

BILL PAYMENT SCHEMES IN THE MIDDLE EAST AND NORTH AFRICA: DRIVING HYPER-CONNECTED ECOSYSTEMS



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Proliferating bill payment schemes

The digital transformation of the payments landscape and Financial Markets Infrastructure (FMI) in the Middle East and North Africa (MENA) has made a pivotal shift. This shift is favourable and allows Citi to deliver holistic and innovative solutions to its global and regional clients based in MENA to meet their rapidly growing demands for digital solutions. Although the transformation of FMIs in MENA started a little later than most other regions, the momentum is going beyond catch-up to an unprecedented digital initiative, spear headed by the central banks. The emergence of the digital bill payment schemes is quite unique to this region and has transformed the previous physical ecosystem into one of the best operating digital payments and collections models.

Cashless economy

Traditional cash and check based payment methods have been a burden for government entities, utility companies, businesses, merchants and consumers alike. Governments are integrating and aggregating services in the form of one-stop-shop Electronic Bill Presentment and Payment (EBPP) schemes to create seamless customer journeys that encourage paperless, cash-less and e-payments economies.

The entire MENA region has implemented local clearing infrastructures. Largely all markets have domestic RTGS, ACH, Direct Debits, Bill Payment Schemes and the recent burgeoning of Instant Payment (Real-Time Payment) rollouts, is leading to an evolution of a hyper-connected ecosystem. The changing consumer behaviour and shifting citizen demands among other changes like mobile penetration are sparking central banks in MENA to implement innovative capabilities to drive their transformation to digital.

Need for real-time settlement and reconciliation

The central bank lead aggregated EBPP schemes are evolving into a robust and resilient infrastructure. The SADAD in Saudi Arabia, UAE PGS in UAE, Fawateer in Bahrain, eFawateercom in Jordan, eFinance in Egypt, Fatourati in Morocco and 1Bill in Pakistan are some of the leading schemes that have captured the digital payment flows. These schemes provide a real-time experience of ecommerce immediacy to the payers and a real-time settlement, reconciliation and cash application for the billers and merchants.

Advantages of EBPP schemes

Convenience: Enables customers to view and pay bills – such as tax payments and utilities – seamlessly.

Security: Schemes adhere to the highest security standards under the supervision of the central banks enabling safe and secure payments and collections ecosystem.

Real-time payment experience: Ability to inquire and settle any accrued bills easily through electronic banking channels 24/7 with real-time transaction status to both the biller and the payer.

Credit push payments: Clients can initiate payments directly from their existing accounts, meaning greater transparency vs. alternative services and paper based payments with minimal disruption to the underlying service that the payer is paying for, to the biller.

Citi's approach

Citi in MENA has rolled out a CitiDirect® eBills solution that provides our institutional clients with seamless integrated access to all these schemes. The solution has been developed and designed in partnership with a leading Fintech, Mindgate. The approach provides Citi with an agility of rollouts of bill payment schemes in MENA and beyond.

Payouts Use Cases



Electronic Bill Presentment and Payment



e-Commerce

Online payments and collections

Enabling online payments and collections in real-time and 24/7 instant collection solutions via EBPP provide merchants a cheaper alternative to cards.

Market Differentiator

Insurance premium payments, health care, commercial payments

Certain businesses paying faster can enable a better product offering and customer experience. Instant payments via EBPP can be a significant advantage to billers.

Just-in-Time Payments

Time sensitive payments

Paying real-time allows clients to send payments on the same day they need to be received, removing the need to send payments in advance and enabling clients to keep liquidity until payment date.

Bill Payments

Pay just-in-time with real-time confirmation for easier reconciliation

Real-time visibility with notification of successful payments allows for better tracking and reconciliation.

These schemes throughout MENA support a wide range of biller categories:



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