

BANK OF GHANA
GUIDELINES FOR E-MONEY ISSUERS IN GHANA

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GUIDELINES FOR E-MONEY ISSUERS IN GHANA

Preamble

Pursuant to the mandate of the Bank of Ghana under the Payment Systems Act 2003 (Act 662) to promote and supervise electronic and other payment, funds transfer, clearing and settlement systems and exercising its powers under section 51 (A) (3) of the Banking Act, 2004 (Act 673) and Section 4 (1)(d) and (e) of the Bank of Ghana Act, 2002 (Act 612), the Bank of Ghana hereby issues these Guidelines to Financial Institutions regulated under the Banking Act, 2004 (Act 673), (RFIs) Dedicated E-Money Issuers (DEMI) and the General Public.

These Guidelines are being issued as part of Bank of Ghana's broader strategy to create an enabling regulatory environment for convenient, efficient and safe retail payment and funds transfer mechanisms. They promote the availability and acceptance of electronic money as a retail payment medium with the potential to increase financial inclusion and specify necessary safeguards and controls to mitigate the risks associated with e-money business and ensure consumer protection safeguards. Furthermore, the Guidelines provide rules for e-money issuers (EMIs) offering financial services outside traditional bank premises by using retail agents as alternative delivery channels. The primary audience of these Guidelines are financial institutions regulated under Act 673 and other institutions desirous to issue e-money.

These Guidelines replace the previous Guidelines for Branchless Banking (Notice No. BG/GOV/SEC/2008/21) and as such, the stipulations outlined therein are hereby rescinded, including the requirement for a many-to-many model and the applicability only to deposit-taking financial institutions. Under the present Guidelines, non-banks are allowed to establish, own and manage an electronic money business in the form of a separate entity to be supervised by the Bank of Ghana. Business models and partnership arrangements are not dictated.

Periodic review of these Guidelines will be conducted through a consultative process involving the main stakeholders.

CHAPTER I

PRELIMINARY

1. Short Title and Commencement

- (1) These Guidelines shall be called the Guidelines for E-Money Issuers in Ghana.
- (2) The Guidelines shall come into effect on **July 6, 2015**.
- (3) Non-banks that have previously been offering mobile financial services in partnership with banks must apply within six (6) months of the coming into effect of these Guidelines, for a license in order to conform to the new framework.

2. Objectives

The Guidelines for e-money issuers set out by the Bank of Ghana are aimed at achieving the following objectives:

- a) Promote financial inclusion without risking the safety and soundness of the financial system;
- b) Extend financial services beyond traditional branch-based channels to the domain of everyday transactions;
- c) Ensure that electronic money is only provided by (a) financial institutions regulated under the Banking Act, 2004 (Act 673) or (b) duly licensed non-bank entities which are engaged solely in the business of e-money and activities related or incidental to the business of e-money and which are regulated and supervised by the Bank of Ghana (“Dedicated EMIs”);
- d) Ensure that customers of e-money issuers benefit from adequate transparency, fair treatment, and effective recourse.

3. Interpretation

In these Guidelines, unless the context otherwise requires,

- a) “agent” has the meaning assigned to it in the Agent Guidelines;
- b) “AML/CFT” means Anti-Money Laundering and Combating the Financing of Terrorism;
- c) “cash-in” means accepting banknotes or coins and performing the necessary steps to initiate the crediting of that monetary value to the customer’s e-money account;
- d) “cash-out” means giving out banknotes or coins and performing the necessary steps to initiate the debiting of that monetary value from the customer’s e-money account;
- e) “complete application” means the submission of all required documents needed to process an application/authorisation;
- f) “customer due diligence” (CDD) means the process of obtaining customer information and verifying/assessing the value of the information from independent and reliable sources to identify the customer upfront, as well as to detect, monitor and report suspicious activity;
- g) “Dedicated EMI” or “DEMI” means a legal person that has been licensed under Paragraph (7) of these Guidelines;
- h) “electronic money” or “e-money” means electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued on receipt of

funds, redeemable against cash and accepted by a natural or legal person other than the e-money issuer;

- i) “e-money account” means the account held by an e-money holder with an e-money issuer for conducting e-money transactions and/or for cash-in/cash-out transactions;
- j) “e-money business” means the issuance, transfer, payment and redemption of electronic money, and any other activity permitted under these Guidelines and by the Bank of Ghana.
- k) “e-money float” or “float” means the total outstanding e-money liabilities of the e-money issuer to its customers at any point in time;
- l) “e-money holder” means a person who has a claim on an e-money issuer for e-money issued by same;
- m) “e-money issuer” or “EMI” means an entity issuing e-money and could be either a Dedicated EMI licensed under these Guidelines or a financial institution regulated under the Banking Act and authorised under these Guidelines;
- n) “e-money user” means a person who uses e-money for making financial transactions either with or without opening an e-money account;
- o) “KYC” means Know Your Customer;
- p) “merchant” means a commercial establishment where customers are able to pay for goods and services using e-money;
- q) “MSISDN” means Mobile Station International Subscriber Directory Number
- r) “over-the-counter transaction” or “OTC transaction” refers to a transaction conducted by a customer with an EMI or its agents in cash without making use of an e-money account held in their own name. The sub-set of OTC transactions for which this applies to both sender and recipient shall be called “Cash-to-cash” or “C2C” transactions;
- s) “penalty unit” refers to such units established by the Fines (Penalty Units) Act 2000 (Act 572). The monetary value of a penalty unit stands at GH¢12.00;
- t) “real time” means the electronic processing of transactional data instantaneously;
- u) “regulated financial institution” or “RFI” means a financial institution regulated under the Banking Act, 2004 (Act 673);
- v) “significant shareholding” means a direct or indirect holding which
 - i) represents ten per cent or more of the capital or of the voting right; or
 - ii) makes it possible to exercise a significant influence over the management of the entity in which a holding subsists.
- w) “significant owners” are such owners that have significant shareholding in an entity;
- x) “universal bank” means a bank, excluding rural and community banks, licensed by the Bank of Ghana to carry out the business of banking.

4. Repeals and Savings

These Guidelines do not, in general, supersede or revoke any of the existing laws, rules and regulations except for the Guidelines for Branchless Banking, Notice No. BG/GOV/SEC/2008/21 which are herewith revoked.

CHAPTER II

PERMISSION TO ISSUE E-MONEY

5. Scope of Guidelines

- (1) No person shall issue e-money other than a financial institution regulated under Act 673 and authorised under these Guidelines or a Dedicated EMI licensed under these Guidelines.
- (2) These Guidelines apply to:
 - a) All issuers of e-money who are not licensed as financial institutions under Act 673
 - b) In respect of Chapters I, III, V and VI as well as Paragraphs 5, 6, 8 and 9 to financial institutions regulated under the Banking Act, 2004 (Act 673) to the extent that they conduct the business of an e-money issuer.
- (3) These Guidelines do not apply to payment instruments that can be used to acquire goods or services only in the premises used by the issuer or under a commercial agreement with the issuer either within a strictly limited network of service providers or for a strictly limited range of goods or services (usually referred to as “closed loop” systems).
- (4) These Guidelines apply to prepaid cards, to the extent that the value stored on such cards falls under the definition of electronic money as per Paragraph 3 (h) and are not explicitly exempt as per Sub-Paragraph 5 (3) above.
- (5) The issuance of e-money does not constitute the business of banking pursuant to Act 673 and hence on its own does not lead to a licensing requirement under Section 4 of Act 673.

6. Authorization of E-Money Issuers

- (1) Any financial institution regulated under Act 673 wishing to issue e-money shall make an application to the Bank of Ghana for authorisation in the form prescribed below.
- (2) An application under this clause shall set out the nature and functionality of the proposed e-money operations that will be made available to e-money holders and shall contain sufficient information to enable the Bank of Ghana to evaluate the requirements.
- (3) Without limiting the generality of the foregoing, the application shall contain:
 - a) Proposed e-money services to be offered;
 - b) A business plan for its proposed e-money operations covering at a minimum, the subsequent three years and indicating the intended initial geographical coverage of the service, including agent coverage, as well as its expansion over time;
- (4) Bank of Ghana undertakes to respond with authorization or refusal within ninety (90) calendar days from receipt of the complete application.
- (5) Any applicant for such authorization whose application has been refused under Sub-Paragraph (5) above may, within thirty (30) calendar days from the date on which the refusal is communicated, appeal against the decision to the Governor of Bank of Ghana.
- (6) An RFI who carries on the business of e-money issuance without authorisation from the Bank of Ghana commits an offence and shall be liable to a fine of not less than 2,500 penalty units payable to Bank of Ghana.
- (7) A person who contravenes Sub-Paragraph (6) above shall immediately cease the issuance of e-money and seek the authorisation of the Bank of Ghana.

7. Licensing of Dedicated EMIs

- (1) Entities other than financial institutions regulated under Act 673 wishing to issue e-money, and possessing, if relevant, “no objections” from any other regulating body they may be affiliated to, shall make an application to the Bank of Ghana for licensing to conduct business as Dedicated EMIs, in the form prescribed below and accompanied by a non-refundable application fee as may be prescribed by Bank of Ghana from time to time.
- (2) An application under this clause shall set out the nature and functionality of the proposed e-money operations that will be made available to e-money holders and shall contain sufficient information to enable the Bank of Ghana to evaluate the requirements.
- (3) Without limiting the generality of the foregoing, the application shall contain:
 - a) Identifying information about the applicant and his/her business organization;
 - b) A list of the current or proposed significant owners of the applicant and the percentages of shares owned or to be owned by each;
 - c) Biographical information on the board of directors and executive officers;
 - d) Proposed e-money services to be offered;
 - e) A business plan covering at a minimum the subsequent three years and indicating the intended initial geographical coverage of the service, including agent coverage, as well as its expansion over time;
 - f) Identifying information for any and all bank accounts to be used in the conduct of e-money operations;
- (4) The Bank of Ghana shall not authorize a person¹ as a Dedicated EMI unless the person complies with the following requirements:
 - a) The person is established and incorporated as a limited liability company under the Companies Code, 1963 (Act 179);
 - b) The person shall include in their Articles of Incorporation language to the effect that e-money owed to their customers are purely held in trust and will not be encumbered in the case of insolvency or liquidation of the DEMI.
 - c) The significant owners and ownership structure are suitable;
 - d) The board of directors adequately reflects the balance of interests represented by the Dedicated EMI, in particular that the company will hold funds in trust on behalf of e-money holders;
 - e) The person engages only in the business of e-money and other activities related or incidental to the business of e-money, such as money transfer/remittance. A person engaged in activities not related or incidental to e-money but wishing to be authorized to conduct e-money services must do so through a separate entity duly incorporated exclusively for this purpose, which requires a licence under these Guidelines as a Dedicated EMI;
 - f) The person is financially sound;
 - g) The individuals proposed to manage or control the Dedicated EMI are fit and proper and have the necessary experience and qualifications to perform their functions;
 - h) Any other requirement that the Bank of Ghana may prescribe.

¹ The use of “person” here and in 4a) 4b) 4e) and 4f) refers to a legal person

- (5) Without limiting the generality of the foregoing, the Bank of Ghana may reject the application for a license on any of the following grounds:
 - a) The applicant or any of its significant owners has been convicted of a crime involving a financial transaction in any jurisdiction within the past 10 years or is a convicted felon;
 - b) The application contains false information;
 - c) The applicant fails to respond to a request from the Bank of Ghana for additional information within 10 days of a second request for the same information;
 - d) The documents submitted are incomplete, deceptive or misleading.
- (6) Bank of Ghana undertakes to respond with authorization or refusal within ninety (90) calendar days from receipt of the complete application.
- (7) Any applicant for a license as Dedicated EMI whose application has been refused under Sub- Paragraph (5) may, within thirty (30) calendar days from the date on which the refusal is communicated, appeal against the decision to the Governor of the Bank of Ghana.
- (8) A person who carries on the business of e-money without a licence from the Bank of Ghana commits an offence and is liable on summary conviction,
 - a) In the case of a corporate body or other body of persons, to a fine of not less than 2,500 penalty units;
 - b) In the case of an individual, to a fine of not less than 2,500 penalty units, or to a term of imprisonment not exceeding two (2) years.

8. Technology and Security Requirements

- (1) In order to minimize risk to customer funds, all agent-based transactions must be undertaken electronically and settled in real time against a pre-funded account held by the agent,
- (2) All transactions against customer accounts must be duly authorized by the account holder. For amounts in excess of GH¢500.00, a two factor authentication using a PIN code, biometric signature or similar as well as a physical token in the form of a card, SIM card or similar must be used to authenticate the account holder.
- (3) Customers shall be notified of all transactions on their accounts via electronic notification or a physical receipt providing at least the following information:
 - a) Transaction amount;
 - b) Transaction type;
 - c) Any fees charged;
 - d) Unique transaction reference;
 - e) Date and time of transaction;
 - f) Identifying details of the recipient of an outbound transaction or of the sender of an inbound transaction

9. Systems and Controls

- (1) EMIs must ensure that the following minimum systems and controls are in place for their e-money business:
 - a) Sound and prudent management, administrative and accounting procedures and adequate internal control systems;

- b) Valid third-party certification from a reputable certification authority or body on compliance status with the PCI DSS and ISO 27001 at all times;
 - c) Appropriate and tested technology systems;
 - d) Appropriate security policies and measures intended to safeguard the integrity, authenticity, and confidentiality of data and operating processes;
 - e) An adequate business continuity and disaster recovery plan;
 - f) An effective audit function to provide periodic review of the security control environment and critical systems; and
 - g) The system should maintain a complete audit log of all user activities.
- (2) A Dedicated EMI shall establish a board of directors with a minimum of five (5) members, at least three (3) of whom shall be resident in Ghana. The board shall be responsible for strategic decisions, effective oversight, compliance and internal control functions.
- (3) The senior management of the EMI shall remain responsible for maintaining an effective system of operations with regard to their e-money business.

CHAPTER III

PROVISIONS FOR ALL E-MONEY ISSUERS

10. Issuance and Redeemability

- (1) E-money accounts and transactions shall be denominated only in Ghana cedis.
- (2) E-money issuers shall issue e-money at par value on the receipt of funds.
- (3) E-money issuers shall, upon request by the e-money holder, redeem, at any moment and at par value, the monetary value of e-money held.
- (4) Notwithstanding Sub-Paragraph (3), redemption may be subject to a fee if clearly stated in the contract between the e-money issuer and e-money holder.
- (5) E-money issuers shall pass-through not less than 80% of the interest accrued on the pooled e-money float net of any fees or charges related to the administration of the pooled float accounts to e-money holders. Such fees and charges must be the standard applicable to the account type in question. Any use of frivolous fees and charges or the invention of a new account type to hold e-money float for the purposes of limiting interest below that of other account types will be seen as an attempt to defraud the e-money holders and grounds for severe sanctioning of the bank and any colluding partner. Such fees and charges may also not exceed the interest income generated on the account such that the balance in the account falls below the total value of the part of the e-money float held in the account in question.
- (6) Any amount in excess of the minimum of 80% interest (i.e. 20% or lower) may be retained by the EMI. Furthermore, interest generated on over-the-counter transactions which are not associated with a given customer account may be retained in by the EMI.
- (7) For purposes of transparency and accountability, interest shall be paid into a separate account (interest account) held in the name of the pooled account. Withdrawals from this account shall be only to distribute interest.
- (8) An EMI shall submit a proposal to Bank of Ghana for approval on how it intends to distribute the interest.
- (9) The provisions in Sub-Paragraphs (5) and (6) above may be reviewed by the Bank of Ghana as it deems fit.
- (10) Any E-money issuer which fails to comply with the requirement under Sub-Paragraph (5) above shall pay to the Bank of Ghana a fine not exceeding 2,500 penalty units.

11. Permissible Transactions

- (1) E-money systems may be used for the following:
 - a) Domestic payments;
 - b) Domestic money transfers, including to and from bank accounts;
 - c) Bulk transactions, including payments of salaries, benefits, pensions etc.;
 - d) Cash-in and cash-out transactions;
 - e) Over-the-counter transactions;
 - f) Inward international remittances;
 - g) Savings products in partnership with banks and other deposit-taking institutions;
 - h) Credit products under-written by a duly licensed RFI;

- i) Insurance products under-written by a duly licensed insurer;
- j) Any other transactions the Bank of Ghana may prescribe.

The Bank of Ghana may, by notification, restrict the permissible transactions of EMIs or remove the restrictions so imposed as it considers appropriate.

12. Transaction Limits

- (1) Customer e-money accounts have been categorised in three levels as part of a risk-based approach to KYC. *Minimum KYC accounts*, intended as a first step towards financial inclusion for the unbanked, are subject to very low transaction limits and correspondingly low documentation requirements, while *Medium KYC accounts* have intermediate transaction limits and documentation requirements and *Enhanced KYC accounts* give access to high limits but come with bank grade account opening requirements. Furthermore, over-the-counter transactions have been categorized separately.
 - a) Every Minimum KYC account issued shall be subject to a maximum balance limit of GH¢1,000, an aggregate daily transaction limit of GH¢300 and an aggregate monthly transaction limit of GH¢3,000.
 - b) Every Medium KYC account issued shall be subject to a maximum balance limit of GH¢10,000, an aggregate daily transaction limit of GH¢2,000 and an aggregate monthly transaction limit of GH¢20,000.
 - c) Every Enhanced KYC account issued shall be subject to a maximum balance limit of GH¢20,000, an aggregate daily transaction limit of GH¢5,000 and an aggregate monthly transaction limit of GH¢50,000.
- (2) Should an e-money issuer issue more than one e-money account to an e-money holder, the aggregated balances and transactions across all the e-money accounts shall not exceed the limits stipulated for the respective level of account. If the accounts are of different levels, the limits pertaining to the higher level shall apply. E-money issuers are required to ensure that their systems are able to effectively enforce this requirement.
- (3) Over-the-counter transactions that do not involve the use of a customer e-money account shall be permitted and subject to the following transaction limits:
 - a) Where the customer presents acceptable ID as per Paragraph 15(1) below, over-the-counter transactions shall be subject to a single transaction limit of GH¢500, an aggregate daily transaction limit of GH¢2,000 and an aggregate monthly transaction limit of GH¢20,000.
 - b) Where the customer does not present an acceptable ID, he/she shall be required to be introduced by someone with an acceptable ID. E-Money Issuers will in all instances of such transactions be required to capture under separate fields in their system at least the following information on the customer: name, date of birth, address, telephone number; and the details of the ID of the one doing the introduction. Such transactions shall be subject to a single transaction limit of GH¢200, an aggregate daily transaction limit of GH¢500, and a monthly limit of GH¢2,500.
- (4) All transactions except cash-out, payments for government services, utility bills, satellite TV, school fees, post-paid telephone/broadband internet bills, or such transactions as shall be determined by Bank of Ghana from time to time, shall count towards the above limits. Thus the limits will be restricting the aggregated value of: cash-in to own or someone

else's account; physical or online merchant payments; person to person transfers (account-based and over-the-counter); airtime purchases; and any other type of transaction not explicitly exempted by this paragraph.

- (5) Agent e-money accounts are a separate category intended for agents' use in the provision of banking or e-money services to end-customers. Such accounts shall be restricted as follows:
- a) No limits on account balance or transactions directly serving customers, which are inherently limited by the restrictions articulated in preceding Sub-Paragraphs.
 - b) An aggregate daily limit of GH¢20,000 on transactions with other account types and/or for purposes other than serving customers, such as liquidity management.
 - c) Transactions against the accounts of the EMI or those of RFIs involved in liquidity management for the EMI shall not count towards these limits.
 - d) Agent accounts belonging to RFIs shall not be subject to any limits.
 - e) Master-agents shall not be subject to any limits
 - f) EMIs may apply to the Bank of Ghana on case by case basis for approval for higher agent limits, justifying the need, proposing a revised set of limits and providing the necessary business information supporting the proposal
- (6) Merchant e-money accounts are a separate category intended for companies that need to receive customer payments, make purchases from suppliers and/or pay salaries to employees in volumes higher than an Enhanced KYC account would permit. Such accounts shall be restricted as follows:
- a) No limits on account balance, inward receipt of electronic payments, outward bulk transactions or transfers to and from a pre-registered bank account belonging to the merchant.
 - b) An aggregate limit on cash-out and outbound payments of GH¢10,000 per day and GH¢ 100,000 per month.
 - c) For very large companies where even these limits would be overly restrictive, an approval to supersede these limits may be granted by Bank of Ghana on a case by case basis upon receipt of application from the EMI justifying the need, proposing a revised set of limits and providing business information supporting the proposal. If approved, EMIs are strictly obliged to ensure that the revised limits for each merchant are continuously adhered to. If Bank of Ghana perceives that this privilege is being abused, it shall prescribe rectifying action for the EMI and may ultimately revoke the privilege.
 - d) For individual payment instances where the limits would be overly restrictive, EMIs shall be permitted to supersede prescribed limits on a one-off basis. This shall be subject to the EMI reporting and justifying each such instance to Bank of Ghana within 30 calendar days. If Bank of Ghana perceives that this privilege is being abused, it shall prescribe rectifying action for the EMI and may ultimately revoke the privilege.
 - e) Merchant accounts belonging to RFIs shall not be subject to any limits.
 - f) Only merchant accounts are permitted to perform outward bulk transactions (salaries and benefits).

- (7) Any EMI failing to comply with the prescribed transaction limits is liable to a fine not exceeding 2,500 penalty units per day.

13. Dormant Accounts

- (1) An e-money account that has registered no transaction for a consecutive period of 12 months shall be considered dormant. In order to limit the possibility for third party misuse of such an account, the EMI shall adhere to the following:
- a) The relevant customer shall be notified no less than one month before the 12 month mark is reached that the account will be suspended unless there is some form of activity. The customer would then be advised to perform a transaction to keep the account active or to close the account and should be provided with instructions as to how to do so.
 - b) If no activity has still taken place when the 12 month mark is reached, the EMI shall block the account and permit no further transactions until reactivated by the customer, supported by the original ID used to open the account. The EMI shall notify the customer that the account is blocked and provide instructions on how to reactivate it.
 - c) An account that has been so blocked for 12 months without reactivation by or communication from the relevant customer shall be terminated by the EMI.
 - d) All outstanding balances in the account upon termination shall be transferred, along with identifying information on the customer, into a separate account held by the EMI with a specific universal bank designated for this purpose for a period of no less than five years;
 - e) Universal banks holding these accounts are permitted to intermediate the funds and retain the proceeds.
 - f) All identifying information relating to the account and its closing balance shall be retained by the EMI and the bank for a period of no less than five years;
 - g) After a period of five years has passed without claim from the original customer, the EMI shall transfer all such funds to the Bank of Ghana and retain all identifying information;
- (2) In the case of mobile money, all outstanding e-money balances may be dissociated from MSISDNs after 3 months' (90 calendar days) of inactivity. An MSISDN that is linked to an e-money account shall not be reassigned to a new customer without the following actions on the part of the EMI:
- a) The e-money account shall be terminated;
 - b) The EMI shall follow steps **d** to **g** in Sub- Paragraph (1) above.
- (3) The treatment of dormant accounts shall comply in full with these Guidelines as well as any other directive that the Bank of Ghana may issue hereafter;
- (4) Failure to comply with the provisions under this Paragraph shall attract a fine of up to 2,500 penalty units.

14. Compliance Requirements

- (1) An e-money issuer shall put in place systems that have built-in control mechanisms for a complete audit trail. These control mechanisms include, but are not limited to:
- a) Complete records of e-money accounts opened;
 - b) Identifying e-money users;

- c) Tracking and monitoring of all e-money transactions undertaken by e-money users and the individual and aggregate balances held by e-money holders;
 - d) Internal policies, procedures and accountability structures pertaining to Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT);
 - e) Automatic alerts and flags on suspicious transactions;
 - f) Detection of patterns of transactions.
- (2) An e-money issuer shall keep records of every e-money transaction processed by it for a period of not less than six years.
 - (3) E-money issuers shall ensure that they have systems that provide adequate data protection and data integrity.
 - (4) Failure to comply with the provisions under this Paragraph shall attract a fine of 2,500 penalty units.

15. Customer Due Diligence Requirements

- (1) The following types of identification documents (IDs) are considered acceptable for the purposes of Customer Due Diligence under these Guidelines: National ID, Voter ID, Driver's License, National Health Insurance Scheme (NHIS) ID, SSNIT ID, and Passport.
- (2) The following minimum CDD requirements shall be adhered to by every EMI in opening the various types of accounts for e-money holders:
 - a) For Minimum KYC accounts, customers have to provide their name, date of birth, residential address, telephone number and any type of Photo ID that can reliably identify the customer. Proof of address is not required.
 - b) For Medium KYC accounts, customers have to provide their name, date of birth, residential address, telephone number and acceptable ID as per Sub-Paragraph (1) above; proof of address is not required.
 - c) For Enhanced KYC accounts, customers have to fully comply with the Bank of Ghana identification requirements for opening bank accounts, meaning they will in addition to acceptable ID as per Sub-Paragraph (1) above also need to provide at least one of the following: registered Tenancy Agreement, Utility Bill, Income Tax Certificate, Other Banks' Statements, Reference Letter, or Employer's reference letter. EMIs must verify/validate these documents.
 - d) For agent accounts, the relevant due diligence requirements as outlined in the Agent Guidelines, shall be adhered to.
 - e) For merchant accounts, companies have to provide their Certificate of Incorporation, Tax Identification Number and bank account information.
 - f) For OTC transactions, customers should be subject to the same KYC requirements as in Sub-Paragraph (2) b) above.
- (3) E-money issuers will, in all instances of opening Minimum KYC accounts, be required to capture under separate fields in their system at least the following information: customer name; address; customer date of birth; ID type and number; image of the photo ID and for all customers that have one, the customer's telephone number.

- (4) E-money issuers will in all instances of opening Medium or Enhanced KYC accounts be required to capture under separate fields in their system at least the following information: customer name; customer date of birth; address, ID type; ID number; image of photo ID; address and for all customers that have one, the customer's telephone number.
- (5) CDD requirements for the higher level of over-the-counter transactions outlined in Paragraph 12 (3) a) are limited to the presentation of an acceptable ID as per Sub-Paragraph (1) above. E-money issuers will in all instances of such transactions be required to capture under separate fields in their system at least the following information: ID type and ID number; image of photo ID and for all customers that have one, the customer's telephone number.
- (6) E-money issuers that have already collected and retained customer ID information, e.g. during registration of SIM cards or bank accounts, are allowed to directly use this information to satisfy relevant CDD requirements across the various account tiers outlined in Sub-Paragraph (2) above, without requiring the presentation of the same documentation again. In cases relying on information from SIM registration, EMIs must validate the data against the database of the National Communications Authority within 48 hours of account opening. Accounts where discrepancies are identified must be suspended until such time as these discrepancies have been eliminated.
- (7) E-money issuers are in all instances under strict obligation to conduct such verification of customer information as is necessary to appropriately manage material risks of error, fraud and breaches of applicable rules and principles with regard to AML/CFT.
- (8) Failure to comply with the provisions under this Paragraph shall attract a fine of 500 penalty units. The EMI shall be required to rectify violations and report to Bank of Ghana within ten (10) working days.

16. Liquid Assets Requirements

- (1) Dedicated e-money issuers shall keep 100% of the e-money float in liquid assets. The liquid assets shall remain unencumbered and may take the form of:
 - a) Cash balances held at universal banks in Ghana and withdrawable on demand, provided that such balances shall be held separately from balances relating to any other operations of the Dedicated EMI; or
 - b) Any other liquid asset prescribed by the Bank of Ghana.
- (2) Financial institutions regulated under the Banking Act are not subject to the liquid assets requirement under Sub-Paragraph 1 above, but are required to include e-money balances in the calculation of their statutory reserve requirement and liquidity requirement as prescribed by the Bank of Ghana.
- (3) Dedicated EMIs shall on a daily basis, no later than 4.00 p.m. Ghana time each day, reconcile the liquid assets held by them for the redemption of e-money with the e-money value held by the customers, agents and merchants on their platforms. Any deficiencies in the amount of liquid assets held shall be rectified by 12.00 pm the next day.
- (4) Records pertaining to the above liquid assets as well as reconciliations shall be made available to the Bank of Ghana for inspection at any time and the confidentiality of bank deposits shall be waived.

- (5) A violation of this requirement by DEMIs shall attract a daily fine of not less than 250 penalty units as the deficiency persists, payable to the Bank of Ghana.

17. Fund Isolation Requirements

- (1) The e-money float of every e-money issuer shall:
 - a) Not be commingled at any time with the funds of any natural or legal person other than the e-money holders on whose behalf the funds are held;
 - b) Be held in either individual or pooled accounts with one or more universal banks in Ghana.
- (2) In the interest of protecting e-money holders from the risk of bank insolvency, the sum total of e-money accounts held with any one universal bank on behalf of a given e-money issuer cannot exceed 15% of the net worth of the universal bank. Whenever the threshold is exceeded on average for three consecutive months, the EMI must place any excess float in another universal bank. In the case of a DEMI, the terms and conditions of the account should require the float holding universal bank to promptly inform the DEMI when the threshold is exceeded.
- (3) At such time as Ghana introduces deposit insurance coverage, the balances in the e-money accounts of all individual customers shall be afforded equal protection as deposits held in bank accounts.
- (4) Failure to comply with the provisions under this Paragraph shall attract a fine of 500 penalty units.

18. Outsourcing

- (1) An e-money issuer may contract a third party service provider to perform activities relating to the e-money business, including:
 - a) Technology platform;
 - b) Internal Audit and Risk Management functions
 - c) Recruitment and registration of customers;
 - d) Selection and/or training of agents;
 - e) Management of agents, e.g. monitoring, branding or liquidity management;
 - f) Sales and marketing;
 - g) Provision and/or maintenance of equipment.
- (2) Such outsourcing shall comply in full with these Guidelines as well as with any other Guidelines that the Bank of Ghana may issue hereafter.
- (3) A service level agreement shall be put in place for all outsourcing arrangements and copies forwarded to the Bank of Ghana.

19. Transfer and Termination of E-money Services

- (1) Authorization or license to provide e-money services may not be transferred from one entity to another without the written approval of the Bank of Ghana.
- (2) An EMI that wishes to terminate its e-money business is obligated to wind down operations in a structured and orderly manner. In particular, it must:

- a) Ensure that all of its customers are able to cash out or transfer to a different account the entirety of their outstanding e-money balances at no charge.
- b) Notify all customers through direct communication as well as public information through the media of the termination of the service, any procedures for retrieving their funds as per a) above, the locations in which they can do so and the time span during which they can retrieve their funds.
- c) Give customers a period of at least two months in which to retrieve their funds in this way, counted from the time of informing them of the termination of the service.
- d) Ensure that the universal bank holding the e-money pooled account has updated identifying information of the associated customers and their respective balances. The universal bank is:
 - i. Obligated to hold the funds and identifying information for no less than five years;
 - ii. Permitted to intermediate the funds and retain the proceeds;
 - iii. After a period of five years has elapsed without claim from the original customer, the universal bank shall transfer all such funds to the Bank of Ghana but retain all identifying information.

CHAPTER IV:

PROVISIONS FOR DEDICATED EMIS

20. Capital Requirements

- (1) At the time of licensing and at any point thereafter, a Dedicated EMI shall maintain a minimum paid-up capital as may be specified by the Bank of Ghana from time to time.
- (2) Any DEMI which fails to maintain the required minimum paid-up capital as stipulated under Sub-Paragraph (1) above shall:
 - a) Submit a plan to Bank of Ghana for approval as to how it intends to restore its paid-up capital to the required minimum level; and
 - b) Pay to the Bank of Ghana on each day that the deficiency continues as penalty one-half per mille of the difference between the capital that the DEMI should have maintained and the level of capital actually maintained by the DEMI.
- (3) Where the deficiency is not rectified within one hundred and twenty (120) calendar days after it has occurred, the Bank of Ghana may suspend the license of the DEMI or take such other punitive action as it deems fit.
- (4) Each director and chief executive officer of a DEMI which fails to comply with the minimum capital commits an offence and is liable on summary conviction to a fine not exceeding 500 penalty units that the Bank of Ghana may impose.

21. Settlement of Transactions

If a Dedicated EMI holds the e-money float with more than one bank, all settlement transactions between the respective bank accounts must be settled through the Ghana Interbank Payment and Settlement System.

22. Permitted and Prohibited Activities

- (1) In addition to issuing e-money, Dedicated EMIs shall be entitled to engage in any of the following activities:
 - a) The operation of payment systems, where the conditions of applicable rules are met, notably including those of the Payment Systems Act, 2003 (Act 662);
 - b) The provision of operational services and closely related ancillary services in respect of the issuing of e-money or to the operation of payment systems referred to in point a) above;
 - c) Any other activity permitted by the Bank of Ghana.
- (2) Dedicated EMIs shall not engage in any of the following activities:
 - a) Banking business within the meaning of Section 90 of Act 673;
 - b) Any lending or investment activity other than that required under Paragraph 11 above;
 - c) Any other activity prohibited by the Bank of Ghana.
- (3) Airtime shall not count as e-money and as such cannot be used for permissible transactions under these Guidelines.
- (4) Failure to comply with the provisions under this Paragraph shall attract a fine of up to 1,000 penalty units.

CHAPTER V:

OVERSIGHT, REPORTING, AND SANCTIONS

23. Oversight

The Bank of Ghana shall in respect of e-money issuers exercise the oversight and supervisory powers and functions conferred on it by the Bank of Ghana Act, 2002 (Act 612) and the Payment Systems Act, 2003 (Act 662).

24. Reporting and Notification

- (1) Every e-money issuer shall, within 10 working days of the end of every calendar month, submit to the Bank of Ghana in the prescribed form, information regarding:
 - a) The names of e-money holders and their corresponding tier levels;
 - b) The number of registered and active e-money accounts issued by the EMI respectively broken down by type of account level, with activity counted on a 90 day basis;
 - c) The volumes and values of all activity on its e-money platform broken down by type of transaction, including cash-in, cash-out and OTC transactions;
 - d) The number and types of registered and active agent locations in its network, including sub-agents not directly under contract with activity counted on a 30 day basis;
 - e) The sum total of outstanding e-money balances held by the EMI;
 - f) The aggregate value of all float accounts used in the e-money business;
 - g) The value of each float account used in the e-money business held with respective banks;
 - h) The number and value of all dormant accounts
 - i) Number of incidents of fraud, theft or robbery respectively, including at agents points;
 - j) Number of complaints received, broken down by category and agent location;
 - k) Number of complaints resolved and number currently outstanding
 - l) Number and type of material service interruptions and significant security breaches;
 - m) Suspicious transaction reports (STRs) generated;
 - n) Number of system outages that result in the inability of the customer to access his/her wallet(s) lasting more than 2 hours;
 - o) Such other information as may be required by the Bank of Ghana from time to time.
- (2) Reports of all surveillance activities carried out by certified bodies should be submitted to the Bank of Ghana;
- (3) On an ad hoc basis, the e-money issuer shall report in writing to the Bank of Ghana on the following, no later than 10 calendar days after occurrence:
 - a) Material changes of any of the items required to be included in the licensee's application;
 - b) Any transfer of shares that involves more than 15% of all shares or results in any shareholder acquiring or disposing of a significant shareholding of the e-money issuer;
 - c) Any material changes in the e-money service that changes the scope of the service, such as new service capabilities or a change in technology service providers;
 - d) Any indications of suspected or confirmed fraud relating to the e-money service, any security breaches, any material service interruption or other significant issues

that may affect the safety and efficiency of the e-money service. This reporting shall also be made by the EMI to the Financial Intelligence Centre;

- e) Any indications of loss of confidential data; and
 - f) Any other information that may be requested by the Bank or by the Financial Intelligence Centre.
- (4) Every e-money issuer shall get its books of accounts and IT systems audited and shall submit a copy of each to the Bank of Ghana within three months of the close of the financial year.
- (5) Any substantial change or enhancement in the e-money payment system which an e-money issuer intends to introduce shall be subject to the approval of the Bank of Ghana and the e-money issuer shall notify the Bank of Ghana in writing 30 days prior to the proposed implementation of the change or enhancement. A substantial change or enhancement is one that will expand the scope or change the nature of the e-money payment system and may include, among others, the following:
- a) Additional functionality of the e-money payment instrument such as accessing new e-channels;
 - b) Change of payment service providers and other major partners in the business.
- (6) The Bank of Ghana shall be allowed access to review the e-money systems and databases of the e-money issuer. Whenever the circumstances warrant, such access shall extend to the agents, partners, service providers, or outsourced entities of the e-money issuers in view of their participation in the business of issuing e-money.
- (7) The Bank of Ghana may impose fines not exceeding 500 penalty units on a DEMI for:
- a) Non-submission;
 - b) Incomplete submission;
 - c) Delayed submission;
 - d) Inaccurate submission;
- of the required information, data, statement or returns.

25. Penalties and Sanctions

- (1) Notwithstanding anything contained in Act 612, the Bank of Ghana shall prescribe penalties and sanctions for negligence or non-compliance with the provisions set forth in these Guidelines. In particular as pertains to Customer Due Diligence and AML/CFT, penalties and sanctions shall be severe and may include fines, administrative penalties or revocation of the authorization to conduct e-money business as well as civil or criminal proceedings in a court of law.
- (2) The Bank of Ghana may by notice in writing to an authorized e-money issuer, revoke or suspend an authorization for such period as it may specify, if the authorized e-money issuer:
- a) Ceases to carry on business in Ghana or goes into liquidation, is wound up, or is otherwise dissolved; or
 - b) Fails to adequately comply with the provisions of these Guidelines.

- (3) Before revoking or suspending an authorization under Paragraph 6 or a license under Paragraph 7 of these Guidelines, the Bank of Ghana shall give an e-money issuer not less than fourteen days' notice in writing and shall consider any representations made to it in writing by the e-money issuer within that period.
- (4) An EMI may appeal against any decision to the Governor of the Bank of Ghana.

CHAPTER VI

CONSUMER PROTECTION

26. Principles of Consumer Protection

E-money issuers are under strict obligation to fully adhere to any rules issued by the Bank of Ghana pertaining to consumer protection as well as such basic principles of consumer protection as:

- (1) Equitable, honest and fair treatment of all customers, notably, vulnerable groups such as the illiterate, women and the physically challenged.
- (2) Transparency and the disclosure of clear, sufficient and timely information on the fundamental benefits, risks and terms of any product or service offered in an objective and accessible form;
- (3) Sufficient and accessible information to customers on their rights and responsibilities;
- (4) Protection of customers' privacy as well as tangible and intangible assets related to the service, notably including personal details, financial information and transaction data;
- (5) Responsible business conduct of all staff and authorised agents; and
- (6) Adequate systems and processes for complaints handling and redress.

27. Responsibilities of E-Money Issuers

- (1) Every e-money issuer shall ensure high quality performance (99.5% service availability) of the system. It shall promptly inform the e-money users about any disruption or anticipated disruption in the system. In so doing, it and any parties it directly or indirectly engages in the execution of its business shall comply with relevant sections of Act 662.
- (2) E-money issuers shall enter into a written agreement, physical or electronic, with every e-money account holder for whom they open an e-money account. The e-money issuer will provide explanation and product material on the general product elements to prospective clients and ensure that prospective clients have understood the general product elements even if they are not literate. The agreement shall at a minimum:
 - a) Clearly identify the e-money account holder;
 - b) If the payment system utilizing the e-money account is operated by a person other than the e-money issuer, clearly identify the name of the payment system provider;
 - c) Provide clear guidance on the e-money holders' right of redemption, including conditions and fees for redemption, if any;
 - d) State in its fine print that the ownership of the e-money holders' funds is not in any way impaired by the use of pooled float accounts established in the name of the EMI;
 - e) Include information on available redress procedures for complaints together with the address and contact information of the e-money issuer;
- (3) Any marketing by e-money issuers should follow the general principles of honesty and transparency. The addresses, telephone lines and e-mail address of the provider must be included in all physical marketing material;
- (4) Each e-money issuer shall provide a list with details about name of location of all its customer service points and its agents, and a description of its products and services including the applicable charges on its website;

- (5) All fees and service charges for e-money transactions shall be prominently displayed at its head office, branches as well as the premises of its agents using a standard summary sheet prescribed by Bank of Ghana;
- (6) Each agent should be allocated a unique ID number that is prominently displayed at its agent location;
- (7) SMS messages or any other effective means of information, shall be sent to customers of agents whose agencies are terminated;
- (8) E-money issuers shall maintain a functional dispute and complaints resolution desk which shall be equipped to receive complaints through phone calls, e-mails, and personal visit by the e-money user;
- (9) Each e-money issuer shall display the address, telephone lines, and e-mail address of the complaints resolution desk prominently at its offices and agent locations.

28. Complaint Procedures

- (1) E-money issuers shall set up effective procedures that allow e-money users to submit complaints. At a minimum, these procedures shall:
 - a) Provide easily understood information about the customer care system that should be easily accessible at least during normal business hours;
 - b) Allow for complaints to be lodged orally or in writing, but in each case the complaint must be lodged within a period of 30 calendar days from the date of detection of the anomaly;
 - c) Be provided free of charge;
 - d) Provide for complaints to be resolved within 5 working days of lodging. An additional 10 working days is permitted provided the customer is informed;
- (2) E-money issuers shall acknowledge all complaints filed with them within five days;
- (3) At the time of making a complaint the complainant shall be advised of the expected actions and timing for investigating and resolving the complaint;
- (4) E-money issuers shall put in place processes to provide complainants with sufficient information and the means to inquire on the progress of complaints and such processes may include complaint reference numbers or other identifiers in order to facilitate timely and accurate responses to subsequent inquiries by complainants;
- (5) Complainants shall be advised of the outcome of the investigation of their complaint, and any resulting decision by the e-money issuer;
- (6) Where a complainant is not satisfied with a decision reached pursuant to a complaint, the e-money issuer shall give the complainant the option of pursuing an identified escalation process by which the decision may first be examined by a suitably qualified person in the e-money issuer's organization and, if still unresolved, by Bank of Ghana.