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The coat of arms of Liberia is a shield-shaped emblem. At the top, a yellow banner reads 'LIBERTY THROUGH JUSTICE'. The shield is divided into four quadrants: top-left shows a white dove in flight; top-right shows a green palm tree; bottom-left shows a white sailing ship on a blue sea; bottom-right shows a black lighthouse on a green island. A yellow banner at the bottom of the shield reads 'REPUBLIC OF LIBERIA'. The shield is flanked by two yellow banners, one on each side, with the words 'LIBERTY' and 'JUSTICE' respectively.

LIBERIA **OFFICIAL**

GAZETTE

PUBLISHED BY AUTHORITY

VOL. XII

TUESDAY, MAY 27 2014

NO. 22

EXTRAORDINARY

The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the Central Bank of Liberia Act of 1999 and its authority under the Financial Institutions Act of 1999, and specifically consistent with Section 55 of the said Central Bank of Liberia Act of 1999 and Section 39 of the Financial Institutions Act of 1999, has issued on, May 27, 2014, its Regulations No. CBL/RSD/003/2014 revising Guidelines No. CBL/SD/009/2011 hereinunder called:

MOBILE MONEY REGULATIONS

BY ORDER OF THE PRESIDENT

**AUGUSTINE KPEHE NGAFUAN
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

MAY 27, 2014

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PART I – PRELIMINARY PROVISIONS

1. Introduction

These Mobile Money Regulations (hereinafter, “Regulations”) have been issued by the Central Bank of Liberia in exercise of powers conferred on it by Part II, section 4, (6 & 10) of the Central Bank of Liberia Act of 1999, which empowers the Central Bank of Liberia to regulate, monitor and supervise the payment, clearing and settlement system including all products and services thereof issued by financial institutions, non-bank financial institutions as well as non-bank financial services institutions.

These Regulations define the roles and responsibilities of financial institutions and other institutions wishing to engage in the provision of Mobile Money Services.

These Regulations replace the Central Bank of Liberia’s Guidelines No. CBL/SD/009/2011 concerning Guidelines for Mobile Money Services.

2. Citation

These Regulations may be cited as the “Mobile Money Regulations, 2014”.

3. Objectives

These Regulations are set out by the Central Bank of Liberia to achieve the following objectives:

- (a) To make retail payment systems and the financial sector more efficient.
- (b) To extend the reach of the formal financial sector to the unbanked Liberians and poor segment of the society, giving them access to a wide range of financial services.
- (c) To promote financial inclusion while applying sufficient safeguards to mitigate any stability or integrity risk, extending safe and convenient financial services to the poor and unbanked population.
- (d) To ensure a wide participation of all regulated institutions in the provision of Mobile Money Services as set forth in these regulations.

- (e) To establish a framework that encourages innovation for the growth of digital ecosystems.

4. Definitions

In these Regulations, unless the context otherwise requires, the words and expressions used herein shall have the meanings assigned to them:

“Agent”: a legal or natural person that is contracted by an Authorized Institution to provide Mobile Money Services on behalf of the Authorized Institution.

“Authorization”: the permission granted to an Authorized Institution to provide mobile money services.

“Authorized Institution”:

- (a) A Bank Financial Institution authorized under these Regulations to provide Mobile Money Services;

- (b) A Mobile Money Provider licensed under these Regulations by the Central Bank of Liberia.

“Bank Financial Institution”: as defined by the Financial Institutions Act of 1999.

“Confidentiality”: protecting the disclosure of personal information by unauthorized persons.

“Customer”: a legal or natural person with Mobile Money Account who has a claim on a Mobile Money Provider for Mobile Money issued by the same.

“Float”: the total outstanding Mobile Money liabilities of the Mobile Money Provider to its Customers at any point in time.

“Interoperability”: the ability of Customers of different Authorized Institutions to transact in real time with each other using their individual Mobile Money Accounts.

“Know your customer”: as defined by the Anti-Money Laundering and Counter Terrorist Financing Regulation No. CBL/RSD/004/2013.

“Mobile Money Account”: means the account held by a Customer with a Mobile Money Provider for conducting Mobile Money transactions and/or for cash-in/cash-out transactions.

“Mobile Money”: is monetary value that is:

- Available to a user to conduct transactions through a mobile phone;
- Accepted as a means of payment by parties other than the provider;
- Issued on receipt of funds;
- Electronically recorded;
- Mirrored by the value stored in an account(s) usually open in one (or more) bank(s); and
- Redeemable for cash.

“Mobile Money Provider”: a legal entity licensed under section 5.0 of these regulations to provide Mobile Money Services. The issuance of Mobile Money does not constitute banking business as defined by Section 2(1) of the Financial Institutions Act of 1999.

“Mobile Money Services”: the services under section 10.0 of these Regulations provided by an Authorized Institution.

“Mobile Network Operator”: a telecommunications service provider organization that provides wireless voice and data communication for its subscribed mobile users.

“Parent Company”: any company which is not a Bank Financial institution as defined in the Financial Institutions Act that establishes a separate legal entity licensed as a Mobile Money Provider under these regulations.

“Over the Counter (OTC) Client”: a legal or natural person without a Mobile Money Account who has a claim on a Mobile Money Provider for Mobile Money issued by the same.

“Real Time”: the instant processing of transactions when a transaction instruction is received by the system.

“Service Agreement”: a legal agreement defining the relationship between an Authorized Institution and a Mobile Network Operator.

“Suspicious Transaction”: as defined by the Anti-Money Laundering and Counter Terrorist Financing Regulation No. CBL/RSD/004/2013.

“Trust Account”: a pooled account held in a Bank Financial Institution in the name of the Mobile Money Provider as trustee on behalf of its Customers.

“Trust Account Agreement”: a legal agreement between a Mobile Money Provider and a Bank Financial Institution defining all aspects of the management of a Trust Account.

PART II – AUTHORIZATION TO PROVIDE MOBILE MONEY SERVICES

5. Authorization of Bank Financial Institutions to provide Mobile Money Services

A Bank Financial Institution wishing to provide Mobile Money Services shall submit to the Central Bank of Liberia an application as detailed under the Central Bank of Liberia Directive No. CBL/SD/001/2009 Concerning the Introduction of Financial Products and Services for Commercial Banks, and any other information that may be required by the Central Bank of Liberia, including:

- (i) A business plan for the provision of Mobile Money Services indicating, at least:
 - The services to be offered
 - Geographical areas that will be covered
 - Technology to be used
 - Payment flows and settlement/reconciliation arrangements.

- (ii) Information concerning the management of the Float and the safeguard of Mobile Money Customer funds.
- (iii) Description of roles and responsibilities of various participants in the Mobile Money Service, such as agents, banks, Mobile Network Operators, technology service providers, etc.
- (iv) Agreements entered into with parties involved in the provision of the intended service, including the Service Agreement.
- (v) Proper risk mitigation processes in respect of the Mobile Money Service.
- (vi) A plan for protecting beneficiaries funds against insolvency of the Bank Financial Institution.
- (vii) Terms and conditions for users and copies of proposed client disclosure documentation.

6. Licensing of Mobile Money Providers

Entities other than a Bank Financial Institution wishing to offer Mobile Money Services shall, before commencing such business, submit to the Executive Governor of the Central Bank of Liberia an application signed by its managing director or chief executive officer for licensing to conduct business as Mobile Money Providers following the template provided in Annex I.

The Mobile Money Provider shall be a subsidiary established by the Parent Company solely for the purpose of providing Mobile Money Services as defined in these Regulations and shall exist as a limited liability company. The subsidiary shall not bear the name “bank” or closely resemble the name of any existing financial institution. No Money Mobile Provider shall be allowed to exercise any form of monopolistic practices.

The subsidiary shall have an independent management, board and accounting system separate from the Parent Company and conform to the minimum corporate governance requirements set by the Central Bank of Liberia. This provision shall, however, not preclude representation by the Parent Company on the board of directors and the inclusion of the financial accounts of the subsidiary in the consolidated financial accounts of the

group.

The application shall be accompanied by the following information:

- (i) Articles of incorporation.
- (ii) List of the owners and the percentages of shares owned by each.
- (iii) The name, curriculum vitae and criminal records of the directors and executive officers.
- (iv) Latest audited financial statements of Parent Company.
- (v) A certification or license issued by the Information Communication Technology Authority or other regulatory agencies, if applicable.
- (vi) Business plan for the provision of Mobile Money Services indicating, at least:
 - The services to be offered
 - Geographical areas that will be covered
 - Technology to be used
 - Payment flows and settlement/reconciliation arrangements.
- (vii) Information concerning the management of the Float and the safeguard of Mobile Money Customer funds.
- (viii) Description of roles and responsibilities of various participants in the Mobile Money Service, such as agents, merchants, banks, Mobile Network Operators, technology service providers, etc.
- (ix) Agreements entered into with parties involved in the provision of the intended service, including the Service Agreement and the Trust Account Agreement.
- (x) Proper risk mitigation processes in respect of the Mobile Money Service.
- (xi) A plan for protecting beneficiaries funds against insolvency or winding up of the company.
- (xii) Measures to ensure the confidentiality of transactions and customer data.
- (xiii) Terms and conditions for users and copies of proposed client disclosure documentation.
- (xiv) Any other information as may be required by the Central Bank of Liberia.

The applicant is required to pay a non-refundable application fee of US\$500.00 or its equivalent in Liberian dollars, providing proof of the payment with the application. Private Liberian investors or Liberian-owned institutions shall be given the opportunity to subscribe at least 20% of the capital of any Mobile Money Provider; provided, however, that no single private investor shall maintain or own more than 5% of the total shares allocated to Liberian investors.

The Central Bank of Liberia shall grant the license if the requirements set forth in these Regulations are met. The application shall be rejected if the requirements are not met or for other reasons such as the safety of the payment systems or public interest. Notice of acceptance or rejection of the application should be sent to the applicant within ninety (90) days after receipt of the application. In case of rejection, the Central Bank of Liberia should provide specific reasons for the denial of the license. The applicant can resubmit the application after addressing any issues identified by the Central Bank of Liberia.

The Mobile Money Provider shall pay a licensing fee of US\$5,000.00 or its equivalent in Liberian dollars no later than 30 days after receiving notice of approval of the application.

7. Renewal

An annual operating levy of US\$2,500.00 or its equivalent in Liberian dollars is due every year. The annual operating levy shall be paid within two months before 31st December of every year. The license is automatically renewed at the payment of the levy.

8. Revocation and suspension

The Central Bank of Liberia may, by notice in writing to an Authorized Institution, suspend or revoke an Authorization granted under these Regulations, if the Authorized Institution:

- (i) Does not commence business within six months from the date the license was issued.
- (ii) Has ceased or suspended operations for a period of three months.
- (iii) Obtained the Authorization on the premise of wrong, false, misleading information or concealment of material information which, if known

at the time of evaluation of the application, the Authorized Institution would not have been licensed.

- (iv) Has ceased to meet the license and operational requirements prescribed in these Regulations.
- (v) Has failed to comply with any condition of the Authorization.
- (vi) Is insolvent or unable to effectively conduct its operations or through its activities the public trust has been compromised.
- (vii) Has failed to pay any fine or fee imposed in application of these Regulations.
- (viii) Has engaged in activities either restricted or not permitted under these Regulations.
- (ix) Is unable or has consistently failed to protect the confidentiality of data or information it collects.
- (x) Has, without the consent of the Central Bank of Liberia, sold or otherwise transferred its license to another entity.
- (xi) Has failed to comply with the Anti-Money Laundering and Counter Terrorist Financing Regulation No. CBL/RSD/004/2013.
- (xii) Has failed to produce its audited annual report.
- (xiii) Has failed to adhere to directives, regulations and guidelines concerning Mobile Money Providers issued by the Central Bank of Liberia.

The Central Bank of Liberia shall not revoke or suspend the Authorization unless the Authorized Institution has been given an opportunity to make representations on the reasons why the authorisation should not be revoked or suspended.

The Central Bank of Liberia may, in lieu of revoking or suspending the Authorization, require the Authorized Institutions to take such measures to regularise the breach or violation within such time as the Central Bank of Liberia may specify and may in addition impose such monetary penalty or other sanctions according to Section 31 of these Regulations.

The Central Bank of Liberia shall, upon revoking or suspending an Authorization, immediately inform the Authorized Institution of the revocation or suspension.

The Central Bank of Liberia shall notify the public whenever an Authorized Institution's Authorization has been suspended or revoked. Further dealings as an Authorized Institution for purposes of these Regulations shall cease

immediately.

The Central Bank of Liberia shall, upon revocation of a Mobile Money Provider's license, take over control of the Mobile Money Provider's business to safeguard Customers and facilitate the distribution of the money in the Trust Account. In this case the Mobile Money Provider shall hand over the entire database, electronic records in a readable format and other relevant information to facilitate the processing of payments to the Customers.

Upon revocation or suspension of a Mobile Money Provider's license, the Central Bank of Liberia shall notify the Bank Financial Institutions holding the Trust Accounts to cease forthwith further dealing with the funds until further directions by the Central Bank of Liberia.

The Central Bank of Liberia may appoint any person, including another Mobile Money Provider, to distribute the balances held in the Trust Account of the revoked Mobile Money Provider at the time of revocation. The provisions of the Directive No. CBL/SD/001/2009 and of the New Financial Institutions Act of 1999 shall apply to the suspension or revocation of an Authorization granted to Bank Financial Institutions under these Regulations for all circumstances not covered in this Section.

9. Capital requirements

The Mobile Money Provider shall be required to deposit a minimum paid in capital of US\$ 100,000 or its equivalent in Liberian dollars at the prevailing market exchange rate which shall be deposited at a Financial Institution at the time of licensing. The Mobile Money Provider shall at all times maintain the minimum core capital.

10. Limitation on the establishment of a Mobile Money Provider

Each Parent Company shall establish only one Mobile Money Provider which shall have the privilege to establish branches throughout the country. Without limitation to this provision, a Mobile Money Provider shall have the privilege to enter into strategic partnerships with one or more Authorized Institutions to promote outreach and expansion of Mobile Money Services in the country.

11. Permitted activities

Authorized Institutions shall offer Mobile Money Services only in the legal

tender of Liberia.

Types of Mobile Money Services that shall be offered by Authorized Institutions:

- (i) **Opening and maintaining a Mobile Money Account:** This refers to an established or new Mobile Money Account opened and operated by a Customer with an Authorized Institution.
- (ii) **Cash-in and cash-out:** Customers may deposit and withdraw funds to/from their Mobile Money Accounts using a variety of options including, for example, bank branch counters, ATMs, POS terminals, and Agents.
- (iii) **Account-to-account fund transfer:** Customers may transfer funds to/from their Mobile Money Accounts from/to their other accounts held in Financial Institutions (e.g., a savings account held in a Bank Financial Institution).
- (iv) **Person-to-person fund transfers:** Customers may transfer funds from their Mobile Money Accounts to other Mobile Money Accounts.
- (v) **Bill payments:** Customer may use their Mobile Money Accounts to pay utility bills (e.g. Gas, Electricity, Phone etc.) and other bills through Mobile Money Services.
- (vi) **Merchant payments:** Customers may use their Mobile Money Accounts to make payments for purchases of goods and/or services.
- (vii) **Loan disbursements and repayments:** Customers may use their Mobile Money Accounts to receive their disbursement of a loan from a Bank Institution or a Non-Bank Financial Institution and to repay the installments.
- (viii) **Person to government payments:** Customers may use their Mobile Money Accounts to transfer money to government entities (e.g., to pay taxes, levy payments, etc.).
- (ix) **Government to person transfers:** Customers may use their Mobile Money Accounts to receive transfers from government entities (e.g., salary payments, welfare transfers, etc.).
- (x) **Business to person transfers:** Customers may use their Mobile Money Accounts to receive transfers from businesses (e.g., salary payments).
- (xi) **Other services:** The Central Bank of Liberia reserves the right to permit Authorized Institutions to offer additional Mobile Money Services not specifically enumerated above.

PART III – OPERATIONAL REQUIREMENTS AND CONTROLS

12. Responsibilities of the Authorized Institutions

Authorized Institutions shall be responsible for:

- (i) Making available to Customers their funds for withdrawal at least during business hours.
- (ii) Making sure Customers have the same Mobile Money Accounts with the same Authorized Institution in any currency of their choice.
- (iii) Providing adequate training and support to its Agents, including a manual containing the policies, rules and operational guidelines needed to ensure the safe and efficient provision of Mobile Money Services to Customers and OTC Clients.
- (iv) Maintaining effective oversight over the activities of its Agents.
- (v) Maintaining records of the volumes and values of transactions carried out by each Agent.
- (vi) Reporting to the Central Bank of Liberia as required under these Regulations.
- (vii) Putting in place adequate policies and measures to mitigate to a reasonable extent risks that could arise from the use of the Mobile Money Services.
- (viii) Providing all financial, clearing and settlement services for the provision of Mobile Money Services.
- (ix) Taking appropriate measures to raise awareness and educate the public and the employees of Authorized Institutions on the appropriate usage of Mobile Money Services.
- (x) Conducting appropriate due diligence to verify and ensure the credibility and integrity of its partners, and specific agent due diligence.
- (xi) Ensuring sound and prudent management, administrative and accounting procedures and adequate internal control systems.
- (xii) Using appropriate and tested technology systems.
- (xiii) Implementing effective internal controls to mitigate fraud or any misuse or misappropriation of consumer funds.
- (xiv) Implementing appropriate security policies and measures intended to safeguard the integrity, authenticity and confidentiality of data and operating processes.
- (xv) Maintaining an adequate business continuity and disaster recovery plan.
- (xvi) Establishing an effective audit function to provide periodic review of

- the security control environment and critical systems.
- (xvii) Ensuring that the senior management remains responsible for maintaining an effective system of operations.
 - (xviii) Ensuring uninterrupted, high quality performance of the system. It shall promptly inform the Customers about any disruption or anticipated disruption in the system.
 - (xix) Ensuring that Customers can own and operate accounts in the current legal tender of the Country (US dollars or Liberian dollars,) utilizing the same SIM card.

13. Safeguarding Customer money in Trust Accounts

A Mobile Money Provider shall keep 100% of the Float in liquid assets. The liquid assets shall remain unencumbered and take the form of balances held in Trust Accounts with one or more Bank Financial Institutions which maybe withdrawn on demand. Such balances shall be held separately from balances relating to any other operations of the Mobile Money Provider and used solely for the purpose of refund or redemption of the outstanding Mobile Money liabilities. Aggregate funds in the Trust Account(s) shall at all times equal or exceed the value of outstanding Mobile Money liabilities. In the interest of protecting Customers and OTC clients from the risk of bank insolvency, after six months from the launch of the Mobile Money Service the sum total of Mobile Money Accounts held in any one bank financial institution on behalf of a given Mobile Money Provider cannot exceed 40% of the net worth of the bank financial institution. Whenever the threshold is exceeded on average for three consecutive months, the Mobile Money Provider must place any excess float in another Bank Financial Institution.

The Float shall not be commingled at any time with the funds of the Mobile Money Provider or with the funds of any natural or legal person other than Customers and OTC Clients on whose behalf the funds are held.

Mobile Money Providers shall include in their articles of incorporation language to the effect that Mobile Money owed to their Customers and OTC Clients, and their agents, takes priority in the hierarchy of claims in the case of insolvency or liquidation of the Mobile Money Providers. In addition, Mobile Money Providers shall ensure that its current and prospective creditors understand that Customer and OTC Client funds held in Trust Accounts shall remain unencumbered and are not subject to attachment.

The bankruptcy or liquidation of the Bank Financial Institution that is holding funds of the Customers and OTC Clients in Trust Accounts does not absolve the Mobile Money Provider from its outstanding obligations to pay back the Customers and OTC Clients.

The Trust Account Agreement should at a minimum contain the following:

- (i) Principal characteristics and duties of the service provided by the Bank Financial Institution that is holding the funds of the Customers.
- (ii) Details of how the fund shall be held and invested.
- (iii) The duties, responsibilities and the extent of liability of Trustees.
- (iv) Provisions on discontinuation and/or termination of the Trust Account Agreement and subsequent handling of the funds that are in the Trust Account.
- (v) Procedure on handling of dormant accounts and accounts of deceased persons.
- (vi) Applicable law and mode of resolution of disputes.

The Trust Account Agreement shall be transmitted for approval to the Central Bank of Liberia with the license application. Any proposed changes shall be submitted to the Regulation and Supervision Department of the Central Bank of Liberia for approval.

14. Interest Accrued on Mobile Money Trust Accounts

If a Mobile Money Provider has a balance in the Trust Account(s) representing interest accrued from the Trust Account(s), the Mobile Money Provider should submit to the Central Bank of Liberia an application for the utilization of the funds held in the Trust Account(s) representing interest accrued, detailing the manner in which the funds shall directly benefit the mobile money customers. The Central Bank of Liberia shall review and determine the merits of the application and accordingly notify the applicant of the fate of its application.

15. Transaction Limits

Mobile Money Accounts have been categorized in three levels as part of a risk-based approach to AML/CFT. Entry level Accounts (“Level 1”) with simplified KYC are subject to lower transaction limits and limited

documentation requirements for Account opening. Accounts with full KYC (“Level 2”) have higher limits and stricter account opening requirements. Accounts with enhanced KYC (“Level 3”) have higher limits in order to be used for corporate payments and government payments. Furthermore, transaction limits for over-the-counter transactions have been categorized separately.

For government to person transfers, governmental bodies are exempted from the below specified maximum balance limits.

Business to person transfers generated by limited liability companies can have higher limits, if specifically authorized by the Central Bank of Liberia. If a Customer has two Mobile Money Accounts with the same Mobile Money Provider, one in US dollars and one in Liberian dollars, the limits apply to the aggregate balance and transaction limits of each account, meaning.

Level 1 Accounts are subject to a maximum balance limit of US\$1,000, an aggregate daily transaction limit of US\$250 and an aggregate monthly transaction limit of US\$2,000 or its equivalence for Liberian Dollars transactions.

Level 2 Accounts are subject to a maximum balance limit of US\$4,000, an aggregate daily transaction limit of US\$1,000 and an aggregate monthly transaction limit of US\$8,000 or its equivalence for Liberian Dollars transactions.

Level 3 Accounts are subject to a maximum balance limit of US\$10,000, an aggregate daily transaction limit of US\$2,000 and an aggregate monthly transaction limit of US\$20,000 or its equivalent for Liberian Dollars transactions.

Over-the-counter transactions are subject to a single transaction limit of US\$100 or its equivalence for Liberian Dollars transactions.

16. Customer due diligence

All Authorized Institutions shall comply with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Regulation NO/CBL/RSD/004/2013, as well as international standards set by the Financial Action Task Force, at all times. Authorized Institutions are

responsible for making all staff and Agents comply with AML/CFT policies. Requirements include, but are not limited to, the following:

- (i) Conduct adequate due diligence on all Mobile Money Accounts and identify Customers using reliable independent source documents, data or information;
- (ii) Monitor transactions to detect suspicious activities;
- (iii) Report Suspicious Transactions promptly to both the Central Bank of Liberia and the Financial Intelligence Unit and/or other relevant authorities;
- (iv) Have in place policies and procedures to address specific risks associated with non face-to-face business relationships and transactions; and
- (v) Ensure that each Mobile Money Customer is uniquely identified and that each mobile money transaction can be traced to a single Customer. In this regard, mobile phone SIM numbers will have to be registered by the Authorized Institutions.

In application of the FATF recommendations and guidance document and in recognition of the inequality in social and economic circumstances of the various segments of the Liberian population, the Central Bank of Liberia shall implement a risk-based approach for AML/CFT requirements, pursuing financial inclusion and integrity.

The Central Bank of Liberia requires Authorized Institutions to have in place written policies on the identification of people that do not have a formal ID with the aim to provide them access to Level 1 Mobile Money Accounts, mentioning the type of documents acceptable for their identification, for example allowing a third party (such as clergymen, village/clan head/chief, etc. with acceptable means of identity) to act as referees.

For opening Level 2 Accounts, the means of identification accepted are driver's license, passport and voter identification, and the Customer shall, at minimum, provide their name, address, telephone number. Businesses can provide a business registration certificate.

For Level 3 Accounts, in addition to providing the information and ID type needed for Level 2 accounts, Customers shall provide one of following:

utility bill, income tax certificate, or bank statement. Level 3 Accounts are also available to government and limited liability companies.

17. Interoperability

All Authorized Institutions should endeavor to render systems interoperable with systems provided by other Authorized Institutions, in such a way that transactions between Authorized Institutions are executed to allow a real-time customer experience for customers of both Institutions, as the services mature. Mobile Money Accounts may also directly transact with accounts at Banks and other Financial Institutions. Individual Mobile Money accounts may also be linked to a Customer's bank account to accommodate further arrays of products and services for the Customer.

18. Execution of transactions

The Authorized Institution shall transfer the full amount of the transfer or payment transaction and shall not deduct charges from the amount transferred, other than charges expressly agreed to by the Customer or OTC Client in advance, or which the Customer or OTC Client has received notice of in terms of Part V of these Regulations.

The Authorized Institution shall be liable to the Customer or OTC Client for the correct execution of the transaction in accordance with the instruction of the Customer or OTC Client.

The Authorized Institution shall not be liable to the Customer or OTC Client when the electronic retail transfer requires transmission to a second Authorized Institution (the payee's Authorized Institution) and the Customer's Authorized Institution can prove correct or proper transmission of the transfer or payment to the second Authorized Institution.

Where an Authorized Institution is liable under these Regulations for the non-execution or defective execution of transfer or payment transfer instruction, it shall without undue delay restore the debited Mobile Money Account to the state in which it would have been had the defective transaction not taken place, including a refund of the charges imposed, or otherwise reimburse the Customer or OTC Client.

The Authorized Institution shall be liable for payment and transfer transactions performed without the knowledge of the Customer, provided

that such liability may be contractually excluded in circumstances where the Authorized Institution can prove an element of fault on the side of the Customer in the use of the service or can demonstrate prima facie that the payment instruction was carried out by the legitimate Customer.

A Customer or OTC Client may not revoke a Mobile Money transfer or payment instruction once it has been received by the payee, unless the Authorized Institution has sufficient grounds to reverse the transaction in line with the error resolution mechanisms that the Authorized Institution has in place.

After the amount to be transferred is debited to the Customer's Mobile Money Account for the transfer or payment, the Customer's Authorized Institution shall without undue delay provide the Customer with the following information:

- (i) A reference enabling the Customer to identify each payment transaction.
- (ii) The details of the payee and its payment account details (if any).
- (iii) The amount transferred or paid.
- (iv) The date of debit.

After the amount transferred through is credited to the payee's Mobile Money Account or paid to the payee, the payee's Authorized Institution (if any) shall without undue delay provide the payee with the following information:

- (i) The reference enabling the payee to identify the payment or transfer transaction.
- (ii) The name of the Customer or OTC and any information transferred with the transaction.
- (iii) The amount transferred or paid.
- (iv) The date of credit, where applicable.

19. Settlement of transaction

The Central Bank of Liberia shall exercise oversight responsibilities over the clearing and settlement procedures.

Clearing and settlement for all Authorized Institutions will be conducted no later than bimonthly, on the second and last Friday of each month at the

Clearing House of the Central Bank of Liberia.

Authorized Institutions should ensure that the following are adhered to:

- (i) All intrasystem transactions within the same mobile money system shall be settled on a real-time basis.
- (ii) Settlement must be done only in legal tender. Settlement shall be conducted strictly in the currency in which the transaction was originated.
- (iii) End of day reconciliation shall be provided to all member parties no later than 4:00PM, Liberia time each day, reconciling the liquid assets with the Float. Any deficiencies in the amount of liquid assets held shall be rectified by 12:00 the next day. A violation of the requirement shall attract a daily penalty of not less than L\$100,000, as long as the deficiency persists, payable to the Central Bank of Liberia. The penalty shall be paid by the Bank Financial Institution or the Mobile Money Provider who carries the responsibility for the deficiency, as verified by the Central Bank of Liberia.
- (iv) All proof of transactions shall be retained electronically or manually for not less than a period of 5 years.
- (v) The Mobile Money Service shall provide an accurate and fully accessible audit trail of transactions from the origin of the transfer instruction to its final destination.

PART IV – DISTRIBUTION OF MOBILE MONEY SERVICES

20. Selection of agents

Authorized Institutions shall be responsible to identify, recruit, appoint, contract, educate, equip and monitor activities of their Agents subject to their policy and procedure manual.

There shall be a clear and documented Agent Selection Policy and Procedure Manual.

The agreement signed between the Authorized Institution and the Agent should primarily include:

- (i) Standard of performance.
- (ii) Customer service.
- (iii) Consumer protection.
- (iv) Roles and responsibilities of the parties.

- (v) Liabilities of the parties.
- (vi) Procedures governing disruptions and material risks.
- (vii) Customer data protection. (viii) Insurance requirements (if applicable).
- (ix) Provisions governing termination of contracts.
- (x) Business continuity measures.
- (xi) Right of Authorized Institution to monitor agent's activities, policies, procedures, etc.
- (xii) Right of Central Bank to inspect agent's data, records, etc.
- (xiii) Proper signature.

An Authorized Institution shall vet and satisfy itself as to the suitability and capability of the proposed agent and shall establish that the agent should provide evidence of availability of funds to cover its operations including withdrawals by Customers.

21. Agent due diligence

In the identification, selection and contracting of Agents, an Authorized Institution shall exercise due diligence and carry out suitability assessment of the Agents.

Authorized Institutions are responsible for having clear, well documented agent due diligence policies and procedures. These procedures, at minimum, should contain initial due diligence and regular due diligence checks to be performed at specified intervals and a list of early warning signals and corrective actions to ensure proactive agent management. Authorized Institutions should ensure that proper AML/CFT measures are implemented by the Agents.

Each Agent should be allocated a unique ID number that is prominently displayed at its premises.

22. Role of agents

Agents may perform any or all of the following functions depending on the agency agreement:

- (i) Registering new Customers.
- (ii) Providing cash in/cash out services.
- (iii) Providing Customer support.
- (iv) Conducting OTC transactions.
- (v) Others as may be approved by Central Bank of Liberia.

There shall be non-exclusivity regarding the recruitment of Agents. Agreements with agents must have non-exclusivity clauses that allow agents to contract freely with other providers. An Agent can provide services to multiple Authorized Institutions provided that the Agent has a separate service agreement with each Authorized Institution.

The agent must establish an identifiable location for the Mobile Money Services.

Authorized Institutions may also appoint wholesale Agents to perform the services allowed under these Regulations.

23. Prohibited services

Agents shall not be allowed to perform the following:

- (i) Alter or change the charges and fees structure provided by the Authorized Institutions in any way.
- (ii) The use of words like bank, financial intermediary, microfinance bank or any other word suggesting that the Agent is itself a licensed Mobile Money Provider.
- (iii) Engage in foreign exchange business unless authorized by the Central Bank of Liberia.
- (iv) Issue bank cards or cheques.

24. Supervision of Agents

Authorized Institutions shall be responsible for monitoring and supervising the activities of their Agents.

Authorized Institutions should have information on the numbers and volumes of transactions carried out for each type of service by each Agent.

They should also monitor effective compliance with set limits and other prudential measures.

Authorized Institutions shall implement measures to control operating risks, including having clause(s) in the contract establishing the liabilities of the Agent vis-à-vis the Authorized Institution.

25. Publication of list of agents and locations

The Authorized Institution shall submit monthly to the Central Bank of Liberia the list of Agents with their name and location on the 10th day of the subsequent month. The updated list of Agents shall be available in the Authorized Institution's website.

No agent shall relocate its services without the prior notice to the Authorized Institution.

Notice of intention to relocate or close an Agent's services shall be served on the Authorized Institution at least thirty days or such shorter or longer period as may be agreed upon in the agreement between the Agent and the Authorized Institution.

PART V – CONSUMER PROTECTION

26. Disclosure of fees and charges

The Authorized Institution shall prominently display all fees and service charges for Mobile Money Services at its head office and branches. Agents shall prominently display all fees and service charges at their premises using a standard summary sheet provided by the Authorized Institution.

The standard summary sheet shall be also provided by the Agent to the Customer upon account opening; and published by the Authorized Institution on its website.

27. Consumer protection

Mobile Money Providers shall enter into a written agreement with every Customer for whom they open a Mobile Money Account, ensuring that prospective Customers have understood the general features of the Mobile Money Service.

Customers must acknowledge their understanding and acceptance of the terms of the contract with their signature. If they are not able to sign,

alternative unique identifier such as a fingerprint can be used.

The contract shall clearly identify the Customer and the Authorized Institution that is providing the Service.

Authorized Institutions shall maintain a functional dispute and complaints resolution desk which shall be equipped to receive complaints through phone calls, emails and personal visits by the Customer or OTC Client.

The Authorized Institution shall establish a free-of-charge telephone hotline for Customer or OTC Client comments or complaints, available at least during normal business hours.

In the contract with the Customer, the Authorized Institution shall provide the email and physical contact of the resolution desk and the number of the telephone hotline, which shall also be displayed by all Agents in their premises.

Customers or OTC Clients shall lodge their complaints within a period of thirty (30) days from the date of occurrence or the date upon which the Customer or OTC Client was aware or reasonably should have been aware of the issue. An Authorized Institution shall acknowledge to the Central Bank of Liberia the number and type of complaints filed by Customers or OTC Clients. Specific information is required for complaints that are not resolved within sixty (60) days from the time they have been lodged.

Complainants shall be advised of the outcome of the investigation of their complaints and any resulting decision by the Authorized Institution.

The complainants shall have recourse to the Customer Protection Unit, Regulation and Supervision Department of the Central Bank of Liberia if they are not satisfied with the resolution of the decision.

28. Data Protection

Authorized Institutions, as well as their Agents, shall uphold privacy and confidentiality of Customer and OTC Client information and data, unless sharing Customer or OTC Client information and data is authorized by the Customer or OTC Client or data are accessed based on a court order.

The conditions under which Customer information and data will be kept shall be disclosed before the Customer enters into agreement with the

Authorized Institution.

Provisions of data protection including confidentiality shall be in tandem with all relevant laws.

PART VI – REPORTING, SUPERVISION AND PENALTIES

29. Reporting

An Authorized Institution shall promptly report to the Central Bank of Liberia any suspected or confirmed cases of fraud relating to the Mobile Money Services, security breaches, any material service interruption or other significant issues which may affect the safety and efficiency of the Services. Authorized Institutions engaged in Mobile Money Services shall submit monthly reports and other information not later than the 10th day of the following month to the Regulation and Supervision Department of the Central Bank of Liberia in the format prescribed in Annexes II-V below, with information regarding:

- (i) The volumes, values and geographic distribution of each Mobile Money Service offered by it.
- (ii) Incidents of fraud, theft or robbery.
- (iii) Material service interruptions and major security breaches; and
- (iv) Complaints reported, including remedial measures taken, those resolved and those outstanding.

Authorized Institutions should notify the Central Bank of Liberia of expected significant changes in the scope or nature of the services provided, such as significant changes in delivery channels, key partnerships, size of agent network, or transaction volume.

A Mobile Money Provider shall submit the annual report of an external auditor, including audited financial statements with statement of financial condition, statement of profit and loss and statement of cash flows, in which the auditor comments on the accuracy of the information provided to Central Bank of Liberia, the adequacy of internal audit and internal controls, and the adequacy of information security, business continuity, and disaster recovery.

30. Supervision

The Central Bank of Liberia shall be able to:

- (i) Access any relevant information in the possession or custody or under the control of an Authorized Institution or Agent related to the provision of Mobile Money Services.
- (ii) Inspect or direct the inspection of any premises where an Authorized Institution or its Agents are carrying on business, or any premises where it is reasonably suspected that any business is being carried on in contravention of these Regulations.
- (iii) Inspect or direct inspection of the technology systems used for the provision of Mobile Money Services.
- (iv) Require the Authorized Institution to produce for examination any information relating to the conduct of Mobile Money Services.
- (v) Require an Authorized Institution to put in place remedial measures that the Central Bank of Liberia may consider necessary after an inspection or investigation under these Regulations.

31. Penalty for Non-Compliance

Any Authorized Institution violating these regulations shall be subjected to the appropriate supervisory sanctions, including but not limited to restriction on further expansion of Mobile Money Services, a fine of at least L\$200,000 for each violation or each day of the violation, suspension and dismissal of staff found to be responsible for flagrant violation of these regulations and/or other related directives of the Central Bank of Liberia and/or in an extreme case, revocation of the operational license of the authorized institution.

The following will attract fines:

- (i) Failure to submit monthly reports on time (after the tenth business day of the financial month):
 - First three monthly offenses: letter of warning.
- (ii) Failure to submit timely monthly reports for three consecutive months may result in the suspension or revocation of the license.
- (iii) Failure to submit the monthly report for an entire month will attract a fine and written notification of possible suspension or revocation of license.

Fines may also be assessed for not correcting deficiencies found during inspections or examinations at the discretion of the Regulation and

Supervision Department.

Issued this 27th day of May, .A.D., 2014 in the City of Monrovia, Republic of Liberia.

**CENTRAL BANK OF LIBERIA
MONROVIA, LIBERIA**

ANNEX I – APPLICATION FOR AUTHORISATION

The Governor
Central Bank of Liberia
P. O. Box 2048
Corner of Warren and Carey Street
Monrovia, Liberia

Pursuant to Section 5 of the Mobile Money Regulations, 2014, I submit this application for a license for the provision of Mobile Money Services.

1. NAME OF THE COMPANY

(In bold capital letters in the order the names appear on Registration Certificate etc)

2. APPLICANT’S CONTACTS

Physical address:

Street/Road _____
Town _____

Postal Address:

Street/Road _____
Town _____

P. O. Box _____ Postal Code _____

Contacts:

Tel. No. _____ Fax. No. _____

Mobile _____ Other Tel. _____

Email Address: _____

3. NAME OF THE CEO/ED WHO IS SUBMITTING THE APPLICATION

Name _____ Surname _____

Title _____

4. OTHER INFORMATION ABOUT THE APPLICANT

State whether any of the partners/ directors/ shareholders is undischarged bankrupt. (If so indicate give details).

State whether any of the partners/ directors/ shareholders have a beneficial interest in any other business licensed to provide payment services.

Has any previous application by you been rejected or cancelled under the Regulations? (If so give details).

7. CEO/ED's DECLARATION

I hereby certify the information provided in this application is true and correct to the best of my knowledge. I also understand that it is an offence to give false information in support of any application.

Name and
surname.....

Designation.....

Signature.....

Date.....

ANNEX II – MONTHLY REPORT

Name of the institution	
Name of the product(s)/ service(s)	
Address	
Person responsible to fill the report	
Date of the report	

		TOTAL				NOTE
		CUMULATIVE		AGGREGATED		
Balance of Trust Accounts as at the Date of Reporting Period	Account 1					
	Account 2					
	Account 3					
Total value of airtime top ups through mobile money						
Total volume of airtime top ups through mobile money						

REGULATION NO. CBL/RSD/003/2014

Total deposits value (cash-ins to account)			
Total withdrawals value (cash-outs to account)			
Total number of deposits (cash-ins to account)			
Total number of withdrawals (cash-ins to account)			
Number of Agents			
Number of active Agents¹			
Number of Agents suspended			Please provide name, physical address, postal address and telephone numbers of the Agents suspended or removed. Explain the reason for suspension or removal
Number of Agents removed			
Total commission on transactions²			

¹ An active Agent is an Agent that facilitated at least one transaction within the past 30 days.

REGULATION NO. CBL/RSD/003/2014

Total number of Accounts				
Total number of active Accounts³				
Number of Accounts opened in the month				
Number of Accounts closed by Customers in the reporting period				
Peer to peer	Total monthly value			
	Total monthly volume			
Business to person	Total monthly value			

² A transaction is a revenue-generating transaction: e.g., customer registration, cash-in and cash-out for wallet-based services and OTC transactions facilitated by agents in the case of OTC services. Do not include support for PIN reset, for example.

³ An active Account is an Account that has been used for at least one transaction within the past 90 days.

REGULATION NO. CBL/RSD/003/2014

	Total monthly volume			
Merchant payments	Total monthly value			
	Total monthly volume			
Government to person	Total monthly value			
	Total monthly volume			
Person to government	Total monthly value			
	Total monthly volume			
Bill Payments	Total monthly value			

	Total monthly volume			
Loans disbursed	Total monthly value			
	Total monthly volume			
Number of incidents reported on fraud, theft, etc. on the Mobile Money Services platform				See annex V
Number of times the system was shut down				Please specify for each time the system was shut down, the date, the number of hours the system was down, the causes, and corrective action taken

	Montserado	Margibi	Grand Bassa	Nimba	Maryland	Lofa	Grand Gedeh	Sinoe	Rivercess	River Gee	Cape Mount	Bomi	Grand Kru	Bong	Cape	Total
Total value of airtime top ups through mobile money																

REGULATION NO. CBL/RSD/003/2014

Total deposits value																
Total withdrawals value																
Total number of deposits																
Total number of withdrawals																
Number of Agents																
Number of active Agents																
Total commission on transactions																
Balance of Trust Accounts as at the date of reporting period																
Total number of active accounts																
Total number of OTC fund transfers																
Value of OTC fund transfers																
Average size of transactions																
Average number of transactions per day																
Number of accounts opened																

ANNEX III – Monthly report of Person to Business Transactions from L\$1,000,000 or its equivalent in USD and above

	Mobile Account No of the Payer	Name of the Payer	Mobile Account No. of the Business/ Organization	Name of the Business/ Organization	Amount Transferred
1					
2					
3					
4					

ANNEX IV – Monthly Report of Business to Person Mobile Money Transactions from L\$500,000 or its equivalent in USD and above

	Name of the Business/ Organization	Numbers of the Beneficiary	Amount Disbursed
1			
2			
3			
4			

ANNEX V – Complaints Report Summary

Please provide for each complaint received:

- (i) Name and contact information of complainants
- (ii) Name and identification number of agent(s) complained against
- (iii) Physical location of agent(s)
- (iv) Period of occurrence
- (v) Remedial action taken by Authorized Institution
- (vi) Complaints against the Authorized Institutions
- (vii) Remedial action taken by Authorized Institution