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Towards Low-Cost Digital Remittances:

Supporting Migrants During COVID-19 Pandemic And Beyond

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Abstract

The paper presents a brief overview of the impact of COVID-19 pandemic on remittance flows in Asia-Pacific. The study discusses the importance of lowering the remittances transfer fees for migrant households and remittance-dependent economies in Asia and the Pacific in the time of the ongoing 2020 economic crisis. The paper presents discrepancies in remittance transfer fees between remittance transfer corridors in the region with respect to technologies used and analyses major barriers for digital finance spread across Asia-Pacific. The paper concludes with a set of policy recommendations which would decrease remittance transfer fees towards SDG10 target of less than 3 per cent, thus improve the situation of migrants during the COVID-19 pandemic and in the years to follow.

JEL: F24; O15; O16; O31; O33

Keywords: Remittances, Migration, Financial Markets, Innovation, Technological Change

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1. Introduction

Pandemic and 2020 crisis hit hard on migrants and remittance flows...

As previous crises used to affect economies across the world at different scale and time, remittances from more well-off or less crisis impacted economies were often supporting those less fortunate in more crisis-stricken regions. However, the 2020 crisis, driven by COVID-19 pandemic and concurrent oil price and demand shocks[2], has severely affected all economies globally at the same time. The response to these shocks remains largely beyond immediate economic policy impact depending on the COVID-19 pandemic progress, vaccines development and their global deployment. In this relatively unprecedented environment, migrants, both national and international, have been one of the most severely affected groups (UN, 2020a; World Bank, 2020a), including in the Asia-Pacific (UN, 2020b). Their harsh situation remains reflected in remittances they send back home, which are expected to fall by around 14 per cent globally in 2020, compared to 2019, with substantial decline across Asia-Pacific. The outlook for 2021 remains also negative (table 1). Accelerated move towards low-cost remittance transfers would at least partly offset this overall remittance flow decline, thus the impact of the crisis on remittance recipients, mostly already at the base of the economic pyramid.

Table 1: Annual change in remittance inflows by region, per cent.

Year	Europe and Central Asia	East Asia and the Pacific	South Asia
2020e	-16	-11	-4
2021f	-8	-4	-11

Source: World Bank, 2020b.
Note: October 2020 estimates (e); forecasts (f).

...underlining the need for urgent remittance transfer cost reduction...

Reducing the remittance transfer fees has been already a long-standing goal of the 2030 Agenda.[3] The SDG target 10.c specifies: "*By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent*" (as a proportion of amount remitted[4]). Far from this target, in 2020, the total remittance transfer costs have varied between 5-7 per cent of the amount sent across Asia-Pacific, against the global average of 6.75 per cent (World Bank, 2020c).

The COVID-19 pandemic strengthened the need for immediate transfer cost reduction even further. Under the current harsh economic circumstances and remittance flow decline, the goal to lower remittance transfer costs has been repeatedly reaffirmed throughout 2020 (e.g., UN, 2020a; UN, 2020c). As a part of "Financing for Development in the Era of COVID-19 and

[2] Migrants working in oil-dependent economies were severely affected by the 2020 oil shock. For example, on the impact on Indian origin migrants working in the Gulf countries and their households back to India see Mitra and Kasliwal, (2020).

[3] SDG 10: Reduce inequality within and among countries.

[4] The total transfer costs are often relatively higher for small amounts of money (most often transferred by migrants), due to minimum fixed fees (e.g., Gibson *et al*., 2006), and higher variable fees, therefore, the additional stress on reduction of fees for all remitted amounts.

Beyond" initiative (UN, 2020d), UN called for "declaring remittance services essential for the short-term and reducing transfer costs to close to zero (...)" (UN, 2020e).

...which may be driven by innovation though already existing digital finance technologies and infrastructure.

Innovation, one of the key drivers of economic development, does not necessarily require new technologies in short-term. By contrast, innovation often means just improvement of existing products and services (box 1). Therefore, for accelerated reduction in remittance transfer fees during the ongoing COVID-19 pandemic and economic crisis, the use and deployment of already existing fintech solutions deserves increased attention. As discussed further below, it is often not missing or not yet developed technology which prevents progress in lowering remittance transfer fees. Employing already existing technologies within already existing infrastructure but in new innovative ways, or tearing down unnecessary market and legal barriers, would be often enough to provide additional lifeline to the migrant communities by cutting the fees and other remitting costs.

Box 1: Innovations do not always need new technologies, but often just current ones used smarter and better.

"An **innovation** is a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process).

A **product innovation** is a new or improved good or service that differs significantly from the firm's previous goods or services and that has been introduced on the market."

(Oslo Manual, 2018)

The following part of the paper presents the current remittance environment in Asia and the Pacific focusing on transfer fees and digital finance solutions which may lower these fees. Section 2 touches on the relevance of remittances for the region in the context of remittance dependence, and the current and forecast remittance flow drop related to COVID-19 pandemic and economic crisis. Section 3 presents the role of technology in low cost remittance transfers. Section 4 discusses differences in remittance transfer fees across Asia-Pacific sub-regions, with a focus on high fee environment of the Pacific island economies and main reasons behind them. Section 5 presents policy recommendations for lowering the remittance transfer fees which would improve the situation of migrants during the COVID-19 pandemic as well as in the years to follow.

2. Relevance of remittances in Asia-Pacific

Remittance flows to Asia-Pacific remain significant not only at a household level but often define the fate of entire national economies, making cost transfer reduction a regional priority.

International remittances support around 800 million people globally (UN, 2019), contributing to around 60 per cent of their household income (IFAD, 2017). Asia-Pacific region is home origin of 33 per cent of international migrants worldwide (ADB, 2020a). Estimated US$ 315 billion were remitted to Asia-Pacific in 2019 (ADB, 2020a), with US$ 76 billion to India (table 1) – the top global recipient and also the largest country of international migrants' origin (IOM, 2019).

The current transfer fees vary substantially by region and country corridor across Asia-Pacific (table 2). Lowering transfer fees to SDG 10 target of 3 per cent could then bring additionally up to 2-4 per cent of the total remittance amount sent – a substantial financial boost given that remittances are forecast to drop by over US$ 50 billion in 2020 (ADB, 2020a; WB, 2020a).

Table 2: Average remittance sending costs, 3Q 2020, per cent.

East Asia and Pacific	Europe and Central Asia (excl. Russia)	the Russian Federation*	South Asia	Global Average
7.05	6.86	1.94	4.98	6.75

Source: World Bank, 2020c

Note: *Top origin of remittances flowing to Central Asian economies.

As the amounts sent home are relatively small, typically US$200-300, every per cent point saved on fees matters. Furthermore, remittance fees are important not only at the micro-level (e.g. low-income households) but might also matter for highly remittance-dependent economies at the macro-level. In 17 Asia-Pacific[5] economies remittances are estimated to exceed 5 per cent of their GDP in 2020. For example, strong economic ties between the Russian Federation and Central Asia have remarkable impact on Central Asian economies through remittances, which reach around 1/4 of the GDP of Tajikistan and the Kyrgyz Republic. Even more important are remittance inflows to some Pacific island economies like Tonga where remittances reach 40 per cent of the GDP (table 3). As the COVID-19 crisis brought tourism to a halt in the highly tourism-dependent Pacific island region (Tateno and Bolesta, 2020) lowering the remittance costs has become one of the ways to increase financial inflows to the region. As discussed later, these Pacific economies have been historically charged the highest remittance transfer fees, and due to third-country legislative barriers still cannot fully benefit from digital finance transfers and low remittance transfer cost technologies already enjoyed by other regions.

[5] ESCAP member States geographically located in Asia and the Pacific for which data was available, N=45.

Table 3: Top remittance inflows into Asia-Pacific economies in 2020, estimates.

	By the highest total amount			By the highest share of 2020 GDP		
Rank	Country	US$ million	% GDP	Country	% GDP	US$ million
1	India*	75,916	2.9	Tonga**	40.2	176
2	China	59,507	0.4	Tajikistan	26.2	2,066
3	Philippines	33,339	8.8	Kyrgyz Republic	25.1	1,875
4	Pakistan	24,136	9.1	Nepal	22.6	7,392
5	Bangladesh	19,758	6.2	Samoa	17.1	141

Source: ESCAP estimates based on data from World Bank, 2020d; IMF, 2020.
Note: October 2020 estimates, GDP data from IMF World Economic Outlook 2020; current US dollars; *global top recipient in current US$; **highest global share of GDP.

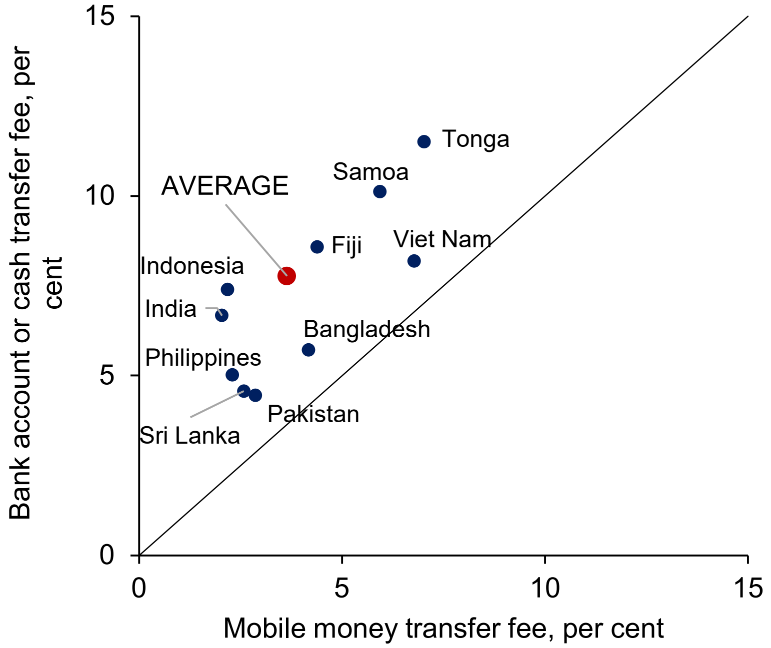
3. The role of technology in lowering remittance transfer costs

Current technologies allow for low-cost international remittance transfers with fees below SDG 10 target 10.c of 3 per cent.

Technologies enabling low-cost remittance transfers already exist and have been widely deployed in some regions of Asia-Pacific, including the most remote and least integrated regions, with total transfer fees for some remittance channels already much below 3 per cent – the SDG 10.c target. Digital finance transfers, such as mobile money, offer currently the lowest remittance transfer fees compared to other systems such as those based on bank account or cash transfers, with 3.6 and 7.8 per cent in average fees[6], respectively (figure 1). These low-cost remittance transfer options, using mostly internet and mobile money transfers, are monitored by the World Bank under Global SmaRT Average indicator[7] (World Bank, 2020). The indicator stood at an average of 4.2 per cent (remittance transfer fee), in the third quarter of 2020 – 2.7 percentage points below the overall global average remittance transfer fee. This 2.7 percentage point difference underlines the importance of financial inclusion through both financial literacy as well as access to internet and mobile network infrastructure through IT equipment or even simple mobile phones.[8] All these factors are crucial and necessary for access to low-cost remittance transfer services.

[6] There are large discrepancies in the fees observed among remittance transfer companies within the same transfer corridor and for the same technology. Presented numbers are simple averages of these fees, not weighted by money transfer volume or user numbers.
[7] Smart Remitter Target (SmaRT) is an average of the three cheapest options to send USD 200. The index "reflects the cost that a savvy consumer with access to sufficiently complete information could pay in each [remittance transfer] corridor" (World Bank, 2016).
[8] Remittance transfer systems based on mobile networks may require only GSM access and a mobile phone able to send and receive SMS – internet access is not essential.

Figure 1: Remitting fees in Asia-Pacific economies*, 3Q 2020, per cent.



Source: UNESCAP estimates based on data from World Bank, 2020d.
Note: *for available 3Q 2020 data.

Box 2: Remittances transfers turn digital in Asia and the Pacific

Digital solutions increase the outreach on both ends of the remittance transfer systems, but in particular at the receiving end. As simple electronic devices with low-speed network connection may be used for remittance receiving and cashless payments, the currently available technologies allow for rapid user growth in areas with only currently available infrastructure (often no need for additional investments). Although digital finance technologies used, services provided and market penetration differ across Asia-Pacific, they all support migrants in their hardships.

WeChat/Weixin - One of the most popular applications globally, developed by Tencent, serving mostly users within China. As of September 2020, WeChat had 1.2 billion users. The platform supports zero-cost money transfers between their users, thus allows for no cost internal migrant transfers, the number of whom exceeds 200 million[9] (ILO, 2020). Tencent also rapidly expands its fintech business into commercial payments, social payments, and micro lending (Tencent, 2020).

mPAiSA - Synergies between profit-oriented businesses and their positive social impact remain one of the key tools necessary to mobilize private capital towards Agenda 2030. Labelled as impact investment, and discussed within environment, social, and governance principles (ESG) such initiatives are supported and co-developed by UN agencies. For example, the United Nations Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) in partnership with Vodafone develop mPAiSA - digital

[9] Estimates suggest there were 230 million rural migrant workers in China in 2009 (ILO, 2020), which is close to the total number of international migrants at 272 million in 2019 – 3.5 per cent of the global population (IOM, 2019).

payment system providing low-cost remittance services to Fiji. Within this initiative, to mitigate the impact of COVID-19 pandemic, Vodafone waived remittance fees to Fiji for two months (PFIP, 2020). The action reminds about the hardships of financial inclusion among Pacific island communities, and the importance of private-public partnerships, for serving these communities which remain a difficult and low-profit (ANZ, 2019), thus underserved, market for the private sector.

KlickEx - Transferring money across the Pacific used to be slow and expensive with the highest transfer fees in the world (ESCAP, 2019), often exceeding 20 per cent of the amount remitted just a few years ago (WB, 2020d). Within the last few years, that high-cost transfer environment has been dramatically changed by fintech waves. The buzzing technology slogans were coined into real innovative products and brought substantial reduction in transfer costs. A notable example is KlickEx, developed in partnership with the United Nations Capital Development Programme, which allows to transfer funds to Pacific island States from the main destinations of their migrants: Australia, New Zealand, and some European and North American countries. As the company operates mostly online it can provide services at low operating costs. Further savings come from FX spreads. The platform matches individuals sending money to and from the same origin/destination. Instead of sending each transfer between the destinations across the borders, transactions are netted within the same country corridor, and only the remaining balances need to be transferred. At the end, the total number of transfers is reduced – hence the savings.

4. Challenges and chances of digital finance in Asia-Pacific

Remittance transfer costs and technologies vary by region...

Digital finance technologies remain the most cost competitive globally, with no exception to Asia-Pacific. However, the level of deployment, outreach, and the final impact on transfer fees differ substantially across the region. For example, Central Asia provides one of the lowest remittance transfer fee corridors globally, with the average cost of remittance sending from the Russian Federation at 1.94 per cent – the lowest among G20 economies (World Bank, 2020c). In this region, the fees may fall as low as 1 per cent for internet transfers (table 4). Given the high dependency on remittances (by share of GDP; table 4), each 1 percentage point of transfer fee reduction equals to around 0.25 per cent of GDP of Kyrgyzstan and Tajikistan – a substantial number for long-term development strategies.

Table 4: Remittance inflows into Central Asian economies, 2020, estimates.

			Per cent		
Country	US$ million	% GDP	Average	Lowest	Access point/type
Uzbekistan	3,320	5.6	1.8	1.0	Agent, Internet
Tajikistan	2,066	26.2	7.1	2.4	Agent, Internet
Kyrgyz Republic	1,875	25.1	4.8	1.5	Agent, Internet
Kazakhstan	458	0.3	1.4	1.0	Agent, Internet

Source: UNESCAP estimates based on data from World Bank, 2020d.
Note: October 2020 estimates, GDP data from IMF World Economic Outlook; nominal US dollars

...and available solutions remain constrained by bureaucracy and excessive legal requirements.

However, despite low-cost money transfer technologies and systems being available, many migrant communities remain left behind. Financial exclusion due to undocumented stay abroad, over-regulation of money transfer companies and banks by, for example, impossible or too costly to implement Know-Your-Customer (KYC) procedures, do not only drive remittance costs high but may entirely prevent deployment of low-cost technologies. The KYC policies rightfully aim to limit money laundering and terrorism funding. Nevertheless, KYC-procedures are costly, thus often economically justified to implement in sufficiently large markets only. They may also require impossible to pass personal verification due to lack of necessary ID documents among multiple low-income remote communities (ADB, 2016, see box 3).

Box 3 – From digital finance to virtual identities.

New financial technologies bring savings, but the positive impact of digital finance does not end there as none of the technologies used emerge in absence. The low-cost services offered by fintech require infrastructure and supportive technologies which deliver other positive spill-over effects to the communities they serve. Digital identity is one of such examples. On 10 December 1948 the United Nations General Assembly proclaimed the Universal Declaration of the Human Rights. The Article 6 states: “Everyone has the right to recognition as a person before the law”. Almost 70 years later, this right emerged under Sustainable Development Goal 16.9: “By 2030, provide legal identity for all, including birth registration indicator”. These days, technology finally allows to cross the barriers of remoteness, and too high costs, which were preventing the spread of legal identities. As GSMA[10] (2018) reports, one of the solutions may be digital identity provided by mobile operators. Once digital identity has been created, it allows access to not only low cost remittance transfers, but all other sort of financial services, ranging from saving accounts, insurance, business operations, loans, up to access to government or health services, and, recently, even contact tracing for COVID-19. For useful examples and programmes under implementation please visit www.uncdf.org or IMF (2019).

Unnecessary overregulation of remittance transfers has not become anything new in recent years. By contrast, it has been a long-standing and unresolved problem. As the World Bank (2006) noted over a decade ago: “(...) burdensome regulatory and compliance requirements all tend to keep fees high”. In recent years, though, the regulatory limitations have even increased, only to push back already existing and limit deployment of new low-cost remittance transfer systems (IOM, 2019). For example, Australian and New Zealand banks decided to close accounts of remittance agencies serving Pacific island States as a part of blanket de-risking response to international KYC requirements. The concerns were related to either impossible or too costly to carry out, due to small market, KYC compliance procedures among Pacific island communities which, consequently, were a deal-breaker for correspondent

[10] “The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with more than 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors”, GSMA (2018).

banks[11] (ESCAP, 2019; IMF, 2017a). These actions led to severe disruptions in rapidly growing and expanding low-cost digital money transfer services across the region. As an extreme example of related difficulties in digital remittance transfer environment, money transfer company KlickEx[12] (see Box 2), after closure of its accounts by banks in Australia and New Zealand due to correspondent bank pressures and blanket de-risking, had to deliver physical cash (by boats and planes) to Pacific island States (Reuters, 2016). The overall challenges and limitations, despite low-cost technologies being available, keep the average transfer costs still around 10 per cent for some Pacific island States (table 5). The lowest fees (mobile transfers) still vary around 4-9 per cent – much higher compared to digital transfers offered in other regions, for example, in Central Asia (table 4).

Table 5: Remittance inflows and remittance transfer fees into Pacific island economies, 2020 estimates.

	Total inflows		Transfer fees, per cent		
Country	US$ million	% GDP	Avg.	Lowest	Access point/type
New Caledonia	620	6.3			
French Polynesia	581	9.9			
Fiji	273	6.8	7.6	4.4	Mobile phone
Tonga	176	40.2	9.8	7.0	Mobile phone
Samoa	141	17.1	8.4	5.9	Mobile phone
Vanuatu	34	4.0	11.4	8.8	Internet
Marshall Islands	30	14.4			
Solomon Islands	24	1.7			
Micronesia, Fed. States of	23	5.9			
Kiribati	19	9.9			
Tuvalu	4	9.7			
Palau	2	0.6			

Source: ESCAP estimates based on data from the World Bank, 2020d; IMF, 2020.
Note: Total remittance transfers in current US dollars; remittance transfer fees presented as average values for all available remittance corridors.

It is not just about the money – the impact of digital finance and lower remittance transfers fees reaches way beyond increased household budgets.

So far most of the migrants in the world are men, and most of the remittance recipients are women. This landscape changes quickly - the share of women among migrants has become recently dominant everywhere except Africa and Asia (UN, 2019). Such gender dynamics

[11] Correspondent banks act as agents for domestic banks to process and facilitate transactions originating in foreign countries. Unless their partner banks exercise sufficient KYC diligence, correspondent banks may prefer to cease cooperation with such banks in order to avoid penalties and sanctions from their own regulators. Correspondent banks serving Pacific island markets are relatively little interested in taking additional risks, related to potential failures in full KYC implementation, given the small potential of profits from such small markets (ESCAP, 2019). For more challenges related to correspondent bank relationships, please see, for example, IMF, 2017b.

[12] https://klickex.org/ - digital finance company specialised in low-cost remittance transfers to Pacific island States, co-funded by the United Nations Capital Development Programme.

have multiple social consequences, including empowerment of women who may become heads of households and manage household finances as they receive remittances.

With respect to technology, mobile remittances are a key player in this gender context, serving particularly women, and being their remittance method of choice (IFAD, 2019). The reasons behind this choice may be briefly summarized as: (1) significantly cheaper – women tend to send lower sums, therefore, lower fees are even more important; (2) privacy and security – remitting at any time and from any location increases independence from social network control, increases security as there is no need to move with physical cash, and saves time. Research also indicates that women receive more money through mobile remittances than they would in case of other technologies – mainly as the sender can decide on the total split of the funds sent between all recipients, thus can send more to a chosen person. Overall, research indicates that remittances sent directly to their intended recipients[13], in this case to women, have a significantly positive impact on broadly defined women empowerment. Research also suggests that for women having access to increased funds, financial resources may be more efficiently spent on basic household needs, school fees, or saved (IFAD, 2019).

[13] In contrast to indirect transfers, where remittances might be sent to one family member (for example, in cash), which member is expected to distribute the remittances according to the sender's wish (which might not happen).

5. Policy recommendations

Policy recommendations for urgent action now and for Building Back Better post COVID-19.

Digital finance remains inseparably interwoven with advanced technology solutions. As briefly presented above, cutting-edge solutions remain a blessing and a curse - like for most other innovations. Competitive advantages support business expansion, for example, due to more attractive product. On the other hand, innovative products face limits and barriers in market accessibility, like lacking IT infrastructure, low IT and financial literacy among customers or those of legal nature. The role of policymakers is to largely facilitate expansion of innovative products and, at the same time, wisely limit potential harmful impact of often not fully tested and understood products.

Under the unprecedented circumstances of the ongoing COVID-19 pandemic and economic downturn, with severe negative effects affecting migrant communities relatively stronger than others, the need to deliver on SDG 10 remittance transfer fee reduction target below 3 per cent has never been stronger. In line with other UN agencies, and international organizations (e.g. ADB, 2020a), the following actions and policy recommendation might be taken into consideration by policymaker to facilitate remittance transfers, as well as to support migrant and remittance dependent communities across Asia and the Pacific. These actions call for a more enabling environment for deployment of new technologies along already highlighted by ESCAP (2019) five rungs: availability, accessibility, awareness, literacy, and trust.

1. **Financial inclusion and literacy**
    a. Increase financial literacy, especially among the communities at the base of the economic pyramid and living in remote areas, to facilitate and encourage use of already existing low-cost remittance transfer technologies with fees below 3 per cent. Given the spread between remittance transfer fees offered by digital finance operators and physical branch agents and banking system, expressed, for example, by the World Bank SmaRT index, there is a substantial, untapped potential for lowering transfer fees with very low policy costs – the low hanging fruit. Programmes implemented by the United Nations Capital Development Fund[14] or the latest National Strategy on Financial Education 2020-25 of India (RBI,2020a) may serve as valuable examples.
    b. Strengthen financial inclusion and empowerment of women. Ensure women have equal access to banking services, including digital financial services. UN WOMEN (2020) analysis on remittance sending patterns in COVID-19 times reveals that new technologies may substantially boost financial inclusion, especially of women. For more detailed policy recommendations on women empowerment through financial inclusion, especially in COVID-19 times, please see UN WOMEN, 2020; ADB, 2020b.
2. **Legal barriers**
    a. Create supportive business environment for low fee remittance operators by eliminating legislative obstacles preventing digital finance from expanding its operations. For example, implement overview and regulatory “sandboxes” which would allow fintech companies to operate in the market under minimum

[14] www.uncdf.org

legal requirements within well-defined space and duration such as in Singapore (MAS, 2020).

3. **Market access barriers**
    a. Decrease market entry barriers to ensure fair competition between existing and incoming innovative market players, which often offer innovative solutions threatening profitability of established market participants. For example, Astana International Financial Centre [15], fintech incubator and accelerator in Kazakhstan, offers support to fintech start-ups in financing, legal advice, cooperation with traditional banks, sandboxing, and mentoring. For more examples on incubators and technology gaps closing in Central Asia, please see UNECE (2020).
4. **Legal identity**
    a. Support development of digital technologies which allow to create low to no cost, secure, publicly available digital legal identities provided by the governments, which would facilitate KYC compliance. Furthermore, achievement of at least 10 of the SDGs would be catalysed and accelerated through universal legal identity[16] (UN, 2018). Among multiple solutions for digital identity implementation, mobile technology and cooperation with mobile operators might be considered. For examples from Asia and the Pacific, please see report GSMA (2018)[17].
5. **Prevent exclusion due to legal requirements**
    a. Given the challenges faced by remittance transfer companies in their regular business operations due to blanket de-risking, for example, by their partners or correspondent banks on KYC concerns, consider temporary relaxation of KYC compliance requirements for remittance transfers in environments where high-level compliance is impossible to implement due to geographical [18], technological, or low ID penetration challenges. Legal requirements must not exclude any communities, often already at the bottom of the economic pyramid, from digital finance services or increases remittance transfer costs over the SDG 10 target of 3 per cent.
    b. Consider implementation of "low-KYC" accounts and protocols. For example, video KYC[19] permitted by the Reserve Bank of India in January 2020 (RBI, 2020b) or consider minimum KYC accounts with low monthly transaction limits such as those suggested by some representatives of the fintech industry (PCI, 2018).
6. **Transparency and access to information**
    c. Increase transparency in remittance transfer market providing tools to compare total costs of money transfers such as www.sendmoneypacific.org – an online platform created by the Governments of Australia and New Zealand to compare fees for transferring remittances from Australia, New Zealand, and the United States of America for sending remittances to Pacific island States.

[15] www.aifc.kz

[16] For the United Nations guidelines on implementation of legal identities please see (UN, 2018).

[17] The views, opinions or information presented in the report GSMA (2018) report do not necessarily reflect the views of the UN or of the UN Member States.

[18] For example, extreme remoteness and isolation of Small Island Developing States and other related challenges. More: https://sustainabledevelopment.un.org/topics/sids

[19] The new regulations were passed among the concerns of exclusion of millions of digital money transfer accounts due inability of KYC compliance.

7. **Legal cooperation**
    d. Ensure migrants are able to use their legal identities, including digital IDs for e-KYC procedures, across the different legal jurisdictions among the states, to the extent which allows for secure cross-border money transfers, and with highest respect to the privacy of counterparts. For data privacy concerns and risks, please consider European Commission research on data sharing in the context of KYC (EC, 2019).

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