



CENTRAL BANK of SOLOMON ISLANDS

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FOR IMMEDIATE RELEASE

Simbe: Mobile Phone Banking has Potential for Solomon Islands

(Honiara, 04.03.10)- The Deputy Governor of the Central Bank of Solomon Islands (CBSI), Mr. Gane Simbe recently attended the Pacific Central Bank Financial Inclusion Working Group meeting held in Port Vila, Vanuatu last week.

Simbe highlighted on his return that the concept of Mobile Phone Banking has the potential to bridge the geographical distance between islands in the country.

He says this will make financial services available to the majority of rural people, especially those who are currently excluded.

Simbe however says that the key to realizing this potential is for the service providers to demonstrate that there is a business case towards providing this particular service here in the Solomon's.

"The technology to deliver mobile phone banking is already available but this is not the question; the decision however will be mostly about the business potential this form of service has to the providers" Simbe said.

Simbe explained that there are certain legal and policy issues that firstly need to be addressed.

He said that the Solomon Island authorities which include the Central Bank, the private sector providers within the telecommunication industry and the electronic banking service providers, all need to sort out and agree on common issues in order to facilitate the introduction of such a service here in the country.

"Some key issues that must be resolved first of all are the legal provisions that clarify whether mobile phoning banking is a banking business or a money transfer service" he said.

"Second is the clear definition of agent banking, especially in the context of mobile phone banking".

He explained that there is a need to clarify questions on the “Know Your Customer” concept in order to meet the Anti-Money Laundering standards, especially in the context of agent banking.

He said that the question of Consumer Protection which protects and empowers consumers of the product must also be clarified.

Simbe added that CBSI supports the financial services inclusion initiatives promoted by private sectors and non government organizations and said that this approach will help to ensure the majority of people living in the rural areas can access financial services.

Meanwhile, the Deputy Governor will be holding discussions with all stakeholders concerning this proposal. This includes the private sector, NGOS and the government to discuss issues in order to reach some form of resolutions, before mobile phone banking service can be established in the Solomon Islands.

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