



# Guidelines for Domestic Processing of Payment Card Transactions with Payment Cards Issued in Ghana

**BANK OF GHANA**  
**AUGUST, 2021**

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## **1.0 Background**

Bank of Ghana is committed to promoting an efficient payment ecosystem through the promotion of electronic modes of payments as alternatives to cash payments. Payment cards are a tangible, convenient, flexible and secure alternative to cash.

Notwithstanding the availability of various payment card options in Ghana, adoption and use are significantly low due to factors such as cost, security and technological challenges. Offshore processing of payment card transactions has been identified as one of the key drivers in the high cost of processing payment card transactions. It is envisaged that the domestic processing of payment card transactions which would be charged in Ghana cedis would reduce the cost of processing payment card transactions.

These Guidelines are issued to companies providing payment card processing services to localise the processing of payment card transactions in Ghana with payment cards issued in Ghana.

## **2.0 Legal Basis**

These Guidelines are issued pursuant to the authority of the Bank of Ghana under Section 4(e) of the Bank of Ghana Act, 2002 (Act 612) as amended and Section 101(2) (i) of the Payment Systems and Services Act, 2019 (Act 987) to regulate the processing of payment card transactions in Ghana.

### **3.0 Objectives**

The objectives of these Guidelines are to:

- i. require the localisation of the processing of payment card transactions in Ghana with payment cards issued in Ghana;
- ii. provide a framework for the licensing and regulation of payment cards processing; and
- iii. provide an enabling environment for payment card processing and usage in Ghana.

### **4.0 Scope and Applicability**

These Guidelines cover the domestic processing of payment card transactions with payment cards issued in Ghana and licensing of card processing entities. It applies to the following entities:

- i. International Card Schemes;
- ii. Enhanced Payment Service Providers;
- iii. Payment Service Provider Schemes (Domestic Card Schemes);
- iv. Designated Payment Systems

### **5.0 Specific Requirements**

#### **5.1 International Card Schemes**

For the purpose of domestic processing of payment card transactions, International Card Schemes shall either:

- a) Incorporate a Ghanaian entity and obtain an Enhanced Payment Service Provider (EPSP) license; or
- b) Partner with
  - i. an EPSP; or
  - ii. a Payment Service Provider (PSP) Scheme; or
  - iii. any other entity designated by the Bank of Ghana as a Payment System

#### **5.1.1 Incorporation of a Ghanaian entity**

An International Card Scheme which chooses to incorporate a Ghanaian entity shall meet the following requirements:

- a. Set up an incorporated entity under the company laws of Ghana;
- b. Apply for an EPSP license in line with the Bank of Ghana notice number **BG/GOV/SEC/2020/07**;
- c. Meet the Ghanaian equity participation requirements of Section 8(4) of the Payment Systems and Services Act, 2019 (Act 987).

#### **5.1.2 Partnership with an EPSP or a PSP Scheme or Designated Payment System**

An International Card Scheme which chooses to partner with an EPSP, a PSP Scheme or a Designated Payment System, for the domestic processing of payment card transactions in Ghana, shall ensure that the EPSP, PSP Scheme or Designated Payment System satisfies the requirements under paragraph 5.2 and obtains prior approval from the Bank of Ghana.

## **5.2 EPSP, PSP Scheme or a Designated Payment System**

An EPSP or a PSP Scheme or a Designated Payment System which intends to process domestic payment cards transactions in partnership with an International Card Scheme shall submit to the Bank of Ghana the following documents:

- a) A partnership, agreement between the International Card Scheme and the EPSP, PSP Scheme or Designated Payment System;
- b) A Service Level Agreement between the International Card Scheme and the EPSP, PSP Scheme or Designated Payment System;
- c) Pricing;
- d) Information Systems Policy
- e) Information and Cyber Security Policy;
- f) Information Technology Architecture Diagram;
- g) Process Flow Diagram;
- h) Enterprise Risk Management Framework;
- i) Business Continuity and Disaster Recovery plan;
- j) Fraud Monitoring Policy and System; and
- k) Any other information that the Bank of Ghana may require.

## **6.0 Technical requirements**

An EPSP, a PSP Scheme or a Designated Payment System which intends to process domestic payment card transactions under these Guidelines shall at a

minimum, meet the following requirements:

- a) PCI DSS Certification (Level 1); and
- b) Implement fraud monitoring tools, systems and reporting applications.

## **7.0 Compliance Requirements**

An EPSP, a PSP Scheme or a Designated Payment System which intends to process domestic payment cards transactions shall comply with the following requirements:

### **7.1 Pricing**

Fees, charges and commissions for processing domestic payment card transactions shall be quoted in Ghana Cedis and paid for in Ghana Cedis only.

### **7.2 Clearing and Settlement**

The Clearing and Settlement obligation arising from the domestic processing of payment card transactions shall be done in Ghana Cedis only.

### **7.3 Information and Periodic Returns**

- a) The Bank of Ghana shall, for the purposes of supervision, require an EPSP, a PSP Scheme or a Designated Payment System to submit any information or data relating to its operations that the Bank of Ghana may require.
- b) The Bank of Ghana may prescribe the:
  - i. details of the information required;
  - ii. form in which the information is to be reported;

- iii. medium through which the information is to be reported; and
- iv. period within which the report is to be submitted to the Bank of Ghana.

#### **7.4 Training, Documentation and Controls**

- a) Provide training for its staff on reporting requirements, fraud detection, money laundering and terrorism financing issues;
- b) Develop procedures for monitoring and detecting suspicious transaction on card-based payments;
- c) Establish internal controls for each area of the card-processing function; and
- d) Develop a workflow manual and ensure that all staff are trained and are familiar with the processes.

#### **7.5 Data Privacy and Protection**

Implement systems to provide adequate protection of data and data integrity in line with the Data Protection Act, 2012 (Act 843) and relevant international best practices.

#### **7.6 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

Implement an AML/CFT compliance program consistent with the Anti-money Laundering Act, 2020 (Act 1044) and any other guidelines on AML/CFT issued by



the Bank of Ghana, and relevant international best practices.

### **7.7 Records Management**

Collect and maintain accurate information on each transaction processed for a period of not less than six (6) years. Data and information stored must comply with the Data Protection Act, 2012 (Act 843) and relevant international best practices.

### **8.0 Prerogative of the Bank**

Bank of Ghana reserves the right to request additional information or amend the Guidelines as it considers necessary in furtherance of its statutory responsibility under Act 612 as amended and Act 987.

## **Annex-1**

### **Definition of Terms**

**“Card processing”** means the process of transmitting payment card information between merchants, issuing banks and card schemes for authentication and authorization.

**“Card Scheme”** means a payment network linked to payment cards such as debit or credit cards, of which a financial institution or any other entity can become a member.

**“Clearing”** means the transfer of financial information between merchant's and cardholder's banks for the purposes of settlement.

**“Designated payment system”** means identification of a payment system which the Bank of Ghana intends to supervise.

**“Domestic Processing”** means card processing in Ghana.

**“Enhanced Payment Service Provider (EPSP)”** means a payment service provider permitted to provide payment services including the processing of payment card transactions per Licensing Application Pack for Payment Service Providers (NOTICE NO. BG/GOV/SEC/2020/07).

**“Merchant”** means a commercial establishment which accepts payment cards for the payment of goods and services.

**“Merchant Payment”** means card payments to Merchants for goods and services.

**“Offshore Processing”** means card processing outside of Ghana.

**“Payment Card Industry Data Security Standards”** means a set of requirements to enhance cardholder data security and facilitate the broad adoption of consistent data security measures.

**“Payment Service Provider (PSP) Scheme”** means a payment service provider permitted to provide payment services including the switching & routing of payment transactions and instructions per Licensing Application Pack for Payment Service Providers (NOTICE NO. BG/GOV/SEC/2020/07).

**“Payment Services Provider”** means a body corporate licensed and authorised under the Payment Systems and Services Act, 2019 (Act 987) to provide payment service.

**“Settlement”** means the process by which a merchant's and cardholder's banks exchange financial data and value.

**“Switching”** means receiving payment instructions and routing to designated destination.