

Digital Access, Inclusion and Participation



Desplazados y Desconectados: South America



UNHCR
The UN Refugee Agency

Desplazados y Desconectados:

Understanding legal and regulatory barriers to
forcibly displaced persons' access to connectivity
and financial services in South America

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Rebalancing regulatory requirements for Venezuelans and other displaced persons in South America with limited forms of valid ID credentials and other required documentation to enable access to basic mobile connectivity and financial services could greatly improve their livelihoods and open up economic opportunities.

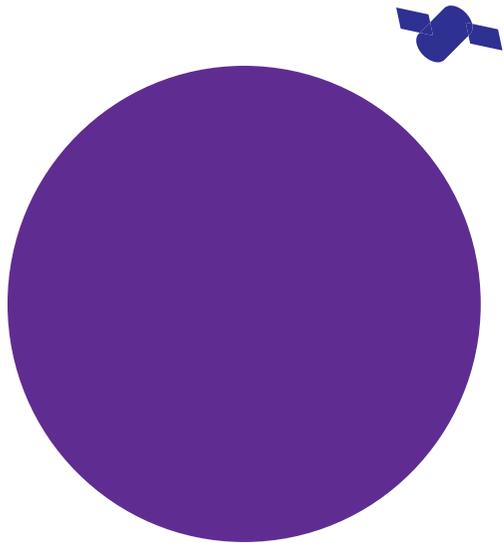


Table of Contents

Executive Summary	1
Acknowledgements	3
Acronyms	4
1. Introduction	6
2. Regional Context	8
3. Summary of Findings	10
Legal barriers to connectivity access	10
Legal barriers to accessing financial services	12
4. Recommendations	14
5. Country Briefs	19
Brazil	19
Chile	23
Colombia	27
Ecuador	31
Peru	37

Executive Summary

As a protection agency, the UN High Commissioner for Refugees (UNHCR) is concerned about the risks that the forcibly displaced take to connect and transact in their host communities. Previous research by the UNHCR Innovation Service has found that **barriers to accessing mobile and financial services** are often the result of **unaccommodating policy environments** in host countries.

This policy brief, focused on concerns following from the exodus of 5.1 million Venezuelan refugees and migrants mainly to other countries in the region, explores the legal and regulatory barriers for displaced persons to access mobile and financial services across **five South American countries**: Brazil, Chile, Colombia, Ecuador, and Peru.

In the context of this **large-scale population movement** in Latin America and the Caribbean, refugees and migrants from Venezuela are facing challenges in obtaining and renewing travel documents, leading to many undertaking journeys with **no valid forms of ID**. In addition, the irregular status of Venezuelan refugees and migrants in countries of destination remains a key concern that seriously affects their protection situation and local integration possibilities. Forty-four per cent of the population covered by UNHCR Protection Monitoring activities in the second half of 2019 was not in possession of any type of legal stay or residence permit in the country of destination. Some governments advanced in 2018-2019 the implementation of a series of pathways to facilitate the regularization of Venezuelan refugees and migrants are even recognizing the validity of expired documents. However, many Venezuelan refugees and migrants still remain in an irregular situation and / or undocumented and unable to meet local customer identification requirements to access connectivity and financial service. This leaves millions of people unable to legally access online information, communicate with others, and receive cash assistance and transfers, among other **benefits of connectivity**.

In each of the five countries surveyed, **migratory status, identification and documentation requirements** applied to mobile users and banking clients are **creating barriers for displaced persons to legally access services**. Compared to other parts of the world, mobile money is relatively immature in South America and many countries do not have specific regulations that govern mobile money. However, new applications present interesting opportunities for persons of concern to access services, most notably payments, and should be closely monitored by humanitarian organizations and donors.

Emerging from the findings is a series of **recommendations** targeted at government bodies, service providers, and humanitarian organizations in the region to help address legal barriers facing displaced persons in their access to mobile and financial services, including:

For **government bodies** to: issue **clearer guidance** on applicable requirements for displaced persons; ensure **comprehensive coverage** for all legal residents while acknowledging the unique circumstances of displaced populations; consider **tiered due diligence requirements** for the forcibly displaced; convene **regionally** to address access and inclusion concerns in a **more harmonized way**; and to use **regulation** to **facilitate safe and responsible innovation**.

Service providers are encouraged to: better **inform agents** about refugee identification and identity verification; reconsider **dormancy periods** for connectivity services that might cut off displaced people; **engage more closely with regulators and humanitarians** on issues pertinent to refugees and migrants; and leverage **regional footprints** to support humanitarian access.

Recommendations to **humanitarian organizations** in the region build on those outlined in the initial *Displaced and Disconnected* report and include: **advocating** for the **digital and financial inclusion** of people of concern in **national and regional frameworks**; facilitating **faster registration and documentation**; and **sensitizing service providers to become refugee and migrant ready**, among others.

These issues have been elevated by the **COVID-19 crisis** in which remote access to information and humanitarian assistance is proving to be especially vital to persons of concern. Stakeholders in the region should convene immediately to address the legal and regulatory barriers impeding displaced persons' access to critical services. Together with the World Bank, the International Telecommunications Union and the World Economic Forum, the GSMA has created a joint action plan to develop concrete actions to help governments and the private sector cope with the pandemic outlining a series of recommendations to mitigate challenges faced in the effectively delivery of humanitarian assistance as part of the COVID-19 response.¹

¹ GSMA. Policy and Regulatory Recommendations to Facilitate Mobile Humanitarian and Social Assistance during COVID-19 www.gsma.com/mobilefordevelopment/blog/policy-and-regulatory-recommendations-to-facilitate-the-role-of-mobile-in-humanitarian-assistance-in-a-covid-19-world/

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Acronyms

AML	Anti Money Laundering
ANATEL	National Telecommunications Agency - <i>Agência Nacional de Telecomunicações</i>
ARCOTEL	Telecommunications Regulatory and Control Agency - <i>Agencia de Regulación y Control de las Telecomunicaciones</i>
ASOBANCA	Association of Private Ecuadorian Banks - <i>Asociación de Bancos Privados del Ecuador</i>
BCP	Banco de Crédito del Perú
CDD	Customer Due Diligence
CEPR	Special Commission for Refugees - <i>Comisión Especial para los Refugiados</i>
CFT	Combating the Financing of Terrorism
CPF	Tax ID Number - <i>Cadastro de Pessoa Física</i>
CITEL	Inter-American Telecommunication Commission
DEM	Department of Foreign Affairs and Migration - <i>Departamento de Extranjería y Migración</i>
GAFILAT	Financial Action Task Force of Latin America
GSMA	GSM Association
FARC	Revolutionary Armed Forces of Colombia - <i>Fuerzas Armadas Revolucionarias de Colombia</i>
FATF	Financial Action Task Force
FELABAN	Latin American Federation of Banks
FSP	Financial Service Provider
ID	Identification
IMEI	International Mobile Equipment Identity
IMSI	International Mobile Subscriber Identity
INEI	National Institute of Statistics and Informatics - <i>Instituto Nacional de Estadística e Informática</i>
ITU	International Telecommunication Union
KYC	Know Your Customer
MFA	Ministry of Foreign Affairs
MNO	Mobile Network Operator
OSIPTEL	Supervisory Agency for Private Investment in Telecommunications - <i>Organismo Supervisor de Inversión Privada en Telecomunicaciones</i>
PDI	Police of Chile - <i>Policía de Investigaciones</i>
PDP	Peruvian Digital Payments - <i>Pagos Digital Peruanos</i>
PDPL	Peru's Personal Data Protection Law
PEP	Special Stay Permit - <i>Permiso Especial de Permanencia</i>
PTP	Temporary Permanence Permit - <i>Permiso Temporal de Residencia</i>
R4V	Interagency Coordination Platform for Refugees and Migrants from Venezuela

² This report was authored by Aaron Martin and Erika Perez Iglesias.

RAMV	Administrative Registry of Migrants from Venezuela - <i>Registro Administrativo de Migrantes de Venezuela</i>
RENTESEG	National Registry of Mobile Terminal Equipment for Security
RMRP	Regional Refugee and Migrant Response Plan
RNE	National Foreigner Registry - <i>Registro Nacional de Estrateiros</i>
RUN	National Unique Role- <i>Rol Único Nacional</i>
SARLAFT	System for Preventing Asset Laundering and Terrorism Financing - <i>Sistema de Administración de Riesgo de Lavado de Activos y Financiación del Terrorismo</i>
SBIF	Superintendency of Banks and Financial Institutions of Chile - <i>Superintendencia de Bancos e Instituciones Financieras</i>
SIM	Subscriber Identity Mobile
SIPLA	Integrated System for the Prevention of Asset Laundering - <i>Sistema Integral para la Prevención del Lavado de Activos</i>
SUBTEL	Department of Telecommunications - <i>Subsecretaria de Telecomunicaciones</i>
TMF	Border Mobility Card - <i>Tarjeta de Movilidad Fronteriza</i>
UAF	Financial Analysis Unit - <i>Unidad de Análisis Financiero</i>
UIF Peru	Peruvian Financial Intelligence Unit
UNHCR	United Nations High Commissioner for Refugees

1. Introduction

In 2019, the UNHCR Innovation Service published *Displaced and Disconnected*,³ a research survey of twenty countries⁴ which are host to significant numbers of refugees and other persons of concern⁵ to UNHCR, to explore how non-conducive regulatory environments impede access to key services such as mobile connectivity, banking, and digital finance including mobile money. The research found that legal requirements which mandate proof of identity to access these services, particularly Know Your Customer / Customer Due Diligence (KYC / CDD)⁶ and Subscriber Identity Mobile (SIM) registration requirements from financial and telecommunications regulators, respectively, continue to be a considerable barrier to persons of concern, many of whom lack valid forms of government-issued or recognized ID with which to legally access services.

The research also found that these identity requirements may further marginalize and disempower refugees and others who consequently find it harder to legally access online information, communicate with others, and receive cash assistance and transfers, among other benefits of connectivity. For humanitarian organizations, the lack of legal certainty, inconsistently applied regulations or sudden changes in regulatory expectations as regards beneficiary identification can disrupt the delivery of humanitarian assistance, making it harder to provide aid. When legal access is not a reliable option, for example in time-constrained emergency situations, workarounds are sometimes an operational necessity (for example, the bulk registration of SIM cards against a humanitarian agency's legal identity), though these measures can bring risk to both humanitarian organizations and end users.

Many of these barriers are the result of unaccommodating policy environments in host countries, for example unwillingness to reform policy frameworks to recognize the legal status and forms of ID commonly issued to or held by displaced persons. The research also identified operational concerns such as extended delays in the government's registration and issuance of ID credentials to asylum seekers and refugees, which may lead users to pursue risky workarounds to gain access to services. As a protection agency, UNHCR is concerned about the risks that persons of concern take to connect and transact, and thus the agency continues to develop an evidence base to inform appropriate advocacy and engagement efforts to improve legal access.

This policy brief, focused specifically on concerns following the large-scale movement of Venezuelan refugees and migrants to other countries in the region, is another important step in developing evidence for the agency to address legal and regulatory barriers that impede access to connectivity and financial services.

³ UNHCR. *Displaced and Disconnected*: <https://www.unhcr.org/innovation/displaced-and-disconnected/>

⁴ Afghanistan, Bangladesh, Brazil, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Ethiopia, Jordan, Kenya, Lebanon, Mauritania, Niger, Nigeria, Rwanda, Tanzania, Turkey, Uganda, and Zambia

⁵ Persons of Concern to UNHCR: <https://www.unhcr.org/ph/persons-concern-unhcr>

⁶ KYC / CDD requirements are usually part of Anti-Money Laundering and Countering Financing of Terrorism (AML / CFT) laws and regulations.

In March 2020, after the research phase of this research project was completed, new and pertinent guidance was issued by the Financial Action Task Force (FATF).⁷ FATF is an independent intergovernmental body that was established in 1989 by the G7. It acts as the global money laundering and terrorist financing watchdog by setting international standards that aim to prevent these illegal activities. FATF's guidance is a key reference point for governments, Central Banks, and other regulators in financial regulation, including KYC / CDD requirements relating to identity when a Financial Service Provider (FSP) establishes business relations with a customer. As a policy-making body, the FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.⁸

FATF's new guidance recognizes that proof of official identity for refugees can be provided by a host government or an internationally mandated organization, such as UNHCR acting on its behalf. It also notes the importance of access to a transaction account for the delivery and receipt of life-saving humanitarian assistance in the form of cash-based interventions and provides further guidance on the measures that can be taken to prevent financial exclusion. The implementation of this new FATF guidance at regional and national levels provides an opportunity to address some of the legal and regulatory barriers that have been identified through research and facilitate the delivery of humanitarian assistance and financial inclusion of vulnerable populations, including the forcibly displaced.

2. Regional Context

The current research builds on the lessons from the initial *Displaced and Disconnected* report to examine how these issues are unfolding in the Americas. The political, socio-economic, and human rights situation in Venezuela has spurred large-scale movements of unprecedented numbers of Venezuelan refugees and migrants to countries in Latin America and the Caribbean. According to the Coordination Platform for Refugees and Migrants⁹ from Venezuela (R4V),¹⁰ as of May 2020, 5.1 million people have fled Venezuela of which 4.3 million are hosted in Latin America and the Caribbean.¹¹

With no indication that these movements will cease in the foreseeable future, the projected figures of refugees and migrants from Venezuela are expected to increase to 6.5 million worldwide and 5.5 million in Latin American and the Caribbean by the end of 2020.

Countries in Latin America and the Caribbean have demonstrated continuous solidarity and generosity towards Venezuelans, with many of them maintaining an open-border policy and some even adjusting their legislation to meet the needs of the refugees and migrants. By April 2020, government efforts had resulted in more than two and a half million Venezuelans being issued residency, while more than 850,000 have been registered as asylum seekers or recognized as refugees.

Nonetheless, these movements have impacted the region's demographic makeup and placed growing pressure on neighboring states. Countries hosting Venezuelans are contending with overstretched public services and budgets, social tensions arising from stigma against the Venezuelan population and pressure to revise existing entry requirements or establish new ones. Such measures have caused the number of irregular border crossings to increase and put an even greater number of people in danger. As a result, growing numbers of Venezuelans are forced to remain in irregular situations for reasons that include a lack of documentation, lengthy administrative procedures and restrictions, long waiting periods, and inaccessible visa application fees. Venezuelans who are not able to regularize their status are vulnerable to various forms of exploitation, abuse, violence, and discrimination, and are increasingly resorting to negative coping mechanisms.

In the context of this large-scale movement, refugees and migrants from Venezuela are facing challenges in obtaining and renewing travel documents, leading to a large number of Venezuelans with no valid forms of ID during their journeys. In addition, the irregular status of Venezuelan refugees and migrants in countries of destination remains a key concern that seriously affects their protection situation and local integration possibilities. Some governments advanced in 2018-2019 the implementation of a series of pathways to facilitate

⁷ FATF. Guidance on Digital Identity: <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/digital-identity-guidance.html>

⁸ FATF. Who we are: <http://www.fatf-gafi.org/about/whoweare/>

⁹ It is important to note the legal distinction between the terms 'refugee' and 'migrant': <https://www.unhcr.org/news/latest/2016/7/55df0e556/unhcr-viewpoint-refugee-migrant-right.html>

¹⁰ <https://r4v.info/>

¹¹ R4V. Venezuelan refugees and migrants in the region <https://r4v.info/es/documents/download/76206>

the regularization of Venezuelan refugees and migrants are even recognizing the validity of expired documents.¹²

However, as we will see in the analysis, these expired documents are generally not accepted by FSPs or Mobile Network Operators (MNOs) to meet local customer identification requirements, which makes it harder for people to legally access services in the host country.

According to recent assessments conducted by UNHCR in the Americas, the profiles of the Venezuelans fleeing their country have changed over time. While the first wave of Venezuelan refugees and migrants were from medium-to-high income levels and with higher education, these days more vulnerable Venezuelans with fewer financial resources and less education are being forced to seek protection in neighboring countries.

As a consequence, it has been observed that there is a need to build the digital skills of new waves of refugees and migrants in view of the gradual increase in the digitization of migration processes by governments in the region.¹³ In addition, some Venezuelans are forced to sell their most valuable belongings—including electronics, and especially smartphones and tablets—inside Venezuela or at border areas to be able to fund their journey, which further limits their digital inclusion and access to information.¹⁴

To better understand these dynamics in context, and given the magnitude of this multidimensional crisis, this research adopts the methodology¹⁵ from the *Displaced and Disconnected* report¹⁶ to explore the legal and regulatory barriers to accessing connectivity and financial services across five South American countries, namely Brazil, Chile, Colombia, Ecuador, and Peru, as these are the top five Venezuelan-hosting countries in the world.¹⁷ The next section provides a summary of the findings from the five countries, with a particular focus on those who have been formally registered as asylum seekers or granted refugee status in hosting countries, before turning to recommendations on how to address legal access challenges across the region.

12 Quito Process on Human Mobility in the Americas: <https://www.cancilleria.gob.ec/declaracion-de-quito-sobre-movilidad-humana-de-ciudadanos-venezolanos-en-la-region/>

13 Peru: www.gob.pe/institucion/rree/noticias/9654-entra-en-funcionamiento-sistema-de-citas-en-linea-para-solicitantes-de-refugio
Brazil: <http://sisconare.mj.gov.br/conare-web/login?1>
www.justica.gov.br/seus-direitos/refugio/anexos/rn29.pdf

14 R4V. Regional Information and Communication Needs Assessment: <https://r4v.info/es/documents/download/73683> (p. 21)

15 The research involved desk research and literature reviews, interviews with experts in the humanitarian, development, and identification/registration policy domains, surveys of UNHCR country operations, and ongoing engagement with trade bodies such as GSMA as well as local regulators.

16 UNHCR. *Displaced and Disconnected*: <https://www.unhcr.org/innovation/displaced-and-disconnected/>

17 R4V. América Latina y el Caribe, refugiados y migrantes venezolanos en la región: <https://data2.unhcr.org/es/documents/details/75316>

3. Summary of Findings

In this section, we summarize the findings from the five country surveys across two main focus areas: 1) access to connectivity and 2) access to financial services (including bank accounts and mobile money, where relevant). Fuller descriptions of these summaries are available in the Country Briefs that follow the main report.

Legal barriers to connectivity access

In each of the five South American countries surveyed, identification and migratory documentation requirements applied to mobile users are creating barriers for asylum seekers, refugees, and others of concern to legally access connectivity services. According to a Regional Information and Communications Needs Assessment from November 2019, undertaken in parallel to this study, for those Venezuelans who own a personal mobile phone, 61 per cent have a SIM card registered under their name in the country where they are residing or transiting through. This leaves nearly two-fifths of users at risk of not being able to legally access mobile connectivity.¹⁸

Such findings corroborate much of what was learned in the 2019 *Displaced and Disconnected* report. One key difference, however, relates to the prevalence of International Mobile Equipment Identity (IMEI) registration policies across South America. Whereas SIM registration imposes identification requirements on the *mobile connectivity service*, IMEI registration mandates involve the creation of *whitelists of devices* that are able to connect to local networks, thereby prohibiting unregistered devices from connecting.

In **Brazil**, where SIM registration is legally mandated, refugees have found proving their identity in order to access connectivity to be relatively less burdensome than in the other countries studied. The identity numbers required for SIM registration are generally accessible by refugees, though asylum seekers do face persistent barriers due to a lack of valid ID. However, additional requirements for registering SIM cards, specifically proving one's address, can be a hurdle for many persons of concern for whom establishing a stable residence is challenging.

In **Chile**, where IMEI registration is compulsory for all mobile devices connecting to local networks, a Chilean ID card or valid passport (from any country) is required for device registration. However, the Chilean ID cards are only accessible to newcomers who have regularized their status in the country, which excludes many Venezuelans with an expired passport (or none at all) from registering. To use a device brought into Chile from a different country with a SIM on a local network, the user must also present documentation to prove their lawful entry into the country (e.g. a copy of one's passport or travel ticket). Therefore,

18 R4V. Regional Information and Communication Needs Assessment: <https://r4v.info/es/documents/download/73683> (pp. 21-22)

people who enter Chile irregularly (i.e. without a *Visa de Responsabilidad Democrática*) cannot register their devices in their own name.¹⁹

For refugees and migrants in **Colombia**, where users are legally required to register their device identifiers (i.e. IMEI numbers) on a national registry established by the regulator, one must provide a valid travel document, visa, and immigration card to register. While the credentials issued to recognized refugees are acceptable for IMEI registration, the *salvoconducto* (a temporary stay permit) issued to asylum seekers is not deemed to be a recognized identity document and thus cannot be used for device registration. It is important to note that the number of asylum seekers in Colombia far outweighs the number of recognized refugees, forcing many to find workarounds to access connectivity. MNOs are required to block unregistered IMEIs that appear on their networks. Users have a 20-day grace period to register an IMEI before the device is blocked.

In **Ecuador**, the focus of the mobile registration policy is on registering device identifiers (i.e. IMEIs). Ecuador’s policy requires operators to store each customer’s device identity against their mobile number. For a mobile device to be registered in Ecuador, the device must not have been reported as stolen in Ecuador, Colombia, Peru or Bolivia.²⁰ No mobile registration data is stored centrally with the Agency for Regulation & Control of Telecommunications (ARCOTEL), the regulator. All data is held by the operator, including the verification data from the country’s identity registry. ARCOTEL maintains an IMEI blacklist of all lost and stolen handsets. The humanitarian visa issued to asylum seekers is not legally sufficient for IMEI registration. Following the adoption of the Human Mobility Law (2017), refugees who have been issued a Foreigner Identity Card by the Civil Registry are able to register their IMEIs with their service provider and can thus legally access mobile connectivity in Ecuador. However, refugees awaiting the issuance of the Identity Card who are only in possession of the international protection visa issued by the Ministry of Foreign Affairs (MFA) cannot proceed with the registration.

Peru’s legislative framework mandates both SIM and IMEI registration. SIM registration is based on biometric verification against data on the national identity register. Peru’s approach to IMEI registration involves both whitelisting and blacklisting of devices. As a practical matter, operators only accept a foreigner residence card or valid passport for SIM registration, not Temporary Permanence Permits or asylum seekers cards.

Country	SIM Registration	IMEI Registration
Brazil	X	
Chile		X
Colombia		X
Ecuador		X
Peru	X	X

Table 1: Identification Policies affecting Connectivity Access

Legal barriers to accessing financial services

As with mobile connectivity, in each of the five countries surveyed, identification and migratory documentation requirements imposed on banking clients are creating barriers for asylum seekers and refugees to legally access financial services. Compared to other parts of the world, mobile money is relatively immature across South America and many countries do not have specific regulations that govern mobile money. However, new applications present interesting opportunities for displaced people to access certain financial services, most notably payments, and should be closely monitored by humanitarian organizations and donors.

In **Brazil**, where an individual must provide proof of residency, an ID number and a tax ID to open a bank account, persons of concern face barriers to access. While Brazilian law states that both asylum seekers and refugees should be provided with the requisite identity numbers, being formally registered to an address by way of paying rent or purchasing property remains a challenge for many. In this context, UNHCR has established formal partnerships with banks in Brazil to facilitate access to banking services. Such partnerships aim at providing information on refugee matters and refugee law to bank agents, so they are better equipped to assist this population. In particular, through a partnership with the Central Bank of Brazil, UNHCR has launched a booklet on access to financial services for the refugee population.

To open a bank account in **Chile**, a person must have an ID card issued by the Chilean Civil and Identity Registry and a valid Chilean ID known as a RUN (*Rol Único Nacional*). This ensures that applicants already have a residence permit in the Chilean national territory. To open a bank account with a foreign ID card, banks can require a Temporary Resident Permit or Permanent Resident Permit. Checking accounts can only be opened by permanent residents, and most banks also require the person to have been a permanent resident for a specific period (often five years).

¹⁹ In some cases, such as when one enters Chile with a new device, proof of purchase may also be required.

²⁰ Telecompaper. Ecuador starts registration of mobile phones: <https://www.telecompaper.com/news/ecuador-starts-registration-of-mobile-phones--1002253>

To open a bank account in **Chile**, a person must have an ID card issued by the Chilean Civil and Identity Registry and a valid Chilean ID known as a RUN (Rol Único Nacional). This ensures that applicants already have a residence permit in the Chilean national territory. To open a bank account with a foreign ID card, banks can require a Temporary Resident Permit or Permanent Resident Permit. Checking accounts can only be opened by permanent residents, and most banks also require the person to have been a permanent resident for a specific period (often five years).

In **Colombia**, opening a bank account requires the provision of an official identity document. Asylum seekers face persistent barriers in opening accounts because the credential they are issued by the government is not intended for identification. Refugees who have regularized and been issued a Colombian identity document and PEP holders (special stay permit) can open a bank account.

In **Ecuador**, neither the humanitarian visa for asylum seekers, nor the international protection visa for recognized refugees, is sufficient to open a bank account or mobile money wallet. One must provide an ID card as issued to recognized refugees following the adoption of the 2017 Human Mobility Law or a valid foreign passport to access financial services. Following this law, recognized refugees are issued a visa by the MFA and provided with an ID card issued by the Civil Registry which is valid to open a bank account. The challenge remains for refugees who have been issued a visa but are waiting for the ID card, or those who do not have a passport. While the situation for refugees is advancing with the government increasing efforts to issue ID cards to previously recognized refugees, the main access challenge persists for asylum seekers who do not possess a passport.

In **Peru**, people who have been issued an asylum seeker card should be able to open a bank account or mobile money account, however since this document is not explicitly recognized in the financial sector regulations, obstacles persist. In practice, most banks ask for additional documentation such as a valid passport or other authorization.

	Mobile Connectivity		Financial Services	
	Asylum Seeker	Refugee	Asylum Seeker	Refugee
Brazil	S	S	S	S
Chile	N	S	N	S
Colombia	N	S	N	S
Ecuador	N	S	N	S
Peru	N	S	N	S

Table 2: Summary of Legal Access: Does the legal / regulatory framework in the country permit the population of concern to access the service in their own name?

- Y: Yes, without any restrictions (e.g. no requirements for ID documentation) or with restrictions which can be met easily by all members of the population of concern
- S: Yes, though seldomly; i.e., with restrictions which are possible but not easy to meet or which can be met by some but not all members of the population of concern
- N: No

4. Recommendations

Emerging from these findings is a series of recommendations²¹ targeted at government bodies, service providers, and humanitarian organizations in the region to help address legal barriers facing displaced people in their access to mobile and financial services.

Governments should:

Clarify Access Requirements: The Venezuelan crisis is a highly dynamic situation that has experienced different waves of population movements. Requirements for refugees and migrants entering and residing in neighboring countries have evolved over time; so has people’s access to legal stay arrangements, ID credentials, and other documentation required for service access. Government bodies should clearly communicate to stakeholders, including MNOs and FSPs, what types of residence, legal stay arrangements, and forms of ID are legally valid to access mobile connectivity and financial services, and update this information in a timely fashion when policies change. Clear and regularly updated communications will help service providers and their agents who may be unfamiliar with or uncertain about forms of ID held by refugees and others.

²¹ We would also encourage readers to review the full suite of recommendations from Displaced and Disconnected: <https://www.unhcr.org/innovation/displaced-and-disconnected/> (pp. 32-36)

Ensure Comprehensive Coverage: Regulatory regimes should be designed in a way that facilitates access to services for all legal residents and should acknowledge the respective credentials of all legal residents accordingly, specifically those carried by refugees, asylum seekers, and others of concern. Along similar lines, government authorities should reconsider the length of grace periods before blocking unregistered IMEIs to facilitate refugee and migrant access to mobile connectivity.

*Consider Tiering KYC / CDD Requirements:*²² The implementation of tiered KYC / CDD requirements could significantly increase access to mobile connectivity and financial services among refugees and migrants. Rebalancing regulatory requirements for Venezuelans, refugees and migrants and other displaced persons in South America with limited forms of valid ID credentials and other required documentation to enable access to basic mobile connectivity and financial services could greatly improve their livelihoods and open up economic opportunities. Such a ‘low-tier’ KYC / CDD procedure could be harmonized with the relaxed entry and visa processing requirements in certain countries in the region that accept expired Venezuelan ID credentials. This recommendation aligns with recent FATF guidance on digital identity, which encourages governments to “encourage a flexible, risk-based approach to using digital ID systems for CDD that supports financial inclusion. Consider providing guidance on how to use digital ID systems with different assurance levels for identity proofing / enrolment and authentication for tiered CDD.”²³

Take a Regional Approach: Considering the transient nature of displacement, to scale legal access to mobile connectivity and financial services among refugees and migrants in the region, a harmonized approach could be particularly effective. The five countries that form the focus of this study, in addition to other countries from Latin America and the Caribbean, could come together to develop a common approach to customer identification requirements for refugees and migrants. It would make sense to convene such discussions at organizations such as the Financial Action Task Force of Latin America (GAFILAT), ITU, Inter-American Telecommunications Commission (CITEL)²⁴ within the Organization of American States, GSMA, in particular its regional working groups, and Regulate!,²⁵ among other relevant venues. At such convenings, states should be particularly mindful of emerging international

22 As Gelb and Castrillon observe, “tiered KYC has generally been taken to apply to smaller-value accounts, limited in terms of maximum balances, transfers and services. But there have not been explicit prescriptions on how small such accounts need to be, how the risk-based assessments are to be done and exactly what requirements should be for such low-risk accounts. Judgment on these issues is left to country regulators. Each country has had to interpret FATF guidance in the light of its own circumstances. As an example, in 2011 Mexico approved a four-tiered regime for opening deposit accounts at credit institutions. As levels advanced, transaction limits increased, and simplification processes were reduced. However, within countries, banks and other financial institutions have ultimate accountability for knowing their customers. This three-stage assignment of accountability to the lowest level (from FATF to country regulators to financial institutions) – means that there can be considerable room for uncertainty and that providers will not necessarily act on suggestions to minimize requirements for fear of a regulatory backlash. And, taking Mexico as an example, it is notable that an address is required even for the second lowest tier of basic accounts.” <https://www.cgdev.org/publication/identifying-and-verifying-customers-when-are-kyc-requirements-likely-become-constraints> (p. 5)

23 FATF. Guidance on Digital ID: <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/digital-identity-guidance.html> (p. 11)

24 <https://www.citel.oas.org/>

25 <http://regulate!.org/>

guidance on how digital ID for refugees can serve to meet legal and regulatory requirements for customer identification.²⁶

Facilitate Responsible Innovation: There is emerging evidence that refugees and migrants in South America are beginning to utilize new digital innovations including cryptocurrencies²⁷ for payments and other purposes. While such innovations may be appealing to many, in some cases due to the unorthodox approach taken to KYC / CDD, they may also introduce risks to users, for example with respect to consumer protection. National regulators should ensure that digital innovations are pursued in a lawful and responsible way, including through the establishment of effective data protection and privacy frameworks. They may also want to explore the use of ‘regulatory sandboxes’ in safely developing innovations to address humanitarian needs.²⁸

Service providers should:

Share Clear Guidance on Identity Credentials for Refugees and Migrants with Agents: Across the region, there is ample opportunity for banks and mobile operators to better inform their agents about the particularities of refugee and migrant identification and identity verification, as well as what are the core legal requirements as opposed to what may be additional discretionary documentary evidence.

Rethink Dormancy Periods: Short dormancy periods prior to SIM deactivation can be an issue for displaced populations. Many have low levels of disposable income and as such it is not always possible to keep lines active as expenditure is prioritized on other household needs. Mobile operators could consider extending these periods or eliminating them altogether to help serve those affected by humanitarian crises.

Engage with Regulators in Partnership with Humanitarian Organizations: FSPs and MNOs in the Americas could work more closely with regulators on humanitarian matters by relaying challenges faced by refugees and migrants. The private sector has a unique perspective on the day-to-day realities of service access and are in a central position to work with governments and humanitarian organizations to help refugees and migrants overcome these barriers. Elsewhere, such engagement has resulted in improved access to mobile connectivity and digital finance among displaced persons.²⁹

26 FATF. Guidance on Digital ID: <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/digital-identity-guidance.html>

27 See, for example: Un nuevo intercambio de Bitcoin en la frontera colombo-venezolana ayudará a los refugiados: <https://www.criptotendencias.com/actualidad/un-nuevo-intercambio-de-bitcoin-en-la-frontera-colombo-venezolana-ayudara-a-los-refugiados/>

28 Martin, A. and Balestra, G. (2019), Using Regulatory Sandboxes to Support Responsible Innovation in the Humanitarian Sector. *Global Policy*, 10: 733-736. doi:10.1111/1758-5899.12729

29 For example, see the case of Uganda: <https://www.unhcr.org/afr/news/press/2019/8/5d5ba4274/unhcr-welcomes-uganda-communications-commission-directive-to-improve-refugees.html>

Leverage Regional Footprints to Support Humanitarian Access: Given operators have in many cases a regional presence, it would be pertinent to examine the potential for adapting terms and conditions for roaming to facilitate cross-border access for forcibly displaced populations who are customers from other markets.

Humanitarian organizations should:

In addition to the overall recommendations for humanitarian organizations covered in the initial *Displaced and Disconnected* report³⁰ which could be mirrored in the South American context, the following actions have been identified:

Jointly promote digital and financial inclusion for persons of concern: Humanitarian organizations should continue working together with service providers, civil society, and other relevant institutions at regional and national levels to achieve conducive legal and policy environments.

- At a regional level, UNHCR and other humanitarian organizations could liaise with civil society organizations to give a voice in a coordinated manner to the specific ID-related challenges faced by refugees and migrants in accessing connectivity and financial services in relevant fora in the Americas, such as CITELE, ITU Regional Group for Latin American and the Caribbean, Regulatel, GSMA regional working groups, GAFILAT and Latin American Federation of Banks (FELABAN), among others.
- At a national level, humanitarian organizations, through inter-agency working groups, are in a position to engage with telecommunications and financial regulatory institutions to encourage policy changes aimed at recognizing specific needs of refugees and migrants in national legal frameworks. This would ultimately enable a more efficient and safer humanitarian response in view of the progressive digitization of aid.

Sensitize service providers about access challenges facing the displaced: UNHCR and organizations working directly with displaced persons could engage in a more systematic manner with financial institutions and mobile service providers to communicate about the specific forms of ID used by affected populations in the region to achieve a harmonized application of regulations in place. They should also encourage them to adapt their existing services and internal guidance to include refugees and migrants in their design.

Advocate to expedite registration and documentation processes: UNHCR and other relevant humanitarian agencies should continue liaising with local institutions responsible for providing ID credentials to refugees, migrants, and other forcibly displaced people to ensure a prompt issuance of identity documentation to facilitate their digital and financial inclusion in hosting countries. In those contexts where the governmental capacity is stretched, humanitarian

organizations could support existing registry and identity mechanisms and / or pursue discussions with government authorities to reconsider adjusting legal requirements in place to access connectivity and banking services.

³⁰ UNHCR. Displaced and Disconnected <https://www.unhcr.org/innovation/wp-content/uploads/2019/04/Displaced-Disconnected-WEB.pdf> (pp. 34-36)

5. Country Briefs



Brazil

ITU Regulatory Tracker³¹ Overall Score:

88.50

GSMA Mobile Money Regulatory Index:³²

88

Party to the 1951 Refugee Convention:

Yes

Data Protection and Privacy Legislation:

Yes

³¹ The ITU Regulatory Tracker is an evidence-based tool to help decision makers and regulators make sense of the rapid evolution of ICT regulation. It helps track progress and identify gaps in regulatory frameworks, making the case for further regulatory reform.

³² The GSMA Mobile Money Regulatory Index provides a quantitative assessment of the extent to which national regulation has been effective in establishing enabling regulatory environments for mobile money.

Registration and Identification of Displaced Persons

As of December 2019, the main recognized refugee populations in Brazil were Venezuelan (20,912), Syrian (3,650), Congolese [Democratic Republic] (1,223), Colombian (829), Palestinian (486), and Pakistan (321). As of November 2019, the backlog of asylum claims stood at some 219,103 pending applications compared to 31,482 recognized refugees by the end of 2019. The asylum seeker populations were composed mainly of the following nationalities: Venezuelan (129,988), Haitian (26,876), Cuban (9,793), Senegalese (6,029), and Bengali (5,092). The profiles of these persons of concern vary greatly.³³

In terms of location, asylum seeker and refugee populations are spread throughout the country, concentrating mainly in urban areas such as São Paulo, Rio de Janeiro, Brasília, and Curitiba. Venezuelan asylum seekers mainly enter through the land border of Roraima state, Northern Brazil, where most are concentrated.

Many of these persons of concern will arrive in Brazil with ID credentials from their country of origin, including passports, birth certificates, national IDs, and voter registration cards. Upon arrival to Brazil, asylum seekers receive an asylum seeker certificate (proof of refugee registration), tax ID numbers (*Cadastro de Pessoa Física* [CPFs]), and a work permit. As per Federal Decree No. 9277/18, upon requesting asylum, asylum seekers should receive a proof of ID called a Provisional Document of the National Migration Registry. In addition, recognized refugees are issued an ID credential, formerly known as the RNE (National Foreigner Registry, *Registro Nacional de Estrangeiros*) Card, which has been renamed to the *Carteira de Registro Nacional Migratorio*.

The Government of Brazil is fully responsible for issuing these documents. The Federal Police is the national migratory authority in Brazil and is legally responsible for issuing the asylum seeker certificate, ID card, and travel documents to recognized refugees. The Ministry of Labour is responsible for issuing work permits (*carteira de trabalho*). The Ministry of Treasury is responsible for issuing CPFs.

Proof of address is a constant challenge for those living in irregular settlements in urban areas where formal rent is rarely attained given the high price of accommodation and extensive requirements (documents and guarantors). In the context of the Venezuela situation, where temporary shelters have been established in the state of Roraima, Northern Brazil, it is a challenge to provide proof of address for those living in such shelters UNHCR and partner organizations managing the shelters have issued letters ensuring proof of address, but some banks have also asked for other documents such as proof that the partner NGO is duly managing the shelter, electricity / water bills of the shelter under the name of UNHCR or partner NGO, etc. UNHCR is working to advocate and raise awareness of the issue among banking institutions.

³³ CONARE and Federal Police: Refúgio em Números Publicações: <https://www.justica.gov.br/seus-direitos/refugio/refugio-em-numeros> and http://www.pf.gov.br/servicos-pf/imigracao/Apresentao_Novembro_2019_VFinal_RETIFICADA

SIM / IMEI Registration

SIM registration is legally required in Brazil following *Lei N° 10.703, de 18 de julho de 2003*, a federal law. The federal law has been followed up by state laws with additional requirements.³⁴ A user can activate a SIM card by providing an ID number and valid CPF (for prepaid accounts). A second rule, resolution No. 477/2007 from Anatel (National Telecommunications Regulatory Agency, *Agência Nacional de Telecomunicações*) requires mobile service providers to also collect the user's address. Those without a CPF (e.g. foreign visitors) can contact the mobile operator's special service for non-Brazilian residents, which requires personal information such as a passport number and home address to register a SIM. Certain MNOs have opposed SIM registration mandates: the National Association of Cell Phone Operators appealed to Brazil's Federal Supreme Court challenging the law of the state of São Paulo.³⁵

While some persons of concern who lack a CPF may rely on friends or acquaintances to register a SIM on their behalf, in general proving identity is not the main barrier to SIM access in Brazil as most possess the required ID credentials. The biggest challenges relate to additional documentary requirements such as proof of address. Lack of awareness of legal requirements among mobile operator agents is also a barrier to access.

Know Your Customer / Customer Due Diligence Rules

Brazil has been a full member of the Financial Action Task Force since 2000. The key regulation driving Anti Money Laundering (AML) / Combating the Financing of Terrorism (CFT) requirements is *Lei N° 9.613, de 3 de março de 1998*; which was updated by *Lei N° 12.683, de 2012. Carta Circular N° 3.813, de 7 de abril de 2017* specifies which forms of government-issued ID credential are required to be presented as part of the KYC / CDD process.³⁶ The main regulatory actors are the Central Bank of Brazil and Council for Financial Activities Control (*Conselho de Controle de Atividades Financeiras*).

To open a bank account in Brazil, an individual must provide proof of residency (with a valid registered address), an ID number, and a CPF. While Brazilian law states that both asylum seekers and refugees should be provided with an ID number and a CPF, being formally registered to an address by way of paying rent or purchasing property remains a challenge to many persons of concern. According to the Central Bank of Brazil, as specified in *Carta Circular N° 3.813*, the asylum seeker certificate issued by the Federal Police is a valid proof of ID to open a bank account. However, in Brazil such documents consist of an A4 black and white piece of paper, and do not convey the appearance of officialness, creating practical challenges for asylum seekers seeking to open a bank account. It is expected that

³⁴ See, for example, the requirements for São Paulo: <https://www.al.sp.gov.br/repositorio/legislacao/lei/2016/lei-16269-05.07.2016.html>

³⁵ Tele.Síntese. Operadoras vão ao STF contra cadastro de comprador de celular pré-pago em SP: <http://www.telesintese.com.br/operadoras-vao-ao-stf-contra-lei-de-sp-que-obriga-cadastro-de-comprador-de-celular/>

³⁶ Banco Central do Brasil. Carta Circular N° 3.813, de 7 de Abril de 2017: https://www.bcb.gov.br/pre/normativos/busca/downloadNormativo.asp?arquivo=/Lists/Normativos/Attachments/50360/C_Circ_3813_v1_O.pdf

the aforementioned Federal Decree No. 9277/18, when fully implemented, will change this situation.

In addition, UNHCR has established formal partnerships with banks in Brazil to facilitate access to banking services. Such partnerships aim at providing information on refugee issues and refugee law to bank agents, so they are better equipped to assist this population. In September 2019, UNHCR's Livelihoods Unit organized a workshop aimed at raising awareness of refugee issues among financial institutions operating in the microcredit segment. This workshop was a first step in a long-term strategy adopted by UNHCR Brazil to increase the access of refugees to microcredit services. Through a partnership with the Central Bank of Brazil, UNHCR launched a booklet on access to financial services for the refugee population.

Mobile Money

According to the World Bank's Global Findex database, Brazil's mobile money penetration (in terms of account ownership for 15+ years old) is 4.84 per cent. In 2013, Law N° 12.865 and associated regulations permitted non-banks to issue e-money as payments institutions, however at present no MNO in Brazil offers a traditional mobile money service.

Data Protection

As of August 2018, Brazil had a comprehensive data protection legal framework in place.³⁷

³⁷ Covington. Brazil's New General Data Privacy Law Follows GDPR Provisions: <https://www.insideprivacy.com/international/brazils-new-general-data-privacy-law-follows-gdpr-provisions/>



Chile

ITU Regulatory Tracker Overall Score:

79.00

GSMA Mobile Money Regulatory Index:

n/d

Party to the 1951 Refugee Convention:

Yes

Data Protection and Privacy Legislation:

Yes

Registration and Identification of Displaced Persons

According to a report prepared by the Department of Foreign Affairs and Migration (*Departamento de Extranjería y Migración* [DEM]) in December 2019, during the period from 2010-2019, a total of 15,925 asylum applications were made. In 2019, 780 new asylum applications were registered, representing 14 per cent of the previous year's applications (5727 new applications were filed during 2018). Regarding the countries of origin, Colombians represent 44.2 per cent of the people who have requested asylum, followed by Cubans (29 per cent) and Venezuelans with (21.5 per cent).³⁸

Among the Venezuelan population in Chile, a large portion only has a Venezuelan identity card. Within that group, the number of people with passports issued by Venezuelan authorities is lower. It should be taken into account that, due to the difficulties in renewing and obtaining documents in the Bolivarian Republic of Venezuela, there is a substantial number of people with expired identity cards and passports, which inhibits them from applying for regular migration status in Chile. Visas can be stamped into expired passports which have been issued in 2013 or later, though this is only possible for Venezuelan nationals.

As of June 2019, new regulations were introduced for Venezuelan nationals: only those that have obtained a Democratic Responsibility Visa or a consular tourist visa can enter the country. This has resulted in many people entering the country irregularly after being rejected at the border. The Colombian population in Chile does not face major obstacles in obtaining valid identity cards and passports from their country of origin. Migrants from other nationalities also generally do not have problems obtaining such identity documents.

Once in Chile, people who have regularized their immigration status in the country, whether through temporary residence visa, contract work visa, student visa, or those who already have permanent resident status (regardless of their nationality), are issued a foreign residence card by the Civil and Identity Registry of Chile (*Registro Civil e Identificación*). This document includes the person's biographical information, a photograph, a National Unique Role (*Rol Único Nacional* [RUN]) number, a fingerprint, and verification codes. The only difference between this ID for foreigners and the ID cards of Chilean nationals is a legend that indicates the holder is a foreign national and their current type of residence permit.

As noted above, the Chilean institution in charge of issuing identity documents for foreigners is the Civil and Identity Registry. Application is possible after obtaining a residence permit. If the person's visa was stamped at a Chilean Consulate abroad, it needs to be registered with the Investigations Police of Chile (*Policía de Investigaciones* [PDI]) and then an application for a foreign identity card may be made at the Civil and Identity Registry. If the visa application was made in Chile, it must be stamped in the passport by the DEM, registered with the PDI and, finally, an application for an identity card may be made at the Civil and Identity Registry.

³⁸ Departamento de Extranjería y Migración. Minuta Refugio en Chile: https://www.extranjeria.gob.cl/media/2020/03/Minuta_Refugio.pdf (cached version here: https://webcache.googleusercontent.com/search?q=cache:3J4c15rlboJ:https://www.extranjeria.gob.cl/media/2020/03/Minuta_Refugio.pdf)

In the case of asylum seekers, the application must be formalized by the DEM, i.e. the visa has to be stamped and afterwards registered at the PDI, and then an application for an identity card may be submitted to the Civil and Identity Registry.

SIM / IMEI Registration

While SIM registration has not been legislated in Chile, IMEI registration is compulsory for all devices used on local networks in the country.³⁹ Under the relevant legislation,⁴⁰ domestic retailers must register all devices sold in Chile with the Department of Telecommunications (*Subsecretaria de Telecomunicaciones* [SUBTEL]), thus forming an IMEI registry (i.e. a whitelist). In the case of foreign devices being used in Chile, once a SIM card from a Chilean operator is inserted into a non-registered device, the user has 30 days to complete registration online.⁴¹ Tourists who are roaming while in Chile are unaffected by the IMEI registration requirement. Registration can be proof of purchase. Each individual is allowed to register up to one device per year for free.

While the relevant resolution does not specify what constitutes a valid form of ID, in practice a copy of a Chilean ID card or passport (from any country) is required for IMEI registration. Moreover, it appears that in practice proofs of device purchase are not required for registration. A website⁴² designed to facilitate device registration by foreigners specifies the following documentary requirements:

1. Copy of identity document of who entered the phone to the country
2. Copy of
 - a) Passport or proof of entry to the country, or
 - b) Entry ticket to the country or equivalent document.

As a consequence of these requirements, people who enter Chile through irregular entry points cannot register a device in their own name. In the event that the request is made by a third party on behalf of the person of concern, a copy of the third party's identity document and simple power of attorney in their favor must also be included with the application.

Know Your Customer / Customer Due Diligence Rules

Chile is a member of the Financial Action Task Force of Latin America (GAFILAT), which is an Associate Member of the Financial Action Task Force (FATF). A number of laws comprise the country's AML / CFT framework, including: *Ley N° 19.366*, which in 1996 incorporated money laundering as a crime in the Chilean Penal System; *Ley N° 19.913*, which in 2003 created the

³⁹ CommsUpdate. Subtel extends deadline for device registration: <https://www.commsupdate.com/articles/2019/01/09/subtel-extends-deadline-for-device-registration/>

⁴⁰ Fija Norma Técnica Que Regula Las Especificaciones Técnicas Mínimas Que Deberán Cumplir Los Equipos Terminales Utilizados En Las Redes Móviles: <https://www.leychile.cl/Navegar?idNorma=1091663&idVersion=2018-07-01>

⁴¹ Subsecretaria de Telecomunicaciones. Resolución 1372 Exenta: https://multibanda.cl/wp-content/uploads/2018/10/18r_1372.pdf

⁴² SUBTEL: If you are a foreigner: <https://multibanda.cl/soy-extranjero-foreigner/>

Financial Analysis Unit (*Unidad de Análisis Financiero* [UAF]) to prevent and stop money laundering; *Ley N° 20.393*, which in 2009 established the criminal responsibility of legal entities regarding the crimes of money laundering, financing of terrorism and bribery; and *Ley N° 20.818*, which in 2015 established guidelines for public entities to report suspicious financial transactions to the UAF.⁴³

In Chile, the UAF coordinates the national AML / CFT framework, with support from different financial regulators including the *Superintendencia de Bancos e Instituciones Financieras* (SBIF), which regulates the banking sector. UAF regulations stipulate that financial institutions and certain non-financial institutions must implement KYC / CDD controls. The following information and documentation are required to identify customers:

1. Individual name (as it appears on the identity document)
2. RUN number
3. Individual profession or degree
4. Address in Chile or in country of origin / residency
5. E-mail address and / or phone number

Those seeking to open a bank account must have an identity card issued by the Chilean Civil and Identity Registry and a valid Chilean ID or RUN. This ensures that applicants already have a residence permit in the Chilean national territory. Otherwise, this procedure cannot be completed.

To open a bank account with a foreign ID card, banks can require a Temporary Resident Permit or Permanent Resident Permit. Checking accounts can only be opened by permanent residents, providing that the applicant also fulfils the rest of the business requirements (basically, salary slips).

Mobile Money

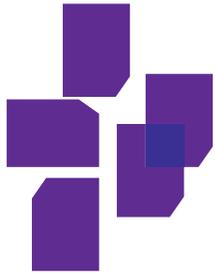
According to the World Bank's Global Findex database, Chile's mobile money penetration (in terms of account ownership for 15+ years old) is 18.67 per cent. At the time of writing, there is no regulation in Chile specific to cryptocurrencies or mobile money accounts.

Data Protection

Chile has a comprehensive data protection legal framework in place.⁴⁴

⁴³ PWC. Know Your Customer: <https://www.pwc.com/gx/en/financial-services/publications/assets/pwc-anti-money-laundering-2016.pdf> (pp. 240-246)

⁴⁴ DLA Piper: Data Protection Law of the World: Chile: <https://www.dlapiperdataprotection.com/index.html?t=law&c=CL>



Colombia

ITU Regulatory Tracker Overall Score:

79.00

GSMA Mobile Money Regulatory Index:

90.28

Party to the 1951 Refugee Convention:

Yes

Data Protection and Privacy Legislation:

Yes

Registration and Identification of Displaced Persons

As of March 2020, 1.8M Venezuelans are being hosted in Colombia out of which only 140 were recognized as refugees by the Government of Colombia and over 5,300 asylum seekers are awaiting for a formal decision on their status.⁴⁵

The government of Colombia has created the Special Stay Permit (*Permiso Especial de Permanencia* [PEP]) to regularize the legal status of part of its immigrant population. This permit was aimed at Venezuelans who had entered the country regularly and had their passport stamped at a Colombian port of entry. The PEP grants access to health, education, work and financial services. Application is free, and permits have a duration of 90 days, renewable for equal periods up to a maximum of 2 years. Application and renewal are done through the Colombia Migration (*Migración Colombia*) website. While applicants need a valid passport to apply, the presentation of criminal records from Venezuela is not requested. A different form of PEP has been created for migrants registered in the Administrative Registry of Migrants from Venezuela (*Registro Administrativo de Migrantes de Venezuela* [RAMV]), which is open to people who had entered the country irregularly, before 8 June 2018.

The Colombian Government, through the Ministry of Foreign Affairs and Migration of Colombia (*Ministerio de Relaciones Exteriores y Migración*), issues machine-readable travel documents, visas and immigration cards for refugees admitted into the country. Asylum seekers are issued only a travel document (*salvoconducto*, SC2) by the *Migración Colombia* office, which enables them to stay in the country legally for the duration of the refugee status recognition procedure. However, this is not considered a valid identity document.

SIM / IMEI Registration

SIM registration is not explicitly mandated by law in Colombia. However, Colombia does require mobile users to register their device identifiers (i.e. IMEI numbers) on a national registry established by the regulator *Comisión de Regulación de Comunicaciones* (CRC). This IMEI registry, which is operated by an independent administrator through agreements with mobile service operators, in effect serves the same purpose as SIM registration. *Decreto 1630 de 2011*⁴⁶ creates a national registry of mobile phones to include IMEIs of stolen or lost devices both in Colombia and abroad (i.e. a blacklist), as well as the IMEI of any mobile device that is legally imported or manufactured in the country (i.e. a whitelist). To have their device whitelisted and thus operable in Colombia, users must register their full name, ID information (type and number), address, and telephone number with their mobile operator, which is obliged to verify this information against relevant databases. In order to enforce the government's IMEI registration policy, mobile service providers are required to block unregistered IMEIs that appear on their networks. Users have a 20-day grace period to register an IMEI before

⁴⁵ <https://r4v.info/es/situations/platform>

⁴⁶ This Decree has been compiled into a broader, single Decree that covers all of the ICT sector: Decreto 1078 de 2015: Decreto Único Reglamentario del Sector de Tecnologías de la Información y las Comunicaciones. The same rules of the 2011 Decree can now be found under Title 11 of the 2015 Decree: Medidas para restringir la operación de equipos terminales hurtados que son utilizados para la prestación de servicios de telecomunicaciones móviles.

the device is blocked. Karisma, a Colombian digital rights organization, has criticized the country's IMEI registry on the basis that the information required to register is excessive and that the process is technically complex.⁴⁷ According to the CRC, since February 2019 a project has been underway to simplify measures against mobile device theft in Colombia. As part of this project, the device registration procedures are also being revised to facilitate the process for all users, including refugees and migrants.

It is possible to register an IMEI with a valid travel document, visa, or immigration card, as well as the RAMV PEP. As it is not considered an identity document, one cannot use the salvoconducto for IMEI registration.

Refugees and migrants usually have a prepaid SIM card per family and share a mobile device among family members.⁴⁸

Know Your Customer / Customer Due Diligence Rules

Colombia is a member of the GAFILAT. Colombia's key AML / CFT regulations are the Integrated System for the Prevention of Asset Laundering (*Sistema Integral para la Prevención del Lavado de Activos* [SIPLA]) and circulars which implemented the System for Preventing Asset Laundering and Terrorism Financing (*Sistema de Administración de Riesgo de Lavado de Activos y Financiación del Terrorismo* [SARLAFT]) through a risk-based approach. KYC / CDD requirements are issued by the Superintendence of Finance of Colombia (*Superintendencia Financiera de Colombia*).⁴⁹

For individuals seeking to open a bank account, the regulations require the provision of an identity document, which includes the PEP according to the *Carta Circular 82 de 2019*. Each bank has its own KYC / CDD manual based on the general requirements in the SARLAFT rules.

Mobile Money

According to the World Bank's Global Findex database, Colombia's mobile money penetration (in terms of account ownership for 15+ years old) is 4.74 per cent. *Decreto 1491 de 2015*, which applies to electronic deposits and payments, is the most relevant regulation governing mobile money use.

47 Fundacion Karisma. Señores Ministerio TIC: ¿Ya intentaron homologar un celular? Yo sí y ¡no pude!
<https://stats.karisma.org.co/senores-ministerio-tic-ya-intentaron-homologar-un-celular-yo-si-y-no-pude/>

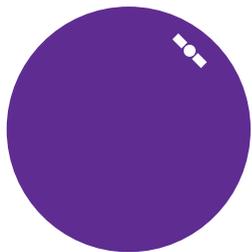
48 Internal UNHCR country team survey

49 PWC. Know Your Customer: <https://www.pwc.com/gx/en/financial-services/publications/assets/pwc-anti-money-laundering-2016.pdf> (pp. 247-252)

Data Protection

Colombia regulates the protection of personal data through a suite of laws covering different areas, including through constitutional articles (15 and 20), statutory laws, and decrees that outline data protection obligations.⁵⁰

50 DLA Piper. Data Protection Laws of the World: Colombia: <https://www.dlapiperdataprotection.com/index.html?t=law&c=CO>



Ecuador

ITU Regulatory Tracker Overall Score:

85.50

GSMA Mobile Money Regulatory Index:

n/d

Party to the 1951 Refugee Convention:

Yes

Data Protection and Privacy Legislation:

Draft

Registration and Identification of Displaced Persons

Ecuador has recognized 69,315 refugees since 1989, which is the largest population of recognized refugees in Latin America. At the end of 2019, the total number of recognized refugees in Ecuador was 68,784 - 97 per cent of which were Colombians. In 2019, 20,896 people applied for asylum in Ecuador, which represents a 22.4 per cent increase in comparison to 2018. Most asylum seekers were Venezuelans for the second consecutive year, representing 74 per cent of the applications. Colombians, with 5,008 applications, saw a 5.1 per cent decrease in asylum applications in comparison to 2018.

Regarding the situation in Colombia, it is important to highlight that, for over 30 years Colombians have been forced to flee their country due to armed conflicts. Despite the signing of the 2016 peace agreement between the Colombian Government and the FARC (Revolutionary Armed Forces of Colombia or *Fuerzas Armadas Revolucionarias de Colombia*, the Colombian guerrillas), the number of Colombians seeking international asylum has increased. In 2018, the security of the Ecuador-Colombia border deteriorated. Criminal organizations operating in the area caused an increase of Colombian asylum seekers (+11 per cent, as compared to 2017). Risk profiles include children and teenagers, social and community leaders, and displaced families.

On the other hand, the situation in Venezuela has significantly impacted on Ecuador. Since 2016, more than 4.7 million Venezuelans have left their country, making it the largest exodus in Latin American history. 1.7 million of those migrants have entered Ecuador, of which 377,000 Venezuelans have settled in the country. In 2019, approximately 2,000 Venezuelans per day entered Ecuador (with peaks of 6,000 per day) until 26 August, when Ecuador started requiring visas for Venezuelan refugees and migrants.

Amongst those Venezuelans who arrived in 2019, only 25 per cent possessed a passport, drastically limiting the possibility of regularizing their status. According to UNHCR's Protection Monitoring, 45.5 per cent were in an irregular status in Ecuador, while 18 per cent were at risk of being irregular after the expiry of their tourist visa, valid for 180 days.

There are cases, especially in areas close to national borders, in which Colombian nationals arrive in Ecuador without documents (in some cases having lost their papers in transit), and have been able to request a travel document (*contraseña*) at their consulate to be used as a pre-identity document. There are also cases in which Colombian nationals can enter Ecuador by presenting their Colombian identity card and have their Andean Card stamped (the *Tarjeta Andina* or Andean Card is an immigration control document used by citizens of the Andean Community of Nations).

Venezuelans refugees and migrants in Ecuador also have documentation problems, as some of them do not have valid documents (i.e. a passport with at least 6 months of validity and with apostilled criminal records). The decision of the Ecuadorian Government to implement

a humanitarian visa⁵¹ for Venezuelans where a valid passport and criminal records are required has become an entry barrier into the country. Following the Ministerial Resolution 103-2019 (complementary to Decree No. 826-2019 establishing the humanitarian visa), the Government of Ecuador recognizes the validity of Venezuelan passports up to five years after the expiration date for the purpose of regularization.

People who are registered as asylum seekers in Ecuador receive a humanitarian visa that gives them a regular immigration status until their refugee status determination process is resolved. This visa is issued by the Ministry of Foreign Relations and Human Mobility. In the case of people recognized as refugees by the Commission for Refugee and Statelessness (*Comisión de Refugio y Apatridia*), the Ecuadorian Government will issue a two-year international protection visa through the Ministry of Foreign Affairs and Human Mobility, which is renewable. The issuance of this type of visa also provides immigrants with a set of documentation to be presented at the Civil Registry for obtaining a Foreigner Identity Card.

The Human Mobility Law contemplates the registration of refugees in the Civil Registry and the issuance of national ID documents for them. At the end of 2019, 7,405 IDs had been issued to refugees, reaching a total of 12,973 IDs since the beginning of the project in late 2017.

UNHCR has provided technical assistance to the Civil Registry of Ecuador on the establishment and improvement of procedures for the registration and issuance of IDs to refugees and has contributed to the development and dissemination of relevant information material for refugees. At the end of 2018, UNHCR held meetings with the Ministry of Foreign Relations and Human Mobility to achieve the inclusion of humanitarian visas (granted to asylum seekers) and temporary international protection visas (issued to recognized refugees) in the country's electronic visa system. This was implemented in 2019.

SIM / IMEI Registration

In Ecuador, where there are reportedly more than 1,000 handset thefts and reported as lost a day,⁵² as well as concerns about criminal activity, including hijacking, the focus of the mobile registration policy is on registering IMEIs to specific users and optimizing processes to block lost and stolen handsets. Ecuador introduced mandatory IMEI registration into law in 2009 with a deadline to have all customers registered by July 2012, though implementation continued through 2014.⁵³ Ecuador has a comprehensive national identity scheme (the national ID number is used for passports, driver's licenses and the country's identity card) with registration of a mobile phone verifying a person's identity against this registry. There are provisions to allow foreign nationals to register devices and accordingly for eligible refugees

51 Registro oficial – Decreto presidencial 826: www.cancilleria.gob.ec/wp-content/uploads/2019/09/acuerdo_ministerial_103_medidas_migratorias_a_favor_de_ciudadanos_venezolanos0169571001567716139.pdf

52 ARCOTEL. El robo o pérdida de un celular debe ser reportado a la operadora: <https://www.arcotel.gob.ec/el-robo-o-perdida-de-un-celular-debe-ser-reportado-a-la-operadora/>

53 Ecuador Times. IMEI registration for mobile phones rules from today: <https://www.ecuadortimes.net/imei-registration-for-mobile-phones-rules-from-today/>

to be able to access services. Although every citizen receives a civil register number from birth, and this number is used for all official documents, citizens have to be over 18 years of age before they can register a phone. Parents can register on behalf of children and there is no limit on the number of registrations an individual can make.

Ecuador's IMEI registration policy requires mobile operators to store each customer's device identity against their mobile number. Consequently, as customers need a SIM to access the mobile network, operators have details of both the IMEI, and the SIM associated with each of their registered customers. Mobile operators in Ecuador will not connect a handset to the network unless the IMEI is registered with the customer's details and identity verification has been received from the civil registry. For a mobile device to be registered in Ecuador, its brand and model have to meet technical requirements established by the regulator, the Agency for Regulation & Control of Telecommunications (ARCOTEL), and the device must not have been reported as stolen in Ecuador, Colombia, Peru or Bolivia.⁵⁴ No mobile registration data is stored centrally with the regulator. All data is held by the operator, including the verification data from the registry. ARCOTEL maintains the IMEI blacklist of all lost and stolen handsets.

Neither the humanitarian visa (for asylum seekers), nor the international protection visa (for recognized refugees), is sufficient documentation for IMEI registration. Only refugees who have been issued a Foreigner Identity Card are able to register their IMEIs with their service provider and thus legally access mobile connectivity in Ecuador.

Know Your Customer / Customer Due Diligence Rules

Ecuador is a member of the GAFILAT. Ecuador's new Law on the Prevention and Eradication of Money Laundering (*Ley Orgánica de Prevención, Detección y Erradicación del Delito de Lavado de Activos y del Financiamiento de Delitos*) was adopted by the country's legislature in July 2016.⁵⁵ The Monetary and Financial Policy and Regulation Board (*Junta de Política y Regulación Monetaria y Financiera*) is in charge of drafting and directing public policies for the financial sector and issuing financial regulations. The Superintendency of Banks (*Superintendencia de Bancos del Ecuador*), a technical entity, supervises, audits, intervenes in, oversees, and monitors the financial activities carried out by the public and private entities of the national financial system.

The Financial Analysis Unit (*Unidad de Análisis Financiero*), the operational entity of the National Anti-Money Laundering Council, analyzes unusual and unjustified financial operations or transactions.

54 Telecompaper. Ecuador starts registration of mobile phones: <https://www.telecompaper.com/news/ecuador-starts-registration-of-mobile-phones-1002253>

55 Library of Congress: Ecuador: New Anti-Money Laundering Law: <https://www.loc.gov/law/foreign-news/article/ecuador-new-anti-money-laundering-law/>

In Ecuador, the following information and documentation is required to identify potential banking clients:

1. Individual name (as it appears on the identity document)
2. Individual profession or degree
3. Address in Ecuador or in country of origin / residency
4. E-mail and phone number

As above, neither the humanitarian visa, nor the international protection visa, is sufficient to open a bank account if unaccompanied by a valid identity document (specifically an Ecuadorian ID card). According to Ecuadorian law (more precisely, the Organic Law of Identity and Civil Data Management (*Ley Orgánica de Gestión de Identidad y Datos Civiles*), the only valid form of identification in Ecuador is the Ecuadorian ID card. This has generated an obstacle in accessing financial services for foreigners, and even more so, for people in situations of human mobility or in need of international protection. In this regard, UNHCR has made proposals to reform Resolution 319-F of December 28, 2016 and Resolution 353-F of April 17, 2017, issued by the Monetary and Financial Policy and Regulation Board, due to the importance of both asylum seekers and refugees having access to basic financial services.

Resolution 319-F of December 28, 2016 was intended to allow refugees to open basic accounts by presenting the identity document issued by the Ministry of Foreign Relations and Human Mobility. However, it excluded asylum seekers. Furthermore, many asylum seekers who have tried to open a basic bank account by presenting their ID or foreign passport, plus the document that accredits them as asylum seekers (formerly an Asylum Seeker Card, now a humanitarian visa) are unable to access financial services because, at the time of submitting documentation, banks question their immigration status or condition, and deny the requests to open a basic bank account. This resolution was superseded by Resolution 503-F of March 1, 2019 but it maintains the same gaps in access to financial services for both asylum seekers and refugees.

Resolution 353-F establishes that, to verify the identity of an applicant, Ecuadorian citizens must present the original and a copy of their citizen card. Foreign refugees must present the original and a copy of their foreign ID card or passport, plus the identity document issued by the Ministry of Foreign Relations and Human Mobility. In practice, there are cases in which refugees are required to provide additional paperwork than what is legally required, such as an employment contract, certificate of money laundering assets, and / or certificate of migration movement. Provisions contained in Resolution 353-F also leave out asylum seekers, thus creating a gap in access to financial services.

UNHCR continued to advocate for access to financial services for asylum-seekers and refugees. As mentioned above, asylum-seekers are not allowed to open a bank account in Ecuador as their legal / migratory status is considered temporary. In addition, UNHCR presented the proposals (draft resolutions) made to reform the Resolutions previously mentioned to the Superintendence of Banks, aiming to overcome obstacles in the current

legal framework. Moreover, UNHCR held meetings with the Association of Private Banks of Ecuador (ASOBANCA) to advocate for the proposals (draft resolutions) to be considered by the Monetary and Financial Policy and Regulation Board.

Mobile Money

According to the World Bank's Global Findex database, Ecuador's mobile money penetration (in terms of account ownership for 15+ years old) is 2.94 per cent. Ecuador was one of the first Latin American countries to test electronic money through an initiative led by the country's Central Bank,⁵⁶ but it failed to achieve popularity.⁵⁷

As with mobile device registration and access to bank accounts, neither the humanitarian visa, nor the international protection, is sufficient to access a mobile money account if they are not accompanied by a valid identity document (specifically an Ecuadorian identity card).

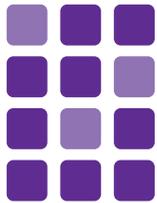
Data Protection

While Ecuador currently does not have a data protection law, the country is in the process of fast-tracking legislation following a major data breach that has affected thousands of individuals.⁵⁸

⁵⁶ The Economist. Money from nothing?: <https://www.economist.com/americas-view/2014/09/03/money-from-nothing>

⁵⁷ Cato Institute. The World's First Central Bank Electronic Money Has Come – And Gone: Ecuador, 2014–2018: <https://www.cato.org/blog/worlds-first-central-bank-electronic-money-has-come-gone-ecuador-2014-2018>

⁵⁸ Financial Times. Ecuador fast-tracks data privacy law after massive breach: <https://www.ft.com/content/35f9aea0-dbb0-11e9-8f9b-77216ebe1f17>



Peru

ITU Regulatory Tracker Overall Score:

87.00

GSMA Mobile Money Regulatory Index:

93.67

Party to the 1951 Refugee Convention:

Yes

Data Protection and Privacy Legislation:

Yes

Registration and Identification of Displaced Persons

According to information provided by the National Superintendence of Migration (*Migraciones*), 861,049 Venezuelans were living in Peru as of February 2020.⁵⁹ The National Institute of Statistics and Informatics (*Instituto Nacional de Estadística e Informática* [INEI]) reported that 52.3 per cent of these are men and 47.7 per cent women.⁶⁰ The majority of this population is aged 20-34.⁶¹

According to *Migraciones*, 484,976 people (57 per cent of the total of Venezuelans in the country) have applied for the Temporary Residence Permit (*Permiso Temporal de Residencia* [PTP]). Of these, 435,871 have already obtained the PTP, and 49,105 are being processed.

Statistics indicate that, from 2001 to 2019, over 482,000 Venezuelans had applied for asylum.⁶² From 2014 to 2019, 1,230 Venezuelans had been recognized as refugees by the Peruvian government.

The Protection Monitoring Report carried out from January to June of 2019 by UNHCR in Peru, found that 96 per cent of the people interviewed had entered the country regularly, presenting identity cards (52 per cent) or passports (46 per cent) to immigration authorities. People who entered only with their identity card include those highly vulnerable to whom humanitarian exceptions were applied, in consequence the passport was not required if they did not have it: older adults, children and teenagers, families through family reunification, or people with disabilities.⁶³ 11 per cent of interviewees did not have permission to stay in Peru, which includes people who had entered the country irregularly or had exceeded their allowed stay.⁶⁴

During the second semester of 2019, the percentage of people who had entered Peru regularly decreased to 86 per cent, as a direct consequence of the introduction of more strict migration requirements for Venezuelans on 15 June 2019 (62 per cent of the interviewees who entered the country irregularly reported having done it due to lack of proper documents). Due to changes in the protection monitoring methodology during the second semester, it is not possible to verify the number of people who presented identity cards or passports at immigration control. However, almost 60 per cent of interviewees (with regular and irregular migratory status) affirmed they did not have valid passports and 90 per cent held an identity

⁵⁹ Data update by the National Superintendence of Migration (Superintendencia Nacional de Migraciones) of February 7, 2020.

⁶⁰ INEI. Living Conditions of the Venezuelan Population Residing in Peru – June 2019: https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1666/libro.pdf (p. 9)

⁶¹ INEI. Living Conditions of the Venezuelan Population Residing in Peru – June 2019: https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1666/libro.pdf (p. 9)

⁶² Update of figures of March 31, 2019. Fuente: Special Commission on Refugees – Ministry of Foreign Relations. This number represents the total number of applicants and does not include decisions by the Commission.

⁶³ UNHCR. First Semester Protection Monitoring Report, October 2019: <https://r4v.info/es/documents/details/71549> (p. 9)

⁶⁴ UNHCR. First Semester Protection Monitoring Report, October 2019: <https://r4v.info/es/documents/details/71549> (p. 7)

card. In contrast to the first semester, 46 per cent of interviewees did not have permission to stay in the country.

Venezuelans in Peru may have access to different forms of identity documentation:

Asylum seeker card: According to Law No. 27,891, *Ley del Refugiado* (Refugee Law), Asylum seekers must receive a provisional document that enables them to remain in the country and gives them a provisional authorization to work.⁶⁵ Therefore, many Venezuelans, especially those in Lima, currently have an asylum seeker card, issued by the Special Commission for Refugees (*Comisión Especial para los Refugiados* [CEPR]) of the Ministry of Foreign Relations, which includes their personal information and serves as a means of identification in Peru.

Temporary Permanence Permit (PTP): The Peruvian Government adopted a series of specific regulatory measures through the so-called PTP aimed at helping Venezuelans simplify their status regularization and permanence in the country, in addition to providing access to work. The PTP card was issued by the National Superintendence of Migration (Migraciones), a government body attached to the Ministry of Interior.

At the beginning of 2017, the first PTP was established for Venezuelans, who had entered the country up to 3 February 2017. It allowed them to regularize their stay (in case of having overstayed) or to extend their stay in the country for up to a year. The Supreme Decree No. 023-2017-IN of 29 July 2017 enacted the second PTP, which posed four requirements to applicants: i) having entered the country up to 31 July, ii) having entered the country regularly, iii) not having a police, criminal or judicial record, domestic or foreign, and iv) not having been granted a valid immigration status and not seeking to change their immigration status. PTP-II gave them legal permission to stay in the country for up to one year. Finally, the Supreme Decree No. 001-2018-IN enacted the third PTP, benefiting Venezuelans who entered the country up to 31 December 2018. This decree was later modified by the Supreme Decree No. 007-2018-IN, which restricted the number of beneficiaries by limiting it to only Venezuelan citizens who had arrived in Peru up to 31 October of the same year. To date, the alternative to PTP for arrivals after October 31, 2018 is not available.

Foreigner Residence Card (*Carné de Extranjería*): The foreigner residence card is the official identity document for foreigners residing in the national territory of Peru and who have been granted a resident status (called *Calidades Migratorias de Residente*). This document proves identity and legal residence in Peru. There are several resident statuses, in the case of alternatives for UNHCR persons of concern, the most relevant are: work, education, family unity and after PTP expiration, especially for vulnerability conditions, under Migrations' competence; and humanitarian resident status under the MFA's competence are available. In the case of individuals recognized as refugees, the foreigner residence card is granted under the status of International Agreements (*Calidad Migratoria de Convenios Internacionales*) approved by MFA. The Foreigner Residence Card is issued by *Migraciones*.

⁶⁵ Article 14 of Law No. 27,891 – Refugee Law (*Ley del Refugiado*)

Venezuelans who arrive in Peru may have documents issued by the authorities of their country of origin, such as a birth certificate, identity card, or passport. It should be noted that the Peruvian Government considers passports of Venezuelan nationals to be valid for up to five years after their expiration date.⁶⁶

SIM / IMEI Registration

Since 2015, operators in Peru are obliged to verify the identity of prepaid services users when contracting services. This came into effect in January 2017 and is being implemented through biometric identification systems linked to the database of the National Registry of Identification and Civil Status. This information is centralized by OSIPTEL, the regulator entity, in the national registry of mobile devices, which also contains information from all users who have contracted services in any modality.

The Law No. 28,774 establishes that service providers must have a private registry of subscribers, which must include name and surname of each user, along with their identification number (national ID, foreigner residence card or Unique Taxpayer Registry number), the telephone number and brand, model and serial number of the mobile device, even when the equipment has not been sold by the same company. In addition, the Regulation obliges the operators to implement an automated system that allows them to log if a user uses his / her SIM card in a different device than the one registered. Moreover, they must share with OSIPTEL the records of mobile terminals that are reported as stolen, lost or recovered.

In January 2017, Legislative Decree No. 1338 was promulgated in Peru, through which the National Registry of Mobile Terminal Equipment for Security (RENTESEG) was created to prevent and combat theft and illegal trade of mobile devices. This decree creates a system of blacklists and whitelists, determining that only devices on the whitelist are enabled to operate on the network. Devices reported as lost, stolen or non-operational will be disabled. When activating a mobile device, the International Mobile Subscriber Identity (IMSI) and IMEI are thus associated with the specific identity of the authorized user for that device. For this reason, companies providing telecommunications services are required to verify the identity of the user at the time of hiring of the service, using fingerprints as the biometric verification system.

In practice, to register a SIM card, operators only accept a foreigner residence card or passport and do not accept PTP cards or Refugee Applicant Cards. According to the results of a 2018 survey of the Venezuelan population residing in Peru, 90.3 per cent of interviewees had at least one member in their home who owns a mobile phone.⁶⁷ As mentioned in the regional

⁶⁶ An official document of January 8, 2019 (OF.RE (VMR) N° 2-10-E/41) of the Ministry of Foreign Relations notified Migrations that, as the National Assembly of Venezuela agreed to extend the validity of passports already expired or due for expiration for a period of up to five years, and in accordance to the Declaration of the Group of Lima given on January 4, 2019, these documents should be accepted as valid travel documents and accepted in the migration control system.

⁶⁷ INEI. Living conditions of the Venezuelan population in Peru – June 2019: https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1666/libro.pdf (p. 13)

R4V Information and Communications Needs Assessment,⁶⁸ it is important to note that there was evidence of MNOs agents in Peru accepting Venezuelan national IDs to complete SIM card registration processes while these IDs are not included in the list of valid documents in the case of foreigners. This practice is quite common across the country as MNO agents work on a commission basis depending on the number of SIM cards sold and registered. As a consequence, when refugees and migrants were entering into contact with the MNOs, they realized that those SIM cards have been registered under Peruvians' names, limiting their ability to make changes in their lines, plans and file complaints.

Know Your Customer / Customer Due Diligence Rules

Peru is a member of the GAFILAT. In 2002, Law 27765, the Anti-Money Laundering Criminal Law, was passed, but was not enforced until April 2012.⁶⁹ Law 27693 established the Peruvian Financial Intelligence Unit (UIF-Peru). This law was subsequently modified by Laws 28009 and 28306. High-level requirements for verification of customer identification information include: complete name and surname of the prospective customer, birth date, identification document, profession or occupation and address.

To open a bank account, applicants can submit documents such as a national ID or a foreigner residence card. As recognized refugees have a foreigner residence card, they can access bank accounts in all institutions. However, there are several obstacles for PTP holders and asylum seekers because these forms of ID are not explicitly recognized in the financial sector regulations although in theory the PTP should serve as a valid ID to access banking services. In practice, most banks ask for a series of additional requirements to this identity card, such as a passport or authorization to sign contracts issued by *Migraciones*. The application of these requirements varies depending on the financial institution. Asylum seekers and PTP card holders have been able to open bank accounts in a few banks such as the *Banco de Crédito del Perú* (BCP), BBVA Peru, and Scotiabank, but this does not happen in a coordinated manner in all branches.

Mobile Money

According to the World Bank's Global Findex database, Peru's mobile money penetration (in terms of account ownership for 15+ years old) is 2.63 per cent.

As indicated in the Findex score, mobile money accounts are not fully developed in Peru. However, there are a number of bank applications that allow it, such as BCP, BBVA Peru, and Banco de la Nación. To make transfers, having a connected bank account is mandatory. Therefore, the same KYC restrictions for opening a bank account would apply to mobile money.

68 R4V. Regional Information and Communication Needs Assessment: <https://r4v.info/es/documents/download/73683> (p. 22)

69 PWC. Know Your Customer: <https://www.pwc.com/gx/en/financial-services/publications/assets/pwc-anti-money-laundering-2016.pdf> (p. 295)

In 2015, a new enterprise, Pagos Digital Peruanos (PDP), was created to implement the Peru Model, the financial sector's strategy to accelerate the process of financial inclusion in the country. It groups banks, municipal savings banks, rural banks, finance companies, e-money issuers, among others. The company developed Bim, a mobile money platform. It based its operations on the networks of mobile operators such as Movistar, Claro, Entel, and Bitel. Even though it is not necessary to have a bank account, people can use banks and financial institutions affiliated to transfer and withdraw money, mobile recharge, and utility payments.

In 2017, PDP developed an artificial intelligence tool from Facebook messenger. With this, Facebook users can automatically transfer money through Bim. Also, PDP signed an agreement with a company in charge of the POS system in Peru. In this way, Bim's users do not need credit or debit cards to purchase and they can use mobile money in authorized places. Having a mobile phone and an identity card or foreigner residence card are requirements to register on this mobile money platform.

Data Protection

Peru's Personal Data Protection Law (PDPL) N° 29.733 was enacted in 2011. In March 2013, the Supreme Decree N° 003-2013-JUS-Regulation of the PDLP was published to develop, clarify, and expand on the requirements of the law and set forth specific rules, terms, and provisions regarding data protection. Combined, the PDLP and its Regulation are the primary data protection laws in Peru.⁷⁰

70 DLA Piper. Data Protection Laws of the World: Peru <https://www.dlapiperdataprotection.com/index.html?t=law&c=PE>



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