



**REMARKS BY MRS. ANITA MANKHAMBO, COMPLIANCE AND
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AUTHORITY (FIA)**

**NEW PAYMENT METHODS WORKSHOP
UMODZI PARK, LILONGWE, MALAWI**

27TH OCTOBER 2021

- The Board Member of AGA-Africa – **Mr. Markus Green Esq.**
- AGA-Africa Country Representative – **Ms. Gift Caroline Chikwakwa**

- Other representatives from AGA-Africa
- All facilitators of this Workshop
- All participants for this Workshop
- Distinguished Ladies and Gentlemen

1. I am greatly delighted this morning to welcome you, Mr. Markus Green Esq – the Board Member of AGA-Africa, facilitators and all the participants to this Workshop.
2. I consider it an honour to be with you this morning on this great occasion of sharing knowledge on New Payment Methods and how such Payment Methods are facilitating transactions payment or funds transfer both positively and negatively.
3. **Ladies and Gentlemen,** it is a fact that Technological Advancement is here to say hence there will be New Payment Methods introduced from time to time. This is very important especially in our case in Malawi as we continue striving to accelerate uptake of financial inclusion products and services to ensure that most persons are not excluded from the formal financial system. This means increase in business for the financial institutions - and possibly profits for them - as well as safety of money and assurance of swift transactions on the part of the customers.

4. When we talk of New Payment Methods today these include Internet Banking, Account-to-Account Payments, Mobile Payments, Payment Cards, Prepaid Cards or Credit Cards, Direct Debit Cards, and Cryptocurrencies, among others. As I said earlier, technology relating to Payment Methods has kept growing over the year and this will continue.
5. **Ladies and Gentlemen,** COVID-19 has also been a factor that has facilitated growth of New Payment Methods. As a response to the pandemic, Financial Institutions and Merchant Businesses have promoted measures aimed at reducing face-to-face transactions and contact with payment devices.
6. The pandemic necessitated customers to observe social distancing rules and quickly adapt to digital and any contactless payment channel across all the age spectrum. It is not a secret that the new generation likes new technology issues more than the other generations, but COVID-19 has made everyone to start aligning with the new technology especially where payments matters are concerned.
7. Consequently, the use of the Payment Methods that reduce contact have accelerated in Malawi and around the world from 2019. For instance, in 2019 alone over 50% of all ecommerce transactions in the United Kingdom were completed using a mobile device. In 2020, the average Australian made around 560 electronic

transactions, compared with 250 a decade earlier and in the same year 2019 the number of cash transactions per person declined from 320 to about 170, according to published reports. This depicts a major shift towards New Payment Methods across the world. It is therefore an important subject matter to be deliberated on here in Malawi.

8. While we can mention a lot of advantages that come with New Payment Methods; however, the Payment Methods carry with them inherent money laundering and terrorist financing risks. These methods can allow criminals to move around funds obtained from illicit means such as fraud, theft, corruption, illegal wildlife crime, drug trafficking, just to mention a few.
9. Further, the New Payment Methods such as Mobile Money have been subjected to fraudulent incidents perpetrated by the agents and even customers.
10. The solace we have from financial institutions and law enforcement perspective is that the New Payment Methods allow for tracing of transactions to a greater extent such that a trail of any criminal scheme can be established. Although criminals like creating layers of transactions to obscure the trail, the law enforcement agencies are still able to do their work and unearth the truth. That way the criminals are tracked and taken to book.

11. The Financial Intelligence Authority is glad that over the years people who have engaged in money laundering - whether involving use of New Payment Methods or not - have been identified, investigated, prosecuted and most of them convicted. This is an indication that the war against money laundering and other financial crimes is on the right path in the country. This has only been possible with concerted efforts from the Compliance Officers of the Financial Institutions, the Law Enforcement Agencies (Investigators and Prosecutors) and the general public. This is very commendable, and I would like to urge each one of us to continue collaborating in combating money laundering and other financial crimes in the country.
12. As we commence the Workshop on New Payment Methods today, let us be open-minded and participate fully during the sessions in order to share experiences and knowledge and help to improve on how we should be vigilant against criminals.
13. With these remarks, **Ladies and Gentlemen**, I wish you the facilitators and participants a fruitful workshop.
14. I thank you very much for your attention.

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