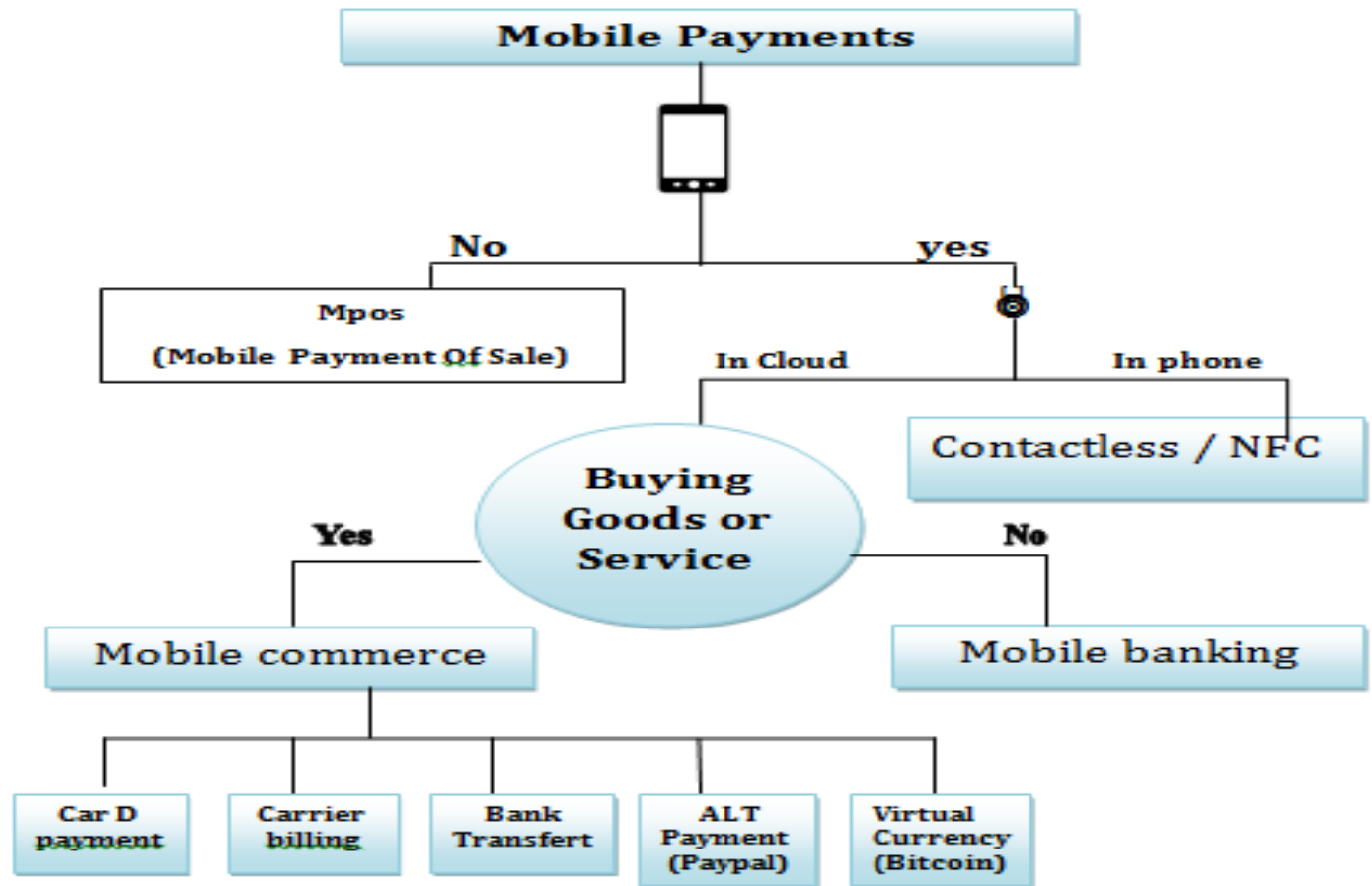


The Transfer of money from mobile: Case of Morocco



MOBILE PAYMENT LANDSCAPE



Mobile payment has taken off in the world.

- Mobile payment has been now on the agenda of big players across industries for more than a decade. Now, with Apple Pay and Google Wallet launched and the markets equipping themselves, mobile payment may finally take off. Is this the turning point in developed markets?

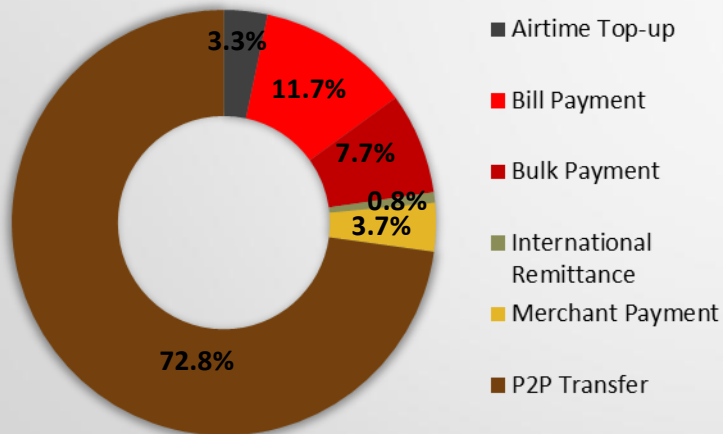
Mobile payment has taken off in the word.

- Mobile payment has taken off on a global scale, accounting for a total of 285 billion USD in 2014 and representing 7% of global
- Electronic transactions. Arthur D. Little expects these figures to continue growing at a fast pace, exceeding 800 billion USD by 2017.

Mobile Money: A future projected to be bright

Consumer adoption

Mobile money product mix by value



Source: Mahindra Comviva

Global mobile transactions

\$ 4.6 Tn
in 2019



\$ 1.8 Tn
in 2014

Source: ABI Research

mobiquity Money , the journey so far...



- Revenue increased by **663%** in 2 years
- **\$61 M** in revenue in FY 2015
- Contributes **8%** to total revenue



- **€ 50 M** in revenue in 2014
- **€ 200 M** expected in revenue by 2018
- **€1.80** in monthly ARPU



- Served **6.2 M** customers in 2014
- The transaction **doubled** in FY 2015
- **\$11.3 B** in transaction value in FY 2015



- Served **1.9 M** customers in 2014
- Revenue increased by **24%** in 2014
- **\$ 5.6M** in revenues in 2014

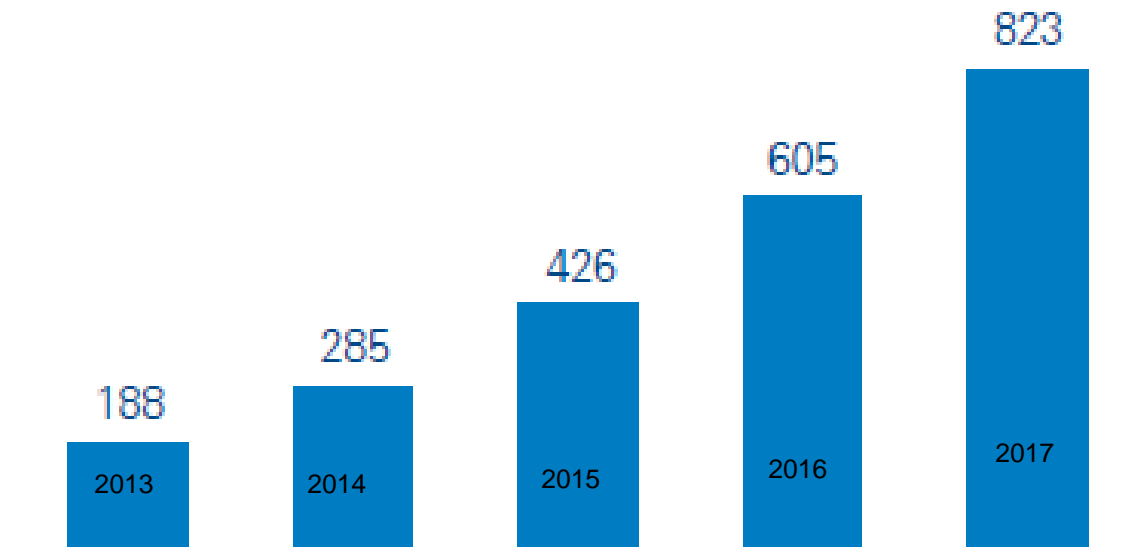
All have one thing in common.

They are leveraging the power of

mobiquity Money
Power to do More

Global m-paiement valeur prévisions [2013-17, milliards USD]

Figure 1: Global m-payment value forecast [2013-17, bn USD]



The transfer of money from mobile: Case of Morocco

- Mobicash service,
- Exchange between the ANRT & IAM in regard of MobiCash service,
- MobiCash service and the banking Law n° 34-03,:
- the reason for the failure
- Evolution of the framework of the banking regulatory,
- Conclusion.

Mobicash service,

- Launched by IAM on the 6th January 2010 for its mobile clients. MobiCash service allows IAM mobile clients to make financial transactions through mobile handset, such as payments and money transfer. MobiCash service's subscription costs 2 dollars.
- MobiCash service allow a maximum transfer of 300 \$ usa and redraw of 500 \$ usa. Transactions' fees varies between 0,5 and 3 \$ usa.

Exchange between the ANRT & IAM in regard of MobiCash service :

- On the 15th June 2009, IAM sent the electronic mobile payment offer details to the Moroccan telecom regulator (ANRT). IAM notification letter included all the specifications of the offer named MobiCash such as prices and subscription fees. IAM emphasized on the fact that the company **“meets all the banking standars and has got all the authorizations needed and delivered by the banking authority”**.
- The ANRT had replied to IAM’s notification on the 18th June 2009 and authorized the offer. Nevertheless, the offer was conditioned by the fulfillment of all banking regulations especially the authorizations delivered by the banking’s regulator.

Exchange between the ANRT & IAM in regard of MobiCash service :

- On the 17th February 2010, IAM had noticed a promotion of it offer MobiCash to the ANRT. The promotion consisted on waving the MAD 20 subscription fees starting from the 18th February to the 31th March 2010.
- Even though the ANRT did not respond to IAM's notice, the promotion had been in effect during the period mentioned above. Thus, all IAM mobile customers had received an SMS notification of the free subscription to MobiCash service for the periode of the promotion

MobiCash service and the banking

Law n° 34-03 :

- Since IAM is in payment and money transfer business, It could be considered as a credit institution under the law N° 34-03.
- The law N° 43-03 : « Considered as a credit institution, any company which practice its business in Morocco regardless the location of its headquarter, fund contributor nationality, and which do regularly one of the following activities :

 - Public fund reception;
 - Credit transactions;
 - **Offer to its clients all the means necessary to make and manage payments**

- The section 6 of this law defines this activity as follow: « Considered as means of payment any tools or instruments, regardless their technical process, allowing any individual funds' transfer ».
- There for, IAM needs an approval form the Moroccan central bank « Bank AL-Maghrib ».

MobiCash service and the banking Law n° 34-03 :

- The section 12 of the law N° 34-03 mentioned above precise the following « It is forbidden to any unlicensed person to regularly exercise activities mentioned in the first article..... »
- For the record, IAM has implicated two Moroccan « banks Attijariwafa bank » & « Groupe banque Populaire » through a partnership for the MobiCash commercialization.
- Also, to be point out, The telecom regulator ANRT is not empowered to clarify IAM situation in regards of baking laws. According to the press, IAM has not gotten its licence from the central bank « Bank AL- Maghrib ».

the reason for the failure

- Despite a massive advertising campaign, success is mixed, according to a source close to the incumbent. "The concept is interesting. However, the consumer is confused and suspicious. It did not used to seeing this type of products offered by a telecom operator, "explains Mounir Essayegh for his part, CEO of M2M Group, specializing in paperless flows. For Philippe Pestanes associated with the firm Kurt Salmon and PHB Development, which conducted an extensive study in 2010 on this subject, "Morocco is very complex as emerging market".

The reason for the failure

- He emphasizes that "given its banking highest rate in Africa, Morocco is figure of special case, but many brick remains to ask: regulation is not ready yet and financial institutions that may be the origin of interesting initiatives procrastinate. " Banking penetration rate, measuring the number of accounts opened on the books of banks relative to the total population, stood at the launch of these products to 64%. The station, which also acts as a bank at the same time it had some 1,600 contact points with 70% in rural and 30% urban. In the non-successful transfer by mobile money it is necessary to consider the installation of other intermediary companies such as Western Union, which have multiplied in recent years in Morocco in the field of money transfer, national but also international and near real-time level.

Evolution of the framework of the banking regulatory. Morocco.

- After two years of debate and a vote in Parliament in December 2014, published in the Official Bulletin of the Moroccan banking law, March 5, 2015, will allow the country and its financial institutions to operate in a regulatory framework in line with international standards, particularly in the field of payment services. Law No. 103.12 on credit institutions and similar bodies adopted in November 2014 called "Banking Law" was published in the Official Bulletin No. 6328 (Arabic version) and No. 6340 (French version) March 5, 2015 (see Box). Moroccan banks and, more broadly, financial intermediaries wishing to operate in Morocco awaiting the publication of the text in the Official Bulletin to start creating their subsidiaries dedicated to micro-credit, participatory financing and payment.

Evolution of the framework of the Banking regulatory.

(Morrocco)

- Among other major advances for the development of the Moroccan financial sector, the new comprehensive banking law the scope of means of payment by adding electronic money, "defined as any monetary value representing a claim on the issuer being stored on electronic media, issued in consideration of the remittance of an amount whose value is not less than the monetary value issued and accepted as means of payment by third parties other than the issuer of electronic money

Evolution in Morocco

- As against the mobile banking can know success like that exists in the West where it used as a support ticket for public transport for example. This is known as mobile payment . The Morocco also seems to be moving towards this solution since the Rabat tramway will propose by the end of 2015 to use the mobile phone.

Thank you for your Attention

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