



## PRESS RELEASE

### REINTRODUCTION OF CHARGES FOR MOBILE MONEY WALLET AND BANK ACCOUNT TRANSACTIONS

The Central Bank of Kenya (CBK) announces the reintroduction of charges for transactions between mobile money wallets and bank accounts, which were waived on March 16, 2020, as part of the [emergency measures](#) to facilitate use of mobile money in the context of the COVID-19 (Coronavirus) pandemic. The new charges are significantly lower than those that applied before and will apply after January 1, 2023.

While COVID-19 adversely impacted people's livelihoods and businesses, mitigation measures enabled the payments ecosystem to protect vulnerable Kenyans, support businesses, and strengthen economic resilience. As a result, the payments ecosystem expanded significantly. Between March 2020 and October 2022:

- The number of Kenyans actively using mobile money increased by over 6.2 million.
- The monthly volume and value of P2P transactions increased from 162 million transactions worth Ksh.234 billion, to 440 million transactions worth Ksh.399 billion, an increase of 171 percent and 71 percent, respectively.
- The monthly volume and value of transactions between PSPs and banks increased from 18 million transactions worth about Ksh.157 billion, to over 113 million transactions worth Ksh.800 billion, an increase of 527 percent and 410 percent, respectively.

This outcome confirms that the mitigation measures were timely and effective, and resulted in significant benefits across the financial system. The resumption of revised charges is aimed at building on these gains, facilitate a transition towards sustainable growth of the mobile money ecosystem, and ensuring affordability of payment services for Kenyans.

Following consultations with PSPs and banks, CBK has reviewed the applicable maximum charges for transactions between mobile money and bank accounts, and their alignment to the [Pricing Principles](#).<sup>1</sup> Relative to the charges that applied until March 16, 2020, the reintroduced charges have the following elements:

1. The revised maximum charges for transfers from bank accounts to mobile money wallets will be reduced by on average up to 61 percent, and mobile money wallet to bank account by on average up to 47 percent.

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<sup>1</sup> *Pricing Principles* were issued by the CBK on December 17, 2020, as the guiding framework for setting tariffs and charges for mobile money services. The *Pricing Principles* relate to; customer centricity, transparency and disclosure, fairness and equity, choice and competition, and affordability.

2. Tariffs for paybills that are used to collect and disburse funds by businesses, companies, and institutions such as schools, utilities, etc, will be reduced by on average 50 percent.
3. The charges levied by banks for bank to mobile money transactions will be reduced by on average 45 percent.

The revised charges for bank to wallet and wallet to bank transactions will be announced by respective PSPs and banks and will be effective from January 1, 2023.

CBK reiterates its commitment to facilitate emergence of a payments ecosystem that works for and with Kenyans. CBK will continue to monitor developments in the payments ecosystem and take action where necessary.

**CENTRAL BANK OF KENYA**

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