



Zipp International

Zipp International is a UK headquartered organisation established in 2007 as an alternate and inclusive payment network in association with the Commonwealth Business Council (CBC), a charter of the 53 Heads of States of the Commonwealth countries.

History

Zipp International was founded in 2007 by Vijay Kumar, Entrepreneur and Chartered Accountant, and is managed by a board consisting of banking professionals with Bryan Sanderson (ex Group Global Chairman of Standard Chartered Bank) as Chairman of the Board.

As of early 2012, Zipp has operations in Rwanda, Uganda, the UK and Pakistan. It expects to recruit members to cover most countries in the world by 2015.

Services

The founding objective was to support financial inclusion by banking the unbanked and lowering the costs of home bound remittances from African migrants in the developed countries. The CBC as a partner organisation of the United Nations had been concerned with the high cost of remittances and the consequent negative impact on poverty alleviation. Several local service providers, both formal and informal, existed (and still exist) disparately and this produced inefficiencies and serious security issues. The CBC felt local service providers had to be networked to provide a uniform system that was reliable, secure and low cost.

In order to serve this cause, firstly, there was a need for a more inclusive and alternative network to allow smaller banks, money transfer agencies, currency exchanges and mobile money operators to participate. Global payment networks like Visa and MasterCard only dealt with large financial institutions.

Secondly, the network had to be able to support banking and money transfer transactions in addition to the normal purchase and refund transactions that the global networks supported.

Most significantly, the oft debated issue of the Merchant having to bear the entire costs of the Interchange fees levied that is shared by the Issuer, Acquirer and the Payment Network needed a change. This model has been under severe criticism in many forums.

Finally, there was the issue of lack of transparency in settling cross border transactions. The global networks only settled in a handful of major currencies. Most African currencies, save for the South African Rand, fell into the “exotic” variety and the currency rates applied for settlement were opaque and carried large margins.

The stated objective of the Zipp Interchange Payment Network model is to address all of the above issues, with the support of the Commonwealth Business Council.

External Links

www.zippcard.com

www.cbglobal.org

www.cfs-tech.com

www.commonwealthfs.com