

Case Study

# Driving financial inclusion through instant payments

Going beyond instant payment standards with innovative and accessible mobile-first payment services

**WE**NET



**BPC**



# Introduction

**WeNet is Yemen's national financial switch interbank network. Founded in 2006 by 12 local and international banks as a payments system infrastructure, it is approved by the Central Bank of Yemen.**

WeNet is owned by Murooj, a subsidiary of Hayel Saeed Anam Group and the majority shareholder of Yemen Financial Services Company.

WeNet's primary function is to facilitate and process payments in real time between the point of customer interaction (ATM, POS, ewallets) and the bank's processing system. Service offerings include a range of payment products and services for banks and retail customers. WeNet also supports the Central Bank of Yemen in the financial control and management of monetary policy in the country.

WeNet has engaged BPC to establish an instant payment infrastructure with the aim of boosting economic development in Yemen.





# Challenge

More than four years of civil war has left Yemen facing a humanitarian crisis, instability, currency depreciation and the collapse of civil and financial services infrastructure. Ninety percent of the population is unbanked and more than 20 million Yemenis lack access to formal financial services.

Furthermore, banks operating in Yemen have found themselves increasingly disconnected - both locally (due to divided territories) and globally.

WeNet recognised that resolving this disconnection and expanding access to financial services within Yemen was an imperative even amongst the many other challenges facing the country. It was clear that this needed to be done without delay.

## WeNet established a strategic plan to respond to the major challenges it would face



### Access to finance

Address country liquidity issues by introducing some of the capabilities of real-time gross settlement.



### Partnership

Create an ecosystem of partners with banks and e-money operators to ensure interoperability of financial services, everywhere, for all users.



### Inclusion

Beyond cash-centered activities to drive digital and mobile-first financial inclusion for citizens with a mobile or smartphone.



### Open up the economy

Through instant payment and trust, re-establish a dynamic economic environment to foster financial and commercial activity now and for future generations leveraging the latest industry standards.



# Solution

Following a public request for proposals WeNet chose BPC's SmartVista platform to develop its Instant Transfer Scheme (ITS) for real time retail payments and the National Switch for card payments in Yemen.

SmartVista Instant Payment and its suite of switch, card management, fraud prevention and API services was selected for its strong expertise across the payment value chain including instant payment, the robustness of its platform, time to deploy and strong local and regional support.

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## SmartVista Instant Payment key features:

- Instant payment platform and third party module
- Settlement & Reconciliation
- Smart Calculation:
  - Calculation of net debit cap for each participant with the collateral position of WENET Ledger
  - Calculation of online limits and offline (by the time of the End-of-Day report) switch and interchange fees for the participants
  - Full breakdown on the transactions and associated fees
  - Report on interchange fees affecting net debit caps to be included into the settlement process
  - Switch fees billed by end of day and charged monthly
- Notifications & Reporting: Generation of settlement reports for the participants and WENET Ledger
- Risk & Fraud Prevention: Control of online limits and performing online checks against Fraud Prevention module rules based on the real time transaction statistics
- Aggregate Accounting
- Bank gateways
- Interfaces for e-money provider, banks (online and batch), settlement bank

## End user payment flows:





# Results

With instant payment becoming the new norm globally, WeNet will benefit from operational stability, increased security for users and a drive for innovation. WeNet will enable customers of every Yemeni bank and mobile wallet company to transact easily with one another. Businesses will also benefit from enhanced cash management and economic activity, increasing the speed of commerce and simplifying treasury management with payment facilities for suppliers and employees.

## **Simplified payment experience**

With a focus on financial inclusion, the WeNet instant payment system has been built with easy to use payment functions. As an example, users can use an alias or a mobile number to transfer money to someone from their mobile, making the service accessible to all.

## **Pushing the boundaries of mobile for greater financial inclusion**

The service supports e-wallet services from all mobile operators available on GSM and smartphone devices as part of an interoperability initiative with the newly-formed National Mobile Wallet Company to provide financial access to the 90% of Yemenis currently unbanked.

## **Built to scale up**

Demand for instant payment services is expected to be high given the current liquidity crisis affecting Yemen, coupled with the large number of people who face daily difficulties in transferring funds between banks. SmartVista is designed to process more than 5000 transactions per second while its system will scale as WeNet transactions volumes rise.





### Switch & shared services

Beyond ensuring interoperability with banks and mobile operators, WeNet will be using SmartVista issuing and acquiring to become a national switch and third party processor for both local card and international schemes.

### International standards

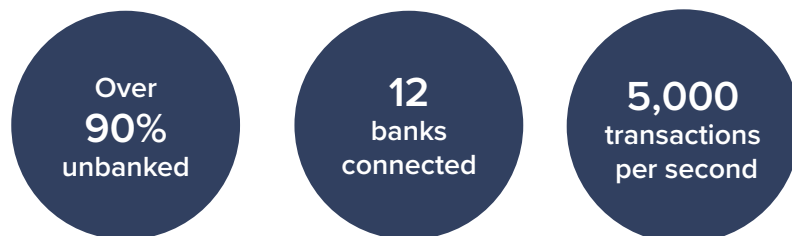
By using SmartVista, the WeNet instant payment platform ensures compliance with the latest industry standards such as ISO20022 or ISO8583 for bank and ewallet

interfaces, ensuring a secure and well-functioning interoperable infrastructure for ecosystem partners.

### National impact

Yemen will benefit from expanding access to modern financial services and reducing the heavy reliance on cash and cheques. The WeNet switch will also address liquidity issues and enable the financial industry to grow services sustainably and improve customer satisfaction and protection.

### Key facts



*“The implementation of the WeNet Instant Transfer Service will enable us to transform the company and unlock its full potential. Working with Yemen’s largest banks and payment service providers, we aim to provide innovative solutions to Yemen’s financial challenges with the objective of improving consumer spending power and reviving trade, especially in the SME segment. By minimising consumer’s dependency on scarcely available currency and maximising the collection of cash into the financial system, WeNet aims to drive funds back into circulation and stimulate the economy - and most importantly bring business back to the banks.”*

WeNet

# About BPC

Founded in 1996, BPC has transformed over the years to deliver innovative and best in class proven solutions which fit with today's consumer lifestyle when banking, shopping or moving in both urban and rural areas, bridging real life and the digital world. With 350 customers across 100 countries globally, BPC collaborates with all ecosystem players ranging from tier one banks to neobanks, Payment Service Providers (PSPs) to large processors, ecommerce giants to start-up merchants, and government bodies to local hail riding companies. BPC's SmartVista suite comprises cutting-edge banking, commerce and mobility solutions including digital banking, ATM & switching, payments processing, card and fraud management, financial inclusion, merchant portals, transport and smart cities solutions.

[www.bpcbt.com](http://www.bpcbt.com)

# Want to find out more?

Request a free discovery workshop from BPC and one of our experts will be in touch to book your 1-2-1 workshop.

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