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РЕПУБЛИКЕ СРПСКЕ

Manual for General Population
Electronic and Digital Financial Services

IFC | International Finance Corporation
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Schweizerische Eidgenossenschaft
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My Balance
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Pay
Top Up
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Bill Payment
Split Bills
Charity
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My wallet
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Learning Objective: EDFS in BiH, joint activities and objectives of cooperation between CBBH, BABiH, Banking Supervision Agency of Federation of BiH and Republika Srpska, and IFC

Welcome to the EDFS training for general population. This training material is targeted to the general adult population living in Bosnia and Herzegovina. After this training the participants will be able to:

1. Clearly identify why using EDFS channels is better for them as compared to cash-based transactions;
2. Learn how EDFS transactions can be facilitated;
3. Learn the difference between various EDFS products and channels.

What is EDFS?

Traditionally, people have been using financial services only through brick and mortar branches of banks. Electronic and Digital Financial Services (EDFS) refer to convenient digital access to formal financial services. Such services and channels are designed to suit customers' needs and are delivered responsibly at a cost which is affordable to customers, sustainable for providers and profitable for retail merchants.

There are three key components of any such digital financial services offering: **(a) a digital transactional platform**, **(b) retail merchant**, and **(c) a device** (usually a POS terminal or mobile phone) to transact via the platform. It's a means by which even the so far unbanked population is increasingly gaining access to financial services through innovative digital channels. Digital channels offer better multiple channel access to customers so that they can avail the formal financial services as per their convenience using the channel of their choice.

Banks, Microfinance Institutions (MFIs), Mobile Network Operators (MNO), and third party providers are leveraging mobile phones, point-of-sale devices, along with networks of trained merchants, to offer basic financial services at greater convenience, scale and lower cost than traditional banking.

The major types of DFS products discussed in this handbook are as follows:

- Cards and POS Terminal
- NFC
- e-Wallet

Advantages of Digital Payments

As most financial institutions globally are moving towards a cashless environment, general population is still not sure whether to adopt these channels or just stick to cash. People worry whether acceptance and usage of electronic and digital channels will provide convenience and tangible benefits or just add to their stress and additional charges and unknown security risks?

This section lists down all the reasons for general adult population to shift from cash to digital means of making payments.

1. Digital Channels Offer Better Safety

Digital channels offer higher safety of your money as you don't have to carry cash. If a credit or debit card is lost or stolen, it can be replaced quickly and easily by just reporting to your bank. In addition, the card companies also offer protection to card holders for example: MasterCard has a Zero Liability policy that protects cardholders (credit and debit and prepaid) from any liability for fraudulent charges made with their MasterCard cards. Moreover, the payment card companies continually invest in highly secured technology that can detect and prevent fraudulent transactions.

PINs discourage theft, and most merchants ask for formal identification cards to accompany cards during any purchase. Also, the card company has to review the transactions before they are approved. If stolen, it is very easy to block a credit card or mobile wallet remotely, but it is almost impossible to get the lost/stolen cash back.

In case of debit cards, all money in your bank account is available for withdrawal without the fear of losing cash. Swiping POS machines are also available at every small store.

Furthermore, using the digital channels, there is no risk of accepting counterfeit bills, which can become a big headache.

Hence, it is better to avoid carrying cash and to use digital options instead.

2. Establishing Credit Reporting with Credit Registry[1]

There are a lot of examples of best practices in Credit reporting establishment. And use of digital channels is extremely helpful in building people's credit history over a period of time which allows the people to enhance their credit scores with the credit registry if they pay their bills on time. Digital transactions history leads to enhanced financial footprint, which can be extremely helpful if the people are keen to avail financial products from formal financial institutions.

The credit registries as the Central Loan Registry which is established in Bosnia and Herzegovina collect data on how people and entities have repaid their previous credit/debts such as home loan, car loans, personal loans, credit cards loan or any other loans in the past. This helps the creditors to minimize their risk of bad loans by carefully examining the credit history of potential borrowers. Every time people apply for a loan/credit, the bank or credit card company immediately checks their status with a credit registry to check the credit score. If a borrower has a bad credit history, then the lender might not give him any loan, or may offer him a smaller loan amount or charge him a very high interest rate depending upon the credit risk.

Any bad credit default on your credit report can hinder your borrowing power with any formal financial institution. Also, having no credit history is really bad as lender's don't trust such potential borrowers. Hence, it is important to use digital channels over cash in a responsible way, so that a good credit history is built over time.

[1] https://www.worldbank.org/en/publication/gfdr/gfdr-2016/background/credit-registry

3. Digital Channels Offer Enhanced Accessibility and Convenience

People can use digital channels to access bank accounts or credit lines offered by credit cards any time of the day or night, 24*7 from almost anywhere in the world. It provides people with secure and convenient access whenever and wherever they need.

Cards are currently the fastest and simplest way to make purchases, whether at Point Of Sale (POS), on the Internet (online shopping) or telephone. There is a wide variety of cards available which means that people have greater choice over what product suits them better.

Growth Drivers for Mobile Payments: European Example

Security, convenience and an increase of retail locations equipped with contactless payment terminals are key factors driving the adoption of mobile payments across Europe. Secure technology is providing consumers with peace of mind when shopping with mobile devices, offering a seamless purchasing experience for every day purchases from commuting to their morning coffee and entertainment. In addition, **European merchants are increasingly installing new technology that supports payments with both cards and mobile (NFC) devices**.

- In Europe, the top five popular merchant categories for mobile payments are restaurants, supermarkets, transit, convenience food and drink, and leisure and entertainment.
- When travelling abroad, **Europeans have used their mobile device to make purchases in 91 countries around the world, demonstrating that people feel safe and secure using their smartphones or tablets** when shopping in another country.
- There are more than 1.2 million merchants in Europe that accept contactless payments by cards and mobile devices in store, driving more than five billion contactless purchases by European Visa account holders. This represents 32% of all Visa-processed transactions at physical retail locations.

Source: www.visaeurope.com


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4. Counter Payments vs. Mobile Banking

Mobile banking incurs significantly lower costs than counter payments for both the banks and the customer. The primary reason for this is the lower overhead associated with digital operations compared to maintaining physical branches and staff for over-the-counter services. Digital transactions cost less to process than manual, in-person services. That's why online or mobile payments often have no fee or very low fees, while counter payments (at a branch or post office) have service charges to cover staff and handling costs. Not only that it reduces operational costs but also saves significant time for both users and institutions.

Table of mobile payment service fees by banks – example[2]

Service Type	Bank 1	Bank 2	Bank 3
Service setup	free of charge	free of charge	free of charge
Mobile banking payments – internal			
up to 100 KM	0.50	0.50	0.45
100 – 500 KM	0.50	0.50	0.45
500 – 1,000 KM	0.80	0.70	0.45
over 1,000 KM	0.80	0.70	0.45
Mobile banking payments – external			
up to 100 KM	0.80	1.00	0.80
100 – 500 KM	0.80 – 1.00	1.00	1.25
500 – 1,000 KM	1.50	1.25	1.25
over 1,000 KM	1.50 – 3.00	1.25	1.25 – 3.00

Table of counter service fees by banks – example

Service Type	Bank 1	Bank 2	Bank 3
Service setup	free of charge	free of charge	free of charge
Cash Transfers – Internal			
up to 100 KM	2.50 KM	2.20 KM	1.90 – 2.20 KM
100 – 500 KM	2.80 KM	2.70 KM	2.40 – 3.00 KM
500 – 1,000 KM	3.00 KM	3.20 KM	3.00 KM
over 1,000 KM	3.00 – 5.00 KM	3.70 KM	4.20 – 6.00 KM
Cash Transfers – External			
up to 100 KM	3.00 KM	2.70 KM	2.40 KM
100 – 500 KM	3.20 KM	3.20 KM	3.20 – 4.80 KM
500 – 1,000 KM	3.50 KM	3.70 KM	4.80 KM
over 1,000 KM	3.50 – 10.00 KM	4.20 KM	4.80 – 9.60 KM

[2] *Source:* https://abrs.ba/naknade-provizije-sa-stanovnistvom/

5. Chance to Borrow for free

Most credit cards offer no interest periods (usually 30-45 days) meaning you can effectively benefit from an interest-free loan. However, you need to pay the bills on time before the due date otherwise you'll be charged interest.

The interest rate charged by the bank on credit cards is very high which is why you should pay your debt off before the interest period starts.

By offering access to a line of credit, credit cards make it possible for their customers to meet their emergency needs or other extraordinary unforeseen expenses. They can also pay for the payments made through credit cards within a time frame that suits their needs and budgets.

6. Quick Money Transfers

Digital channels have made sending and receiving money very quick and easy. Digital channels offer safe, secure, convenient and affordable channel to transfer money domestically and to international markets, which is much better than transporting money in cash thus making it a more preferable option. Money transfer through digital channels is highly effective for money remittances by migrants working abroad.

7. Easy Tracking of Expenses

Using digital payment can help the people in tracking their expenses and spending patterns. Digital payment records all the data of the spending that the people have done.

Payment cards make it easy to track and manage expenses by offering instant online access to information about recent transactions, as well as detailed monthly statements. Whereas if cash is used, customer will have to maintain separate records to know the details about expenditure and use that information to plan for future.

8. Facilitate Timely Payment of Utility Bills

Most of the banks and other financial institutions offer their customers facility to pay for their bills online. In this digital era, various mobile apps have also become a one-stop shop for paying up the utility bill. People can easily pay their mobile bill, electricity bill, or any other utility bill using their smartphone.

For people, digital payment systems provide greater convenience for paying their bills, as they are available all time, with little or no costs attached. Bills can be paid really fast and it saves a lot of hassle of traveling to utility company's office to pay the bill and also save the people late fee on bill payment after due date.

Bank customers can also make use of the auto pay facility to make future bill payments automatically on a pre-determined date as it reduces the risk of forgetting the deadlines.

9. Foreign Currency Issues No Longer Matter

If you travel abroad, you will not be able to use your local currency and will need the currency of the country where you are visiting. With card processing, the card company will convert currency automatically during a purchase. If the customer inform his/her bank before leaving their country, they should not have any problems making payments abroad using their cards.

10. Other Benefits

Carrying cash in the pocket might lead to extra spending by people and it also attracts other people (friends and relatives) looking for loans. Using digital channels helps in managing this behaviour. Another advantage of using digital channels is that the people can pay the exact amount without worrying about not having change or getting it back from the merchants while paying for the goods purchased.

Key Learning:

It is extremely important for the people to gradually shift from cash to electronic and digital channels of making payments. In this modern data driven age, having a good digital financial footprint can be very helpful for the people to avail better financial products and services at a much cheaper rate. In addition to longer term benefits, people, by embracing the digital channels, can also reap lots of instant benefits and rewards offered by financial institutions on the digital channels.


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Unit Price
Amount
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10,00 US$
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Single Euro Payments Area (SEPA) – Financial Bridge

The Single Euro Payments Area (SEPA) represents an integrated European payments space in which all cashless euro transactions are executed under the same rules, standards, and costs, regardless of the country of origin. SEPA includes all EU Member States, eurozone countries, as well as non-EU countries that have aligned their regulatory and technical frameworks with European standards given by European Payment Council. Within this area, cross-border transactions are treated as domestic ones – equally fast, affordable, and simple.

SEPA eliminates fragmentation of the European payments market and creates a unified financial environment that is interoperable, secure, and fully standardized.

In practical terms, SEPA enables citizens, companies, and institutions to execute euro transfers using uniform payment instruments – SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD – with standardized message formats, harmonized rules, and minimal fees. This means that a company in SEPA area will be able to pay a supplier in SEPA area as easily as a domestic partner, while citizens will be able to send and receive funds from SEPA countries faster and at significantly lower costs.

The introduction of SEPA standards has profound economic implications. For businesses, it means lower transaction costs, faster capital turnover, and greater predictability. For banks, it brings increased competitiveness and opportunities for new digital products. For citizens, it marks the end of multi-day waiting periods and the beginning of genuine financial flexibility.

Experience from countries that have joined SEPA shows measurable reductions in cross-border payment costs and faster transaction execution, resulting in significant savings for both businesses and household. Lower money transfer costs also have an important social effect: they reduce widespread informal cash transfer practices. When official channels become fast, simple, and affordable, citizens naturally migrate to formal flows, increasing security, transparency, and the integrity of the financial system.

In addition to the benefits that SEPA provides in terms of fund transfers – particularly remittances and invoice payments – countries acceding to the SEPA area face equally important implications for capital markets, the strengthening of foreign investor confidence, and the overall advancement of state-level transparency within the SEPA geographical framework.

Alignment with EU regulations, which constitute a necessary regulatory framework for SEPA accession, effectively means that a country ensures a high level of security and equivalence in supervisory and operational capacity within its financial markets. Viewed from the perspective of foreign investors, this regulatory alignment increases the country's investment appeal, implying growth in foreign investment and, naturally, a rise in cross-border capital market transactions – factors that undoubtedly open a significant pathway toward stronger economic growth.

For countries with a large diaspora whose remittances account for a substantial share of GDP, accession to the SEPA area carries a dual significance: it enables faster, cheaper, and safer remittance transfers, while – more

importantly – strengthens ties with the diaspora and encourages a more active role of diaspora communities in investment activities within the home country.

It is undisputed that alignment with EU regulations and accession to the SEPA geographical area provide a strong foundation for further innovations and improvements which, within a reasonable timeframe, will significantly enhance both the supply side and the demand for digital financial products.

The process of Bosnia and Herzegovina's accession to the SEPA area represents one of the most significant current and strategic projects in the field of payment systems in Bosnia and Herzegovina and a very important step in European integration, bringing direct benefits to citizens and the economy of Bosnia and Herzegovina. Joining the SEPA area also strengthens and integrates Bosnia and Herzegovina's payment systems into European payment flows. In order to achieve membership in the SEPA area, it is necessary to meet a set of criteria and harmonize domestic legislation, primarily in the field of payment systems and payment services, with EU regulations. The key prerequisite for membership in the SEPA area is legal alignment with European directives – primarily PSD2 (Payment Services Directive), EMD2 (E-Money Directive), and the rules of the European Payments Council (EPC).

Taking into account the institutional competences in Bosnia and Herzegovina, as well as the fact that responsibilities are divided among different levels (state and entity), coordination of the activities of relevant institutions is of exceptional importance when it comes to meeting SEPA criteria. The Central Bank of Bosnia and Herzegovina acts as the coordinator of activities through the Coordination Committee for SEPA Accession (KOSP), which includes the entity ministries of finance, the entity banking agencies, and the Association of Banks of Bosnia and Herzegovina. The Central Bank of Bosnia and Herzegovina also actively coordinates with other relevant institutions that are responsible for fulfilling specific SEPA criteria. Since this formal step of entering the SEPA geographical area is a necessary but not sufficient condition for the commencement of SEPA payments, the Central Bank of Bosnia and Herzegovina continuously works on the activities required to prepare banks and establish adequate infrastructure for connection and achieving interoperability with EU payment infrastructures, thereby enabling direct payment transactions with SEPA countries. This has also proven to be an exceptional challenge for countries that have already joined the SEPA geographical area. In this way, the Central Bank of Bosnia and Herzegovina simultaneously carries out coordination activities related to the preparation of the necessary regulatory alignment and the formalization of the application package for SEPA membership, as well as the technical prerequisites for SEPA payment operations. All of this is aimed at ensuring that SEPA payments can begin without delay after Bosnia and Herzegovina's admission to the SEPA geographical area, and at building an efficient infrastructure that enables secure, efficient, and – very importantly – cost-effective EUR payments for citizens and businesses with countries within the SEPA area.

Instant Payment Systems – TIPS Clone General Overview

Instant payments open new horizons in the field of payments by offering fast, secure, and highly cost-efficient transactions. The introduction of instant payment systems has demonstrated a strong momentum in digitalization across countries, as well as significant progress in cashless payments. These systems are almost 100% available, meaning there are no interruptions in payment processing and transactions are executed 24/7/365, or in other words, continuously. Instant payment systems represent a crucial foundation for the development of digital services, both on the banking side and among fintech companies that enrich the financial landscape. Digitalization of public administration, the ability to make payments using instant payments at both physical and online points of sale, the possibility to initiate payments through the use of secure QR codes, NFC through instant channels, and many other functionalities are just some of the benefits of introducing instant payment systems. Of particular importance are instant payment systems characterized by a high degree of standardization and the promotion of interoperability.

TIPS clone as a clone of TIPS system in EU is practical example of such infrastructure. It is known that TIPS (TARGET Instant Payment Settlement) is a pan-European infrastructure for real-time instant payment settlement operated by the European Central Bank within the Euro system. It enables transactions to be executed within seconds, 24/7/365, including holidays, with settlement directly on central bank accounts. TIPS offers an exceptionally high level of security, availability, and interoperability, based on unified technical standards such as ISO 20022 and strict cyber resilience requirements. TIPS Clone represents the construction of a domestic instant payment infrastructure in Bosnia and Herzegovina, developed in line with the European TIPS system and its technical and operational standards. It is effectively a technical clone of the European TARGET Instant Payment Settlement system, designed to operate under the same architectural principles, security standards, and operational rules. In practice, TIPS Clone is a national real-time instant payment settlement platform operating 24/7/365 whit EU perspective in a way of future integration to TIPS.

Using ISO 20022 messaging, central bank settlement mechanisms, multi-layer cybersecurity, and continuous availability, the system is adapted to the domestic currency and regulatory framework while remaining technically compatible with European systems. This opens the door to future direct interoperability and integration into the broader European instant payments space.

With this system, every transaction – from paying for coffee, electricity bills, or taxes – will be completed within seconds. Citizens, businesses, and institutions will be able to send and receive payments instantly, regardless of bank working hours or days of the week, while payment service providers gain opportunities to develop entirely new innovative, secure and cost-effective digital services.

This technology does more than increase speed – it changes the payment culture. In a country where cash still dominates, instant payments pave the way toward a digital economy, reduce cash-handling costs, and raise standards of fiscal discipline.

In the first phase of implementation, the TIPS Clone system will be focused exclusively on domestic instant payments in Bosnia and Herzegovina, enabling citizens, businesses, and institutions to execute transactions within a few seconds inside the national payment space. This step is crucial for the stable introduction of the new infrastructure and for the full adaptation of banks, payment institutions, and technical service providers to the new 24/7/365 settlement regime.

However, the second phase of development envisages the expansion of functionality toward cross-border instant payments, whereby TIPS Clone would become interoperable and enable direct, fast, and low-cost transactions between Bosnia and Herzegovina and EU countries. In this way, TIPS Clone becomes not only a national platform, but also a strategic highway toward the Single European Payments Area, opening access for citizens and businesses to modern cross-border real-time services. It is for sure that introducing of TIPS Clone and encouraging all the innovations and interoperability that TIPS Clone offers, the Central Bank of Bosnia and Herzegovina demonstrates a clear vision and strategy: the continuous improvement of existing systems and the development of new, innovative, yet at the same time secure, efficient, and always-available systems. These systems represent the cornerstone of broader digitalization across all spheres of Bosnian and Herzegovinian society, as well as a generator of economic growth and an improvement in the living standards of the citizens of Bosnia and Herzegovina.

What are Cards?

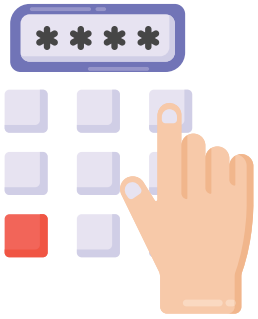
Cards are usually issued by financial institutions and are classified on the basis of their issuance, usage, validity and payment requirement by the card holder. There are three major types of cards: Debit cards, Credit cards and Prepaid cards. Following section explains all of them in detail:

1. Debit Card

A debit card also known as a bank card or check card is a plastic payment card that can be used instead of cash when making purchases. Debit card is issued by the Bank where the customer has an account. Any expenditure made on debit card is immediately debited to user's account and the account balance is reduced. User can also use this card to withdraw cash up to the limit specified by the bank or balance available in his/her bank account.

Debit Card PIN

Your Debit Card PIN is required for using the card at an ATM. Customers should memorise this PIN. It is recommended that you do not write your PIN on the Debit Card or anywhere in proximity to the card. Customers should refrain from giving PIN to any other person or merchant establishment or bank employee.



2. Credit Card

Credit cards are issued by banks / other entities approved by central bank. The credit limit for a customer is decided based on credit worthiness of the customer after a credit appraisal process done by the credit card issuer.

Also, there is a time limit up to which the extra money withdrawn should be paid back. This amount of money is paid back to the bank along with interest charges as applied by the issuer of card, in case of delays beyond the specified period.

Customers who can pay off their credit card bill amount in full and before due date every month can gain a lot by doing the monthly shopping and paying bills using their credit card. In case the card holder misses paying a bill, credit card companies levy heavy charges and customer has to pay interest on overdue amount as well, which can wipe out any benefits that a credit card offers. Hence, the key lies in the discipline of the user.

3. Pre-Paid Card

These are pre loaded cards that function independently and are not linked to a customer's bank account; they can be used regardless of whether the user has an existing bank account. Such cards can be used for limited amount of transactions as specified by the regulations. These cards can be recharged for continued use without an active bank account. Such cards are considered quite safe to use as the risk exposure is limited to the amount loaded on the card and bank details of the card holder are not revealed while doing the transaction.

4. Dos' and Don'ts for Managing Cards

- Sign your card when you receive it.
- The moment you get your debit card, note down the card number and the emergency contact number for the bank. In case, you ever misplace your card or if it gets stolen, you will be able to report the loss of card instantly.
- Keep the above two numbers in a place other than the wallet that has your card. If your wallet gets stolen, you will still have access to the details.
- If going abroad, make note of the card company's and bank's emergency numbers.
- Report lost or stolen cards immediately.
- Memorize the PIN instead of noting it down somewhere.
- Don't lend your card to anyone. If your debit card is borrowed by a family member (spouse, child, parent) or friend, with or without your knowledge, you are responsible for their purchase or cash withdrawal.
- Do not give your debit card number over the phone or on the Internet to anyone.
- Never leave your card unattended at a shop or restaurant.
- Make sure the card is returned to you at the merchant establishment is yours and not anybody else's or a fake card.
- When using your card in a merchant establishment, only your signature is needed. Never disclose any other personal details about yourself
- Always check your billing statement of your card. Check the purchases and compare it with the bills in your and receipts in your possession.

Benefits of Using Cards

1. People can use cards to shop anywhere for any service at any location where there is a Card reader / POS machine.
2. Cards can be used to pay at shops, ATMs, Micro ATMs and for online shopping. Consumer can book Tickets (Airline/Railway/Bus), book hotels, and can use at restaurants to make payments.
3. Both Debit and Credit cards can be used to withdraw cash from ATM, purchase of goods and services at Point of Sale (POS) and online purchase.
4. There is no need to stand in queues in bank branch or ATMs to withdraw cash for making purchases.

How to use Debit/Credit Cards?

1. To withdraw money from an Automated Teller Machine (ATM) using card, user needs to insert his/her debit/credit card and type in the unique secret PIN Number (usually 4 digits) which is provided by the bank. PIN number allows the customer to use debit/credit card at an ATM or when making an in-person purchase with debit/credit card. The maximum amount that can be withdrawn per day by a customer is set by the bank depending upon customer's account type and relationship with the bank.

2. With debit card, user can also use the ATM to carry out other financial and non-financial transactions such as finding out bank balance, depositing cheques or money in the bank account, getting a mini statement, etc. without visiting the bank branch.

3. Cards can also be used to make online payments. For making online payments, customer has to enter the card details (card number, expiry date and CVV) on a secure online payment gateway. Once the details are verified by the payment gateway, money is debited from customers account and is forwarded to be credited in merchant's account. Some banks also ask for additional layers of security like sending a One Time Password (OTP) on customer's mobile phone to verify the identity of customer.

4. The CVV Number ("Card Verification Value") on your credit card or debit card is a 3-digit number on VISA, MasterCard and Discover branded credit and debit cards. On American Express branded credit or debit card it is a 4-digit numeric code.

   CVV numbers are NOT card's secret PIN (Personal Identification Number). CVV numbers are also known as CSC numbers ("Card Security Code").

5. While shopping at major retail stores and shops, following process is followed:

User gives the debit/credit card to the cashier at the store

Merchant swipes / dips the card through PoS machine

Merchant types in the amount of the purchase

Consumer types in the PIN of the Card

Bank debits the amount of purchase directly from user's account

Machine prints out two copies of receipt for mercahnt and customer

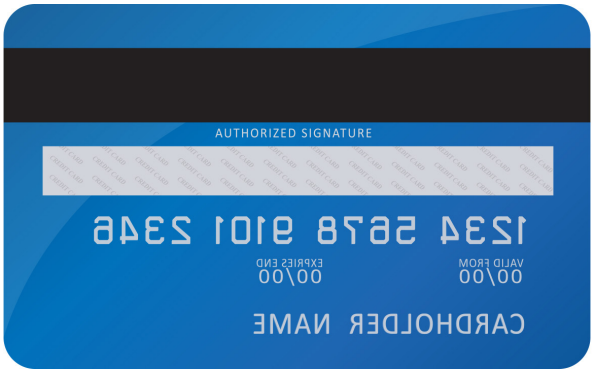
Merchant keeps his copy and hands a copy to the user

Customer get SMS on his registered mobile for transaction

Types of Cards Based on Technology Used

There are two major types of cards used: Magnetic Stripe and Chip based EMV card. Magnetic stripe card has a magnetic stripe and a chip based card has a chip embedded it. In this section, we will discuss about their difference, use and security features.

Magnetic Stripe Card



Chip Based EMV Card

1. How Does a Card Work?

Magnetic-stripe cards, when swiped on a reader, broadcast bank information to the payment terminal without any encryption. Card Reader keeps this information safe by encrypting it as soon as it's received. Chip cards are different as they are not swiped but dipped into the POS. Chip cards have sophisticated encryption built right into the chip. When a chip card is dipped into the POS, it talks back and forth with the payment terminal in a secret language to make sure the identity and bank details of the card holder match and is not revealed.

2. Card Security

Chip card security is the latest standard in card security. This card, also called EMV Chip card, includes a small microchip in the card that protects buyers against fraudulent transactions. Payment cards that comply with the EMV standard are often called Chip cards. EMV stands for Europay, MasterCard, and Visa, the three companies that originally created the standard.

Because of enhanced security, banks are phasing out magnetic stripe cards in favour of these more secure chip based cards. Magnetic-stripe cards are pretty outdated now as it uses the same technology as cassette tapes. EMV is the new standard in most parts of the world for over a decade. Let us see why chip cards offer better security over magnetic stripe cards. EMV cards are primarily designed to prevent fraudulent transactions that take place when someone physically swipes a counterfeit card at a payment terminal.

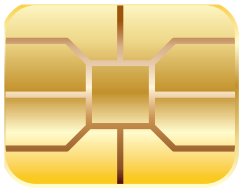
When magnetic-stripe card is swiped, the payment processor reads their magnetic fields and matches them to your bank account information. The problem with this is that the data is static, making it easier for fraudsters to lift information and clone it onto a new card. Such devices for lifting information from a mag-stripe cards are really cheap and are called skimmers. It costs as low as Euro 15.

On the other hand, the data on chip cards is constantly changing, making it extremely hard to isolate and extract. To get the bank information, someone would have to get into the physical chip circuit. This level of sophisticated data fishing is extremely difficult and needs very high-tech equipment that are extremely expensive and out of reach of normal small level fraudsters. Hence, for customers using a chip based card is a very safe option.

Show this video to the participants: https://www.youtube.com/watch?v=oJ0hfl_D3pw

Key Learning:

Chip based EMV cards are much more secure as compared to magnetic stripe cards. Always insist on getting a chip based card.



Point of Sale Terminal

A Point of Sale terminal (POS terminal) is an electronic device used to process card payments at retail locations. A POS terminal generally does the following:

- Reads the information off a customer's credit or debit card
- Checks whether the funds in a customer's bank account are sufficient to process the transaction
- Transfers the funds from the customer's account to the seller's account
- Records the transaction and prints a receipt

There are two major types of POS terminals. Most common one is called Physical POS which uses Physical Card Swiping and other one is MPOS, which is described below.

Mobile Point of Sale Terminal

MPOS is Mobile Point of Sale Terminal. It is usually a smart phone connected with external card reader through Jack/Bluetooth. It is much more cost effective as compared to POS terminal. Using the jack and card reader, you can convert almost any phone into a POS terminal that can accept payments using a credit/debit card.

It is a complete mobile payment solution that allows merchants to accept payments on-the-go or wherever they do business. It contains a mobile card reader and a mobile application that provides businesses with mobile credit card processing capabilities. The MPOS card reader works well on both IOS and Android devices. The mobile application is also available for download on both platforms.

What is NFC?

NFC stands for "Near Field Communication" and it enables short range communication between compatible devices. This requires at least one transmitting device, and another device to receive the signal. Devices can be either passive or active.

Passive NFC devices include tags, and other small transmitters, that can send information to other NFC devices without the need for a power source of their own. However, they don't really process any information sent from other sources, and can't connect to other passive components. Some examples include interactive signs on walls. Passive devices don't require their own power supply. They can instead be powered by the electromagnetic field produced by an active NFC component when it comes into range.

Active devices are able to both send and receive data, and can communicate with each other as well as with passive devices. Smartphones are by far the most common form of active NFC device. Public transport card readers and touch payment terminals are also good examples of the technology.

NFC works on the principle of sending information over radio waves in close proximity to communicate without the need for an internet connection. The technology used in NFC is based on older RFID (Radio-frequency identification). An NFC chip operates as one part of a wireless link. Once it's activated by another chip, small amounts of data between the two devices can be transferred when held a few centimetres from each other.

In developed countries, it's very likely that a local supermarket, train station, taxi or coffee shop supports contactless payments via your phone's NFC chip. Simply hold it close to a contactless payment terminal and instantly, like swiping a credit card, the payment will be complete.

Is it safe to use NFC?

As there is no contact between the devices, people very often fear about safety of using NFC for financial transactions. It is quite safe to use NFC but on very rare occasion data can be stolen though not unless cards are within mere centimetres of a potential fraudster, which is quite unlikely.

Also, there is no need to worry if someone loses their phone. For example: With Android Pay, the credit or debit card number is never transmitted, instead a virtual account number is used to represent the account information, so the actual details stay safe. If the phone is lost or stolen, customer can remotely lock or wipe it with Android Device Manager. Also, while using a credit or debit card with NFC capabilities, it is advisable to use a sleeve for the card as it deflects radio frequencies.

Internet Banking

Internet Banking, also popularly known as online banking, is a web-based electronic system that enables a bank customer to review his/her bank account details and conduct a range of financial transactions 24*7 through the bank's/financial institution's website. The online banking system helps the customer to connect to the core banking system of the bank using internet. It is a very popular channel in addition to branch banking which until a few years ago was the only traditional way customers availed banking services.

To access the online banking facility, a customer needs to register with the financial institution for activating the service for transacting in his/her account. The bank helps the customer to set up a username and password for logging into bank's website remotely. These details are to be used every time by the customer to verify his/ her identity.

Using the login credentials as shared by the bank, the customer can visit the financial institution's secure website, and can easily check his/her account details, balance, transaction history, etc.

There are many financial and non-financial transactions that can be done by a customer using internet banking.

The **types of financial transactions** which a customer may transact through online banking are determined by the financial institution depending on the type of account a customer is holding. Usually, the customer may do the following financial transactions:

- ✓ Checking account balance
- ✓ Reviewing transaction history
- ✓ Electronic bill payments
- ✓ Funds transfers between accounts within and outside the bank

Other popular **non-financial transactions** that can be done using internet banking are:

- Download copy of bank statements
- Order a cheque book
- Report loss of credit cards
- Change of address
- Change ATM pin
- Apply for mobile banking
- Adding Nominee
- Change home branch, etc.

Today, in many developed countries, some banks are internet-only banks. Such banks have lower overhead costs as compared to brick-and-mortar banks. Many old banks are also closing down their physical branches to reduce costs as more and more people are shifting to using electronic channels for availing banking services. This concept is gaining popularity as many people, especially younger generation, likes to conduct financial transactions online. This is also increasing as internet penetration is increasing exponentially globally.

Mobile Banking

Mobile banking is a mobile phone based service provided by a banking institution that allows its customers to conduct financial transactions remotely in the comfort of their home using a mobile device such as a basic phone, smartphone or tablet.

Mobile banking can be accessed using USSD in case of a basic phone and/or an application (app) offered by the financial institution. Mobile banking is usually available 24*7 just like internet banking. Financial institutions sometimes have restrictions on the types of accounts that may be accessed through mobile banking. They may also set a limit on the amount that can be transacted, depending on the regulator's guidelines.

Transactions through mobile banking are almost the same as in case of internet banking. The major difference here is the interface - which is a mobile phone.

From the bank's point of view, using mobile and internet banking is really cheap as compared to branch based banking. From the customer's point of view, it is highly convenient and saves time and money that is spent if a customer has to visit a bank branch.

Preventing Frauds and Ensuring Safety while Using Internet and Mobile banking

Internet and Mobile banking is very fast and convenient. Instead of going to the bank branch and waiting in queue, these channels have made all banking functions accessible through a few easy clicks on the computer or mobile phone. However, the users need to be careful while using these channels due to the risk of phishing, which is fraudulent means of attaining customer's banking and personal information. But there is no need to worry if these channels are used responsibly. Users shall follow the following guidelines for safe use of internet and mobile banking channels:

Change the password on a regular basis

Users shall change their passwords at regular intervals to ensure safety of their accounts. Also, it is quite important to keep the passwords safe and not write it down somewhere where it can be accessed by other people. It is important to have a strong password. The password has to be complex and hard to guess, not very simple like "password1234".

Never allow the browser to remember passwords

Users shall not save their bank login ID and Passwords on their browsers as this might lead to unauthorised access of their accounts.

Not using public computers or networks to log-into bank accounts

Users shall avoid logging in to their bank accounts at public computers in cyber cafes or public places like airports, etc. However, in case of urgency, if user has to login from such places they need to make sure to delete all the cache files and browsing history. If user is using a smartphone or other cellular device, it is a good idea to disable the shared Wi-Fi and switching to a private cellular network as there might be a fraudster tracking the public network.

Phishing refers to the practice of tricking someone into revealing private confidential information. The information is then used to access important bank accounts and can result in identity theft and financial loss. Phishing is a form of fraud in which an attacker impersonates as a reputable entity or person in email or other communication channels like phone (calls or SMS). The attacker might use phishing emails to distribute malicious links or attachments that can perform a variety of functions, including the extraction of login credentials or account information from victims. The bait might be as complex as a fake website designed to mimic bank's official site, which is called **spoofing**.

Do not share your bank details with anyone

Bank staff never asks for user's confidential information via phone or email. So the users shall be very careful, in case they receive a call claiming that the caller is calling from the bank or an email asking for passwords or other details. Fraudsters usually try to create a sense of urgency saying that the user need to log in to their account right away or they could lose money. User shall contact the bank on the authorised customer care phone numbers immediately in any such case.

Look for 'https://' in the URL when using internet banking

Users shall use login ID and password only on the official login page of the bank while using internet banking. They shall look for 'https://' in the URL when logging in as it means that the website is secure. While downloading the mobile app, users need to verify whether the app is genuine and official. User should generally be very careful when downloading apps, not just the banking app but also all other apps. It is important to do a little research before any app is downloaded and be careful on what permissions user is providing to the app developer while installation.

Keep checking the account on a regular basis

It is a good practice to check the bank account balance after making any transaction online. It is important to verify that the right amount has been deducted from the account. If there are any discrepancies in the amount, user shall contact the bank immediately.

Use licenced anti-virus software

To protect computer and phone from new viruses, ensure that user always use licenced anti-virus software. Pirated versions of anti-virus software may be available for free, but they might not be as safe and also can cause damage.

Log-out of the bank's website or app after usage

Many internet users do not log-out properly from the website and just close the browser window. It is advisable to properly log-out of bank's portal after completing the transaction to prevent malicious hackers to steal confidential banking information.

Never click on a link in an email

It is much safer to type the bank URL directly in the address bar of the browser rather than clicking on link given in any email. There are instances of fraudsters sending fake emails with websites links that are designed exactly like the bank's original website to lure customers to share their banking details. Once user enter their login details on such a fake website, hackers might gain access to bank account. When user get any such an email, they shall report it to the bank.

Key Learning:

It is important to know about all the security features and be aware of possible frauds. But the users shall not be scared of using their mobile device or computers to access their bank accounts. It is quite comfortable, easy and more efficient. Users just need to practice good, safe, responsible behaviours and keep track of their gadgets. With a little awareness and attention, internet and mobile banking can be extremely convenient and highly secure.

What is e-Wallet?

e-Wallet stands for electronic wallet. It is a type of electronic card which is used for transactions made online through a computer or a smartphone. The utility of e-wallet is same as a credit or debit card. An e-wallet needs to be linked with the individual's bank account to make payments. The main objective of e-Wallet is to make paperless money transaction easier.

e-wallet has mainly two components, software and information. Software component stores personal information and provides security and encryption of the data, whereas information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc.

1. Features of e-wallet

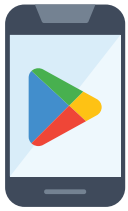
- Prepaid account in which a user can store his/her money for any future online transaction
- User can make payments for groceries, online purchases, and flight tickets etc.
- Protected with password

2. How to Start using an e-wallet

Many institutions now offer e-wallets that allow customers to make payments easily using their mobile phones. It is quite safe and getting very popular day by day. Users can follow the simple steps below to start using an e-wallet

1. **Have an Active Bank Account:**

Before a user can start using an e wallet, he/she must have a valid bank account opened with a licensed financial institution. The bank account serves as the primary source of funds for loading money into the e wallet or linking bank cards. Without an active account, the user will not be able to complete the linking process or perform most wallet transactions.



2. **Download the App:**

First step for the customer is to download the e-wallet application from Google Play for Android based phones or Apple App Store for IOS based phones.

3. **Enter basic details and create User ID:**

Once the application is downloaded, user need to enter basic details such as name, email address, mobile number and date of birth. Some applications require users to create a user ID and password for accessing the application, while others bank backed applications allow the bank's Internet banking user ID and password to be used for the application as well.

4. **Set a PIN:**

Then the user is asked to set a numeric PIN for accessing the wallet. Once the PIN is set, a one-time verification code/ one-time password (OTP) is sent to the registered mobile number, which has to be entered by the user to complete the registration process.

5. **Link bank cards:**

Once the registration process is complete, user is given an option to link their debit/credit cards to the e-wallet by entering necessary card details. These details are safely encrypted. User can also link existing online banking account and directly load cash into his/her wallet.

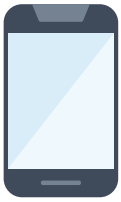
6. **Start Using:**

Once the cards have been linked to the wallet or cash is loaded into the e-wallet, user is able to make payments by accessing the e-wallet application and entering his/her pin.

3. What is needed to start using an e-wallet?

Once the cards have been linked to the wallet or cash is loaded into the e-wallet, user is able to make payments by accessing the e-wallet application and entering his PIN.

1. Bank Account



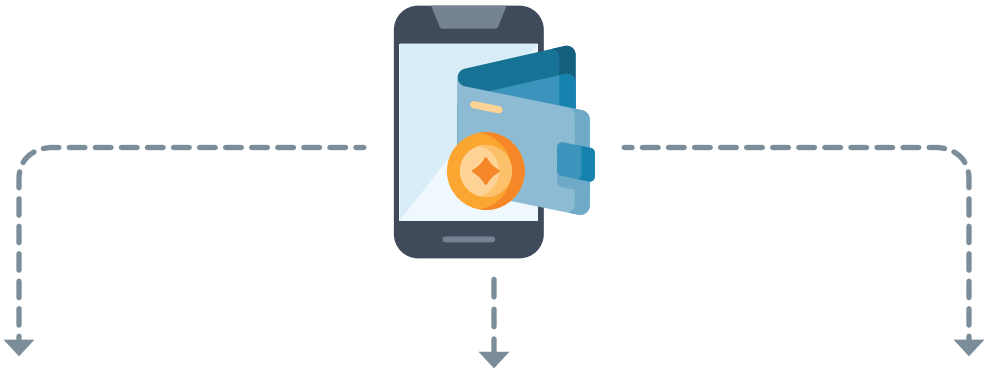
2. Smart phone

3. 2G/3G/4G connection

4. A free wallet app

Digital wallet could help pay for a range of items. There would be no need to reach for a credit/debit card each time, or to sign payment receipts on transaction completion.

4. Types of e-Wallets



Closed Wallet

Some big companies issue closed wallets to their customers. The money stored in these wallets can only be used to transact with the companies who have issues such wallets. Closed wallets are online accounts where money gets credited and can be used to buy products only from that company.

Semi-Closed Wallet

Semi-Closed wallets are used to transact online and offline which include buying goods and services, financial services, payment of fees, premiums, etc. through/to merchants which have a specific contract with the wallet issuer to accept the payment instrument.

Open Wallet

Open Wallets can only be issued by banks or in partnerships with banks. These wallets can be used to perform all the transactions of a semi-closed wallets plus they can also be used to withdraw cash at ATMs or banks and transfer funds to any bank account.

Must do Practices for using Healthy Digital Financial Services

- Register your mobile number for SMS service at bank to receive regular information about transactions in your account
- Never share PIN, keep it secure and safe. While at ATM, ensure no one is looking over your shoulder
- Transact only at authorized agents
- Keep yourself updated about the new features and security risk

Key Learning:

Using Digital Channels might appear to be quite complicated for any new user but understanding the products, technology, jargon and safety features can help the people to smoothly shift from cash to digital. This section helps people understand that digital channels are much safer and convenient as compared to using cash. It just takes a small initial interest to learn about the new digital products and shift to these new channels. People can only realise the ease and comfort of using these digital channels when they take the first step towards digital. You, as a participant of this training, have already taken that first step!

Welcome to the Digital World!

Understanding Credit Reporting and How DFS can Help

What is the Central Registry of Credits of Business Entities and Natural Persons in Bosnia and Herzegovina?

The Central Credit Registry of Business Entities and Natural Persons in Bosnia and Herzegovina (hereinafter: *the Registry*) contains the data on credit and other indebtedness of business entities and natural persons with participants in the Registry.

Central Registry of Credits of Business Entities and Natural Persons

Business Entity: **Has an unique identification number (UIN).**

Natural Person: **Has an unique identification number or a non-resident/foreign individual who has an identification number issued by the competent tax authority.**

Centralna banka
BOSNE I HERCEGOVINE
Централна банка
БОСНЕ И ХЕРЦЕГОВИНЕ

The Registry is established and maintained by the Central Bank of Bosnia and Herzegovina as an electronic collection of data on credit and other indebtedness of business entities and natural persons.

Who are the participants?

Participant in the Registry is any bank, micro-credit organization, savings and credit organization, leasing company, factoring company, any company that is under the jurisdiction of the competent Entity Banking Agency, entity registered for placement of financial assets, which is included in the Registry, at its own request, as well as, any other entity engaged in the repurchase of claims recorded in the Registry.

What is the Registry for - What is it used for?

The Registry, as a single database of credit and other indebtedness of businesses and natural persons, serves to support the stability of the financial system in Bosnia and Herzegovina. The information in the Registry is useful for participants in the preparation of credit capacity and monitoring analyses, for the Entity Banking Agencies and the Central Bank for analysis, as well as, for the courts, prosecutors' offices, public attorneys' offices, internal affairs authorities and police departments for performing tasks within their jurisdiction established by law.

In other words, the purpose of the Registry is to:

- Supports financial system stability.
- Used for credit capacity analysis, monitoring, and legal tasks by courts, prosecutors, police, etc.

Who and when submits the data to the Registry/who is responsible for the timely submission of data to the Registry?

Participants in the Registry are obliged to submit the data on the next day as latest from the day when a change takes place in the period from 08:00 to 16:00 hours. The business day is a business day as defined by the Central Bank of Bosnia and Herzegovina regulation defining the operative rules for Giro Clearing.

Participants in the Registry are responsible for the accuracy and timeliness of the data submission. Data is updated immediately after their receipt, after that, the updated data is available to data users.

How can the data from the Registry be accessed?

1. By direct access via internet and

2. In the form of individual reports.

What are the prerequisites for accessing Registry data via internet?

1. Complete the "Institution Access Request Form" indicating internet access to the Registry. Submit the Request Form with supporting documentation to:

   Central Bank of Bosnia and Herzegovina

   Payment Systems Department

   Marsala Tita 25

   71 000 Sarajevo

2. Obtain approval from the Central Bank for internet access
3. Use a computer meeting the minimum technical requirements
4. For each authorized user, complete a "User Access Request Form" specifying permissions and submit to the Central Bank
5. Obtain a personalized smart card (Option 1) or USB key (Option 2) for authentication from Halcom doo paying applicable fees.

Who can access the data in the form of individual reports from the Registry?

1. The Central Bank of Bosnia and Herzegovina issues individual reports from the Registry on the basis of a written request of institutions authorized by law for purpose of performing the tasks from their responsibility as set by the law.
2. Banks, microcredit organizations, savings-credit organizations, leasing companies and factoring companies and any other company which falls within the competence of the relevant entity Banking Agency issues individual reports from the Registry on the basis of a submitted written request of a business entity or natural person only for the indebtedness of requester that submitted a request.

The business entity's submitted request in writing needs to be signed by an authorized person and verified by the business entity's seal or signed with an electronic signature in accordance with the regulations governing the field of electronic signatures in Bosnia and Herzegovina.

A written request submitted by a natural person needs to be signed by that natural person and include a number of the identification document and the name of the authority which issued it or signed with an electronic signature in accordance with the regulations governing the field of electronic signatures in Bosnia and Herzegovina.

The data on settled liabilities are kept for the previous five years, counting from the date of the actual liability repayment.

What reports are available from the Registry?

The following reports are available from the Registry:

1. Current indebtedness of a business entity (BP1)
2. Closed indebtedness of a business entity (BP2)
3. Current indebtedness of a natural person (BF1)
4. Closed indebtedness of a natural person (BF2)

How is Credit Score Calculated?

Credit scores are calculated from multiple different pieces of credit data that is submitted to Credit Registry.

Why there is a Need to care about Credit History?

Credit Registry provided an important information to its users. Any bad credit default on customer's credit report can hinder their borrowing power with any formal financial institution. Also, having no credit history is really bad as lender's don't trust such potential borrowers. Hence, it is important to use digital channels over cash in a responsible way, so that a good credit history is built over time.


BANK
Profitability trends
Analysis business
Sales

Trainer's Guide

Welcome to the Trainers' Guide for EDFS training for general population. This guide is designed for those trainers who are going to conduct the training for the general adult population. It is proposed that the person delivering this course shall be an experienced and capable trainer who can present the IFC training material through his/her own delivery style creating an environment that encourages the participants to learn.

This trainer's guide provides the background needed in order to effectively deliver the EDFS training to general population. The outcome of the training depends on effective preparation by the trainer and customisation of tools.

The objective of conducting EDFS training is to facilitate adoption of more digital channels by the general adult population. The training should aim at imparting knowledge to enable participant's better understanding of innovative digital channels. Trainer shall focus on achieving the following outcomes from this training:

1. Clear understanding that using EDFS channels is more beneficial for them as compared to cash based transactions.
2. Clear understanding of usage of different EDFS channels.
3. Understanding about the key features and difference between various EDFS products.

Trainers need to understand that the banks as providers of financial services, have an inherent gain in the spread of digital financial services as it would help them capture the untapped business opportunities. Hence, the trainers also need to convince the banks/financial institutions to view the awareness efforts as future investments. It will help the bank in marketing their digital product offerings to people.

1. Suggested Road map for Delivering Training

This section lists down the roadmap/steps for trainers to conduct EDFS training.

Before the Training

- Selecting the participants for the training is very important. The training organizer shall identify the geographical areas to be covered as a part of this initiative and visit the opinion leaders in that locality. The objective of organizing this training shall be explained to the opinion leaders and they shall be requested to pass-on this message to the adults living in the community. Some posters and pamphlets shall also be shared with the community leader and same shall also be placed at public places like parks, libraries, colleges, etc. informing the people about enrolling for this training. Once people enroll for this training, the list of participants shall be shared with the trainer.
- The trainer shall include maximum of 15-20 people in one training session which can be about 3-hour long. Such sessions can be organized regularly on a daily basis in the community centers and other suitable venues where the participants can freely come.
- Finalize the training venue and send proper communication to the participants about the training telling them about the venue, timing and duration of training.
- Trainer shall customize the training material. It is suggested that trainer update the training material with specific product offering examples and also add the real information about fees and incentives for using digital channels for customers.
- The trainer also needs to add some practical examples to make the training more specific to the needs of the people being trained. For example: In case of migrant's families, it would be good to add more details about digital channels that can facilitate remittances safely at a cheaper cost.
- Training material is available in word format. Trainers might want to convert the content in PPT format for easy dissemination. PPT format might be helpful in highlighting and explaining each benefit to shift to digital channels.

During the Training

- It is very important to highlight the benefits of using EDFS for the people in the beginning of the training, so that they get interested in the training before the trainer starts telling them about general information on various EDFS channels and their features.
- Make the training interactive and ask the participants to share their doubts and concerns and what is stopping them currently from using digital channels.
- Along with theory, it is important to give a practical demonstration on the working of the digital devices to the participants and explain how each of the features work.
- Prepare a plan with the participants on how they are going to shift to digital channels and also discuss with them about the digital products.

- Discuss timelines and how the sponsor/ partner bank/ financial institution is going to support them in their journey to the shift to using digital channels.
- Help the participants establish personal goals for shifting to digital channels during the training that can be tracked to see the progress made.
- Share the details of helpline and other avenues where customers can reach out in case they face any issues/problems.
- Trainer shall also plan to take a quick quiz (section below) to test participant's knowledge immediately after the training on what they learnt about EDFS.

Trainer shall also plan a follow-up session to find out whether there are any pending issues yet to be clarified and help the partner bank to prepare a reporting system to track each participant's progress and how many products did they avail after attending the training.

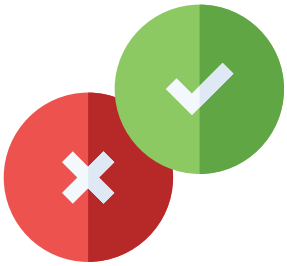
Do's and Don'ts that the trainers shall follow before and while delivering the training:

2. Do's

- ✓ Customize the training content and add specific details before delivering the course. It is important to have all the EDFS product related details handy while conducting this training
- ✓ Do make sure that the training is engaging by using ice breakers, adding demonstration of use of digital channels and using quizzes and offering prizes.
- ✓ Do make sure you know the participant's profile before starting the training. It is advisable to put similar type of people in a training. The training group shall be homogenous and not very different from each other.
- ✓ Do test the digital channels that you are going to demonstrate to make sure it works during the training.
- ✓ Do test the knowledge of participants during and after the training to make sure they understood the benefits of going digital and features of various digital channels.
- ✓ Do give time for question and answer session
- ✓ Do make sure you hand out evaluation forms for the training that can help you develop and improve the training content and methodology along the way.
- ✓ Do encourage if some participants want to share their experience of using digital channels.

3. Don'ts

- ⊗ Don't bluff if you don't know answer to any question. Be willing and confident to say, "I don't know, but I will find out and let you know".
- ⊗ Don't just start the training without explaining what participants are going to learn and how it relates to them and how it's going to benefit them.
- ⊗ Don't forget to ask the participants to share their experiences and perceptions relevant to use of EDFS channels.



4. Requirements for Conducting the Training

To successfully conduct the training, the trainer will need the following:

- A digital projector, if the trainer is using PowerPoint presentations for the training
- Standard training related stationery items:
  - flip charts
  - marker pens of different colors
  - white board
  - Notepad and pen/pencil for each participant
- Small prizes/incentives/chocolates for participants to encourage them
- Computer with external speakers to play the videos

5. Exercise: True/ False: Which of the Following Statements Are True?

1. Magnetic Stripe Cards are more secure than Chip based EMV cards
2. Chip based cards can be easily skimmed
3. Card is not swiped but dipped in the POS in case of NFC

Answers

1. False
2. False
3. True

6. Videos that can be used by Trainers

Following Videos can be very helpful for the trainers to prepare for the trainings. Also, the trainers might want to use some of the following videos in their trainings to easily explain concepts about EDFS:

https://www.youtube.com/watch?v=oJ0hfl_D3pw

https://www.youtube.com/watch?v=9bm0b8pdKws

https://www.youtube.com/watch?v=PsIgdpOpdoQ

https://www.youtube.com/watch?v=8q9iISSRx7k

https://www.youtube.com/watch?v=u7Xjzsqx-eQ

https://www.youtube.com/watch?v=fgs0ijPGI6o

https://www.youtube.com/watch?v=x3XXPkhsi8Q&t=13s

https://www.youtube.com/watch?v=BBdyKx2DGgg

https://www.youtube.com/watch?v=oJ0hfl_D3pw

7. Sample Training Schedule & Notes for Trainer

The trainer shall train about 15-20 participants in one training session which can be about **3-hour long**. Sample time schedule for the training is given below:

Serial No.	Session	Time Allocated	Notes for the Trainer
1	Introduction Session (Introduction + Clarifying Expectations + Ice Breaking to make participants comfortable)	10 minutes	Trainer shall provide every participant with an opportunity to introduce themselves. The last question of the introductions should make the participants laugh as it will help in breaking the ice. As an ice breaker, the trainer can ask participants to tell everyone about any funny hobby or habit that they have. Trainer shall ask the participants about their expectations from this training. The trainer can ask participants to think of two specific things that they want to be able to do or do differently after this training. Trainer shall also seek feedback on how participant's personal objectives can be met during the training.
2	Introducing the objectives and structure of training	05 minutes	Trainer shares the training schedule with the participants and explains the objective and desired outcome of the training (as explained in the first section of Trainer's Guide). During this session, Trainer shall also comment on the participatory nature of this training and encourage the participants to contribute to the discussions.
3	Setting ground rules and making logistics announcements	05 minutes	It is important for the trainer to set some basic ground rules to guide participation, like not using the mobile phone during the training. Setting up such rules helps in uninterrupted organisation of the training. One idea for enforcing ground rules is to ask anyone who breaks a rule to sing a song for the group. After setting the ground rules trainer shall tell participants about logistics arrangement e.g., where are the toilets are located.
4	Key benefits of using EDFS over cash	30 minutes	The key learning point from this session is a very clear understanding of why using EDFS channels is better for people as compared to cash based transactions. Trainer shall try to give specific product examples and explain using all the points given in the training material, how it is beneficial for the people to use EDFS. For example: Trainer shall discuss in detail about credit history, its importance and how EDFS can help the people in creating excellent credit history. It is suggested that the trainer also ask the participants to share their existing experience about using various EDFS channels.

Serial No.	Session	Time Allocated	Notes for the Trainer
5	EDFS Products/ Channels Features • Cards (Debit, Credit and Prepaid) • POS • Mobile POS • NFC • USSD • Internet Banking • Mobile Banking • e-wallet	30 minutes	The key learning points from this session are as follows: • Learn the difference between various EDFS products and channels • Understand the features of different types of cards and how can participant choose one based on their needs • Understand what types of machines are used to process card payments. • Understand various banking channels that can be used to avail financial products and services Trainer, while explaining the products and channels, shall convince the participants about the advantages of each product over cash and why they shall adopt these channels. Trainer's objective is to remove fear from people's mind about using EDFS channel. Awareness about the product features shall lead to removal of any fear that participants have.
6	How to use EDFS Products (Theory and Demonstration)	40 minutes	The key learning points from this session is to make the participants witness the use of various EDFS channels and to explain to them about the ease with which the EDFS transactions can be conducted. Trainer shall ensure that S/he also allows the participants to conduct dummy transactions on their own to convince them about the ease of doing such transactions.
7	Safety aspects of using EDFS products	15 minutes	The key learning point from this session is to convince the participants about the safety features of various EDFS products and why using EDFS is more secure than using cash. Trainer shall highlight the safety measures that protect people while using EDFS channels (the details of safety features are explained in the training material). Trainer shall ask the participants about their experience and if they have any example on fear or resistance to use EDFS channels.
8	Do's and Don'ts while using EDFS	15 minutes	The key learning point from this session is to highlight how people can enjoy the benefits of EDFS without getting into any trouble. Trainer shall focus on how people can use the EDFS responsibly that will ensure his/her safety. Trainer can prepare in advance and narrate a real example from a financial institution about a customer who shared his PIN with family and how that led to a financial loss for the customer. Trainer shall also narrate a good example where a customer benefited because of responsibly using EDFS channels.

Serial No.	Session	Time Allocated	Notes for the Trainer
9	Question and Answer Session	15 minutes	Question and Answer Session is quite important and hence the trainer shall prepare for it in advance. Trainer shall think about as many possible questions as possible that they may have to face during this session and prepare the answers accordingly. During the Q&A session, trainer shall make sure to repeat the question for all other participants to hear, and then answer it while keeping eye contact with the questioner. Providing examples to explain the answers can be very helpful.
10	Preparing a follow-up plan	10 minutes	Trainer shall encourage the participants to prepare a personal follow-up plan to enable the participants to track their progress towards adopting digital channels. For example: the follow-up plan might include the following: • Opening of a personal digital wallet/account • Activating the already existing dormant digital account which the customer has not used for a while • Start making utility bill payments using digital payments • Pay using EDFS channels for grocery shopping • Explain the benefits of EDFS to friends/family • Reduce the cash usage by a certain percentage within next __ months
11	Thanking the participants and collect feedback	5 minutes	Trainer shall thank the participants for their active participation and shall also collect feedback from the participants about “what went well and what can be improved”. This will help the trainer to refine and improve the training content and style for subsequent trainings.

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