

Interoperability among Mobile Money Operators in Nigeria

Content



→ **Background**



→ **Interoperability in Other Markets: Lessons learnt**



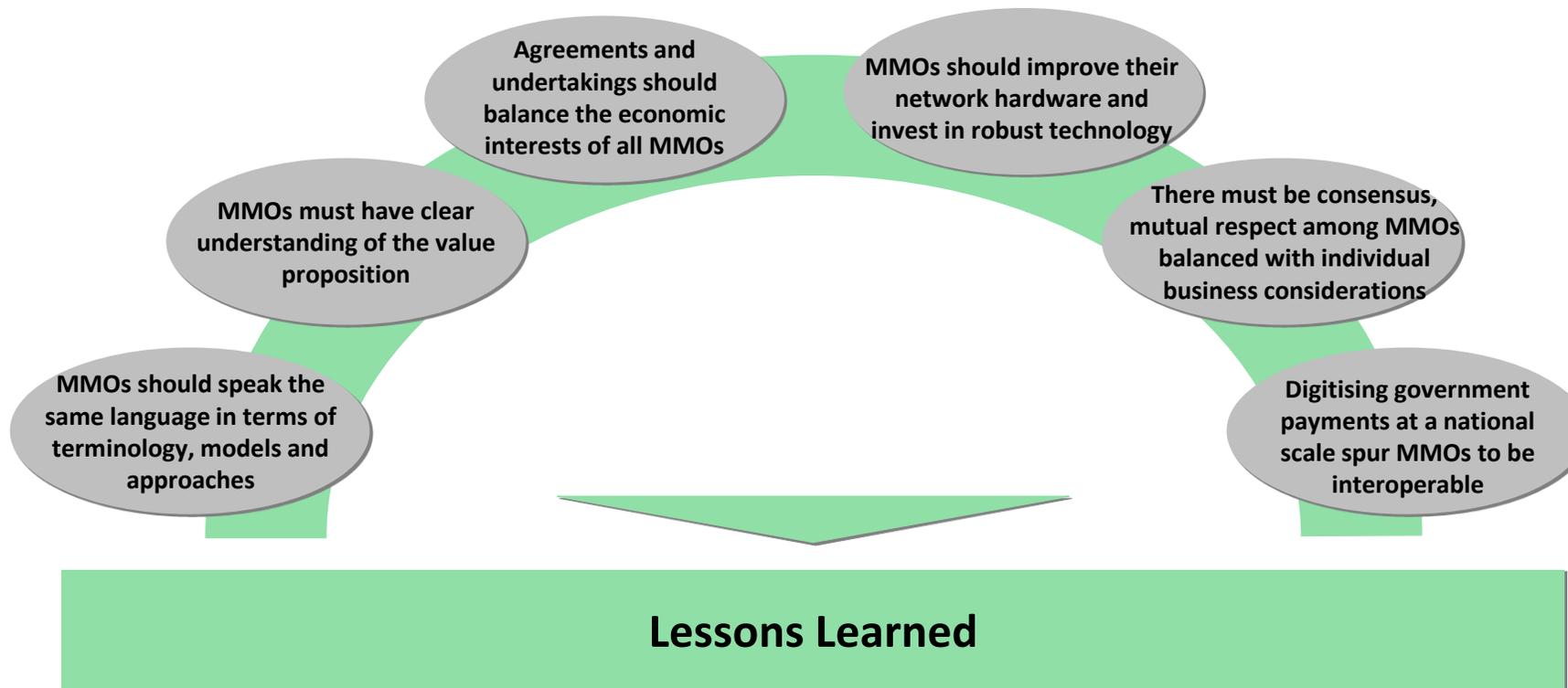
→ **Conclusion and Recommendation**

- Following the MMWG meeting held in April 2016, specific issues were raised around interoperability and inter-wallet transfers which led to a joint agreement to set up a sub-committee to conduct interoperability tests and provide update on its status among MMOs
- Although the CBN has clearly communicated the requirement for MMOs to be fully interoperable in regulations and circulars issued to the industry, in practice, issues persist that prevent customers from experiencing the benefits of interoperability
- An organised test was carried out among 13 MMOs and NIBSS; and a **75% failure rate in system interoperability between MMO-to-MMO transfers was recorded**
- Major reasons for the high failure rate include:
 - Unknown Bank Code error- Some MMOs do not have other MMOs' NIP profiles listed on their system
 - Format error- Some MMOs have not adhered to the NIBSS xml message specification
 - Transaction Timed out- Some MMOs did not respond to the 'sending MMO request'
 - Network Hitches- Some transactions did not 'get' to NIBSS, even when the NIP platform was available
- The main take-away from the results of these tests is a low commitment from the operators to be interoperable and not all MMOs have deployed robust supporting technology

EFInA conducted a research on interoperability to review lessons learnt from other markets with successful interoperability stories and how the industry can be guided toward a practical interoperability approach

Interoperability in Other Markets: Lessons Learned

EFInA reviewed case studies of mobile money interoperability in five countries (Tanzania, Indonesia, Sri Lanka, Peru and the Philippines) to identify relevant learning that can be applied to promoting interoperability in Nigeria. The lessons learned include;



Summary

- The value proposition of being interoperable include; increased transactions, higher efficiency, competitive growths and lower costs
- To promote a system that is fully interoperable, the CBN may wish to more actively engage industry stakeholders, particularly mobile money operators, as direct participants in promoting interoperability in Nigeria
- Initiatives to promote interoperability are most successful when conducted via partnership between operators and regulators, rather than via top-down solutions decided by regulators alone.
- Regulators are more likely to achieve their objectives if they are open-minded, test their policy approach, and cultivate a dynamic of mutual learning with private sector players
- MMOs need to fully understand and take full advantage of the benefits of being interoperable



Thank You

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