



UPDATED GUIDELINES FOR INWARD REMITTANCE SERVICES BY PAYMENT SERVICE PROVIDERS

**Bank of Ghana
November 2023**

Table of Contents

1.0	Background.....	3
2.0	Preamble.....	3
3.0	Scope and Applicability	4
4.0	Objectives.....	4
5.0	Application for Inward Remittance Services.....	4
6.0	Eligible Money Transfer Operators.....	6
7.0	Settlement Account	7
8.0	Compliance requirements	9
8.1	Reporting	9
8.2	Training, Documentation and Controls.....	9
8.3	Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) ..	9
8.4	Security and Controls	10
8.5	Consumer Protection.....	10
8.6	Records Management	11
8.7	Data Protection.....	12
9.0	Sanctions and Penalties.....	12
	Annex 1 Definition of Terms.....	13
	Annex 2 Reporting Template – Wallet and Bank Account Termination	15

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 101(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 transfers 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) and this guideline;
- (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;
- (j) evidence of implemented transaction monitoring and fraud reporting tools; and
- (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

6.1 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;

- i. where the MTO operates a remittance hub or aggregator model, a DEMI or EPSP shall terminate traffic only from the country where the MTO is licensed and the same has been submitted and approved by the Bank of Ghana;
- ii. A DEMI or EPSP can however submit an application to the Bank of Ghana to partner an MTO which operates a remittance hub or aggregator model for approval by submitting all the regulatory requirements as stated in section 5 for each of the entities that participates in the hub or aggregation;

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.

6.2 For the avoidance of doubt, A DEMI or EPSP is not permitted to terminate inward remittances from MTOs that route traffic from any other country other than its country of origin where it is licensed to operate money transfer services.

7.0 Settlement account

7.1(a) A DEMI or EPSP shall have a local designated account for remittance settlement domiciled with a universal bank(s) only;

(b) A DEMI or EPSP shall have up to a maximum of three (3) settlement banks for purposes of inward remittances termination;

(c) A DEMI or EPSP shall ensure that their partner MTO(s) credit the nostro account of their settlement banks directly for all inward remittances. A DEMI or EPSP should indicate to the Bank of Ghana, their partner bank who will receive such remittance flow for onward credit into the local settlement account. All funds terminated shall be reconciled and matched within 72 hours;

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

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 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.

(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 Opening Bloomberg USDGHS Regional (REGN) bid or the corresponding Currency Pair Rate on the day the transfer is received or as prescribed by Bank of Ghana for the same day conversion of remittance inflow into local currency;

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

c) ensure that funds in the local settlement account is 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; and

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

8.0 Compliance requirements

DEMs 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) or as shall be determined by Bank of Ghana.

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 50 of Anti-money Laundering Act, 2020 (Act 1044) and sections 2.12.1 and 2.12.2 of the Anti-Money Laundering/Combating the Financing of Terrorism & the Proliferation of Weapons of Mass Destruction (AML/CFT&P) Guideline, 2022.

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 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 2020, (Act 1044).

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. (Sections 30 and 32 of Act 1044 , Regulation 13 of L.I 1987, Part 2.4 of the AML/CFT Guideline, 2022)
- b. Conduct Risk Assessment on volume and value of the inward remittances, customers and the country of origin (Section 49(2) (viii) of Act 1044, Regulation 1 of L.I 1987, Part 2.0/2.1/2.2 of the AML/CFT Guideline, 2022)
- c. enhanced procedures for monitoring, detecting and reporting of suspicious transactions to Financial Intelligence Center (FIC) in compliance with Section 38 of the Act 1044, Section 2.8 of the AML/CFT Guideline, 2022.
- d. dedicated staff are adequately trained and resourced to perform the requirements as set out in (a)-(c) above.

8.4 Security and Controls

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 A DEMI and EPSP shall be the first level of complaint 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).

8.6 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.

8.7 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.

PUBLIC

Annex-1

Definition of Terms

“Beneficiary” means a person or entity 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 inward international remittance services per **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 Opening Bloomberg USDGHS Regional (REGN) bid or the corresponding Currency Pair Rate on the day the transfer is received or as prescribed by Bank of Ghana for the same day conversion of settlement funds into local currency.

“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 Local Ghana Cedis 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.

Annex 2 Reporting Template – Wallet and Bank Account Termination

Inward Remittance Reporting Template for Wallet and Bank Account Terminations shall be communicated to authorized Payment Service Providers (PSPs) upon approval to submit regulatory returns.

PUBLIC