



BANK OF GHANA

**REGULATORY SANDBOX
ENGAGEMENT WITH STAKEHOLDERS**

OPENING REMARKS

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MOVENPICK AMBASSADOR HOTEL, ACCRA



**Executives of the Associations and Chambers present,
Members of Industry,
Distinguished guests,
Ladies and Gentlemen.**

1. It is a pleasure to address you at this Regulatory Sandbox stakeholder engagement forum. I am particularly pleased about the heightened interest among industry stakeholders in this major strategic initiative of the Bank of Ghana as evidenced by the massive presence of various financial service providers, FinTech startups and other financial sector regulators.
2. On a special note, I would like to thank the CGAP and ICAG for your participation today. The boundaries of financial service are becoming increasingly blurred and therefore behooves regulators and other technical and professional institutions to collaborate to promote a safe and efficient financial service industry.
3. The emergence of new technology has fueled the digitalisation drive in the Ghanaian financial service industry with tremendous impact on efficiency and convenience. Significant strides have been achieved in the mobilisation of granular transactions, deployment of user-centric designs, delivery of affordable services and improved accessibility with phenomenal beneficial impact on financial inclusion. Ghana's recent remarkable performance in financial inclusion from 58% in 2017 to 68% in 2021 as reported in the 2021 Global Findex has been largely facilitated by digital financial service. Although this achievement is worth celebrating, a lot remains to be achieved. We are however assured, based on the



inclusion trajectory, that digitalisation has been a competent tool and we will continue to leverage it.

4. To meet the changing needs of customers as well as address the challenges of the industry calls for pragmatic and innovative solutions that confront the status quo. This, we consider a shared responsibility of the regulator and the innovators to create a conducive environment for experimentation. This approach, though useful, has its own risks; and if not properly directed, could be disastrous to society. A laissez-faire attitude to innovation and financial service delivery is therefore an unsuitable approach to accommodate.
5. For this reason, Bank of Ghana has created a properly guided enabling environment, through the introduction of its Regulatory Sandbox. The Regulatory Sandbox has been designed for innovators to test innovative financial products, services and business models in a controlled but live environment; and rightfully so, under the supervision of the Bank.
6. The stakeholders' engagement forum therefore presents a further opportunity to have an ongoing collaboration with industry to explore our different perspectives and to work towards a common goal, which is the welfare of society. Now, don't get me wrong. My reference to societal welfare is not diametrically opposed to the cherished profit incentive of private enterprises. I am aware, and indeed expect you, to make profit to justify your existence and investment. Nevertheless, meeting the needs of society is an essential condition to profit making. You all stay in business when you solve societal problems



7. I must state that innovation and retooling of regulatory framework are not new to the Bank of Ghana. In fact, the Bank has been at the forefront of innovation in the financial service industry for decades. In the not too distant past, precisely in 2003, the Payment Systems Act 2003(Act 662) had in its preamble the promotion of electronic payments and set the stage for the establishment of GhIPSS and the many investments in the interbank payments infrastructure that have laid a strong foundation for digital financial service in Ghana. Since then, many more innovations and corresponding enabling regulatory regime have been provided, of which Act 987 is the most recent. Clearly, these and many commitments, including the regulatory sandbox are evidence of the Bank's response to the prevailing industry dynamics and encourage stakeholders to take advantage of the opportunities Bank of Ghana has presented to inject some dynamism into their offerings through innovation.
8. Let me underscore the importance of responsible innovation in this endeavor. Globally, sustainability has taken centre stage in all spheres of human activity. The need to assess the possible negative impact of our innovations on the present and future societies has become more critical than ever. The plethora of phrases such as green finance, responsible investment, sustainable finance; environment, social and governance; and climate finance in current discourse indicate the seriousness that modern society attaches to sustainable innovations. Adoption of responsible innovation presents a unique national advantage with the potential to attract investments into our FinTech ecosystem for the creation of employment and wealth.



9. Let me address the FinTechs regarding issues of privacy and confidentiality. Bank of Ghana as a regulator of financial service maintains the highest level of confidentiality and secrecy. For this reason, your participation in the Bank's Regulatory Sandbox will not expose your ideas to third parties. We would like to assure you that every staff is committed to an oath of secrecy and under no circumstance will third party information be disclosed. A breach of the secrecy requirement attracts serious sanctions including dismissal.

10. With regards to developments in virtual assets, the Bank continues to monitor developments on regular basis, and the many cautionary notices issued indicate the presence of significant inherent risks. While we do stand by these cautions, we are open to dialogue geared towards the potential exploration of regulatory outcomes, keenly focused on consumer interest and protection. The Sandbox could potentially present us with these opportunities.

11. I encourage you to take advantage of this unique opportunity to enhance service offerings to better serve the many people in Ghana whose financial service needs are yet to be satisfied.

I wish you a fruitful deliberation.

Thanks for your kind attention.