

# GUATEMALA

## IMPLEMENTATION EXPERIENCE OF PAYMENTS ASPECTS FOR THE FINANCIAL INCLUSION (PAFI)

Speaker: Luis Fernando Quintanilla Pereda  
Centrale Bank van Curaçao, November 2019



# Total Population



Source: XII National Population Census 2018.

# Total Population

URBAN  
8,024,508



53.8%

RURAL  
6,876,778



46.2%

Source: Own elaboration with data from the XII National Population Census 2018.



# Background

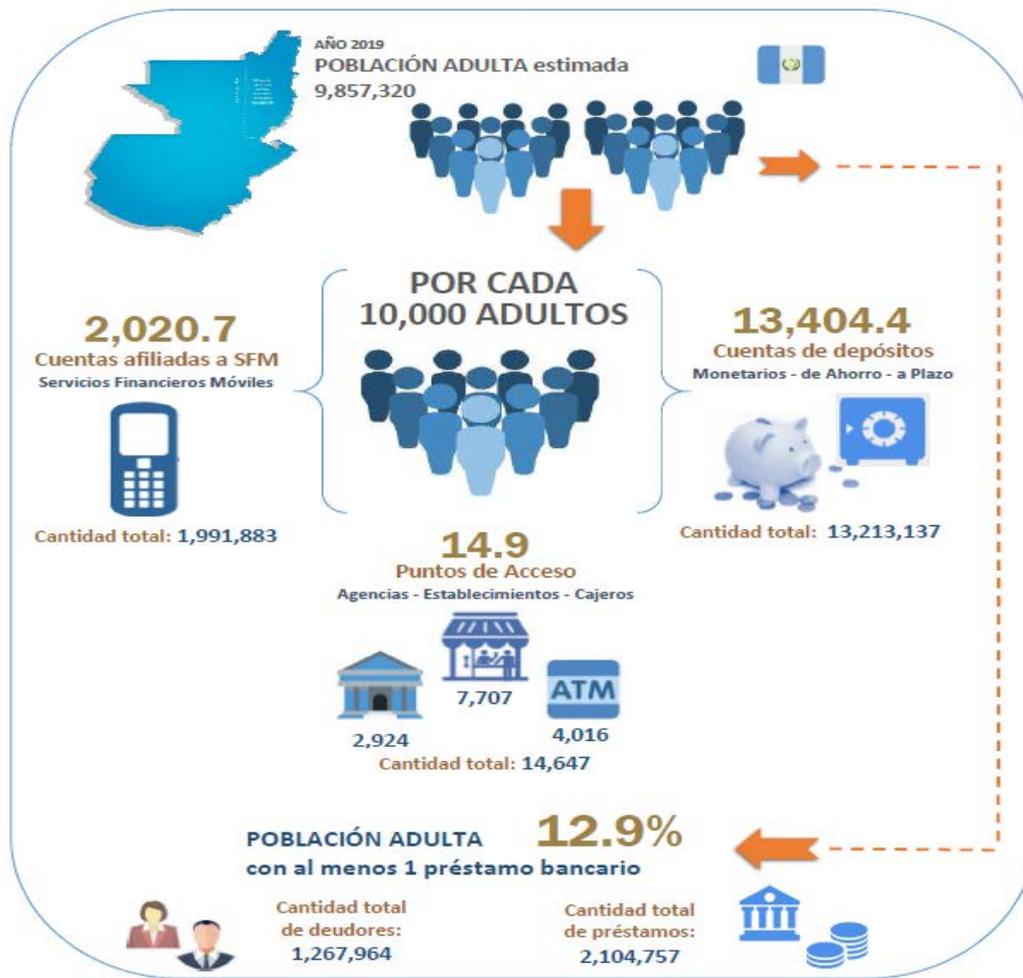


- ❑ The **56%** of the adults in Guatemala hadn't have a transaction account access (**40% in LAC and 28% world level**) -Findex 2017-.
- ❑ In 2018, the **13.1%** of the **adult population** had at least a **bank loan** (SIB, Dec-2018).
- ❑ **1.9 million** of affiliate accounts to mobile financial services (SIB, Dec-2018).
- ❑ The **27%** of Guatemalan adults did digital payments and the **16%** received a payment through this method -Findex 2017-.

- ✓ **Limiting** for their **integration** into the country **economic and financial activities** in a more effective way.
  - Affecting also their life quality and their familiar surroundings.
  - Impacting negatively the country economic and social potential.



# Background

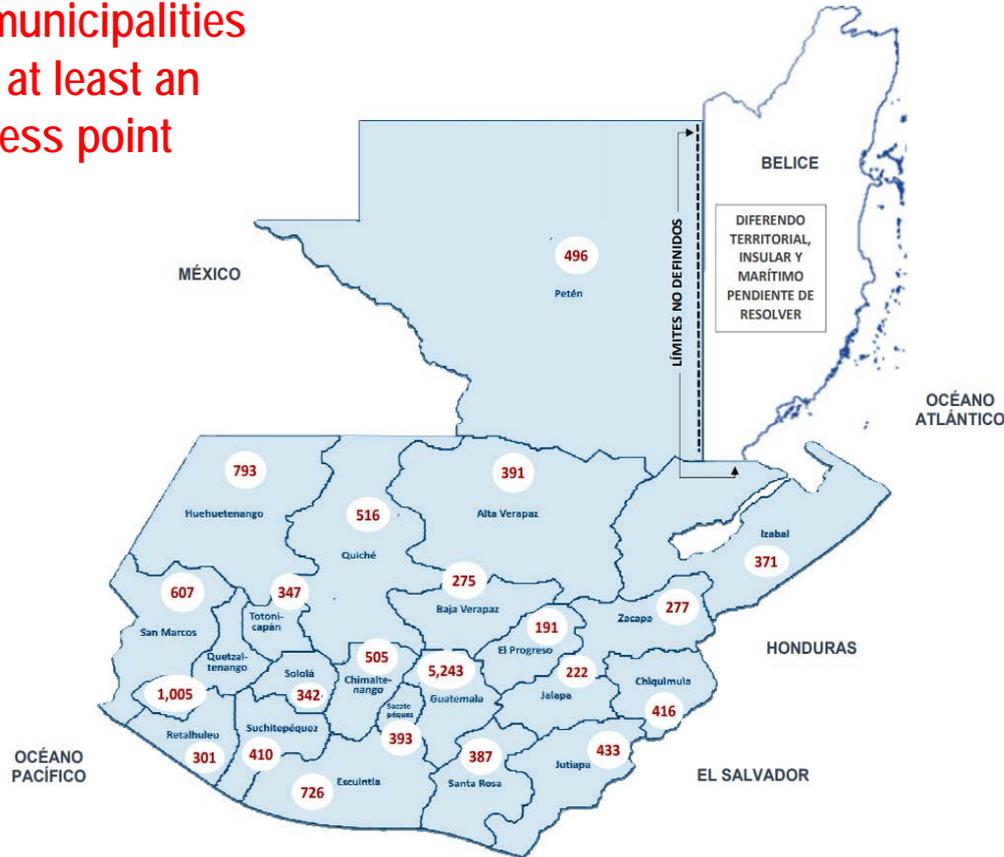


Source: Quarterly Bulletin of Indicators of Financial Inclusion - JUNE 2019



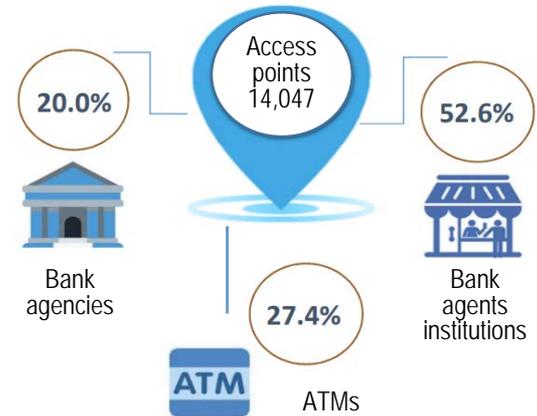
# Access points, to June 30th 2019

In 340 municipalities exist at least an access point



**Access points: 14,647**

Bank agencies	2,924
Bank agents institutions	7,707
ATMs	4,016



Source: Quarterly Bulletin of Indicators of Financial Inclusion - JUNE 2019

# Considerations

It exists an space to impulse  
the financial inclusion

- Considering the best international practices.
- Coordinated and integral way.
- Through a National Financial Inclusion Strategy (ENIF).

# View, mission and objective



Expand and improve the access and the use of financial products and services to different segments of the Guatemalan population according to their needs, especially those that are not currently integrated into the financial system.



**Objective**



**View**



The largest proportion of the Guatemalan population have access and use the financial products and services according to their needs, to contribute to greater inclusive economic development in the country.

Promote the conditions to improve the access and increase the use of reliable, efficient and adequate financial products and services, to contribute to the improvement of inclusive economic development.

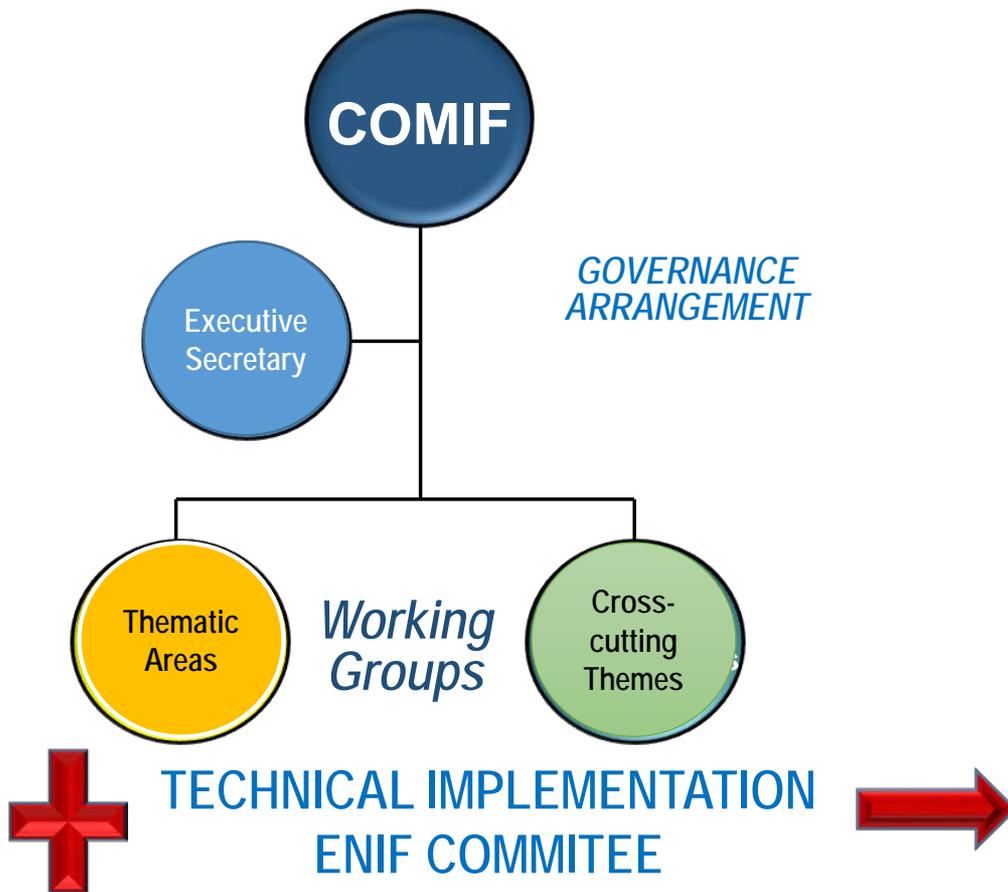


**Mission**

**ENIF  
2019-2023**



# Governance scheme



## Resolution JM-36-2019

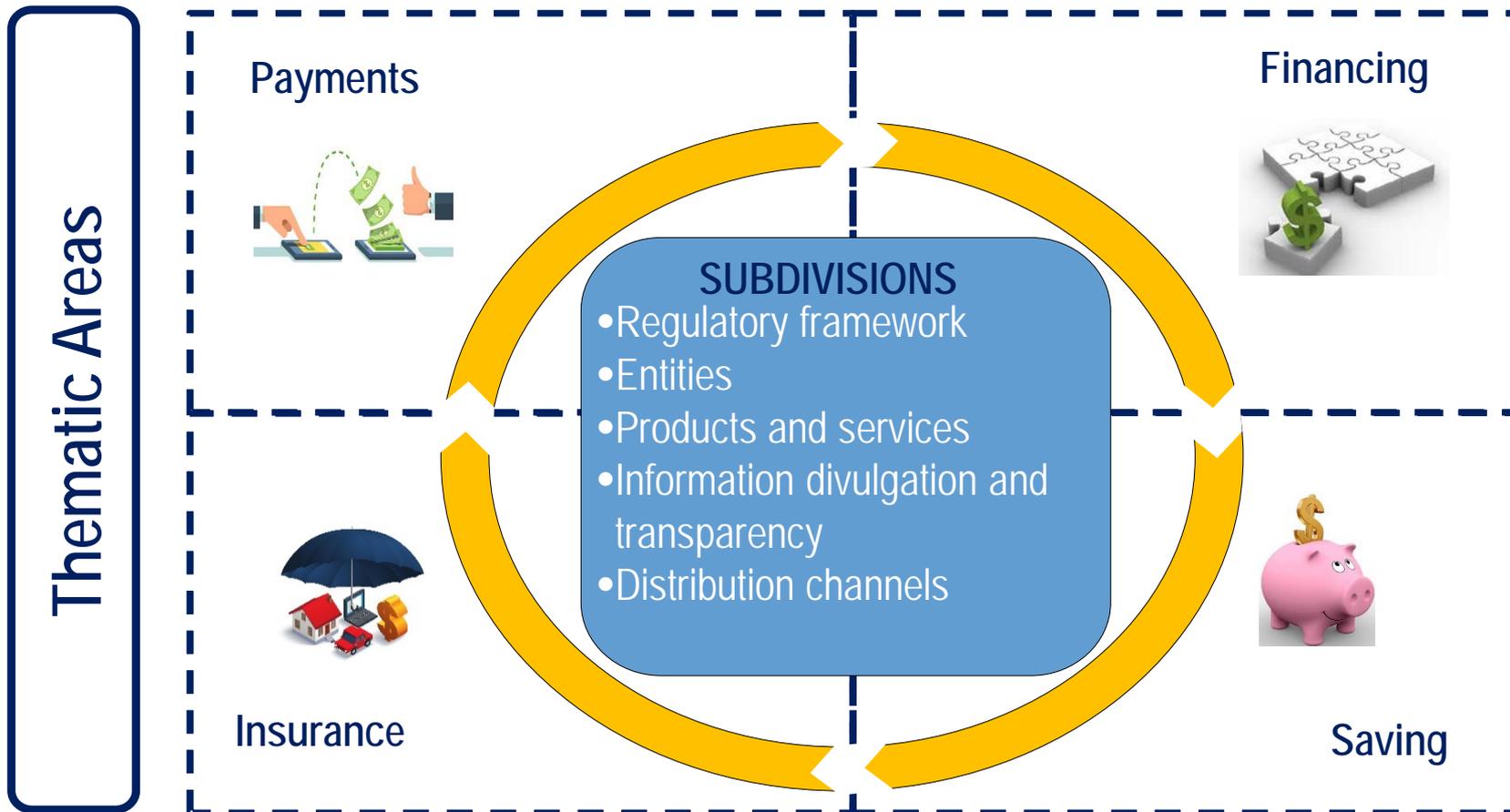
**OBJECT (Art.2).** Determine the ENIF and coordinate the efforts and inter-institutional cooperation that allow monitoring the implementation of the strategy.

### **INTEGRATION (Art.3).**

- President JM-Banguat (coordinator)
- Economy Minister
- Bank's Superintendent

**OBJECT:** To accomplish the necessary actions to implement the ENIF y its subsequent update.

# Thematic areas



# Cross-cutting Themes

## Cross-cutting Themes

I. Finance education

II. Protection to the user of financial products and services

III. Communication and adhesion to the strategy

IV. MIPYME's entrepreneurship and development

# Regulatory Setting



- Electronic Money Law draft and its regulations.
- Changes of the mobile financial services.
- Counselling in the discussion of the Credit Cards Law (5544 initiative).
- Follow-up to the Framework Law for the Defense and Protection of the Consumer.
- Regulatory adjustments for simplified and remote opening of bank accounts.
- Update of the regulations of banking agents to authorize the opening of bank accounts.
- Follow-up to the Law for the Promotion and Development of Micro, Small and Medium Enterprises.



# Entities



- Bank of Guatemala.
- Ministry of Economy.
- Superintendence of Banks.
- Other public entities involved in the electronic government initiative.
- Guatemala´s Banking Association.
- Microfinance Networks.
- Save and Credit Cooperative Federations.
- Telecommunications Chamber.
- Means of Payment Methods Association
- Guatemala's Fintech Association
- Visanet



# Products and services



- To promote acquiring network: electronic purse and other services.
- To explore the feasibility to promote the interoperability between all the supervised and not supervised financial institutions, including the financial technology entities.
- To explore the feasibility to expand the banking agents model to the microfinancial areas, save and credit cooperatives and transmitter electronic money to extend the payments network, between other services.
- To promote the prepayment card use.
- To promote an integral setting to the Fintech organized development (interoperability, digital outlay lending, electronic payments, etc.)
- Generalized electronic sign use.
- Mobile banking, digital payments, transfers.



# Information release and transparency



- Electronic sign release campaign.
- Financial education campaign which includes all about benefits and risks of the no traditional distribution channels to the payments performance.
- Financial information release; financial consumer's rights and obligations.

## Distribution channels

- Traditional and no traditional



# Payments working group



**OBJECTIVE:** To implement actions that allow strengthen the utilization of inclusive modern, safe and confident payments methods.

No.	PAYMENTS (COORDINATOR: BANGUAT/SUBCOORDINATOR: SIB)	RESPONSIBLE ENTITIES		2019	2020	2021	2022	2023
		MAIN	SECONDARY					
1	Electronic signature disclosure campaign	MINECO						
2	Electronic Money Law Draft	SIB	BANGUAT/ MINECO					
3	Changes of the mobile financial services regulation	SIB	BANGUAT					
4	Counselling in the discussion of the Credit Cards Law	SIB						
5	Promote acquiring network: electronic purse and other services	SIB/BANGUAT	MINECO					
6	Explore the feasibility to promote the interoperability between all the supervised and not supervised financial institutions, including the financial technology entities	SIB/BANGUAT	MINECO					
7	Explore the feasibility of expanding the banking agents model to the microfinance sector, credit unions and electronic money-issuing entities to expand the payment network, among other financial services	SIB/BANGUAT	MINECO					
8	Promote the use of prepaid cards	BANGUAT	SIB					
9	Regulations for the electronic money law	SIB	BANGUAT					
10	Promote a comprehensive framework for the orderly development of FINTECH (interoperability, digital disbursement of loans, electronic payments, etc.)	SIB	BANGUAT					



# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<p>1. Public and private sector commitment</p> 	✓	<ul style="list-style-type: none"><li>➤ Interinstitutional Working Group: Bank of Guatemala, Ministry of Economy and Superintendence of Banks.</li><li>➤ The ENIF will incorporate initiatives for the public and private areas, channeled through the technical working tables, attempting the effective cooperation among all the competitors.</li></ul>

# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<p data-bbox="40 338 614 382">2. Legal and regulatory framework</p>  <p data-bbox="297 759 548 840">Leyes y Reglamentos</p>	<p data-bbox="755 341 803 386">✓</p>	<ul data-bbox="971 338 1870 840" style="list-style-type: none"><li>➤ Electronic Money Law Draft and its regulations.</li><li>➤ Changes of the mobile financial services.</li><li>➤ Counselling in the discussion of the Credit Cards Law.</li><li>➤ Regulatory adjustments for the simplified and remote opening for the banking accounts.</li><li>➤ Rule actualization for the banking agents to authorize the bank accounts opening.</li><li>➤ Accompany to Promote and Developing the law for the Small and Medium Enterprise.</li></ul>

# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<h3>3. Financial and ICT infrastructures</h3> 	✓	<ul style="list-style-type: none"><li>➤ Explore the feasibility to promote the interoperability between all the supervised and not supervised financial institutions, including the financial technology entities.</li><li>➤ Promote acquiring network: electronic purse and other services.</li><li>➤ Mobil banking, digital payments, transfers.</li><li>➤ Simplified and remote opening of savings and investment accounts.</li><li>➤ Boost non-traditional channels for savings collection.</li><li>➤ Promote mobile placement of new insurance products.</li><li>➤ Generalized using of the electronic sign.</li></ul>

# PAFI's application

## GUIDING PRINCIPLE

PROVIDED  
IN ENIF  
YES / NO

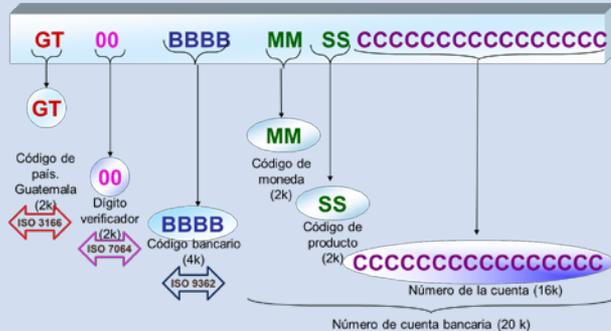
## COMMENT

### 4. Transaction account and payment product design



Regulation for the Standardization of Bank Accounts (JM-95-2011 Resolution):

- Supported by ISO 13616:2007 standard.
- Incorporates in its structure, among others, product code, currency code and account number.



# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<p data-bbox="54 331 620 374">5. Readily available access points</p> 		<ul style="list-style-type: none"> <li data-bbox="981 331 1889 467">➤ Explore the feasibility to promote the interoperability between all the supervised and not supervised financial institutions, including the financial technology entities.</li> <li data-bbox="981 475 1889 659">➤ Explore the feasibility of expanding the banking agents model to the microfinance sector, credit unions and electronic money-issuing entities to expand the payment network, among other financial services..</li> <li data-bbox="981 668 1516 707">➤ Promote the use of prepaid cards.</li> <li data-bbox="981 716 1787 756">➤ Promote non-traditional channels for saving savings.</li> <li data-bbox="981 764 1818 804">➤ Promote mobile placement of new insurance products.</li> <li data-bbox="981 812 1889 948">➤ Promote a comprehensive framework for the orderly development of FINTECH (interoperability, digital disbursement of loans, electronic payments, etc.).</li> </ul>

# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<p data-bbox="54 334 639 378">6. Awareness and financial literacy</p> 		<ul style="list-style-type: none"><li data-bbox="987 334 1889 683">➤ <b>Financial Education:</b> strengthen financial education through comprehensive programs that facilitate a better understanding of financial benefits, concepts, products and risks, so that the different segments of the population are able to make informed financial decisions and incorporate financial education components in the National Base Curriculum.</li><li data-bbox="987 747 1889 940">➤ <b>Current strategies:</b> Economic and Financial Education Program of Bank of Guatemala (2002 - present); and the Mayan Declaration of the Alliance for Financial Inclusion -AFI- of the SIB (2012 - present).</li></ul>

# PAFI's application

GUIDING PRINCIPLE	PROVIDED IN ENIF YES / NO	COMMENT
<p>7. Large-volume, recurrent payment streams</p> 	<p>✓</p>	<ul style="list-style-type: none"> <li>➤ Simplified and remote opening of savings and investment accounts.</li> <li>➤ Innovative savings and investment products.</li> <li>➤ Promote non-traditional channels for saving savings.</li> <li>➤ Simplification of access for acquisition of Treasury Bonds of the Republic of Guatemala of low denomination throughout the country.</li> <li>➤ Promote the acquisition network: electronic wallet and other products.</li> <li>➤ Explore the feasibility of expanding the banking agents model to the microfinance sector, credit unions and electronic money-issuing entities to expand the payment network, among other financial services.</li> <li>➤ Promote the use of prepaid cards.</li> <li>➤ Mobile banking, digital payments, transfers.</li> <li>➤ Design of new collective risk products.</li> <li>➤ Design of new products that respond to the demand for insurance.</li> <li>➤ Design of new agricultural risk products.</li> <li>➤ Promote mobile placement of new insurance products.</li> </ul>



En vacaciones  
 Ven a La Antigua Guatemala



**Guatemala**  
 Es el secreto, ¡disfrútala!

1500

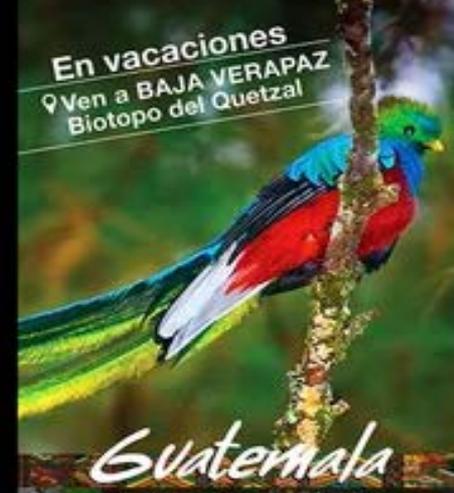
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En vacaciones  
 Ven a BAJA VERAPAZ  
 Biotopo del Quetzal



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 Cráter Azul



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En vacaciones  
 Ven a BAJA VERAPAZ  
 Saltito de Chillasco



Luis Fernando Quintanilla Pereda  
[LFQP@banguat.gob.gt](mailto:LFQP@banguat.gob.gt)

