

**BANK OF GHANA**  
**AND**  
**FINANCIAL INTELLIGENCE CENTRE**

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**ANTI-MONEY LAUNDERING /COMBATING THE  
FINANCING OF TERRORISM & THE  
PROLIFERATION OF WEAPONS OF MASS  
DESTRUCTION (AML/CFT&P)**

**ADMINISTRATIVE SANCTIONS / PENALTIES**

**FOR**

**ACCOUNTABLE INSTITUTIONS IN GHANA**

**AUGUST 2022**

## **INTRODUCTION**

The Bank of Ghana and the Financial Intelligence Centre, are mandated to ensure that accountable institutions regulated by Bank of Ghana comply with Anti-Money Laundering, Combating the Financing of Terrorism and Proliferations of Weapons of Mass Destruction (AML/CFT&P) requirements. Accountable institutions are required to conduct their business with high ethical standards and avoid undertaking business relationships that may facilitate ML/TF&PF.

The Anti-Money Laundering Act, 2020 (Act 1044), Anti-Terrorism Act, 2008 (Act 762), Anti-Terrorism (Amendment Act), 2012 (Act 842), Anti-Terrorism (Amendment Act), 2014 (Act 875), Anti-Money Laundering Regulations, 2011 (L.I.1987) which intensified Ghana's efforts towards the fight against money laundering, terrorism and proliferation financing (ML/TF&PF) made provision for both judicial and administrative sanctions applicable to non-compliant institutions. This document seeks to revise the previous document on sanctions and gives clarity to the administrative sanction regime of the Bank of Ghana in view of the passage of Anti-Money Laundering Act, 2020 (Act 1044).

## **OBJECTIVE**

The main objective of this document is to provide guidance for sanctions/penalties that shall be imposed on an accountable institution (AI) regulated by the Bank of Ghana or individuals of an accountable institution for contraventions of the Anti-Money Laundering Act 2020, (Act 1044), Anti-Money Laundering Regulations, 2011 (L.I. 1987) and other relevant AML/CFT&P Regulations, Directives, Guideline or Notices issued by the Bank of Ghana (BOG) or/and the Financial Intelligence Centre (FIC).

The sanctions/penalties outlined in this document are administrative in nature and shall be imposed by the BOG/FIC on accountable institutions or its employees in the event of a breach detected by Bank of Ghana or the Financial Intelligence Centre or other relevant law enforcement agencies.

This document has been formulated in accordance with the provisions of the Anti- Money Laundering Act, 2020 (Act 1044), Anti-Terrorism Act, 2008 (Act 762) as amended, Anti-Money Laundering/Combating the Financing of Terrorism & Proliferation of Weapons of Mass Destruction Guideline 2022 for Accountable Institutions (AML/CFT&P Guideline, 2022) and Banks and Specialized Deposit -Taking Institutions Act, 2016 (Act 930) as well as the FATF Revised Recommendations.

## **LEGAL PROVISIONS**

This document is issued pursuant to:

- i. Section 92(8) Act 930; and
- ii. Sections 52 and 53 of Act 1044.

## **APPLICABILITY**

This document shall apply to contraventions by Accountable Institutions or their employees of AML/CFT&P Laws, Regulations, Directives, Guidelines, or Notices issued by the Bank of Ghana or FIC.

AIs shall read this document together with other Laws, Regulations, Directives, Guidelines, or Notices issued by the Bank of Ghana and FIC relating to compliance with AML/CFT &P requirements.

## **EFFECTIVE DATE**

This document comes into effect on **September 1, 2022**

## **ACRONYMS AND ABBREVIATIONS**

|                      |  |
|----------------------|--|
| <b>AIs</b>           | <b>ACCOUNTABLE INSTITUTIONS (BANK OF GHANA LICENSED INSTITUTIONS)</b>  |
| <b>AML</b>           | <b>ANTI-MONEY LAUNDERING</b>   |
| <b>AML/CFT&amp;P</b> | <b>ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM AND PROLIFERATIONS OF WEAPONS OF MASS DESTRUCTION</b> |
| <b>AMLRO</b>         | <b>ANTI-MONEY LAUNDERING REPORTING OFFICER</b>   |
| <b>BOG</b>           | <b>BANK OF GHANA</b>   |
| <b>CDD</b>           | <b>CUSTOMER DUE DILIGENCE</b>  |
| <b>CFT</b>           | <b>COMBATTING FINANCING OF TERRORISM</b>   |
| <b>DEMI</b>          | <b>DEDICATED ELECTRONIC MONEY ISSUER</b>   |
| <b>EDD</b>           | <b>ENHANCED DUE DILIGENCE</b>  |
| <b>FATF</b>          | <b>FINANCIAL ACTION TASK FORCE</b>   |

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| <b>FIC</b>          | <b>FINANCIAL INTELLIGENCE CENTRE</b>                                     |
| <b>FinTech</b>      | <b>FINANCIAL TECHNOLOGY</b>  |
| <b>KYC</b>          | <b>KNOW YOUR CUSTOMER</b>  |
| <b>ML</b>           | <b>MONEY LAUNDERING</b>  |
| <b>ML/TF&amp;PF</b> | <b>MONEY LAUNDERING, TERRORISM FINANCING AND PROLIFERATION FINANCING</b> |
| <b>MVTs</b>         | <b>MONEY VALUE TRANSFER SERVICES</b>                                     |
| <b>P</b>            | <b>PROLIFERATION OF WEAPONS OF MASS DESTRUCTION</b>                      |
| <b>PF</b>           | <b>PROLIFERATION FINANCING</b>   |
| <b>PFTSPs</b>       | <b>PAYMENT AND FINANCIAL TECHNOLOGY SERVICE PROVIDERS</b>                |
| <b>PSPs</b>         | <b>PAYMENT SERVICE PROVIDERS</b>   |
| <b>TF</b>           | <b>TERRORISM FINANCING</b>   |
| <b>VAs</b>          | <b>VIRTUAL ASSETS</b>  |
| <b>VASPs</b>        | <b>VIRTUAL ASSETS SERVICE PROVIDERS</b>                                  |

## **ADMINISTRATIVE SANCTIONS IMPOSED BY BANK OF GHANA AND FINANCIAL INTELLIGENCE CENTRE**

The Bank of Ghana, for the purposes of the supervision and enforcement of AML/CFT&P shall impose one or more of the following sanctions in accordance with section 53 of Act 1044:

1. A written warning to an individual of an accountable or an accountable institution;
2. In the case of an individual, an administrative penalty of not less than five hundred (500) units and not more than twenty thousand (20,000) penalty units;
3. In the case of an entity, an administrative penalty of not less than one thousand (1000) penalty units and not more than one hundred thousand (100,000) penalty units;
4. A letter disqualifying a person from managing an accountable institution;
5. BOG may publish the name of any accountable institution or an individual of an accountable institution that persistently breach any of the AML/CFT&P requirements;
6. A suspension of the license of an accountable institution; and
7. A revocation of the license of an accountable institution.

## PENALTIES/SANCTIONS

| S/NO | LAWS/REGULATION/GUIDELINE  | OFFENCE   | ADMINISTRATIVE PENALTY   |
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| 1.   | Section 50 (1) (b) of Act 1044;<br><br>Regulation 5 of LI 1987; and<br><br>Paragraph 2.3.4.1 of BOG/FIC AML/CFT&P Guideline, 2022  | Failure by accountable institution to appoint an Anti-Money Laundering Reporting Officer (AMLRO) at managerial level who will have unfettered access to the books, records and employees of AIs.<br><br>Failure to inform Bank of Ghana when the office of the AMLRO becomes vacant.  | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units  |
| 2.   | Section 49 (2) (f) of Act 1044   | Failure to provide adequate resource for AML/CFT&P function   | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units  |
| 3.   | Section 49 (1) of Act 1044; and<br><br>Regulation 1 of L.I. 1987<br><br>Paragraph 2.3.4.4 (i) of BOG/FIC AML/CFT&P Guideline, 2022 | Failure to formulate and implement an adequate and comprehensive AML/CFT&P Policy, procedures or programmes consistent with Act 1044 and the BOG/FIC Guideline (2022)<br><br>Failure of Board of Directors to deliberate and approve Key AML/CFT&P compliance policies, procedures or programmes or any other AML/CFT&P issues. | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units<br><br><b>Board / AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units. |
| 4.   | Section 49 (2) (a) (viii) and (e) of Act 1044; and<br><br>Paragraphs 2.1.1 and 2.1.2 of BOG/FIC AML/CFT&P Guideline, 2022          | a. Failure to develop and submit a Board approved Risk Assessment Framework<br><br>b. Failure to conduct and report risk assessment.<br><br>c. Failure to revise the AML/CFT&P Risk   | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units<br><br><b>AMLRO:</b> not less than 500 penalty units and not more than 20,000                        |

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|    |   | <p>Assessment Framework upon the request of the supervisory Authority and to reflect changes in internal and external factors that affect the risk assessment of an institution.</p> <p>d. Failure to develop and implement risk assessment framework to identify, assess and mitigate the risks associated with a new and business practices that includes; new delivery mechanisms and use of new or developing technology.</p> | penalty units.  |
| 5. | <p><b>Section 49 (5) of Act 1044; and</b></p> <p><b>Paragraph 2.7.7 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | Failure to ensure foreign branches and subsidiaries of accountable institutions comply with AML/CFT&P policies and procedures.  | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units   |
| 6. | <p><b>Section 49 (2) (d) of Act 1044; and</b></p> <p><b>Paragraph 2.7.4 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | Failure to formulate policies and procedures to prevent the misuse of technological development related to electronic means of storing and transferring funds or value  | <p><b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units</p> <p><b>AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units.</p> |
| 7. | <p><b>Paragraphs 3.9.4 BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | Failure by AIs to identify and assess ML/TF&PF risks associated with Virtual Asset (VA) activities or operations of Virtual Assets Service Providers (VASPs).   | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units.  |
| 8. | <p><b>Section 49 (2) (d) (e) of Act 1044;</b></p> <p><b>BoG Guidelines for Inward Remittance Services &amp; Payment Service Providers (PSPs), 2021</b></p> <p><b>BoG Guidelines for Domestic Processing of Payment Card</b></p> | Failure of Financial Technology (FinTechs) companies such as Payment Service Providers (PSPs), Dedicated Electronic Money Issuer (DEMI), Payment and Financial Technology Service Providers (PFTSPs) to ensure compliance with AML/CFT&P Laws, Regulations, Directives, Guidelines or Notices   | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units.  |

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|     | <p><b>Transactions with Payment Cards Issued in Ghana and</b></p> <p><b>Notice to Banks, E-Money Issuers, Payment Service</b></p> <p><b>Providers and The General Public Notice No. BG/GOV/SEC/2020/14</b></p> |  |   |
| 9.  | <p><b>Section 49(2)(f) of Act 1044; and</b></p> <p><b>Paragraphs 2.3.6 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | <p>Failure to undertake independent audit of the AML/CFT&amp;P function</p>  | <p><b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units</p> <p><b>Auditor:</b> not less than 500 penalty units and not more than 20,000 penalty units.</p> |
| 10. | <p><b>Section 49(2)(b) of Act 1044; and</b></p> <p><b>Paragraphs 2.3.5.3 (i) and 2.12 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>   | <p>Failure to undertake adequate screening when hiring an employee and during employment of that employee</p>  | <p><b>Human Resource Officer:</b> not less than 500 penalty units and not more than 20,000 penalty units.</p>   |
| 11. | <p><b>Sections 49 (2) (c) and 50 (1) (a) of Act 1044; and</b></p> <p><b>Paragraph 2.12.2 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | <p>Failure to formulate and submit Employee Education and Training programme for the ensuing year</p> <p>Failure to conduct ongoing training for directors, officials, employees</p> | <p><b>AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units.</p>  |
| 12. | <p><b>Paragraph 2.12.1.3 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p>  | <p>Failure to undertake employee annual appraisals on AML/CFT&amp;P programme.</p>   | <p><b>Human Resource Officer:</b> not less than 500 penalty units and not more than 20,000 penalty units</p>  |



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| 13. | <b>Paragraph 2.12.2.9 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b>                     | Failure to attend training or workshop organized by BOG/FIC  | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units |
| 14. | <b>Sections 30 and 49 (2) (a) (i) of Act 1044;<br/>Regulation 11 of L.I. 1987; and</b> | Failure to conduct effective Know Your Customer (KYC) / Customer Due Diligence (CDD) / Enhanced Due Diligence (EDD) on customers and business relationships.   | <b>Directors/Employees:</b> not less than 500 penalty units and not more than 20,000 penalty units.       |
| 15. | <b>Section 49 (2) (a) (ii) of Act 1044;<br/>Regulation 8 of L.I. 1987; and</b>         | <ul style="list-style-type: none"> <li>a. Failure to develop policies, procedures or programs for PEPs.</li> <li>b. Failure to maintain and submit list of PEPs to BOG.</li> <li>c. Failure to submit transactions undertaken by PEPs to FIC.</li> <li>d. Failure to perform EDD and seek Management approval before establishing a business relationship with a PEP.</li> <li>e. Failure to take reasonable measures to establish the source of funds and source of wealth of a PEP.</li> </ul> | <b>Directors/Employees:</b> not less than 500 penalty units and not more than 20,000 penalty units.       |
| 16. | <b>Section 30 (8) of Act 1044; and<br/>Notice No. BG/GOV/SEC/2019/15</b>               | <ul style="list-style-type: none"> <li>a. Failure by accountable institution to ensure that internal systems or processes satisfies the identification, verification and CDD requirements for third parties pursuant to the Notice BG/GOV/SEC/2019/15</li> <li>b. Failure by accountable institutions to</li> </ul>  | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units |

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|     |   | conduct on-going third-party identification and verification pursuant to the Notice BG/GOV/SEC/2019/15  |  |
| 17. | <b>Sections 30 of Act 1044;</b>                                     | <p>Failure to conduct CDD/EDD on</p> <ol style="list-style-type: none"> <li>1. Cross-Border Correspondent Banking Relationship</li> <li>2. Shell Banks/Companies</li> <li>3. Intermediaries and Third-Party Service Provider</li> <li>4. Forex Bureau</li> <li>5. NPOs/NGOs/Charities/Religious Bodies</li> <li>6. MVTs</li> <li>7. High Risk Countries/Entities/Individuals</li> </ol> | <b>Directors/Employees:</b> not less than 500 penalty units and not more than 20,000 penalty units.        |
| 18. | <b>Paragraphs 2.7.8 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b>    | <p>Money Value Transfer Services (MVTs)</p> <ol style="list-style-type: none"> <li>a. Failure to maintain a current list of agents and send quarterly returns to Bank of Ghana.</li> <li>b. Failure to assess the AML/CFT&amp;P controls of their agents and correspondents to ascertain its effectiveness</li> </ol>   | <b>AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units.                      |
| 19. | <b>Paragraphs 2.7.10.B of BOG/FIC AML/CFT&amp;P Guideline, 2022</b> | Failure of an ordering AI to obtain and maintain information relating to the originator of the transaction.   | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units  |
| 20. | <b>Section 48 (1) (a) of Act 1044</b>                               | Opening of an anonymous account or account in a fictitious name, or enter into a business with a customer not sighted.  | <b>Accountable Institutions</b> - not less than 1000 penalty units and not more than 100,000 penalty units |
| 21. | <b>Section 49(2)(v) of Act 1044; and</b>                            | a) Failure to implement internal policy, procedure or control for transaction   | <b>Accountable Institution</b> - not less than 1000 penalty units and                                      |

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|     |   | <p>monitoring.</p> <p>b) Failure to acquire a system or software for transaction monitoring</p>   | not more than 100,000 penalty units   |
| 22. | <p><b>Section 38 of Act 1044;</b></p> <p><b>Regulations 32-36 of L.I. 1987;</b></p>                                     | <p>Failure to file Suspicious Transaction Reports (STRs)</p> <p>or</p> <p>Failure to file Suspicious Activities Report (SARs) to FIC</p>  | <b>AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units.                     |
| 23. | <p><b>Section 38(6) &amp; (7) of Act 1044</b></p>   | <p>AIs shall not disclose any information contained in STRs/SARs unless the disclosure is necessary in the interest of justice and is to be made to a judge.</p> <p>AIs shall not disclose information that is likely to identify the person who prepared or made or handled an STR/SAR.</p>      | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units |
| 24. | <p><b>Sections 40 and 42 of Act 1044; and</b></p> <p><b>Paragraphs 2.9 of BOG/FIC AML/CFT&amp;P Guideline, 2022</b></p> | <p>Failure to file Electronic Transfer of Currency Report (ETCR)</p> <p>Or</p> <p>Failure to file Cash Transactions Reports (CTRs) to FIC</p>   | <b>AMLRO:</b> not less than 500 penalty units and not more than 20,000 penalty units.                     |
| 25. | <p><b>Section 45 of Act 1044</b></p>  | <p>Proceeding with a transaction which an accountable institution knows or reasonably suspects to be related to ML/TF &amp;PF activity until the FIC direct otherwise</p> <p>or</p> <p>Failure to comply with orders given by a competent authority (such as. FIC, EOCO, Court, Police, etc.)</p> | <b>Directors/Employees:</b> not less than 500 penalty units and not more than 20,000 penalty units.       |

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|     |   | or<br>Failure to comply with AML/CFT&P requirements which can or likely to frustrate an investigation  |  |
| 26. | <b>Sections 49(2) (c) (ii) and (iii) of Act 1044;</b>         | Failure to identify employee actions or lifestyle and transactions that may lead to ML/TF&PF activities e.g. fraud, cash suppression, among others.                      | <b>AMLRO and Human Resource Officer:</b> not less than 500 penalty units and not more than 20,000 penalty units.   |
| 27. | <b>Section 48 (5) of Act 1044</b>                             | An employee of an AI who intentionally or by gross negligence fails to comply with Act 1044 or any other Regulation, Directive, Guideline or Notice issued by BOG.       | <b>Directors/Employees - Not more than 10,000 penalty units to a person (that is either entities or individuals)</b>   |
| 28. | <b>Section 93(3) of Act 930</b>                               | Failure for:<br>a. non-submission,<br>b. incomplete submission,<br>c. delayed submission,<br>d. inaccurate submission<br><br>of information, data, statements or returns | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units<br><br><b>Directors/Employees:</b> not less than 500 penalty units<br><br><b>For each day that the default continues a further penalty of 50 penalty units in respect of the defaults.</b> |
| 29. | <b>Section 36 of Act 1044; and Regulation 41 of L.I. 1987</b> | Failure to give access or provide information to BOG or FIC or any Competent Authority.  | Accountable Institution - not less than 1000 penalty units and not more than 100,000 penalty units   |

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| 30. | <b>Section 32 of Act 1044;</b> | Failure to keep books and records for five years and after the five-year period | <b>Accountable Institution</b> - not less than 1000 penalty units and not more than 100,000 penalty units<br><br><b>Director/Employees:</b> not less than 500 penalty units and not more than 20,000 penalty units. |
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