Foro Di Pago Nacional

INNOVACION, COLABORACION, DESAROYO

Summary report of the meeting of the
Foro di Pago Nacional (FPN)

Date: November 29, 2023

Time: 8:30 a.m. – 11:45 a.m.

Present: Enclosure 1

Agenda:
1. Registration
2. Welcoming words
3. Opening remarks by the Chairperson Foro di Pago Nacional, Mrs. M.M. Gonzalez, Executive Director, CBA
4. Speech by the President of the CBA, Mrs. J.R. Semeleer, “Launching the Foro di Pago Nacional, a commitment to inclusiveness towards sustainable economic wellbeing”
5. Speech by the Honorable Minister of Economic Affairs, Communication, Sustainable Development, Mr. G.B. Wever, “Government of Aruba’s perspective regarding the promotion of financial inclusion”
6. Guest speaker: Chairperson “MOB” and Executive Board Member of Monetary Affairs and Financial Stability at the Nederlandsche Bank, Prof. Dr. O.C.H.M. Sleijpen, “Enhancing inclusiveness for resilient growth; the Dutch experience”
7. Short break
8. Guest speaker: Payments Consultant at iPlan, Mr. M.C. Munne, iPlan, “Evolving Instant: Aruba’s Leap into the Future of Payments”
9. Presentation by Policy Officer Enforcement, Market Entry & Legal Advisory, Mr. W.A.G. Roelens, “Purpose & Status Draft Ordinances on Payments”
10. Future topics to consider
11. Closing remarks by the Chairperson Foro di Pago Nacional, Mrs. M.M. Gonzalez, Executive Director, CBA
12. Light lunch and networking

---

1. Registration

The registration for the inaugural Foro di Pago Nacional (FPN) meeting started at 8:30 a.m. Participants were able to indulge in a light breakfast until 9:00 a.m., after which they proceeded to the conference room for the start of the inaugural meeting of the FPN.

2. *Welcoming words*

Mrs. E.G.L Croes, Moderator of the meeting of today and Policy Officer Research Department, CBA welcomed all stakeholders, and special guests at the inaugural FPN meeting.

3. *Opening remarks*

Mrs. M.M. Gonzalez the Chairperson of the FPN and Executive Director of the CBA welcomed the participants at the inaugural FPN meeting and explained that the inception of the FPN dates back to 2016 when the CBA received technical assistance from the Dutch Central Bank, the Nederlandsche Bank (DNB). A report emerged as a result of this technical assistance titled "Fact Finding Mission Payment System in Aruba: Results and Recommendations" , which highlighted, among others, the state of the payments landscape in Aruba at that time, and also provided useful recommendations to achieve the desired modernization. One of those recommendations was to install a national stakeholder's platform, the Foro di Pago Nacional, aimed at fostering cooperation between the providers and users of the payment systems to bring about the desired modernization. Since the publication of the Fact Finding Mission report in 2017, the CBA has worked intensively on addressing its recommendations (enclosure 2).

4. Speech by the President of the CBA

Mrs. J.R. Semeleer gave the speech titled "Launching the Foro di Pago Nacional, a commitment to inclusiveness towards sustainable economic wellbeing", which highlighted among others that payments have become a utility, and that access to payments cannot be overrated in the light of financial inclusion (enclosure 3).

5. Speech by the Honorable Minister of Economic Affairs, Communication, Sustainable Development

Mr. G.B. Wever gave the speech titled "Government of Aruba's perspective regarding the promotion of financial inclusion", stressing the importance of access to financial services and financial literacy as main pillars of financial inclusion. Furthermore, Mr. Wever elaborated on several governmental initiatives to strengthen financial inclusion, including the State Ordinance on Consumer Credit granting the authority to the government to set, among others, the maximum credit fee for consumer credit, the State Ordinance on Basic Payment Accounts guaranteeing a basic payment account for all consumers and companies, the financial education program "Finansa den mi Hogar", the National Children's Savings Program, and the National Counsel for Financial Inclusion and Education (enclosure 4).

6. Guest speaker: Chairperson "MOB" and Executive Board Member of Monetary Affairs and Financial Stability at the Nederlandsche Bank

Prof. Dr. O.C.H.M Sleijpen gave the presentation titled "Enhancing inclusiveness for resilient growth: the Dutch experience". He described the Dutch payment landscape and how digitalization of the payment system is a solution for some, and a challenge for others. He also elaborated on various milestones that the "Maatschappelijk Overleg Betalingsverkeer" (MOB) has achieved to date based on consensus reached with all the stakeholders involved, such as the introduction of instant payments in 2019, the introduction of a cash covenant in 2022, and the commitment of banks to improve the accessibility of payment services in 2023 (enclosure 5).

Subsequent to the presentation of Mr. Sleijpen, the following questions were raised:

1. *How feasible is it for a small island to achieve what MOB has achieved in the Netherlands?*
   Finding the appropriate equilibrium that suits Aruba's context is crucial. Collaborating effectively stands as a pivotal factor. Nevertheless, the competition among banks remains a significant concern, considering that each commercial bank has its own plans and priorities for the future, a situation evident even in the Netherlands. However, a definitive answer is impossible because it is all dependent of the local situation.

2. *How does iDEAL work in the Netherlands?*
   iDEAL is a widely used online payment system in the Netherlands, owned by a consortium of Dutch banks. iDEAL operates in real-time, ensuring instant confirmation of payments for both merchants and customers. It is secure, convenient, and widely accepted across various online platforms in the Netherlands.

3. *What are the fees charged in the Netherlands for the payment services offered by the commercial banks?*
   {answer provided by e-mail, after the conference}
   For consumers:
   A standard payment package in the Netherlands typically includes a bank account, a linked debit card, unlimited direct debits, and unlimited transfers (including instant payments) in almost all cases. Some banks offer discounts if the consumer refrains from ATM withdrawals, while others charge a fee if the consumer withdraws more than a certain amount annually. The fees for standard consumer payment packages offered by Dutch banks vary between 32 and 38 euros per year. If a credit card is also included, the fees tend to be slightly higher. Children, young adults, and students can often open and use a bank account for free.

   For businesses:
   The fees for business payment package accounts are considerably higher and can vary significantly (depending on whether bundles with a certain number of transfers and direct debits are included in the package). The rates for the most standard business payment packages from the three biggest banks are around 120 euros per year. Additionally, there are separate fees for individual deposits and withdrawals on the

bank account, ranging between EUR 0.13 and 0.15 per transaction. Monthly transaction costs for accepting debit card payments for a small business owner range from 60 to 120 euros per year (excluding the cost of purchasing or renting a payment terminal).

4. *"Security" is a working group, how are they involved in the project presented in the presentation?*
   Security is always an important aspect of the projects and plays a key role in the testing phase, assessing cyber risks, and protecting against cyberattacks.

5. *Who should drive innovation on a small island?*
   This platform, the FPN is the place to have these discussions, in order to drive innovation.

7. Short break

A brief intermission took place between 10:35 a.m. and 11:00 a.m.

8. Guest speaker: Payments Consultant at iPlan

Mr. M.C. Munne gave the presentation titled "Evolving instant: Aruba's leap into the future of payments". The CBA has identified three potential use cases and the required components and services to further modernize the payments landscape in Aruba, and Mr. Munne explained that the next step is for the stakeholders to interact to ensure a future service that is supported by the merchants, the consumers, and the local commercial banks (enclosure 6). During the presentation Mr. Munne had two poll questions. The outcome of the polls are listed below.

Question 1:

Question:	**What use case do you believe would benefit the most from Instant Account to Account Payments?**	**Vote Percentage:**	**Vote Numbers:**
Options:	Person to Person - for example sharing a restaurant bill between friends	2%	1
	In Store - paying for your groceries using your mobile phone instead of your card	10%	5
	Online - being able to pay online without a credit card, like iDEAL or PayPal	16%	8
	Bill Payments - paying your electricity bill instantly	6%	3
	All of the above	66%	33
		100%	50

Question 2:

Question:	What would be your preferred model?	Vote Percentage:	Vote Numbers:
Options:	Fully integrated into my banking apps	55.8%	29
	A separate app with a new, common recognisable brand	25%	13
	A model based on Open Banking, with multiple third party apps	15.4%	8
	Other	3.8%	2
		100%	52

Subsequent to the presentation, the following questions were raised:

1. *Aruba is highly dependent of the visiting tourist. Did the CBA take this into account for the future project?*
   Moving forward, we envision the potential to utilize the I-Pago platform for providing payment services to the visiting tourists, however, this is something for future phases.

2. *Did the CBA take into consideration the fraud aspect for the implementation of the future use cases?*
   The solution displayed in this presentation will leverage the existing rail for clearing and settling payment transactions (I-Pago). Therefore, all security measures, including those against fraud risk, will also be taken into account.

3. *How scalable is this solution? Should all the commercial banks implement the use cases?*
   Preferably all the commercial banks will offer these payment use cases (in-store, e-commerce, person-to-person). However, we foresee that if just one bank implements these use cases, it remains feasible to reach all merchants and consumers.

9. Presentation by Policy Officer EML of the CBA

Mr. W.A.G. Roelens gave the presentation titled “Regulation of payments with eye for financial inclusion”. Mr. Roelens informed on the legislative work being done by the CBA in drafting the Ordinances on Payments, the ordinances will institute the legal framework needed to promote financial inclusion, strive for more cashless payments, regulate market entry with room for new initiatives, strengthen the protection of consumers, enhance safe and secure payment systems, and much more (enclosure 7).

Subsequent to the presentation, the following questions were raised:

1. *How will CBA deal with the roles of operator of I-Pago versus Oversight of the system?*
   The operation of the system will be separate from the oversight, and will resort under the responsibility of different departments. The latter to prevent conflicts of interest and maintain confidentiality, the separation of operational functions and oversight responsibilities. Different departments or units within an organization have distinct roles and responsibilities related to payment systems. They operate independently and have adequate controls in place to prevent the misuse of sensitive information, ensure unbiased oversight, and maintain the integrity of the processes. This separation ensures that operational activities and oversight duties are conducted transparently, ethically, and without undue influence or conflicts of interest between these areas.

2. *Explain the difference between a basic bank account and the accounts that are currently available.*
   Basic bank accounts offer limited services with minimal fees and no possibility for overdraft, targeting individuals with simpler banking needs or financial constraints. Standard or premium accounts provide a broader range of services, benefits, and higher fees, catering to those seeking more comprehensive banking features.

10. Future topics to consider

The Moderator, Mrs. Croes, asked the participants to answer the following question in the Webex Events application's poll section: "Which of the following topics would you like to see covered in future Foro di Pago Nacional meetings?". The multiple choice answers were as follows:

a. Accessibility and inclusiveness
b. Cost of the banking services
c. Laws and regulations
d. Innovations in payment services
e. Security of payment systems
f. FinTech
g. Cross-border payments
h. Other:

The result was as follows:

Question:	Which of the following topics would you like to see covered in future Foro di Pago Nacional meetings?	Vote Percentage:	Vote Numbers:
Options:	Accessibility and inclusiveness	17.6%	9
	Cost of the banking services	9.8%	5
	Laws and regulations	2%	1
	Innovations in payment services	51%	26
	Security of payment systems	5.9%	3
	Fintechs	5.9%	3
	Cross-border	7.8%	4
	Other:	0%	0
		100%	51

11. Closing remarks

The chairperson of the FPN, Mrs. Gonzalez, closed the inaugural FPN meeting, and thanked all stakeholders and special guests for their presence, and mentioned that she is anticipating the next meeting with great enthusiasm. Furthermore, she informed that the CBA will consider the future topics brought forward and will invite the stakeholders to participate in working groups where these topics will be discussed in more detail, prior to the next plenary meeting in November 2024 (enclosure 8).

12. Light lunch and networking

The Moderator, Mrs. Croes, thanked everyone for their active participation and valuable contributions throughout the conference, and invited all participants to a light lunch and an opportunity for networking.

Enclosure 1:

Special guests:

1. Mr. G.B. Wever - Minister of Economic Affairs, Communication, Sustainable Development
2. Prof. Dr. O.C.H.M Sleijpen - Chairperson "MOB" and Executive Board Member of Monetary Affairs and Financial Stability at the Nederlandsche Bank
3. Mr. Mark Munne - Payments Consultant iPlan
4. Mrs. R. Frankel and Mrs. F. Patterson – Centrale Bank van Suriname

Stakeholders from:

1. Aruba Airport Authority (AAA)
2. Arugas N.V.
3. Algemene Ziektekosten Verzekering (AZV)
4. Aruba Food & Beverage Association (AFBA)
5. Aruba Hotel and Tourism Association (AHATA)
6. Aruba Ports Authority (APA)
7. Aruba Tourism Authority (ATA)
8. Aruba Bank N.V.
9. Aruba Investment Bank (AIB)
10. Aruba Trade and Industry Association (ATIA)
11. Banco di Caribe Aruba N.V.
12. Centro pa Desaroyo (Cede) Aruba
13. Chamber of Commerce and Industry Aruba (KVK)
14. Centrale Bank van Aruba
15. Caribbean Mercantile Bank N.V.
16. Departamento di Asunto Social
17. Departamento di Impuesto
18. Directie Economische Zaken, Handel en Industrie
19. Directie Financiën
20. Fundacion Arubano di Esnan Visualmente Incapacita (FAVI)
21. Fundacion Cas Pa Comunidad Arubano (FCCA)
22. Fundacion Contra Violencia Relacional
23. Fundacion Centro pa nos Grandinan Club Kibrahacha 60+
24. Island Finance
25. Organisacion di Pensionado Publico Arubano (OPPA)
26. RBC Royal Bank (Aruba) N.V.
27. SETAR Aruba N.V.
28. Sindicato di Maestro di Aruba (SIMAR)
29. Sociale Verzekerings Bank (SVB)
30. Stichting Algemeen Pensioen Fonds Aruba (APFA)
31. Water-en Energiebedrijf Aruba N.V. (W.E.B.)

Enclosure 2

CENTRALE BANK VAN ARUBA

Opening remarks by Mrs. Miriam M. Gonzalez, Executive Director of the Centrale Bank van Aruba and Chairperson of the "Foro di Pago Nacional", at the inaugural meeting of the "Foro di Pago Nacional" organized by the CBA on November 29, 2023, at the Ballroom of the Aruba Marriott Stellaris & Casino.

Good morning ladies and gentlemen, distinguished guests. With protocol already being established, allow me to make a special mention to my colleague of the Nederlandsche Bank, Executive Director Prof. Dr. Olaf Sleijpen, who is also the Chairperson of the Dutch National Forum on the Payment System, the organization from which we model our "Foro di Pago Nacional" , who has gracefully accepted our invitation to be one of our guest speakers at this meeting. We are very grateful to have you here with us today.

I will now proceed with my opening remarks.

It is with immense pleasure that I stand before you today as the Chairperson of this historic gathering—the first meeting of the "Foro di Pago Nacional". On behalf of the entire organizing committee of the CBA, I extend a warm and heartfelt welcome to our esteemed guests and the representatives from the diverse sectors of Aruba's society. Your presence here today honors us, and we are deeply grateful for your support to move forward our payment system.

The journey towards the establishment of the "Foro di Pago Nacional" in Aruba started quite some years ago. In its strategic plan "Bela Yen" 2016-2020, the CBA expressed its intention to extend its mandate to the regulation of the payment systems, in order to contribute to the modernization thereof.

During a meeting in the Netherlands with Mr. Michiel van Doeveren and Mr. Rein Kieviet of the Nederlandsche Bank in 2016, we discussed the possibility for the DNB to provide technical assistance to the CBA in the area of payment systems. To gain insight in the possible ways to achieve this objective, a fact finding mission was conducted in that same year with the assistance of Mr. Kieviet. As some of you might remember, a vast group of stakeholders in Aruba were interviewed to gain an understanding of the challenges they were facing with the then-current payment systems, as well as their wishes for the modernization thereof. The ensuing report "Fact Finding Mission Payment System in Aruba: Results and Recommendations" highlighted, among others, the state of the payments landscape in Aruba at that time, and also provided useful recommendations to achieve the desired modernization. One of those recommendations was to install a national stakeholders platform, the “Foro di Pago Nacional”, aimed at fostering cooperation between the providers and users of the payment systems to bring about the desired modernization.

Since the publication of the fact finding report in 2017, the CBA has worked intensively on addressing its recommendations. Some of the most visible outcomes were the creation of a dedicated payment systems department at the CBA in 2018, the publication of two position papers in 2017 and 2022 outlining the CBA’s roadmap to achieve the modernization of the payments landscape. And the launch in January 2020 of the instant payments clearing and settlement mechanism, also known as I-Pago, at that time the first in the Caribbean region. We also have drafted State Ordinances to regulate the payment system. These are now in the legislative process.

Today, with the inaugural meeting of the “Foro di Pago Nacional”, another important milestone has been reached. We are very optimistic of the cooperation that will be created with this platform, especially when I see you all here at this event. To quote Mr. Ronald Reagan, 40th President of the United States of America: “By working together, pooling our resources, and building on our strengths, we can accomplish great things”.

So to conclude, let’s embark together on this journey that holds the potential to redefine the landscape of payments, making it more secure, accessible, and beneficial for everyone. Let us embrace this opportunity with enthusiasm and drive digital financial inclusion in Aruba. The challenges ahead are significant. But there are also opportunities to innovate and create positive change for the benefit of us all!

I thank you for your kind attention.

Enclosure 3

CENTRALE BANK VAN ARUBA

Launching the "Foro di Pago Nacional", a commitment to inclusiveness towards sustainable economic wellbeing.

Speech by Jeanette R. Semeleer, President of the CBA,

at the inaugural meeting of the "Foro di Pago Nacional" organized by the CBA on November 29, 2023.

Good morning ladies and gentlemen, distinguished guests.

As you may concur with me, I stand before you today with great enthusiasm and enthusiasm, as we embark on a transformative journey in the area of payments. So welcome to this groundbreaking initiative, the "Foro di Pago Nacional", a platform designed to openly discuss the modernization of payments with the active participation of stakeholders.

In the even evolving landscape of finance and technology, payments have become the lifeblood of society. It is no longer a privilege for the happy few, but like water and electricity, payments have become a utility. Therefore, the importance of having access to payments in our community cannot be overstated.

They are the arteries through which commerce flows, the catalysts driving economic growth, and ultimately the enablers of (digital) financial inclusion, the overarching theme for today's meeting of the "Foro di Pago Nacional". This entails that financial services, including payments, should be suited to the customer's needs, and delivered responsibly, at a cost both affordable for the customers and sustainable for the providers.

As we are witnessing the rapid pace of technological advancements, payment systems as well are undergoing unprecedented transformations worldwide. From digital wallets and contactless payments to blockchain technology and cryptocurrencies, the way we exchange value is changing at an astonishing rate. In this period of fast moving developments, it is important that we stay ahead of the curve and embrace innovation. To quote Steve Jobs: "Innovation is the ability to see change as an opportunity, not a threat".

Today's initiative is not merely a discussion platform; it is a network of ideas, experiences, and expertise. It is an attestation of our commitment to understanding, embracing, and shaping the future of payments in an inclusive way. In this regard, I would like to emphasize that this endeavor is not about isolated thoughts or unilateral decisions. It's about unity, collaboration, and the synergy of diverse perspectives.

In our view, the stakeholders present here today comprise a multitude of voices, each should echo the needs and aspirations of different segments of our society. We have representatives from the government, commercial banks, utility companies, merchants, consumers, and more; all forming essential parts of the intricate web that forms our payment landscape.

Your presence here today reflects the interconnectedness of our community, as well as the shared responsibility we have in steering the course of modernizing payments systems in Aruba.

Allow me to delve deeper on the purpose and goals of the "Foro di Pago Nacional", as stated in the Vision Document that we have shared with you. At the core of this initiative lies the commitment to advancing open communication between stakeholders, as well as fostering understanding, cooperation, and collaboration within the dynamic landscape of payments.

So ladies and gentlemen, the "Foro di Pago Nacional" aims to bring together diverse stakeholders to facilitate the development of a modern, innovative, and inclusive payments landscape. Its goals are clear and comprehensive, focusing on the following key aspects:

(1) Enhancing Understanding: The aim is to deepen the understanding about crucial topics and issues related to payments, ensuring that stakeholders are informed and equipped to make good decisions.

(2) Promoting Inclusiveness: Inclusivity is at the heart of our mission. That means that we ensure that all stakeholders, including businesses of various sizes and end-customers, regardless of age or ability, have adequate access to the payment systems. These include the elderly, persons with disabilities, and the unbanked population.

(3) Fostering Innovation: This entails a strong dedication to promoting the development of modern and innovative payment methods, that support economic growth. By embracing new technologies, normally complex processes can be simplified, making payments faster, more secure, and cost-effective.

(4) User-Centric Approach: This approach comprises a commitment to ensuring that payment products meet users' needs, in terms of speed and ease of use. By focusing on the user experience, we can create solutions that are efficient and user-friendly.

(5) Ensuring Security: As you agree with me, security is paramount in the ever-changing digital landscape. Therefore, the “Foro di Pago Nacional” advocates for robust security measures in payment methods, safeguarding the interests of all users and enhancing the trust in the underlying systems.

(6) Cost Effectiveness: This means that transactions should not only be secure, but also economically viable for both businesses and consumers.

Taking these six goals into consideration and in light of the ever-changing world we live in today, it is obvious that we should not view the Vision Document as a static document. Therefore, we strongly encourage you to take a deep dive into this document, and feel free to share with us if you find areas where it can be strengthened or refined.

Ladies and gentlemen, the success of the “Foro di Pago Nacional”, i.e., in achieving its goals, lies in our ability to adapt and evolve. To this end, your active participation and collaboration are important in this continuous process of improvement. So we encourage you to approach any of the CBA representatives with your thoughts and recommendations. Your proactive involvement will not only enrich our discussions but also contribute meaningfully to the success of our shared mission.

To conclude, I would like to reiterate that the "Foro di Pago Nacional" is not just a platform for open dialogue; it is also a commitment to progress, and inclusiveness and sustainable economic progress. Together, we have the power to shape the payments landscape, ensuring that it serves the needs of all members of our community.

I am convinced that our collective efforts will help pave the way for a more inclusive and resilient future. In quoting Henry Ford: “If everyone is moving forward together, then success takes care of itself.

Thank you for your attention, your dedication, and your commitment to this collaboration.

Enclosure 4

MINISTERIO
Asuntonan Economico, Comunicacion
y Desaroyo Sostenibel

Gobierno di Aruba
L.G Smith Blvd. 76
Oranjestad, Aruba
Tel. (297) 528 4900

SPEECH by the Minister of Economic Affairs, Communication and Sustainable Development mr. Geoffrey B. Wever

Inaugural Meeting Foro di Pago Nacional

29 of November 2023

Bon dia,

President of the Centrale Bank van Aruba, Mrs. Semeleer

Chair Foro di Pago Nacional, Mrs. Gonzalez

Guest speakers,

Mr. Sleijpen

Mr. Munne

Mrs. van Bogaert and Mr. Roelens

Attendees,

It is with great honor that today I stand before you to emphasize the importance of the promotion of the access to …….and use….. of formal financial services by households and firms.

As the promotion of financial inclusion can expand real GDP growth, policy interventions must focus on reaping the benefits sustainably.

Benefits are the generation of income, the management of irregular cash flow, the ability to invest in opportunities, poverty reduction and building resilience in times of crises.

Gobierno di Aruba
L.G Smith Blvd. 76
Oranjestad, Aruba
Tel. (297) 528 4900

With mainly micro- and small companies as the driving force of our economy, their access to and use of formal financial services is essential.

Analysis by the CBA shows that companies have ample access to deposit accounts, but remain relatively excluded from the formal financial system.

The quality of financial inclusion remains challenging for the local business community.

Results of a survey by the CBA suggests that regarding the quality of financial services and the ease of doing finance,

less than 40 percent of companies indicate that it is convenient and efficient to make inter-bank payments, receive payments over the internet, and buy products online.

Before I proceed I would like to highlight the importance of the availability of publications by the CBA as these publications and its insights are pivotal in the process of policy making.

If we turn our attention to the financial inclusion of households, analysis by the Centrale Bank van Aruba suggests the following

that at least 10 percent of the population is underserved by the financial services industry.

Whereas access to transaction accounts and card payments enjoy high rates of access and usage, an estimated 14 percent is likely to be (voluntarily or involuntarily) underbanked, or structurally underserved.

That the challenge of Aruban financial inclusion is likely demand driven

The relative lack of savings and insurance accounts, in combination with the proportion of informal savings and household indebtedness, suggests that the Aruban financial inclusion challenge lies beyond access to basic transaction accounts,

and is likely a consequence of several interrelated factors, including a declining real GDP per capita and a rising income inequality.

According to the analysis of the Centrale Bank van Aruba, this mix of financial inclusion elements, includes, but is not limited to, contracting (real) income levels, increase cost of living, faltering labor participation rates, the general lack of (higher) financial education, and volatile consumer habits.

The limited number of households with (formal) savings indicates that at least 50 percent of all households have no financial buffer in place, nor a long-term financial outlook.

Results of the Household Financial Survey (CBA, 2018) reveal that whereas the median household monthly income ranges between Afl. 3000 and Afl. 6000, the median monthly debt surpasses Afl. 4000.

Informal banking is not uncommon in the local financial ecosystem. Analysis suggests that an estimated 15 percent of household loans stem from non-regulated financial institutions.

Although access to and usage of financial services are important for enabling financial inclusion, they are not enough.

And therefore financial literacy is essential in strengthening financial inclusion.

As for the promotion of financial inclusion

Addressing the lack of general financial education,

household indebtedness and,

The limited number of households with formal savings, these are policy priorities.

On the 16th of June 2022 I defended the Landsverordening regeling consumentenkrediet in Parliament aimed to better consumer protection against over crediting, excessive interest rates and costs and to create a more level playing field in this market.

Gobierno di Aruba
L.G Smith Blvd. 76
Oranjestad, Aruba
Tel. (297) 528 4900

As the responsible minister, I have been granted the authority to set a number of maximum fees under a credit agreement by ministerial regulation, including the maximum credit fee.

The process of determining the maximum credit fee is currently taking place and it is expected that by the end of December the maximum credit fee will have been set.

To guarantee a basic payment account for all consumers and companies, the state ordinance basic payment account is being drafted. One goal is the financial inclusion in particular of those who are involuntarily excluded from basic payment services.

A common saying is that knowledge is power.

As for the promotion of financial inclusion the access to financial education is an important condition to reap its benefits.

What is the benefit of access to a savings account if saving by an individual, a household is challenging?

In 2022, the financial education program "Finansa den mi Hogar" project started in the district of Paradera and was offered in 2023 in the districts of Oranjestad, San Nicolas, Savaneta, Noord and Santa Cruz.

The project helps citizens acquire basic financial skills such as budgeting, saving, investing and debt management, improving participants' ability to make financial decisions resulting in improved financial literacy.

To promote the accessibility participation was free, each participant received the necessary material, the program was offered from 19:30- 21:00 and in all districts of Aruba.

More than 300 citizens participated.

And the program will continue in 2024.

Gobierno di Aruba
L.G Smith Blvd. 76
Oranjestad, Aruba
Tel. (297) 528 4900

To further promote financial inclusion, it is also policy priority to empower the Aruban children to build a secure and stable financial future,

by focusing on advancing financial inclusion for children through increased access to savings accounts and asset building.

Asset building for children is a critical element in ensuring their long-term financial stability and prosperity.

Therefore, as the Minister of Economic Affairs, Communication and Sustainable Development, I am as we speak preparing the National Children's Savings Program.

As a long term financial inclusion and education policy is pivotal for a sustainable and inclusive society the objective is to establish in 2024 the National Council of Financial Inclusion and Education with the core task of providing the Government of Aruba with a national financial inclusion policy, as well as a national financial education policy and policy program, including evaluation and monitoring.

To further promote financial inclusion I believe its success requires a close cooperation between all stakeholders.

The Foro pa Pago Nacional is an important building block for financial inclusion in Aruba.

I thank the Foro pa Pago Nacional for this opportunity, the CBA for the initiative of establishing the Foro pa Pago Nacional and wish you all success.

Masha danki!

Enclosure 5

Oranjestad, 29 November 2023

Enhancing inclusiveness for resilient growth: the Dutch experience

Inaugural meeting of the Foro di Pago Nacional

Olaf Sleijpen
DNB Executive Board Member of Monetary Affairs and Financial Stability

DeNederlandscheBank
EUROSYSTEEM

The Dutch National Forum on the Payment System (NFPS)

- High-level platform of users and providers of payment services
- Aim is to ensure **secure**, **accessible**, **efficient** and **reliable** payments by:
  - Discussing bottlenecks and social consequences of new developments in area of payments
  - Making agreements about measures related to payments
  - Collaborating on collection, analysis and publication of data
- Inaugural meeting in 2003

MOB
Maatschappelijk Overleg Betalingsverkeer

DeNederlandscheBank
EUROSYSTEEM

Members of the NFPS

- **Chair:** DNB (in its central bank role)
- **Supply side**
  - Dutch Payments Association (incl. electronic money – and payment institutions)
  - Dutch Banking Association
- **Demand side**
  - Dutch Consumers' Association
  - Senior citizens' organisations
  - Senior migrant citizens' organisations
  - Organisations of physically impaired people
  - Organisation of low literate people
  - Retailers, hotels and restaurants, SMEs, large companies
- **Observer:** Ministry of Finance

Three Working Groups and two Taskforces

Working groups

- Efficiency and European Affairs
- Security
- Accessibility and Availability

Taskforces (temporarily)

- Cash
- Digital Euro
- De-risking

Meetings: 4–6 times a year

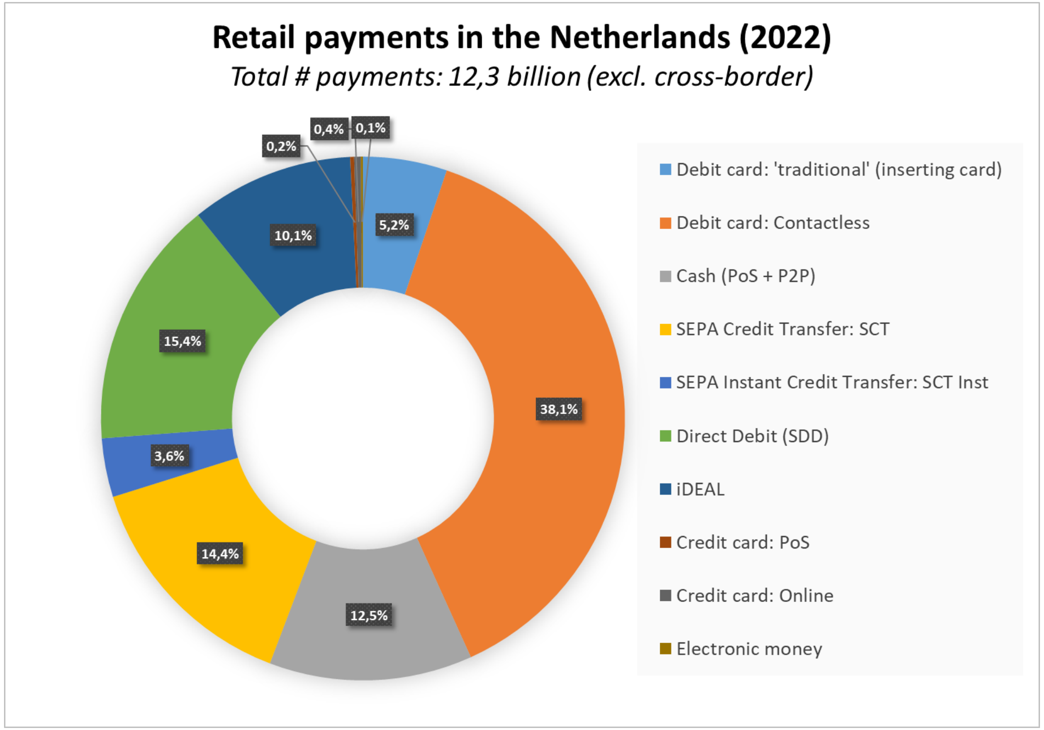
Results of the NFPS

- 2004: Agreement on rounding cash payments to 5 eurocents
- 2007: Agreement on a reachability for ATMs: *5-kilometer norm*
- 2013: Establishment of the Euro Retail Payments Board (ERPB) by the ECB
- 2019: Introduction of instant payments
- 2022: Cash Covenant
- 2023: Accessibility commitment of banks

The Dutch payment landscape

- 99% have access to banking services
- 32 million debit cards, 6 million credit cards
- High internet penetration: 98%
- Less than 1% of credit transfers are paper-based
- Number of local bank branches in 2023 fewer than 600 (in 2010 almost 3,000)
- Number of ATMs in 2023: 5,100 (in 2010: more than 8,400)
- Citizens having access to an ATM within a 5 KM radius: 99,8% (2023)

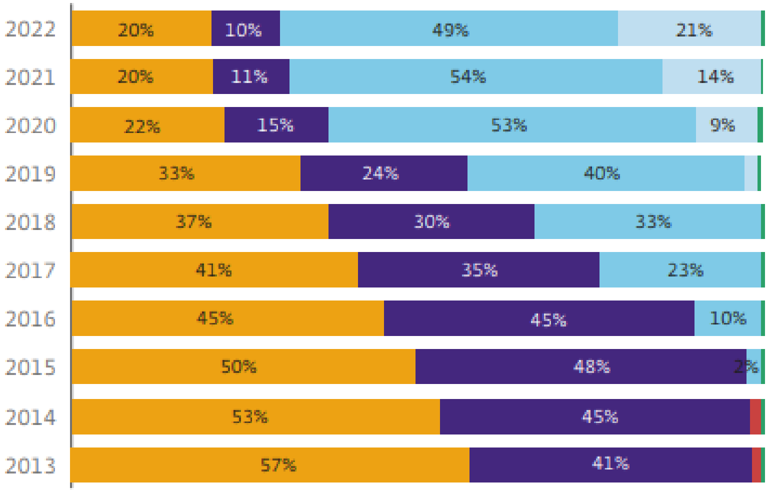
Dutch payment mix



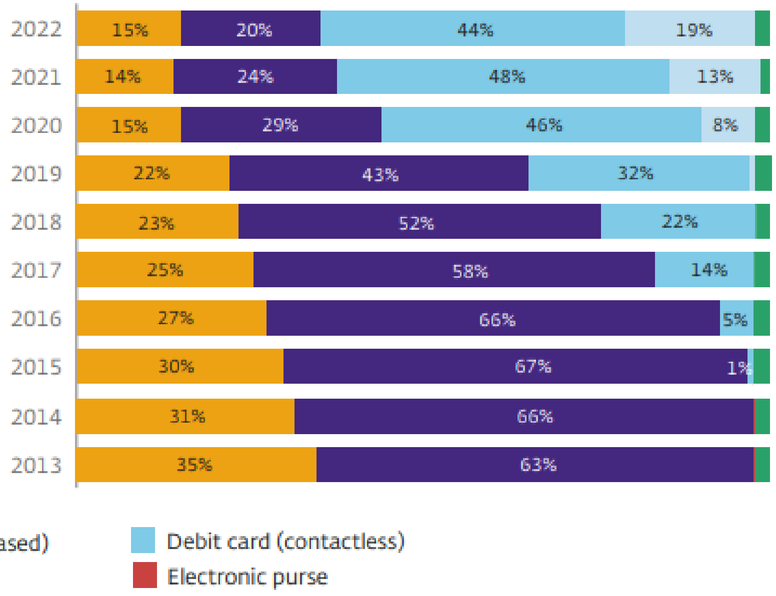
DeNederlandscheBank
EUROSYSTEEM

Point of Sale payments in NL (2022)

Figure 2a Breakdown of total number of payments



Figuur 2b Breakdown of total value of payments

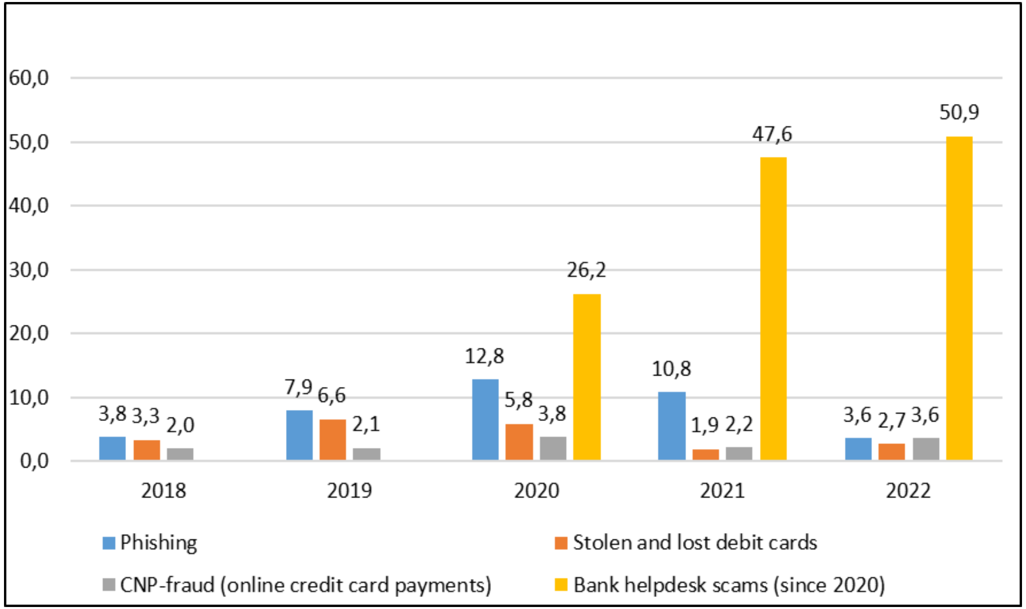


Source: DNB and the Dutch Payments Association

DeNederlandscheBank EUROSYSTEEM

Fraud in non-cash payments

Increasing Authorised Push Payment (APP) Fraud (89% compensated by banks)



NFPS case I

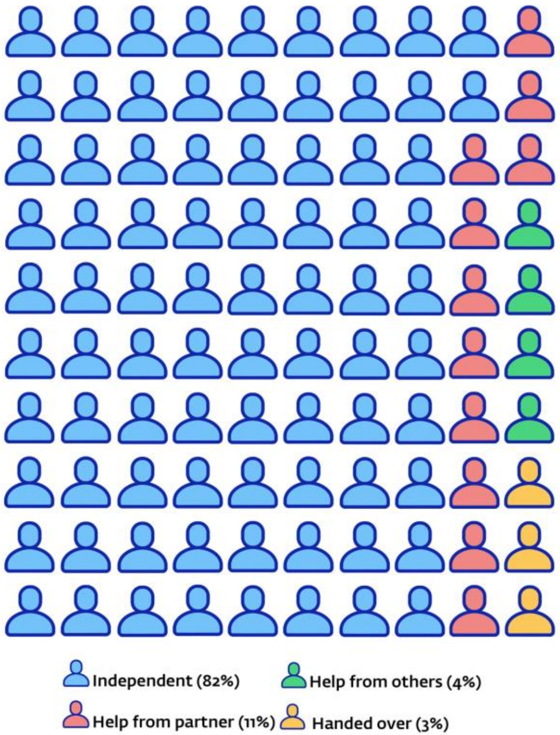
Improving accessibility for vulnerable groups

- Since 2019 there is growing awareness of the need to take action to improve the accessibility to payments for vulnerable groups
- Satisfaction with payment services has been declining in vulnerable groups such as
  - senior citizens
  - disabled people
  - people with low digital skills
  - people with lower incomes
  - people who are low-literate
- NFPS felt the need to conduct more in-depth research

NFPS case I

DNB report "Digitalisation of the payment system: a solution for some, a challenge for others"

- The increasing digitalisation is accompanied by a decline in accessibility
- One in six Dutch adults (2.6 million) do not manage their banking affairs independently
- Issues they face include:
    - Having difficulty with devices as ATMs, POS terminals, smartphones
    - Understanding texts and instructions,
    - Remembering codes
    - Meeting time limits for specific actions
    - Finding right support of the bank



DeNederlandscheBank
EUROSYSTEEM

NFPS case I

The DNB study prompted a call for action in the NFPS

How did we find banks prepared to enhance commitment?

- Results of the DNB study were alarming for many stakeholders in the NFPS
- Consumers called for more action
- DNB decided to postpone publication by 2 months to give banks time to prepare a response
- Banks responded positively, they saw necessity to act and came up with their banking commitment

NFPS case I

Commitment of banks to improve the accessibility of payment services

- Guaranteed access to basic non-digital banking services
- Create new interbank Information Service Points for customer support
- Improve bank support via telephone
- Improve the communication of existing solutions
- Develop tools to exercise and learn digital (banking) skills

NFPS case I

NFPS ambitions regarding improvement accessibility

The NFPS members agreed – on instigation of DNB – also on the ambition levels regarding accessibility:

- In 2027, the ratio of adults who don't use payment services independently should decline to 1 out of 7, compared to 1 out of 6 in 2023
- The gap in satisfaction valuation between average consumers and consumers from vulnerable groups should have declined to 0.1 (on a scale of 1-10)

DeNederlandscheBank
EUROSYSTEEM

NFPS case II
Cash Covenant: background

- Declining number of cash payments
- Rapidly declining number of ATMs and deposit machines
- Banks observe an increasing cost per cash transaction, leading to higher fees for cash services
- This raises a few issues
    1) Cash is important for people in a vulnerable situation
    2) Cash must be available for people who prefer to pay with cash
    3) Cash serves as fall-back option in case of outage in digital or card infrastructure
    4) Cash is still the only form of public money

DeNederlandscheBank EUROSYSTEEM

NFPS case II

Cash Covenant: content and soon to be anchored in legislation

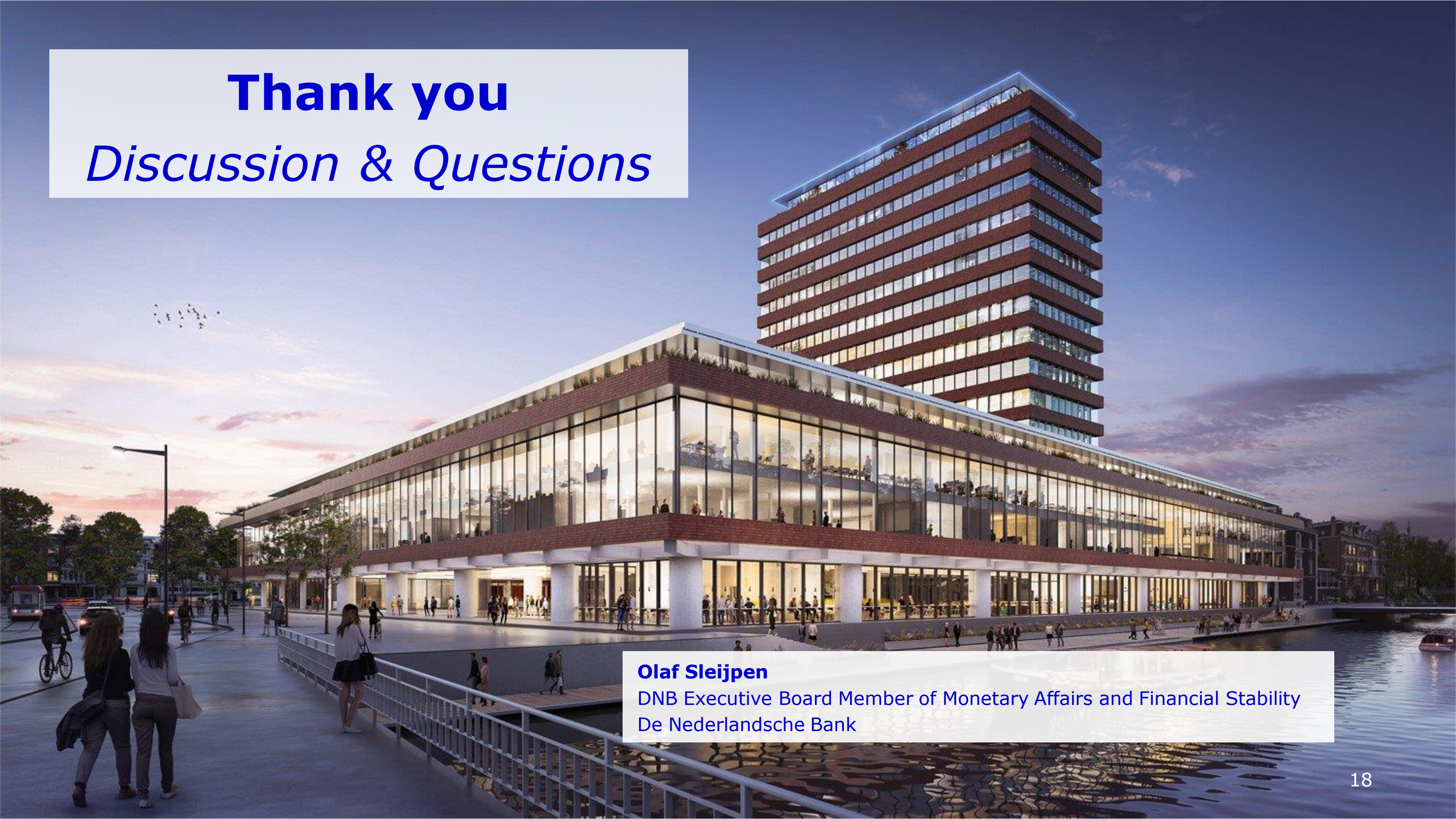
- Aim of the Covenant is to ensure that cash continues to function properly as a means of payment
- 23 involved organisations signed the Covenant (April 2022)
- Agreements on:
    - Minimum number of ATMs and deposit machines (banknotes + coins)
    - Standards regarding maximum distance (5 km) and availability of machines
    - A cap on the percentage annual increase of fees for cash transactions.
    - Continuity of the Cash-in-Transit companies
- Study (May 2023) jointly commissioned by Ministry of Finance and DNB revealed that Cash Covenant is not sustainable in long run and legislation is required
- Minister of Finance announced in June 2023 that new legislation is coming up soon

Recommendations NFPS self-evaluation 2023

- Summer and Autumn 2023: self-evaluation of the functioning of the NFPS
- Written survey among members of the NFPS, followed by in-depth interviews
- Results: NFPS members are broadly satisfied with the NFPS’s functioning However, several improvements are possible
- The NFPS secretariat (DNB) suggested 5 recommendations, which will be followed-up in the next 6 months

Thank you

Discussion & Questions



Olaf Sleijpen
DNB Executive Board Member of Monetary Affairs and Financial Stability
De Nederlandsche Bank

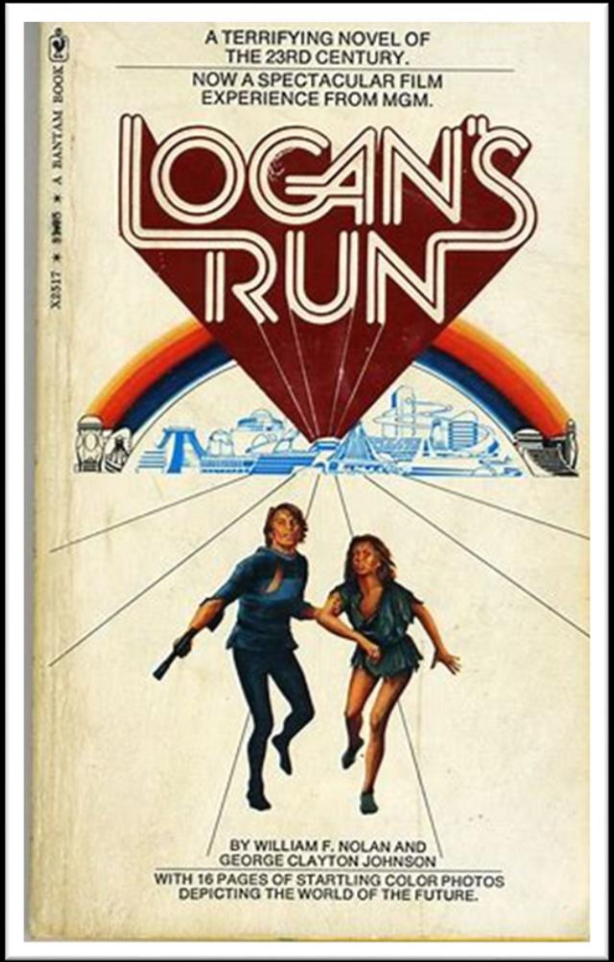
Enclosure 6

Evolving Instant: Aruba’s Leap into the Future of Payments

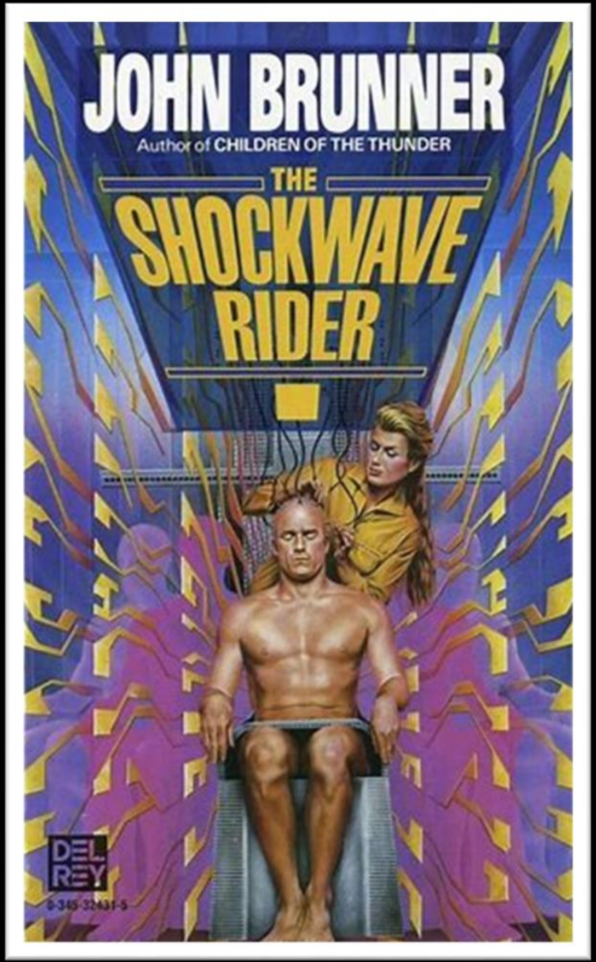
Mark Munne
29-11-2023


Evert Hartman
Niemand houdt mij tegen
een avontuur
in de 22ste eeuw
Lemniscaat

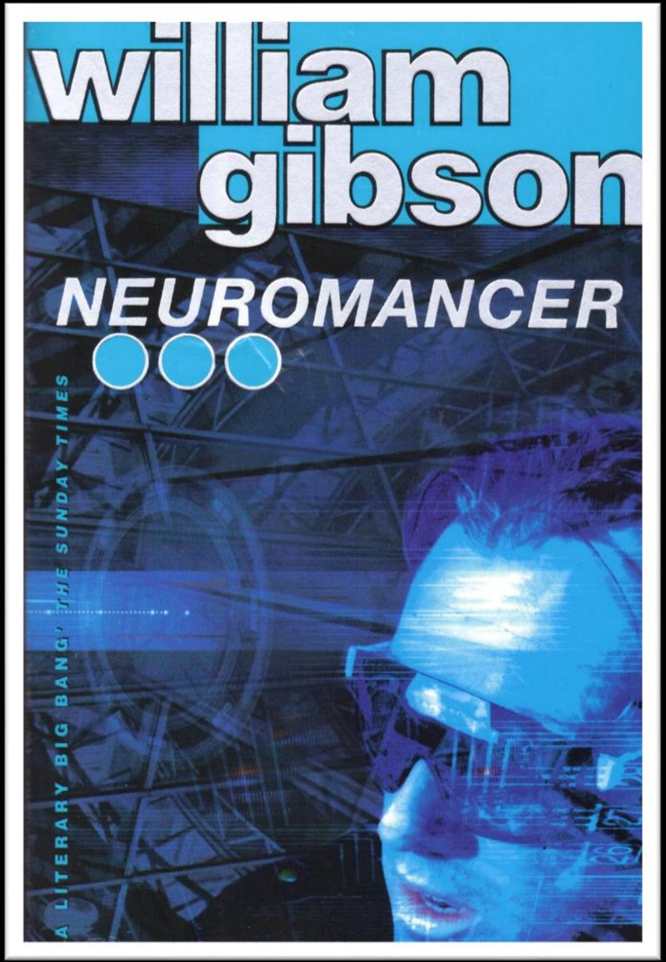
1991



1967



1975



1984

Centrale Bank van Aruba

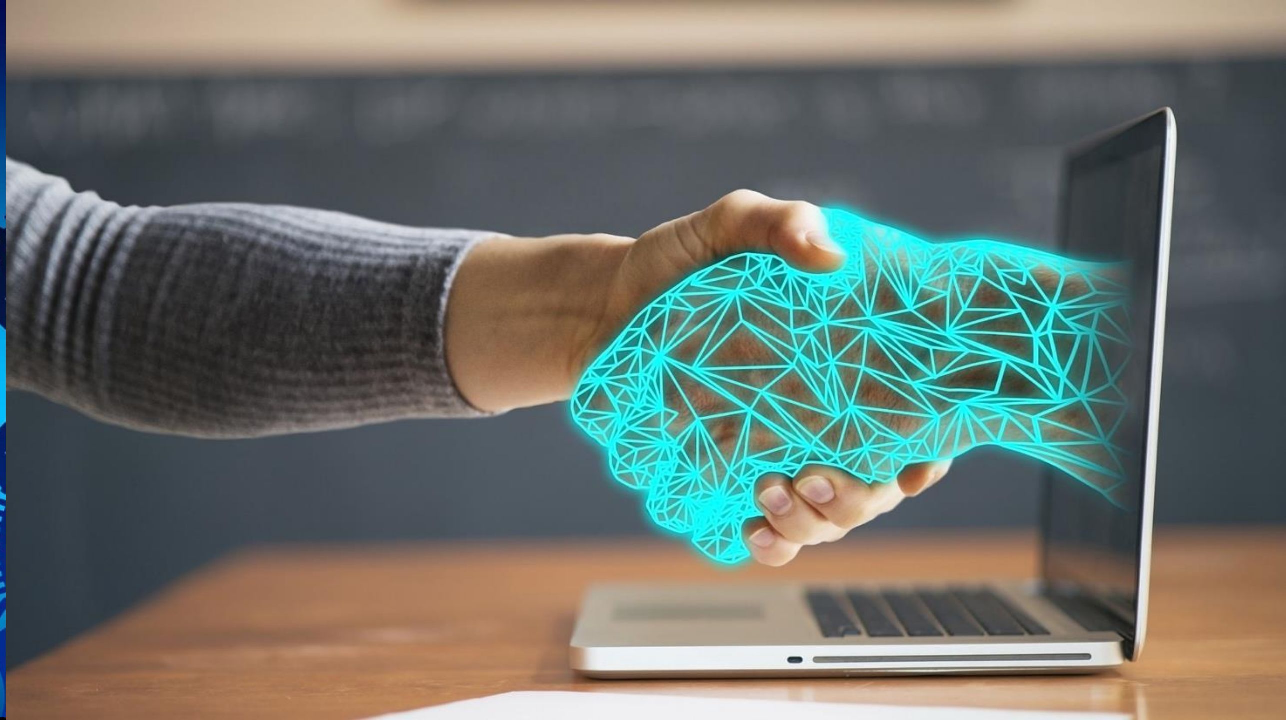
IBM

European Central Bank
Eurosystem

ABN·AMRO

BIS

VISMA




a.fn.scrollspy=d,this},a(window).on(
+function(a){"use strict";function b(b){return this.each(function()
var c=function(b){this.element=a(b)};c.VERSION="3.3.7",c.TRANSITION_DURATION=150,c.pro
d=b.data("target");if(d||(d=b.attr("href"),d=d&&d.replace(/.*(?=#[^\s]*$)/,""))
f=a.Event("hide.bs.tab",{relatedTarget:b[0]}),g=a.Event("show.bs
this.activate(b.closest("li"),c),this.a
{var h=a(d);this.activate
{type:"shown.bs.tab",relatedTarget:e[0]})})}},c.prototype
.active").removeClass("active").end().find('[data-toggle="tab"
!0),h?(b[0].offsetWidth,b.addClass("in")):b.removeC
.find('[data-toggle="tab"]').attr("aria-expanded",!0),e&&e()}va
d.find("> .fade").length);g.length&&h?g.one("bsTransition
var d=a.fn.tab;a.fn.tab=b,a.fn.tab.Constructor=c,a.fn.tab.noCon
a(document).on("click.bs.tab.data-api",'[data-toggle="ta
strict";function b(b){return this.each(function(){var d=a(thi
b&&e[b]()})}var c=function(b,d){this.options=a.extend({}
a.proxy(this.checkPosition,this)).on("click.bs.affix.data-api
this.pinnedOffset=null,this.checkPosition()};c.VERSION="3.3.7"
State=function(a,b,c,d){var e=this.$target.scrollTop(),f=this.$elem
"bottom"==this.affixed)return null!=c?!(e+this.unpin<=f.top)&&"bott

IPAGO

instant payments clearing &
settlement mechanism

2,5 million instant payments processed in 2022
24,1% growth over 2021

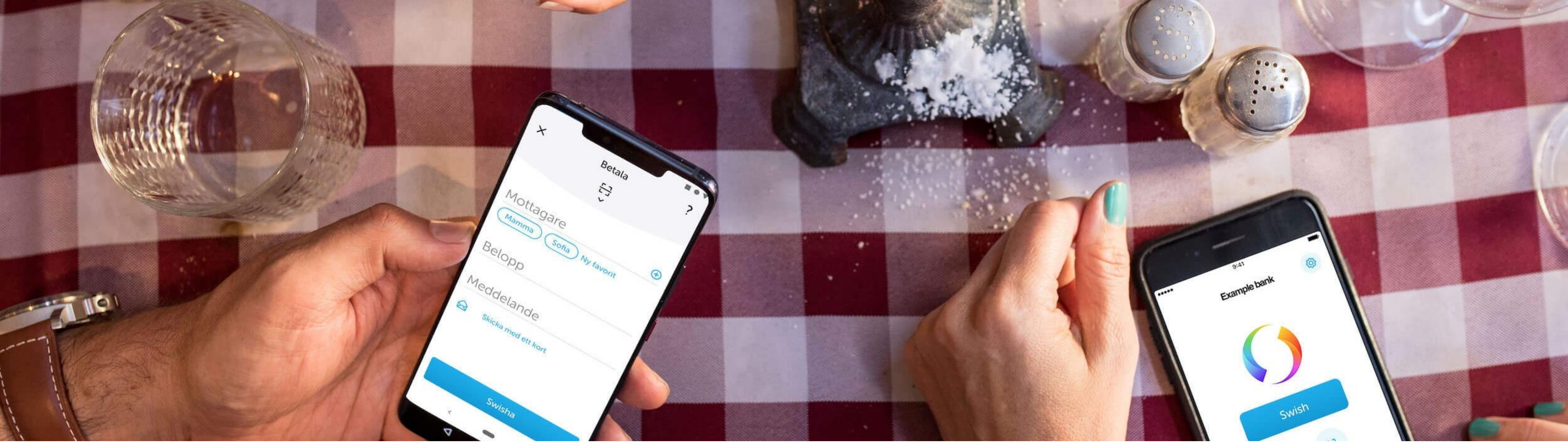
23 instant payment per inhabitant per year on average

(Italy 1, Belgium 3, Portugal 6, Netherlands 26)

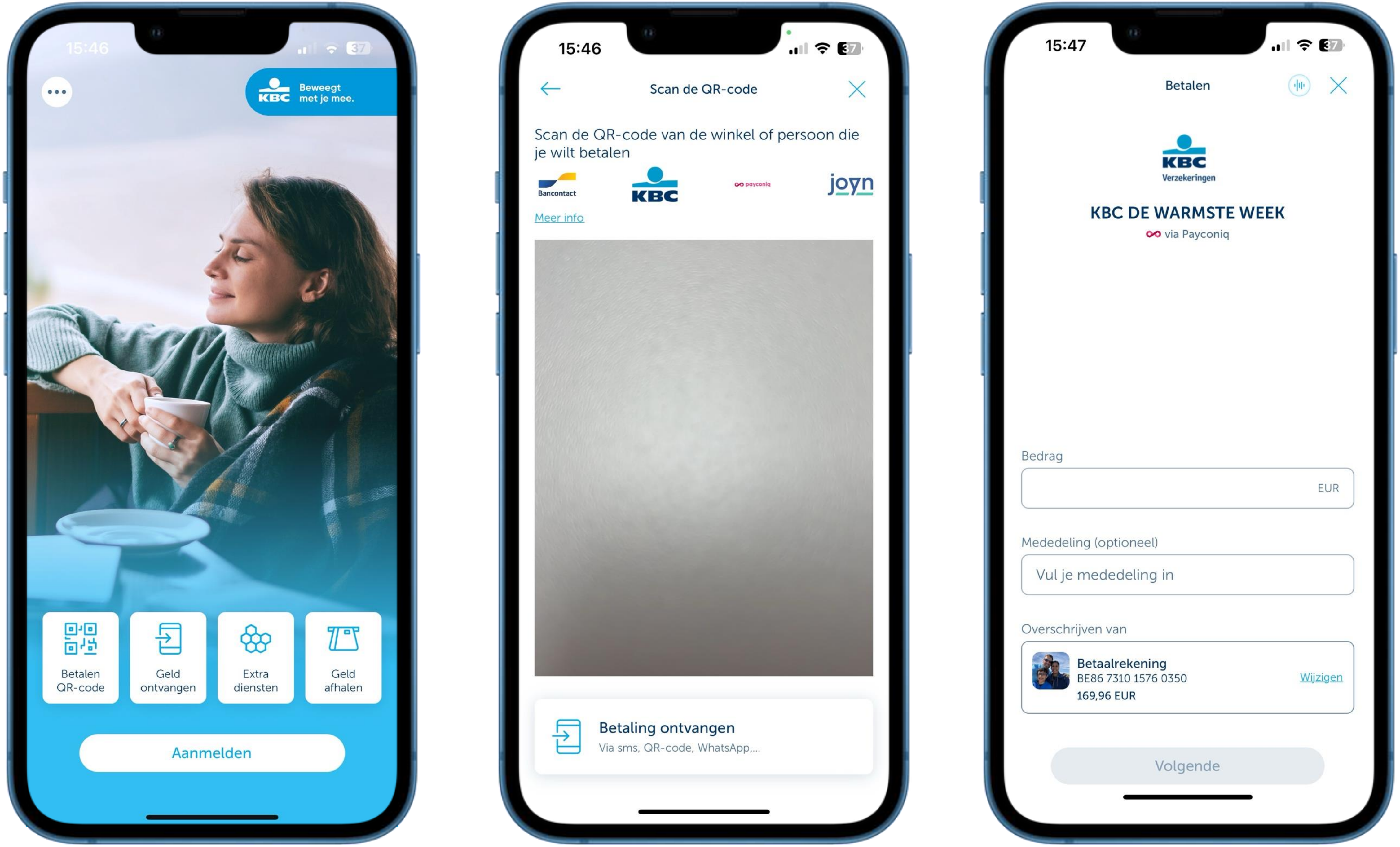
92% processed in less than 5 seconds
98,5% in less than 1 minute

The Cornerstone: Aruba's Interbank Infrastructure

- Move to Ipago is a significant improvement
- Efficient in-store and e-commerce payments are needed, as this is seen as fragmented today
- NFC and sharing of payment links are seen as potential improvements


Betala
Mottagare
Mamma
Sofia
Ny favorit
Belopp
Meddelande
Skicka med ett kort
Swisha
9:41
Example bank
Swish


In store
Dynamic QR
Static QR
POS integration
P2P/R2P
Payment requests
QR code
Messaging
API
platform
Issuing
Acquiring
QR code invoicing
Payment button
I. Integration
Invoice
User recognition
App-switching
Dynamic QR
Online
VAS

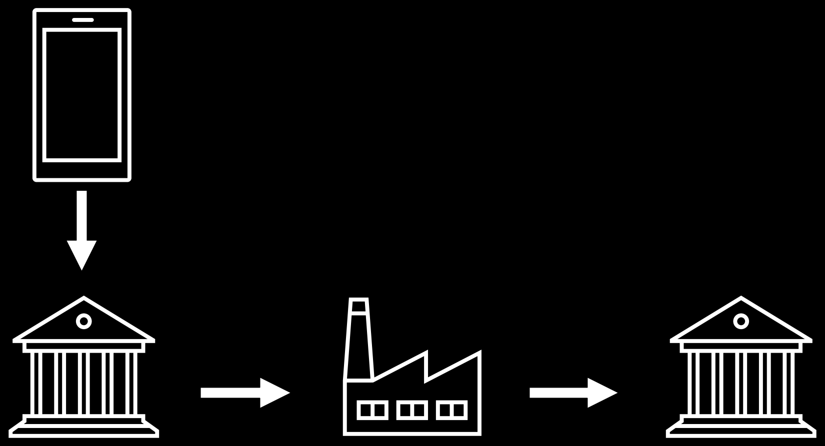

15:46
Beweegt met je mee.
Betalen QR-code
Geld ontvangen
Extra diensten
Geld afhalen
Aanmelden
15:46
Scan de QR-code
Scan de QR-code van de winkel of persoon die je wilt betalen
Bancontact
KBC
payconiq
joyn
Meer info
Betaling ontvangen
Via sms, QR-code, WhatsApp,...
15:47
Betalen
KBC Verzekeringen
KBC DE WARMSTE WEEK
via Payconiq
Bedrag
EUR
Mededeling (optioneel)
Vul je mededeling in
Overschrijven van
Betaalrekening
BE86 7310 1576 0350
169,96 EUR
Wijzigen
Volgende

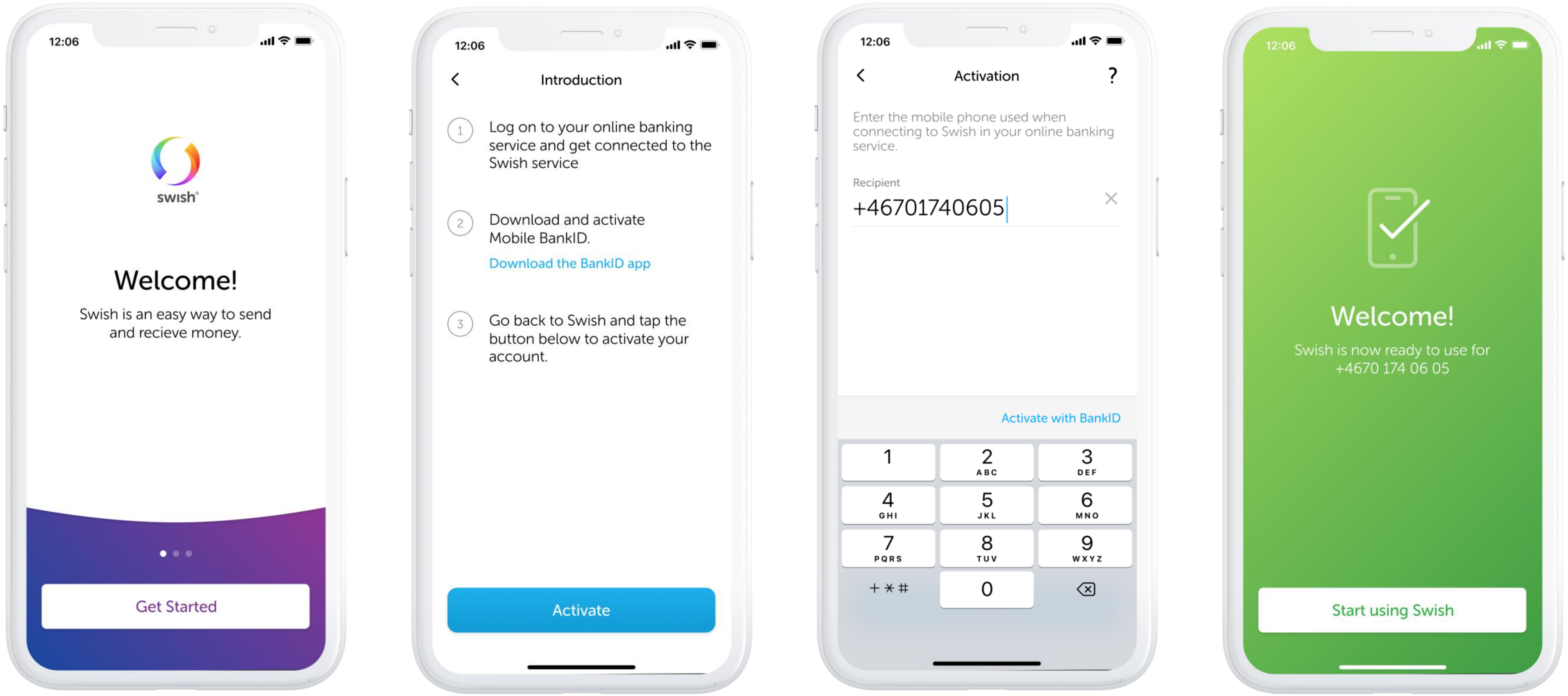
Single bank initiative, other banks joined in a second stage
Managed as an independent company

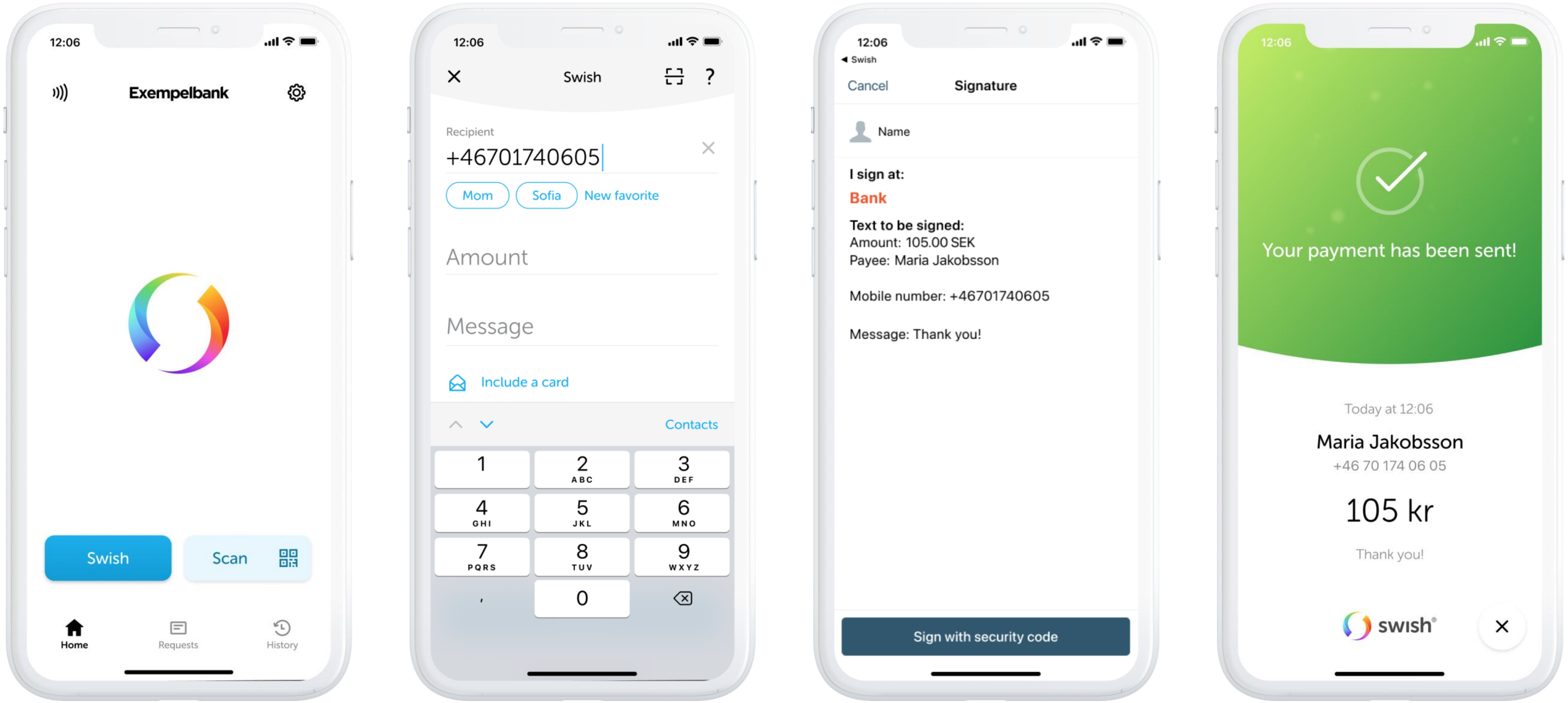
Branding 'Payconiq by KBC'

Built as standalone service, but fully integrated into banks own apps via APIs

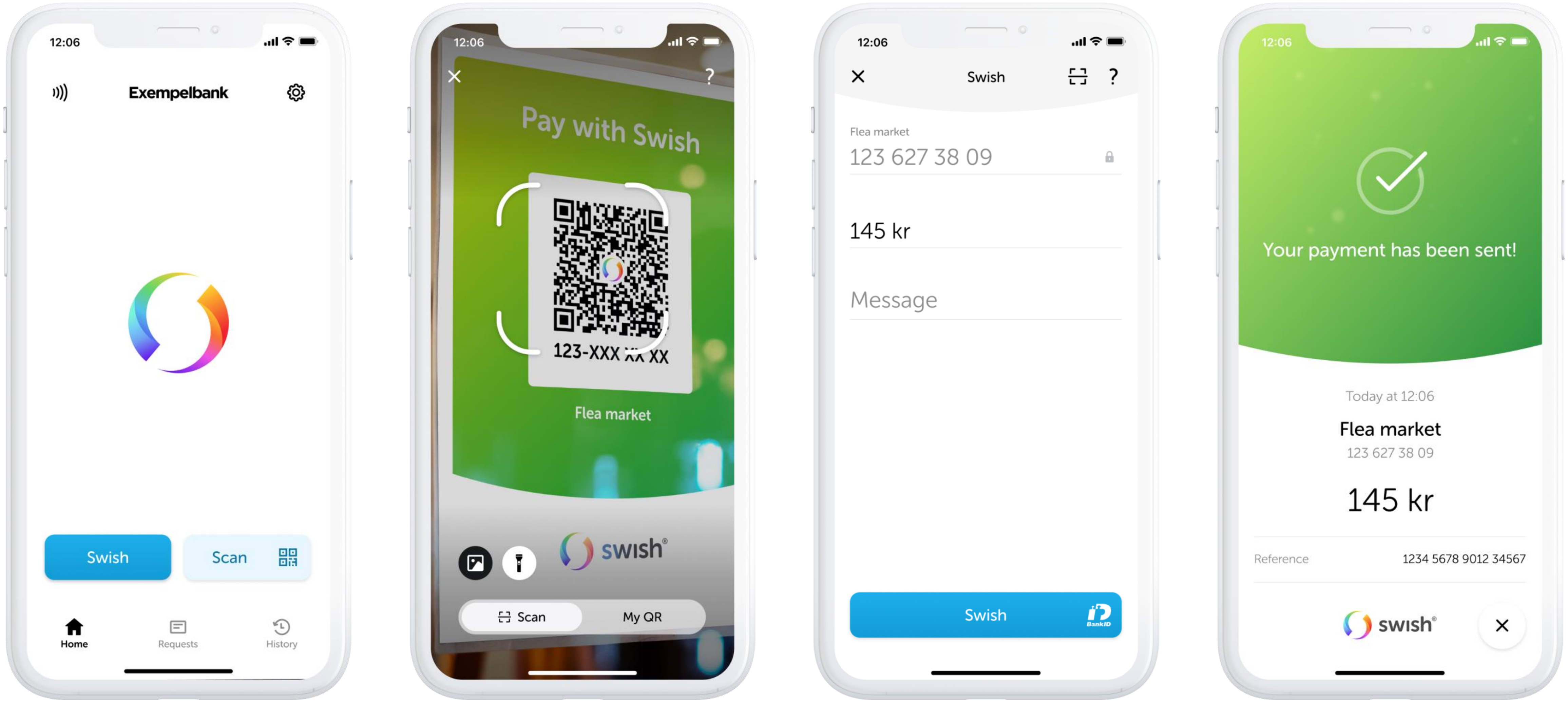
Multiple use cases, including P2P, POS and QR codes




12:06
swish
Welcome!
Swish is an easy way to send
and recieve money.
Get Started
12:06
Introduction
1
Log on to your online banking
service and get connected to the
Swish service
2
Download and activate
Mobile BankID.
Download the BankID app
3
Go back to Swish and tap the
button below to activate your
account.
Activate
12:06
Activation
?
Enter the mobile phone used when
connecting to Swish in your online banking
service.
Recipient
+46701740605
Activate with BankID
1
2 ABC
3 DEF
4 GHI
5 JKL
6 MNO
7 PQRS
8 TUV
9 WXYZ
+ * #
0
12:06
Welcome!
Swish is now ready to use for
+4670 174 06 05
Start using Swish



12:06
Exempelbank
Swish
Scan
Home
Requests
History
12:06
Swish
Recipient
+46701740605
Mom
Sofia
New favorite
Amount
Message
Include a card
Contacts
1
2 ABC
3 DEF
4 GHI
5 JKL
6 MNO
7 PQRS
8 TUV
9 WXYZ
0
12:06
Swish
Cancel
Signature
Name
I sign at:
Bank
Text to be signed:
Amount: 105.00 SEK
Payee: Maria Jakobsson
Mobile number: +46701740605
Message: Thank you!
Sign with security code
12:06
Your payment has been sent!
Today at 12:06
Maria Jakobsson
+46 70 174 06 05
105 kr
Thank you!
swish®

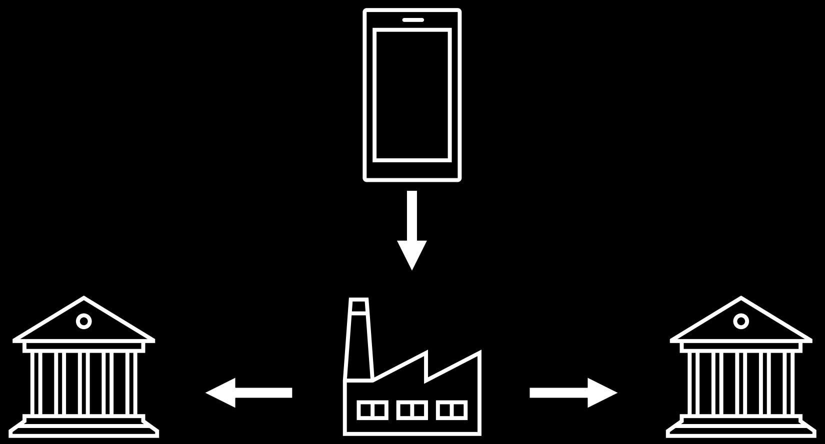

12:06
Exempelbank
Swish
Scan
Home
Requests
History
12:06
Pay with Swish
123-XXX XX XX
Flea market
swish®
Scan
My QR
12:06
Swish
Flea market
123 627 38 09
145 kr
Message
Swish
12:06
Your payment has been sent!
Today at 12:06
Flea market
123 627 38 09
145 kr
Reference
1234 5678 9012 34567
swish®

Joint bank initiative
Bank owned and operated, but at arms length

1 single app
Swish branding for consumers and merchants

Built on bir (the bankgirot Instant Payment rails)

8,4 million users
85 million payments in September 2023, 45 USD average value




< Back
Money
Received
Check your Balance


MasterCard


"MINI"
SPUDS


Noord
Oranjestad
5A
5B
Santa Cruz
Aeropuerto
Internacional
Reina Beatrix
(AUA)
Jamanota
188 m
Nationaal
park Arikok

2017

Position Paper
“Roadmap toward a modern payments infrastructure in Aruba”

2020

Launch of **I-Pago**

2022

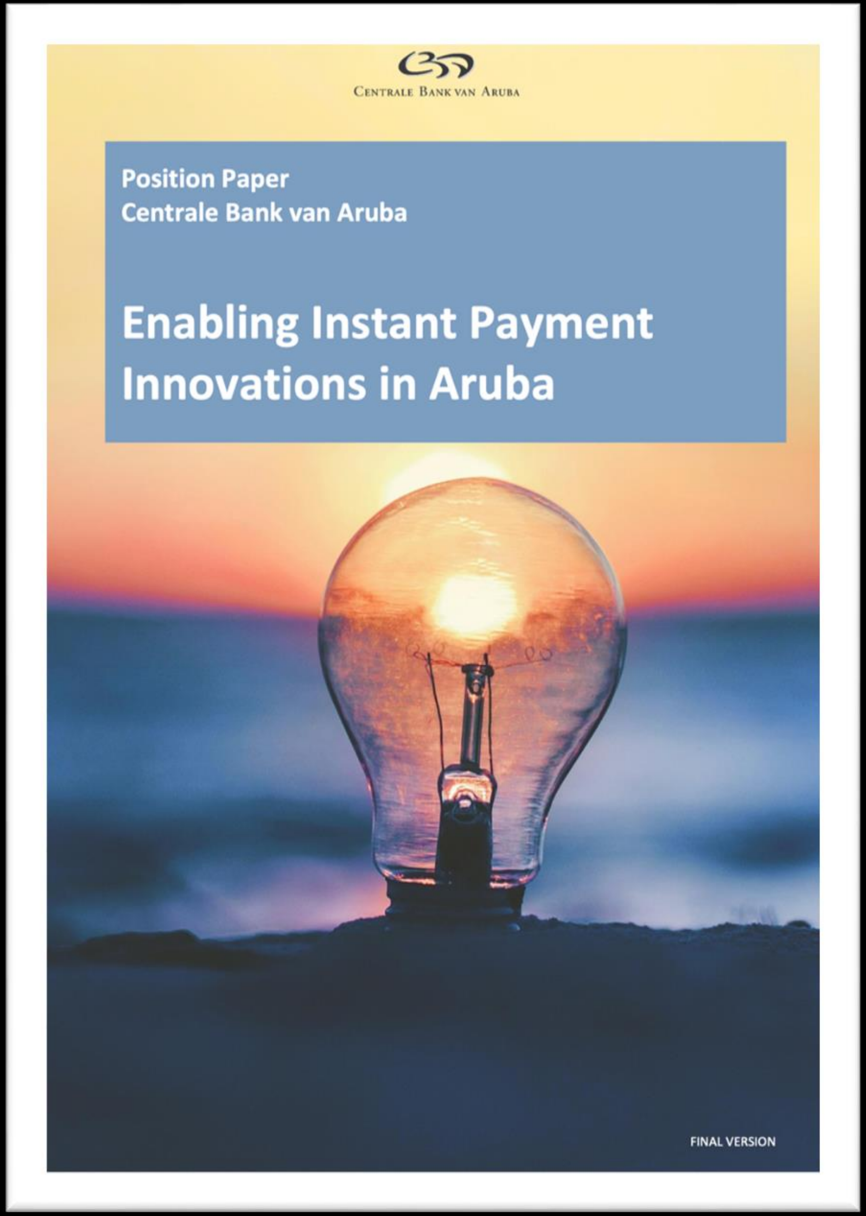
Position Paper
“Enabling Instant Payments Innovations in Aruba”

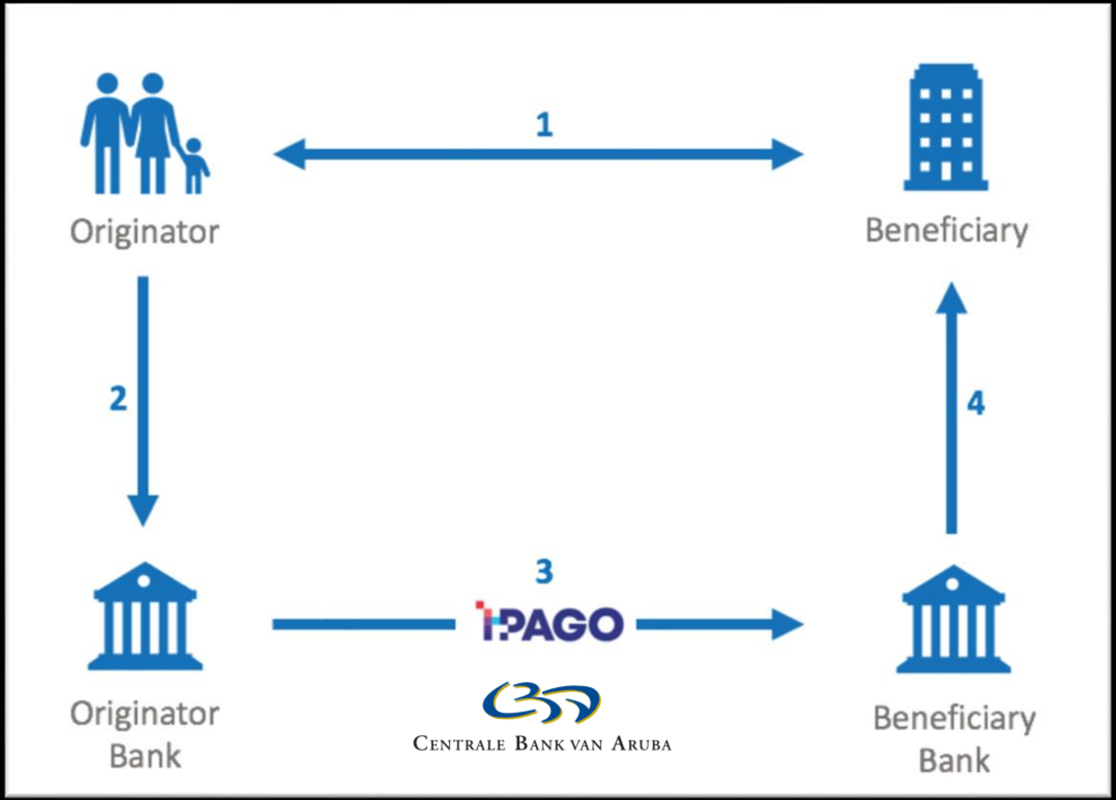
2023

Request for Intent and Capabilities – Enabling Instant Payment use cases

Position Paper described:

1. Purpose
2. Vision and ambition of the CBA
3. Current state of payments in Aruba
4. Ideal State
5. Transaction flow
6. Potential use cases
    1. P2P
    2. in-store
    3. e-commerce
7. Continuous innovation



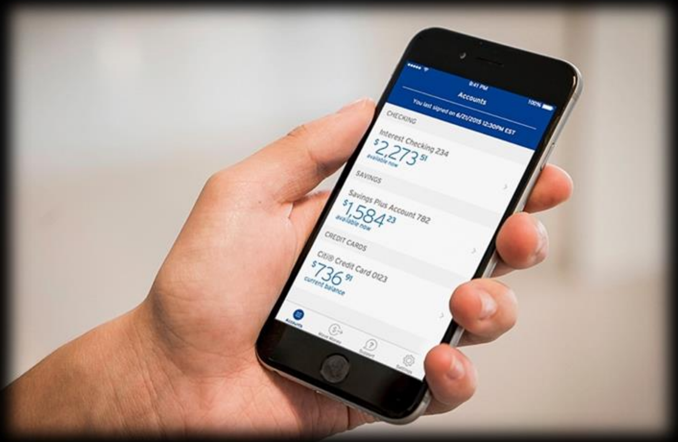


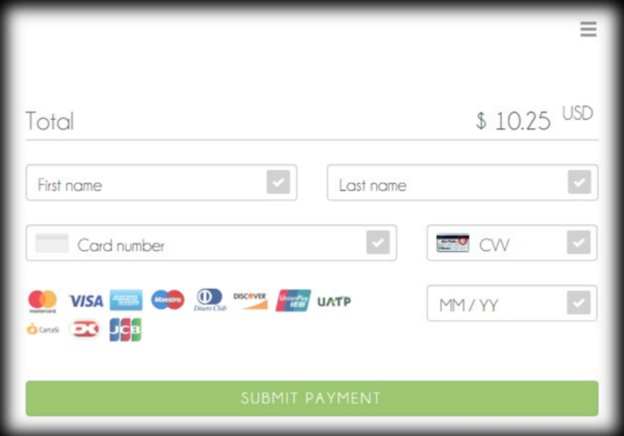
Step 1
Sharing of payment details

Step 2
Initiation and authorization of payment

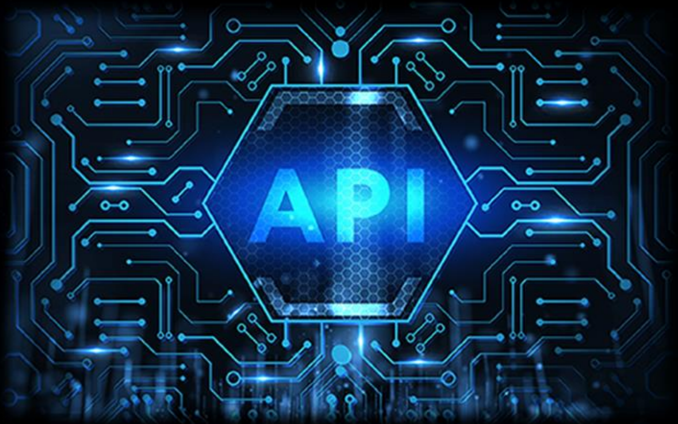
Step 3
Execution and settlement of payment

Step 4
Credit and notification




Total
$ 10.25 USD
First name
Last name
Card number
CVV
MM / YY
SUBMIT PAYMENT


OPERATIONS
MANAGEMENT

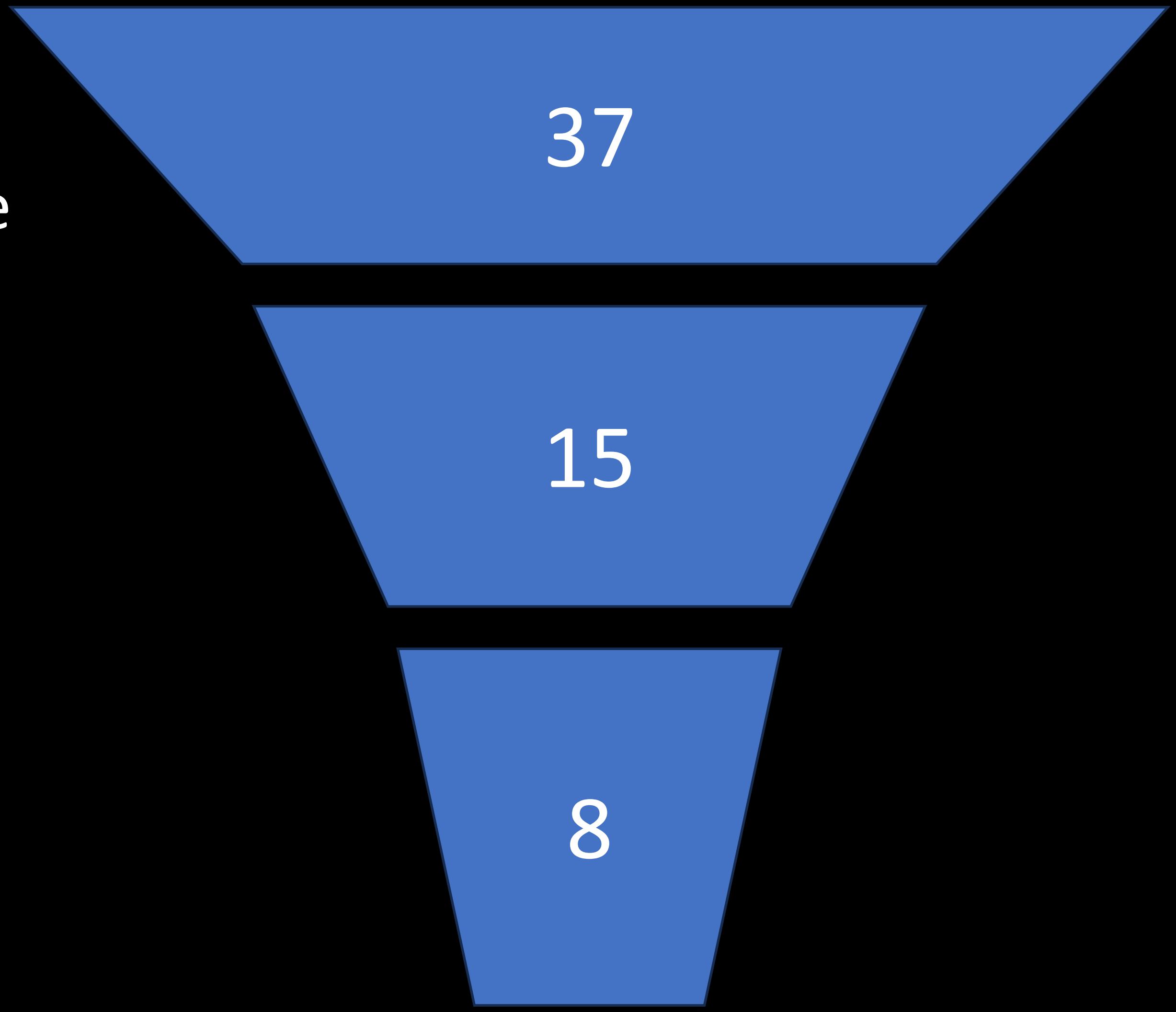

API

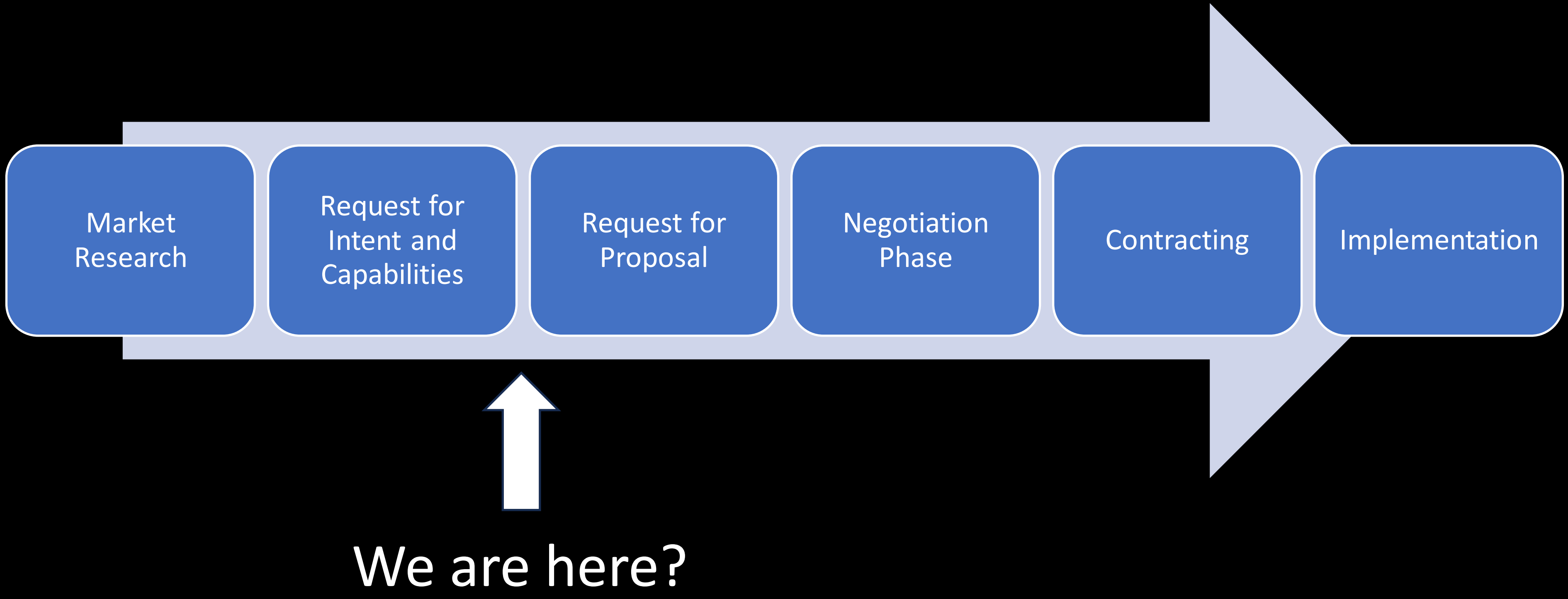

MySQL

Market research led to a long list of 37 potential partners across the globe

These consisted of technology providers, payment processors, PSPs, mobile wallets and open banking providers

A Request for Intent and Capabilities was send to 15, of which 8 responded




Market Research
Request for Intent and Capabilities
Request for Proposal
Negotiation Phase
Contracting
Implementation
We are here?


EMBEDDED BANKING
AML
KYC/CDD
FRAUD


gyft
G Pay
$1,200.00
VISA
7029
pay
xoom
Pay
Load Money
Request Money
See Activity

Conclusion

The Future is Instant and Account to Account payments offer great benefits for all parties involved

The CBA has identified the main use cases and the required components and services

Next step is to interact with the stakeholders to ensure a future service is supported, by the merchants, the consumers, the fintechs and the banks

Enclosure 7

Regulation of payments with eye for financial inclusion

Wouter Roelens, LL.M.

Department Enforcement, Market Entry & Legal Advisory

(November 29, 2023)

Centrale Bank van Aruba

DILANTI BIENTO

Content

- Motives
- State Ordinances
    - ➢State Ordinance basic bank account
    - ➢State Ordinance on supervision of payment service providers
    - ➢State Ordinance on supervision of providers of payment systems
- Status
- Questions

DILANTI BIENTO

1. Motives

Payment transactions in Aruba are currently not regulated

Part of the Landspakket (economic reforms)

2. State Ordinances

State Ordinance on payment transactions

- State Ordinance basic bank account
- State Ordinance on supervision of payment service providers
- State Ordinance on supervision of providers of payment systems

2. State Ordinances

1 became 3

Why?

2. State Ordinances

Rationale

State Ordinance basic bank account

- Promoting financial inclusion
- Countering wholesale de-risking
- Promotion of cashless payments

2. State Ordinances

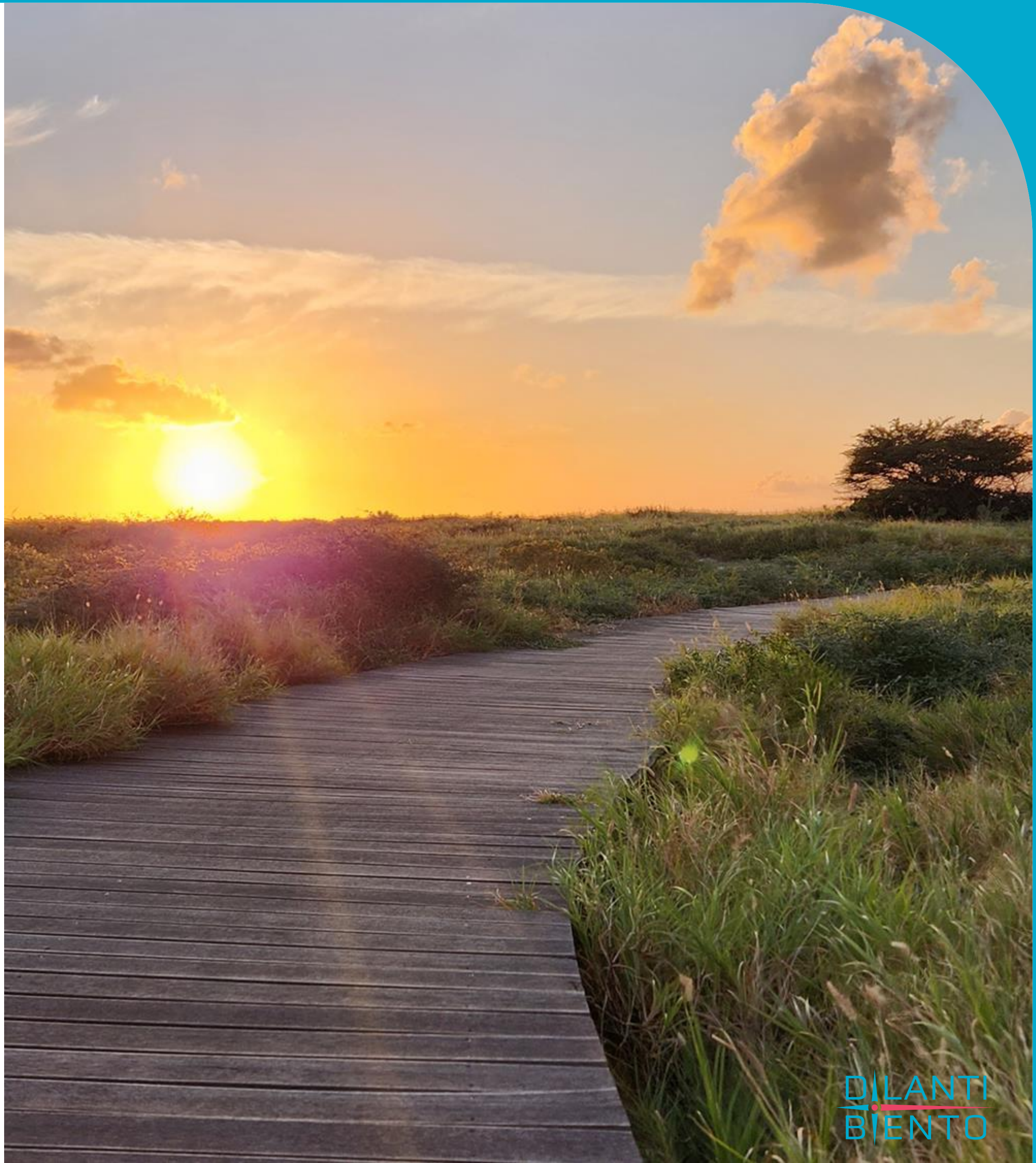
Rationale

State Ordinance on supervision of payment service providers

&

State Ordinance on supervision of providers of payment systems

- solid, reliable and sound business practice
- protection of payment service users
- clear rights and obligations
- regulated market entry with room for new initiatives



Layout State Ordinances

Similar chapters:

1. General provisions
2. Confidentiality/exchange of information
3. Supervision and enforcement
4. Penal provision
5. Special provisions
6. Transitional and final provisions

2a. State Ordinances

State Ordinance basic bank account

Specific chapters:

1. Basic bank account for consumers
2. Basic bank account for enterprises
3. Complaints institute

2a. State Ordinances

State Ordinance basic bank account

1. Basic bank account for consumers

- consumer who lawfully resides in Aruba
- exhaustive grounds for refusal
- blocking and termination
- a right

2a. State Ordinances

State Ordinance basic bank account

2. Basic bank account for enterprises

- SME's based in Aruba
- establish a basic bank account chamber
- no obligation to facilitate cash transactions
- blocking and termination
- claim (under circumstances)

Centrale Bank van Aruba

Dilanti Biento

2a. State Ordinances

State Ordinance basic bank account

3. Complaints Institute

- can be established by State Ordinance
- handling complaints
- settling disputes

2b. State Ordinances

State Ordinance on supervision of payment service providers & State Ordinance on supervision of providers of payment systems

Specific chapters:

1. Market entry
2. The register
3. Regulations regarding business operations
4. Qualifying holding

Centrale Bank van Aruba

DILANTI BIENTO

2b. State Ordinances

State Ordinance on supervision of payment service providers

Specific chapters:

1. Payment transaction
2. Information / transparency requirements & retention obligations
3. Complaints institute

2. State Ordinances

State Ordinance on supervision of providers of payment systems

Specific chapter:

1. Legal enforceability / irrevocability of payments

3. Status

Concept-State Ordinance basic bank account

- presented to the Minister of Economic Affairs on December 27, 2022
- received feedback from the Minister on September 5, 2023 (ABA comment included)
- answer in progress

Concept-State Ordinance on supervision of payment service providers & Concept-State Ordinance on supervision of providers of payment systems

- presented to the Minister of Finance and Culture on September 15, 2023

THANK YOU FOR YOUR ATTENTION

CENTRALE BANK VAN ARUBA


Q&A

Enclosure 8

CENTRALE BANK VAN ARUBA

Closing remarks by Mrs. Miriam M. Gonzalez, Executive Director of the Centrale Bank van Aruba and Chairperson of the "Foro di Pago Nacional", at the inaugural meeting of the "Foro di Pago Nacional" organized by the CBA on November 29, 2023, at the Ballroom of the Aruba Marriott Stellaris & Casino.

As we draw this first meeting of the "Foro di Pago Nacional" to a close, I want to thank each one of you for your active participation, insightful contribution, and engaged discussion. I also want to thank our speakers of today, for making this event most engaging and interesting. But more importantly, to show how together we can work on further developing our payment system. I am convinced that future gatherings of the "Foro di Pago Nacional" will be at least as fruitful as this one today. From our part as the CBA, we will work towards creating an environment where discussions can flow freely and new ideas can be exchanged.

We will consider your suggestions for topics of interest, as well as local and international developments on payments, to include these in our plenary meeting of next year, which will be held in November. In the meantime, we will have gatherings with working groups and task forces to research and discuss these topics. We will also have close contacts with our sister organizations in the Netherlands, Curacao and St. Maarten, and Surinam so we can learn from each other and support each other.

I extend my warmest regards to all of you, and I anticipate our next meeting with great enthusiasm. Until then, let's stay connected and continue this valuable journey together. Thank you once again for your invaluable contribution.

Last but not least, allow me to congratulate the organizing committee and supporting staff of the CBA for their hard work and dedication to make this first meeting of the "Foro di Pago Nacional" a complete success.

Thank you for your kind attention.