



NOTICE NO. BG/GOV/SEC/2025/04

**AML/CFT&P GUIDELINES
FOR FOREIGN EXCHANGE
BUREAUX 2024**

**BANK OF GHANA
AND
FINANCIAL INTELLIGENCE
CENTRE**

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

SEPTEMBER 2024

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LIST OF ABBREVIATIONS

| | | |
|----------------------|---|--|
| AI | - | Accountable Institution (Foreign Exchange Bureaux) |
| AML | - | Anti-Money Laundering |
| AML/CFT&P | - | Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction |
| AMLRO | - | Anti-Money Laundering Reporting Officer |
| BOG | - | Bank of Ghana |
| CDD | - | Customer Due Diligence |
| CFT | - | Combating the Financing of Terrorism |
| CTR | - | Cash Transaction Report |
| ECOWAS | - | Economic Community of West African States |
| FATF | - | Financial Action Task Force |
| FIC | - | Financial Intelligence Centre |
| KYC | - | Know Your Customer |
| KYE | - | Know Your Employee |
| ML | - | Money Laundering |
| ML/TF&PF | - | Money Laundering, Terrorism Financing and Proliferation Financing |
| NGO | - | Non-Governmental Organisation |
| NIA | - | National Identification Authority |
| OFAC | - | Office of Foreign Assets Control |
| PF | - | Proliferation Financing |
| SAR | - | Suspicious Activity Report |
| STR | - | Suspicious Transaction Report |
| TF | - | Terrorism Financing |
| UN | - | United Nations |
| UNSCRs | - | United Nations Security Council Resolutions |

INTRODUCTION

ML/TF&PF are global phenomena that have gained recognition in recent times, and indeed well-documented evidence indicate that ML/TF&PF pose major threats to international peace and security which could seriously undermine Ghana's development and financial stability.

Consequently, Ghana has made concerted efforts to address ML/TF&PF risks. The enactment of the Anti-Money Laundering Act, 2008 (Act 749); Anti-Money Laundering (Amendment) Act, 2014 (Act 874); 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) and the subsequent passage of the Anti-Money Laundering Act, 2020 (Act 1044) has intensified Ghana's efforts towards the fight against Money Laundering, Terrorism Financing and Proliferation Financing (ML/TF&PF).

However, Foreign Exchange Bureaux, in particular, have come under sustained regulatory scrutiny to improve their monitoring and surveillance systems with a view to detecting, preventing, and mitigating ML/TF&PF risks.

This Guidelines covers among others the following key areas of any AML/CFT&P programme:

- i. Anti-Money Laundering Reporting Officer designation and responsibilities;
- ii. Co-operation with the Supervisory Authority;
- iii. Customer Due Diligence;
- iv. Risk assessment;
- v. Monitoring and reporting of suspicious transactions;
- vi. Regulatory reporting requirements;
- vii. Recordkeeping; and
- viii. AML/CFT&P employee training programmes.

Foreign Exchange Bureaux are exposed to varying ML/TF&PF risks through unlawful activities with serious financial and reputational damages if they fail to manage these risks adequately. Diligent implementation of the provisions of this Guidelines will not only minimise the risks faced by Foreign Exchange Bureaux of being used to launder the proceeds of crime but also provide

protection against economic and organised crime, reputational and financial risks.

In this regard, Foreign Exchange Bureaux are required to adopt a risk-based approach in the identification and management of ML/TF&PF risks. Foreign Exchange Bureaux shall ensure that AML/CFT&P policies governing their operations do not only prescribe money laundering and predicate offences but also prescribe sanctions for non-compliance with the relevant AML/CFT&P requirements. It is, therefore, in the best interest of the Foreign Exchange Bureaux to entrench a culture of compliance which would be facilitated by these Guidelines.

APPLICABILITY

This Guidelines shall apply to Bank of Ghana licenced Foreign Exchange Bureaux.

OBJECTIVES

These Guidelines is issued pursuant to section 52 (e) (i) of Act 1044 and intended to assist Foreign Exchange Bureaux to:

1. understand and comply with AML/CFT&P laws and regulatory requirements;
2. develop and implement effective risk-based AML/CFT&P compliance programmes that enable adequate identification, monitoring and reporting of suspicious activities/transactions;
3. understand the expectations of Bank of Ghana with respect to the minimum standards for AML/CFT&P regime;
4. provide guidance on Customer Due Diligence (CDD) measures; and
5. understand the implications of non-compliance with the AML/CFT&P requirements in accordance with the Act 1044 and BoG/FIC Administrative Penalties Guidelines, 2022.

SCOPE OF UNLAWFUL ACTIVITIES

Foreign Exchange Bureaux shall identify and report to the BOG and the FIC, the proceeds of crime derived from unlawful activities including:

- i. participation in an organised criminal group and racketeering;

- ii. terrorism, including terrorist financing;
- iii. trafficking in human beings and migrant smuggling;
- iv. sexual exploitation, including sexual exploitation of children;
- v. illicit trafficking in narcotic drugs and psychotropic substances;
- vi. illicit arms trafficking;
- vii. illicit trafficking in stolen and other goods;
- viii. corruption and bribery;
- ix. fraud (use of forged document, forgery, falsification, defrauding by false pretences, fictitious transactions, etc.);
- x. counterfeiting currency;
- xi. illegal cross-border transfer of foreign currency;
- xii. counterfeiting and piracy of products;
- xiii. environmental crime;
- xiv. murder, grievous bodily injury;
- xv. kidnapping, illegal restraint and hostage-taking;
- xvi. robbery;
- xvii. stealing (theft);
- xviii. smuggling;
- xix. tax Evasion;
- xx. extortion;
- xxi. piracy;
- xxii. insider trading and market manipulation; and
- xxiii. any other predicate offence under Act 1044, Act 762 as amended and Act 29 as amended.

PART A**1.0 OBLIGATIONS AND CO-OPERATION AMONG COMPETENT AUTHORITIES****1.1 AML/CFT&P OBLIGATIONS OF BANK OF GHANA**

1. In compliance with sections 52 (1) and (5) of Act 1044, Bank of Ghana is hereby designated as a Supervisory Body responsible for supervision and enforcement of AML/CFT&P requirements for Foreign Exchange Bureaux.

2. Bank of Ghana shall carry out the following functions:
 - i. adopt a risk-based approach in supervising and monitoring Foreign Exchange Bureaux;
 - ii. monitor and periodically assess the level of ML/TF&PF risk of the Foreign Exchange Bureaux;
 - iii. carry out an examination of Foreign Exchange Bureaux based on the Bank of Ghana's risk-assessment framework;
 - iv. request production of, access to, the records, documents, or any other information relevant to the supervision and monitoring of Foreign Exchange Bureaux;
 - v. develop Guidelines, Directives or Notices to ensure compliance;
 - vi. provide feedback on compliance with obligations under Act 1044 by Foreign Exchange Bureaux;
 - vii. approve the appointment of the AMLRO of Foreign Exchange Bureaux; and
 - viii. undertake any other activity necessary for assisting Foreign Exchange Bureaux to understand their obligations under Act 1044.

1.2 CO-OPERATION AND INFORMATION SHARING**1.2.1 BANK OF GHANA AND OTHER COMPETENT AUTHORITIES OR SUPERVISORY BODIES**

1. In accordance with section 52 (5) (f) of Act 1044, Bank of Ghana, shall co-operate and share information with other Competent Authorities or Supervisory Bodies in the performance of functions and the exercise of powers under Act 1044.

1.2.2 FOREIGN EXCHANGE BUREAUX AND OTHER COMPETENT AUTHORITIES

1. Foreign Exchange Bureaux shall commit to comply promptly with all requests made pursuant to the law and regulations and provide information to the BOG, FIC and other relevant Competent Authorities or Supervisory Bodies.
2. Foreign Exchange Bureaux shall respond to authorised requests for information on ML/TF&PF in the following manner:
 - i. promptly search the Foreign Exchange Bureaux's records to enable the Foreign Exchange Bureaus respond to the request;
 - ii. promptly report to the requesting competent authority the outcome of the search;
 - iii. protect the security and confidentiality of such requests; and
 - iv. provide the information requested in the specified format.
3. Despite paragraph 2 above, a Competent Authority or a Supervisory Body shall have access to information to combat ML/TF&PF risks. This shall include sharing of information amongst Competent Authorities or Supervisory Bodies, domestically and/ or internationally, and amongst Foreign Exchange Bureaux.

PART B**2.0 ELEMENTS OF EFFECTIVE AML/CFT&P PROGRAMME****2.1 AML/CFT&P POLICY**

1. Foreign Exchange Bureaux shall develop and implement AML/CFT&P policies and procedures to combat ML/TF&PF risks.
2. Foreign Exchange Bureaux shall formulate and implement internal policies, procedures and other controls that will deter persons from using their facilities for unlawful activities.

2.2 AML/CFT&P GOVERNANCE FRAMEWORK**2.2.1 CULTURE OF COMPLIANCE**

Foreign Exchange Bureaux shall develop an AML/CFT&P programme to create a culture of compliance and ensure the diligent implementation of these Guidelines.

2.2.2 APPOINTMENT OF DIRECTORS

Foreign Exchange Bureaux shall:

- i. have a minimum of two directors;
- ii. appoint a director not less than eighteen years of age;
- iii. ensure that directors undergo fit and proper test; and
- iv. ensure compliance with any other condition specified under section 173 of the Companies Act, 2019 (Act 992).

2.2.3 ROLE OF THE DIRECTORS / MANAGEMENT

The function of a director/management shall include:

- i. approving the appointment of the AMLRO;
- ii. reviewing and approving AML/CFT&P policy/manual;
- iii. reviewing and approving the AML/CFT&P programme, training programme and compliance reports;
- iv. ensuring periodic review of AML/CFT&P policies and procedures in line with emerging ML/TF&PF risks;

- v. ensuring that the directors/management and employees receive the requisite training on AML/CFT&P annually;
- vi. ensuring remedial action plans are put in place to address independent audit and regulatory reports findings regarding assessment of the Foreign Exchange Bureaux;
- vii. complying with all relevant AML/CFT&P laws, regulations, Notices, Directives and Guidelines;
- viii. ensuring there is a succession plan for the AMLRO function;
- ix. ensuring the AMLRO receives appropriate training on an ongoing basis to effectively perform his/her duties; and
- x. ensuring the AMLRO and Internal Audit functions are resourced adequately in terms of personnel, IT systems and budget to implement, administer and monitor the AML/CFT&P programme effectively.

2.2.4 ROLE AND DUTIES OF ANTI- MONEY LAUNDERING REPORTING OFFICER (AMLRO)

The functions of the AMLRO shall include:

- i. Reporting to the directors/management;
- ii. developing AML/CFT&P policies and procedures that are kept up to date and approved by the directors/management;
- iii. having oversight of the AML/CFT&P programmes of Foreign Exchange Bureaux;
- iv. conducting regular risk assessments of the inherent ML/TF&PF risks in relation to the Foreign Exchange Bureau sector;
- v. filing Suspicious Activity/Transaction Report and Cash Transaction Reports to the FIC;
- vi. submitting regulatory reports to the BOG and FIC (**Refer to Appendix D**);
- vii. ensuring that ongoing training programmes on ML/TF&PF are current and relevant and are carried out for all employees of the Bureaux;
- viii. serving as a liaison officer between the BOG and FIC on issues relating to ML/TF&PF;

- ix. having timely access to customer identification data, CDD information, transaction records and other relevant information; and
- x. submitting copies of the approved policies/manual to the FIC via email or hard copy.

2.2.5 OUTSOURCING OF FUNCTION

Foreign Exchange Bureaux shall not outsource an AML/CFT&P function to any third-party without prior approval of Bank of Ghana.

2.2.6 INTERNAL CONTROLS

Foreign Exchange Bureaux shall establish and maintain internal controls to mitigate ML/TF&PF risks by performing the following:

- i. identifying and verifying customers using the Ghana Card;
- ii. using counterfeit machines to detect counterfeit currencies;
- iii. mandatory issuing of electronic receipt;
- iv. conducting customer due diligence;
- v. keeping records of all transactions of customers for a minimum of five years;
- vi. filing of STRs and CTRs;
- vii. training of employees, directors/management;
- viii. monitoring of transactions; and
- ix. submitting of regulatory reports/returns.

2.2.7 TESTING FOR THE ADEQUACY OF THE AML/CFT&P PROGRAMME

1. Foreign Exchange Bureaux shall subject their AML/CFT&P programme to an independent testing by an internal or external auditor.
2. Foreign Exchange Bureaux are required to ensure that an auditor determines the adequacy, completeness and effectiveness of the AML/CFT&P programme.
3. The audit report on the independent testing of the AML/CFT&P programme shall be submitted to the BOG/FIC not later than **January 15** of every financial year.

4. Any identified weaknesses or inadequacies should be promptly addressed by the Foreign Exchange Bureaux and BOG / FIC informed.

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PART C**3.0 CUSTOMER DUE DILIGENCE (CDD) PROCEDURE****3.1 IDENTIFICATION**

Foreign Exchange Bureaux shall display prominently and legibly in the customer's lobby a notice to the effect that customers shall always present an identification document and insist on electronic receipts before leaving the counter.

Customers Due Diligence procedures shall be applied prior to the commencement of a transaction and appropriate documentation used to establish a customer's identity.

Foreign Exchange Bureaux shall ensure that customers provide the following proof of identification for the sale and purchase of foreign currencies:

- i. ECOWAS Identity Card (Ghana Card) for Ghanaians;
- ii. Non-Citizen ECOWAS Identity Card (Non-Citizen Card) for resident foreign nationals;
- iii. ECOWAS identity card or passport for ECOWAS nationals
- iv. Passport for Non-resident foreign nationals and shall record the number, date and place/country of issue and dates of issue and expiry; and
- v. any other form of national identification as the Bank of Ghana may determine.

Foreign Exchange Bureaux shall require;

- i. the residential address for Ghanaians, and
- ii. for foreign nationals current address in Ghana.

Where a customer is acting on behalf of another person, the Foreign Exchange Bureaux shall take reasonable measures to establish the true identity of the ultimate beneficiary.

3.2 VERIFICATION

1. Foreign Exchange Bureaux shall verify the identities of their customers for all sales and purchases of foreign currencies.

Foreign Exchange Bureaux, in addition, to the above paragraph, shall undertake the following during the sales and purchases of foreign currencies:

- i. enquire about the purpose of the transaction; and
- ii. enquire about the source of funds.

3.3 FAILURE TO COMPLETE CDD

Where a Foreign Exchange Bureau fails to perform CDD procedures due to customer non-co-operation, the Foreign Exchange Bureau shall file a Suspicious Activity Report (SAR)/Suspicious Transaction Report (STR) with the Financial Intelligence Centre (FIC) within twenty-four hours.

3.4 TRANSACTION MONITORING

1. Foreign Exchange Bureaux shall have a written policy that would guide and enable its staff to monitor, identify and report suspicious transactions.
2. Foreign Exchange Bureaux shall take account of the frequency, volume and size of transactions with customers during monitoring.
3. The AMLRO shall monitor and report on key customer relationships and activities to the directors/management.

3.5 SUSPICIOUS ACTIVITY/TRANSACTION RED FLAGS

Foreign Exchange Bureaux, in identifying a suspicious activity/transaction, shall consider the red flags as provided in **Appendix C** of these Guidelines.

3.6 SUSPICIOUS ACTIVITY/TRANSACTION REPORT

1. Where staff/AMLRO becomes aware of a suspicious activity/transaction, the staff/AMLRO shall;
 - i. verify the identity of the customer;
 - ii. enquire the purpose for the foreign exchange transaction;
 - iii. enquire details of occupation/employment/business activities; and
 - iv. enquire the source of funds.

2. Where the staff is not the AMLRO, the suspicious activity/transaction shall be reported to the AMLRO.
3. Where the staff is the AMLRO, the suspicious activity/transaction shall be filed with the FIC within twenty-four hours.

3.7 CASH TRANSACTION REPORT (CTR)

Foreign Exchange Bureaux shall report to the FIC through a prescribed medium **all sales and purchases** of foreign currencies with a threshold of Twenty Thousand Ghana Cedis (GHS20,000.00) or its foreign currency equivalent or amounts as determined by the FIC.

3.8 TIPPING OFF

Foreign Exchange Bureaux, their directors/management and employees (permanent and temporary) are prohibited from disclosing that a report has been filed with the FIC.

3.9 SANCTIONED CUSTOMERS

1. Foreign Exchange Bureaux shall screen all customers.
2. Foreign Exchange Bureaux shall not transact business with sanctioned customers, designated by the United Nations Security Council, OFAC, EU, His Royal Majesty, AU, ECOWAS or a Competent Authority or a Supervisory Body.
3. Foreign Exchange Bureaux shall not transact business with domestically sanctioned customers.
4. Foreign Exchange Bureaux shall file STR with the FIC within twenty-four hours for instances provided in paragraphs 2 and 3 under 3.9.
5. Notices on sanctioned customers shall be communicated to the Foreign Exchange Bureaux by the FIC, a Competent Authority, or a Supervisory Body.

3.10 KNOW YOUR EMPLOYEE (KYE)

1. Foreign Exchange Bureaux KYE procedures shall include:
 - i. designing and implementing a robust recruitment policy to attract and retain employees with the highest levels of integrity and competence;

- ii. conducting due diligence on the prospective employees and during the course of their employment;
- iii. verifying the identity and background of the prospective employee (personal information, employment history, authenticity of educational certificates, references, credit history, police check, integrity checks against BoG engaged and disengaged database among others);
- iv. documenting and keeping evidence of the above processes;
- v. maintaining records of the names, date of birth, addresses, position, titles and other official information pertaining to employees appointed or recruited;
- vi. establishing and maintaining procedures to ensure high standards of integrity among employees; and
- vii. developing a code of conduct to include standards for:
 - a. acceptance of gifts from customers;
 - b. social liaisons with customers;
 - c. disclosure of information about customers who may be engaged in unlawful activities;
 - d. confidentiality;
 - e. detection of any unusual growth in employees' wealth;
 - f. deterring employees from engaging in unlawful activities; and
 - g. protecting whistleblowers.

2. Foreign Exchange Bureaux shall conduct appraisal of employees' performance and their compliance with AML/CFT&P requirements.
3. Foreign Exchange Bureaux shall develop and implement disciplinary procedures in the event of breaches of this Guidelines.

3.11 EMPLOYEE TRAINING PROGRAMME

1. Foreign Exchange Bureaux shall develop and implement comprehensive employee training programmes not only to make employees fully aware of their obligations but also to equip them with relevant skills required for the effective discharge of their AML/CFT&P functions.

2. The timing, coverage and content of the employee training programme shall be tailored to meet the needs of the Foreign Exchange Bureaux.
3. Foreign Exchange Bureaux are required to submit their annual AML/CFT&P employee training programme for the ensuing year to the BOG and FIC not later than **December 31** every financial year.
4. Foreign Exchange Bureaux shall develop an appropriately tailored training and awareness programme consistent with the Foreign Exchange Bureau's size and complexities to sensitise employees on emerging risks associated with ML/TF&PF.
5. The employee training programme shall include:
 - i. AML/CFT&P laws, regulations, Directives, Notices, Guidelines;
 - ii. the Nature of ML/TF&PF risks;
 - iii. Money Laundering red flags and suspicious transactions/activities;
 - iv. reporting requirements;
 - v. Customer Due Diligence;
 - vi. Risk-Based approach to AML/CFT&P programme;
 - vii. record keeping and retention policy; and
 - viii. any other AML/CFT&P typologies/trends.
6. Foreign Exchange Bureaux are also required to maintain records of employee training which shall include:
 - i. details of the content of the training programmes provided;
 - ii. the names of employees who have received the training;
 - iii. the date on which the training was delivered; and
 - iv. the results of any testing carried out to measure employees understanding of the ML/TF&PF training.
7. Foreign Exchange Bureaux shall submit an annual report on their level of compliance to the BOG and FIC by **January 15** of the following year.
8. Foreign Exchange Bureaux shall fully participate in all AML/CFT&P programmes organised by BOG and/or FIC. Failure to attend shall attract administrative sanctions.
9. The results of any testing carried out to measure employees understanding of the ML/TF&PF training shall be part of employees' annual performance appraisal.

3.12 RECORD KEEPING

Foreign Exchange Bureaux shall keep books and records with respect to customers and transactions for a minimum of five years as set out in section 32 of Act 1044.

3.12.1 MAINTENANCE OF RECORDS ON TRANSACTIONS

1. Foreign Exchange Bureaux shall maintain all necessary records of transactions in accordance with section 32 of Act 1044.
2. Foreign Exchange Bureaux shall maintain these records in a manner that will be made readily available upon request from the BOG, FIC or any other competent authority.
3. The transaction records to be kept shall include customer's names, addresses, the nature and date of the transaction, the currency, the amount involved and the type of identification document.

3.13 SANCTIONS FOR NON-COMPLIANCE

Foreign Exchange Bureaux that fail to comply with the provisions contained in these Guidelines shall be liable to appropriate sanctions as prescribed in Act 1044 and the BOG/FIC Administrative Penalties Guidelines, 2022.

3.14 EFFECTIVE DATE

This AML/CFT&P Guidelines shall come into effect from the date of issue.

APPENDIX A - INTERPRETATION

For the proper understanding of this Guidelines, certain terms used within are interpreted as follows:

| Terms | Interpretation |
|---------------------------------------|---|
| <i>Accountable Institution</i> | All Bank of Ghana licensed institutions |
| <i>Business Relationship</i> | Business relationship is any arrangement between the Foreign Exchange Bureaux and the customer for the purpose of sale and purchase of foreign currencies. |
| <i>FATF Recommendations</i> | The Financial Action Task Force (FATF) Recommendations refers to the internationally endorsed global standards against ML/TF&PF. |
| <i>Ghana Card</i> | Refers to ECOWAS Identity Card issued by the National Identification Authority of Ghana. |
| <i>ML</i> | Money Laundering (ML) means the process where a person attempts to conceal the illegal origin and / or illegitimate ownership of property that are proceeds of their unlawful activities. It is, thus, a derivative crime. |
| <i>PF</i> | Proliferation Financing (PF) refers to the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations. |
| <i>Proceeds</i> | Proceeds refers to any property or economic advantage derived from or obtained, directly or indirectly, through unlawful activities and includes economic gains from the property converted or transformed in full or in part into other property. commission of an offence. |

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| <i>TF</i> | Terrorism Financing (TF) refers to the collection or provision or attempted collection or provision by any means directly or indirectly of funds or other assets with the intention that they should be used or in the knowledge that they are to be used in whole or in part to carry out a terrorist act. |
| <i>Red Flags</i> | Red Flags refer to indicators suggesting the likelihood of unlawful ML/TF&PF activities/transactions occurring. |
| <i>Risk</i> | Risk refers to the risk of money laundering and/or terrorist financing. |
| <i>Shell bank</i> | Shell bank means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial services group that is subject to effective |
| <i>Source of Funds</i> | Source of funds is the origin of funds used for transactions or activities that occur within the business relationship or occasional transaction. In establishing the source of funds, one must understand not only where the funds are coming from but the activities that were involved in generating those funds. |
| <i>Terrorist</i> | It refers to any natural person who: <ul style="list-style-type: none"> i. commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully; ii. participates as an accomplice in terrorist acts; iii. organises or directs others to commit terrorist acts; or iv. contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act. |

Terrorist act

A terrorist act refers to:

an act which constitutes an offence within the scope of, and as defined in one of the following treaties: Convention for the Suppression of Unlawful Seizure of Aircraft (1970), Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971), Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (1973), International Convention against the Taking of Hostages (1979), Convention on the Physical Protection of Nuclear Material (1980), Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1988), Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988), Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf (1988), and the International Convention for the Suppression of Terrorist Bombings (1997), successor Resolution and other relevant Resolution; and

any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

| | |
|--------------------------------------|--|
| <i>Terrorist organization</i> | Refers to any group of terrorists that: <ul style="list-style-type: none">• commits, or attempts to commit, terrorist acts by any means, directly or indirectly, unlawfully and willfully;• participates as an accomplice in terrorist acts;• organises or directs others to commit terrorist acts; or• contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act. |
| Transaction | Sales and purchases of foreign currency |

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APPENDIX B – SUPERVISORY GUIDANCE NOTE ON THE USE OF THE GHANA CARD

For the complete guidance note on the use of the Ghana Card, please refer to Supervisory Guidance Note on the Use of the Ghana Card for Accountable Institutions issued by the Bank of Ghana in June, 2022 and available on the Bank of Ghana Website.

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APPENDIX C - MONEY LAUNDERING, TERRORIST FINANCING AND PROLIFERATION FINANCING RED FLAGS

Monitoring and reporting of suspicious transactions is key to AML/CFT&P effectiveness and compliance. Foreign Exchange Bureaux are, therefore, required to put in place effective and efficient transaction monitoring programmes to facilitate the process. Although the types of transactions which could be used for ML/TF&PF risks are numerous, it is possible to identify certain basic features which tend to give reasonable cause for suspicion of ML/TF&PF risks.

This appendix, which lists various transactions and activities that indicate potential ML/TF&PF risks, is not exhaustive. It does reflect the ways in which ML/TF&PF have been known to operate.

Transactions or activities highlighted in this list are not necessarily indicative of actual ML/TF&PF risks if they are consistent with a customer's legitimate business. Identification of any of the types of activities/transactions listed here shall assist Foreign Exchange Bureaux in the process of determining if an activity/transaction is suspicious.

Stages of Money Laundering

Money laundering process is accomplished in three stages as follows:

- (a) Placement – the physical disposal of the initial proceeds derived from illegal activity.
- (b) Layering – separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity.
- (c) Integration – the provision of apparent legitimacy to criminally derived wealth. If the layering process has succeeded, an integration scheme places the laundered proceeds back into the economy in such a way that they re-enter the financial system appearing as normal business funds. The three basic steps may occur as separate or distinct phases.

Alternatively, they may occur simultaneously or, more commonly, they may overlap. How the basic steps are used depends on the available laundering mechanisms and the requirements of the criminal organisation

MONEY LAUNDERING RED FLAGS

- a. Activities/transactions involving high-risk countries / jurisdictions vulnerable to ML/TF&PF risks.
- b. Activities/transactions involving shell banks/companies.
- c. Activities/transactions with customers that have been identified as high-risk.
- d. Activities/transactions involving amounts that are just below the stipulated reporting threshold by the Bank of Ghana or enquiries that appear to test an institution's controls.
- e. Minimal, vague or fictitious information on the activity/transaction provided by a customer;
- f. The nature, amount and type of currencies involved;
- g. Customer is reluctant to provide details of identification document;
- h. Large sales and purchases of foreign currencies;
- i. Size and frequency of sales and purchases of foreign currencies;
- j. Change in the pattern of sale and purchases of foreign currencies;
- k. Significant increases in foreign exchange sales and purchases by customers without apparent cause;
- l. Customers conducting numerous relatively small sales and purchases of foreign currencies which consequently amount to a significantly large amount;
- m. Customers whose foreign currencies sales and purchases contain counterfeit currency notes;
- n. Customers who request to exchange large quantities of low denomination of foreign currencies for those of higher denominations;

TERRORIST FINANCING RED FLAGS

- a. Persons involved in foreign currencies sales and purchases who share a common address and/or number, particularly when the address and/ or number is not the known address and/or number of the individuals involved in the transaction.
- b. Foreign currencies sales and purchases by a non-profit or charitable organization, for which there appears to be no logical economic purpose or for which there appears to be no alignment between the stated activity of the organisation and other parties in the transaction;
- c. The stated occupation of the customer is inconsistent with the type and level of sales and

purchases of foreign currencies.

OTHER RED FLAGS

- a. Employee exhibits a lavish lifestyle that cannot be justified by his/her economic circumstances.
- b. Employee fails to comply with operating guidelines.
- c. Employee is reluctant to take a vacation.

PUBLIC

APPENDIX D – EXPLANATORY NOTES

**EXPLANATORY NOTES
ON THE
AML/CFT&P GUIDELINE
FOR
FOREIGN EXCHANGE BUREAUX**

SEPTEMBER 2024

Introduction

1. The AML/CFT&PF Guideline for Foreign Exchange Bureaux was developed taking into consideration the unique operations of foreign exchange bureaux. This involves the spot trading of foreign currencies as compared to a typical consumer banking services such as opening of accounts, deposit mobilization, granting loans, investment and offering numerous payment services.
2. Notwithstanding, the uniqueness of Foreign Exchange Bureaux business model, the currency exchange services are equally exposed to money laundering and terrorist financing risks as criminals could store proceeds in high value foreign currencies. It is to this effect, that all the provisions in the AML/CFT&PF Guideline for Foreign Exchange Bureau are important to ensure an effective AML/CFT&PF regime for the sector and the stability of the financial industry.
3. This Explanatory Note provides clarity on key sections of the AML/CFT&PF Guideline for Foreign Exchange Bureaux thereafter refers to as Forex Bureaux Guideline to enable the foreign exchange bureaux to fulfil their AML/CFT&PF obligations.

The Explanatory Note shall be read in conjunction with the Forex Bureaux Guideline and all AML/CFT&PF Laws/Regulations.

4. The Explanatory Note does not replace the requirements forex or language used in the Forex Bureaux Guideline or other AML/CFT&PF Laws/Regulations.

Objective

1. To provide interpretation and guidance in adhering to the provisions in the Guideline for effective AML/CFT&PF regime.
2. To increase awareness on money laundering and terrorism financing activities as it relates to Foreign Exchange Bureau to meet their obligations under the AML/CFT&PF Laws/Regulations.

EXPLANATORY NOTE ON SCOPE OF UNLAWFUL ACTIVITIES

1. The scope of unlawful activities in the Guideline provides information to foreign exchange bureaux on the various unlawful activities that have been observed to promote money laundering and terrorist financing that may involve the business of foreign exchange. When bad actors obtain proceeds from these unlawful activities research have shown that they do convert them to foreign currencies to enable them either move it out of their home country or use these foreign currencies as a store of value.
2. The part that refers to identify and report in the Guideline, means that a foreign exchange bureau is to only submit a report to the Financial Intelligence Centre without the consent of the customer when the foreign exchange bureau before, during or after trading;
 - i. Suspect or,
 - ii. Get information through any media or any other source that a customer has been involved in any of the unlawful activities.
3. The report to Financial Intelligence Centre must be done using only the prescribed channels and procedures of reporting.

EXPLANATORY NOTE ON ROLE AND DUTIES OF ANTI-MONEY LAUNDERING REPORTING OFFICER (AMRLO)

1. This section requires foreign exchange bureaux to designate a senior person to be in charge of implementing the AML/CFT&PF requirements. The role must clearly be stated on the job schedule of the staff. This role could be executed in addition to other responsibilities. For instance, the AMRLO could also perform other functions such as cashier, teller or operations officer at the foreign exchange bureaux. Alternatively, the accountant or auditor can also be assigned the role to champion the AML/CFT&PF obligations of the foreign exchange bureaux.

EXPLANATORY NOTE ON TESTING FOR THE ADEQUACY OF THE AML/CFT&PF PROGRAMME

1. In terms of audit of the AML/CFT/PT function, it could be undertaken by either the internal or external auditor. That is, the internal or external auditors' role should be varied to include AML/CFT&PF function. In other words, the audit scope must ensure that the foreign exchange bureaux comply with the AML/CFT&PF requirements during the year.
2. A copy of the AML/CFT&PT audit report must be submitted to the Bank of Ghana through prescribed channels. Alternatively, the independent audit conducted on the AML/CFT&PF function, can be reported as part of the annual management report that the foreign exchange bureaux submit to the licensing department of the Bank of Ghana (OFSID).

EXPLANATORY NOTE ON MAINTENANCE OF RECORDS

1. The business of foreign exchange bureau typically does not produce records like a typical bank. However, records on the customer identity and the buying

or selling foreign currencies should be kept. The foreign exchange bureaux are required to keep records either manually or electronically.

In the case, where there is a third party providing a system for recording transactions and/or receipts such as the current nationwide trading platform, the foreign exchange bureau should ensure the third party service provider keep records and make it available upon request as prescribed in section 32 of Act 1044.

2. The foreign exchange bureau and their its third party service providers should ensure that records are kept for five (5) years as required in section 32 of Act 1044.

EXPLANATORY NOTE ON EMPLOYEE TRAINING PROGRAMME

1. Training is an important activity foreign exchange bureaux are required to undertake to increase awareness among its directors and staff regarding money laundering and terrorist financing activities that the foreign exchange bureaux can be exposed to.
2. As much as Bank of Ghana per its mandate would be conducting sensitization workshops for the foreign exchange bureau, it is equally the responsibility of the foreign exchange bureau to train their staff.
3. Training and workshops collectively organize through the association can also be considered in compliance with training requirements in section 50 of Act 1044
3. The supervisory expectation is for the foreign exchange bureau to keep records of attendance and training materials used during training to exhibit as evidence during AML/CFT&P onsite examination.
4. Additionally, the Bank of Ghana require officers that participate in any Bank of Ghana training to transfer the knowledge to other officers/management/directors of the foreign exchange bureau and keep records of the attendance sheet and materials for evidence during AML/CFT&P onsite examination.

EXPLANATORY NOTE ON CUSTOMER DUE DILIGENCE PROCEDURES

1. The heightened risk associated with the business of trading in foreign currencies makes it more imperative for foreign exchange bureau to conduct know your customer (KYC) and customer due diligence (CDD).
2. Foreign exchange bureau should take note that even though their interaction with customers is just one-time and, on the spot, collection and verification of customers identity is an important process in the business to help with investigation in cases of fraud, theft, counterfeit currencies, combating money laundering and financing of terrorism.
3. In addition, it is also in the interest of the foreign exchange bureau to undertake such an identification and verification exercise given it enables the foreign exchange bureau to follow up with customers when the need arises.
4. A foreign exchange bureau should collect a customer's Ghana Card as prescribed by Bank of Ghana (Notice BOG/GOV/SEC/001) at all times and verify the identity of the customer with the Ghana Card through the prescribed NIA system.
5. This exercise should not be seen as exhausting, given that with consistent practice customers would be accustom with the KYC/CDD procedures.
6. Foreign exchange bureau should follow the KYC/CDD procedures below;
 - i. For purchase/sale of foreign currency notes a valid photo ID (Ghana Card/passport) is compulsory. In addition, full details (Name, contact, address, source of currency, purpose of transaction and other information prescribed) of the customer.
 - ii. For purchase/sale undertaken on behalf of another person, a valid photo ID, (Ghana Card) name, contact and address of the person transacting, source of currency and purpose of transaction. In addition, full details (name, address, contact) of the ultimate person.

7. For purchase/sale to a company/firm/ legal person/arrangement/business entity, the foreign exchange bureau shall:
 - I. verify the identity of the person or employee that have been authorized to act on behalf of such a company/firm/legal person/arrangement.
 - II. obtain a TIN number or Business Certificate number, address and contact number of company/firm/legal person/arrangement.

EXPLANATORY NOTE ON FAILURE TO CONDUCT CUSTOMER DUE DILIGENCE

1. This part refers to the foreign exchange bureau reporting requirements where a customer fails to provide;
 - i. An identity document to complete the transaction, or
 - ii. Further due diligence information to complete the transaction.
2. In the case where the condition stated in (1) above apply, the foreign exchange bureau should report the customer or activity to the competent authority (Financial Intelligence Center) through the prescribed system.

EXPLANATORY NOTE ON SANCTION SCREENING

1. This part requires the foreign exchange bureau to screen customers against an international or domestic list to identify customers who have been sanctioned.
2. Foreign exchange bureau is expected to use the system deployed by the Bank of Ghana to undertake this exercise before completing a transaction.

EXPLANATORY NOTE ON TRANSACTION MONITORING

This part refers to the monitoring of transactions where foreign exchange bureau should always use the transaction monitoring system and procedures as prescribed by the Bank of Ghana to monitor and detect any usual and suspicious.

EXPLANATORY NOTE ON RECOGNITION AND REPORTING OF SUSPICIOUS TRANSACTIONS

1. For the purpose of the Guideline, a suspicious transaction is defined as an unusual purchase or sale of foreign currencies where the value, volume, type or pattern does not make any economic sense or involve money laundering methods and or activities.
2. Every foreign exchange bureau should be alert to the various patterns of customers behaviour before, during or after the purchase or sale of foreign currencies.
3. When a foreign exchange bureau detects;
 - i. any suspicious transaction,
 - ii. a customer who fails or unwilling to provide details on their identity or transaction,the foreign exchange bureau is required to promptly report to the appropriate authority (Financial Intelligence Center) through the prescribed system.
4. All suspicious transactions are to be reported regardless of the amount involved.
5. Foreign exchange bureau, their directors and employees are not permitted to disclose to the customer that a report has been filed with the competent authorities.
6. A foreign exchange bureau should undertake the following steps to report a suspicious transaction;
 - I. Ask questions about the transaction;
 - II. Check and collect information on the identity of the customer involve; and
 - III. Submit a report immediately through the prescribed system.

EXPLANATORY NOTE ON “RED FLAGS” OF SUSPICIOUS TRANSACTION

1. A foreign exchange bureau should take note of the following examples of suspicious activities;
 - I. Customer is reluctant to provide details/documents to support the transaction;
 - II. The transaction is undertaken by more than one person to protect the identity of the ultimate beneficiary or hide their involvement;
 - III. Large currencies transactions with no or little explanation to support the source; and
 - IV. Frequent currency transactions either purchase or sale.

CONCLUSION ON EXPLANATORY NOTE

Foreign exchange bureaux are encouraged to support in the fight against money laundering and financing of terrorism by complying with the AML/CFT&PF requirements.

APPENDIX E - STATUTORY RETURNS

| TYPE OF REPORT | RECEPIENT BODY | CHANNEL | FREQUENCY |
|--|----------------|---|---|
| <ol style="list-style-type: none"> 1. Compliance Report 2. The Compliance Report shall include: 3. Staff AML/CFT&P Training 4. Reliance on Intermediaries or Third-Party Service Providers 5. Statistics on appointment / re-designation / dismissal / resignation / retirement of employees 6. Monitoring of Employee Conduct 7. Fraud activities 8. Review of Risk Assessment Conducted 9. Review of AML/CFT&P policy 10. Record Keeping Procedures 11. Statistics on STRs and CTRs submitted to the FIC during the review period | BOG & FIC | <p>Submit to BOG via Email: info.aml@bog.gov.gh</p> <p>Submit to FIC: via hardcopy or E-mail: compliancemails@fic.gov.gh</p> | <p>HALF YEARLY (not later than the 15th day of the month after the half year); and</p> <p>END OF YEAR (not later than the 15th day of the month after the end of year)</p> |

| | | | |
|---|-----------|--|---|
| AML/CFT&P Internal Audit report | BOG & FIC | Submit to BOG via Email: info.aml@bog.gov.gh Submit to FIC : via hardcopy or E-mail: compliance@fic.gov.gh | YEARLY (not later than the 15th day of the month after the end of the year) |
| Employee Training Programme | BOG & FIC | Submit to BOG via Email: info.aml@bog.gov.gh Submit to FIC : via hardcopy or E-mail: compliance@fic.gov.gh | YEARLY (not later than 31st December of every financial year) |
| Annual AML/CFT&P Self Risk Assessment Questionnaire | BOG | ORASS | YEARLY (not later than the 15th day of the month after the end of the year) |
| Quarterly AML/CFT&P Returns (Data Capture) | BOG | ORASS | QUARTERLY (not later than the 15th day of the month after the end of the quarter) |
| Fraud and Defalcation Report | BOG | ORASS | As and When |
| Disengaged Staff | BOG | ORASS | As and When |
| Engaged Staff | BOG | Submit to BOG via Email: info.aml@bog.gov.gh | As and When |

REFERENCES

1. Anti-Money Laundering Act, 2020 (Act 1044)
2. Anti- Money Laundering Regulations, 2011 (L.I 1987)
3. Anti-Terrorism Act, 2008 (Act 762) as amended
4. Anti-Terrorism Regulations
5. Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)
6. Companies Act, 2019 (Act 992)
7. Criminal and Other Offences Act, 1960 (Act 29) as amended
8. Financial Action Task Force (FATF) Recommendations
9. Foreign Exchange Act, 2007 (Act 723)
10. Forex Bureau Guidelines 2011, Kenya
11. Non-Bank Financial Institutions Act, 2008 (Act 774)
12. Payment Systems and Services Act, 2019 (Act 987)

**(SGD.)
SANDRA THOMPSON (MS.)
THE SECRETARY**

28TH FEBRUARY 2025