



RESERVE BANK OF VANUATU

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PRESS RELEASE

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Amendment to MOU between Reserve Bank of Vanuatu and TRBR Marks Milestone in Vanuatu's Financial Oversight



In a landmark development, the Telecommunications and Radio Communications and Broadcasting Regulator (TRBR) and the Reserve Bank of Vanuatu (RBV) have announced an amendment to their existing Memorandum of Understanding (MOU). This revised agreement marks a significant step forward in enhancing financial oversight and regulation, specifically in the realm of Mobile Money operations. Mobile Money, a burgeoning sector in Vanuatu's financial landscape, has been a catalyst for increased financial inclusion and accessibility. This historic MOU signifies a pivotal moment in the evolution of mobile financial services for Vanuatu. RBV and TRBR are committed to working hand in hand to ensure the highest standards of service, security, and transparency for consumers in the mobile financial services sector.

With this amendment, the RBV will assume full authority to supervise Mobile Money operators, recognizing that these operations involve financial transactions. Consequently, Mobile Money services will now be subject to regulation under the National Payment System Act.

In Governor Athy's words, 'Vanuatu is a spread of 83 islands across and thus creates geographical and increased physical challenges, for the rural areas to have access to physical branches of the Banks to access formal financial services. Mobile money will allow us to achieve this critical objective. He continues to praise the MOU as 'positive working collaboration, recognizing the potential of mobile money products and services in Vanuatu, enabling both regulators to realize this core financial inclusion agenda, whilst further boosting economic activities in local markets. Governor acknowledges 'that thanks to the Government Universal Access Policy, with TRBR as Regulator, mobile connectivity has been achieved through most of Vanuatu's islands. He strongly believes the outcomes of the MOU will hugely improve access on usage of financial services through mobile money. So through this amended MOU, mobile money or e-money will be regulated under the National Payment Systems Act No. 8 of 2021. Going forward, RBV is committed to establishing the necessary guidelines, the regulatory frameworks and licensing requirements around this joint undertaking.

In similar fashion, TRBR Regulator Mr. Brian Winji elaborated on key milestones that have built the momentum of progress, leading to resultant MOU between RBV and TRBR. The Universal Access Policy has not been without its challenges, notably COVID19 and the series of cyclones in recent years. Currently the policy is extended to lapse at end of 2024. From recent findings of audit report, TRBR is pleased that almost 90% broadband. TRBR has undersigned several agreements with broadband operators, Market subscription in summary increased by 2.26%, as derived by the Market data collected and compiled in the Direct Communication report, mobile penetration remains at 83-84%. Market Data revenue improved by 22% from 2021 to 2022 while Data downloads increased by 99% across market revenue increased by 14.31%. Market Data revenue grew as a result of continued growth in mobile coverage in both rural and urban areas. TRBR continues to expand these efforts and such results forms the building blocks of digital mobile money services provisions.

Importantly for TRBR, as Vanuatu is slowly transitioning towards a cashless economy, by using mobile money transfer, it is more ideal and convenient for people, and why TRBR is committed towards this direction, technology is advancing and is defining the web of life, on both global and on a local scale in Vanuatu. This progression will limit human interaction in money transactions as human interaction is prone to error, and refocus human efforts in other areas, particularly in back office environments and other areas such as transportation, to generate greater productivity.

These measures contained in the MOU, demonstrate the commitment of RBV and TRBR to create a secure, transparent, and customer-centric mobile financial services environment. The collaborative effort aims to protect consumer interests, maintain technological reliability, and uphold regulatory standards in the mobile financial sector in Vanuatu. This impressive collaborative effort was facilitated by active engagement of United Nations Capital Development Fund (UNCDF), which provided the necessary policy analysis and technical assistance to enable both RBV and TRBR to recognize the critical need to handle mobile financial transactions efficiently.

The signing ceremony on this momentous occasion occurred on 21 September 2023 at 8.30am on the Bank premises. The occasion was graced by representatives from TRBR, the Reserve Bank of Vanuatu, UNCDF and underscores their commitment to fostering a resilient, secure, and inclusive financial ecosystem in Vanuatu.

Reserve Bank of Vanuatu