

# BANK OF GHANA

## NOTICE TO THE PUBLIC AND OPERATORS OF FOREX BUREAU

NOTICE NO.BG/GOV/SEC/2003/2

### REVISED FOREX BUREAU REGULATIONS

The Bank of Ghana announces for the information of the public and operators of forex bureau that as part of measures to streamline the operations of forex bureau and to instil discipline in the operations of the foreign exchange market, the existing regulations have been revised as follows:

#### 1. OPERATION OF FOREX BUREAU

- i) No person shall carry on any forex bureau business unless he/she is in possession of a valid forex bureau licence.
- ii) A person who contravenes or fails to comply with Section 1(i) shall be guilty of an offence and shall be dealt with in accordance with the law.

#### 2. ELIGIBILITY

- (i) a forex bureau may be established by any eligible corporate body or institution duly licensed by the Bank of Ghana to buy foreign currency and draft and sell foreign currency.
- (ii) A forex bureau applicant must be of a Ghanaian nationality.

#### 3. APPLICATION PROCEDURE

- (i) An applicant shall first register with the Registrar of Companies, a company with the sole object of carrying on the business of a forex bureau. The registered name of the company must include "**Forex Bureau**" or "**Bureau de Change**".
- (ii) An application for a forex bureau licence must be made on the prescribed application form obtained at a fee from Banking Department, after clearance from Banking Supervision Department of the Bank of Ghana.

- (iii) A duly completed application form supported by completed Questionnaire on each Director/Shareholder, together with a certified financial statement of affairs and a copy of the Registration Certificate and the company's Regulations must be submitted to:

**THE DIRECTOR  
BANKING SUPERVISION DEPARTMENT  
BANK OF GHANA  
ACCRA**

#### 4. **LICENSING**

- (i) In considering any application for a forex bureau licence, the Bank of Ghana may require to be satisfied as to:
  - (a) the good character of the promoters/directors and management of the company;
  - (b) satisfactory information on capital and sources of funds;
  - (c) whether the public interest will be served by the granting of a licence.
- (ii) Upon receiving an application, the Bank of Ghana shall consider the application and may grant approval in principle, subject to the fulfilment of certain conditions or without conditions or refuse to grant a licence without assigning any reason therefore.
- (iii) Upon receiving an approval in principle by the Bank of Ghana, the applicant shall be required to satisfy the following conditions for the issuance of a forex bureau licence:
  - (a) Payment of a non-refundable licensing fee and a minimum mandatory deposit in US dollars, which shall be determined by the Bank of Ghana at the time of the application.
  - (b) The application fee, licensing fees and mandatory minimum deposit shall be subject to periodic review by the Bank of Ghana.
  - (c) Regularise the premises intended for the forex bureau business.

- (d) The premises of a forex bureau which shall be public and accessible must include the following facilities:
  - (i) a room size spacious enough to accommodate customers' lobby, cashier's counter and a back office for a manager and or other staff and a cash safe;
  - (ii) enhanced burglar proof;
  - (iii) hiring of security personnel;
  - (iv) installation of adequate information technology and communication facilities.
- (iv) The premises of a forex bureau shall be used solely for forex bureau business.
- (v) Where an applicant has satisfied the above conditions, the Bank of Ghana shall thereupon issue an operating licence.
- (vi) a forex bureau shall not relocate its business in another premises until after one year from the date of commencement of business.
- (vii) Any forex bureau wishing to change its location outside its registered place of business shall obtain prior approval from the Bank of Ghana. Such application for relocation shall be supported with tangible reasons.
- (viii) A forex bureau shall open a branch or establish a subsidiary upon being classified into the various categories as prescribed under the Bank of Ghana Notice on Streamlining of forex Bureaux No. BG/GOV/SEC/2003/1.
- (ix) The licence of a forex bureau shall be valid for one year and shall be renewable annually upon receipt of an application from the bureau and satisfactory conduct of operation as shall be determined by Bank of Ghana.
- (x) A forex bureau licence is neither transferable nor assignable.

## 5. **COMMENCEMENT OF BUSINESS**

- (i) On receiving the licence from the Bank of Ghana, the applicant must before starting operation:

- (a) Obtain a certificate to commence business from the Registrar of Companies and submit a copy to the Bank of Ghana.
- (b) Notify the Bank of Ghana of the official(s) i.e. shareholder(s), directors and staff of the forex bureau including the following details:
  - 1. Name(s)**
  - 2. Residential Address(es)**
  - 3. Specimen Signature(s) of staff**
  - 4. Recent passport size photographs endorsed by the bureau's directors**
- (ii) Any change in the staff of a forex bureau must be communicated immediately to the Bank of Ghana.
- (iii) No person(s) other than the official(s) of a forex bureau as notified to Bank of Ghana shall be allowed to transact business on behalf of a forex bureau.
- (iv) A forex bureau shall furnish the Bank of Ghana with any alteration in its regulations or certificate of incorporation or any change of a shareholder or director, not less than two (2) months before the effective date of the alteration or change. Provided, however, that a change of all the original shareholders or directors of a forex bureau shall invalidate the operating licence and the same shall be withdrawn by the Bank of Ghana.

6. **MANDATORY MINIMUM DEPOSIT AND LICENSING FEES**

- (i) All forex bureaux are required to lodge with the Bank of Ghana, the prescribed refundable minimum deposit as shall be determined from time to time by Bank of Ghana.
- (ii) Successful applicants must pay the minimum deposit at the Bank of Ghana either directly or through their bankers before the issuance of a forex bureau licence.
- (iii) New licences, which remain uncollected for a period of six (6) months after notification of approval, shall automatically be cancelled and same withdrawn.

**7. FOREIGN EXCHANGE AND LOCAL CURRENCY ACCOUNTS**

- (i) It is mandatory for each forex bureau to open a Foreign Exchange Account with an authorised dealer bank and inform Banking Supervision Department of Bank of Ghana accordingly.
- (ii) The forex bureau's Foreign Exchange Account shall be used solely for its day-to-day operations.
- (iii) A forex bureau shall not maintain a Foreign Account in any bank.
- (iv) Every forex bureau must maintain a cedi account with a local bank and inform the Banking Supervision Department of Bank of Ghana.

**8. RENEWAL OF FOREX BUREAU LICENCE**

- (i) Application for renewal of licence supported with evidence of tax payment and a copy of the Audited Accounts of the previous year's operation shall be submitted to the Bank of Ghana two (2) months before the expiry date of the forex bureau licence.
- (ii) Renewal of licence shall be subject to satisfactory business conduct which shall include the following:
  - (a) proper keeping of registers and books of accounts required;
  - (b) attainment of a satisfactory level of operations in terms of turnover and networth as may be prescribed by the Bank of Ghana;
  - (c) compliance with timely submission and accuracy of regulatory returns to Banking Supervision Department of Bank of Ghana.
  - (d) any other conditions(s) as may be determined by the Bank of Ghana from time to time.
- (iii) Failure to meet renewal requirements shall lead to withdrawal of licence and the closure of a forex bureau.

9. **CLOSURE OR SUSPENSION OF FOREX BUREAU**

- (i) Any forex bureau, which is closed or suspended by the Bank of Ghana, shall cease to advertise its name, surrender all unused encashment and sales receipt books as well as the Forex Bureau Licence to the Bank of Ghana. Bank of Ghana may reinstate or permit the reactivation of such a forex bureau within three (3) months upon the fulfilment of relicensing conditions. Any forex bureau which fails to meet the relicensing conditions within the stipulated time shall permanently be closed and its licence withdrawn.
- (ii) A forex bureau shall apply to the Bank of Ghana to be permitted to close or suspend business operation temporary if it is facing some serious difficulties.
- (iii) Any such bureau, which remains closed for a continuous period of one (1) year, shall have its licence withdrawn and the name submitted to the Registrar of Companies for permanent cancellation.
- (iv) Any forex bureau that has the authority to close or shall be closed, shall apply to the Bank of Ghana for the refund of the mandatory deposit attaching:
  - (a) a copy of the Directors' Resolution on the permanent closure of the bureau;
  - (b) a Notice of Dissolution from the Registrar General's Department evidencing the deletion of the name of the bureau from the Register of Companies;
  - (c) evidence of payment receipt of mandatory minimum deposit.

10. **OPERATION**

(i) **Transaction**

- (a) Forex bureaux are authorised to engage in spot transaction only i.e. currencies bought or sold must be delivered immediately. No forward dealings in foreign exchange shall be undertaken by a forex bureau.

- (b) A forex bureau shall freely purchase from and sell foreign exchange to the public. The public is also free to sell to or purchase foreign exchange from the forex bureau.
  - (c) A forex bureau may purchase Travellers' Cheques and drafts from the public and credit its Foreign Exchange Account with a bank for collection of the proceeds.
  - (d) A forex bureau shall issue Foreign Exchange Encashment Receipts (FXER) or Foreign Exchange Sale Receipts (FXSR) obtainable from the Bank of Ghana for all transactions. Under no circumstance should a forex bureau print or issue its own receipts.
  - (e) Every forex bureau shall display prominently and legibly in the main business hall a notice to the effect that:
    - (i) customers should insist on receipts before leaving the counter;
    - (ii) customers should provide an identification i.e. passport, driving licence, voters identification card, student identity card or any form of recognised identification and residential address for the purchase of any foreign currencies.
  - (f) A forex bureau shall not trade in any non-convertible currency
- (ii) **Currencies of Transaction**

- (a) A forex bureau shall conduct foreign exchange cash transaction in any of the following convertible currencies:

**United States Dollar**  
**U.K Pound Sterling**  
**Canadian Dollar**  
**Euro**  
**Swiss Franc**  
**CFA**  
**Japanese Yen**  
**South African Rand**

- (b) The Bank of Ghana may review the above list of currencies at its own discretion.
- (iii) A forex bureau shall purchase travellers cheques and drafts in the following currencies only:

**United States Dollar**  
**U.K. Pound Sterling**  
**Euro**

- (iv) (a) Each forex bureau shall be free to quote its foreign exchange buying and selling rates.
- (c) A forex bureau shall prominently display its buying and selling rates at its immediate premises.

#### 11. REGISTER OF ACCOUNTS

- (i) Each forex bureau shall maintain the following registers in respect of its transactions:
  - (a) Register of purchases of foreign currency
  - (b) Register of purchases of travellers' cheques and drafts
  - (c) Register of sales of foreign currency
  - (d) Register for the summaries of purchases and sales in foreign currencies and the cedi equivalent
  - (e) Register of Bank of Ghana Receipts Books
- (ii) The above registers are in addition to accounting books and records that are required to be kept under the Companies' Code specifically:
  - (a) Treasury or Reserve Book
  - (b) General Ledger
  - (c) Income and Expenditure Records
- (iii) All registers and other records of a forex bureau shall be up-to-date and shall be available for inspection by authorised Bank of Ghana officials at all times.



12. **SUBMISSION OF RETURNS TO THE BANK OF GHANA**

- (i) Each forex bureau shall submit to the Research and Banking Supervision Departments of the Bank of Ghana, the following monthly returns not later than ten (10) working days after the month for which the report is being made:
  - (a) Statement of total purchases and total sales of foreign currencies and drafts in accordance with formats prescribed by the Bank of Ghana on Form BOG/BSD/FXB-R.1.
  - (b) Foreign currency stock position at the close of business on the last day of each month as prescribed by the Bank of Ghana on Form BOG/BSD/FXB-R.2.
  - (c) Returns on sales of foreign currency and cedi equivalent as prescribed by Bank of Ghana on Form BPG/BSD/FXB-R.3.
- (ii) Non-submission of returns, and delays in submission of returns shall attract a fine as prescribed by Bank of Ghana for each day that the default persists.
- (iii) Notwithstanding, each forex bureau maintaining registers in respect of its transactions, a mainline forex bureau shall collate the transactions of its branch(es) or subsidiary(ies) and submit to the Bank of Ghana, monthly returns of a consolidated position of the bureau's performance.
- (iv) Submission of incomplete and or inaccurate returns shall be sufficient grounds for the imposition of a fine as shall be determined by the Bank of Ghana.
- (v) Persistent default may lead to the withdrawal of licence and subsequent closure of bureau.

13. **UNAUTHORISED BUSINESS**

A forex bureau shall not engage in any of the following activities

- (i) acceptance of cedi deposit from any person or corporate body or any legal entity with the intent of obtaining or supplying the foreign exchange equivalent either wholly or in part at a future date;

- (ii) acceptance of foreign exchange deposit from any person or corporate body or any legal entity with the intent of obtaining or supplying the cedi equivalent either wholly or in part at a future date;
- (iii) opening of foreign exchange or cedi accounts for any customer;
- (iv) engaging in off-shore business or maintaining foreign correspondence relationship;
- (v) establishment of letters of credit;
- (vi) engaging indirectly or directly in any form of foreign currency transfer activities.

**14. AUDITED ACCOUNTS**

- (i) Each authorised forex bureau shall engage a firm of External Auditors who shall be:
  - (a) members of the Institute of Chartered Accountants (Gh) under the Chartered Accountants Act, 1963 (Act 179) and shall be in good standing with the Institute;
  - (b) practising Accountants within the meaning of that Act;
  - (c) resident in Ghana or if not resident, has residence outside Ghana and has been specifically approved in writing by the Bank of Ghana in consultation with the Minister of Finance;
  - (d) not disqualified by any law in force in Ghana or in any other country from being appointed to practice as Auditor;
- (ii)
  - (a) An auditor appointed under this section shall not be an employee, officer or director of the forex bureau.
  - (b) Such auditors shall prepare for submission, a statutory audit report and a long form report to the bureau which appointed them in accordance with the provisions of the Companies Code.

- (iii) The auditor shall state in his statutory report, whether or not:
  - (a) the accounts give a true and fair view of the state of affairs of the bureau;
  - (b) whether all information and explanation required for the efficient performance of the audit were obtained;
  - (c) the forex bureau's transactions are within the rules and regulations of the bureau.
- (iv) These documents are to be submitted by the forex bureau within four (4) months after each financial year. Non-submission shall attract a penalty each day the default persists as may be prescribed.

**15. INVESTIGATIONS**

- (i) The Bank of Ghana reserves the right to order an investigation into the affairs of any forex bureau if in the Bank's opinion, the conduct of the forex bureau justifies this course of action. The charges thereof shall be borne by the forex bureau.
- (ii) Any person duly authorised by the Bank of Ghana to act on its behalf may at any time enter any premises where a licensee is carrying on business on any premises where he suspects any business is being carried on in contravention of these Regulations and may inspect the premises and any book or document on those premises which he reasonably requires to inspect for the purpose of ascertaining whether a contravention of these Regulations or any other notice issued is being committed or has been committed.
- (iii) Any person who fails without any reasonable excuse to admit or permit an authorised person to inspect or perform the functions assigned, or refuse to produce any book or document under his control which that person requires for the performance of the assignment specified or refuses without reasonable excuse to produce to him and to permit him to take copies of or have entry to it shall have its licence withdrawn.

16. **SALE AND ENCASHMENT INFORMATION**

A forex bureau may request for additional information other than that normally required for the completion of receipts for foreign exchange encashment or sale and shall make such information available to the Bank of Ghana.

17. **LIABILITY OF DIRECTORS AND STAFF**

Where an offence under this regulation has been committed by a forex bureau, any person who at the time of the commission of the offence was a director, secretary, manager or other officer of the company or who was purporting to act in any such capacity shall be liable to be punished accordingly.

18. **INDEMNITY**

Under these Regulations, neither the Bank of Ghana nor any person authorised by the Bank shall be subject to; any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith in pursuance or in execution or intended execution of any power conferred or imposed upon the Bank or the person by these Regulations.

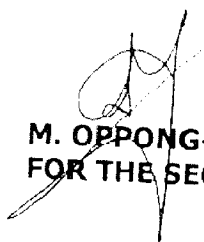
19. **REVOCAION OF LICENCE**

The Bank of Ghana reserves the right to revoke the licence of any forex bureau if:

- (i) in the Bank's opinion, the conduct of the forex bureau is detrimental to the success of the Forex Bureau Scheme;
- (ii) the forex bureau has ceased to carry on the business for which it has been licensed or, if the licensee as a company goes into liquidation, or is wound up or otherwise dissolved;
- (iii) the business has failed to comply with or observed any of the conditions of its licence.
- (iv) it contravenes the above rules and regulations
- (v) has made a false or incorrect statement in its application for a licence.

20. **AMENDMENTS**

The Bank of Ghana reserves the right to amend or revise these rules and regulations from time to time.



**M. OPPONG-ADUSAH  
FOR THE SECRETARY**

**23rd January 2003**