

Digital Financial Services (DFS) Council

The multi-stakeholder platform for DFS policy dialogue in Jordan

Jordan



Project name	Digi#ances: Improving Access to Remittances and other Financial Services through Digital Solutions
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Partner	Central Bank of Jordan
Objective	Jordanians without access to bank accounts, refugees, and women make use of digital financial services for national money transfers
Co-financed by	Swiss Agency for Development and Cooperation (SDC)
Location	Jordan
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Context

Digital finance is an emerging sector in Jordan. Digital financial services (DFS), specifically mobile wallets, were introduced after the Central Bank of Jordan launched JoMoPay (Jordan Mobile Payment) in 2014 as a national switch to connect all digital payment providers and monitor all digital transactions to facilitate

low-cost purchases, bill payment transactions, and money transfers. Eight mobile payment service providers joined the market and various financial institutions, whether microfinance institutions or aid disbursement agencies, had adopted digital channels for their financial services. The Central Bank of Jordan issued a number of instructions to regulate this sector, covering topics from consumer protection and agent management to anti-money laundering and countering the financing of terrorism (AML/ CFT). As of September 2023, JoMoPay has 2.09 million users.

Stakeholders were actively involved in the process of shaping regulations for DFS, while continuing to learn from successful models and explore best practices. The DFS Council was established in 2016 to support the emerging digital financial sector in Jordan as a multi-stakeholder consultative dialogue forum for policy- related issues. It was chaired by the Central Bank of Jordan (CBJ) and supported by the GIZ- implemented Project "Digi#ances".

Objective

The platform's objectives were to counsel the CBJ on policy and regulatory issues concerning DFS in Jordan and enhance stakeholders' knowledge of core DFS topics. The platform allowed suggestions and concerns from the private sector to be considered in the development of new regulations and guidelines, facilitated coordination with other regulatory entities, and ensured that the target group's voices are heard. It also provided members with an opportunity to exchange experiences and jointly contribute to the development of DFS in Jordan.



Attendees from one of the DFS council.



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Council Members

Members of the Council included representatives of regulatory bodies, banks, payment service providers, exchange houses, microfinance institutions, and mobile network operators. There were nearly 60 people and 30 organisations in the Council, and since the participants occupy decision-making positions within their respective organisations, they not only contribute to the discussions but can also take action.

Impact

The Council met quarterly to address issues of high importance and relevance to the formulation of DFS regulations and developments in the sector. Sixteen meetings had so far taken place, covered topics including consumer protection, user awareness and financial literacy, AML/CFT, digital cross-border remittances, and Blockchain for DFS. As a result of these meetings, members contributed to changes in consumer protection regulations that introduced a clear complaint mechanism, and amendments to AML/CFT instructions to ensure clarity and simplicity of content. Council members also committed themselves to contributing to the financial literacy roadmap by signing an MoU at the Central Bank of Jordan to increase users' knowledge of existing services and enhance their capability to use them responsibly.

DFS Dialogues

The DFS Council also organised DFS Dialogues, which were informal meetings that open to public. To date, they have conducted a total of nineteen such meetings. The Dialogues aimed to enhance information and knowledge exchange regarding digital financial services and financial inclusion on both national and international arenas. This platform allowed participants to benefit from international experiences - like Philippines to Brazil - and explore the possibilities on adapting them to the Jordanian context, including financially including the Syrian refugees.

Moreover, six webinars were held between mid-July and mid-August 2023, covering various topics related to Digital Financial Services (DFS). These webinars drew participants from a wide range of countries worldwide, with the number of attendees ranging from 60 to 121 in each session.

The project was part of the BMZ special initiative 'Tackling the Root Causes of Displacement, Reintegrating Refugees', which provided short-term support to refugees and their host communities. In the long term, sustainable measures were designed to eliminate the structural causes of displacement, such as social injustice and food insecurity. This particular project promoted equality and social and economic development for refugees and low-income Jordanians.

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