

# THE ROLE REGULATORS PLAY IN CLOSING THE FINANCIAL INCLUSION GENDER GAP: A CASE STUDY OF PERU



# CONTENTS

ABOUT THE AFI GENDER INCLUSIVE FINANCE MAPPING PROJECT	3
EXECUTIVE SUMMARY	5
STATUS OF WOMEN'S FINANCIAL INCLUSION IN PERU	6
FINANCIAL INFRASTRUCTURE	8
ICT INFRASTRUCTURE	9
ID INFRASTRUCTURE	10
THE ROLE OF GOVERNMENT AND FINANCIAL REGULATORS IN DRIVING GENDER INCLUSIVE FINANCE	11
FOUNDATIONAL REGULATIONS THAT ENABLE GENDER INCLUSIVE FINANCE	14
DIGITAL FINANCIAL SERVICES REGULATION	14
TRADITIONAL BANKING REGULATION	17
INTERNAL ALIGNMENT AND ACTIVE PROMOTION OF A VIBRANT ECOSYSTEM FOR GENDER INCLUSIVE FINANCE	19
WOMEN'S ECONOMIC PARTICIPATION, INCLUSION, ENTREPRENEURSHIP, AND THE BROADER ENVIRONMENT	23
SOCIAL AND GENDER NORMS	24
FUTURE OUTLOOK	25
ABBREVIATIONS	26
REFERENCES	27

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# ABOUT THE AFI GENDER INCLUSIVE FINANCE MAPPING PROJECT

**54%**

As of 2021, about 740 million women do not have bank accounts, representing 54 percent of all unbanked adults worldwide.

**6%**

In developing countries, the gender gap in access to finance is estimated at 6 percent.<sup>1</sup>

**9-6%**

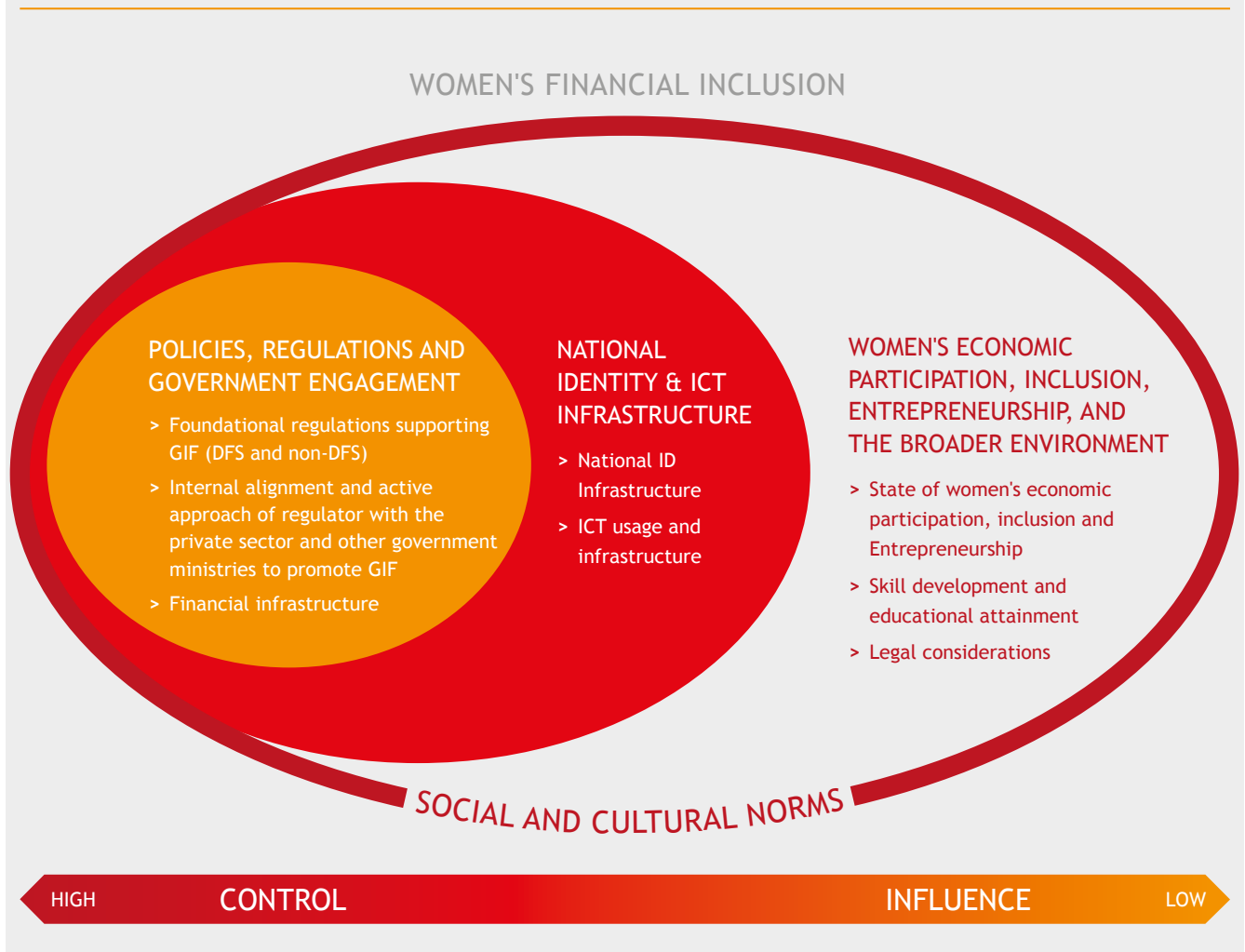
The efforts to narrow the gender gap have paid off since 2017, with the gap reducing from 9 to 6 percent.

Equalizing access to finance for women remains a distant goal, especially regarding usage.

Addressing the persistent gender gap in financial inclusion is more than simply the right thing to do. It also makes good business sense, with estimates suggesting that advancing women's equality could add USD12 trillion to global gross domestic product by 2025. Women-led small and medium enterprises (SMEs) already make significant contributions to the economy. They account for a third of all SMEs worldwide, and a much higher percentage in many countries. An important engine of growth and job creation, they suffer however from high levels of informality and a significant gender gap in access to credit.

<sup>1</sup> Global Findex, 2021.

**FIGURE 1: GENDER INCLUSIVE FINANCE ANALYTICAL FRAMEWORK: INFLUENCERS OF INCLUSION WHERE REGULATORS CAN HAVE IMPACT ON WOMEN'S FINANCIAL INCLUSION**





There is no single reason why women cannot access or use financial services. Rather, it is a complex blend of regulatory factors, suitable products and services, access to education and identification documents, suitable infrastructure available where women can use it, and products and services that meet their needs. Lastly, social and cultural barriers play a significant part.

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**The AFI Financial Inclusion Gender Gap project is designed to increase understanding about the barriers and enablers of women's financial inclusion (WFI) to help financial sector regulators and policymakers identify actions that will drive greater inclusion in their countries. Aimed at financial regulators, the project also aims to provide insight into the various factors that affect women's ability to access and use quality financial services, some of which are in the direct sphere of influence of the regulator, and others that remain outside the regulators' scope.**

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The research breaks new ground by taking a holistic look at these factors. It identifies the specific areas where financial regulators have direct influence: policies, regulations, and government engagement to advance WFI. But instead of looking at the financial regulators' landscape in isolation, the research also explores other spheres of influence within the broader context of women's economic participation and inclusion, providing nuanced insight into women's place in society and the economic fabric of their countries.

Figure 1 illustrates this interplay clearly, delineating the various factors that can contribute to increased WFI. It highlights financial regulators' specific role in advancing progress and the degree to which they can influence other critical factors. It also portrays the overarching impact that social and cultural norms have on the entire WFI ecosystem and women's equality in general.

Many factors fall outside the financial regulators' direct remit, but they are also essential to creating an enabling WFI environment and advancing the regulatory WFI agenda. For instance, just because a regulatory policy is in place to encourage increased lending to women entrepreneurs does not mean there will be a significant uptick in a bank's women's SME loan portfolio, unless other changes in financial infrastructure and bank approaches have occurred. The research findings are clear: progress toward gender parity in financial inclusion will only go so far without

aligned and coordinated action across the spheres of influence.

In essence, the project is a call to action on two fronts for financial regulators. Are they doing everything within their mandate and sphere of influence to advance progress on WFI? And, after addressing all the factors in their sphere of influence, what else can they do outside their direct remit to support the broader WFI ecosystem?

By providing financial sector policymakers and regulators with a deeper knowledge base about specific regulatory solutions that are having an impact, as well as pathways that will advance other drivers of inclusion, these critical stakeholders can enhance the effectiveness of their interventions and maximize their role in closing the financial inclusion gender gap in their countries. In turn, these efforts will contribute to achieving the United Nations Sustainable Development Goals 1, 5, and 8, addressing poverty alleviation, women's equality, and economic growth.

This case study offers an overview of the current state of WFI in Peru. It takes stock of the government of Peru's progress in advancing WFI. It delves into the specifics of the national financial regulatory environment, highlighting the key strategies and initiatives that have contributed to closing Peru's gender gap in access to finance. And it also provides detail on factors influencing WFI outside of the regulator's remit. The case studies are designed to be stand-alone documents. Still, readers may also be interested in reviewing the Project's Landscape Study, which provides a full picture of WFI and Gender Inclusive Finance (GIF) across the AFI network, as well as the summary report, which synthesizes key findings from the research.

## EXECUTIVE SUMMARY

As the fifth most populated country in Latin America with an adult population of 23.6 million, and the seventh-largest economy, Peru has the resources and institutions to increase financial inclusion.

Gender considerations have been engrained within their national financial inclusion approach;

20%

The country achieved a 20-percentage point increase in women's account ownership from 2015 to 2021, and has only a 2-percentage point gender gap.<sup>2</sup>

9-6 million

However, in a country of nearly 33 million people, between 6 and 9 million women remain unbanked.<sup>3</sup>

The Peruvian government promotes financial inclusion through various national strategies: the National Policy for Financial Inclusion, the National Policy for Gender Equality (PNIG), and the National Policy of Competitiveness and Productivity. The Superintendence of Banking, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y AFP del Perú, SBS) is the main financial sector regulator and plays an integral role in the coordination and advancement of women's financial inclusion efforts, along with the Ministry of Economy and Finance (MEF).

Over the last few years and during the COVID-19 global pandemic, development in the financial industry in Peru has accelerated with the growth of financial technologies and digital financial services (DFS). Additionally, public institutions are increasingly focused on better serving excluded or underserved individuals and women, mainly because of the focus on the various equality, education, and inclusion policies and their concurrent multisectoral strategic plans.

The MEF and SBS have implemented several initiatives to create an enabling environment for women's financial inclusion through DFS and non-DFS, including a multisectoral collaboration for the creation and expansion of the BiM mobile money platform, the digitization of government-to-person (G2P) payments (and eventually person-to-government payments),

and the creation of an ICT sandbox. ICT infrastructure in Peru has expanded in the last decade, and mobile money services are widely used. However, people tend to operate in cash due to the large informal economy.

Looking toward the future, the government and financial regulators remain focused on three key priorities for WFI: encouraging the collection and analysis of sex-disaggregated financial services data, promoting financial education with a gender focus, and encouraging women's access to finance. DFS and ICT infrastructure will be critical to extending access to Peru's excluded and underbanked individuals, many of whom are in rural areas and from disadvantaged groups. Such efforts will continue to be supported by mobile and smartphone ownership and internet connectivity growth. Seventy-seven percent of women in Peru have access to a mobile phone, and 71 percent use the Internet, which is high compared to many countries and only about 3 percent less than men in both categories.<sup>4</sup>

77%

Seventy-seven percent of women in Peru have access to a mobile phone, and 71 percent use the Internet, which is high compared to many countries and only about 3 percent less than men in both categories.<sup>4</sup>

The next steps are to ensure the continued growth of the Internet and mobile access, increase digital (financial) literacy, and encourage greater adoption and usage of DFS.

<sup>2</sup> INEI, National Household Survey. Available at: <https://www.sbs.gob.pe/boletin/detalleboletin/idbulletin/1189>

<sup>3</sup> Plataforma Nacional de Datos Abiertos. No Date. INEI ENAHO Data. Available at: <https://www.datosabiertos.gob.pe/dataset/encuesta-nacional-de-hogares-enaho-2022-instituto-nacional-de-estad%C3%ADstica-e-inform%C3%A1tica-%E2%80%933>

<sup>4</sup> OSPITEL. 2022. Los servicios de telecomunicaciones en los hogares peruanos. Encuesta Residencial de Servicios de Telecomunicaciones (ERESTEL) 2021. Available at: <https://repositorio.osiptel.gob.pe/handle/20.500.12630/808>.

## STATUS OF WOMEN'S FINANCIAL INCLUSION IN PERU

Financial inclusion has been a focus topic throughout the last decade in Peru. Approximately 50 percent of the adult population accesses or uses at least one financial product, leaving about half of the adult population either financially excluded (unbanked) or underbanked.<sup>5</sup>

Women represent just over 50 percent of the total population and face additional barriers to account access and usage compared to men, such as more precarious jobs, lower income, or lower educational levels. Peru's national household survey shows that as of 2021 (Q2), 51 percent of women had a financial account compared to 53 percent of men.<sup>6</sup> Peru's recent growth in account ownership is impressive, considering that just 31 percent of women and 35 percent of men had an account in 2015.<sup>7</sup> The current gap of 2 percentage points is, in fact, below the Findex average, which stands at 4 percentage points, for Peru's income group (upper-middle income).<sup>8</sup>

# 11%

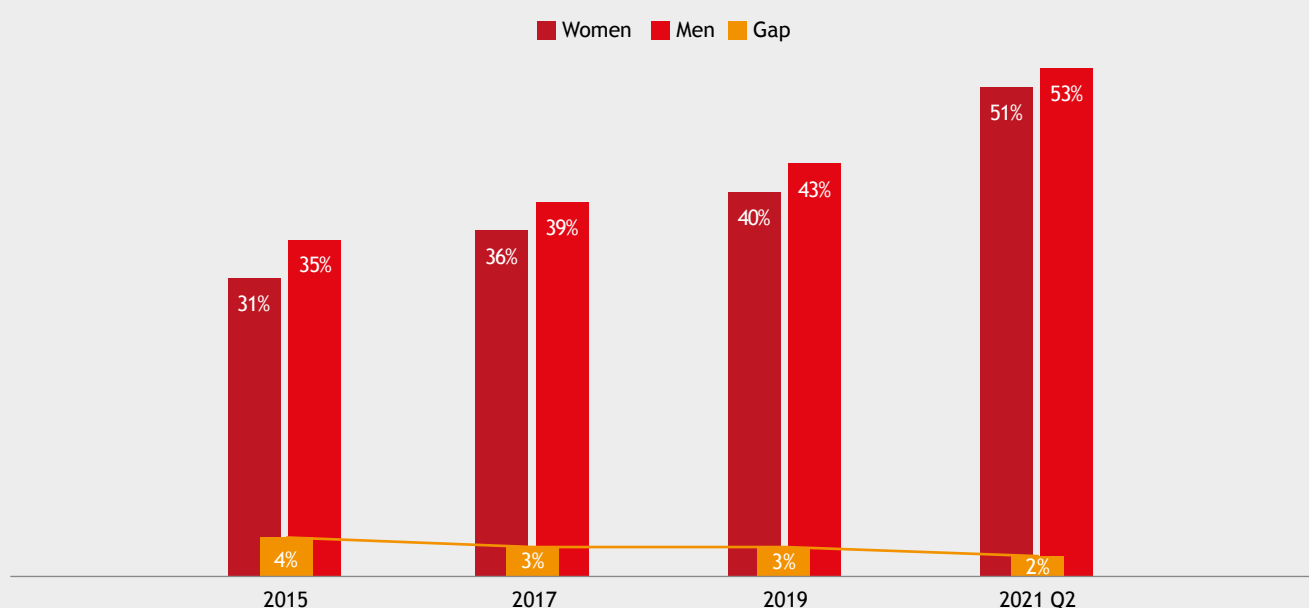
The 11 percentage point growth in women's account ownership from 2019 to 2021 can be attributed to rural women's increased access.

This improvement resulted from the government's initiative to promote financial inclusion through social programs and G2P payments in Cuenta DNI accounts. Cuenta DNI accounts were created to transfer COVID-19 relief payments to millions of people digitally, prevent direct contact between people, and reduce the spread of COVID-19.<sup>9</sup> The program effectively brought many Peruvian adults into the formal banking system for the first time, and most still stay there.

However, cash remains the predominant form of payment in Peru.

- 5 INEI. No date. El 50% de la población de 18 y más años de edad tiene alguna cuenta en el sistema financiero. Available at: <https://m.inei.gob.pe/prensa/noticias/el-50-de-la-poblacion-de-18-y-mas-anos-de-edad-tiene-alguna-cuenta-en-el-sistema-financiero-12938>.
- 6 NEI, National household Survey. Available at: <https://www.sbs.gob.pe/boletin/detalleboletin/idboletin/1189>.
- 7 Ibid.
- 8 The World Bank. 2022. The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Available at: <https://www.worldbank.org/en/publication/globalfindex>.
- 9 S&P Global. 2020. Peru forces bank accounts onto millions, a potential financial inclusion boon. Available at: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/peru-forces-bank-accounts-onto-millions-a-potential-financial-inclusion-boon-60231754>.

FIGURE 2: PERCENT OF ADULTS WITH AN ACCOUNT IN THE FINANCIAL SYSTEM - INEI (ENAHO)



Source: World Bank Global Findex 2011-2021

Furthermore, rural women are more likely to use informal financial channels for saving than formal channels. When bank branches are far from where people live, the time, transportation, and financial cost of access are significant barriers. Likewise, the use of informal credit is often higher, especially if it can be obtained locally. Additionally, 98 percent of rural MSMEs are informal, which means people generally lack access to formal financial systems and other services through work. Labor informality means people are more likely to use informal finance. Informal finance is generally easier to obtain. For rural dwellers with low levels of financial literacy, it is the easiest, most readily available, and most trustworthy option. However, it may not be the safest or most cost-effective option.<sup>10</sup>

Trust in financial institutions is an issue in Peru: 38 percent of unbanked Peruvian adults cite distrust in financial institutions for not having an account. This issue goes hand in hand with the perceived high costs associated with owning a formal account, which 65 percent of unbanked Peruvians list as a reason for not having an account.<sup>11,12</sup> Indeed, the availability of accessible and affordable accounts has greatly improved in recent years, but perception outweighs reality, especially when financial literacy is limited. Many Peruvians believe that if they put their money in a bank account, the bank will charge them inordinately.<sup>13</sup> Other barriers include low financial literacy and awareness and insufficient funds. Global trends consistently reveal that distrust, misperceptions of financial services, and low financial literacy are higher among women than men. While the gender split is not available for Peru, it can be presumed these barriers disproportionately affect women in Peru as they do in the rest of the world.

One way to combat distrust and misconceptions in formal financial systems is through increasing financial literacy and competency. As detailed later in the report, Peruvian public and private entities have incorporated financial education efforts into inclusion efforts for decades, and many financial education programs target women and minority groups specifically. According to the 2022 national survey of financial capacities, 59 percent of Peruvian adults have a financial education score higher than the minimum value defined by the Organisation for Economic Co-operation and Development, while the gender split gap is 8 percent<sup>14</sup> And while digital financial education remains low, the gender gap is currently small, with 15 percent of men and 12 percent of women reaching a high level of digital financial education.

With a rapidly growing FinTech market in Peru, many people have actively started to use mobile money and DFS. There are four main mobile wallets: Yape, Tunki, PLIN, and BiM. Over half of the adult population has adopted mobile money platforms, and the number continues to grow. However, sex-disaggregated data is not yet available.<sup>15</sup> The global pandemic and the need for physical distancing set the stage for a mobile money boom in Peru. According to a recent Minsait Payments trend report, 6 out of 10 Peruvians have increased their use of digital payment apps and wallets for person-to-person transactions.<sup>16</sup>

Channeling remittances into accounts can be an avenue to increase financial inclusion, especially for women, who tend to represent a large share of remittance recipients.<sup>17</sup> Peruvians living abroad sent back nearly USD3.6 billion in 2021, less than Mexico and many Central American countries but more than most South American countries.<sup>18,19</sup> Most remittances are sent to an account (52 percent). The remainder are sent in cash (26 percent) and money transfers (22 percent), which are more costly.<sup>20</sup> The global pandemic increased the number of Peruvians receiving remittances through an account. Hence, there is an opportunity to increase the flow of remittances to accounts designed to accommodate the transaction needs of the target market, coupled with educational messaging.

10 SBS. 2018. Determinants of financial inclusion in Peru: Recent Evidence from the Demand Side. Available at: [https://www.sbs.gob.pe/Portals/0/jer/DDT\\_ANO2018/DT-001-2018%20%28eng%29.pdf](https://www.sbs.gob.pe/Portals/0/jer/DDT_ANO2018/DT-001-2018%20%28eng%29.pdf).

11 Respondents were asked to list all reasons for not owning a bank account, rather than just one, which is the reason the percentages do not sum to 100.

12 The World Bank. 2022. The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Available at: <https://www.worldbank.org/en/publication/globalfindex>.

13 Gestión. 2019. 52% de peruanos que ahorran lo hacen en sus hogares. Available at: <https://gestion.pe/tu-dinero/52-peruanos-ahorran-hogares-272718-noticia/?ref=gesr>.

14 SBS and CAF. 2022. Encuesta de Medición de Capacidades Financieras. Available at: [https://www.sbs.gob.pe/Portals/4/jer/CIFRAS-ENCUESTA/2022/Brochure\\_ENCUESTA\\_CAPACIDADES%20FINANCIERAS%202022\\_vr.pdf](https://www.sbs.gob.pe/Portals/4/jer/CIFRAS-ENCUESTA/2022/Brochure_ENCUESTA_CAPACIDADES%20FINANCIERAS%202022_vr.pdf).

15 El Comercio. 2022. Billeteras digitales: un camino hacia la inclusión financiera. Available at: <https://elcomercio.pe/economia/opinion/billeteras-digitales-un-camino-hacia-la-inclusion-financiera-noticia>.

16 Gestión. 2021. El 65% de peruanos redujo el pago en efectivo para usar el pago móvil, digital o desde cuenta. Available at: <https://gestion.pe/economia/el-65-de-peruanos-redujo-el-pago-en-efectivo-para-usar-el-pago-movil-digital-o-desde-cuenta-noticia/?ref=gesr>.

17 UN Women. 2017. At what cost? Women migrant workers, remittances and development. Available at: <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2017/women-migrant-workers-remittances-and-development.pdf>.

18 Amcham News. 2022. BCRP: remesas del exterior crecieron 8.9% en el primer trimestre. Available at: <https://amcham.org.pe/news/bcrp-remesas-del-externo-crecieron-8-9-en-el-primer-trimestre>.

19 The World Bank. No date. Personal remittances, received. Available at: [https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?name\\_desc=false](https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?name_desc=false).

20 The World Bank. No Date. Databank - Global Financial Inclusion. Available at: <https://databank.worldbank.org/source/global-financial-inclusion>.

## FINANCIAL INFRASTRUCTURE

Most credit targeting directly women is provided through 12 municipal savings and credit banks (CMACs), six rural savings and credit banks (CRACs), 335 credit cooperatives (COOPACs), seven financial companies, and 11 development institutions for micro and small enterprises.<sup>21</sup>

Financiera Confianza and Compartamos Financiera offer various credit products that are tailored to the needs of women, and many finance companies offer credit for micro and small enterprises, many of which are owned/operated by women.<sup>22,23</sup> For instance, one attractive product is group credits, owned by a group of women so that they can promote between them the commitment of payment. Of the country's 17 banking companies, only some have products that intentionally target women and women-owned businesses, such as Mibanco and Banco de Crédito del Perú.<sup>24,25</sup>

### 21%

In total, 21 percent of women borrow from a formal financial institution, compared to 23 percent of men.<sup>26,27</sup>

### 40%

Women receive 40 percent of the total distribution of outstanding credit in Peru.<sup>28</sup>

This data suggests that women are accessing credit at similar rates to men, but the amount they borrow is lower on average.

Peru's population lives predominantly in urban areas (78 percent). The rest live in rural areas where access to financial service points is sparser. Nationally, there are 255 financial service points per 1,000 km<sup>2</sup> (3,116 in Lima and Callao, and 176 in the provinces) and 135 ATMs per 100,000 adult residents.<sup>29</sup> The department with the least ATMs is the rural and poverty-stricken Huancavelica, with only 27 ATMs per 100,000 adult residents.<sup>30</sup> The lack of financial service access points in rural areas hinders financial inclusion in those regions.

### 41%

The 2021 World Bank Global Findex survey in Peru reveals that 41 percent of individuals who do not have a bank account say it is because of poor financial infrastructure in their community.<sup>31</sup>

The 2021 World Bank Global Findex survey in Peru reveals that 41 percent of individuals who do not have a bank account say it is because of poor financial infrastructure in their community.<sup>31</sup> Mobile money is beginning to change this landscape, as ownership and usage of mobile wallets are on the rise (detailed below).

The agent banking network is expansive and growing in Peru. Banking regulations in 2005 enabled banks to offer financial services through third-party agents. The network of agents has grown almost threefold in recent years. In 2016, the number of banking agents in Peru was just over 100,000, but by the end of 2021, the number had grown to over 291,000.<sup>32,33</sup> As a result, there are 1,339 banking agents for every 100,000 adult residents, much higher than the global median of seven agents per 10,000 adults.<sup>34</sup> The widespread availability of banking agents in Peru benefits WFI, as women who tend to be time-poor may find it easier to visit a nearby agent, saving travel costs. This expansion is likely contributing to the lower gender gap in account ownership.

21-34 Los servicios de telecomunicaciones en los hogares peruanos. Encuesta Residencial de Servicios de Telecomunicaciones (ERESTEL) 2021. Available at: <https://repositorio.osiptel.gob.pe/handle/20.500.12630/808>.



## ICT INFRASTRUCTURE

Many Peruvians have access to mobile phones, which creates an enabling environment for DFS.

In 2021, 77 percent of women had access to a mobile phone compared to 81 percent of men, a 4 percent gender gap.<sup>35</sup> In the same year, 69 percent of women had access to a smartphone compared to 72 percent of men, a three percent gender gap.<sup>36</sup> The gender gap in mobile phone access is narrowing. From 2016 to 2021, male access grew by one percentage point, while female access grew by two.<sup>37</sup> As expected, residents in rural areas are less likely to have access to mobile phones. In 2021, 69 percent of residents of rural areas had access to a mobile phone compared to 85 percent of Lima residents and 79 percent of residents in other urban areas.<sup>38</sup>

For DFS to grow in Peru, greater attention will be paid to increasing mobile phone penetration in rural areas. Additionally, low levels of digital literacy and financial education among women from low-income groups and rural areas serve as barriers to account ownership and DFS expansion, something that may need to be addressed by DFS providers, but which can also be supported or driven by the activities of the financial regulator.

Coverage and affordability of the Internet in Peru are improving, resulting in many Peruvians being connected to the Internet. Eighty-five percent of Peru is covered by a mobile cellular network, which is meaningful,

although less than in other Latin American countries. Mobile Internet is relatively affordable, with a data-only mobile broadband basket costing 1.74 percent of GNI per capita, lower than the average for the Americas (2.43 percent) and below the 2-percent affordability target.<sup>39</sup> In fact, the cost of all types of ICT baskets is below the average for the Americas in Peru.<sup>40</sup>

There are relatively high Internet access and usage in Peru, with shallow gender gaps. As of 2021, 87 percent of women had access to the Internet, compared to 88 percent of men.<sup>41</sup> At the same time, 71 percent of women use the Internet compared to 73.7 percent of men, which is higher than the AFI upper-middle income country average of 69 percent.<sup>42</sup>

Overall, in Peru, the data indicate that mobile phone and smartphone penetration, as well as internet coverage and usage among women, are barely comparable to men's statistics and are sufficient to support increased access and usage of DFS.

35 Los servicios de telecomunicaciones en los hogares peruanos. Encuesta Residencial de Servicios de Telecomunicaciones (ERESTEL) 2021. Available at: <https://repositorio.osiptel.gob.pe/handle/20.500.12630/808>.

36 Ibid.

37 Ibid.

38 Ibid.

39 ITU ICT Price Baskets, 2021. Available at: <https://www.itu.int/en/ITU-D/Statistics/Dashboards/Pages/IPB.aspx>

40 Ibid.

41 Los servicios de telecomunicaciones en los hogares peruanos. Encuesta Residencial de Servicios de Telecomunicaciones (ERESTEL) 2021. Available at: <https://repositorio.osiptel.gob.pe/handle/20.500.12630/808>.

42 Ibid.



## ID INFRASTRUCTURE

**Lack of identification is likely not a barrier to financial inclusion in Peru, where over 99 percent of men and women have registered a compulsory National Identification Document (DNI).<sup>43</sup>**

As of recently, to open a savings account with a Peruvian financial institution, one only needs to present a DNI and provide a phone number, email, or possibly a physical address, which makes these basic accounts much more accessible to unbanked and marginalized populations.

There is also a national digital DNI (DNle), which any owner of the physical DNI can obtain. However, it costs about USD11 per DNI. The public is not aware of its benefits, such as being able to use it to sign official documents electronically for any official, judicial, administrative, or commercial interaction with the Government. It also cannot be obtained remotely. Instead, it must be obtained in a National Registry of Identification and Civil Status (RENIEC) service center or another listed site, of which there are only 105 nationwide.<sup>44</sup>

These two barriers mean that only two million Peruvians (out of 23.6 million adults) own an electronic DNI as of June 2022.<sup>45</sup> RENIEC promotes the adoption and usage of the electronic DNI. Still, the financial sector has been slow to adopt it, likely due to the required investment to update IT systems and operations and to train personnel.

There is potential for DNle to be a driver of financial inclusion in that it could make DFS more convenient. Decreasing the fee and making it easier to obtain a DNle (by opening more RENIEC centers or implementing a virtual opening procedure) would surely lead to greater adoption of the DNle. Still, it would need to be coupled with increased promotion and incentives for financial institutions and others to accept the digital ID.

43 INEI. No date. Acceso a la identidad. Available at: [https://www.inei.gob.pe/media/MenuRecursivo/publicaciones\\_digitales/Est/Lib1520/cap07.pdf](https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1520/cap07.pdf).

44 Gob. No date. Solicitar DNI Electrónico por primera vez. Available at: <https://www.gob.pe/219-sacar-dni-electronico-dnie>.

45 Gestion. 2022. Qué ventajas tiene el DNI electrónico. Available at: <https://gestion.pe/peru/que-ventajas-tiene-el-dni-electronico-dni-azul-documento-nacional-de-identidad-nnda-nnlt-noticia>.





## THE ROLE OF GOVERNMENT AND FINANCIAL REGULATORS IN DRIVING GENDER INCLUSIVE FINANCE

Peru's financial system has focused on increasing WFI throughout the last decade. There has been good coordination between private and public institutions on financial innovation and inclusion strategies.

The Central Reserve Bank of Peru (BCRP) is the monetary authority in Peru. According to the constitution, it regulates currency and credit in the financial system, issues money, manages international reserves, and reports on national finances.<sup>46</sup> The SBS is responsible for supervising and regulating the various financial system entities, including multi-purpose banking institutions, saving and credit cooperatives, rural and municipal savings and credit enterprises, pension fund administrators, insurance companies, investment banks, and other financial companies.

SBS has been the driver of national financial inclusion efforts, which it began to focus on in the early 2010s, given the low rates of account ownership and formal inclusion at the time. SBS plays an active role in collecting data and reporting on financial inclusion progress. SBS publishes a biannual report on financial inclusion indicators, including the female share of debtors of total credit and credit to micro and small enterprises, the female share of credit receivers, and the female share of micro and small enterprise credit receivers.<sup>47</sup> Since 2012, SBS has conducted national demand-side surveys of financial capacities every three years, with sex-disaggregated and analyzed data. Additionally, SBS directs financial literacy programs targeting grade school students, young adults, entrepreneur women from community kitchens, and rural populations.<sup>48</sup>

Peru's first National Financial Inclusion Strategy (NFIS) was launched in 2015 and ran through 2019. The Multisectoral Commission on Financial Inclusion (CMIF) was created in 2014 to coordinate the strategy and its implementation by private and public actors while monitoring progress. It was led by the MEF and composed of the Ministry of Development and Social Inclusion (MIDIS), the Ministry of Education, SBS, BCRP,

and Banco de la Nación (BN). The strategy's main goals focused on achieving greater depth in financial markets, expanding the geographical coverage of financial services and institutions, and expanding the use of digital payments.<sup>49</sup> There was biannual reporting on NFIS through December 2018 to ensure the original goals were met.<sup>50</sup> NFIS successfully increased access and use of financial services in Peru throughout this time, especially expansion into rural areas and access for MSMEs. Although NFIS lacks an explicit gender angle, data reveals that women's access and usage of financial services increased in parallel to that of men throughout this time, and gender gaps are slim.

In 2019, due to the "Regulation of the National Policies" (Supreme Decree N° 029-2018-PCM) and the digital transformation of financial institutions, Peru approved its National Financial Inclusion Policy (PNIF)<sup>51,52</sup> which replaced the NFIS. CMIF developed PNIF in coordination with the National Center for Strategic Planning. It expires in 2030. It is important to mention that the PNIF incorporates intercultural, territorial, and gender approaches into its design and vision.

CMIF was also expanded to include the Ministry of Transport and Communications, the Ministry of Production, the Ministry of Agriculture and Irrigation, the Presidency of the Council of Ministers, and the Superintendence of the Securities Market. This provides for better coordination on multisectoral elements of financial inclusion.<sup>53,54</sup> The PNIF includes five priority objectives:<sup>55</sup>

1. Generate greater confidence in the financial system.
2. Have an offer of financial services that is sufficient for the population.
3. Mitigate friction in the functioning of the financial market.

46 BCRP. No date. Finalidad y funciones del BCRP. Available at: <https://www.bcrp.gob.pe/sobre-el-bcrp/finalidad-y-funciones-del-bcrp.html>.

47 SBS, REPORTE DE INDICADORES DE INCLUSIÓN FINANCIERA DE LOS SISTEMAS FINANCIERO, DE SEGUROS Y DE PENSIONES, December 2021.

48 SBS. No date. Educación Financiera. Available at: <https://www.sbs.gob.pe/educacion-financiera>.

49 SBS. No date. Estrategia Nacional. Available at: <https://www.sbs.gob.pe/inclusion-financiera/Politica-Nacional/Estrategia-Nacional>.

50 BCRP. No date. Inclusion financiera. Available at: <https://www.bcrp.gob.pe/sistema-de-pagos/inclusion-financiera.html>.

51 SBS. No date. Política Nacional. Available at: <https://www.sbs.gob.pe/inclusion-financiera/Politica-Nacional>.

52 MEF. 2019. DECRETO SUPREMO N° 255-2019-EF. Available at: <https://www.mef.gob.pe/es/por-instrumento/decreto-supremo/20676-decreto-supremo-n-255-2019-ef/file>.

53 Ibid.

54 However, the BCRP did not continue being a member of the CMIF.

55 Gob. No date. Política Nacional de Inclusión Financiera. Available at: <https://www.gob.pe/institucion/mef/campanas/242-politica-nacional-de-inclusion-financiera>.

4. Develop ICT infrastructure and digital solutions to increase coverage of financial services.
5. Enhance mechanisms for articulating efforts.

The later approved Multisectoral Strategic Plan (PEM) materialized the five priority objectives of the PNIF and set forth 30 specific measures as short, medium, and long-term goals.<sup>56</sup> PEM identifies some gender gaps, but most measures do not explicitly address women. Nevertheless, the PNIF and the PEM detail efforts that, with intentionality, can potentially promote WFI in Peru. The most notable ones include a digital platform for a National System for Financial Education, a communication strategy with a gender approach for different segments of the population to improve the financial capacities of the citizens, financial training focused on micro and small entrepreneurs, with a digital and gender approach, financial training focused on women entrepreneurs, and more gender data collection on financial consumers.<sup>57,58</sup> It should be noted that the PEM was revised by the Ministry of Women and Vulnerable Populations (MIMP) before its approval.

CMIF is the main body that brings together public sector institutions related to financial inclusion. It supervises the implementation of the PNIF, preparing reports that monitor the progress and results of the plan.<sup>59</sup> One priority objective of the PNIF is to generate sustainable mechanisms of articulation and coordination between public and private institutions to take actions to implement the PNIF, which includes the creation of Financial Inclusion Advisory Committees.<sup>60</sup> Those committees aim to elaborate regulatory proposals or specific products that respond to the needs of the citizens regarding financial inclusion and involve the participation of public and private stakeholders.

Many PEM measures in PNIF incorporate private sector involvement to meet their goals. Examples of these measures include creating mechanisms to increase the coverage of private bank financial access channels, increasing the usage of digital services among business and start-up owners, creating a digital platform for a National System for Financial Education, improving access to credit for MSMEs, and creating integrated information systems.<sup>61</sup>

Within the PNIF framework and to promote WFI, the Financial Inclusion Advisory Committee for Women was formed in December 2021. This committee, led by the MIMP, prioritizes three areas:

- > Sex-disaggregated data to generate updated and systematic evidence on financial inclusion gender gaps.

- > Financial education to reduce financial inclusion gaps, emphasizing rural indigenous women.
- > Access to finance to create or modify mechanisms that promote gender inclusive finance.

Apart from the members mentioned above of CMIF, other public institutions important to the national WFI agenda include the Supervisory Agency for Private Investment in Telecommunications (OSIPTTEL), the National Institute of Statistics and Informatics (INEI), and MIMP.

OSIPTTEL is a decentralized agency supervising and regulating the public telecommunications services market. OSIPTTEL is responsible for conducting the Residential Survey of Telecommunications Services every one or two years. It publishes reports containing sex-disaggregated and urban-rural data on access to and usage of mobile phones, the Internet, smartphones, mobile Internet, and cellular data plans, with some categories having household and individual data points. This data highlights gender gaps in access to ICT services and provides information that is used to forward ICT infrastructure that could benefit women and promote WFI.

INEI is responsible for compiling and reporting statistical information for Peru. INEI conducts a national household survey (ENAHO) every year, through which it collects and then publishes sex-disaggregated data on financial access. The ENAHO serves as the basis for evaluating progress on financial account access. The survey includes over 36,000 households and indicators of individuals with at least one financial product, disaggregated by gender, location, and other demographics. The survey also gives a thorough picture of what types of financial accounts people have by collecting data disaggregated by gender and other demographic categories, much like overall account access. The survey gives a clear picture of access to financial products and what barriers stand in the way of financial account access for different kinds of people. Additionally, INEI publishes gender gap reports, including sex-disaggregated internet access and usage data.

56 SBS. No date. Estrategia Nacional. Available at: <https://www.sbs.gob.pe/inclusion-financiera/Politica-Nacional/Estrategia-Nacional>.

57 Ibid.

58 MEF. 2022. Plan estratégico multisectorial de la política nacional de inclusión financiera. Available at: [https://www.mef.gob.pe/contenidos/archivos-descarga/Plan\\_Estrategico\\_Multisectorial\\_PEM.pdf](https://www.mef.gob.pe/contenidos/archivos-descarga/Plan_Estrategico_Multisectorial_PEM.pdf).

59 MEF. 2020. Resolución ministerial. Available at: [https://cdn.www.gob.pe/uploads/document/file/1466399/RM329\\_2020EF15.pdf](https://cdn.www.gob.pe/uploads/document/file/1466399/RM329_2020EF15.pdf).

60 MEF. 2022. Plan estratégico multisectorial de la política nacional de inclusión financiera. Available at: [https://www.mef.gob.pe/contenidos/archivos-descarga/Plan\\_Estrategico\\_Multisectorial\\_PEM.pdf](https://www.mef.gob.pe/contenidos/archivos-descarga/Plan_Estrategico_Multisectorial_PEM.pdf).

61 Ibid.



INEI and OSIPTEL are at the forefront of sex-disaggregated data collection to inform policy and further gender inclusive finance initiatives.

Finally, MIMP is the government's coordinating agency for public policies that work for women and other disadvantaged groups.<sup>62</sup> MIMP oversees Peru's PNIG, another important national policy for WFI. Legislation for PNIG introduced in 2019 gave MIMP the role of evaluating and monitoring the implementation of PNIG.<sup>63</sup> The policy also has its own Multisectoral Strategic Plan for Gender Equality (PEMIG), much like PNIF. In two of its priority objectives, PEMIG addresses educational and economic gender inequalities and reduces institutional barriers contributing to gender inequality in the public and private sectors.<sup>64</sup>

One of those objectives aims to address gender inequalities in education (including technological education), pay, and access to paid work.<sup>65</sup> To accomplish the goals set out in the PEMIG, MIMP, with the help of INEI, evaluates the progress through semestral and annual reports that contain information provided by ministries in charge of certain measures in the PEMIG.<sup>66</sup> This comprehensive policy permeates the financial sector and links itself to the objectives of PNIF. However, the PNIG does not have a strictly financial focus, and its explicit cohesion with PNIF could truly help put more emphasis on women in national equality and financial inclusion efforts.

Many industry associations within the financial sector collaborate with public sector actors to push the WFI agenda forward. The Association of Banks of Peru, the Peruvian Federation of CMACs, and the Association of Microfinance Institutions of Peru formed the United for Financial Inclusion alliance to develop projects to bring many Peruvians and SME entrepreneurs into the formal financial system. The alliance has also stressed the importance of the private sector's involvement in the PNIF and discussions of inclusion policies.<sup>67</sup>

Peru's pension, insurance, savings and credit cooperatives are all united under separate associations: the Association of Pension Administrators, the Association of Insurance Companies, and the National Federation of Savings and Credit Cooperatives of Peru.

62 Gob. No date. Información institucional. Available at: <https://www.gob.pe/institucion/mimp/institucional>.

63 MIMP. 2019. DECRETO SUPREMO N° 008 -2019-MIMP. Available at: [https://static.legis.pe/wp-content/uploads/2019/04/Pol%C3%ADtica-nacional-de-igualdad-de-g%C3%A9nero-DS-008-2019-MIMP-Legis.pe\\_.pdf?fbclid=IwAR0lNeju\\_UgOBi08T8TQ9pKzXROsKyrRWtMcXwS5VVK84HLt8xrFDzdb5Vk](https://static.legis.pe/wp-content/uploads/2019/04/Pol%C3%ADtica-nacional-de-igualdad-de-g%C3%A9nero-DS-008-2019-MIMP-Legis.pe_.pdf?fbclid=IwAR0lNeju_UgOBi08T8TQ9pKzXROsKyrRWtMcXwS5VVK84HLt8xrFDzdb5Vk)

64 Ministerio De La Mujer Y Poblaciones Vulnerables. 7 March 2020. Multisectoral Strategic Plan for the National Policy for Gender Equality. Available at: <https://cdn.www.gob.pe/uploads/document/file/545925/1862100-1.pdf?v=1584020750>

65 Ibid

66 MIMP. 2019. DECRETO SUPREMO N° 008 -2019-MIMP. Available at: [https://static.legis.pe/wp-content/uploads/2019/04/Pol%C3%ADtica-nacional-de-igualdad-de-g%C3%A9nero-DS-008-2019-MIMP-Legis.pe\\_.pdf?fbclid=IwAR0lNeju\\_UgOBi08T8TQ9pKzXROsKyrRWtMcXwS5VVK84HLt8xrFDzdb5Vk](https://static.legis.pe/wp-content/uploads/2019/04/Pol%C3%ADtica-nacional-de-igualdad-de-g%C3%A9nero-DS-008-2019-MIMP-Legis.pe_.pdf?fbclid=IwAR0lNeju_UgOBi08T8TQ9pKzXROsKyrRWtMcXwS5VVK84HLt8xrFDzdb5Vk)

67 Andina. No date. Unidos por la inclusión financiera: nueva alianza entre Asomif, Fepcmac y Asbanc. Available at: <https://andina.pe/agencia/noticia-unidos-por-inclusion-financiera-nueva-alianza-entre-asomif-fepcmac-y-asbanc-863278.aspx>.



## FOUNDATIONAL REGULATIONS THAT ENABLE GENDER INCLUSIVE FINANCE

Peru's financial regulator has implemented various policies that enable women's inclusion and gender inclusive finance to prosper, especially through digital channels. DFS has evolved greatly in Peru thanks to the regulators' role in defining and supporting advancements.

## DIGITAL FINANCIAL SERVICES REGULATION

In 2005, Peru passed regulations allowing banks to offer their financial services through external banking agents, a law amended in 2008 with more precise requirements for utilizing agent banking channels and their allowed operations.<sup>68</sup>

In 2015, the SBS issued a resolution that enabled banking agents to provide electronic financial services.<sup>69</sup> This resolution was implemented to enhance the adoption of DFS after the inception of the Modelo Peru strategy, which introduced the country's first interoperable mobile money platform in 2016, BiM. Although today BiM is not as widely used as other mobile money platforms, with 1.5 million users as of 2022, it served as a pioneer for the later emergence and growth of platforms such as Yape (12 million users), PLIN (10 million users), and Tunki.

68 CGAP. 2015. Five Lessons about Agent Networks in Peru. Available at: <https://www.cgap.org/blog/five-lessons-about-agent-networks-peru>.

69 S.B.S. Resolution No. 4798, 21 August 2015 Available at: [https://intranet2.sbs.gob.pe/dv\\_int\\_cn/1576/v2.0/Adjuntos/4798-2015.pdf](https://intranet2.sbs.gob.pe/dv_int_cn/1576/v2.0/Adjuntos/4798-2015.pdf)





In 2013, Peru passed an electronic money law, establishing a mobile money framework.<sup>70</sup> The regulation determined that financial institutions or mobile money providers that the SBS regulates can issue mobile money. There is no general regulation for FinTech companies, but FinTechs must abide by financial sector regulations.<sup>71</sup> On 1 February 2022, the SBS introduced a regulation on innovative models (No. 2429-2021), which allows for controlled innovation, testing, and product development in the financial sector.<sup>72</sup> This regulation enables the birth of new FinTechs and opens the door for solutions promoting inclusion.<sup>73,74</sup> It also decrees that financial institutions can provide any services or functions they are authorized to provide digitally, which will help incumbents expand their digital offerings.<sup>75</sup>

Peru has not established an open banking framework but has considered doing so.<sup>76</sup> Currently, Peruvian financial institutions share customer information with the BCRP, which uses that information to create a profile.

The Peruvian government, led by the SBS, has begun exploring the concept of open banking. In 2020, with the support of the World Bank, the SBS conducted a comprehensive study to identify the challenges and opportunities associated with implementing open banking in Peru, including studying the regulatory approaches taken by other countries. As part of this initiative, a preliminary roadmap has been developed and extensively discussed with relevant authorities, including the Central Bank. Additionally, SBS organized workshops with the banking industry in 2022. An open banking framework would foster financial innovation by having banks open their Application Programming Interfaces (APIs) to FinTechs, similar to how financial institutions share their consumer information with BCRP. Sharing customer data in open banking can help with financial inclusion by allowing more data to be compiled for customers for faster lending decisions and accurate risk scoring.

With so many DFS available, data privacy is important. Fraud and cybercrime would otherwise lead to mistrust in the financial system, hurting financial inclusion initiatives. Peru passed the Personal Data Protection Law in 2011, comparable to the data privacy legislation of other Latin American countries, including Mexico and Colombia.<sup>77</sup> The legislation protects the data of financial users and regulates personal data processing.<sup>78</sup> Additionally, a 2021 law unified national data protection legislation and established the National Authority for Transparency, Access to Public Information, and Protection of Personal Data.<sup>79</sup>

In 2020, the Peruvian government and BN introduced the “Cuenta DNI” account for people receiving COVID-19 relief government subsidies. Different subsidies were introduced for various vulnerable groups. The most common was Bono Familiar Universal, reaching 8.4 million low-income households (no member earning more than USD826/month). This and other government subsidies were paid via Cuenta DNI, digital accounts set up as savings accounts so that account owners could continue using the accounts after receiving the subsidies. This initiative enabled many Peruvians to gain access to the formal financial system and furthers the digital payment agenda of PNIF, particularly in line with the measures to promote digitization of payments, including G2P and person-to-government, and the digitization of government information systems and services of the multisectoral plan for PNIF.<sup>80</sup>

70 The SEEP Network. 11 April 2018. Expanding E-Money Services in Peru. Available at: [https://seepnetwork.org/files/galleries/1324\\_SEEP\\_spotlight-financial\\_inclusion\\_leaders\\_Peru\\_Web.pdf](https://seepnetwork.org/files/galleries/1324_SEEP_spotlight-financial_inclusion_leaders_Peru_Web.pdf)

71 CMS. No date. Fintech in Latin America: overview of local markets. Available at: <https://cms.law/en/int/expert-guides/fintech-in-latin-america/peru>.

72 Garrigues. 2021. Peru moves forward in fintech regulation: The SBS approved the Regulation of Innovative Models. Available at: [https://www.garrigues.com/en\\_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models](https://www.garrigues.com/en_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models).

73 Dacbeachcroft. 2021. A window of opportunity for insurance?: The regulatory sandbox has been approved in Peru. Available at: <https://www.dacbeachcroft.com/en/articles/2021/september/a-window-of-opportunity-for-insurance-the-regulatory-sandbox-has-been-approved-in-peru>.

74 CMS. Fintech in Latin America: overview of local markets. Available at: <https://cms.law/en/int/expert-guides/fintech-in-latin-america/peru>.

75 Garrigues. 2021. Peru moves forward in fintech regulation: The SBS approved the Regulation of Innovative Models. Available at: [https://www.garrigues.com/en\\_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models](https://www.garrigues.com/en_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models).

76 HID Global. 2021. Why Is It Particularly Interesting to Talk About Open Banking in Peru? Available at: <https://blog.hidglobal.com/2021/10/why-it-particularly-interesting-talk-about-open-banking-peru>.

77 Hunton Andrews Kurth. 2011. English Translation of Peru’s Law for Personal Data Protection Released. Available at: <https://www.huntonprivacypblog.com/2011/08/16/english-translation-of-perus-law-for-personal-data-protection-released>.

78 Personal Data Protection Act. Available at: <https://www.leyes.congreso.gob.pe/Documentos/Leyes/29733.pdf>.

79 One span. 2022. Financial Regulations In Peru. Available at: <https://www.onespan.com/resources/financial-regulations/peru>.

80 S&P Global. 2020. Peru forces bank accounts onto millions, a potential financial inclusion boon. Available at: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/peru-forces-bank-accounts-onto-millions-a-potential-financial-inclusion-boon-60231754>.

Cuenta DNI accounts were created for 2 million Peruvians, with 1.8 million having no account before the project.<sup>81</sup> By the end of 2020, Cuenta DNI had brought adult ownership of at least one financial product over 50 percent, which meant greater progress for financial inclusion (nearly 10 percent growth in account ownership) in one year compared to the previous four years.

Cuenta DNI program is currently in its first of three phases. Accounts are created by BN, accessible through ATMs that offer BN services, and integrated with BiM. The second phase will affiliate Cuenta DNI with Yape and Tunki mobile money platforms, allow for bank transactions, and create an app for Cuenta DNI itself. The third phase will enable Cuenta DNI for payment for services and allow BN banking agents to conduct cardless operations and deposits using the platform, among other functions.<sup>82</sup>

**24**  
million

By 2025, BN plans to open 24 million more accounts. Every Peruvian over 18 with a national ID will be automatically enrolled in the formal financial system and have a savings account with BN.<sup>83</sup>

The final phase of the Cuenta DNI plan will enable people to pay for services (electricity, water, telephone, etc.) digitally through their accounts and make cash withdrawals without a card at MultiRed agents and Banco de la Nación ATMs. The final phase will also closely track metrics to see how accountholders use their accounts. This highly proactive program has proven extremely effective in digitizing payments and fostering greater financial inclusion. With an intentional focus on women in the future, the program can be a driver for the financial inclusion of the 49 percent of Peruvian women who lack access.

Besides Cuenta DNI, Peru has a robust, tiered, know-your-customer system with “simplified” bank accounts that require fewer documents upon opening. The tiered know-your-customer system was introduced in 2013 with the electronic money regulations, which enabled simplified account opening procedures for electronic money accounts.<sup>84</sup> These simplified accounts are low-value deposit accounts that can be opened remotely with valid ID and address information.<sup>85</sup> The accounts are different from the Cuenta DNI because they are not just savings accounts, and they are created by the customer, not the financial entity. Identity verification can be done online through national ID databases, which makes it appealing to women and those who

find it hard to travel to a service point.<sup>86</sup> Today, banks, CMACs, CRACs, COOPACs, mobile money providers, and other financial entities have adopted simplified accounts and thus made financial products more accessible to women and the unbanked.

81 Gestion. 2022. Banco de la Nación apunta a abrir 24 millones de ‘Cuentas DNI’ con soporte de suiza Temenos. Available at: <https://gestion.pe/economia/empresas/banco-de-la-nacion-apunta-a-abrir-24-millones-de-cuentas-dni-con-soporte-de-suiza-temenos-noticia/?ref=gesr>.

82 BN. No date. ¿Qué es cuenta DNI? Available at: <https://www.bn.com.pe/cuentadni>.

83 Gestion. 2022. Banco de la Nación apunta a abrir 24 millones de ‘Cuentas DNI’ con soporte de suiza Temenos. Available at: <https://gestion.pe/economia/empresas/banco-de-la-nacion-apunta-a-abrir-24-millones-de-cuentas-dni-con-soporte-de-suiza-temenos-noticia/?ref=gesr>.

84 SBS. 2014. The Potential of New Delivery and Business Models for Financial Inclusion in Peru. Available at: [https://www.sbs.gob.pe/Portals/4/jer/PUB-ESTUDIOS-INVESTIGACIONES/20170816\\_The-Potential-of-New-Delivery.pdf](https://www.sbs.gob.pe/Portals/4/jer/PUB-ESTUDIOS-INVESTIGACIONES/20170816_The-Potential-of-New-Delivery.pdf).

85 AFI. 2019. KYC Innovations, Financial Inclusion and Integrity In Selected AFI Member Countries. Available at: <https://www.afi-global.org/sites/default/files/publications/2019-03/KYC-Innovations-Financial-Inclusion-Integrity-Selected-AFI-Member-Countries.pdf>.

86 BS. 2014. The Potential of New Delivery and Business Models for Financial Inclusion in Peru. Available at: [https://www.sbs.gob.pe/Portals/4/jer/PUB-ESTUDIOS-INVESTIGACIONES/20170816\\_The-Potential-of-New-Delivery.pdf](https://www.sbs.gob.pe/Portals/4/jer/PUB-ESTUDIOS-INVESTIGACIONES/20170816_The-Potential-of-New-Delivery.pdf).



## TRADITIONAL BANKING REGULATION

**Peru's MSME sector is largely unbanked despite its importance to the economy. The government and financial regulators have sprung into action to improve MSME banking and access to finance.**

According to the Ministry of Production's 2020 statistics, only 9.4 percent of formal MSME enterprises had access to the formal financial system, despite representing 99.5 percent of all Peruvian enterprises and employing 89.4 percent of the private sector's workforce. Particularly relevant for this case, 34 percent of formal MSMEs are women-owned, representing an important sector.<sup>87</sup> The 2019-2030 PNIF stresses the importance of MSMEs by including measures for increased inclusion in the financial system and access to credit. And in 2020, during the COVID-19 pandemic, the President of Peru issued an urgent decree to promote the financing of MSMEs, entrepreneurs, and start-ups, partly in response to the pandemic and its impact on the MSME sector. The decree called for a greater supply of lending products for MSMEs, increased capital for MSMEs through government services, strengthened the provision

of technological services, and promoted business development through non-financial services, among other directives.<sup>88</sup>

In Peru, microcredit services are provided by non-bank microfinance institutions (COOPACs, credit companies, CMACs, and CRACs) and some banks and financial companies. Many non-bank microfinance institutions target women and low-income groups. Currently, there are approximately 25 financial institutions specializing in micro and small lending.<sup>89</sup>

The Fund for Cooperation for Social Development's Programa de Apoyo Crediticio a la Pequeña y Microempresa contributes to the development of the financial credit market for micro and small enterprises in rural and marginalized urban areas of the country through a credit fund and technical assistance and training.<sup>90</sup>

87 OECD. 2022. Key facts on SME financing: Peru. Available at: <https://www.oecd-ilibrary.org/sites/2b9cb6d3-en/index.html?itemId=/content/component/2b9cb6d3-en>.

88 El Peruano. Decreto de urgencia n° 013-2020. Decreto de urgencia que promueve el financiamiento de la mipyme, emprendimientos y startups. Available at: <https://busquedas.elperuano.pe/normaslegales/decreto-de-urgencia-que-promueve-el-financiamiento-de-la-mip-decreto-de-urgencia-n-013-2020-1848441-1>.

89 This number does not include COOPACs.

90 CEPAL. No date. Programa de Apoyo Crediticio a la Pequeña y Microempresa (PAME) (1992-). Available at: <https://dds.cepal.org/bpsnc/programa?id=78>.



Many non-bank microfinance institutions also offer financing for SMEs and financial entities, such as *Financiera Confianza* and *Compartamos Financiera*. Although there is no specific microfinance regulation, microcredit institutions are regulated under the General Law of the Financial System and Insurance System, enacted in 1997 and amended almost yearly since then.<sup>91</sup>

People can register non-traditional assets as loan collateral through movable collateral registries. This implies that women can get loans using non-traditional assets such as jewelry and cars since they often have fewer assets to utilize as traditional collateral (such as land or property). The amendments to the Secured Transactions Law from 2018 allow for moveable collateral. In 2018, Peru signed the OAS InterAmerican Model Law into law, which created a moveable collateral registry and stated that anything the involved parties give economic value to can be used as collateral.<sup>92</sup> The decree called for the creation of the *Sistema Informativo de Garantías Mobiliarias*, a nationwide electronic platform for the voluntary registration of moveable guarantees.<sup>93,94</sup> The law, by allowing for moveable assets to be used as collateral, was created to facilitate access to credit for SMEs but lacks a gender focus.<sup>95</sup>

Peru also has four private credit bureaus, regulated by Law No. 27489: Law regulating private credit bureaus and protection of the owner of the information, as amended by Law 27863<sup>96</sup>, and a public credit registry run by the SBS. It updates information on all regulated financial institution's debtors monthly.<sup>97</sup> It shares debtor information and credit reporting data with the private credit bureaus. It serves as the figurehead of Peru's credit system, reducing as much risk and cost as possible for financial institutions.<sup>98</sup> This credit oversight means that data is readily available on debtors and financial consumers. When this data is sex-disaggregated, it can reveal important gender credit gaps and/or women's creditworthiness. This builds the case for policies and initiatives to increase women's credit access.<sup>99</sup>

Finally, financial consumer protection that addresses people's concerns and provides mechanisms to address grievances widely disseminated to, and utilized by, women is important to building trust in financial institutions. Peru's 2012 Consumer Protection Law applies to the financial services sector. SBS is the regulator for consumer protection within the financial system. If a financial consumer feels a regulated financial entity has infringed on her rights, she can

denounce or file a complaint through the SBS's website. To do so, Peruvians must identify themselves through their DNI or passport, which includes the consumer's gender.

91 Superintendencia de Banca, Seguros y AFP (SBS Perú). 2004. GENERAL LAW OF THE FINANCIAL AND INSURANCE SYSTEMS ORGANIC LAW OF THE SUPERINTENDENCY OF BANKING AND INSURANCE Law No. 26702. Available at: [https://www.imolin.org/doc/amlid/Peru\\_Law\\_26702.pdf](https://www.imolin.org/doc/amlid/Peru_Law_26702.pdf)

92 STR. No date. Peru. Available at: <https://securedtransactionslawreformproject.org/reform-in-other-jurisdictions/south-america/peru>.

93 Ibid.

94 BCRP. 2018. Reporte de Estabilidad Financiera. Available at: <https://www.bcrp.gob.pe/docs/Publicaciones/Reporte-Estabilidad-Financiera/2018/Noviembre/ref-noviembre-2018-recuadro-3.pdf>.

95 STR. No date. Peru. Available at: <https://securedtransactionslawreformproject.org/reform-in-other-jurisdictions/south-america/peru>.

96 Law regulating private credit bureaus and protection of the owner of the information, as amended by the Law 27863. Available at: <https://docs.peru.justia.com/federales/leyes/27863-nov-12-2002.pdf>

97 Ibid.

98 Ibid.

99 Women tend to be strong repayers of loans, with lower non-performing loan ratios seen on loan portfolios to women than men. Financial alliance for women. No date. The Opportunity. Available at: <https://financialallianceforwomen.org/the-opportunity>.

## INTERNAL ALIGNMENT AND ACTIVE PROMOTION OF A VIBRANT ECOSYSTEM FOR GENDER INCLUSIVE FINANCE

Beyond the detailed regulations, Peru's financial regulators are well coordinated and foster alignment with other public and private institutions to implement specific initiatives to boost WFI. An example of this alignment is collaborating within the framework of the PEM and PNIF through the Financial Inclusion Advisory Committee for Women's agenda.

Sex-disaggregated financial services data is essential for the private sector to determine the market and opportunity and for regulators to make informed policy decisions to benefit WFI. In addition to the INEI ENAHO survey and the sex-disaggregated financial indicators collected, SBS collects data from regulated financial institutions and publishes a biannual report on financial inclusion indicators. However, the only sex-disaggregated indicators are total debtors and total creditors, which prevents understanding women's financial behavior. Peruvian financial service providers are not required to report comprehensive sex-disaggregated data. Most financial sex-disaggregated data comes from the demand-side national financial surveys. Every three years, SBS publishes reports with data from national surveys of financial capabilities. The reports feature detailed credit, savings, and insurance data, among other information. The reports give a more thorough picture of how Peruvian women view and use financial services and products while outlining obstacles.

Supply-side data can go beyond demand-side surveys by documenting gender gaps in various financial inclusion-related barometers and promoting investment in women-targeting products and projects within financial service providers. SBS has the potential to leverage its regulatory power by mandating the reporting of sex-disaggregated consumer and MSME data that goes beyond credit and debtor data from every regulated financial institution, including mobile money providers. PEM includes a measure to integrate public and private information systems and collect more gender data

on financial consumers, which is a step in the right direction. To ensure the private sector fully buys into this need for better sex-disaggregated data reporting, any move to mandate reporting would need to be undertaken in collaboration with the private sector and with clear lines for them to see the commercial benefit of better understanding of the commercial opportunities of serving the 49 percent of Peruvian women who are currently unserved.

In its Residential Survey of Telecommunications Services, OSIPTEL collects and reports sex-disaggregated data on mobile and internet penetration, among other ICT-related indicators. This data provides the best information source for determining which populations are behind others in adopting technologies and the gaps associated with accessing and using ICT infrastructure. The data is important for tracking the advancement of ICT infrastructure and female adoption of DFS. For women to fully benefit from DFS, they need access and the financial capability to effectively use the products and services they have access to.

Financial literacy is essential to achieving greater inclusion of un- and under-banked populations. Therefore, it is often a core component of national inclusion strategies. SBS operates various programs to promote financial education and financial literacy in Peru, one of which focuses directly on women. The major financial literacy programs offered by SBS are:

- > Finanzas en el Cole brings financial understandings to school and offers modules for all grades of primary and secondary schooling to empower them financially, help them use their financial resources responsibly, and ensure young people understand financial services and products well. This program trained 23,268 teachers between 2007 and 2022, 55 percent of them women.<sup>100</sup>
- > Finanzas para Ti aims to help young adults and adults learn to establish good financial habits, understand how money works, and understand how financial decisions affect the quality of life.<sup>101</sup> Finanzas para Ti trained 213,938 adults between 2012 and 2022.

<sup>100</sup> SBS. No date. Finanzas en el Cole. Available at: <https://www.sbs.gob.pe/educacion-financiera/Finanzas-en-el-Cole>.

<sup>101</sup> SBS. No date. Finanzas para Ti. Available at: <https://www.sbs.gob.pe/educacion-financiera/Finanzas-para-Ti>.



- > Programa de Educación Financiera Intercultural collaborates with MIDIS to educate female members of the Food Supplementary Program so that they can use tools to help them take care of their money and raise their standard of living.<sup>102</sup>
- > Semana Mundial de Ahorro is promoted by the Organisation for Economic Co-operation and Development and hosted by SBS in Peru.<sup>103</sup> Its goal is to bring awareness to the importance of entrepreneurship and savings.

Promoting financial education as a means for inclusion is an objective of PNIF, with measures included in the multisectoral plan. As mentioned, financial education is a main pillar of the Financial Inclusion Advisory Committee for Women's agenda. Since the Committee's establishment in 2021, the SBS and MIMP developed the Educación Financiera Para Todas program, which seeks to enhance the financial education knowledge of facilitators of interventions aimed at women. Also, the SBS and MIMP are developing a financial education course (MOOC) for women entrepreneurs. They will give financial education training to female entrepreneurs or business owners in prioritized areas of Peru.

Apart from offering direct educational programs to the people, SBS has a handful of mobile and web applications that help people establish savings goals, know their status in the private pension system, compare costs of fees charged by financial entities, obtain debt reports, and keep track of and manage daily, weekly, monthly, and yearly expenses, among many other functions.<sup>104</sup>

Several reports and surveys are conducted to monitor and evaluate progress on financial competencies and knowledge. The leader of CMIF, the MEF, publishes annual reports on the progress of PNIF objectives and uses data collected by MIDIS and BN to track the advancement of measures related to financial education. The data is not reported disaggregated by sex.<sup>105</sup> SBS and CAF, development banks in Latin America, have conducted national financial capabilities surveys in 2013, 2019, and 2022, with gender analysis. SBS and MIMP developed gender financial inclusion indicators that will allow them to generate updated evidence on financial inclusion gaps, including capabilities and knowledge. These gaps will inform actions taken by the Financial Inclusion Advisory Committee for Women.

As previously mentioned, digitizing G2P payments is a smart way for a country to promote greater financial access, as many recipients of social welfare payments are vulnerable and unbanked populations who lack

bank accounts. In Peru, the COVID-19 pandemic brought about a change in how the government pays recipients. With BN, the government created Cuenta DNI, a simple account for individuals to receive their Yanapay COVID-19 relief government subsidies.<sup>106</sup> The creation of these accounts, authorized by then-President Martín Vizcarra, enabled the contactless transfer of funds and subverted the long bank queues people would otherwise experience at bank branches.<sup>107</sup>

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“Cash remains the king when a digital payments ecosystem is absent. The pandemic has led to a shock in the implementation of the latter.”

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Sergio Urday, head of economic and financial system information at ASBANC ([spglobal.com](http://spglobal.com))

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In line with goals for digitization of payments and increasing financial account access in PNIF, BN plans to open 24 million Cuenta DNI accounts, or one for every adult over 18.<sup>108</sup> This strategy will undoubtedly modernize payment systems in Peru more quickly, bring many people, including marginalized women (poor and rural) into the financial system, and encourage greater use and adoption of DFS and digital payments among those women. The government hopes to continue using Cuenta DNI accounts to distribute other welfare payments and government subsidies.<sup>109</sup>

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102 SBS. No date. Programa de Educación Financiera Intercultural. Available at: <https://www.sbs.gob.pe/educacion-financiera/Otros-Programas/Programa-de-Educacion-Financiera-Intercultural>.

103 El Comercio. 2022. Semana Mundial del Ahorro: “Construye tu futuro, sé inteligente con tu dinero”. Available at: <https://elcomercio.pe/economia/personal/semana-mundial-del-ahorro-construye-tu-futuro-se-inteligente-con-tu-dinero-sbs-noticia>.

104 Ganamas. 2015. SBS lanza 7 aplicativos para brindar información de mejor calidad y más accesible. Available at: <https://revistaganamas.com.pe/sbs-lanza-7-aplicativos-para-brindar-informacion-de-mejor-calidad-y-mas-accesible-para-usuarios>.

105 MEF. No date. Política nacional de inclusión financiera. Available at: [https://www.mef.gob.pe/contenidos/acerc\\_mins/doc\\_gestion/Reporte\\_seguinto\\_PNIF\\_2021.pdf](https://www.mef.gob.pe/contenidos/acerc_mins/doc_gestion/Reporte_seguinto_PNIF_2021.pdf).

106 BN. No date. ¿Qué es cuenta DNI? Available at: <https://www.bn.com.pe/cuentadni>.

107 S&P Global. 2020. Peru forces bank accounts onto millions, a potential financial inclusion boon. Available at: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/peru-forces-bank-accounts-onto-millions-a-potential-financial-inclusion-boon-60231754>

108 Gestion. 2022. Banco de la Nación apunta a abrir 24 millones de ‘Cuentas DNI’ con soporte de suiza Temenos. Available at: <https://gestion.pe/economia/empresas/banco-de-la-nacion-apunta-a-abrir-24-millones-de-cuentas-dni-con-soporte-de-suiza-temenos-noticia/?ref=gesr>.

109 S&P Global. 2020. Peru forces bank accounts onto millions, a potential financial inclusion boon. Available at: <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/peru-forces-bank-accounts-onto-millions-a-potential-financial-inclusion-boon-60231754>.



FinTech has been growing in Peru: the number of FinTech companies reached 170 in 2021, compared to 75 in 2018. Over 40 percent of new products in the financial system are related to DFS.<sup>110</sup> Over 40 FinTechs in Peru focus on lending and providing loan opportunities for disadvantaged groups and people with micro and small enterprises. Lending FinTechs, such as Prestamype, tend to focus on entrepreneurs in urban areas, particularly Lima, where the population is more concentrated and commercial opportunities are more plentiful. The next biggest categories of FinTech operations are enterprise finance management, payments and transfers, and currency exchange.<sup>111</sup> Although some FinTechs may incorporate a gender component in offering their services, there is a need for more products and solutions tailored to women and underserved populations, such as rural residents. SBS has the potential to play a great role in promoting FinTech solutions, specifically those geared towards women's financial inclusion, and has already started to do so through regulation to support FinTech innovation. The collection and analysis of sex-disaggregated data in the FinTech industry will be essential to identifying and closing gender gaps.

One of the ways SBS encourages financial technology innovation is through its newly created regulatory sandbox, which launched in February 2022. The FinTech Sandbox aims to promote controlled technological innovation in areas of the financial sector regulated by SBS by giving exceptions or reductions to the regulatory requirements or by working on business models for activities that currently lack a legal framework.<sup>112</sup> The sandbox framework allows for an initial 12-month pilot testing of financial products.<sup>113</sup>

110 Stella Jemeljanova. 2021. Peruvian Fintech Regulation and Ecosystem. Available at: <https://www.linkedin.com/pulse/peruvian-fintech-regulation-ecosystem-stella-jemeljanova> and Mas Finanzas. 2018. El 70% de las fintech en Perú tienen un enfoque de inclusión financiera. Available at: <https://masfinanzas.com.pe/fintech/el-70-de-las-fintech-en-peru-tienen-un-enfoque-de-inclusion-financiera>.

111 Stella Jemeljanova. 2021. Peruvian Fintech Regulation and Ecosystem. Available at: <https://www.linkedin.com/pulse/peruvian-fintech-regulation-ecosystem-stella-jemeljanova>.

112 Dacbeachcroft. 2021. A window of opportunity for insurance?: The regulatory sandbox has been approved in Peru. Available at: <https://www.dacbeachcroft.com/en/articles/2021/september/a-window-of-opportunity-for-insurance-the-regulatory-sandbox-has-been-approved-in-peru>.

113 Garrigues. 2021. The fintech industry is making inroads in Latin America with new legislation. Available at: [https://www.garrigues.com/en\\_GB/new/fintech-industry-making-inroads-latin-america-new-legislation](https://www.garrigues.com/en_GB/new/fintech-industry-making-inroads-latin-america-new-legislation).



SBS hopes to see a positive outcome before switching to a more open sandbox by only accepting innovations from already authorized companies testing their products.<sup>114</sup> This sandbox regulation was originally published to complement the regulatory framework for financing MSMEs, entrepreneurs, and start-ups.<sup>115</sup> The Superintendence of the Securities Market published a regulatory framework in May 2021 that supervises and sets requirements for crowdfunding activities and management companies. This framework can diversify funding opportunities for women MSMEs and provide greater financing opportunities for women entrepreneurs with difficulty accessing funding.<sup>116</sup>

All the financial inclusion-related efforts previously highlighted would be better supported by national alignment around gender inclusion and equality in the financial sector. Peru's PEMIG contains two priority objectives that promote greater representation of women in decision-making positions, and reduce barriers contributing to gender inequality in the public and private sectors. This aligns well with AFI Denarau Action Point 10 on the importance of women's leadership. PEMIG also includes action items for each objective of the PNIG. One of those items is training and technical assistance in business management and productivity using technological innovation for women.<sup>117</sup> Another item is technical assistance for the incorporation of a gender focus in the production of goods and services brought to the population by public entities.<sup>118</sup> The two action items listed above are just a part of the action items listed in PEMIG that could apply to public and private financial sector players. The PEMIG is not specifically focused on the financial sector. PNIF does not include gender diversity measures for the financial sector. This means there is an overall lack of orientation around promoting WFI in Peru's national policies. This could be overcome by creating a separate WFI policy, or an amendment to the existing plans that specify gender objectives, actions, and targets, and/or a gender committee under the CMIF.

**19.9%**

**In a country where one-fifth (19.9 percent) of firms have a female top manager, and there are biases against women, there is a need for institutional alignment in Peru's financial sector on promoting gender diversity in staff and managerial positions.**

The benefits of institutional gender diversity are great, including a better return on investment, lower

institutional risk, and a more intentional focus on serving the women's market with products and services that meet their needs.<sup>119</sup> The superintendent of the SBS is a woman, as are three out of 15 departmental superintendents. SBS's internal diversity can set an example for internal diversity among regulated financial institutions. Still, SBS can do more to promote gender diversity and inclusion in the financial sector, especially in high-level positions.

110 Stella Jemeljanova. 2021. Peruvian Fintech Regulation and Ecosystem. Available at: <https://www.linkedin.com/pulse/peruvian-fintech-regulation-ecosystem-stella-jemeljanova> and Mas Finanzas. 2018. El 70% de las fintech en Perú tienen un enfoque de inclusión financiera. Available at: <https://masfinanzas.com.pe/fintech/el-70-de-las-fintech-en-peru-tienen-un-enfoque-de-inclusion-financiera>.

111 Stella Jemeljanova. 2021. Peruvian Fintech Regulation and Ecosystem. Available at: <https://www.linkedin.com/pulse/peruvian-fintech-regulation-ecosystem-stella-jemeljanova>.

112 Dacbeachcroft. 2021. A window of opportunity for insurance?: The regulatory sandbox has been approved in Peru. Available at: <https://www.dacbeachcroft.com/en/articles/2021/september/a-window-of-opportunity-for-insurance-the-regulatory-sandbox-has-been-approved-in-peru>.

113 Garrigues. 2021. The fintech industry is making inroads in Latin America with new legislation. Available at: [https://www.garrigues.com/en\\_GB/new/fintech-industry-making-inroads-latin-america-new-legislation](https://www.garrigues.com/en_GB/new/fintech-industry-making-inroads-latin-america-new-legislation).

114 Dacbeachcroft. 2021. A window of opportunity for insurance?: The regulatory sandbox has been approved in Peru. Available at: <https://www.dacbeachcroft.com/en/articles/2021/september/a-window-of-opportunity-for-insurance-the-regulatory-sandbox-has-been-approved-in-peru>.

115 Garrigues. 2021. Peru moves forward in fintech regulation: The SBS approved the Regulation of Innovative Models. Available at: [https://www.garrigues.com/en\\_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models](https://www.garrigues.com/en_GB/new/peru-moves-forward-fintech-regulation-sbs-approved-regulation-innovative-models).

116 Garrigues. 2021. The fintech industry is making inroads in Latin America with new legislation. Available at: [https://www.garrigues.com/en\\_GB/new/fintech-industry-making-inroads-latin-america-new-legislation](https://www.garrigues.com/en_GB/new/fintech-industry-making-inroads-latin-america-new-legislation).

117 National Gender Equality Policy - Multisectoral Strategy. Available at: <https://www.gob.pe/institucion/mimp/normas-legales/455336-002-2020-mimp>

118 Ibid.

119 The World Bank. No Date. Databank World Development Indicators. Available at: <https://databank.worldbank.org/source/world-development-indicators>



## WOMEN'S ECONOMIC PARTICIPATION, INCLUSION, ENTREPRENEURSHIP, AND THE BROADER ENVIRONMENT

Women in Peru are disadvantaged in literacy and education, directly affecting their income-generating opportunities and access to and usage of financial services. There is a 5-percentage point gap in literacy rates.

# 92%

Ninety-two percent of adult women are literate, slightly lower than the AFI peer country average.<sup>120</sup>

When it comes to education, there are even wider gender gaps. Primary education in Peru is free and compulsory for children aged 6 to 16. However, only 53 percent of women complete secondary education, compared to 63 percent of men. This is largely due to cultural expectations that women stay home to carry out domestic tasks, or undertake informal work to support their families.<sup>121</sup>

# 47%

Nevertheless, Peru has made progress in increasing women's labor market inclusion. It has nearly achieved gender equality in its labor force, with women representing 47 percent of the total labor force in 2022, up from 37 percent in 1990.<sup>122</sup>

Today, nearly six out of every ten women are employed in Peru, higher than in many Latin American countries, including Chile and Colombia.<sup>123</sup> This bodes well for WFI, as formally employed women will likely receive their salary through a bank account.

However, challenges remain. Like in all countries, men and women are unequal in their share of paid and unpaid work. Women spend more hours doing unpaid care work, including looking after children and elderly relatives, and doing housework. In Peru, women spend 24 more hours per week on unpaid tasks than men. Men

devote 21 more hours to paid work activities per week than women.<sup>124</sup> This means that women cannot spend the time needed to grow and make a high return on their investments when they have businesses. Also, they are more financially constrained and less resilient when a crisis hits. Even when they work for pay, Peruvian women tend to be overrepresented in the informal sector, which creates a barrier that prevents them from moving into more stable, better-paid jobs and directly impacts their access to and experiences with formal financial services. Data suggests that 79 percent of Peruvian women and 75 percent of Peruvian men work in the informal sector.

And while Peru does have laws requiring equal pay for equal work, they only pertain to the formal sector. In practice, Peruvian women consistently earn less than men. The average woman earns only 73 percent of the income earned by men.<sup>125</sup>

The MSME sector is an important part of the economy in Peru: 71.9 percent of the urban employed population works in small businesses with up to 10 workers.<sup>126</sup> MSMEs account for 98 percent of all businesses in Peru. Roughly 40 percent of these are owned by women.<sup>127</sup> Despite women's large share of ownership in the MSME sector, many plans and strategies related to the growth and financing of MSMEs do not include a strict gender angle.

120 The World Bank. No Date. Databank World Development Indicators. Available at: <https://databank.worldbank.org/source/world-development-indicators>.

121 UNESCO Institute for Statistics. No Date. Bulk Data Download Service. Available at: <https://apiportal.uis.unesco.org/bdds>.

122 World Bank. No date. Labor force, female (% of total labor force) - Peru. Available at: <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=PE>.

123 OECD. No date. Gender Equality in Peru: Towards a Better Sharing of Paid and Unpaid Work. Available at: <https://www.oecd-ilibrary.org/sites/e53901b5-en/index.html?itemId=/content/publication/e53901b5-en>.

124 Ibid.

125 World Bank. 2022. Women, Business and the Law. Available at: <https://wbl.worldbank.org/content/dam/documents/wbl/2022/snapshots/Peru.pdf> and Statista. 2022. Gender gap index in the area of economic participation and opportunity in Peru in 2022, by category. Available at: <https://www.statista.com/statistics/803833/peru-gender-gap-labor-market-category/#:~:text=In%202022%2C%20Peru%20scored%200.7,of%20economic%20participation%20and%20opportunity>.

126 INEI. No date. El 50% de la población de 18 y más años de edad tiene alguna cuenta en el sistema financiero. Available at: <https://m.inei.gob.pe/prensa/noticias/el-50-de-la-poblacion-de-18-y-mas-anos-de-edad-tiene-alguna-cuenta-en-el-sistema-financiero-12938>.

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## SOCIAL AND GENDER NORMS

Like many Latin American countries, machismo is still engrained in the Peruvian culture, especially in lower-income and rural areas. In these areas, it is typically found that women are submissive to men, and gender-based violence is high. According to the United Nations, one in three women in Peru will suffer physical and/or sexual violence from an intimate partner in their lifetimes.<sup>128</sup>

Violence against women is the most widespread form of violence in Peru. It occurs across regions, income, education, and age groups. Beyond physical and psychological wounds or even death, the costs of gender-based violence are also economic: it prevents women and girls from fully participating in society and the economy. Peru's Family Violence Law was enacted in 1993. It was amended in 1997 to address intimate partner violence, including detailing that police investigations of domestic violence take place within

five days and obliging authorities to extend protection to women and children who are victims of domestic violence. However, as in many countries, thousands of cases go unreported.

The Peruvian government launched the PEMIG in 2020 to address gender equality at all levels of society and business. Combatting gender-based violence is a crucial component of this initiative.<sup>129</sup> As mentioned, gender diversity, equity, and inclusion within firms are essential, as is the intentional design and provision of gender-intelligent services and products. Many institutions within Peru's financial sector focus on internal and external gender strategies. This will need to become the norm for the sector to combat gender inequalities and increase women's access to and usage of financial services and their general financial health and well-being.

128 World Bank. 2021. Combating Gender-Based Violence in Peru: Increasing Awareness and Resources to Prevent Violence Against Women. Available at: <https://www.worldbank.org/en/results/2021/04/13/combating-gender-based-violence-in-peru-increasing-awareness-and-resources-to-prevent-violence-against-women>.

129 MIMP. No date. Plan Estratégico Multisectorial de Igualdad de Género de la Política Nacional Igualdad Género. Available at: [https://cdn.www.gob.pe/uploads/document/file/565412/Plan\\_Estrategico\\_Multisectorial\\_de\\_Igualdad\\_de\\_Genero\\_de\\_la\\_Politica\\_Nacional\\_Igualdad\\_Genero.pdf](https://cdn.www.gob.pe/uploads/document/file/565412/Plan_Estrategico_Multisectorial_de_Igualdad_de_Genero_de_la_Politica_Nacional_Igualdad_Genero.pdf).



## FUTURE OUTLOOK

**Peru has made great strides in improving the financial access of both men and women throughout the last decade.**

While the country does not experience a wide gender gap in financial access, about half of the adult population remains unbanked, and many more are without credit. The government's focus on Cuenta DNI and the transfer of G2P payments through simple accounts has been instrumental in increasing access. It will continue to be an important part of the agenda as BN opens accounts for all adults with a national ID in the coming phases of the program. Beyond access, the program will need to encourage usage to ensure that the G2P payments are not immediately withdrawn but that the accounts are continued for savings. The future phases of linking Cuenta DNI with mobile money accounts will encourage ease of access and usage.

DFS represents a promising avenue for Peru to achieve greater inclusion of women, given women's high rates of mobile phone ownership and internet usage, but this could be constrained by women having less opportunity to gain the digital financial literacy skills needed to get the most out of DFS products and services. Financial regulators are creating an enabling environment for financial technology and innovation to prosper, including the 2022 regulation and the regulatory sandbox. Hopefully, within this environment, FinTech solutions aimed at unbanked and underbanked women will emerge. The regulators can use their influence to promote this focus in the coming year. Beyond mobile money, which is often used just transactionally, digital savings accounts with low account balances, no fees, and simple educational tips and messages can make it easier for lower-income women to accumulate wealth.

Finally, sex-disaggregated supply-side data will be important for the public and private sectors to determine how women access and use financial services. Currently, WFI is mostly determined by demand-side national surveys. PEM includes a measure to integrate public and private information systems and collect more gender data on financial consumers, which will be a step in the right direction. In the future, the quarterly collection of robust consumer and MSME data from every regulated financial institution (including mobile money providers) can enable the SBS to understand women's financial access and usage and design gender inclusive policy.

The Peruvian financial sector has created great momentum toward increasing women's access to and usage of financial services. Utilizing digital channels and products for harder-to-reach areas and populations, alongside digital and financial education, may help catalyze WFI efforts. With a strong national financial inclusion strategy and defined measures, Peru's financial regulators can guide with clear policies. The private sector can respond with strategies that solve the unique needs of un- and under-banked women.

## ABBREVIATIONS

<b>BCRP</b>	Central Reserve Bank of Peru
<b>BN</b>	Banco de la Nación
<b>CMAC</b>	Municipal Savings and Credit Banks
<b>CMIF</b>	Multisectoral Commission on Financial Inclusion
<b>COOPAC</b>	Credit Cooperatives
<b>CRAC</b>	Rural Savings and Credit Banks
<b>DFS</b>	Digital Financial Services
<b>DNI</b>	National Identification Document
<b>DNIe</b>	National Digital Identification Document
<b>ENAHO</b>	National Household Survey
<b>G2P</b>	Government-to-person
<b>INEI</b>	National Institute of Statistics and Informatics
<b>MEF</b>	Ministry of Economy and Finance
<b>MIDIS</b>	Ministry for Development and Social Inclusion
<b>MIMP</b>	Ministry of Women and Vulnerable Populations
<b>NFIS</b>	National Financial Inclusion Strategy
<b>OSIPTEL</b>	Supervisory Agency for Private Investment in Telecommunications
<b>P2G</b>	Person-to-government
<b>PEM</b>	Multisectoral Strategic Plan
<b>PEMIG</b>	Multisectoral Strategic Plan for Gender Equality
<b>PNIF</b>	National Financial Inclusion Policy
<b>PNIG</b>	Peru's National Policy for Gender Equality
<b>RENIEC</b>	National Registry of Identification and Civil Status
<b>SBS</b>	Superintendence of Banking, Insurance and Private Pension Fund Administrators
<b>SME</b>	Small and Medium Enterprises
<b>WFI</b>	Women's Financial Inclusion
<b>P2G</b>	Person-to-government
<b>PNIF</b>	National Financial Inclusion Policy ("Política Nacional de Inclusión Financiera")
<b>SDGs</b>	Sustainable Development Goals
<b>SIGET</b>	National Telecommunication Regulator ("Superintendence of Electricity and Telecommunications")
<b>SMEs</b>	Small And Medium Enterprises

<b>SSF</b>	Superintendence of the Financial System
<b>WFI</b>	Women's Financial Inclusion
<b>WSMEs</b>	Women-owned or -led Small and Medium Enterprises



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