



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE RESERVE BANK OF VANUATU

AND

**THE TELECOMMUNICATIONS,
RADIOCOMMUNICATIONS AND BROADCASTING
REGULATOR**

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This Memorandum of Understanding (MoU) is made this 21st day of September, 2023

Between

RESERVE BANK OF VANUATU

PMB 9062, Port Vila, Vanuatu

(referred to as "RBV")

AND

**TELECOMMUNICATIONS RADIOCOMMUNICATIONS AND BROADCASTING
REGULATOR**

P.O Box 3547, Port Vila, Vanuatu

(referred to as "TRBR")

WHEREAS:

- A. The RBV is established by the *Reserve Bank of Vanuatu Act* CAP 125 (referred to as RBV Act) to regulate monetary, banking and financial conditions and the payment system and to ensure stability and soundness of the domestic financial system;
- B. The TRBR is established by the *Telecommunications, Radiocommunications and Broadcasting Regulation Act No.30 of 2009* (referred to as "TRBR") to regulate and facilitate the development of the telecommunications, radio communications and broadcasting sector, including management of radio-frequency spectrum licensing and oversight of telecommunications service providers.



The Parties therefore agree as follows:

1. BASIS OF THE MEMORANDUM OF UNDERSTANDING

- 1.1. The Parties hereto agree in this Memorandum of Understanding to cooperate with each other in the following responsibilities.
 - a) Regulation and supervision of telecommunication service operators such as Mobile Network Operators (MNOs) as well as banks and other financial institutions that offer digital financial services in order to ensure effective risk management, equitable and affordable access to financial services; protection of interest of consumers and financial viability of efficient suppliers; promotion of the availability of regulated services to all consumers; enhancement of public knowledge, awareness and understanding of regulated sectors, compliance to legislative and regulatory requirements and maintaining financial stability in the country; and
 - b) Regulation and supervision of other emerging non-traditional suppliers of digital finance or finance-like services, to address the existing gap in the regulatory framework as both Parties each have limited scope of coverage and oversight of mobile and internet-based financial services.
- 1.2. This Memorandum of Understanding is entered into on the basis of mutual respect, in a spirit of goodwill and does not affect the independence of the two regulatory bodies as stipulated in their respective legislations.

2. INTERPRETATION

2.1. To this agreement

“Communication and Technology Laws” means rules and policies that governs the use of technologies such as radio, television, cable and broadband internet.

“Consumer” means end user or customer of the telecommunication service operator.

“Cybercrime” means a crime in which a computer is the object of the crime (hacking, phishing, spamming) or is used as tool to commit an offense.

“Cybersecurity” means protection of internet-connected systems, including hardware, software and data, from cyber-attacks.



“Information” means data on financial services or payment systems and products offered by the telecommunication service operators to improve understanding and reduce inform uncertainty.

“KYC” means know your customer

“MNO” means Mobile Network Operators that offer digital financial services.

“MOU” means Memorandum of Understanding

“Non-traditional suppliers of digital finance” means other emerging suppliers of Digital finance whose operation is somewhat similar (offer finance like services) to the current telecommunication service operators.

“Parties” means the Reserve Bank of Vanuatu and the Telecommunications, Radio-Communications and Broadcasting Regulator

“RBV” means Reserve Bank of Vanuatu established under the Reserve Bank of Vanuatu Act [CAP 125] as amended.

“Telecommunication Service Operators” means Mobile Network Operators (MNOs) that offer digital financial services such as Digicel and Telecom Vanuatu Limited (TVL) and others.

“TRBR” means Telecommunications, Radiocommunications and Broadcasting Regulator established under the Telecommunications, Radiocommunications and Broadcasting Regulation Act No.30 of 2009

3. AREAS OF COOPERATION

The Parties agree to the following areas of cooperation:

- a) Share and exchange information that is necessary to facilitate supervision, regulation or monitoring of the MNOs offering financial services or payment system services including their services and products.
- b) Provide technical expertise in joint onsite examination of an MNO that offers financial services or payment system services;
- c) Provide technical opinions and comments in the drafting and reviews of legal and regulatory instruments;

- d) Conduct consumer redress and market conduct to ensure effective protection of interest of consumers using financial services offered by regulated MNOs or payment system services;
- e) Ensuring establishment of rules and guidance for consumer protection and product information to consumers and end users;
- f) Liaise in public sensitization on financial services or payment system services offered by regulated MNOs;
- g) Dissemination of public information based on data collected relating to MNOs offering financial services or payment system services;
- h) Implement government strategies or policies relating to enhancing financial services through information and communication technology;
- i) Enforcement of information and communication technology laws that relate to financial services offered by MNOs;
- j) Broader powers of the Parties to deal with cybersecurity, cybercrime, privacy and data protection;
- k) Ensuring MNOs provide information to its customers about their coverage and location of mobile money services and outlets;
- l) Ensuring the mobile money services offered by MNOs are able to handle interoperability. That is customers of other mobile network operators should be able to use the same services.
- m) Ensuring MNOs provide adequate awareness to customers on the terms and conditions including fees, charges and risks before utilizing the mobile money service. The customer information must be in the form that is effectively understood by the customers and the general public. Any changes to fees and charges structure must be disclosed and made readily available in accordance to any established guidelines that may be issued by both Parties;
- n) Cooperate to ensuring MNOs established a trust account at a bank to provide backing of all e-money on circulation for the customers. The balance of the trust account should always be greater or equal to the total e-money in circulation;
- o) Ensuring the MNOs develop appropriate framework to maintain agent network and the provision of adequate liquidity. The MNOs should establish proper rules and guidelines for its agents to maintain customer satisfaction and integrity at all times; The list, location and other particulars of all new agents and delisting of agent must be provided to the Parties;



- p) Ensuring the MNOs have a robust risk management framework for the safety of its technology infrastructure, including documented disaster recovery and a business continuity plan;
- q) Ensuring the MNOs provide an information technology audit report from an external independent and reputable auditor giving its satisfaction of the technology used in implementing the electronic and mobile money services;
- r) Ensuring the services offered by the MNOs are in compliance with their licensing conditions as provided by the Parties. Any additional services must be approved by the two Parties;
- s) Ensuring the MNOs provide timely reconciliation reports of the trust account balance and the total e-money in circulation, transaction reports of e-money, transaction with agents and between agents, total number of cash, cash out, person-to-person transfer, self-top-up, bill pay etc. to the Parties;
- t) Ensuring the MNOs provide audited financial statements within three months from its financial year end.
- u) Ensuring MNOs are in compliance with other relevant laws and regulations;
- v) Ensuring MNOs are in compliance with other future directives including current and new legislation policies, guidelines and additional requirements that may be issued by the Parties and other relevant authorities;
- w) Ensuring appropriate operating procedures and policies on “know your customer” (KYC) in compliance with local and international regulatory requirements are established by MNOs before using the services;
- x) Conduct consumer awareness and education on the rights and responsibilities of consumers and regulated MNOs offering financial services; and
- y) Cooperate in other areas of monitoring and supervision for MNOs offering financial services or payment system services as deemed necessary.
- z) (i) Mobile Financial transactions will be considered as Electronic Money and will be regulated by the Reserve Bank of Vanuatu under the National Payment System ACT No 8. 2021.
 (ii) The Reserve Bank of Vanuatu will develop the appropriate guideline, policies and regulatory framework and licensing mechanism for mobile financial services. In developing such policy initiatives, the RBV will consult with the TRBR prior to such policy initiatives
 (iii) The Reserve Bank of Vanuatu is the Regulator for Mobile Financial Services and will issue necessary directives for the mobile services operation and the TRBR will be notified of such directives before they are issued.

4. SHARING OF RESOURCES

- 4.1. The Parties may, under certain circumstances, share each other's available resources in order to fulfil what is provided for in the Memorandum of Understanding provided it is reasonable for the circumstance and must not compromise the respective independence of the two institutions and does not contravene any statute with which the Parties must conform to.

5. COMMENCEMENT AND DURATION

- 5.1. The Memorandum of Understanding shall commence from the date of its execution and remain in force until such time that the Parties, by a three months' notice, agree to terminate the Memorandum of Understanding.
- 5.2. The Parties agree that termination of this Memorandum of Understanding shall not prejudice any of the foregoing cooperative initiatives and undertake to complete existing activities prior to the date of termination.

6. EXCHANGE OF INFORMATION

- 6.1. Subject to clause seven (6) below, the Parties may exchange such information as may be necessary to carry out their respective roles to give effect to this Memorandum of Understanding.
- 6.2. The Handling of information exchange in this role is subjected to respective legislative guides.

7. CONFIDENTIALITY

- 7.1 Any information shared by the Parties pursuant to this Memorandum of Understanding must be used only for lawful supervisory or statutory purposes.
- 7.2 Where confidential information are declared by the Parties, the information must always be maintained confidential.
- 7.3 To the extent permitted by law, the Parties will hold confidential all information received from each other pursuant to this Memorandum of Understanding and must not otherwise disclose such information otherwise necessary to carry out their responsibilities or in accordance with national law.

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- 7.4 The Parties, in providing confidential written material pursuant to this Memorandum of Understanding, must be indicated on each page: **“CONFIDENTIAL – PROVIDED PURSUANT TO THE PARTIES MEMORANDUM OF UNDERSTANDING”**
- 7.5 Both Parties agree that where confidential information is made available by either the Parties in contravention of the paragraphs of this Article, such disclosing party will be solely liable in law for such disclosure.

8. AMENDMENT

- 8.1. This MOU may be amended and or varied at any time by mutual agreement of both Parties subject to reasonable notice given to the Parties provided that such amendments must not be effective unless and until reduced to writing.

9. DISPUTE RESOLUTION

- 9.1. Where there is any dispute arising from the implementation of the Memorandum of Understanding, the Parties must have recourse to all necessary means to resolve the dispute amicably. In the event that such dispute cannot be resolved, a third-Party assistance may be sought, subject to the confidentiality clauses herein.
- 9.2. It is anticipated that this Memorandum of Understanding is the effort of collaboration and promotion of goodwill cooperation between the two Parties.

10. APPLICABLE LAW TO THIS MEMORANDUM OF UNDERSTANDING

- 10.1. This Memorandum of Understanding is taken to and must be interpreted to be lawful and consistent with the laws of the Republic of Vanuatu.

11. COMMUNICATIONS AND NOTIFICATIONS



11.1. For purposes of communications or notices with respect to this Memorandum of Understanding the following are deemed to be representatives of the Parties to the Memorandum of Understanding.

- For RBV: **The Governor of the Reserve Bank of Vanuatu**
- For TRBR: **The Telecommunications, Radiocommunications and Broadcasting Regulator**

11.2. For purposes of this Memorandum of Understanding, the following is the official addresses of the Parties:

THE RESERVE BANK OF VANUATU, PMB 9062, Port Vila, Vanuatu

And

**TELECOMMUNICATIONS, RADIOCOMMUNICATIONS & BROADCASTING
REGULATOR'S OFFICE, P.O. Box 3547, Port Vila, Vanuatu**

12. PUBLICATION

This MOU will be published for public information as soon as it has been signed.



This Memorandum of Understanding is executed by duly authorized representatives, this

21st day of September 2023.

Signed for and on behalf of the
TRBR:



Mr Brian Winji Mollaviti

(Telecommunications,
Radiocommunications and Broadcasting
Regulator)

Date: 21/09/2023

In the Presence of

Signature: [Signature]

Name: KAYLEEN TAYOA

Position: PRINCIPAL LEGAL

Signed for and on behalf of the
RBV:



Mr Simeon Malachi Athy

(Governor of the Reserve Bank of Vanuatu)

Date: 21/09/2023

In the Presence of

Signature: [Signature]

Name: Linnea Tarianga

Position: Legal Counsel

[Signature] LA