

## REGULATION NO. CBL/SD/ 03 /2004

### REGULATIONS FOR THE LICENSING AND SUPERVISION OF MONEY REMITTANCE ENTITIES

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#### *Preamble*

Pursuant to the power vested in it by Section 39 of the New Financial Institutions Act of 1999 and in consonance with Part II, Section 3 thereof, the Central Bank of Liberia (CBL) hereby does make, issue and setforth as follows:

#### **1.0 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 a named beneficiary in another location.
- ii) A Money Remittance entity is an entity licensed to render Money Remittance services but is not necessarily 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 a 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 handling, and capacity to honor, the financial obligations arising out of the engagement in the operations of a Money Remittance service.

#### **2.0 APPLICATION PROCEDURES**

Any business seeking to render Money Remittance services 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 obtainable from, and to be submitted to, the Supervision Department, Central Bank of Liberia, Warren and Carey Streets. **(specimen given in Annex 1).**
- ii) A non-refundable application fee of US\$50.00.

- iii) Authenticated copies of business registration certificate along with current tax records from the 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 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.

### **3.0 LICENSING PROCEDURES**

#### **3.1 Issuance of License**

- A. In considering an application for a license to conduct Money Remittance service, 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 for operation. A Money Remittance entity must apply to the CBL to establish branch(es), submitting along with the application, the name, address and other required information of the branch(es) as may be required by the CBL.
- C. No Money Remittance entity shall be allowed to conduct business on behalf of another Money Remittance entity except as an branch established pursuant to sub-section 3 (B).
- D. The CBL may, at its discretion, grant Provisional License for a period of three (3) months to a proposed applicant(s) for the operation of a Money Remittance entity.

- E. When an application is approved by 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 Services.

### **3.2 Renewal of License**

- i) A Money Remittance entity shall pay an annual operating levy of US\$125.00
- ii) The license for each Money Remittance entity shall be automatically renewed, upon payment of the annual operating levy by the licensee, unless otherwise advised by the CBL.

### **3.3 Revocation of License**

- A. The CBL reserves the right to revoke the license of any Money Remittance entity if:
  - i) The entity fails to commence operations within three (3) months following the granting of the license, unless such period has been extended by written advice of the CBL.
  - ii) In the Central Bank's opinion, the conduct of 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 been 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 the CBL.
  - v) The Money Remittance entity has made a false or incorrect statement in its application for a license;
  - vi) An offence 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.
- B. A change of all the original shareholders or directors of the business shall invalidate the operating license and same shall be withdrawn.

#### **4.00 Operational Requirements**

- i) The entity must display at a prominent place in its premises the license obtained from the CBL and the 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 promises of a Money Remittance entity may be used for Money Remittance Services as well as other businesses.
- iii) The license to conduct Money Remittance Services 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\$100.00 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 of any changes in its management. A Money Remittance entity shall furnish 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 currency of payment shall be the currency of remittance.

#### **5.0 Accounting Records Keeping**

- i) A money Remittance entity shall properly record all financial transactions in accordance with Generally Accepted 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 the 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.

#### **6.0 Submission of Returns to the Central Bank of Liberia**

- i) Each Money Remittance entity shall submit to the 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:

##### **Monthly**

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

##### **Quarterly**

- a) Statement of total money 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 VI).
- ii) Any Money Remittance entity, which fails, neglects or refuses to submit returns, delays 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.

#### **7.0 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 the 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 done 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.

#### **10.0 Amendments**

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

#### **11.0 Effectiveness**

These Regulations will become effective as of the date of publication.

**BY ORDER OF THE PRESIDENT  
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA  
JULY 2004**