



CENTRAL BANK of SOLOMON ISLANDS

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Bank keen on mobile phone banking service

(Honiara 24.08.10) - The Solomon Islands Government can transform the lives of its rural people by supporting and encouraging the introduction of mobile phone banking services in the country.

These remarks were made by the Central Bank of Solomon Islands (CBSI) Deputy Governor, Mr. Gane Simbe who recently attended the Pacific Financial Inclusion Program Working Group meeting held from the 3rd -5th of August in Nadi, Fiji.

Mr. Simbe made these comments this week, highlighting that with the liberalization of the telecommunication market and the ongoing work to expand coverage of the mobile network in Solomon Islands, the current mobile network providers already have the infrastructure required to set up mobile phone banking services in the country.

“In the past, Government policies aimed at bringing financial services to the rural population have failed because of the high cost of providing these services, due to the geographic make up and the spread of the population throughout the country” Mr. Simbe said.

He explained that mobile phone banking can operate on a branchless banking model and can be facilitated through the mobile phone network operators’ infrastructure, including their appointed agents around the country.

The mobile phone unit that each person has in his hand will be the means where a person can receive his salary, pay bills to businesses, transfer money to relatives, top up mobile phone air time, make deposit or cash mobile money account from a mobile phone top up agent.

The fact that these transactions can be completed within seconds from anywhere in Solomon Islands, so long as there is mobile phone service coverage, will save people money and time from standing in queues in banks or travelling long distances to a bank branch.

“Mobile phone banking is a money transfer service and not a banking business as defined under the Financial Institutions Act”, Mr. Simbe stated.

“Before mobile phone banking can be introduced as a service here in the country, the Government through its respective agencies must clarify regulatory issues regarding licensing, anti-money laundering requirements, customer identification requirements and most importantly, the strengthening of consumer protection laws to protect customers as users of this service”, he added.

The Central Bank will be working with other stakeholders in order to form a working committee that will help facilitate the introduction of this product in Solomon Islands.

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