

M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE
P-SAF- COMM- MP- OPR- 854- 001-A

NAME	DESIGNATION	SIGNATURE	DATE
APPROVALS			
JUDYTH ODUOR	M-PESA OPERATIONS MANAGER		
MIRIAM GIKONYO	SENIOR ANTI MONEY LAUNDERING & FRAUD OFFICER		
GERALD RASUGU	M-PESA AGENT SALES MANAGER		
JOSECK MUDIRI	M-PESA BUSINESS DEVELOPMENT MANAGER		
SHARON WAGA	CALL CENTER MANAGER LINE 234		
MADLYNE NJOROGE	ADDITIONAL SERVICES MANAGER		
FINAL APPROVAL:			
MIRIAM GAITURI	FRAUD MANAGER		
JUSTINE OGWAPIT	SENIOR MANAGER LEGAL SERVICES		
SYLVIA MULINGE	HEAD OF RETAIL SALES		
PAULINE VAUGHAN	HEAD OF DEPARTMENT M-PESA		
BETTY MWANGI	HEAD OF NEW PRODUCTS		
PETER ARINA	CHIEF COMMERCIAL OFFICER		



M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE P-SAF- COMM- MP- OPR- 854- 001-A

1. Purpose

This document defines the process by which M-PESA Agents and Safaricom Retail Centers will identify potential and existing M-PESA customers and ascertain relevant information pertinent to doing financial business with them. Sound KYC procedures will contribute to M-PESA's overall safety and soundness as well as protect its integrity by reducing the likelihood of M-PESA becoming a tool for money laundering, terrorist financing and other unlawful activities.

2. Responsibilities

M-PESA Agents

Safaricom Retail Centers

Safaricom Call Center

M-PESA Operations Officers

M-PESA Area Sales Managers

M-PESA Authorised Assistants

Top Image Retail Trade Leaders

Top Image Trade Development Representatives

3. Definitions

M-PESA Agents- Businesses mandated by Safaricom to provide the M-PESA service to customers on behalf of Safaricom, specifically Registration, Deposits and Withdrawals

Retail Center Agent (RCA)- Customer Service Agents based in Safaricom Retail Center outlets

Know Your Customer (KYC) – Process through which institutions offering financial services get to know and understand their customers and their financial dealings to be able to serve them better and manage their risks prudently.

Enhanced Due Diligence- A rigorous and robust process of investigation over and above (KYC) procedures, that seeks to verify and validate the customer's identity

Money Laundering- process by which proceeds derived from a criminal activity are disguised in an effort to conceal their illicit origins and to legitimize their future use.



M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE
P-SAF- COMM- MP- OPR- 854- 001-A

World Check- a global database used to screen individuals against various sanction lists.

4. Equipment/Software

M-PESA Agent Handsets

M-PESA Customer Handsets

M-PESA System

5. Instructions

5.1 Registration of new customers

All prospective M-PESA customers wishing to register for the service must be seen face to face by an M-PESA agent or Safaricom Retail Center Agent. They will be required to produce their ORIGINAL identification documents before registration commences. Acceptable Identification documents include:-

- Original Kenyan National ID Card
- Valid Passport [of any nationality]
- Recognized photo ID issued by GoK which are Military ID, Diplomatic ID, and Alien ID.

On confirmation of the individual against the ID document presented, the M-PESA Agent/RCA will then proceed to fill details in the M-PESA registration form which requests for the following KYC Details:-

Name.....

Date of birth DD/MM/YY _ _ _ _ _

Passport/ID No.....

Type of ID*: National Passport / Other (please specify)

Nationality: (please specify)

Residential District:

Occupation:



**M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE
P-SAF- COMM- MP- OPR- 854- 001-A**

Safaricom Mobile Number

All required fields in the customer registration form should be completed and the form duly signed by the customer.

Note: Companies should not be registered as M-PESA customers, every M-PESA account must be registered under an individual and required identification documents provided.

The Agent Assistant will then proceed with the registration of the customer on the M-PESA system, during which the following details will be provided to M-PESA via the agent handset:

1. Customer Names
2. ID number [Current system limitation is that this field only accepts 8 numeric characters currently. While this is being rectified, the 1st 8 numbers of the ID are to be used; with extra 0's added if required at the end]
3. Date of Birth-where customer's identification does not bear the date of birth, agent can enter 00/00/0000.
4. Type of ID shown [note, this will be implemented by end of May and once implemented should be provided.

The Agent Assistant doing the registration will then countersign the registration form and identify themselves by their Assistant details. Only authorised Assistants should complete forms. They must also confirm on the registration form that they have correctly verified the customers against their ID. Retail Center Agents and M-PESA Agent Assistants are advised NOT to share their M-PESA PINS with colleagues.

The Customer and the registering agent will each retain a copy of the form, the third copy will be collected by Safaricom through Top Image.

Where the registering agent enters the wrong customer identification



M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE P-SAF- COMM- MP- OPR- 854- 001-A

number or other KYC details during registration, they must immediately call or SMS M-PESA Customer Care on Line 234/ 2134 or email m-pesa@safaricom.co.ke and request for correction. If a Customer, Agent, RCA or CCR identifies this after registration, the customer must be advised to visit any of Safaricom's Retail Centre outlets with their identification documents and an RCA will update correct details.

Counterfeit, photocopies and expired identification documents will not be accepted. Where identification cannot be verified, the registration must be declined.

5.2 Enhanced Due Diligence/Risk based approach to KYC

The M-PESA system has prescribed transaction limits. Currently, these are uniform for all customers. In future, M-PESA will implement a risk based approach to KYC whereby customers will be classified in tiers depending on the funds received into their accounts from any source. Those transacting amounts less than Ksh 100,000 per calendar year will not be required to provide copies of their ID's during registration. Customers wishing to upgrade to the next tier (above Ksh 100,000 annually) will be required to provide copies of their identification documents. The 12 months is calculated by calendar year. Changes to this procedure will be updated in future M-PESA upgrades.

5.3 Customer Identification:- Ongoing Transactions

As per section 5.1, existing M-PESA Customers are required to provide proof of identification whenever they carry out any of the following M-PESA transactions:-

- i.** Deposits
- ii.** Withdrawals
- iii.** Give Cash

The agent will request for identification before carrying out any of the



M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE P-SAF- COMM- MP- OPR- 854- 001-A

above transactions. The identification document number will be entered in the logbook as required, for every successful value transaction.

Counterfeit, photocopies and expired identification documents will not be accepted. Where identification cannot be verified or is not presented, the transaction will be declined.

5.4 Business Customers

For Business customers (e.g. agents, dealers, businesses using M-PESA for customer to business / business to customer transactions) the KYC procedure will be more comprehensive and will include provision and verification of the below before business account is created on the M-PESA system-

- Copy of Business Permit
- Copy of Certificate of Incorporation/Registration Certificate
- Copy of ID of directors, PIN certificate & VAT certificate
- Bank details for the company
- Form CR12- A document issued by the registrar of companies detailing the company's directors. This should not be more than 30 days old.

Prior to creating a business customer on the M-PESA system, a check will be done on World Check or equivalent database to ensure the business and related individuals are not blacklisted.

Full details of KYC for business users must be included in the procedures for recruitment of business customers.



M-PESA KNOW YOUR CUSTOMER (KYC) PROCEDURE
P-SAF- COMM- MP- OPR- 854- 001-A

Non-Compliance

6. Customers will be continually reminded about the significance of providing identification documents whenever they carry out transactions at an agent outlet. This will be done through Print media, Posters and SMS broadcasts. For Agents, this will be done through refresher training on KYC procedures, Posters and Agent Bulletins.

M-PESA department and the Money Laundering Officer (MLRO) will assess compliance to KYC procedures.

Non compliance to this procedure shall lead to one or more of the following penalties depending on the severity of the action:-

6.1 Agents

- ✓ Claw back of commissions earned for the irregular transactions to ensure future compliance
- ✓ Suspension of Agent Accounts
- ✓ Termination of Agent Accounts
- ✓ Termination of Agent Contract

6.2 Safaricom staff

- ✓ Disciplinary action

6. Forms and Records

6.1. M-PESA Registration Form Version II

7. Attachments

7.1. Customer Registration Form

8. Related Documents

- 8.1. AML Policy
- 8.2. Procedures for recruiting of business customers
- 8.3. M-PESA customer terms and conditions
- 8.4. M-PESA Agent contracts and Business contracts

9. References

- 9.1. None



Customer
Registration Form