

Njuguna Ndung'u: Improving access to financial services in Kenya

Address by Prof Njuguna Ndung'u, Governor of the Central Bank of Kenya, at the launch of Airtel Money Transfer Service, Nairobi, 10 August 2011.

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Hon. Samuel Poghisio, Minister for Information and Communications;

Dr. Bitange Ndemo, Permanent Secretary, Ministry of Information and Communications;

Mr. Charles Njoroge, Director General, Communications Commission of Kenya;

N. Arjun, Airtel Chief Projects and Transformation Officer, Airtel Africa;

Rene Meza, Managing Director, Airtel Kenya;

Distinguished Guests:

Ladies and Gentlemen: It gives me great pleasure to be here this morning during this historic launch of Airtel Money Transfer Service brand into the Kenyan Financial Sector following the successful application early this year by Airtel to re-brand and re-launch the service and subsequent approval by the Central Bank of Kenya.

Ladies and Gentlemen: I am informed that the key objective of Airtel Money Brand in line with this launch is twofold: First, to provide a convenient, affordable, and easily accessible money transfer service to Kenyans of all walks of life and second, to provide the banked members of the society with a convenient way to access and transact funds held in their bank accounts. This objective is in tandem with the Central Bank policy on adoption of innovative technological platforms to scale up access to financial services. In fact, Mobile Phone Financial services have in particular presented Kenya with an opportunity to significantly upscale access to financial services cost effectively. It has also shown there is a market and everyone now wants a slice of it.

Ladies and Gentlemen: The Kenyan Mobile Phone Financial Services story has become a much acclaimed global case study. To date, over 17.8 million Kenyans transfer over Ksh.3.1 billion to each other daily with over 1.1 million transactions. In particular, and in terms of registered users and agents' base, I am informed that Airtel controls 18 percent of the registered users and 25 percent of agents. Further, I wish to commend Airtel for planning to carry out an extensive awareness campaign immediately after this launch in order to stimulate the uptake of the service in addition to the recent extensive country wide agent recruitment exercise by the company. It is my firm belief that this will positively impact on the visibility of the Airtel Brand in the market. In fact, there are so many areas not yet fully covered out there to be served, go for them and increase the share of the population using mobile phone financial services.

Ladies and Gentlemen: Effective and better regulation requires prudential guidelines to provide guidance in all policy and oversight activities of Payment System Operators and Regulators. In this regard, I am glad to inform you that the Bank early this year released draft regulations whose objective is to ensure that E-Money Issuers and Payment Service Providers conduct their businesses prudently and in accordance with the provisions of the relevant legal provisions including the Banking Act, Central Bank of Kenya Act, the Proceeds of Crime and Anti-Money Laundering Act, the Companies Act, the Microfinance Act, and the SACCO Societies Act.

Ladies and Gentlemen: The public policy objective of Central Bank in the National Payments Systems is to ensure safety, efficiency and effectiveness of the payment system as a whole. In this regard, please allow me to point out that with increased use of mobile phone money transfer services by the wider general public, inherent system-wide implications are bound to arise and therefore it is prudent for all stakeholders to ensure;

- That appropriate measures are put in place to safeguard the integrity of the systems at all times in order to protect customers against risks such as frauds, loss of money and loss of privacy.
- That the system will provide adequate measures to guard against money laundering among others.
- That the system is capable of mitigating the risks of access by non-authorized persons such as hackers and others.
- We have operating platforms within reach and disaster recovery sites in secure locations and tested at all times.

Ladies and gentlemen: In conclusion, I wish to thank Airtel and its Management team for the important role it is playing in the economy. With these few remarks I wish to declare Airtel Money Transfer Service Brand officially launched.

Thank you.