

# BANK OF GHANA

## **NOTICE TO BANKS, NON-BANK FINANCIAL INSTITUTIONS AND THE PUBLIC**

**NOTICE NO. BG/GOV/SEC/2013/09**

### **PAYMENT SYSTEMS OVERSIGHT FUNCTION: BANK OF GHANA AND THE PAYMENT AND SETTLEMENT SYSTEMS**

The Bank of Ghana has statutory responsibility for the payment and settlement systems in Ghana. This responsibility is enshrined in the Bank of Ghana Act, 2002 (Act 612) which empowers the Bank of Ghana to “promote, regulate and supervise payment and settlement systems”. Specifically, the Payment Systems Act, 2003 (Act 662) also authorises the Bank of Ghana to establish, operate, promote, designate and supervise payments, funds transfer, clearing and settlement systems” in the interest of the public.

Bank of Ghana is aware that payment systems can also involve significant exposures and risks, as well as be a channel for the transmission of disturbances from one part of the economy or financial system to another.

For this reason, the Bank has taken a keen interest in the safety, reliability and efficiency of the payment system. The Bank’s task is to ensure that the public, businesses and the Government machinery can make payments in a safe and efficient manner.

Oversight of the payment and settlement systems is a key element in the Central Bank’s responsibility for maintaining financial stability. The focus of the Central Bank’s oversight activities is to identify potential risks posed by the design and operation of a financial market infrastructure and to take steps to control or eliminate them.

To enable the Bank to effectively perform its oversight function, it has developed a framework on the following broad lines:

- Objectives of payment systems oversight
- Risks in payment and settlement systems
- The scope of payment system oversight
- Bank of Ghana’s approach to oversight activities

This detailed document can be downloaded by clicking the following link:  
***Payment and Settlement Systems Oversight Framework***

The Bank will deploy all the necessary resources to ensure the efficient functioning of the payment system to allow for safe, secure, reliable and timely completion of financial transactions. For its oversight responsibilities, the Bank of Ghana shall apply the twenty-four ‘Principles

for Financial Market Infrastructures' (April 2012) issued by the Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) in collaboration with the Technical Committee of the International Organisation of Securities Commissions (IOSCO).

These principles will be applied to all Financial Market Infrastructures (FMIs) operating in the country. The FMIs are payment systems of systemic importance such as the Real Time Gross Settlement (RTGS), National Switch, the Cheque Codeline Clearing with Truncation, Automated Clearing House, the Central Securities Depository, Securities Settlement Systems and mobile money transfer systems. These systems operating in the country are expected to comply with the applicable principles.

Non-systemically important payment systems shall also be covered by the Bank's scope of oversight depending on their collective effect on the payment and settlement systems in Ghana and the extent to which their operations affect public confidence in money and payment systems.

The Bank will expand the scope of its oversight as it deems fit to ensure a high level of consumer protection and economic security to all users of Ghana's payment systems. Bank of Ghana understands that for the oversight responsibility to be beneficial to all, co-operation from all stakeholders within the payment and settlement systems landscape will be required.

The oversight function will be carried out by the National Payment Systems Oversight Office of the Banking Department of the Bank. The Office is responsible for all payment and settlement systems related issues.

Enquiries may be directed to:

The National Payment Systems Office  
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**(Sgd.)**  
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**THE SECRETARY**

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