



**LAUNCH OF GHQR AND NATIONAL INTERBANK
FUNDS TRANSFER (PROXY PAY)**

**REMARKS BY
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**MARCH 25, 2020
BANK OF GHANA AUDITORIUM**



**The Vice President of the Republic of Ghana, Dr. Alhaji Mahamadu Bawumia,
The Chief Executive Officer, Mr. Archie Hesse,
Heads of banks and non-bank financial institutions,
Invited Guests,
Ladies and Gentlemen**

- 1.** Good morning and welcome to the launch of Ghana's first universal QR code payment solution. This event is yet another landmark for electronic payment systems architecture, in furtherance of Ghana's financial digitisation agenda; and this launch could not have come at a better time than today as we encourage the use of alternative forms of payment in the light of the Covid-19 pandemic.
- 2.** Our goal to ensure an effective payment system has seen several major initiatives along the way. The formation of GhIPSS in 2007 ensured a more efficient approach to interbank payments and settlement, the branchless banking guidelines in 2008 introduced the concept of branchless banking in Ghana which eventually led to partnerships between banks and Telcos to deliver mobile money with MTN launching the first service in 2009. The regularization of mobile money operations through the electronic money issuer guidelines in 2015 which eventually put Ghana on the map as one of the fastest growing mobile money markets and brought basic financial service to millions of Ghanaians.
- 3.** We successfully implemented the Mobile Money interoperability which is giving the ability to conveniently send money to bank accounts and other



mobile money wallets. The payment systems and services act 2019, was introduced to, among other things, recognise & supervise Fintechs who are a key catalyst for innovation in the industry.

- 4.** We still have more to do to ensure that more individuals are paying for goods and services on a daily basis using digital means. Therefore, launching of a Unified QR code today, which is expected to bring a simplified user experience for customers to make payments to any merchant and for small merchants particularly to receive payment from any one.
- 5.** Your Excellency, there is no doubt that Ghana is making giant strides in modernising its payment systems architecture. In the last three years, we have increased electronic payment access points such as point of sales (POS) terminals and usage of electronic money. In addition, the mobile money agent network has expanded almost fourfold in 2019 compared to 2015. Similarly, new business models are emerging, with increased Fintechs participation in payments or payment related services. Transactions via the electronic wallet ecosystem has remained vibrant and contributed significantly to the rapid growth in mobile transactions. For instance, the number of mobile money transactions increased seven-fold from about 266 million in 2015 to over 2 billion in 2019.
- 6.** Despite the rapid growth, indications are that cash still remains dominant. The deployment of POS terminals has not been universally adopted to drive electronic payments due to high set up and operational costs. Against this background, the focus of the Bank of Ghana has been to expand



merchant payment options with a view to providing market solutions that are “infrastructure light” but transformational and speed up electronic payment acceptance.

- 7.** One of such cost-effective market solutions is the Universal QR code and Proxy Pay, which are interoperable and can leverage on the high mobile phone penetration in Ghana. More especially, it is more cost-effective alternative to traditional POS terminals. The QR code is easy to use and versatile and will provide a solution to the fragmented e-payment landscape as it is compatible to the available e-payment products such as ATM machines, credit and debit cards, online banking and mobile banking. In addition, it minimizes termination of e-payments in cash. The introduction of the QR Code is an integral part of the Payment Systems Strategic Plan (2019–2024) captured under the Financial Technologies Strategy Pillar. Therefore, today’s event demonstrates Bank of Ghana’s commitment to the realization of this essential pillar of the Payment Systems Strategy.
- 8.** Broadly, the universal QR code and the Proxy Pay solutions have the potential to become game changers by supporting merchants to accept payments from customers of different financial institutions and non-bank entities. These solutions would also speed up digitization of payments to distributors, wholesalers, suppliers, as well as encourage users and merchants to accept and use electronic payments. This will provide a further boost to the financial inclusiveness through digitisation agenda.



- 9.** The key component of inclusivity and adoption of electronic payment options is public confidence. This requires a well-coordinated approach by all stakeholders in the payment eco-system to create the needed awareness of such innovative electronic payment products through intensified public education campaigns. Among others, such campaigns should focus on the convenience of going 'cashlite' and the ease with which such electronic payments can support daily transactions such as transport fares, purchases from the traditional markets, restaurants, hospitals, schools, and so on.
- 10.** In building confidence in the electronic payment products, financial and non-financial institutions should also continue to tighten and enhance security features, in particular cyber security. This would require strengthening the effectiveness and robustness of the preventive and fraud detection systems using the latest technology such as machine learning and artificial intelligence. Beyond that, offering liability protection programs and the availability of dedicated platforms to resolve consumer complaints timeously would also provide assurance and boost consumer confidence in the electronic payment products.
- 11.** In the spirit of collaboration to drive such innovation, let me take this opportunity to encourage banks to continue working with existing Payment Service Providers, while these PSPs go through the new licensing process. Banks can also integrate new PSPs in order to develop products and proceed to Bank of Ghana for approval before launching commercially.



12. To conclude, let me state that the high penetration of electronic wallets and mobile phones has positioned Ghana to leverage on the universal QR code and Proxy Pay to advance our quest for a cash-lite economy as we improve financial inclusion.

13. In this regard, I would like to congratulate GHIPSS and other stakeholders who have worked diligently towards today's launch of the National QR Code Payment Service and the Proxy Pay.

Thank you all for your attention.

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