



The Level One Project Guide

A Blueprint for Inclusive IPS

Welcome to the Level One Project Guide

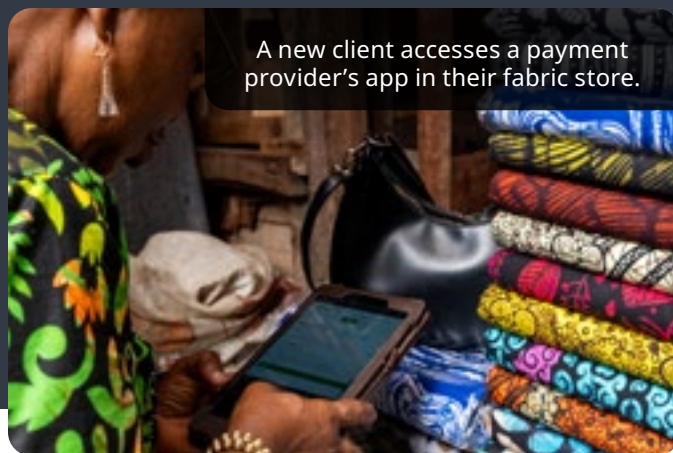


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For more information, including tools to help implementation, visit leveloneproject.org



Level One Project Guide

01. Situating the Level One Project



“Payment systems aligned with Level One Project principles meet the needs of low-income users, so that everyone benefits from an economy that includes everyone.”

Kosta Peric
Gates Foundation

Goals of an L1P-Aligned System

The goal of the Level One Project is to realize useful, convenient and affordable payments for all. Without usefulness, convenience, and affordability, Inclusive IPS will not reach the scale needed to transform financial access and wellbeing for low-income individuals and small businesses.

Useful

A payment system is useful when it seamlessly integrates into daily life, allowing users to pay anyone and be paid by anyone, securely, either in person or remotely. This means ensuring interoperability, supporting multiple uses (paying a business, receiving a government disbursement, sending a remittance) and making payments as reliable and intuitive as cash.

Convenient

A payment system is convenient when a digital payment option is readily available, hassle free, not prone to error, and eased by good user experience and interface design. This means encouraging Digital Financial Service Providers (DFSPs) to build user-friendly interfaces and scale their services to make instant payments a ubiquitous option – available at any location at any hour, proximately or remotely.

Affordable

Equally important, an Inclusive IPS must be affordable — low-cost for both users and participating DFSPs. Keeping fees minimal for DFSPs helps those DFSPs keep costs low for end users. Leveraging economies of scale ensures that financial inclusion is not a luxury but a reality.

The Level One Project advocates that Inclusive Instant Payment Systems are a means to achieving these ends.

An Inclusive Instant Payment System

An Inclusive Payment System (Inclusive IPS) is based on irrevocable credit push transfers, operating in real-time, which facilitates safe payments, regardless of use case or participating DFSP, which is governed with input from participants and operated on a not-for loss business model that prioritizes affordability for end users and participants.

By prioritizing usefulness, convenience, and affordability, Inclusive IPS can enable digital payments that are widely accessible and sustainable.

“AfricaNenda emphasizes the requirement that an Inclusive Instant Payment System be, first and foremost, Inclusive. Inclusive captures the essential nature of our desired outcome — that the payment system be meaningful for everyone, especially those who are currently excluded.”

Robert Ochola, AfricaNenda



Customers speak to vendors at a market in Ghana.

Delivering on an Ambitious Vision

Since the inception of the Level One Project, the Gates Foundation and its global partners have been pursuing a simple, ambitious vision: that Inclusive **Instant Payment Systems (Inclusive IPS) can deliver useful, convenient, affordable, digital payments to the lowest-income communities** and facilitate their full participation in their economies.



A woman purchases a necklace using mobile money in Rwanda.

From the start, the Level One Project articulated an aspirational blueprint for what an inclusive, real-time domestic retail payment system could look like. More than ten years later, these aspirations are being realized by many of the world's economies as central banks and DFSPs collaborate to develop or continually improve Inclusive IPS. With the blueprint guiding real implementations, good practices have emerged, and the vision, once aspirational, is being realized.

As the market has developed, so has terminology. Today the term Instant Payment System (IPS) has mostly replaced past terms like Real-Time Retail Payment (RTRP) and Fast Payment System, and the term Inclusive IPS has become a powerful assertion of embedding inclusivity into these systems.

The L1P Principles

An Inclusive IPS delivers on the following core Principles:

- ☒ **Instant Payment**
Credit push transfers of funds from the payer to the payee are completed in real-time with funds immediately available for use by the receiver

- ☒ **Interoperable**
Scheme enables bank and non-bank DFSPs to seamlessly exchange payments

- ☒ **Pay Everywhere for Anything**
End users can send and receive payments for all necessary purposes

- ☒ **Inclusive Governance**
Scheme offers equal ownership opportunities to DFSPs, and input mechanisms to all participants

- ☒ **Low Fees for End Users**
Scheme ensures transaction fees are affordable for end users

- ☒ **Safe Payments**
Scheme ensures that users can conduct their transactions safely

- ☒ **Shared Capabilities**
Scheme and DFSPs jointly invest in shared capabilities

These core Principles are supplemented by a series of related Practices and additional design Guidance for implementors. Learn more in Section 02 and on leveloneproject.org.

Taken together, the Level One Project provides a vision and a blueprint for how a payment system can deliver real value to all end users and DFSP participants.

“True value relies on being co-created with its members and participants.”

Sarel Myburgh, SACD TCIB

“Interoperability is fundamental to a payment system that is useful, convenient, and inclusive. Pix was built with an ‘interoperability-by-design’ approach, enabling all PSPs to participate in the payment ecosystem on an equal footing. As a result, the vast majority of Pix transactions are between end users at different institutions, achieving a high degree of network effect.”

Carlos Brandt, PIX, Banco Central do Brasil

Progress: An Expanding IPS Ecosystem

Today we reflect on the progress achieved and look out into an ecosystem of increasing enthusiasm and appreciation for Inclusive Instant Payment Systems. This is a result of the large-scale successes in Brazil (Pix) and India (UPI), each a result of sustained efforts by in-country champions, working to provide digital public infrastructure (DPI) to serve their economies and communities. Other markets like Pakistan, Spain, and Thailand are now achieving remarkable progress not only in terms of impressive traction in their markets but also in terms of making the IPS useful, convenient and affordable. Innovations in domestic and regional systems have followed and continue. Among them are advancements by BCEAO, Tanzania, Rwanda, and SADC TCIB, which have each leveraged core Inclusive IPS design choices and tailored them to build systems that best serve their market priorities and in some cases, span across borders.

[See more on L1P in Action in Section 03](#)

“The number one question we are asked by our stakeholders is how to ensure that the payment system is useful, convenient and affordable. AfricaNenda is pleased to have this very practical resource to share with our partners.”

Robert Ochola, AfricaNenda

The concept of real-time payments is now mainstream, with countries of all sizes rolling out these payment rails. While many of the IPS are relatively new and still gaining traction, core Level One Principles like interoperability, once considered by many as a provocation to the industry, are now widely accepted. Design choices to prioritize near real time settlement and instant clearing, certainty of payee, and the value of user-friendly interface design are no longer theoretical goals, but demonstrated capabilities, definitional to Instant Payment Systems.

Even the goal of inclusivity (and government support) itself has become more mainstream, with AfricaNenda coining the term of art “Inclusive Instant Payment Systems,” and leading the industry with a definition that emphasizes government support and stated inclusion goals. AfricaNenda’s annual reports evaluate live systems in Africa against this inclusivity barometer and point to a model which may be replicated in other regions.

Principles & Practices Worksheet

After years of refinement and market input from implementors of domestic systems, technologists, and regulators, we have distilled practical guidance on system design into a standalone resource: An L1P Principles and Practices Worksheet. The worksheet acts as a quick reference. It aligns a set of good Practices against core L1P Principles and is intended to be used as catalog of activities by anyone aspiring to create a new Level One Project aligned Instant Payment System or by those who wish to improve upon aspects of an existing IPS. Practitioners familiar with the goals and rationale for L1P may want to jump immediately to the Worksheet to start putting these Principles into action. On the Level One Project website (and in this appendix), each Practice is accompanied by related sets of Guidance and related resources, offering the implementor an even deeper level of how-to support.

[Jump to the Principles & Practices](#)
[View on leveloneproject.org](#)

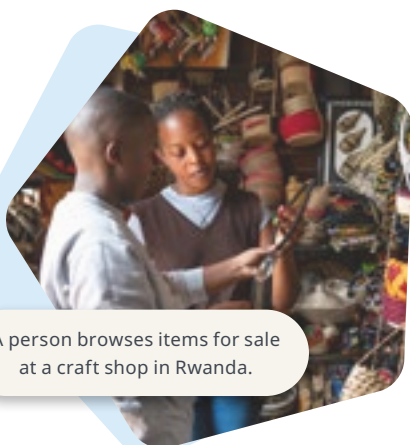
Technically, IPS have evolved apace. Implementors may take their pick from commercially provided off-the-shelf and custom platforms, or use open-source software (OSS). The Mojaloop OSS is one such option, providing a low-cost platform for Inclusive IPS. Open-source solutions for technology platforms, fraud mitigation, and digital ID are now in-market solutions, demonstrating that these critical capabilities can be affordable and attainable for countries of all sizes. Meanwhile, enabling regulatory environments have ushered in new mandates for digital and financial inclusion, pairing technical advancement with explicit government priorities.



View of a local market in Rajshahi Bangladesh.

“The single most important attribute is convenience. As Raast is *Foree* (instant) and *Asaan* (easy/simple to use) and SBP’s objective is that all digital payment needs to be convenient as per the user’s needs.”

Sohail Javaad, State Bank of Pakistan



A person browses items for sale at a craft shop in Rwanda.

Demonstrated Successes Driving Scale

The greatest successes in driving volumes today have emerged from consumer and merchant demand for better payment options in ready markets. The success of Pix in Brazil highlights smart design focused on delivering ultra-low-cost transfers to both DFSPs and to end users. The case is instructive in pointing us to a key driver of ultra-low cost, which is achieving scale. Similarly, the phenomenal growth of UPI in India continues to illustrate the essential value of an Inclusive IPS.

In mature markets, the merchant use case drives volumes that outpace government salary or social distributions. With enabled merchants, Inclusive IPS provide more useful and affordable digital payments for daily transactions. Merchants also gain from accepting digital payments as the security demands of cash are minimized and they maintain access to liquidity via funds that are immediately available to them.

Though we expect to see government use cases (G2P and P2G) as critical for market development, it will be the role of governments to utilize the IPS to facilitate both disbursements and collections and the role of DFSPs to facilitate coresponding account opening. In newly digitizing markets, government payments are well-positioned to provide a catalytic stimulus to making an IPS truly useful.

On the Horizon: Persistent Challenges and New Opportunities

Still, alongside this progress, certain challenges persist in delivering on the promise of truly inclusive payments. The challenge of delivering ultra-low-cost transfers remains a work in progress in many markets.

The risks associated with fraud in digital payments are prevalent and must be treated as a high priority for the Inclusive IPS ecosystem. Payment systems relied upon for income payments and social disbursements must be stronger and more resilient than any other method. We know that the trust of low-income users, and especially women, is fragile, and must be earned. Incidents of fraud disproportionately harm women and the poorest. The L1P team has issued updated guidance on fraud prevention and has supported open-source software for fraud prevention, Tazama, which may be integrated or built upon by countries and organizations. These are critical and impactful steps toward prevention of fraud. Nevertheless, the persistent threat of fraud will be an evolving challenge and one which will require sustained ecosystem efforts to combat.



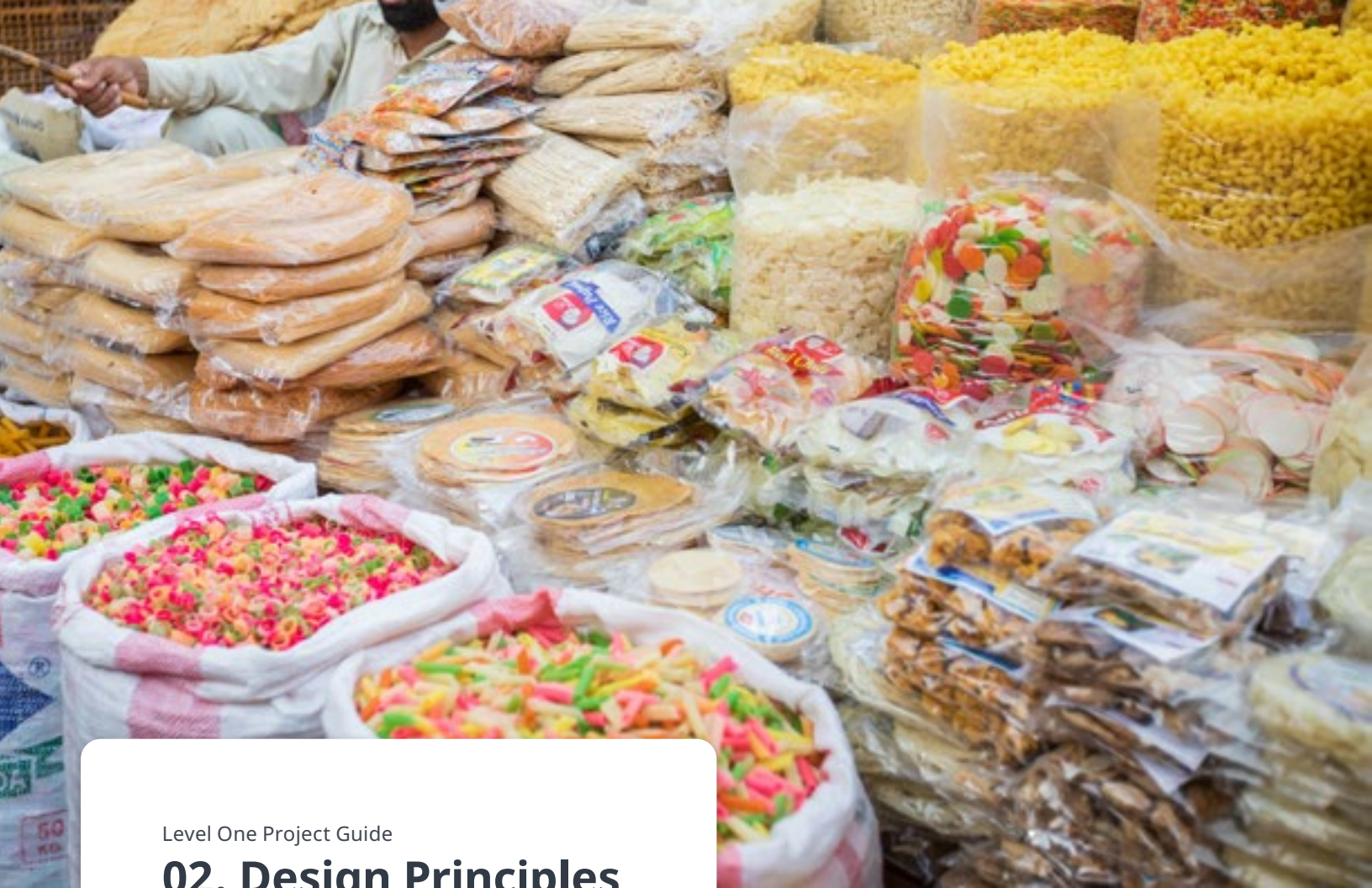
A vegetable vendor at a market in Ethiopia.



People shopping for fruit at a market in Kigali Rwanda.

Just as we commit to addressing challenges, we look to improving the usefulness, convenience, and affordability of instant payments for all — encouraging systems to promote multiple use cases, improve user experience, and commit to end user awareness. Emerging evidence suggests that schemes that use a single, visible brand appear to drive more adoption and grow faster than those that do not. The power of a visible brand to signal trust and raise awareness of the IPS now takes its place in the list of design Practices.

Also new to the L1P guidance is an explicit recommended Practice to consider how an Inclusive IPS can support policymaker and DFSP use of Gender-Disaggregated Data. By measuring disparities in the use of payments by men and women, the ecosystem can make better payments available for all.



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02. Design Principles, Practices, & Lenses

Countries across the globe are implementing instant payment systems and demonstrating how design choices can lead directly to inclusion. In these short-form cases, L1P highlights inspiring examples from these countries and shares what it has learned from these systems and our partners in topical briefs and linked reports.

The Principles & Practices

The Level One Principles offer an essential blueprint for building an Inclusive IPS. Still, implementation teams will face more detailed decisions on how to design a system that works in their market context and aligns with these Principles. The Principles are supported by a set of Practices that bring each Principle to life and spell out more direct actions for enabling L1P-aligned outcomes.

Here we list each Principle and its supporting Practices. The Level One Project Worksheet found in Appendix A offers a quick view of each Practice, Why it Matters, and which lenses it is associated with. This can be a point of departure for exploring the Level One content. By visiting the [Level One Project website](#), the reader will find even more resources and detail, including more detailed Guidance for each practice and Tools to support implementation of the practices. For more detail on how to implement the Practices, the [Level One Project website](#) offers a set of corresponding Guidance for each Practice.

Instant Payment

Credit push transfers of funds from the payer to the payee are completed in real-time with funds immediately available for use by the receiver.

Definition. Scheme rules ensure that credit transfer instructions are the payment type and that these messages should be completed in real-time, using good funds, and are irrevocable once initiated. Irrevocability, or requiring that the funds cannot be recalled or reversed, ensures that the payer is in control of the payment and the payee can confidently use funds. Interbank settlement should also occur quickly.

Why it matters. Key benefits of instant payments are immediate funds availability for both consumer and merchant end users and that they cannot be reversed, making them less costly overall for DFSPs.

“By settling transactions in real-time, TIPS improves operational and liquidity needs for banks and nonbanks.”

Lucy Charles-Shaidi, Bank of Tanzania

Supporting Practices

- Irrevocable
- Near Real-time Settlement
- Good Funds

Interoperable

Scheme enables bank and non-bank DFSPs to seamlessly exchange payments.

Definition. All banks and non-banks licensed to hold accounts such as commercial banks, e-money issuers, and microfinance institutions must be eligible to participate in the Scheme, ensuring that any end user can pay or be paid by any other end user digitally, regardless of the DFSP they use.

Why it matters. This fosters competition — which ultimately lowers cost to end users — expands access, and ensures a seamless payment experience, making the IPS more inclusive, and useful for underserved communities.

Supporting Practices

- Modern Technical Architecture
- Data Readiness
- Embraces Technical Providers

Pay Everywhere for Anything

End users can send and receive payments for all necessary purposes.

Definition. The Scheme supports key domestic and cross-border retail use-cases, including P2P, P2M, P2B, P2G, G2P, B2P and CICO, ensuring that users can pay and be paid by each other everywhere. The ability to pay everywhere includes merchants or businesses, schools, utilities, and government entities, for all necessary purposes domestically and cross-border.

Why it matters. This ensures the Inclusive IPS can meet diverse financial needs, making it more useful for merchants, businesses, governments, and ultimately for underserved communities.

Supporting Practices

- All Use Cases
- Government Use
- Access Points
- Merchant Enablement
- User Friendly Interface Design
- Network Service and Availability

Inclusive Governance

Scheme offers equal ownership opportunities to DFSPs, and input mechanisms to all participants.

Definition. Scheme rules must provide participants equal ownership opportunities in Scheme governance and formal and informal mechanisms to provide input on the direction of the Scheme, including the Scheme rules.

Why it matters. This helps scale the Inclusive IPS by ensuring fair participation, competition, and innovation, which drives lower costs and creates a more useful, widely adopted payment system.

Supporting Practices

- Government Role
- Inclusive Scheme Rules
- Regulated & Supervised
- Representative Leadership
- Embedded Voice of the User
- Common Scheme Branding

Low Fees for End Users

Scheme ensures transaction fees are affordable for end users.

Definition. Fees to end users (individuals, merchants, billers, etc.) should be very low, possibly zero, and may vary by use case. DFSPs should realize most revenue from adjacent, value-added services, rather than from payment fees. The Inclusive IPS ensures that the original value of the amount transferred is not diminished by unnecessary fees or costs when it reaches the payee.

Why it matters. This reduces cost barriers, encourages adoption, and ensures that digital payments remain accessible and affordable, especially for underserved populations.

Supporting Practices

- Not for Loss Business Model
- Low Fees for DFSPs
- Design Accommodates Basic User Devices

Safe Payments

The Scheme ensures that users can conduct their transactions safely.

Definition. End users must have information they need to safely conduct transactions, ensuring that they are confident in paying the right receiver, are clear on the amount of the payment prior to commitment, and are protected by the system from fraud.

Why it matters. The experience of fraud, loss of funds, or other mistakes in or misuse of transaction data can have a severe negative impacts on end user safety and perceived security, especially on low-income women end users, and may lead to a loss of trust in the Inclusive IPS.

Supporting Practices

- Fraud Rules
- Fraud Liability
- Transparent Terms
- Alias Addressing
- Certainty of Payee
- Data Protection
- Simplified Customer Due Diligence
- Notifications
- User Awareness & Capability Building

Shared Capabilities

Scheme and DFSPs jointly invest in shared capabilities.

Definition. The Scheme and DFSPs must invest together in capabilities that they all benefit from, such as fraud management, directory, sanctions and AML screening of cross-border transfers, offering value to DFSPs, trust to end users, while reducing costs.

Why it matters. Working together and sharing costs allows the Inclusive IPS to achieve more than the scheme or a single DFSP could accomplish on its own. Doing so enables broad improvements that promote a safer and more robust payment system, allowing it to grow and scale more quickly.

Supporting Practices

- Gender Disaggregated Data
- Shared Services
- Merchant Directory



Lenses

The Level One Project has always recognized the complexity of bringing an Inclusive IPS to life. We advocate for a set of interdependent Principles which, taken together, result in resilient payment rails that reach the poorest. Still, implementors will face choices of sequencing and parsing certain design decisions. Some areas are particularly complex. To help decision-makers and implementors navigate these complexities, we offer a new set of thematic lenses, which explain why certain Principles and Practices are particularly important to specific contexts.

The lenses offer a way to view and navigate L1P guidance. The current lenses are fraud, cross border, and women's inclusion. This newly developed lens content has added substantially to the resources available to support implementors making design choices for their Inclusive IPS. With each lens comes a full report, detailed Guidance, and supporting tools.

Using the lenses to get deeper guidance:

Lenses reference L1P Principles and are searchable tags which append to publications in the Library and posts on the website. Lenses also identify which Practices are particularly important in specific thematic areas context. In many cases, the lenses also point to additional Tools: Market Illustrations, Focus Notes, and Design Notes.



The Women's Inclusion Lens

Each L1P Principle has implications for women's inclusion — as women benefit especially from payments that are useful, convenient, and affordable. Use the Women's Inclusion lens to understand how to prioritize and implement design choices that offer the most catalytic impact for women's inclusion in the payments ecosystem. This lens highlights L1P practices that encourage participation by non-bank DFSPs, keeping processes transparent and simple, prioritizing safe payments, and centering user experience as core to the success of driving volumes and values for the Inclusive IPS system.

"As the ecosystem started advocating for gender intentionality in IIPS deployment, implementors started asking 'How? What does that mean?' We've been grappling with this question. This Toolkit points toward practical ways an implementor can deliver on gender intentionality."

Dilwonberish Aberra
Gates Foundation



The Fraud Lens

Inclusive IPSs are well placed to lead the ecosystem toward minimizing the detrimental impact of fraud on end users. Most directly, Inclusive IPSs can achieve this by providing standards and tools to their digital financial service providers (DFSPs) that are designed to help them manage fraud risk while reducing the cost to individual participants.

DFSPs have a direct relationship with end users to whom they provide transaction accounts. This gives impetus for DFSPs to implement fraud risk controls that prevent loss of end user trust and use of services. Clarity that end users are not responsible for financial losses in cases of confirmed fraudulent transactions provides further incentive for DFSPs to manage the risk closely. The ecosystem will be made safer and more inclusive with Inclusive IPSs defining what strong risk management looks like, providing tools to DFSPs, and establishing data guidance.

The fraud mitigation lens offers a consolidation of essential guidance to help entities enact effective fraud mitigation while preserving a commitment to inclusion. This guidance is also integrated within core level One Principles and Practices.

"Effective fraud mitigation is necessary and achievable to ensure the continued growth and usability of inclusive, interoperable payments systems."

Matt Bohan
Gates Foundation



The Cross-Border Lens

The payment needs of the poor also include affordable and useful cross-border transfers. Inter-scheme interoperability creates efficiencies and scale; these efficiencies increase along with the number of connections. In the cross-border context, all of the L1P Principles apply. Still, some Practices take on heightened relevance due to the additional complexity when transacting outside national borders. The cross-border lens offers guidance on achieving these specific L1P Principles and Practices in the cross-border context.

“Relied upon by millions of low-income workers and their families, international remittance is an essential yet costly and complex part of the economic system. Simplifying direct cross-border merchant payments by integrating foreign exchange within inclusive instant payments systems will drive the next wave of economic growth through increased everyday usefulness. Increased volume and transparent pricing are key to reducing costs.”

Miller Abel

Gates Foundation



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03. Principles in Action: Market Illustrations

Countries across the globe are implementing instant payment systems and demonstrating how design choices can lead directly to inclusion. In these short-form cases, L1P highlights inspiring examples from these countries and shares what it has learned from these systems and our partners in topical briefs and linked reports.

BCEAO Pi

Payment System – Plateforme d’Interopérabilité des Services Financiers Numériques (Pi)

Background

BCEAO is a monetary union, which has provided a common currency and monetary policy since 1994. Until now, it lacked a common retail, instant payment system. The new Pi system will connect Burkina Faso, Benin, Côte d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

Use Cases

All use cases will be available at implementation for both individual and bulk transfers.

L1P Principles & Practices in Action

- ✓ **Interoperable**
- ✓ **Modern Technical Architecture**
- ✓ **Pay Everywhere for Anything**
- ✓ **Shared Capabilities**
- ✓ **User Friendly Interface Design:** Participating institutions can integrate aspects of a mobile interface and design resource to improve the end-user experience
- ✓ A central database of **Alias Addresses** and a standardized API for accessing the platform
- ✓ **Merchant Enablement** including a standardized and interoperable QR code allows consumers to pay any merchant and allows merchants to send a request for payment to consumers
- ✓ **Common Scheme Branding** with the Pi name

Scheme Owner

Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO)

Scheme Operator

Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO)

Participants

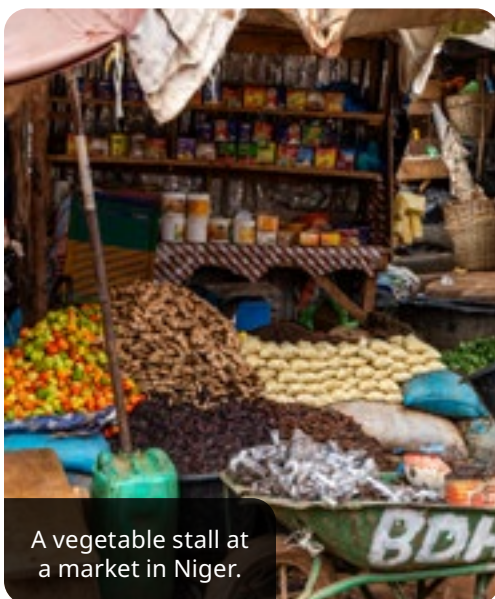
Commercial banks (74),
Electronic Money Issuers (9),
Decentralized financial system (17)

Volumes

Not yet available

Implemented

Pilot phase in June 2024.
Full implementation with participation open to all DFSPs expected in late 2025.



A vegetable stall at a market in Niger.

Noteworthy

- Transfers are cross-border, same currency (CFA Franc)
- Payment messaging based on ISO 20022
- Messages are secure through digital signing and Public Key Infrastructure (PKI)

Behind the Scenes

Notes from the development process:

- Payment platform developed by internal staff
- A digital sandbox was set up to allow participating institutions to test how their systems integrate with the new payment system

Learnings

- The sandbox is an instrumental feature that allows DFSPs to have the experience of a complete working environment before moving into full production. Was also a learning environment for the BCEAO
- Use of the standardized API to access the platform lowers the barriers for DFSP participation in the new payment system

Potential Reach

83 M Adults*

Mobile Phone Ownership:

66%**

Toward Impact:*

- 35% Adults with Account
- 17% with Financial Institution
- 30% with Mobile Money Account

Gap in Women's Account Ownership:

- 13%

* The Global Findex Database 2021, World Bank, 2022, excludes Burkina Faso

** International Telecommunication Union. Mobile-Cellular Subscriptions. ITU DataHub



Tanzania Instant Payment System (TIPS)

Background

Previously, transfers between bank and mobile money accounts were carried out via an inefficient and costly web of bilateral agreements.

Use Cases

All use cases are in general use for both individual and bulk transfers. B2G and G2P are in pilot stages now, with full implementation forthcoming.

L1P Principles & Practices in Action

- ✓ **Instant Payment**
- ✓ **Interoperable**
- ✓ **Modern Technical Architecture**
- ✓ **Shared Services**
- ✓ **Real-Time Settlement**
- ✓ Use of the standardized and interoperable QR code and Merchant ID number allows consumers to pay any merchant

Scheme Owner

Bank of Tanzania

Scheme Operator

Bank of Tanzania

Participants

Commercial banks (39),
Electronic Money Issuers (6),
Merchant aggregators (1),
Microfinance banks (3)

Volumes

Almost 454 million transactions in calendar year 2024 (a 92% increase over 2023)

Implemented

Live pilot in early 2021.
Full availability in 2022.



A group walks in a village in Tanzania.

Noteworthy

- Interoperable, Instant Payment platform, enabling seamless exchange between all licensed DFSPs in Tanzania using Modern Technical Architecture, including a look up service to identify DFSPs and an API connecting the RTGS settlement system and the digital platform, allowing DFSPs to easily fund or defund their TIPS Accounts
- Real-Time Settlement: Settlement of TIPS transactions is conducted in each participants' TIPS Settlement Account (a ledger that reflects funds held in a pooled clearing account with the Bank of Tanzania). Banks and non-banks can maintain TIPS Settlement Accounts, while only banks may maintain clearing accounts with the RTGS system to fund the TIPS Accounts

Behind the Scenes

Notes from the development process:

- Payment platform designed and developed by internal staff
- Non-bank DFSPs can place a portion of their trust account balance held in commercial banks into a dedicated TIPS settlement account at the Bank of Tanzania that is used to directly fund TIPS transfers. Tanzania is the first country in Africa to enable this for Instant Payments

Learnings

- Real-time gross settlement of TIPS transactions greatly minimizes DFSP liquidity needs
- A national Merchant Directory facilitates interoperability and ease of transacting via a standard merchant ID that can be used for payment by QR codes or via USSD channels

Potential Reach

34 M Adults*

Mobile Phone Ownership:

82.5%**

Toward Impact:*

- 52% Adults with Account
- 23% with Financial Institution
- 45% with Mobile Money Account

Gap in Women's Account Ownership:

- 13%

* The Global Findex Database 2021, World Bank, 2022, excludes Burkina Faso

** International Telecommunication Union. Mobile-Cellular Subscriptions. ITU DataHub



Rwanda National Digital Payment System (RNDPS)

Background

An outcome of the national Cashless Policy (2015) and the National Payment System Framework & Strategy (2017), RNDPS is a central component of the ongoing national commitment to financial inclusion.

Use Cases

P2P, P2M, and bill payment.

L1P Principles & Practices in Action

- ✓ **Instant Payment**
- ✓ **Interoperable**
- ✓ **Shared Services**
- ✓ Includes an **Alias Directory** of eKash_IDs and an alias look up service that enables **Certainty of Payee**
- ✓ DFSPS market transfers to end users as “eKash”, a **Common Scheme Branding** recognized by consumers
- ✓ **Gender Disaggregated Data** is actively used as a key tool for understanding the financial inclusion impact of the RNDPS along with other demographics (age group, social classes, and geographic location)
- ✓ A **Merchant Directory** provides a standard identifier for businesses that leverages acquirer codes with an additional two-digit pre-fix

Scheme Owner

RSwitch

Scheme Operator

RSwitch

Participants

Commercial banks (10),
Mobile money operators (2),
MFIs (2)

Volumes

Approximately 3 million per month

Implemented

Initial implementation in 2022 with 2.0 launch in early 2025.



A woman shops for crafts at a stall in Rwanda.

Noteworthy

- Originally launched in 2018, the RNDPS is now considered a digital public infrastructure and was collaboratively developed by the National Bank of Rwanda (the central bank) and RSwitch (a commercial entity designated as the national e-payments switch)

Behind the Scenes

Notes from the development process:

- Initially launched in 2018, the approach has been to holistically engage all relevant governmental and private entities. RISA, the Rwanda Information Society Authority, part of the Ministry of ICT, served as the project owner for the transition to a new platform
- A key objective of the move to a new platform (RNDPS 2.0) was to ensure that any future development needs could be sourced from within the country, contributing to the selection of the Mojaloop OSS. Even though there were no Mojaloop systems integrators in market at the time, training was provided and the development plan was completed on time
- Another key objective of RNDPS 2.0 enhancements was to integrate MFIs, SACCOs and fintechs into the digital payment ecosystem, in addition to adding new use cases

Learnings

- SACCOs and MFIs can more easily take advantage of the payment scheme when technical support can be provided
- USSD sessions are expensive for DFSPs that serve low-income markets. Future adoption of smart phones and data-based apps is expected to further accelerate usage because they are lower cost to DFSPs
- Maintaining the existing merchant till structure developed by the different DFSPs encourages adoption
- Bulk registration of DFSP account holders resulted in significant transaction growth. Consumers may opt out of if they do not wish to have an eKash ID

Potential Reach

7 M Adults*

Mobile Phone Ownership:

56%**

Toward Impact:*

- 50% Adults with Account
- 37% with Financial Institution
- 31% with Mobile Money Account

Gap in Women's Account Ownership:

- 11%

* Findex Data, 2017

** ITU, 2023



SADC TCIB

Transactions Cleared on an Immediate Basis (TCIB) | Southern African Development Community

Background

As a regional, cross-border retail payments switch, TCIB development followed the regional RTGS. Extensive stakeholder consultation resulted in a design evolution from an ACH-like solution to a real-time switch.

Use Cases

P2P (at present) - expanding into B2B and P2M.

L1P Principles & Practices in Action

- ✓ **Instant Payment**
- ✓ **Interoperable**
- ✓ **Pay Everywhere for Anything**
- ✓ **Inclusive Governance**
- ✓ **Safe Payments**
- ✓ TCIB is a regional, central switch with **Near Real-Time Settlement** and an optional **Confirmation of Payee** functionality
- ✓ The Scheme **Embraces Technical Enablers** and has **Inclusive Scheme Rules** while also supporting the **Tiered KYC** and other regulations based on the country jurisdiction
- ✓ The Scheme is organized as a **Not for Loss Business Model** focused on building out low-cost services with **Low Fees for DFSPs**

Scheme Owner

SADC CCBG [BankservAfrica appointed as Scheme Manager]

Scheme Operator

BankservAfrica

Participants

52 current Scheme Members with nine live Participants. Approximately 50/50 split among bank and non-bank participants.

Volumes

Approximately 100,00 transactions per month

Implemented

2021



People sit at cocktail tables in South Africa.

Noteworthy

- As a regional switch, a regional RTGS settles transactions in South African rand (ZAR), the dominant local currency. To avoid the costly double foreign exchange conversion this implies when the rand is not the origination or destination currency, TCIB is 1) onboarding new currencies to the regional RTGS, and 2) enabling BankservAfrica to be a settlement agent in national RTGS settlement
- ZAR settlement takes place several times per day
- Developed collaboratively by the SADC Banking Association, TCIB was entrusted to BankservAfrica to manage the scheme and to operate the platform after it went live. A TCIB Participant Forum provides input on scheme direction

Behind the Scenes

Notes from the development process:

- Fully API enabled messaging (XML or JSON options)
- Payment messaging based on a minimal set of ISO 20022, which aligns with the message in other regional payment systems but is not so extensive that it can denigrate data bandwidth

Learnings

- Regulatory support is essential to ensure active DFSP use of the switch instead of continued reliance on traditional correspondent channels
- A commercial model which properly incentivizes all DFSPs needed to be developed to encourage participation by both sending and receiving DFSPs
- Launching with P2P as the sole use case, the initial market fit proved to be a limiting model for the cross-domain customer base which needed to cater to the needs of both banks and non-banks. As a result, TCIB is now expanding into a full spectrum of retail use cases
- The lack of regulatory harmonization on a regional basis continues to be a limiting factor, as does uneven DFSP readiness at the jurisdictional level
- Market readiness for end-to-end digital payments varies widely, highlighting the need to fill market gaps and move away from Cash In, Cash Out as a dominant model

Potential Reach

209 M Adults*

Mobile Phone Ownership:

69%**

Toward Impact:*

- 49% Adults with Account
- 34% with Financial Institution
- 33% with Mobile Money Account

Gap in Women's Account Ownership:

- 10%

* Findex data, excludes Seychelles

** ITU Data





Level One Project Guide

04. Appendix - Principles & Practices Worksheet

Principles & Practices Worksheet

This summary inventories each L1P Design Principle and its corresponding Practices.



A woman purchases a necklace using mobile money in Rwanda.

When taken together, these Principles sum to an Inclusive Instant Payment System, promoting useful, affordable payments for all.

As Implementors, we recognize you will be working toward these Principles at various paces and phases. This worksheet is intended to help you navigate the Practices and note which may have been more or less accomplished. We encourage you to annotate your progress against each to guide your next phases of design, development, and evaluation.

For additional guidance and tools, explore the L1P website here: leveloneproject.org

Using the Summary:

Entries in this worksheet are organized by Principle.

Each Principle entry is followed by its associated Practices.

Icons indicate which lens or lenses apply to the practice. You can read more about lenses on the level one website.

A progress checklist is available to note your own progress on your Inclusive IPS implementation.

Principle

Principle Title

☐ Accomplished

☐ In Progress

☐ Not Yet

Principle definition and description



Practices

Associated Principle

Practice Title

☐ Accomplished

☐ In Progress

☐ Not Yet

Practice definition and description



Associated Principle

Practice Title

☐ Accomplished

☐ In Progress

☐ Not Yet

Practice definition and description



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L1P Principles & Practices

Women's Inclusion Lens 

Cross-Border Lens 

Fraud Prevention Lens 

Principle



Instant Payment

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Credit push transfers of funds from the payer to the payee are completed in real-time, with funds immediately available for use by the receiver.

Scheme rules must ensure that credit transfer instructions are the payment type and that these messages should be completed in real-time, using good funds, and are irrevocable once initiated. Irrevocability, or requiring that the funds cannot be recalled or reversed, ensures that the payer is in control of the payment and the payee can confidently use funds once received. Interbank settlement should also occur quickly.

Key benefits of instant payments are immediate funds availability for both consumer and merchant end users and that they cannot be recalled, making them less costly overall for DFSPs.

Practices

Instant Payment



Irrevocable

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme rules must require that a transfer cannot be recalled or cancelled once it has been initiated by the payer.

This provides the certainty on the ownership of the funds, specifically, that the funds are available to the payee at moment of irrevocability, allowing them to use the funds immediately.

Instant Payment



Near Real-Time Settlement

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Balances must be resolved between DFSPs as close to real-time as possible. This principle extends to cross-border transfers and to completing final and irrevocable foreign exchange (FX) settlement in multiple currencies for all cross-border transfers.

This lowers costs by improving liquidity balances and minimizing the need for intra-day credit. The potential for systemic risk and costly failures are also minimized when outstanding obligations between DFSPs are low.

Instant Payment



Good Funds

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The payment transaction is funded from the value stored in the payer's wallet or account, is irrevocable once initiated, and is immediately available in the payee's account for their use.

This ensures certainty by providing immediate access to the funds by the receiver while also minimizing the risk and cost of failed payments due to insufficient funds.

Principle

**Interoperable**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme enables bank and non-bank DFSPs to seamlessly exchange payments.

All banks and non-banks licensed to hold accounts such as commercial banks, e-money issuers, and microfinance institutions must be eligible to participate in the Scheme, ensuring that any end user can pay or be paid by any other end user digitally, regardless of the DFSP they use.

This fosters competition — which ultimately lowers cost to end users — expands access, and ensures a seamless payment experience, making the IPS more inclusive, and useful for underserved communities.

Practices

Interoperable

**Modern Technical Architecture**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

A platform — as defined by Scheme rules – must provide at least switching, settlement, fraud management services, and an alias lookup and mapping service that maps an end user alias to the DFSP holding their wallet(s) or account(s). The Platform is designed to connect to other appropriate domestic or cross-border systems, as needed. All use cases leverage the same underlying payment order and settlement protocols, as well as additional technical protocols that support use-case specific needs, such as Request to Pay and QR Code.

This ensures efficiency, interoperability, and security. Common design makes the platform less expensive to maintain and also facilitates educating staff and participants on how it works.

Interoperable

**Data Readiness**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Data should be structured using ISO 20022 and designed to support all use case needs while also minimizing the passage into or retention of personally identifiable information by the platform. Governance mechanisms ensure secure and efficient exchange among DFSPs, as well as information-sharing guidelines, to lower the instance of fraud or failed transfers.

This makes onboarding and interoperability easier and less expensive, making the Inclusive IPS more useful and adaptable to changing regulatory or Scheme requirements.

Interoperable

**Embraces Technical Providers**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme rules should support sponsored, non-licensed aggregators, fintechs, processors, forex providers and similar third-party providers connecting to the system to perform functions for end users or DFSPs.

This ensures a wider range of services, enhances innovation, tends to lower costs and expand access, making Inclusive IPS more useful for both end users and DFSPs.

Principle



Pay Everywhere for Anything

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

End users can send and receive payments for all necessary purposes.

The Scheme should support key domestic and cross-border retail use-cases, including P2P, P2M, P2B, P2G, G2P, B2P and CICO, ensuring that users can pay and be paid by each other everywhere. The ability to pay everywhere includes merchants or businesses, schools, utilities, and government entities, for all necessary purposes domestically and cross border.

This ensures the Inclusive IPS can meet diverse financial needs, making it more useful for merchants, businesses, governments, and ultimately for underserved communities.

Practices

Pay Everywhere for Anything



All Use Cases

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme should support the processing of payments associated with all use cases and the tracking of use case type in the payment message.

Support for all use cases, domestic and international, ensures that all of end users' daily payment needs are met. From a Scheme perspective, identification of the use case supports better tracking of information and when combined with gender-disaggregated data tracking will enable a better understanding of different end users' preferences and usage patterns.

Pay Everywhere for Anything



Government Use

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Government agencies should use the Scheme for all types of retail disbursements (G2P) and collections (P2G).

This ensures greater scale for the Inclusive IPS, and signals trust in the system, making it more useful for all people, including underserved communities.

Pay Everywhere for Anything



Access Points

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Access points, a category ranging from agents, branches, and ATMS, should be readily available for users to open or upgrade an account, transact, deposit cash in, and withdraw cash out. Merchants are also a type of access point, but not all merchants facilitate usage of financial services beyond payment transactions.

Widespread access points ensure users can easily transact and carry out other needed financial services, making the Inclusive IPS more useful.

Pay Everywhere for Anything



Merchant Enablement

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Inclusive IPS should optimize the merchant (i.e., merchant selling goods and services, as well as billers) experience for payers (consumer and business end users) as well as the merchant payees.

Merchant acceptance of digital payment is a critical element in scaling usage and encourages consumers to keep value in their wallet or account in order to make essential daily purchases.

Pay Everywhere for Anything



User Friendly Interface Design

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The user interface (UI) should be simple, intuitive, easy to locate and navigate to support usability. The UI is also designed to prevent user errors and fraud; this includes saving frequent recipients and language localization. UI should also provide the ability to enter a complaint and request assistance.

Effective UI makes the Inclusive IPS more useful, accessible, and trustworthy for all end users reducing transaction mistakes and increasing confidence, especially for underserved communities that are less familiar with digital tools or may not speak the dominant language.

Pay Everywhere for Anything



Network Service & Availability

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Network and service should be reliable and dependable for DFSPs as well as end users.

This ensures that users, especially those in rural and remote areas, can access the Inclusive IPS anytime they need, making digital payments useful and dependable for everyday transactions and financial needs.

Principle



Inclusive Governance

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme offers equal ownership opportunities to DFSPs, and input mechanisms to all participants.

Scheme rules must provide participants equal ownership opportunities in Scheme governance and formal and informal mechanisms to provide input on the direction of the Scheme, including the Scheme rules.

This helps scale the Inclusive IPS by ensuring fair participation, competition, and innovation, which drives lower costs and creates a more useful, widely adopted payment system.

Practices

Inclusive Governance

Government Role

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Government must play an influential role in the Scheme regardless of whether it wholly or partially owns the Scheme. In particular, the central bank should leverage its authority toward an inclusive Scheme design. Many Government entities are also important end users.

A close relationship between Scheme and Government, most especially the central bank, ensures that the Inclusive IPS is a central part of financial inclusion and digitization efforts. Also, Governments are often important payers and payees in a country. Importantly, a key role for Government helps ensure that the policies and regulations that shape the Scheme are fully considered.

Inclusive Governance



Inclusive Scheme Rules

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme Rulebook must clearly articulate the roles and responsibilities of DFSPs and the Scheme itself, while also defining the guarantees for ensuring the Scheme remains inclusive and sustainable. In addition to operational aspects, the Scheme rules also include the requirements for the aspects of the Inclusive IPS that protect end users like disputes and complaints and fraud mitigation efforts by participants, as well as a positive end user experience, such as user-friendly interface design.

Thoughtful, unambiguous wording of the Scheme rules ensures clarity on requirements and also minimizes potential misunderstandings between the Scheme itself and participants, which can be detrimental to Scheme performance and reputation.

Inclusive Governance



Regulated & Supervised

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Regulation of the Scheme by a financial regulator(s) should establish a sound, regulatory environment for inclusive payments.

This makes the Inclusive IPS more competitive and also builds trust by making digital payments safer and more widely used.

Inclusive Governance



Representative Leadership

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The leadership of the Inclusive IPS should meaningfully reflect the diversity of the populations it serves by ensuring women — especially from marginalized backgrounds — are intentionally included, represented, and empowered in decision-making roles and encouraging participants to do the same.

Representative leadership results in improved system and ecosystem outcomes. improved commercial and social returns, greater innovation, improved risk management, governance, and crisis resilience.

Inclusive Governance



Embedded Voice of the User

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Inclusive IPS governance structure should include a formal channel for consumer organizations that serve broader needs of women and end users (individuals and business owners) to inform deliberations about the Scheme's rules and their evolution.

A genuine role for consumer groups can drive adoption. When institutions who represent end-users play a role, co-owning system design, they are more likely to champion the platform, encourage and support onboarding of end users, and facilitate adoption — driving deeper system growth and sustainability.

Inclusive Governance



Common Scheme Branding

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

All DFSPs and access points should adopt and use a common trade name and logo for the Inclusive IPS payment services.

This makes digital payments more recognizable, trusted, accessible, widely adopted, and ultimately, more useful. This creates a level of equity in branding among DFSPs.

Principle



Low Fees for End Users

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme ensures transaction fees are affordable for end users.

Fees to end users (individuals, merchants, billers, etc.) must be very low, possibly zero, and may vary by use case. DFSPs should realize most revenue from adjacent, value-added services, rather than from payment fees. The Inclusive IPS ensures that the original value of the amount transferred is not diminished by unnecessary fees or costs when it reaches the payee.

This reduces cost barriers, encourages adoption, and ensures that digital payments remain accessible and affordable, especially for underserved populations.

Practices

Low Fees for End Users



Not for Loss Business Model

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme must adopt a business model focused on sustainability of activities, not on profit generation. The Scheme seeks to recover its operating costs (business and platform related) through fees charged to DFSPs. A not-for-loss basis model views the Scheme needs like a utility where costs are shared and paid for over a multi-year time horizon, often defined as ten years.

This allows use of the platform to be ultra low-cost for the participating DFSPs, which, in turn, reduces operational expenses, keeps transaction costs low, and allows DFSPs to offer affordable or zero-cost transactions to end users.

Low Fees for End Users



Low Fees for DFSPs

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Fees charged to cover Scheme costs (e.g., platform development, connections to DFSPs or other entities, developing rules and ensuring compliance, general operations, settlement, etc.) must also be ultra-low, averaging no more than a few USD cents. This ensures that the fees are affordable to all types of participants and helps ensure that DFSPs are not driven to pass them on to end users. Profit and value generation should be driven at the participant level.

Low fees for DFSPs encourages financial services providers to participate in the Inclusive IPS and to use the Scheme for as many types of transactions as possible while allowing them to provide affordable payments to their end users.

Low Fees for End Users



Design Accommodates Basic User Devices

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

All primary functions must be accessible to users with inexpensive basic/feature phones through USSD or SDK interfaces.

This makes Inclusive IPS more accessible by eliminating the need for expensive smartphones, data plans or specialized devices, making digital payments more affordable and inclusive.

Principle

**Safe Payments**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

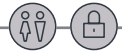
Scheme ensures that users can conduct their transactions safely.

End users must have information they need to safely conduct transactions, ensuring that they are confident in paying the right receiver, are clear on the amount of the payment prior to commitment, and are protected by the system from fraud.

The experience of fraud, loss of funds, or other mistakes in or misuse of transaction data can have a severe negative impacts on end user safety and perceived security, especially on low-income women end users, and may lead to a loss of trust in the Inclusive IPS.

Practices

Safe Payments

**Fraud Rules**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme rules must guide DFSPs in managing fraud risk and establish fraud data and information sharing guidelines.

This provides a set of standards to keep the Inclusive IPS safe and sound by preventing fraud from occurring in the first place, and if it does, to minimize its impact.

Safe Payments

**Fraud Liability**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme rules must ensure that end users are not liable for confirmed fraudulent payments. This includes fraudulent payments resulting from Authorized Push Payment Fraud (initiated by the legitimate account owner, who has been manipulated or scammed to send the payment that she believed was legitimate) or Unauthorized Push Payment Fraud (initiated by an unauthorized end user who may have taken over the account of a legitimate end user or otherwise obtained and used the legitimate account owner's information to send a fraudulent payment).

This ensures that DFSPs motivations and incentives to mitigate fraud risk are aligned.

Safe Payments

**Transparent Terms**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme must ensure that all costs and terms are disclosed to the payer before payment is made. Transparency also extends to FX rates in cross-border transfers. All terms must be accepted by the payer prior to execution.

This builds trust and empowers users to make informed financial decisions, ensuring that the Inclusive IPS remains both affordable (by preventing hidden costs) and useful (by providing clarity and confidence in every transaction).

Safe Payments



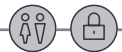
Alias Addressing

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme must support payment addressing using multiple alias types and provides alias lookup and mapping services that maps an alias to a digital financial service provider. Alias addressing provides an alternative to addressing using an account number, and may include, but not be limited to a phone number, national ID number, email address, a randomly generated code, or another identifier.

Aliases ensure privacy and ease for end users, and a choice between them allows an end user to choose the best option for their needs. Non-phone number identifiers may be especially important for ensuring privacy and should always be made available.

Safe Payments



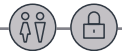
Certainty of Payee

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme must provide a confirmation of payee notification service that requires an authenticated payer to confirm the payee prior to initiation of a payment that relies on a standardized approach to account naming that makes it easy for the payer to identify whether the payee is the correct recipient.

Certainty of Payee makes Inclusive IPS more trusted and reliable by supporting end users in ensuring that they send funds to the correct recipient. This prevents errors due to mistyping, which may be especially important for low literacy and newly digital users. Standardized naming conventions minimize usefulness for fraudsters.

Safe Payments



Data Protection

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

DFSPs commit to only collecting end user data for purposes that benefit or reduce harm to end users and to safeguarding that data. Security of any data submitted by DFSPs to the Scheme also needs to be kept secure. Scheme rules and approaches to Data Protection are well aligned with relevant regulations related to collection, storage, and usage of end user data, including personally identifiable information.

This helps protect users from data disclosure, fraud and misuse. Efforts to make the system safer also encourage adoption and use.

Safe Payments



Simplified Customer Due Diligence

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Regulations support the implementation of Simplified Customer Due Diligence (CDD) by DFSPs. Simplified CDD allows for a consumer with very limited or no formal proof of identification to open a basic transaction account with controlled limits. Regulations also support digital or remote account opening methods that allow a customer to easily self-issue a basic transaction account. Ongoing, risk-based CDD approaches enable customers with more identification and established transaction history to gain higher transaction limits and expanded services commensurate with their risk profile.

This makes the Inclusive IPS more accessible and useful for underserved communities while supporting ongoing management of risk as transaction activity grows

Safe Payments



Notifications

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme must ensure that DFSPs provide notifications of account activities immediately. Notifications are controllable by the end user for privacy.

This enhances security, privacy, and transparency, making Inclusive IPS more trustworthy and useful for end users.

Safe Payments



User Awareness & Capability Building

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Promotional and educational efforts (campaigns, programs, initiatives) to drive adoption and usage of the payment system and essential financial services should be provided by DFSPs, Government, and the Scheme itself. Efforts may address use-case specific needs such as increasing merchant digital payment acceptance or access by women and low-income users.

This empowers women, low-income users, and others who lack access to financial services to confidently adopt and use Inclusive IPS, increasing accessibility, trust, and the overall utility of digital financial services.

Principle

**Shared Capabilities**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Scheme and DFSPs jointly invest in shared capabilities.

The Scheme and DFSPs must invest together in capabilities that they all benefit from, such as fraud management, alias directory, sanctions and AML screening of cross-border transfers, offering value to DFSPs, trust to end users, while reducing costs.

Working together and sharing costs allows the Inclusive IPS to achieve more than the Scheme or a single DFSP could accomplish on its own. Doing so enables broad improvements that promote a safer and more robust payment system, allowing it to grow and scale more quickly.

Practices

Shared Capabilities

**Gender-Disaggregated Data**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

The Scheme ecosystem should ensure that data on account holders and usage can be disaggregated by gender to support measurement of gender gaps and inform better designed products and services.

The collection of gender-disaggregated data (GDD) at the Scheme level may reveal patterns in gendered account ownership and use, which will equip DFSPs to tailor products and policymakers to tailor targets and strategies which better meet the needs of all users.

Shared Capabilities

**Shared Services**

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Shared services should include fraud management, directories, sanctions screening, and cross-border transfers.

This takes advantage of economies of scale to reduce payment system costs, enhance security, maintain consistent quality across participants, and ensure a seamless user experience, making the Inclusive IPS more affordable and efficient.

Shared Capabilities

Merchant Directory

- ☐ Accomplished
- ☐ In Progress
- ☐ Not Yet

Merchants should be assigned a unique identifier which is usable for both smart- and feature phones. A directory also facilitates businesses to accept multiple payment Schemes and in deploying QR codes.

Paying a business is a common need and should be ultra easy for end users to carry out and for businesses to be identified.



Level One Project Guide

05. Appendix - Glossary of Relevant Terms

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

This glossary defines common terms in the Inclusive IPS ecosystem. For definitions of L1P specific terminology on Principles, Practices, and Guidance, see [Section 04](#) or visit leveloneproject.org.

A

Addressing

The process of using of an account ID to direct a Payment from a Payer to a Payee.

Adjacencies

Ways in which entities and/or DFSPs realize revenue from services that are not directly associated with a Payment—for example, loans made to Transaction Account holders.

Agent

An authorized person or entity that handles Transaction Account opening and/or Payments or Transfers on behalf of another entity, which may be a bank or a non-bank provider of financial services. Cash-In, Cash-Out is a common service provided by Agents.

Aggregator

A specialized form of a merchant services or bill payment provider, that handles Transactions for a large number of small merchants. Agent aggregators also exist. Aggregators may connect directly to the Level One Platform or through a relationship with a DFSP. Scheme Rules often specify what aggregators are allowed to do.

Alias

An easy to remember, unique identifier associated with a Transaction Account. Sometimes this is referred to as an Account ID or Proxy ID.

Anti-Money Laundering (AML)

Initiatives designed to prevent individuals or entities from using Payment systems to disguise illegally acquired funds as legal.

Application Program Interface (API)

A method of communication to allow interaction and sharing of data between different software or Technical Protocols.

Authentication

The mechanism whereby systems securely identify their End Users. Authentication systems provide answers to the questions: “Who is the user?” “Is the user really who she represents herself to be?” In Payments systems, PINs and biometrics are common methods of Authentication.

Authorization

The permission given by the Payer or entity to make a Payment.

Automated Clearing House (ACH)

An electronic bank transfer system that processes Credit Push and/or Direct Debit Payments in a batch process.

B

Bank

A chartered financial entity within a country that has the ability to accept deposits and make and receive Payments into customer accounts.

Basic Phone

Minimum mobile device required to use digital financial services.

Bilateral

Arrangements involving two parties. Used in terms such as Bilateral netting where two counterparties agree to net their mutual obligations before Settlement, and the Bilateral link model for pairwise interlinking of Payment systems.

Biometric Authentication

The use of a physical characteristic of an individual (e.g., fingerprint, IRIS) to authenticate that individual.

Blockchain

A technology that creates distributed architectures. In Payments systems, often a reference to a shared ledger that records and validates Transactions.

Brand

A word and/or mark approved by the Scheme for use by Participants.

Bulk Payment

A Payment from a single Payer to multiple Payees, for example cash transfer programs from a single government entity or NGO to a set of beneficiaries.

C

Cash-In

Receiving eMoney credit in exchange for physical cash — typically done at an agent.

Cash-In, Cash-Out (CICO)

A process whereby an End User receives digital Credit in their Transaction Account in exchange for physical cash (CI) or receiving physical cash in exchange for a debit to a Transaction account (CO). CICO is typically done at an Agent.

Cash-Out

Receiving physical cash in exchange for a debit to an eMoney account — typically done at an agent.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Clearing

The exchange of information about a Payment prior to Settlement, potentially including the netting of Transactions, and the establishment of positions for Settlement of transactions between Participants.

Closed Loop

A Payment system with one provider, who has a direct relationship with both the Payer and the Payee. Closed Loop contrasts with Open Loop.

Combatting Terrorist Financing (CFT)

Initiatives to prevent individuals or entities from using Payment systems to send funds to individuals or entities associated with terrorism.

Commission

A type of Fee or incentive Payment typically made to an agent or other intermediary who acts on behalf of a Payment Services Provider. Provides an incentive for an Agent.

Complaint

A customer's action to formally lodge a grievance for a variety of reasons, including a request to return funds due to fraudulent activity or a technical or clerical error. An unresolved Complaint may be transitioned to a Dispute Resolution process.

Credit Transfer

A Payment or Transfer of funds initiated by the Payer DFSP to the Payee DFSP. A Credit Transfer is often referred to as a 'credit push transfer' because the funds are 'pushed' from the Payer's Transaction account. Credit Transfer contrasts with Direct Debit.

Cross-Border

A Transfer from a Payer DFSP domiciled in one country, to a Payee DFSP that is domiciled in another country.

Cross-FX Transfer or Cross Currency Payment

Transfer involving multiple currencies including a foreign exchange calculation.

Customer

The Customer of a system. The term is used for both the Payer and the Payee. Individuals, merchants, billers, governments, and other enterprises are all customers. Sometimes referred to as End-Users.

Customer Due Diligence

A set of processes carried out by a DFSP to establish a relationship with a customer and to monitor that relationship on an ongoing basis for the purposes of AML/CFT compliance and fraud mitigation. CDD goes beyond initial customer identification and verification at account opening (often referred to as know-you-customer processes) and includes processes such as customer risk profile assessment, transaction monitoring, and reporting. FATF guidelines offer additional information on recommended CDD measures.

D**Daily Wholesale Rate**

The wholesale exchange rate for a currency pair, typically published daily by a central bank or the Scheme, which represents the rate at which large financial institutions are willing to exchange currencies for Cross-Border Transactions.

Data Privacy

The protection of Personal Information and transaction data from unauthorized access, use, or disclosure.

Digital Financial Services Providers (DFSPs)

A bank or non-bank financial services provider that is licensed by a regulatory authority to provide Transaction Accounts which hold End User funds and are used to make and receive Payments.

Digital Liquidity

A practice of keeping value in Digital form, rather than exchanging the Digital value for cash (physical form).

Digital Public Good

As defined by the Digital Public Goods Alliance – an "open-source software, open data, open AI models, open standards, and open content that adhere to privacy and other applicable laws and best practices, do no harm by design, and help attain the Sustainable Development Goals."

Digital Public Infrastructure

As defined by the Digital Public Goods Alliance – a "set of shared digital systems that should be secure and interoperable, and can be built on open standards and specifications to deliver and provide equitable access to public and / or private services at societal scale and are governed by applicable legal frameworks and enabling rules to drive development, inclusion, innovation, trust, and competition and respect human rights and fundamental freedoms."

Direct Debit

A Payment or Transfer of funds initiated by the Payee DFSP to the Payer DFSP. A Direct Debit is often referred to as a 'debit pull transfer' because the funds are 'pulled' from the Payer's Transaction Account. Direct Debit contrasts with Credit Transfer.

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Directory

A centralized, federated, or decentralized holding of Payment identifiers to be used for Addressing, accessible by the Payments system or DFSPs.

Disclosure

The provision of information by a DFSP or Platform to End Users regarding fees, terms, conditions, rights, and obligations associated with the use of the Payments System.

Dispute Resolution

The process to arbitrate between the parties involved in an unresolved Complaint.

Domestic

Describes a Transaction between two DFSPs domiciled in the same country.

Double FX Conversion

The process by which two different currencies can be converted when there is insufficient or no market liquidity in the currency pair, typically involving converting into and out of a third, more highly traded currency. For example, exchanging a Zambian kwacha (ZMW) for Malawi (MWK) may only be possible by first exchanging the ZMW for a US dollar (USD) value and then exchanging the USD for MWK. The process typically results in an excessive loss of value due to having two foreign exchange margins applied.

E**Ecosystem**

The network of Participants, services, technologies, End Users, and enabling environment that interact to enable and support the functioning of a Payments System.

eMoney

An electronically transactable currency instrument and a claim against a licensed e-Money Issuer, supported by deposits in a commercial bank.

eMoney Issuer

A DFSP licensed in the country to issue eMoney.

End User

The customer of a DFSP. The customer may be a consumer, a merchant, a government, or another form of enterprise.

End-User Fees

Fees assessed by a DFSP to their End User customer.

Enterprise

Any non-individual person who is a customer of a DFSP: includes Merchants, Billers, Government Agencies, and other enterprises.

Escrow or Trust Account

A means of holding funds for the benefit of another entity. eMoney issuers are usually required by law to hold the value of End Users' eMoney balances at a bank, typically in what is called a 'trust account'. This practice helps to isolate and safeguard funds.

Exceptions

Transactions that are erroneous or fraudulent and typically must be manually investigated or adjusted, adding additional costs to the process.

Exchange Rate Markup

Costs providers add on top of the exchange rate.

F**Feature Phone**

A mobile telephone with more data capabilities than a Basic Phone, but less than a Smart Phone.

Fees

Charges assessed by a provider to their End User. This may either be a fixed fee, a percent-of-value fee, or a mixture.

Fiat Currencies

Official money issued by the central bank of a country or region as legal tender.

Financial Inclusion

The sustainable provision of affordable digital financial services that brings the Low-Income End Users into the formal economy.

Financial Literacy

Consumers and businesses having essential financial skills, such as preparing a family budget or an understanding of concepts such as the time value of money, the use of a product or service, or the ability to apply for such a service.

Fintech

A term used to describe the intersection of finance and technology. 'Fintechs' are entities that provide innovative solutions in the finance space, leveraging technology and playing a variety of roles in the Ecosystem. Sometimes Fintechs are referred to as third-party providers or technical enablers.

Float

In banking, float is created when one party's account is debited or credited at a different time than the counterparty to the transaction. In eMoney, an obligation of a non-bank provider, is sometimes referred to as float.

Fraud

An intentional act, misstatement, or omission designed to deceive others, resulting in the victim suffering a loss or the perpetrator achieving a gain.

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Fraud Risk Management

The application of controls by a Payments ecosystem stakeholders to protect both the entities and the integrity of the ecosystem from reputational and financial harm. “Fraud risk mitigation” and “Fraud risk management” are often used interchangeably.

FX

Foreign Exchange or the process of converting different currencies as part of the exchange of value.

FX Rate

The value at which one currency can be exchanged for a different currency. For example, the value at which a South African rand (ZAR) can be converted to a Malawi kwacha (MWK).

G**Good Funds**

Funds that are immediately available, irrevocable, and fully settled, ensuring that a Payment can be completed without risk of reversal due to insufficient balance or failed Settlement.

Governance

The collection of management approaches, decisions, and oversight functions within the Scheme. Scheme governance can set the tone for everything that occurs in the Scheme.

Gross Settlement

A method of settling financial obligations among DFSPs and a scheme. Gross Settlement processes each Transaction individually. The details of the Gross Settlement model are specified in Scheme Rules. Gross Settlement contrasts with Net Settlement.

H**Hub**

A term that may be used for the entity that operates the Platform on behalf of the Scheme.

I**Identity**

A set of unique attributes or traits that collectively define an individual or something that belongs to her, typically formalized into a particular type of Identity such as a national identity document or a bank account number or Alias.

Inclusive Instant Payments System (Inclusive IPS)

AfricaNenda defines this as an Instant Payment system that enables “low-value, low-cost push transactions that are irrevocable and based on open-loop and multilateral interoperability arrangements. Licensed Payment providers have fair access to the system, and Participants have equal input opportunities into the system. The central bank has a role in system governance. End-users have access to a full range of Use Cases and channels, as well as transparent and fit-for-purpose recourse mechanisms.”

The Level One Project (L1P) supports the definition above. At a more detailed level, an Instant Payment System that fulfills the L1P Principles and Practices can also be considered “inclusive”.

Instant Payment

A Credit Push transfer in which funds are transferred from the Payer to the Payee in real-time, with immediate confirmation and finality and is generally available on a 24x7 basis. The funds are fully available to the Payee upon completion of the transfer. This type of Payment is sometimes referred to as immediate funds transfer, real-time Payment or real-time retail Payment.

Instant Payments System (IPS)

A retail Payment System that processes Instant Payments. The Payment System may be enhanced such that it can be characterized as an Inclusive, Instant Payment System.

Interchange

A potential Fee type in some Payments Schemes which requires one provider to pay the other provider a fee on certain Transactions. Typically used in card schemes to effect Payment of a Fee from a merchant to a consumer's card issuing bank. Transactions in eMoney often apply interchange when the Payer and Payee DFSP are different entities.

Intermediary

An entity that facilitates a Payment or Transaction between two or more Participants, without being the originator or final recipient of funds.

Intermediary Fee

When a transaction involves multiple financial institutions, intermediary providers may charge a fee to compensate for their activity.

International Remittance

Making and receiving Payments to another person in another country.

Interoperability

The ability of a Customer with a Transaction Account in one DFSP to make a transfer to a Customer which has a Transaction Account in a different DFSP. The term may be applied to a Payment System or when two Payment Systems interconnect.

Irrevocable

A Transfer that cannot be “called back” by the Payer; once received by a Payee, an Irrevocable Transfer cannot be taken back by the Payer. Exceptions may be made when the Transfer is determined to be fraudulent or made in error.

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J**K****Know Your Customer (KYC)**

Regulatory requirements for a DFSP to establish the Identity and activities of an End User or entity, both before opening a Transaction Account and over time. See also: Tiered KYC

L**Legacy System**

A platform that has been in place for some time and likely includes dated technologies or processes.

Liability

A legal obligation of one party to another; required by either national law, Payment Scheme Rules, or specific agreements by providers. Some Scheme Rules transfer liabilities for a transaction from one provider to another under certain conditions.

Liquidity

The availability of liquid assets to support an obligation. Banks and non-bank providers need liquidity to meet their obligations. Agents need liquidity to meet cash-out transactions by consumers and small merchants.

Low Income

A term used to refer to End Users, typically individuals or merchants, when the End User has few assets, including funds available for transacting.

M**Marketplaces**

Entities that provide Digital services platforms to End Users, typically providing multiple different services. Examples of Marketplaces include eCommerce platforms, social media platforms, and transportation platforms.

Merchant

A term used to describe a broad group of entities, including stores, service providers (i.e. 'billers'), not-for-profit enterprises, and government agencies. Merchants are often receivers of funds, where Payments are made in exchange for goods and services. Merchants are also often Payers for good and services to sustain their business.

Merchant Acquirer

An entity that enables Merchants to accept Payments. Specifically, an entity that onboards Merchants, performs KYC checks, provides infrastructure for Merchants to accept and process Payments. Most Payment Systems define this term as a role, not by the type of Entity. In some Payment Systems, the Merchant Acquirer may also hold Transaction Accounts or provide credit.

Merchant Acquisition

The process of enabling a Merchant to receive digital Payment, typically facilitated by a Merchant Acquirer.

Merchant ID

A type of Identifier for a Merchant indicating her Identity and the location of her Transaction Account.

Microfinance Institution (MFI)

An entity that offers financial services to Low Income populations. Almost all MFIs give loans to their members, and many offer insurance, deposit, and other services. MFIs are considered DFSPs if they provide Transaction Accounts to their Customers.

Mobile Money Services Provider

A category of DFSPs that use mobile phones as the access method to provide Transaction Accounts to End Users.

Mobile Network Operator (MNO)

An enterprise which sells mobile phone services, including voice and data communication.

Money Transfer Operator (MTO)

A specialized provider of DFS who provides domestic and/or international remittances, among other services

Mobile Station International Subscriber Directory Number (MSISDN)

Number uniquely identifying a subscription in a mobile phone network. These numbers use the E.164 standard that defines a numbering plan for a world-wide public switched telephone network.

Multilateral

Arrangements involving multiple parties. Used in terms such as Multilateral netting where multiple counterparties agree to net their mutual obligations before Settlement, and the Multilateral link model for interlinking multiple Payment systems (e.g. in a hub and spoke model).

Multilateral Net Settlement

A type of Settlement that manages the positions of a group of DFSPs in a Scheme.

N**National Identity Document**

A credential that identifies an End User. National Identity Documents are issued by national governments.

Near Field Communication (NFC)

A communication technology used within Payments to transmit Payment data from an NFC equipped mobile phone to a capable terminal.

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Net Debit Cap

The maximum value of outstanding Liabilities a DFSP can incur at any time, typically used by the Platform to determine whether a Payer DFSP can send a new Credit Transfer, as defined in the Scheme Rules. The Net Debit Cap may be set by the Scheme or the Regulator.

Net Settlement

A method of settling financial obligations among DFSPs and a Scheme where Transactions are processed in batches, or windows, and creates Settlement entries for the net (the balance of credits and debits) position of each DFSP for that window. Settlement entries are then posted to the DFSPs account at a common Settlement bank. The details of the Net Settlement model are specified in the Scheme Rules. Net Settlement contrasts Gross Settlement.

Non-Bank

An entity that is not a bank but is licensed to provide financial services to End Users. The requirements of Non-Banks to do this, and the limitations of what they can do, are specified by Regulation. Non-Banks are considered DFSPs if they provide Transaction Accounts to their customers.

Novation

The process of replacing an original contract with a new one, transferring rights and obligations to a new party. E.g. in multilateral netting, the Inclusive IPS may become the counterparty for some Transactions.

O**Off-Us Transaction**

A Transfer between Transaction Accounts at different DFSPs. Contrasts with On-Us Transactions.

On-Us Transaction

A Transfer between Transaction Accounts at the same DFSP. Contrasts with Off-Us Transactions.

Open Loop

A Payment Scheme that is open to all DFSPs in given categories—most typically, all banks in a country. Some country Open Loop systems allow licensed Non-Bank Transaction Account providers to belong directly to the Scheme, allowing them to be described as having Interoperability. Open Loop contrasts with Closed Loop.

OTP (One Time Password)

OTP is a credential which by definition can only be used once. It is generated and later validated by the same DFSP for automatic approval. The OTP is usually tied to a specific Payer in a Payment.

Over The Counter (OTC) Services

An activity provided by an Agent when one end party does not have an eMoney account: the (remote) Payer may pay the eMoney to the agent's account, who then pays cash to the non-account holding Payee.

P**Participants**

The individual DFSPs (banks and non-banks) that have signed agreements binding them to Scheme Rules, allowing them to connect to the Platform (directly or indirectly) for the purpose of Clearing, Settlement, and other Scheme services.

Participation Fees

Fees for participation in a Payment scheme (sometimes called membership fees).

Payee

An End User that is receiving funds.

Payer

An End User that is sending funds.

Payment

An exchange of funds, credentials, and other necessary information to complete an obligation between End Users. A Transfer is a Payment.

Payment System

A broad term to describe the overall system and the payment types provided, including the Scheme, Scheme Services, and Scheme Participants.

Payment System Operator

The entity that operates a Payment System or Scheme. This is sometimes called a "Scheme Operator".

Payments Initiation Services Provider (PISP)

PISPs provide an End User interface to send and receive Instant Payments. PISPs are involved in the exchange of information but are not involved in the movement of Funds and do not hold End User Transaction Accounts.

Payments Scam

Actions conducted to trick a person or business into sending money to a fraudster who poses as a legitimate Payee, most often conducted through social media, email, or telephone.

Payments Service Provider (PSP)

A term often used broadly to refer to entities that are a part of the Payments value chain, e.g., Fintechs, Agents, Third-party Service or technology providers. Scheme Rules will specify what PSPs can do, including how PSPs may interact with the Platform. In some instances, the term PSP is synonymous with DFSP.

Payments System

A Payments Scheme, Services, and Platform. Sometimes the term includes the Settlement Bank, while other times this is considered separate from the Payment System.

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Payment vs. Payment (PvP)

Requiring obligations in one currency are settled only if the settlement of the obligations in the other currency also takes place.

Personal Information or Personally Identifiable Information (PII)

Information related to any individual person, including Customers or employees of the Scheme or of a Participant from which the individual may be identified / authenticated or recognized regardless of the form of such information. These data are highly sensitive and require strong protection.

Platform

The software or service used to send, receive, and manage Transactions between Participants. The Platform may also provide other services. A Platform is sometimes called a Switch.

Platform Operator

The entity that manages the Platform and is responsible for processing Transactions in line with requirements defined in Scheme Rules. The Operator is sometimes called the Hub Operator.

Processor

An entity that manages, on an out-sourced basis, various functions for a DFSP. These functions may include transaction management, customer database management, and risk management. Processors may also perform functions on behalf of Payments Systems, Schemes, or Platforms.

Pull Payment

A type of Transaction originated by the Payee's DFSP. Direct Debits, checks, and card payments are all Pull Payments. Pull Payments can bounce or fail for insufficient funds unless a separate Authorization is done (e.g., cards).

Push Payment

A type of Transaction initiated by the Payer DFSP. This is sometimes called a Credit Transfer.

Q**Quick-Response (QR) Code**

A method of encoding and visualization of data, which are machine readable. There are multiple QR code models.

R**Real Time Gross Settlement (RTGS)**

A term used to describe Payments using Gross Settlement and being processed continuously, typically a wire transfer and, increasingly, an instant Payment. Contrasts with Net Settlement.

Regional Payment Exchange

A Cross-Border Payments System that enables transactions between Participants in multiple countries within a defined geographic region.

Regulator

A governmental organization given power through national law to set and enforce standards and practices. Central Banks, Finance and Treasury Departments, Telecommunications Regulators, and Consumer Protection Authorities are all regulators involved in digital financial services.

Regulation

The rules set by authorities that define how Payment systems and financial institutions must operate to ensure safety, fairness, and inclusion. (see for comparison, Supervision)

Remittances

Payments from one End User to another, either domestically or Cross-Border.

Request to Pay

A message by which a Payee 'requests' Payment from a Payer. A Request to Pay is often used to describe a Merchant that requests a Push Payment from an End User. This is sometimes called a Request for Transfer.

Retail Payment

A Payment of Transfer between End Users, typically of lower value and higher volume than wholesale Payments of large value.

Risk

An area of weakness that may be exploited. Risks may exist in one or many parts of a Payments system.

Risk Management

The practices that enterprises employ to understand, detect, prevent, and manage various types of risks. Risk management occurs at Payment Services Providers, at Payments Systems and Schemes, at Processors, and at many Merchants.

Risk-based Approach

A regulatory and/or business management approach that creates different levels of obligation based on the Risk of the underlying Transaction or End User.

Rules

The practice and standards necessary for the functioning of Payment services defined by the Scheme. Rules are sometimes referred to as 'Scheme Rules'.

S**Scheme**

A set of rules, practices, and standards necessary for the functioning of a Payment System.

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Scheme Owner

The entity that has day-to-day responsibility for the Scheme, manages the Scheme Governance and stakeholder engagement, and is the final Scheme Rules authority

Scheme Rules

Rules written by a Scheme which bind DFSPs and other Participants. Sometimes called “Operating Rules” or “Business Rules”.

Settlement

A process by which Participants settle their obligations to each other and / or to the Scheme related to the exchange of Transactions as set out in the Scheme Rules.

Settlement Bank

A bank appointed by the Scheme to be a partner in managing the Settlement and in which each Participant shall have a bank account for the purpose of Settlement. The Settlement Bank is often the central bank in an Inclusive IPSs.

Small or Medium Sized Enterprise (SME)

A business that is smaller in size—usually measured by number of employees, revenue, or assets—but often play a large role in local economies.

Smart Phone

A device that combines a mobile phone with a computer.

Social Engineering

A broad term that refers to the scams carried out by criminals to exploit a person's trust in order to obtain money directly or obtain confidential information to enable a subsequent crime, such as Fraud in Payments.

Software Development Kit (SDK)

A set of tools, code, and documentation that helps developers build apps or services that connect to and use a Payment System.

Special Charter Banks

Entities in a country which are permitted to do a limited set of functions, as determined by Regulation. Special Charter Banks that can only accept deposits and handle Transactions are considered DFSPs in the Level One Project.

Sponsor Bank

An arrangement between an eMoney Issuer and a Bank which provides Settlement services or access to the Payment System in some cases.

Supervision

The ongoing monitoring and enforcement of rules to ensure systems and providers comply and Risks are managed. (see for comparison, Regulation)

Switch

A processing entity in a Payments System that routes a Transaction from one DFSP to another DFSP. A system may operate its own Switch, or this function may be done by one or more third parties.

Systemic Risk

In Payments Systems, the risk of collapse of an entire financial system or entire market, as opposed to Risk associated with any one individual provider or End User.

T**Technical Protocols**

A set of technical standards in a system, process, or applications. In Payment Systems, these are often called “Technical Specifications” or “Technical Requirements”.

Third Party Connection

Users of a Payment System who access the system through relationships with a DFSP. Third Party Connections may provide services to End Users or to DFSPs. The entities are sometimes called non-licensed specialty Aggregators or Processors.

Transaction Account

An account at a DFSP that holds End User funds and is used to make and receive Payments.

Transfer

Generic term to describe any financial transaction where value is moved from one account to another.

Trust Account

A means of holding funds for the benefit of another party. eMoney Issuers are usually required by law to hold the value of End Users' eMoney accounts (i.e., wallets) at a bank, typically in a Trust Account. This accomplishes the goal of funds safeguarding.

U**Unauthorized Push Payment Fraud**

A Payment initiated by an End User who is not the legitimate account owner and who may have taken over the account of an authorized user or used the legitimate End User's account information to initiate a payment without the legitimate End User's knowledge and consent.

Unbanked

Individuals that do not have a Transaction Account. Underbanked people may have a Transaction Account but do not actively use it. Underserved is a broad term referring to people who are the targets of financial inclusion initiatives.

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Use Case

The purpose of the Payment. At the most basic level, Use Cases describe the type of End User acting as the Payer and Payee. For example, when an individual serves as the Payer, these Use Cases are often identified as Person-to-Person (P2P), Person-to-Business (P2B), Person-to-Government (P2G) Use Cases.

X
Y
Z

User ID

A unique identifier of a user. This may be an MSISDN, bank account number, some form of DFSP-provided ID, national ID, and so on.

User Interface (UI)

The part of a digital Payment system that users interact with—like a mobile app screen, USSD menu, or ATM display—that lets them send, receive, or manage money.

Unstructured Supplementary Service Data (USSD)

A communication technology that is used to send text between a mobile phone and an application program in the network.

V

Value-Added Services

Services or products provided to End Users or DFSPs, more than basic Transaction services.

W

Wallet

A Transaction Account offered to customers by electronic money issuers.

Women’s Economic Empowerment (WEE):

Increasing women’s access and rights to economic resources through decent work opportunities, property and assets, Financial Inclusion, and Platforms.

Level One Project