

THE



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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 November 15, 2016, its Regulations No. CBL/RSD/005/2016 herein under:

***CONCERNING REGULATION FOR THE LICENSING AND
SUPERVISION OF MONEY REMITTANCE ENTITIES***

BY ORDER OF THE PRESIDENT

**MARJON V. KAMARA
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
NOVEMBER 15, 2016**

Preamble

Pursuant to Part II, Section 3 and Part IV, Section 39 of the New Financial Institutions Act of 1999 the Central Bank of Liberia (CBL) hereby does make, issue and set forth as follows:

1.1 DEFINITIONS

In this Regulation, unless the context otherwise requires:

- i) Money Remittance service refers to the acceptance of cash and/or other financial instruments in one location under agreement to pay a corresponding sum in cash or other acceptable forms to be named beneficiary in another location.
- ii) Money Remittance Entity licensed to render Money Remittance Service but is not necessary permitted to engage in banking business unless also licensed to do banking business. Only a registered business may be licensed to render Money Remittance Service.
- iii) License means permission received from the Central Bank of Liberia (CBL) in order to legally operate a Money Remittance Service in Liberia.
- iv) Registration means a certification by the appropriate government agencies indicating the legal existence of an entity seeking to do Money Remittance business in Liberia.
- v) “Fit & Proper” means an undisputable honesty in handing, and capacity honor, the financial obligation arising out of the engagement in the operations of a Money Remittance Service.

2.1 APPLICATION PROCEDURES

Any business seeking to render Money Remittance Service or operate Money Remittance Entity in Liberia shall submit the following to the Central Bank for its consideration:

- i) A completed prescribed application form for license obtaining from, and to be submitted to, the Regulation and Supervision Department, Central Bank of Liberia.
- ii) A non-refundable application fee of US\$50.00.
- iii) Authenticated copies of business registration certificate along with current tax records from appropriate government agencies.
- iv) Evidence of a United States Dollars bank account maintained with a local bank with a minimum balance of US\$2,000.00.
- v) Statement of the names and addresses of the shareholders/owners and officers of the proposed Money Remittance Entity, along with which their curriculum vitae and statement of financial conditions.
- vi) Evidence of title or possessory rights to the premises in which the proposed Money Remittance Service will be offered.

3.1 **LICENSING PROCEDURES**

3.2 **ISSUANCE OF LICENSE**

- A. In considering an application for a license to conduct Money Remittance Services, the Central Bank of Liberia (CBL) shall require;
 - i) That the applicants, promoters, directors and /or officers of the proposed Money Remittance Entity are 'fit and proper' persons.
 - ii) That the applicant(s) identifies the premises to be used for the operation of the Money Remittance business, which premises shall meet the following minimum requirements:
 - a) A safe, calculators, fax machine and/or internet services.
 - b) A conspicuously displayed board showing the name of the entity, and a sign showing business days and hours.
 - c) Any other requirement prescribed by the CBL from time to time.
- B. Each Money Remittance Entity shall be treated as an independent business for the purpose of licensing and as a condition of operation. A money Remittance Entity must apply to the CBL to establish branch (es), and submit information of the branch (es) as may be required by CBL.

- C. No Money Remittance Entity shall be allowed to conduct business on behalf of another Remittance Entity except as a branch established pursuant to sub-section 3.1(B).
- D. The CBL may, at its discretion, grant Provisional License for a period of three (3) months to a proposed applicant for the operation of a Money Remittance Entity.
- E. When an application is approved by the CBL, the applicant shall, upon the payment of the non-refundable license fee of US\$250.00 and mandatory refundable security deposit of US\$2,500.00, be issued a license to operate.
- F. The registered name of the business must include Money Remittance Service.

3.3 **REVOCAATION OF LICENSE**

- I) A Money Remittance Entity shall pay an annual operating levy of US\$125.00.
- II) In the Central Bank's opinion, the conduct of the Money Remittance Entity is detrimental to the national economy or the public.
- III) The Money Remittance Entity has ceased to carry on the business for which it has licensed, or the licensee as a company goes into liquidation, or the licensee as an individual or partnership becomes bankrupt, or is wound up or otherwise dissolved;
- IV) The Money Remittance Entity has failed to comply with or observe any of the conditions of the license or regulations and directives of CBL.
- V) The Money Remittance has made a false or incorrect statement in its application of the license;
- VI) An offense under these regulations has been committed by any Money Remittance Entity or any person who at the time of the commission of the offense was a director, manager, secretary, or other officer of the company. Any officer who falls in violation shall be liable to pay a fine of not less than US\$5,000.00 and or sentenced to six (6) months imprisonment.
- VII) The Money Remittance Entity is closed or its license is suspended for a period of 180 days.

4.1 OPERATIONAL REQUIREMENT

- I) The entity must display at a prominent place in its premises the license obtained from the CBL and registration certificate from the appropriate government entity. License issued for Money Remittance Services shall not cover any other services.
- II) Any Money Remittance Entity wishing to change its location, whether temporary or permanent, shall first seek the approval of the CBL. The premises of a money Remittance entity may be used for Money Remittance Services as well as other Businesses.
- III) The license to conduct Money Remittance Service is not transferable or assignable.
- IV) The application fee, license fee and mandatory deposit shall be subject to periodic review by CBL.
- V) The amount to be received or transferred by a Money Remittance Entity for each transaction shall not exceed US\$5,000.00. Any transfer or amount in excess of US\$5,000.00 must be sent through a bank.
- VI) Any Money Remittance Entity that is found in violation of section 4.0 (V) of this Regulations shall be liable to pay a fine of not less than US\$100 or its Liberian Dollar equivalent for the first offense; the penalty may double for the second violation, and the entity may be closed if there is further violation.
- VII) Each Money Remittance Entity must seek the prior written approval of the Central Bank of Liberia (CBL) before the appointment of any officer or director; it must also notify the CBL with any proposed alteration in its guidelines or certificate of incorporation or shareholders or directors not less than two(2) months before the effective date of the change.
- VIII) Disbursement of funds remitted shall be made on demand. A Money Remittance Entity shall conspicuously display a schedule of its charges.
- IX) All receipts or payments of money transferred to Liberia must be made in currency, which is legal tender in Liberia, except where the currency of remittance is the United States Currency, in which case

the payment or receipts shall be subject to Regulation No. CBL/RSD/xxx/2016 Concerning Payment of Inbound Money Transfers issued by CBL on November 15, 2016.

5.1 **ACCOUNTING RECORDS KEEPING**

- I) A Money Remittance Entity shall properly record all financial transactions in accordance with the Generally Accept Accounting Principles. A Money Remittance Entity shall issue receipts for all financial transactions and shall maintain a register showing the names of beneficiary and sender, remittance amount, date of remittance and date of payment.
- II) Each Money Remittance Entity shall maintain a register of funds not claimed for thirty (30) days and a separate register showing complaints of non-receipt of funds, with a column indicating the measures the entity is taking to settle the problem.
- III) All registers and other records of Money Remittance Entities shall be kept up-to-date and made available by the Money Remittance Entity for inspection by CBL Examiners and other persons authorized by the CBL.

6.1 **SUBMISSION OF RETURNS TO THE CBL**

- i) Each Money Remittance Entity shall submit to the Regulation and Supervision Department of the CBL the following returns not later than ten(10) working days after the end of the period for which the report is being made:

Weekly Reports

Pursuant to Section 4.1 above, submit to the CBL a weekly report as required under Section 4 of the Regulation concerning payment of inbound transfers.

Monthly Reports

- a) Funds received for remittance but not yet remitted, as well as funds received from abroad but not yet disbursed (ANNEX VII).

Quarterly Reports

- a) Statement of total funds transferred and received from abroad

(ANNEX V).

- b) Balances with foreign banks and foreign currency cash holding at the close of business on the last day of each month (ANNEX IV).
- ii) Any Money Remittance Entity, which fails, neglects or refuses to submit returns, delay in submission of returns or submits inaccurate returns, shall pay a fine of US\$125.00 for each day of the violation. Persistent violation may lead to suspension and /or revocation of license.

7.1 **EXAMINATION OF MONEY REMITTANCE ENTITIES**

- i) The Central Bank of Liberia shall carry out on-site examination of money Remittance Entities at least once a year. The CBL shall have the right to order an investigation into the affairs of any entity whose conduct justifies this course of action.
- ii) Any person duly authorized by CBL to conduct an investigation or examination may enter the premises where a licensee is carrying on business to inspect the premises and any book or document on the premises which he reasonably requires to inspect for the purpose of ascertaining whether a contravention of the regulations or any other regulation issued is being committed or has been committed.
- iii) If any Money Remittance Entity fails to permit an authorized person from the CBL to inspect or perform the functions assigned, or refuses to produce any book under his control which the authorized person requires for the performance of the assignment specified, the CBL shall impose penalty on the entity including the withdrawal of the business license in accordance with the provisions of Section 23 (2) of the FIA. In addition, the entity shall be subjected to prosecution in the courts for the offence committed.

8.0 **INDEMNITY**

Under these regulations, neither the CBL nor any person authorized by the CBL shall be subject to any action, claim or demand by or liability to any person of anything done or omitted to be in good faith in pursuance or in execution or intended execution of any power conferred or imposed

upon the Central Bank or the person by these regulations.

9.0 AMENDMENTS

The Central Bank of Liberia reserves the right to make amendments to these rules and regulation from time as the need arises.

10.0 EFFECTIVE DATE

These regulations shall take effect from December 1, 2016 and shall remain in force until otherwise advised by the Central Bank of Liberia.

Issue this ____ day of November, A.D. 2016 in the City OF Monrovia, Republic of Liberia.

BY THE ORDER OF THE PRESIDENT

MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS

MONROVIA, LIBERIA

November 2016