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PAFI and Fintech Developments

Regional Payments Week 2019

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Payment and Securities Settlement System of the Dominican Republic

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SIPARD development:

Strengthening and expanding the use of the LBTR System.

Adaptation of the regulations with the aim of promoting a more modern legal framework, guaranteeing the security and legal certainty of payments.

Regulation of private payment systems, including their settlement in accounts within the Central Bank.

Implementation of banking subagents regulations and subsequent expansion of the figure.

Use and promotion of the virtual prepaid card instrument as a simplified first access account.

Result of Progress in the Dominican Republic



**Number of ATMs /
1,000,000
inhabitants**

2008	Ago. 2019
192	307

60%



**Number of POS /
1,000 inhabitants**

2011	Ago. 2019
6	11

82%



**Number of Cards /
1,000 inhabitants**

Tipo	2008	Ago. 2019
Crédit	174	254
Débit	242	512

**46%
TC**

**112%
TD**



**Number of IB users /
1,000 inhabitants**

2014	Ago. 2019
141	429

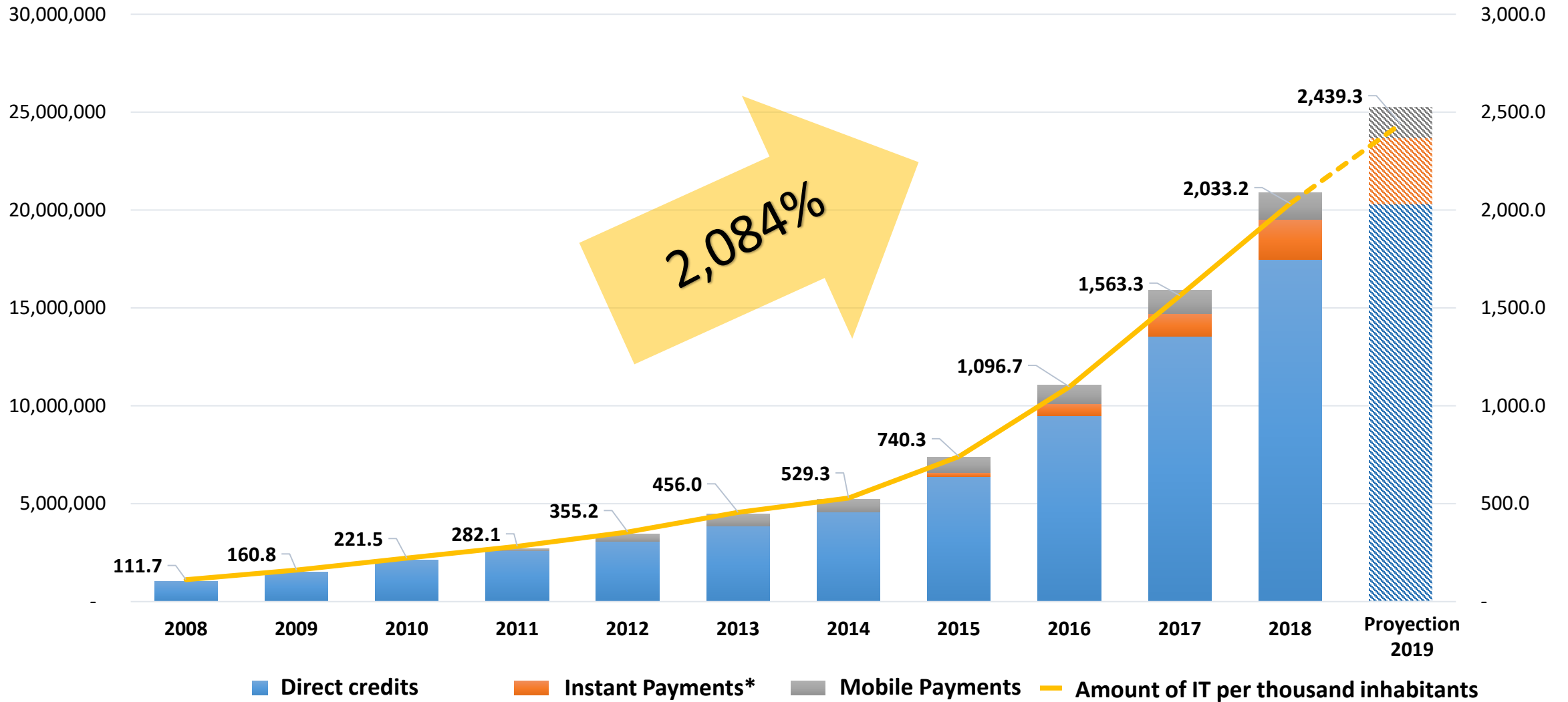
204%



2015	Mar. 2019
1,390	5,093

266%

Volume of Interbank Transfers 2008-2019 (Projection)



* Instant Payment Operations correspond to DOP and USD



GCS System Case

Fintech of Mobile Payments



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Mobile Payments – Banked



Consult



Transfers



Recharge



Pay

- GCS System through its mobile payment system called “tPago” offers bank users the possibility of linking a payment instrument, such as bank cards, or directly their account number in a financial intermediation entity, to their mobile phone (whether smart or not) in order to make payments with this device.

Mobile Payments Participants

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11

Financial
Intermediation
Entities (direct
participants)



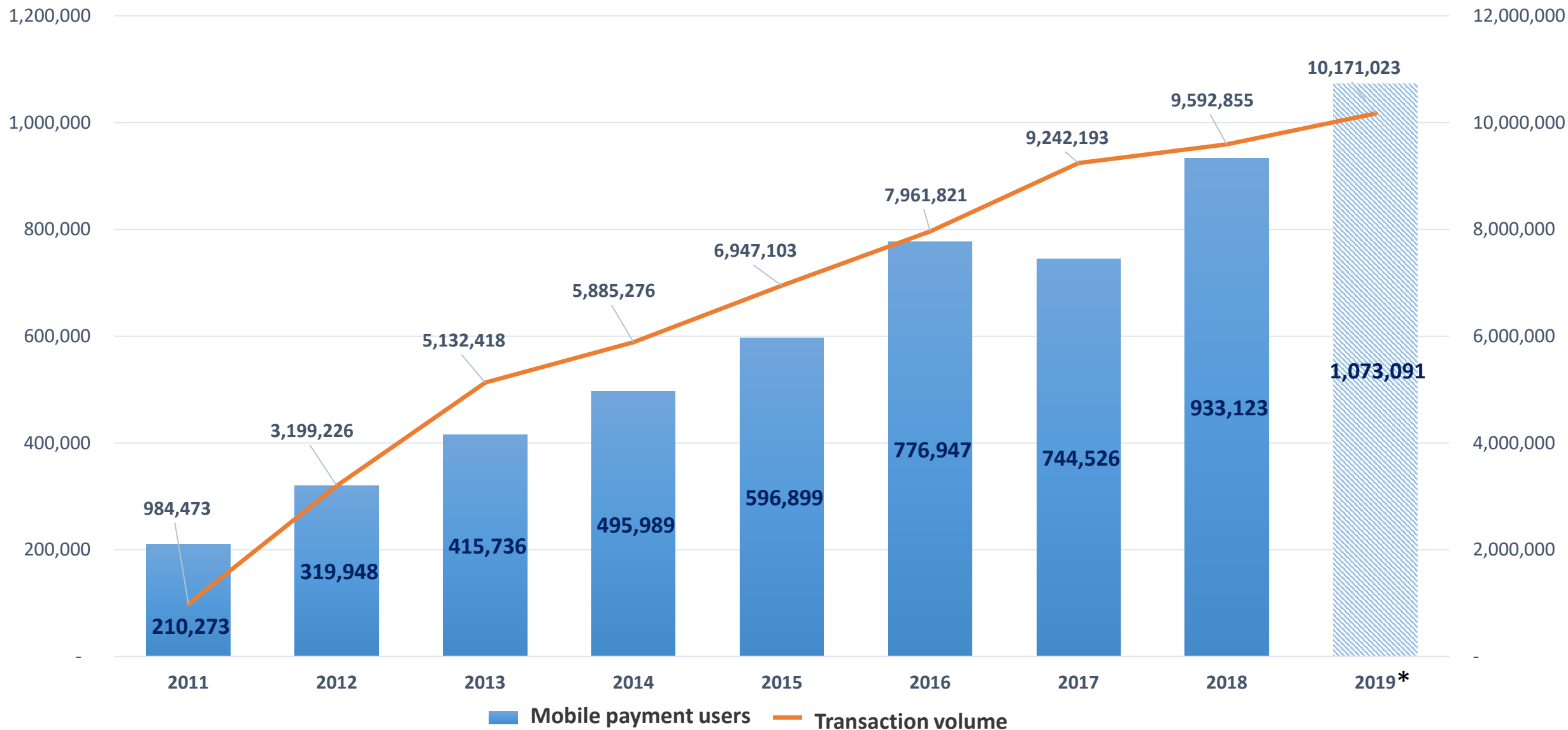
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Service
Providers
(indirect
participants)

Mobile Payments

Number of users – Vol. of Transactions

2011-2019 (Proyección)



*Projection to 2019

Prepaid Cards for Unbanked Customers

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REGULATORY ASPECTS

- Issued by authorized financial intermediation entities.
- Store a certain amount previously paid
- Physical or virtual cards
- Maximum amount of RD\$ 49,400.00 every 30 days

Regulation
SIPARD



- Considered "Occasional Customer" - Simplified Due Diligence
- Name and Surname
- Identification number
- Address and telephone

Due Diligence
Instructions (SIB)



altice
Peso

Virtual Prepaid Card

Prepaid Card associated with the phone number for bank and unbanked customers



Deposits - Withdrawals • Minutes recharge • Bill Payments • Transfers • ATM withdrawals

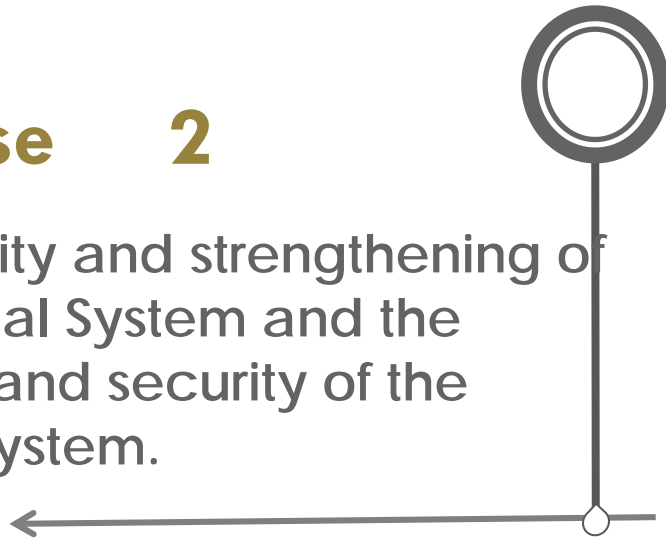
Institutional Strategic Plan 2018-2021

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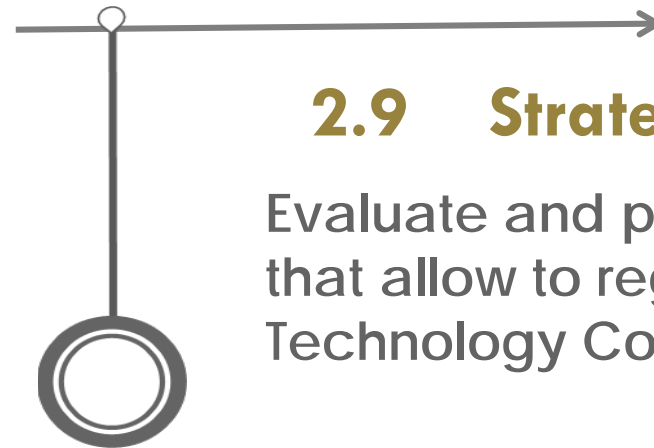
Purpose 2

Seek stability and strengthening of the Financial System and the efficiency and security of the Payment System.

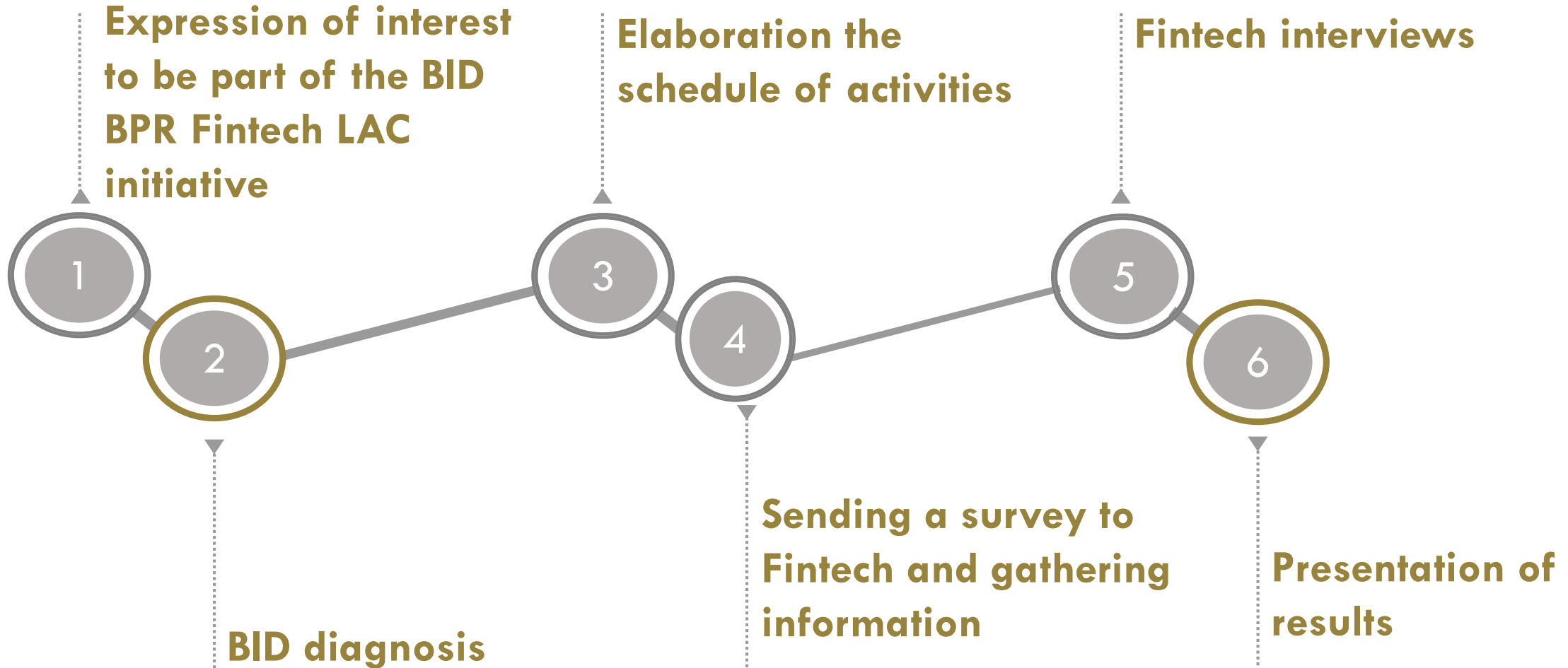


2.9 Strategy

Evaluate and propose regulations that allow to regulate Financial Technology Companies (Fintechs).



Actions executed



Payment and remittance solutions

Payment services



Wallets and prepaid cards



Personal finance

Finance management



Buyers



Business financial management



Alternative financing

Factoring/confirming



Lending



Crowdfundin



Financial assets and stock markets



RegTech



Technology for financial institutions



Radar FinTech Rep. Dominicana



InsurTec



Incubators



Next steps: Boosting the Fintech sector

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Promote
education
to the users

Promote
Fintech training

01

Create a
permanent
dialogue
channel



02

Promote
international
cooperation of
regulators



03
Evaluate
possible tax
rule



04

Adapt
regulations for
payments and
digital bank





Proposal of Modification the Payment Systems Regulation

Financial Technology Companies

- Approve FINTECH companies to provide payment solutions.
- Enable the possibility of these being constituted as electronic payment institutions and in this way being able to manage electronic payment accounts as an instrument.

Electronic Payment Account

- Payment accounts for the use of natural or legal persons accessible through technological solutions, whereby the following can be done:
 - Cash withdrawal
 - Direct credits
 - Direct debits
 - Consumption in POS terminals
 - ATM withdrawals
 - Bill payment



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