

GhIPSS Update

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Archie Hesse
CEO, GhIPSS

MESSAGE FROM THE C.E.O

GhIPSS has over the years worked with Financial Institutions to provide their customers with efficient and secure electronic payment platforms.

As part of efforts to deepen our engagements with all partners, we have introduced this quarterly Newsletter, with the aim of keeping you informed on our operations, future initiatives as well as trends in the Global Payment Landscape.

Last year, Ghana achieved “Universal Interoperability”, with the completion of the mobile money Interoperability platform. This achievement contributes to increasing electronic transactions in the Ghanaian economy, increasing efficiency of payments, and improving financial inclusion by bridging the gap between the banked and unbanked. We also published Ghana’s EMV standard for the issuing of gh-link cards geared towards building a robust domestic card scheme.

In line with global electronic payment trends, GhIPSS has begun the development of a number of payment services including;

Request to Pay, QR code, and a domestic card with two applications (e-zwich and a gh-link). Additionally GhIPSS is laying the foundations for a strong domestic card scheme in Ghana. We are also optimistic the introduction of the Payment Systems and Services Bill, will among other things ensure diverse stakeholder involvement in the industry.

GhIPSS is fully committed to working with all Stakeholders to continue the development and implementation of payment platforms that meet the changing needs of customers; while promoting the National Financial Inclusion Agenda.

We are happy with the progress made in the payment industry and are hopeful the collaboration between GhIPSS and all Financial Service Institutions, would continue to drive the National Agenda of achieving a cash lite economy.

On behalf of the management and staff of GhIPSS, I would like to thank you for your immense support and collaboration throughout the years.

Thank you.

Archie Hesse

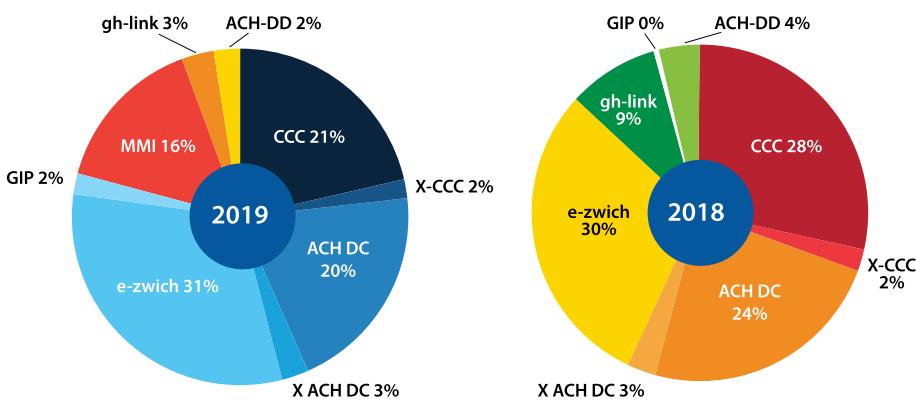
2019 QUARTER ONE INDUSTRY PERFORMANCE

In the first quarter of 2019, GhIPSS recorded a positive growth in the use of its digital platforms compared to the use of cheques. In the first quarter of 2018, the percentage of interbank cheques processed was 30%, while digital channels represented 70% of total transactions processed by GhIPSS. In line with GhIPSS' mandate to deliver innovative e-payment platforms; with the focus on interoperability, we developed and deployed the Mobile Money Interoperability platform to provide seamless movement of funds between

Mobile money wallets, wallets-to-bank accounts and wallets-to-e-zwich cards.

The deployment of this product in addition to continuous stakeholder engagements yielded the desired impact. The percentage of cheques processed declined by 23%, while digital channels increased by 77% with e-zwich and Mobile Money Interoperability services receiving the most patronage.

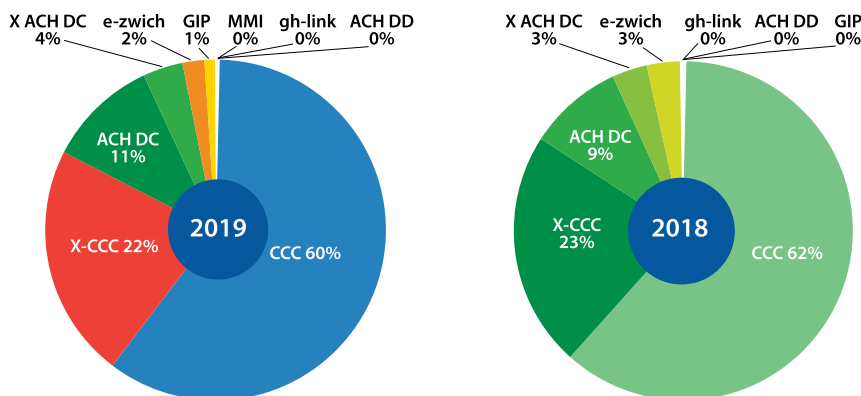
Comparative volume of transactions for first quarter of 2018 & 2019



Our data further reveals that P2P and G2P payments drive the use of digital payments. This is indicative of consumer's growing adoption of digital payment and further indication of the preference for instant channels.

While the majority of transaction volumes are driven by our digital platforms, conversely cheques and ACH Direct credit hold the majority share for transaction value. B2B, B2P and B2G payments account for huge funds movements across banks, using Cheques and ACH Direct credit as their preferred channels.

Comparative value of transactions for first quarter of 2018 & 2019



CONCLUSION

GhIPSS began 2019 with a significant reduction in the number of member financial institutions, from 35 banks last year to 23 banks in 2019. The impact of this loss however was felt in the value of funds moved across banks, a comparison of total value of transactions processed in the first quarter of 2019 to the same period in 2018 shows a 9% decline; from GHC 58 billion in 2018 to GHS 53 billion in 2019. Fortunately there was no impact on the total transaction volume of transactions as the industry recorded a growth of 18%; from 5.9 million transactions processed in the first quarter of 2018 to 7.2 million processed in the same period of 2019. GhIPSS continues to focus on promoting the adoption of all its products by improving its systems, increasing access, education and deepened stakeholder engagement.

NEW PRODUCT INITIATIVE

Initiative	Product Description	Benefits	For further information
<p>A domestic Card with two applications (e-zwich & gh-link)</p>	<p>The Hybrid gh-link & e-zwich card, is a dual purpose card that can function as an e-zwich and an gh-link card at the same time. Depending on the request of a customer, an issuing bank can activate any of the functionalities that serves a customer's purpose. The Dual card can be used on all Channels (TMs, Online & POSes).</p>	<ul style="list-style-type: none"> • Banks would no longer need to invest in two separate cards, saving cost on card production • Banks can leverage on this innovation to create unique biometric identifier for their customers. 	<p>Contact GhIPSS Business Development Department</p>
<p>Proxy Pay</p>	<p>Proxy service is an overlay service on GhIPSS Instant Pay.</p> <ul style="list-style-type: none"> • This service allows a customer of a financial institution (Individual or Corporate) to register an alias / proxy identifier (phone number, e-mail address, nickname, or social media handle) to represent their bank account number. • Payments made to the proxy identifier will be routed to the linked bank account in the domiciliary financial institution. • Proxy Identifier will be linked to a single account number in one financial institution only. (One-to-one mapping). • Proxy service repository will be hosted on the gh-link infrastructure. • Proxy service will expose an API to enable financial institutions to on board customers. • Payment to a proxy identifier will involve an initial name look up to confirm identity of beneficiary. 	<ul style="list-style-type: none"> • Proxy Pay will simplify payments & collections – no need for customer to key in string of numbers • Provide better user experience • Create convenience 	<p>Contact GhIPSS Business Development Department.</p>
<p>Request to Pay (RTP)</p>	<p>RTP' is a bill payment service that enables a biller to request payment for goods purchased or service consumed by a customer. The payment request is accompanied with the bill details with options for the customer to approve payment / accept to pay or decline payment / decline to pay the bill.</p> <ul style="list-style-type: none"> • 'RTP' will leverage the GIP service to facilitate instant payments by payers to billers • Billers will send requests for payment via the RTP platform provided by GhIPSS by calling the RTP API • Payers will receive and respond to RTP requests from internet /mobile banking / mobile money • Notifications: With every RTP request sent to a customer, a Biller will send concurrently an email with a pdf copy of the bill or an SMS to the payer as notification for pending bill. Biller may send subsequent notifications to Payer if bill remains unpaid (Automated reminders) • Payment – Release of funds: Payer's funding institution will debit their source of funds and send the credit to the biller's receiving account (wherever it may be domiciled) instantly 	<ul style="list-style-type: none"> • RTP will give payers more control and flexibility • It will save billers the cost of direct debit returns • It will provide alternatives for retail payments from bank account 	<p>Contact GhIPSS Business Development Department.</p>

GhIPSS Instant Pay (GIP)

LIFE IS INSTANT AND SO ARE PAYMENTS

GhIPSS Instant Pay (GIP) is a service provided by your bank which allows you to transfer money from your bank account to other bank accounts in seconds.



GhIPSS

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Building a Domestic Card Scheme – A case for Ghana and what you should know!

Card Schemes have evolved over the years as a body of rules and standards set to guide the use of payment cards such as debit, credit, prepaid or charge cards. Visa and MasterCard products have become the world's most visible card schemes for decades. However, with the entry of China Union Pay (now Union Pay International, UPI) as a domestic scheme: developed for and by China, Countries saw the rise of domestic card schemes. In other to develop alliance with other countries outside China, Union Pay followed the footprint of countries where Chinese visited the most! Today, Union Pay is accepted in over 110 Countries including the United States of America, the birth place of two International scheme giants.

Domestic card schemes are fast emerging. The success story of UPI, has spurred the wide adoption of this concept in other Countries. The idea of having to develop cards and process card payment transactions, using local infrastructure is fast catching on. NETS in Singapore, who are also front runners in this space have operated a domestic debit card scheme for years. NETS's scheme was implemented in the 1950s; just around the same time VISA was launched. The local banks in Singapore worked together to implement this scheme; with an objective to drive the adoption of electronic payments. Since then, countries like Nigeria, Germany, Italy, Spain, Mexico, Belgium, Denmark, France, Norway, Belarus, Portugal, Serbia, Canada, India, Brazil, Turkey, Malaysia and Russia have all joined this race of building domestic card schemes.

Ghana's version of a domestic card scheme is the gh-link EMV card. The gh-link platform was launched in 2012 and managed by GhIPSS. Since its launch, the gh-link platform has connected systems of Financial Institutions and third party payment providers across Ghana. The gh-link Network also has the widest ATM acceptance channel with; approximately 2,000 ATMs spread across the entire country. While gh-link scheme has more members and channels than International Card schemes, the latter continue to be the dominant card brands in Ghana mainly due to the lack of support for the issuance of domestic cards. To remedy the situation, the Central bank has led the call, with a directive on issuing domestic cards. Complying with this directive, is key to the success of Ghana's domestic card scheme.

In countries where domestic schemes have seen the light of day; the high cost of entry, the HUGE cost of processing, the lack of security of transaction data and the uneven market pricing of International schemes have played key roles. More so, deepening financial inclusion, customer spending dynamics and the fact that regulators are realising the huge sums of monies paid to these Very Large International Card Schemes, are further intensifying the growing interest in domestic schemes.



Embracing the gh-link Card scheme, does not only reduce the financial burden on Financial Institutions; it also reduces the cost of transaction for customers as well. The industry has a rear opportunity to develop products around the gh-link card that meets the needs of Ghanaians. There is also the potential for International partnership to enable gh-link cards for International Transactions. The advantages are enormous. Countries who have aggressively pursued the domestic card agenda, have impacted their economies positively. Ghana has started a good journey and with all hands on deck, we can make a great impact.

gh-link EMV - Certification Update

gh-link EMV Migration

GhIPSS published the National EMV Standard and Specifications guidelines for the issuance and acceptance of domestic EMV cards in Ghana in 2016. The initiative was to drive the migration of all domestic gh-link cards from magstripe to chip and pin technology; and also to evolve the gh-link network into a domestic card scheme.

GhIPSS subsequently applied and was granted a block holder status by the RMG (An international Body) enabling it to provide members with Issuer Identification Numbers (IIN). GhIPSS also put in place a test lab for testing and validation of the gh-link™ card. The success of this project however, is dependent on the active cooperation & participation of all members of the gh-link network (certification of all existing channels to accept EMV compliant gh-link Cards).

What is Required of Financial Institutions?

1. All member Institutions must migrate existing magnetic stripe cards to EMV technology, based on the published standards.
2. All member Financial Institutions must issue domestic gh-link EMV cards.
3. Members have to update all existing terminals (ATM & POS) to accept the gh-link EMV Cards.



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News Update

1. GhIPSS engages Industry on New Corporate Initiatives:



2. Delegation from Uganda Pays Courtesy Call on GhIPSS



3. GhIPSS Commences Industry Training Program




4. Five (5) Member delegation from KfW visits the Winneba Branch of the Republic Bank to experience on site, how the e-zwich card works.



Business Activity Update

INITIATIVE	OVERVIEW	ROLE OF PARTNERS	2019 ACTIVITIES
Increase the transaction Volumes for ACH Direct Credit & Debit	<p>In line with Global Payment trends, GhIPSS seeks to collaborate with all stakeholders to increase batched or bulk payments by engaging with banks, corporate institutions, billers, collection companies, etc.</p> <p>The exercise is to increase the number of companies using both Direct Credit & Direct Debit, listen to their issues if any, and resolve these for better service and efficiency.</p>	GhIPSS will require the assistance of all Financial Institutions; with the education and promotion of these services among their Corporate Client.	On-going one-on-one engagement with Securities and Exchange Company (SEC) members – 98 in total, 50 done

2019 Training Schedule



MANAGING CLEARING HOUSE OPERATIONS AND IT SUPPORT

Duration: 2 days
Date: 9th & 10th July, 2019
Cost: GHC 1,000.00

This course seeks to equip participants with advance knowledge and skills needed to manage clearing house operations. In addition, participants would be given training on how to Trouble shoot and provide first level support to their banks.

• Target Audience

- IT staff
- Clearing Operations staff





Kindly send all enquiries to:
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