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/2018/The%20National%20Financial%20Inclusion%20Strategy%20A9.pdf>; JoPACC, *Lockdown But Not Shutdown*, p. 5.

149 JoPACC, *Lockdown But Not Shutdown*, p. 5.

Mobile Money

While mobile money was still in its nascent stages during the previous *Displaced and Disconnected* reporting,¹⁵⁰ 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.¹⁵¹ 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.”¹⁵²

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.¹⁵³ 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.

150 See UNHCR, *Country Reports, Displaced and Disconnected* (2019), p. 45, <https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-ENGLISH.pdf>. Mobile money services began in Jordan in 2009, but even almost a decade later, penetration remained low (with approximately one per cent for those ages 15 and above reported in 2017 and 2018. See GSMA, *Humanitarian Cash and Voucher Assistance in Jordan: A Gateway to Mobile Financial Services*, Jan. 2020, https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2020/01/Jordan_Mobile_Money_CVA_Case_Study_Web_Spreads.pdf.

151 GIZ, *Mobile Wallet User Journeys and Potential Products for Refugees and Women in Jordan*, July 2022, available at <https://data.unhcr.org/en/documents/details/95059>; see also Maha Bahou, *Mobile Money in Times of Crisis: An Unlikely Hero*, Blog Post, CENTER FOR FINANCIAL INCLUSION (4 May 2020), <https://www.centerforfinancialinclusion.org/mobile-money-in-times-of-crisis-an-unlikely-hero> (noting that Jordan Mobile Payment (JoMoPay) became “the primary chain connecting the government, private sector and NGOs, and an integral component of financial survival during the lockdown.”). Mobile money services began in Jordan in 2009, but even almost a decade later, penetration remained low (with approximately one per cent for those ages 15 and above reported in 2017 and 2018. Belinda Baah, *The versatility of mobile money: Insights from Jordan and Uganda*, GSMA (13 Jan. 2020), <https://www.gsma.com/mobilefordevelopment/blog/the-versatility-of-mobile-money-insights-from-jordan-and-uganda/>.

152 GSMA, *The Mobile Money Regulatory Index 2021: Regional and Country Profiles*, Oct. 2021, p. 91, <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2021/10/Mobile-Money-Regulatory-Index-2021.pdf>. In 2019, GSMA reported that of refugees surveyed in Jordan, 96 per cent owned a phone and 73 per cent owned a smart phone. GSMA (2019), *The digital lives of refugees: How displaced populations use mobile phones and what gets in the way*, <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/07/The-Digital-Lives-of-Refugees.pdf>. See also UNHCR, *Digital payments to refugees: A pathway towards financial inclusion*, <https://www.unhcr.org/5fdcd8474.pdf> (noting a “great potential for expansion in digital financial services” in Jordan, “building on a favourable change in regulations whereby refugees were authorized [during COVID] to open their own mobile money accounts.”).

153 Those instructions were amended in 2017. See UNHCR, *Country Reports, Displaced and Disconnected* (2019), p. 45, <https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-ENGLISH.pdf>.

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.¹⁵⁴ JoMoPay, which was launched in 2014, is an electronic platform that provides mobile payment services including mobile wallets.¹⁵⁵ 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].”¹⁵⁶

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.”¹⁵⁷ In 2019, JoPACC partnered with MM4R and the CBJ to foster greater access to DFS – particularly mobile wallets – for Jordanians and refugees in Mafraq.¹⁵⁸ 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[.]”¹⁵⁹

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.

Data Protection

Jordan has ratified key international treaties related to cybersecurity and the right to privacy and is diplomatically involved in initiatives which relate to data protection. The Jordanian Constitution provides for the right to privacy, and legal provisions on data security and confidentiality are reflected in key sectors of the Jordanian legal system; such as in telecommunications, finance, healthcare, security, and across the Jordanian criminal law. Legislative gaps pertaining to the rights of data subject are being considered in a draft Data Protection Bill pending promulgation before the Jordanian Parliament. The current draft reportedly adopts “basic principles from the GDPR in 15 of its 24 articles.”¹⁶⁰



154 Central Bank of Jordan, *Mobile Money for Resilience Initiative: Enhancing Resilience of Refugees and Low-Income Jordanians*, 4 Sept. 2018, https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/%D8%A7%D9%84%D9%86%D9%82%D9%88%D8%AF%20%D8%A7%D9%84%D8%A5%D9%84%D9%83%D8%AA%D8%B1%D9%88%D9%86%D9%8A%D8%A9%20%D9%84%D9%84%D8%AA%D9%85%D9%83%D9%8A%D9%86/MM4R%20Overview_20180904.pdf; Ana V. Ibáñez Prieto, *Mobile money initiative launched for refugees, low-income Jordanians*, The Jordan Times (28 Feb. 2018), <https://www.jordantimes.com/news/local/mobile-money-initiative-launched-refugees-low-income-jordanians>.

155 JoPACC, *JoMoPay – Mobile Payment Switch*, https://www.jopacc.com/EN/Pages/JoMoPay_Mobile_Payment_Switch (last accessed 16 Sept. 2022).

156 JoPACC, *Lockdown But Not Shutdown*, Oct. 2020, p. 7.

157 Ana V. Ibáñez Prieto, *Mobile money initiative launched for refugees, low-income Jordanians*, THE JORDAN TIMES (28 Feb. 2018), <https://www.jordantimes.com/news/local/mobile-money-initiative-launched-refugees-low-income-jordanians> (attributing this information to “CBJ sources”); see also JOPACC, *JoPACC partners with Mobile Money 4 Resilience* (15 Oct. 2019), https://www.jopacc.com/En/NewsDetails/JoPACC_partners_with_Mobile_Money_4_Resilience (reporting that the MM4R initiative “aims to improve the quality of life of refugees and Jordanians by expanding access to finance and developing the digital financial services (DFS) ecosystem.”); JoPACC, *Lockdown But Not Shutdown: The Impact of the COVID-19 Pandemic on Financial Services in Jordan*, Oct. 2020, p. 15 (“At its core, the MM4R initiative puts the Barcelona Principles into action, proposing a theory of change and a set of objectives to achieve its mission of improving the quality of life of refugees, vulnerable Jordanians, and host communities in Jordan and empower them to become more resilient.”).

158 JOPACC, *JoPACC partners with Mobile Money 4 Resilience* (15 Oct. 2019), https://www.jopacc.com/En/NewsDetails/JoPACC_partners_with_Mobile_Money_4_Resilience (noting that the partnership efforts would include building the capacity of Post Office branches in Mafraq to serve as mobile wallet providers’ agents).

159 JoPACC, *Lockdown But Not Shutdown*, p. 15.

160 See Access Now, *How to strengthen Jordan’s data protection law* (April 2022), available at: https://www.accessnow.org/cms/assets/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 2015, arts 15; Ministry of Digital Economy and Entrepreneurship, Government of Jordan, The Personal Data Protection Law No () of 2022, Proposed Bill available on the ministry’s website.

Lebanon

ITU Regulatory Tracker
Overall Score (2022)¹⁶¹



GSMA Mobile Money
Regulatory Index (2021)**¹⁶²



Data Protection and
Privacy Legislation

No



Party to the 1951
Refugee Convention

No¹⁶³



¹⁶¹ ICT Regulatory Tracker, <https://app.gen5.digital/tracker/metrics> (last accessed 18 Jun 2023).

¹⁶² GSMA, Mobile Money Metrics Regulatory Index <https://www.gsma.com/mobilemoneymetrics/#regulatory-index> (last accessed 26 Oct. 2022).

¹⁶³ Lebanon has no comprehensive data protection law; for discussion of the various data protection and privacy provisions contained in other legislation, see Data Protection discussion, *infra*.

Registration and Identification of Displaced Persons

With a total population of 6.7 million¹⁶⁴ 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).

¹⁶⁴ United Nations Population Fund (UNFPA), World Population Dashboard: Lebanon, <https://www.unfpa.org/data/world-population/LB> (last accessed 26 Oct. 2022).

¹⁶⁵ UNHCR Fact Sheet, Lebanon, Jan. 2023, <https://reporting.unhcr.org/document/4449>; See also Norwegian Refugee Council, *These 10 countries receive the most refugees*, updated 29 June 2022, <https://www.nrc.no/perspectives/2020/the-10-countries-that-receive-the-most-refugees/> (last accessed 30 Sept. 2022); Omer Karasapan, *Syrian refugees in Jordan: A decade and counting*, BROOKINGS (27 Jan. 2022), <https://www.brookings.edu/blog/future-development/2022/01/27/syrian-refugees-in-jordan-a-decade-and-counting/>.

¹⁶⁶ UNHCR Fact Sheet, Lebanon, Jan. 2023, <https://reporting.unhcr.org/document/4449>.

¹⁶⁷ UNRWA, Where We Work: Lebanon, <https://www.unrwa.org/where-we-work/lebanon> (last accessed 25 Nov. 2022).

¹⁶⁸ Omer Karasapan and Sajjad Shah, *Why Syrian refugees in Lebanon are a crisis within a crisis*, Brookings, 15 April 2021, www.brookings.edu/blog/future-development/2021/04/15/why-syrian-refugees-in-lebanon-are-a-crisis-within-a-crisis/.

SIM Registration

Documentation requirements for SIM cards depends both on the type of SIM card (prepaid or postpaid¹⁶⁹) 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 main 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.

169 A prepaid SIM card is typically bought with a certain initial validity period and the user "recharges" the number (i.e., adds money) to make and receive calls and send SMS messages. See Alfa, Alfa Prepaid, <https://www.alfa.com.lb/en/prepaid/plans/alfa-prepaid> (last accessed 30 Dec. 2022). A postpaid SIM card is one where the user has signed a contract with the MNO – e.g., Alfa – and pays for their usage of mobile services at a specified date each month. See Alfa, Alfa Postpaid, <https://www.alfa.com.lb/en/postpaid/plans/alfa-postpaid> (last accessed 30 Dec. 2022).

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 stamped 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> (last accessed 30 Dec. 2022).

171 Alfa, 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 postpaid SIM. See Alfa, 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.

175 Markus Balázs Göransson Lotta Hultin, and Magnus Mähring, 'The phone means everything.' *Mobile phones, livelihoods and social capital among Syrian refugees in informal tented settlements in Lebanon*, 2020, <https://www.tandfonline.com/doi/pdf/10.1080/21632324.2020.1746029?needAccess=true>.

In addition to SIM registration, in 2018, the Lebanese Ministry of Telecommunications announced a new requirement that residents must register the International Mobile Equipment Identity (IMEI) number linked to their phone number.¹⁷⁶ The government asserted that the measure would limit illegal phone trafficking.¹⁷⁷ If a network "blacklists" an IMEI number as stolen, the phone associated with that number will not work, even with a new SIM card.¹⁷⁸

KYC/CDD Rules for Financial Institutions

Basic Circular No. 83 remains in effect. As previously reported, Basic Circular No. 83 sets forth the required customer due diligence (CDD) measures for banks and other financial institutions, including identity requirements.¹⁷⁹ Pursuant to these requirements, only a passport, national ID card, individual civil registration or residence permit satisfy KYC/CDD.¹⁸⁰

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 sanctions¹⁸¹, 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.

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/>. 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/1081/state-privacy-lebanon>.

177 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/>.

178 *Id.*

179 UNHCR, *Displaced and Disconnected*, 2019, p. 26, <https://www.unhcr.org/innovation/wp-content/uploads/2019/04/Displaced-Disconnected-WEB.pdf>.

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, "CSCGroup of Lebanon stopped servicing Syrian ATMs.").

182 See Chloé Domat, *Show me the money! No bank accounts for many Syrians in Lebanon*, MIDDLE EAST EYE (19 Dec. 2016), <https://www.middleeasteye.net/features/show-me-money-no-bank-accounts-many-syrians-lebanon>.

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.

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.¹⁸⁷ 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.

184 See UNHCR, *Country Reports: Displaced and Disconnected*, 2019, pp. 50-53, <https://www.unhcr.org/innovation/wp-content/uploads/2022/03/Displaced-and-Disconnected-Country-Reports-ENGLISH.pdf>.

185 According to World Bank data, only 20.7 per cent of the population ages 15 and over held accounts at a financial institution or mobile money service provider in 2021. World Bank, Global Findex Database, <https://data.worldbank.org/indicator/FX.OWN.TOTL.ZS> (last accessed 6 Nov. 2022).

186 The Centre for Social Sciences Research and Action, *Banque du Liban issues Circular 588 that allows every Lebanese to have access to an electronic wallet*, 21 June 2021, <https://civilsociety-centre.org/actions/banque-du-liban-issues-circular-588-allows-every-lebanese-have-access-electronic-wallet>. Pursuant to Intermediate Circular 539, all electronic applications or platforms related to electronic financial and banking operations must be approved beforehand by the Central Bank. Government Initiative by IDAL, *Lebanon Updates: New Regulations for Electronic Transfers by the Central Bank*, 17 Jan. 2020, <https://lebanonupdates.com/banking-finance/new-regulations-for-electronic-transfers-by-the-central-bank/>. Intermediate Circular 539 also sets daily and weekly transaction limits. Id. A comprehensive list of laws and circulars – including Intermediate Circular 539 and Basic Circular 69 – can be accessed on the Central Bank's website: <https://www.banqueduliban.gov.lb/lawsandregulations.php>. An English copy of Basic Circular 69 is available here: https://tahseen.ae/media/3198/69_en-11.pdf.

187 See Bank Audi, PinPay, <https://www.bankaudi.com.lb/personal-banking/services/pinpay> (bank website providing linking solution with PinPay).

188 See TECHAFRICA NEWS, *areeba launches mobile wallet app in Lebanon using Wallet Factory's solution*, 17 Sept. 2020, <https://www.techafrikanews.com/2020/09/17/areeba-launches-mobile-wallet-app-in-lebanon-using-wallet-factorys-solution/>. Areeba was reportedly the first company to obtain a license from the Central Bank for digital wallets – in 2020. See Chloe Domat, *Lebanese Embrace Digital Finance As Survival*, *Global Finance Magazine*, 5 April 2022, <https://www.gfmag.com/magazine/april-2022/lebanon-embrace-digital-finance-survival-strategy>.

189 The Centre for Social Sciences Research and Action, *Banque du Liban issues Circular 588 that allows every Lebanese to have access to an electronic wallet*, 21 June 2021, <https://civilsociety-centre.org/actions/banque-du-liban-issues-circular-588-allows-every-lebanese-have-access-electronic-wallet>. The e-wallet allows the user to store money on a mobile SIM or on a remote server.

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.¹⁹³ 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

190 See <https://smex.org/wp-content/uploads/2018/10/E-transaction-law-Lebanon-Official-Gazette-English.pdf>; <https://jdsupra.com/legalnews/new-lebanese-law-on-e-transactions-and-97004/>.

191 Freedom House, *Freedom on the Net 2022: Lebanon*, <https://freedomhouse.org/country/lebanon/freedom-net/2022> (noting that the law “fails to adequately protect user data due to vague language, inadequate safeguards for user data, and the lack of an independent oversight authority”); Privacy International, *State of Privacy Lebanon*, 27 Jan. 2019, <https://privacyinternational.org/state-privacy/1081/state-privacy-lebanon>.

192 SMEX, *Device Seizures in Lebanon: Assessing The Legal Framework Concerning Device Seizures*, 1 Feb. 2021, <https://smex.org/device-seizures-in-lebanon-assessing-the-legal-framework-concerning-device-seizures-report/>.

193 *Id.*

194 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/>.

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;

¹⁹⁵ See 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>.

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.



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