

WEST AFRICAN SUB-REGIONAL  
WORKSHOP ON MOBILE MONEY  
FINANCIAL SERVICES

VENUE: THE PLACE RESORT, TOKEH,  
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# Outline of the presentation

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# 1. Introduction

- In response to popular demand from the private sector for the operation of Mobile Money services In The Gambia, Central Bank of The Gambia, acting under sections 52 and 75 of the CBG Act 2005, introduced the regulation for the provision of the mobile Money services on October 15, 2011.
- It is called Mobile money regulation 2011.

# Introduction continues

- So far two GSM companies formed subsidiaries and successfully went through the licensing process. They were granted license in early February 2016 to operate the mobile money services.
- The Operators have since been embarking on the modalities for fully operationalizing the mobile money services product.
- Mobile money services is at a formative stage in The Gambia.

## 2. Purpose

- The rationale for the regulation is three fold;
- A) To define retail transfers and provide for the delivery of retail transfers by banks and financial institutions as well as persons who are not licensed as banks or financial institutions;
- (B) To facilitate the provision of electronic payment services without compromising the safety and efficiency of the national payment system;
- (C) To provide minimum standards for consumer protection and risk management to be adhered to by all providers of retail transfers.

# 3. Scope

- This Regulation applies:
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- (a) To all retail transfers utilising an electronic payment system and delivered entirely within The Gambia;
- (b) With respect to its authorisation requirements, to all payment service providers not licensed as banks or financial institutions.

## 4. Definition of terms

- “**retail transfer**” means a payment instrument consisting of an instruction issued by a payer to a payment service provider to debit a payment account and to credit the payment account of the payee or to make the funds available, directly or through another payment service provider, to the payee where the payee does not hold a payment account, provided that the value being transferred does not exceed **Five thousand dalasis**; and for the purposes of this Regulation, the term “**payment service**” shall refer to the provision of retail transfers or any component thereof by one or more payment service providers.

## 5. Licensing of payment services providers

- A Mobile Money service provider, shall, before commencing such business, apply to the Bank for authorisation by submitting an application in the form set out in Schedule 1 to this Regulation. The application shall be accompanied by the following information:
- The type of services to be offered as well as the programme of operations to offer these services;

# Licensing continues

- The geographic locations where the services will be offered and the physical accessibility of these services to portions of the population not currently served by similar services;
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- (c) The public interest that will be served by the provision of the payment service;
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- (d) A business plan including an indicative budget for the first three financial years which demonstrates that the applicant is able to operate efficiently and safely;

# Licensing continues

- Evidence that the payment service provider holds the initial capital set out in clause 6;
- A description of the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that these governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;
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- (g) A description of the internal control mechanisms which the applicant has established to comply with its AML obligations as set in the Anti-Money Laundering Act and the relevant regulations.

# Licensing continue

- The identity of directors and persons responsible for the management of the payment service provider and, where the activities for which authorisation is being sought will be conducted in a separate division, the persons responsible for the management of that division, as well as evidence that they are of good repute and possess the appropriate knowledge and experience to perform the proposed services;
- (l) The applicant's registration documents;

# Licensing continues

- The person has lodged a non-refundable application fee with the Bank of Ten Thousand Dalasis or any such amount that may be determined by the Bank from time to time.
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- 4.3 Where authorization has been granted under this clause, the Bank may impose conditions subject to which the authorization is granted and may add, vary, or substitute conditions attached thereto.
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- 4.4 An authorisation issued under this clause shall, unless earlier revoked, be valid up to the 31<sup>st</sup> December of the year in which it is issued.
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## 6. Capital Requirements

- A payment service provider, other than a licensed bank, financial institution and an authorised e-money issuer, shall, at the time of authorisation, hold a core capital of not less than Ten Million dalasis.
- Notwithstanding the core capital requirement at the time of authorisation, payment service providers shall at all times hold core capital equal to or greater than.

# Capital requirements

- Ten Million Dalasis; and
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- (b) Security deposit of Five Million Dalasis which may be invested in Treasury bills. The security deposit shall be subject to review from time to time.

## 7. *Record* keeping requirements

- Payment service providers shall utilise systems able to provide an accurate and fully accessible audit trail of all transactions from the origin of the retail transfer to its finality.
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- A payment service provider shall keep records of every retail transfer processed by it for a period of two years.

# Reporting requirements

- The Bank shall, in respect of payment service providers, exercise the oversight and supervisory powers and functions conferred on it by the Act.
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- 13.2 Every payment service provider shall, within 10 days of the end of every quarter month, submit to the Bank in the forms set out in Schedules 3, information regarding:
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  - (a) The volumes, values and geographic distribution of each retail transfer payment instrument offered by it;
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  - (b) Incidents of fraud, theft or robbery;

# Reporting requirements

- Material service interruptions and major security breaches;
- Complaints reported, including remedial measures taken, those resolved and those outstanding;
- Every payment service provider shall, within three months of the end of its financial year, submit to the Bank an audited balanced sheet, profit and loss account statement together with a copy of the auditor's report.
- The Bank shall establish a public register of all authorised payment service providers and their points of service.

# 8. Challenges and opportunities

## Challenges:

- 1- low level of financial literacy
- 2- Infrastructural challenges
- 3- Absence of a harmonized regulatory framework for the different regulators in the sector
- 4- small market size due to the size of the population (roughly 1.8 million)

# Challenges and opportunities

## Opportunities:

- 1- relatively new and huge potential for growth and expansion
- 2- conducive business environment – free market and open capital account
- 3- sizeable unbanked population
- 4- substantial flow of remittances from urban to rural Gambia

The end

- Thank you for  
your attention