

# ELAN SEPTEMBER-OCTOBER UPDATE

Know Your Customer takes center stage and we learn how MNOs are like Daenerys.

## Why You Need to Know Know Your Customer

Imagine you're in charge of setting up an emergency cash transfer program. Under tremendous time pressure you've signed a contract with a prepaid card provider and helped all 5,000 refugees register for prepaid cards that they'll use to receive cash transfers from your agency. Everything seems on track until you're told that the beneficiaries did not register using the correct form of ID, and all the cards are deactivated. Your planned cash transfers come to a screeching halt until you can figure out a plan B.

Sound awful? It is. Sound far-fetched? It isn't. Know Your Customer (KYC) regulations refer to the ID checks that financial institutions perform to comply with national financial regulations. And they're not always easy to understand or comply with in emergency cash transfer programs.

Fortunately we're here to help you avoid these problems. Check out the ELAN's [new case studies on Humanitarian KYC](#) from Uganda and the Philippines. The studies demonstrate that humanitarian cash transfer programs can understand and comply with KYC regulations - with some planning and cooperation.

Hungry for even *more* KYC wisdom? Check out GSMA's great new policy note, [Enabling Access to Mobile Services for the Forcibly Displaced](#). It offers seven policy recommendations - many of which address common stumbling blocks in humanitarian cash programming.

Yet there's more - UNCDF's recent [study on KYC in Uganda](#) offers a deep dive on regulation of digital financial services in a country with over a million refugees.

## New This Month

### Follow the Financial Journey of Refugees

[New research from Tufts](#) uses the lens of money to examine choices of the displaced. Follow the money in Jordan, Greece and Turkey, as it fuels transactions among formal and informal actors along the way, determines livelihood options and affects social networks of the displaced.

### Cash Is Still King According to MAP Insight Note 5



Refugee cash transfer recipient with a SIM card in Uganda.

[Research across six pilot countries](#) (Thailand, Myanmar, Mozambique, Lesotho, Swaziland, and Malawi) found that cash is, "overwhelmingly the most common payment instrument used." Why? Issues of **access, cost, convenience, and trust** undermine the appeal of digital options. The digital options that are gaining ground - bulk payments and payments made by individuals (specifically remittances and airtime purchases) - are driven by efficiency gains for large employers (e.g. payment of government salaries) or are cheaper than existing options (e.g., digital remittances).



### Is Mobile Money Pricing the Villain – or Hero?

In [The Secret Life of Mobile Money Pricing](#), William Cook challenges the common assumption that mobile money fees are the "villain" of financial inclusion. Arguing that they have a "secret identity," he demonstrates that fees can encourage the healthy use of digital financial services and promote mobile wallet usage over over-the-counter transactions.

### Which Game of Thrones Character Are You?

And you thought Game of Thrones had nothing to do with financial inclusion! Wrong. [Chris Wolff](#) proves that all roads lead to Game of Thrones as banks become the Lannisters, MFIs Jon Snow, and mobile money agents the Unsullied. Are you ready to band together to tackle a "shared menace" (this time it's informal financial transactions), or fight to preserve your individual fiefdom? Only time - or HBO - will show.