



NOTICE TO BANKS, E-MONEY ISSUERS, PAYMENT SERVICE PROVIDERS AND THE GENERAL PUBLIC

NOTICE NO. BG/GOV/SEC/2020/14

LICENSING OF PAYMENT AND FINANCIAL TECHNOLOGY SERVICE PROVIDERS

Introduction

Further to Bank of Ghana Notice number BG/GOV/SEC/2020/07 on Licensing Application Pack for Payment Service Providers, the Bank of Ghana announces the establishment of a licensing category for Critical Service Providers in the financial service industry called the Payment and Financial Technology Service Providers (PFTSP).

This is to ensure that disaggregated and outsourced activities within the banking and payments industry are appropriately brought under the regulatory scope of Bank of Ghana for end-to-end regulation and supervision.

Payment and Financial Technology Service Providers

Payment and Financial Technology Service Providers play critical roles in the various segments of financial service delivery value chain through partnerships that often requires connecting to platforms of licensed PSPs, banks and SDIs. Significantly, PFTSPs have become extensions of the operations of regulated entities.

Services provided by PFTP include:

Digital product development, delivery and support services for

- Payment
 - Savings
 - Insurance
 - Investment; and
 - Loyalty schemes
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- Credit scoring predictive analytics
 - AML/CFT centralised platform
 - Fraud management services
 - Know Your Customer(KYC) and Customer Due Diligence (CDD) authentication services

Rationale for Licensing

Payment and Financial Technology Service Providers are becoming a new form of significant financial market infrastructure service providers on account of the following:

- Carrying out activities reserved for regulated entities including payment service providers, banks and SDIs
- Becoming systemically significant for providing services to a number of entities in the financial industry
- Possessing and controlling important financial sector data
- Providing critical services to the financial service industry
- Impacting significantly on decision making and direction of the market

Licensing Requirements

Existing entities providing services that fall within the category of PFTSP and prospective PFTSPs are to submit an application for a licence in line with the following requirements:

- Company profile
- Governance
- IT infrastructure architecture
- IT and security policy
- Mandatory ISO27001 certification
- Risk management framework
- Evidence of vulnerability assessment by independent assessor
- Business continuity and disaster recovery plan
- Data protection and consumer privacy policy
- Consumer protection and recourse mechanism
- Dispute resolution framework

The application shall be submitted to the following address:

**The Head
FinTech and Innovation Office
Bank of Ghana
Accra**

Email Address: fintech@bog.gov.gh

**(SGD.)
SANDRA THOMPSON (MS)
THE SECRETARY**

26TH NOVEMBER 2020