



BANK OF GHANA

FREQUENTLY ASKED QUESTIONS BY THE MEDIA

DECEMBER 2025

The Bank regularly receives questions from the media and other stakeholders on various issues related to its work. Here, we publish questions received from the media and the Bank's responses, as part of efforts to deepen transparency.

QUESTION 1

At the Cedi@60 celebrations launch on 28 October 2025, the President of the Republic, John Dramani Mahama, in a social media post mentioned, "What we seek is a stable currency and not a strong #GhanaCedi." Are the interventions in the foreign exchange market sustainable, and what will transpire in 2026 post-IMF programme?

Response: Under the recently published FX Operations Framework, the Bank of Ghana prioritises reserve accumulation, market-neutral intermediation, and limited interventions only to correct disorderly market conditions. The framework reinforces the President's position that stability and not artificial strength matters. The Bank of Ghana remains committed to ensuring continued reserve buffers and allowing the exchange rate to be largely market-driven, which should help preserve macroeconomic stability even without IMF oversight.

QUESTION 2

With headline inflation now at 8.0 percent, the lowest in over four years, and M2+ growth slowing to 16.6 percent, is the MPC considering shifting from a tightening stance to a more neutral policy position in 2026? What indicators will guide that transition?

Response: Recent policy rate adjustments demonstrate the MPC's measured shift from a tight monetary policy stance toward a more neutral position. The committee has maintained a tighter monetary policy for an extended period to anchor headline inflation firmly within its medium-term target band of 8 ± 2 percent. Going forward, the pace of this transition will be guided by key economic indicators, including inflation forecasts, core inflation trends, GDP growth, exchange rate movements, money supply dynamics, commodity prices, and developments in the balance of payments. This data-driven approach aims to ensure that headline inflation remains within the medium-term target band of 8 ± 2 percent while supporting macroeconomic stability.

QUESTION 3

How would the Bank balance the need for easing monetary policy with the IMF's recommendation to maintain a tight stance?

Response: Easing monetary policy does not necessarily imply that the monetary policy stance is not

tight. Indeed, with high real interest rates, as is the case in Ghana, the Bank can sufficiently reduce the monetary policy rate and still maintain a tight monetary policy stance. The recent reductions in the monetary policy rate by the MPC are therefore fully consistent with the IMF's recommendation to maintain a tight monetary policy stance.

QUESTION 4

Having achieved the inflation target ahead of time, is the MPC considering a revision of the inflation target band?

Response: A sustained period of inflation within the medium-term target band would naturally prompt the Bank and fiscal authorities to consider revising the band. However, inflation has been at target for only two months—far too short to justify such a review. The Bank looks forward to a time when inflation is firmly anchored within the band for a longer period, enabling a joint decision with fiscal authorities to revise the target downward.

QUESTION 5

From a monetary policy standpoint, non-interest banking and finance operate differently; it doesn't pay or charge interest, which is at the heart of policy transmission. How will BoG integrate non-interest banking into policy instruments like repos, open-market operations, and reserve requirements of banks?

Response: Liquidity management is a key requirement in monetary policy management. But the instruments mentioned are structured based on conventional interest bearing, that do not attract non-interest banks. If no non-interest liquidity management tools are available, they may invest excess liquidity in conventional ones but will not take interest. Short term and long term Sukuks are liquidity management tools, and the Bank is working together with the Securities and Exchange Commission to develop their guidance in parallel to create liquidity tools attractive to non-interest banks.

Further, we have learnt of liquidity management tools deployed by other central banks, which we shall add to the portfolio of liquidity management instruments. This may include:

(I) A safe custody account – which will allow participants to deposit excess funds in their possession for a period of 3 or 7 days.

(II) A non-interest note – which shall entitle the participating institutions to subsequently obtain interest-free loans up to the amount they initially deposited with the central bank.

(III) Non-interest backed securities – The bank may invest in non-interest financial certificates issued by multilateral financial institutions normally in the form sukuk structured on different products.

(IV) Lender of last resort instruments – for example, intraday facilities are being considered.

The reality is that liquidity management instruments will be developed from time to time to reflect the needs of the non-interest banks in line with our strategy.

QUESTION 6

Given the novelty of Non-Interest Banking and Finance, will there be specific consumer-protection guidelines or transparency requirements to help customers understand products like Mudarabah (profit-sharing) and Murabaha (cost-plus financing) so they are not misled or exploited?

Response: *Transparency and disclosures are integrated in the non-interest banking guidelines regarding product development, financial contracts and regulatory approval to protect consumers. Contracts shall disclose all terms and obligations between the bank and customers before signing and implementation. The Non-interest Advisory Committees are required to provide an independent periodic report meant to ensure transparency and protection of consumers. Consumer protection is therefore a focal consideration in our guidelines. In addition, we have well-trained examiners and supervisors to ensure consumers are protected.*

QUESTION 7

What is the IMF's position on the ongoing BoG interventions in the local forex market, and how is the Bank reacting to that stance?

Response: *The IMF's position is that FX interventions should be limited, transparent, and focused on smoothing excessive short-term volatility rather than defending any specific exchange rate level. The Bank of Ghana's new FX Operations Framework aligns with this approach by adopting a rule-based, market-determined system, using competitive auctions, clearly distinguishing the motives for each FX operation, and publishing monthly data. In essence, the framework which was developed in collaboration with the IMF has institutionalised exactly what the Fund encourages: disciplined, transparent operations that support stability without distorting the foreign exchange market.*

QUESTION 8

Given that the Bank's liquidity mop-up has successfully anchored inflation but also tightened fiscal and market liquidity, will the BoG scale back open market operations in 2026 to avoid destabilising the market? What is the Bank's current view on maintaining a balance between inflation control and market liquidity?

Response: *The Bank looks set to scale back liquidity mopping in 2026 if inflation and exchange rate pressures remain contained, but it will do so cautiously and only as macro-economic conditions permit. The Bank is currently confident in the disinflation path and fiscal discipline. Its priority is to keep inflation expectations well-anchored, using both interest rate policy and liquidity absorption tools.*

QUESTION 9

Congratulations on your sterling performance for the first year. Could you share with us some of your reflections and what you would like to do next year to consolidate the gains and support growth?

Response: *Reflecting on the first year's outcomes, the MPC has shown that data-driven policy decisions and the careful calibration of the policy rate can effectively deliver price stability. Relying on these lessons, the Committee aims to keep inflation firmly within the medium-term target band of 8 ± 2 percent in 2026. By maintaining low and stable inflation, the MPC believes that economic growth and broader macroeconomic stability in the Ghanaian economy will be supported.*

QUESTION 10

Ghana's banking sector went through a major clean-up that impacted public confidence. How is the Bank of Ghana approaching the issue of trust, both in the new non-interest banking and finance model and in the regulator's capacity to safeguard depositors and investors under this framework?

Response: *Our draft Guidelines provide clear compliant products, a structured governance model that includes mandatory Expert Advisory Committees, and explicit rules for profit-sharing and persons. Ensuring the integrity and competence of key individuals is paramount.*

Furthermore, the Bank will work with the Ghana Deposit Protection scheme to develop a dedicated framework for non-interest deposit protection. This explicit guarantee is a critical safety net, designed to reassure the public that their funds are secured. The Bank will ensure the capacity of banks meet the requirements before licensing them to ensure deployment of experience and regulatory awareness.

QUESTION 11

What is the targeted gold reserve by year-end?

Response: *The Bank of Ghana has not set target for its gold reserves. Rather, it will continue to accumulate gold gradually to strengthen the country's foreign exchange reserve buffers in an organic manner that supports macroeconomic stability and economic growth. At the same time, the Bank remains mindful of the increased concentration of gold within the total reserve portfolio, which stood at over 42% as of end-October. Accordingly, steps are being taken to rebalance the portfolio by reducing the Bank's allocation to gold in line with its strategic asset allocation framework. Proceeds from this divestment will be reinvested into a diversified mix of income-generating assets to enhance portfolio resilience and optimise returns.*

QUESTION 12

Is the BoG likely to engage in price hedging for its domestic gold purchases going forward, in the face of the possibility of profit-taking by gold traders following its huge price appreciation?

Response: *The Bank of Ghana is currently undertaking a strategic rebalancing of its total foreign reserves, which includes a partial divestment of its gold holdings. This initiative is aimed at aligning the reserve composition with the Bank's strategic asset allocation framework. By achieving the target allocation, the Bank reduces its immediate exposure to gold price volatility, thereby minimising the need for active price hedging within its defined risk tolerance.*

QUESTION 13

Now that gold prices have peaked, is it not prudent to sell more of our gold to strengthen the cedi further?

Response: *While the Bank of Ghana maintains an informed perspective on gold price trends, it exercises strict discipline in avoiding speculative activities. This approach reflects the Bank's commitment to prudent risk management and ensures that reserve management decisions are guided by long-term strategic objectives rather than short-term market fluctuations.*

QUESTION 14

The Credit Reference Bureau agencies have been operating for some years. What has been their impact on the financial market so far, and are there challenges they are facing?

Response: *The credit reporting system facilitates the sharing of credit information among lenders, to reduce information asymmetry usually characterised by limited knowledge about borrowers past repayment behaviours.*

Credit bureaus in Ghana have supported banks and other lenders in their credit decisions by checking the repayment behaviours of potential borrowers before loans are granted.

We are happy about how banks have applied this requirement particularly as an exclusion criterion in credit appraisals where customers who have bad credit reports are denied credit facilities. This certainly has impacted positively on NPL levels.

We have also witnessed the positive impact the credit bureaus are making in credit recoveries. For instance, digital lenders are recovering digital loans (Momo Loans) that are being displayed on credit reports.

Further, banks now have access to other critical credit data outside the banking sector to enrich their credit decisions. Today, the credit bureaus have data on Momo loans, SSNIT loans, rent, hire purchase, etc. We are currently in discussions with key stakeholders such as the utility companies, and other credit providers to onboard them onto the credit reporting system.

The main challenges are the quality of credit data submitted to the credit bureaus, lenders' late or non-submission of data, and lack of cooperation from potential credit data sources.

The Bank is working with all stakeholders to address these challenges, including setting up a credit data hub in the near term to consolidate all data sources. We believe that this will improve data quality and facilitate credit bureaus' credit scoring services to augment credit report usage.

QUESTION 15

What is the latest development on the Virtual Assets bill?

Response: *The Bank of Ghana, in collaboration with the Securities and Exchange Commission (SEC), and the Financial Intelligence Centre (FIC), is introducing a legal framework to register and license Virtual Asset Service Providers (VASPs) in Ghana.*

Accordingly, a meeting was held on 7th November 2025, with the relevant stakeholders including, the Attorney General, SEC, FIC and the Bank. A number of amendments were proposed to be effected by the Office of the Attorney-General and Ministry of Justice.

The Virtual Asset Service Providers Bill, 2025 (yet to be approved by the Legislature) was introduced and laid before the House of Parliament on 13th November 2025.

Subsequently the Bill was referred to the Finance Committee for consideration. The Finance Committee has completed its work and prepared a Report on same.

It remains for the leadership of the Finance Committee to inform the leadership of the Business Committee of the completion of the Report, for the subsequent stages of the Bill to continue.

QUESTION 16

There is the allegation that the Bank of Ghana is effectively providing monetary financing to the government by funding the operations of the Goldbod, contrary to the IMF-mandated prohibition on central bank financing of government, and the MoU signed under the previous administration. What is the Bank's position on this?

Response: *The Bank of Ghana through its operations remains committed to monetary discipline and continues to maintain a strict adherence to the IMF-ECF programme that discourages monetary financing due to its inflationary risks.*

GoldBod was created to formalise gold procurement, enhance traceability, and strengthen Ghana's foreign exchange reserves. Its activities are aligned with national economic goals of currency stabilisation and reserve diversification rather than acting as a conduit for direct government financing. The accumulation of gold reserves through GoldBod supports the cedi and bolsters fiscal credibility, contributing positively to macroeconomic stability.

Transactions between the Bank and GoldBod can only be classified as monetary financing if the government finances its public spending by borrowing money directly from the central bank. The Bank

of Ghana's activities with GoldBod are in two main parts: the first, involves the central bank acting as an intermediary between the commercial banks and GoldBod, taking cedis from these institutions and transmitting same to GoldBod to purchase gold, which is later sold for forex and given back to the banks. This transaction is reserve neutral and does not include the use of high-powered money by the central bank in converting the cedis into foreign currency for banks. The second leg is the Bank of Ghana's own transactions with GoldBod. Here, the Bank uses high powered money to purchase gold from GoldBod to build its reserves. This is akin to the gold -for- reserve operations that the Central Bank began in 2023, where the BoG purchased gold from mining aggregators to shore up its reserves. The only difference is that those private gold aggregators have been replaced with the GoldBod.

The Bank recognises that any form of monetary financing risks fueling inflation, which contradicts its core mandate of price stability. Therefore, the Bank remains committed to preventing such outcomes to protect Ghana's economic recovery. The Bank, however, continues to encourage parliamentary scrutiny and public accountability to dispel misinformation and reinforce trust in its operations.