



GUIDELINES FOR INWARD REMITTANCE SERVICES BY PAYMENT SERVICE PROVIDERS

**Bank of Ghana
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1.0 Background

Remittance is a significant source of external financing and a major contributor to national income. Many Ghanaian families depend on remittances from relations living abroad to cater for various expenses including education, health, rent, housekeeping, and utilities. Ghanaians in the diaspora also send money home to fund the construction of residential and/or commercial buildings. Remittances therefore contribute to the economic well-being of Ghanaians.

Over the years, Money Transfer Operators (MTOs) and banking agents have facilitated funds transfer from abroad to beneficiaries in Ghana, which are accessed largely through banking halls. Mobile money and other digital channels which have been made available by payment service providers are now providing extensive, affordable, convenient, and flexible alternative means for accessing remittances by beneficiaries.

In furtherance of its commitment to creating an enabling environment for remittance without risking the stability of the financial system, the Bank of Ghana publishes this Guideline for Dedicated Electronic Money Issuers (DEMs) and Enhanced Payment Service Providers (EPSPs) that intend to partner with MTOs to terminate inward remittances.

2.0 Preamble

Pursuant to Section 4(1)(e) of the Bank of Ghana Act, 2002 (Act 612) as amended, Section 2(3) of the Foreign Exchange Act, 2006 (Act 723) and Section 10(2)(i) of the Payment Systems and Services Act, 2019 (Act 987), the Bank of Ghana hereby issues these Guidelines for the regulation of inward money transfer services provided by DEMs and EPSPs in partnership with MTOs.

3.0 Scope and Applicability

These Guidelines cover inward international remittance services provided by DEMIs and EPSPs in partnership with MTOs that are terminated into beneficiaries' bank accounts, mobile money wallets and any other electronic account or wallet approved by the Bank of Ghana, and applies to the following entities:

- a) Dedicated Electronic Money Issuers
- b) Enhanced Payment Service Providers

4.0 Objectives

These Guidelines seek to:

- a) provide a framework to guide DEMIs and EPSPs in partnering with MTOs to deliver inward remittance services to Beneficiaries;
- b) stipulate the minimum standards and requirements for providing inward remittance services;
- c) provide competitive market conditions for the inward remittance industry through the use of innovative digital payment channels;
- d) ensure adherence to Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Law and Guidelines; and
- e) promote compliance with consumer protection and recourse mechanisms.

5.0 Application for Inward Remittance Services

A DEMI or an EPSP regulated under the Payment Systems and Services Act, 2019 (Act 987) may make an application for the provision of inward remittance services:

The application to partner with an MTO to provide inward remittance services shall be made to the Head of the FinTech and Innovation Office of the Bank of Ghana and shall be accompanied by the following information:

- (a) a copy of the board resolution to provide inward remittance services in partnership with MTOs;
- (b) name, registered address and principal location of the MTO with whom the money transfer service will be conducted;
- (c) details of the operation of the partner MTO including but not limited to
 - i. The most recent three (3) year audited financial accounts
 - ii. Shareholding structure
 - iii. Company structure
 - iv. Directors' profile (identification, address, etc.)
 - v. Confirmation of MTO's bank address
- (d) notarized copy of regulatory approval of the partner MTO;
- (e) fully executed Service Level Agreement with the MTO;
- (f) fully executed settlement Bank Agreement consistent with the requirements in Foreign Exchange Act, 2006 (Act 723);
- (g) service design, including end-to-end transaction flows involving all parties;
- (h) AML/CFT policies of both the MTO and applicant including details of how the same will be monitored to ensure compliance and latest external AML/CFT audit assessment;
- (i) service risk management framework; and
- (j) evidence of implemented transaction monitoring and fraud reporting tools.
- (k) ICT architecture highlighting security and control for the remittance business and any relevant policy.

The Bank of Ghana may, within ninety (90) days following receipt of a complete application or where further information has been required, after receipt of the information, grant or refuse the application.

6.0 Eligible Money Transfer Operators

A DEMI or EPSP which seeks to partner an MTO for the provision of inward remittance services shall ensure that the partner MTO(s):

- a) is a registered entity and licensed by a competent authority in its country of registration to carry out international money transfer services;
- b) directors or shareholders;
 - i. have not been the subject of, or received notice or any proceedings or investigations of a disciplinary, civil or criminal nature, or has no adverse findings against it including but not limited to illegal conduct, inappropriate business practices, financial loss due to dishonesty, incompetence, malpractice, or involved in business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not); or
 - ii. Have not been a director of, or directly concerned in the management of any licensed institutions, the license of which has been revoked;
- c) country of registration and issuance of license shall be one which implements and enforces AML/CFT frameworks in line with Financial Action Task Force (FATF) recommendations and must not have come under adverse findings from mutual evaluation report or cited for AML/CFT infringements; and
- d) is well established in international money transfer business with a track record of operations in regulated markets including but not limited to the following:
 - i. Years of operation
 - ii. Volume and value of transactions
 - iii. Number of countries of operation
 - iv. Number of customers served
 - v. External AML/CFT assessment

- e) Has adequate data protection policies in place and in compliance with international best practices

7.0 Settlement account

7.1 A DEMI or EPSP shall have designated accounts for remittance settlement domiciled with universal bank(s) only.

(a) These accounts shall be:

- i. Remittance inflow settlement account
- ii. Local settlement account

(b) The accounts in (a) above shall be operationally distinct from all other accounts held by the DEMI or EPSP

(c) Any residual balance in the remittance inflow settlement account shall be moved into an operational account of the DEMI or EPSP after reconciliation of the settlement accounts. (Shall be converted into cedi at the same rate)

7.2 (a) All disbursements shall be from the Local Settlement Account

(b) The Local Settlement Account shall only be funded from the Remittance Inflow account except where the DEMI or EPSP has entered into a funding arrangement with the settlement bank for the purpose of disbursement to beneficiaries. The repayment of the facility shall be from the Local Settlement Account upon liquidating funds from the Remittance Inflow Settlement Account.

(c) In the event of insolvency or liquidation of an MTO prior to the repayment of the facility, the DEMI or EPSP may repay the facility from alternative sources into the Local Settlement Account.

7.3 The settlement bank shall:

a) use the average interbank exchange rate published by the Ghana Association of Bankers on the day the transfer is received or as prescribed by Bank of Ghana for the conversion of settlement funds into local currency;

b) at the instruction of the DEMI or EPSP, credit the local settlement account with the Ghana Cedi equivalent of inward remittances payable to beneficiaries within twenty-four (24) hours;

c) subject to 7.1 (c) above, ensure that funds in the settlement accounts are used solely for payment to beneficiaries;

d) not honour any request other than for payment to beneficiaries and report any violation or suspected violation to the Bank of Ghana;

e) ensure that all AML/CFT requirements are satisfied for all settlement accounts regarding inflows and outflows.

8.0 Compliance requirements

DEMI and EPSPs providing inward remittance services in partnership with MTOs shall comply with the following:

8.1 Reporting

Submit an electronic monthly data return by the **10th working day of the ensuing month** to the Bank of Ghana in the form set out in Annex 2 (Inward Remittance

Reporting Template – Wallet and Bank Account Termination) and Annex 3 (Statement on Reconciliation of Settlement Account).

8.2 Training, Documentation and Controls

8.2.1 Provide specific training on reporting requirements, fraud detection, money laundering and terrorism financing in line with section 41(1)(a) of Anti-money Laundering Act, 2008 (Act 749) as amended by [the Anti-Money Laundering \(Amendment\) Act, 2014 \(Act 874\)](#) and sections 1.25 and 1.26 Part A of the Anti-Money Laundering/Combating the Financing of Terrorism & the Proliferation of Weapons of Mass Destruction (AML/CFT&P) Guideline, 2018.

8.2.2 Establish and implement effective internal controls for the purposes of inward remittance business

8.2.3 Develop an enhanced compliance program to ensure that dedicated staff are adequately trained and familiar with these procedures.

8.3 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

8.3.1 The EPSP and DEMI shall develop and implement an AML/CFT compliance program that is proportionate to the risk, size, and nature of the remittance business and in line with Anti-money Laundering Act 2008 (Act 749) as amended by [the Anti-Money Laundering \(Amendment\) Act, 2014 \(Act 874\)](#).

8.3.2 The AML/CFT Compliance program shall include but not limited to the following AML/CFT requirements:

a. Know Your Customer (KYC)/ Customer Due Diligence (CDD)/Enhanced Due Diligence (EDD) on customers of all beneficiary accounts as stipulated in Part 3.0 of this Guideline. (Sections 23 and 40(2a)(i) of Act 749

as amended by Act 874, Regulation 13 of L.I 1987, Part 1.3-1.11 of the AML/CFT Guideline,2018)

b. Conduct Risk Assessment on volume and value of the inward remittances, customers and the country of origin (Section 40(2) (viii) of Act 749 as amended, Regulation 1 of L.I 1987, Part 1.0/1.28/1.29 of the AML/CFT Guideline, 2018)

c. enhanced procedures for monitoring, detecting and reporting of suspicious transactions to Financial Intelligence Center (FIC) in compliance with Section 30 of the Act 749 as amended, Section 1.17 of Part A of the AML/CFT Guideline, 2018.

d. dedicated staff are adequately trained and resourced to perform the requirements as set out in (a)-(c) above.

8.4 Security and Controls

8.4.1 The DEMI and EPSP shall adhere to security standards, and controls in line with section 20 of Act 987 and the Cyber and Information Security Directive October 2018.

8.5 Consumer Protection

8.5.1 The DEMI and EPSP shall have a complaint management manual or policy which includes procedures and measures on how to collect, resolve, monitor, analyse and report complaints that would arise from the activities of inward remittances as required in Parts IV, V, VI, VII & VIII of the Consumer Recourse Mechanism for Financial Service Providers (February 2017) and section 47 of the Act 987

8.5.2 The DEMI and EPSP shall implement consumer protection and recourse mechanisms to address challenges of beneficiaries of remittances in line with

Bank of Ghana's Consumer Recourse Mechanism Guidelines for Financial Service Providers, February 2017 and Act 987.

8.5.3 The DEMI and EPSP shall be the first level of compliant redress. (Part IV (18.1) of the Consumer Recourse Mechanism Guideline (2017)

8.5.4 In addition to the requirements stipulated in sections 20(5) and 55 of the Act 987, the DEMI and EPSP shall:

- i. Provide identifying information about the transfer including sender and MTO
- ii. provide information on customer support channel(s).

8.5 Records Management

The DEMI and EPSP shall collect and maintain accurate information, on each transaction processed, for a period not less than six (6) years from the date of creation of the record. Information collected shall include:

- i. Name of sender and beneficiary per transaction;
- ii. Address of beneficiary (Postal, physical or digital address);
- iii. Contact number of sender and beneficiary;
- iv. Country of origin;
- v. Gender (Male/Female) of beneficiary;
- vi. Purpose of transfer;
- vii. Date of transfer;
- viii. Amount transferred (USD/GBP/EUR and any other foreign currency);
- ix. Amount paid out to beneficiaries in Ghana cedi(GHS);
- x. transaction reference; and
- xi. Any other information required by the Bank of Ghana.

8.6 Data Protection

The DEMI and EPSP shall collect, process and retain remittance data in line with relevant provisions under the [Data Protection Act 2012, \(Act 843\)](#).

9.0 Sanctions and Penalties

Any action which contravenes any section of this Guideline shall attract the corresponding sanctions and penalties under the relevant laws.

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Annex-1

Definition of Terms

“Beneficiary” means an individual in Ghana to whom a remittance payment order is being sent from a foreign jurisdiction.

“Dedicated Electronic Money Issuer” means a body corporate that has been licensed under section 24 of the Payment Systems and Services Act 2019 (Act 987) to issue electronic money.

“Enhanced Payment Service Provider” means a payment service provider permitted to provide payment services including the termination of inward international remittances per Licensing Application Pack for Payment Service Providers (NOTICE NO. BG/GOV/SEC/2020/07).

“Inflow” means inward international remittances terminated into the settlement accounts.

“Inward Remittance” means the transfer of funds or money by a party in a foreign jurisdiction to a person or an entity in Ghana.

“Local Settlement Account” means an account credited with the Ghana cedi equivalent of inward remittances payable to beneficiaries at the average interbank exchange rate as published by the Ghana Association of Bankers or prescribed by the Bank of Ghana.

“Money Transfer Operator” means a financial service provider that facilitates funds transfer across national boundaries.

“Outflow” means the movement of inward international remittances from the Inflow settlement accounts to the Local Settlement Account or Operational Account of the DEMI or EPSP.

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

“Remittance Inflow Settlement Account” means a Foreign Exchange Account into which inward remittances from MTOs are primarily credited.

“Settlement Bank” means a universal bank which holds designated accounts on behalf of a DEMI or EPSP for the purpose of remittance settlements.

“Complete Application” means the submission of all required documents needed to process an application for authorisation or licensing.

“Payment Service” means the provision of service to facilitate transfer of funds from a payer to a payee using various forms of payments instruments or electronic money.

“Foreign Exchange Account” means an account that can be credited with foreign exchange earnings (not converted into cedi balances) and the balance on this account cannot be freely transferred without the necessary supporting documentation to back the underlying transaction.

Annex-2

Inward Remittance Reporting Template – Wallet and Bank Account Termination

Wallet and Bank Account Termination						
Name of EPSP /DEMI						
Name of Money Transfer Operator						
Total Inward Remittances (Wallet + Bank A/c) - USD/EUR/GBP and other foreign currencies	Number of Recipients	Volume of Transaction	VALUE			
			USD	EUR	GBP	OTHER (SPECIFY)
Total Number of recipients-intended (Male and Female)	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Country of origin/Sending country	Number of Recipients	Volume of Transaction	USD	EUR	GBP	OTHER (SPECIFY)
1	0	0	0	0	0	0
2	0	0	0	0	0	0
Total Inward Remittances paid out (Wallet + Bank A/c)	Number	Volume of Transaction	Value (GHS)			
Total Number of recipients (Male and Female)	0	0	0			
Male	0	0	0			
Female	0	0	0			
Wallets Termination	Number	Volume of Transaction	Value (GHS)			
Total Number of recipients (Male and Female)	0	0	0			
Male	0	0	0			
Female	0	0	0			
Bank Account Termination	Number	Volume of Transaction	Value (GHS)			
Total Number of recipients (Male and Female)	0	0	0			
Male						
Female						
Purpose of Transfer (top 10)						
1. Family Upkeep						
2. Transportation/Ticket/Traveling						
3. Accommodation/Construction						
4. Investment/Savings						
5. Revenue/Profit/Dividends						
6. Education						
7. Bill Payment						
8. Purchase of good and services						
9. Medical/Health						
10. Insurance						

Annex-3

Reconciliation

MONTHLY RECONCILIATION OF SETTLEMENT ACCOUNTS	
ITEMS	AMOUNT
Opening balance in Remittance Inflow Settlement Account (USD/GBP/EUR)	
Add: Remittance Inflow Settlement Account (USD/GBP/EUR)- receipt	
Closing balance in Remittance Inflow Settlement Account (USD/GBP/EUR)	
Average Interbank Exchange Rate for settlement	
Balance in Local Settlement Account (GHS)	
Remittance payable to beneficiaries	
Residual balances from reconciliation (if any)	

Please attach monthly statements on settlement accounts.