



PRESS RELEASE

RESUMPTION OF CHARGES FOR TRANSACTIONS THROUGH BANK SPECIFIC (IN HOUSE) MOBILE MONEY WALLETS

The Central Bank of Kenya (CBK) announces the resumption of charges for transactions above Ksh.100 effected through bank specific (in-house) mobile money wallets that are closely linked to the Savings and Credit Societies (SACCO) sector.

CBK has noted that the SACCO sector is deeply integrated to these wallets and accounts for a significant share of their transactions. Through them, banks provide SACCOs with an important bridge to the domestic and cross border payment systems. A recurring concern has been that the viability of these services may be adversely affected in the current price regime, given the inability to cover the underlying costs. This is a significant risk for SACCOs and their extensive membership due to the lack of other alternatives to connect to the mobile money ecosystem. The resumption of charges will provide space to increase the connection options for SACCOs.

The resumption of the charges will be subject to review by CBK against the pricing principles [announced](#) on December 17, 2020 of *customer centricity, transparency and disclosure, fairness and equity, choice and competition and affordability*. These principles were introduced on the [expiry of the emergency measures](#) waiving charges for low value mobile money person to person transactions below Ksh.1,000. Other measures on waiver of charges between mobile money wallets and bank accounts remained in force.

Banks in Kenya typically deploy two types of mobile banking wallets. In the first model, banks partner with payment service providers to utilize their mobile money wallets to provide a variety of transactions through customers' bank accounts. In the second model, banks invest directly in their own in-house mobile banking wallets to facilitate mobile money and other wallet based financial services. This second model typically involves a third party as a technology provider.

CBK will continue to monitor developments and support the growth of the payments ecosystem to ensure choice, competition and affordability.

CENTRAL BANK OF KENYA

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