

CENTRAL BANK OF THE GAMBIA



REVISED REGULATIONS FOR THE OPERATIONS OF FOREIGN EXCHANGE BUREAUX

*Made in accordance with the provisions of **Section 42 (1)** of the **Central Bank of The Gambia Act, 1992.***

THESE GUIDELINES SUPERSEDE ALL THE PREVIOUS ONES

I AUTHORISATION

- a. Only persons authorised by the Central Bank of the Gambia are allowed to operate a foreign exchange bureau.
- b. Any person who contravenes or fails to comply with this regulation shall be guilty of an offence and shall be dealt with in accordance with Section 41 of the Central Bank ACT 1992.

II CONDITIONS GOVERNING THE ISSUE OF LICENCE TO FOREIGN EXCHANGE BUREAUX

Pre-Licensing Authorisation Requirements:

- a. A Foreign Exchange Bureau applicant must be of a Gambian nationality.
- b. Persons, companies and institutions other than banks, desirous of operating a Foreign Exchange Bureau shall first register the business with the Registrar General, with the sole objective of carrying on the business of foreign exchange transactions. The registered name of the business concern must include the words '**Foreign Exchange Bureau**' or '**Bureau de Change**'.

- c. An application for a Foreign Exchange Bureau Licence must be made on the prescribed form obtained at a fee to be determined by the Central Bank of The Gambia.
- d. The duly completed application form must be submitted to the General Manager, Central Bank of The Gambia, 1-2 Ecowas Avenue, Banjul accompanied by the following documents:
 - A Completed Questionnaire on each Director/Shareholder
 - A Certified Opening Statement of Affairs
 - Memorandum & Article of Association
 - Certificate of Incorporation
- e. Upon receiving an application the bank shall consider the application and may grant conditional approval prior to the issuance of a licence.
- f. The Bank reserves the right to reject any application in accordance with the Central Bank Act 1992.

Licensing Authorisation Requirements and Standards:

After granting approval in principle by the Bank, the applicant shall be required to satisfy the following conditions for the issuance of a licence to operate a foreign exchange bureau:

- a. Payment of GMD1,000,000-00 (One Million Dalasis) refundable minimum mandatory deposit which may be invested in Government Securities.
- b. A non-refundable application processing fee of GMD5,000-00 (five thousand Dalasis) must be made to the Central Bank of The Gambia. An annual licensing fee of GMD5,000-00 (five thousand Dalasis) must be paid to the Bank prior to the issuing of the Licence or renewal thereof.
- c. All fees and mandatory deposits shall be subject to periodic review.
- d. The applicant must have an established and identifiable location for the Foreign Exchange Bureau. The Central Bank shall carry out a physical inspection of the premises of the proposed Bureau to ensure that it is both public and accessible, and suitable in all respects for the business of conducting foreign exchange transactions.
- e. The place of business should have a protective barrier between the customers and the Dealer, as well as a secure safe.

- f. Installation of adequate information technology and communication facilities.
- g. Operations of the licensed Bureau must start within one month after the granting of Licence. If not the Licence will be automatically revoked. The Central Bank must be notified in writing about the commencement of business.
- h. The premises of the bureau shall be used solely for foreign exchange bureau business.
- i. A foreign exchange bureau licence is neither transferable nor assignable.
- j. The license will run for a calendar year i.e. January to December.

Where an applicant has satisfied the above conditions, the Bank shall therefore issue a licence for the operation of a foreign exchange bureau.

III COMMENCEMENT OF BUSINESS

- a. Upon receiving the licence from the Central Bank of The Gambia, the applicant must before starting business:
 - i. Obtain a business registration certificate from the Registrar of Companies and submit a copy to the Bank.
 - ii. Notify the Bank of the official(s) i.e. shareholder(s), director(s) and staff of the foreign exchange bureau including the following details:
 - a. Name(s)**
 - b. Residential Address (es)**
 - c. Specimen Signature(s) of staff**
 - d. Recent passport size photographs endorsed by the bureau's directors**
- b. Any change in the staff of a foreign exchange bureau must be communicated immediately to the Bank.
- c. No person(s) other than the official(s) of the bureau as notified to the Bank shall be allowed to transact business on behalf of a foreign exchange bureau.

IV. RENEWAL OF LICENCES

Licences for bureau de change will be granted for the period of one year, after which they shall be renewable. Applications for renewal should be submitted to the Bank at least one month prior to the expiration of the Licence.

- a. An application for renewal should be supported with:
 - i. A valid Business Registration Certificate (within one month of the following year).
 - ii. An Audited Annual Accounts (where applicable)

- b. The renewal of the bureau de change Licence shall be at the discretion of the Bank and will be subject to the satisfactory conduct of business by the bureau de change.

Satisfactory conduct of the business includes, but not limited to the following:

- Selling to the public
- Issuing of accurate official receipts to cover transactions
- Timely submission and accuracy of returns to the Bank
- Display of Rates on a board in a conspicuous place
- Display of Registration Certificate and Licence
- Attainment of a satisfactory level of operation in terms of turnover and net worth as may be prescribed by the Bank
- To honour deals with customers and inter-bank participants.
- Any other condition(s) as may be determined by the Bank from time to time

- d. Failure to meet renewal requirements shall lead to withdrawal of licence and the closure of a bureau.

V. RELOCATION OF BUREAU AND OPENING OF BRANCHES

- a. A foreign exchange bureau may not relocate its business in another premises until after one year from the date of commencement of business without the prior approval of the Bank.

- b. Prior approval from the Bank is required for the establishment by a bureau of a new branch either in or outside The Gambia.

- c. Prior approval of the Bank is required for the bureau to conduct transactions outside its registered place of business on a temporary basis.

VI. CLOSURE OR SUSPENSION OF FOREX BUREAU

- a. Any bureau which is closed or suspended by the Bank, shall cease to advertise its name and surrender the foreign exchange licence to the Bank. The Bank may re-instate or permit the reactivation of such a bureau within three months upon the fulfilment of re-licensing conditions. Any bureau which fails to meet the re-licensing conditions within the stipulated time shall permanently be closed and its licence withdrawn.
- b. Any bureau shall apply to the Bank to be permitted to close or suspend business operation temporary if it is facing some serious difficulties.
- c. Any such bureau, which remains closed for a continuous period of three(3) months, shall have its licence withdrawn and the name submitted to the Registrar of Companies for permanent cancellation.
- d. Any bureau that has the authority to close or shall be closed, shall apply to the Bank for the refund of the mandatory deposit attaching:
 - i. a copy of the Directors' Resolution on the permanent closure of the bureau;
 - ii. a Notice of Dissolution from the Registrar General's Department evidencing the deletion of the name of the bureau from the Register of companies.
 - iii. Documentary evidence of payment receipt of mandatory minimum deposit.

VII. OWNERSHIP

- a. Prior approval of the Bank should be sought for the registration of any transfer of shares.
- b. The bureau de change should provide the Bank once in each financial year, or at such other times as the Bank may direct, full particulars of the name of all shareholders.

VIII. BOARD AND MANAGEMENT

- a. The Bank must be satisfied that directors and senior executives are fit and proper persons. All appointments to senior management and the board of the bureau de change are subject to the prior notice of the Bank. In this regard an 'individual Questionnaire' must be completed and submitted to the Bank.
- b. All retirements from senior management and the board of a bureau de change must be also notified to the Bank.

IX. OPERATIONS AND DEALINGS IN FOREIGN EXCHANGE

- (a) The business registration certificate and the Licence issued by the Bank must be displayed prominently in the place of the business.
- (b) A bureau de change shall engage in spot transactions only i.e. the purchase and sale of currencies with immediate delivery against settlement of the agreed price.
- (c) Each bureau de change is free to quote its buying and selling rates.
- (d) Each bureau is obliged to buy and sell at their published rates.
- (e) All bureaux are required to prominently display their rates on a board in a conspicuous place on their premises in the following manner:
 - (i) for each currency, always give a two way quote;
 - (ii) show them next to one and another and with equal prominence to one and another;
 - (iii) if different rates apply to traveller's cheques, bank drafts and currency, show those rates clearly.
- (f) If there is a charge on exchange transactions, whether prescribed as a commission or otherwise, the notice as in c(ii) above should also:
 - (i) give details of the charge with equal prominence to that given to the rates of exchange;
 - (ii) for fixed charges, show the amount of the charge (e.g.bututs per transaction up to D... and D.. thereafter);
 - (iii) for percentage charges, show the rate by number followed by the percentage sign (e.g. 1% or 2%).
- (g) ***Submission of returns***
 - i. All bureau de change are required to submit daily returns to the Foreign Exchange Department, Central Bank of The Gambia, on their purchases and sales volumes and dealing rates by 9a.m. of the succeeding working day. Purchases from and sales to the commercial banks should be shown separately to disclose the overall net inflows from the bureau to the banking system.
 - ii. Foreign currency stock position at close of business on the last day of each month.

- iii. Non-submission of returns and delays in submission of returns shall attract a fine as prescribed by the Bank for each day that the default persists.
- iv. The bureau's headquarter is required to collate the transactions of its branch(s) or subsidiary(ies) and submit to the Bank daily and monthly returns of a consolidated position of the business performances.
- v. Submission of incomplete and inaccurate returns shall be sufficient grounds for the imposition of a fine as shall be determined by the Bank.
- vi. Persisted default may lead to the withdrawal of licence and subsequent closure of the bureau.

X. UNAUTHORISED BUSINESS

- (a) Bureau de change shall not refuse to sell foreign exchange to any member of the public if such foreign exchange is available;
- (b) A bureau de change is not a bank and therefore cannot perform any of the following;
 - (i) Opening of any account for a customer;
 - (ii) Establishment of Letters of Credit facilities;
 - (iii) Any other banking business.
- (c) Bureau de change shall not accept deposits of dalasis or any other currency, with the intent of obtaining the foreign exchange or Dalasi equivalent, either wholly or partly at a future date.

XI. RECORDS AND TRANSACTIONS

Each bureau de change shall maintain the following registers in respect of its transactions:

- a. Register of purchases of foreign currency notes;
- b. Register of purchases of traveller's cheques and bank drafts;
- c. Register of sales of foreign currency notes;
- d. Register of sales of traveller's cheques and drafts.

XII. AUDITED ACCOUNTS

- a. Each bureau shall engage the service of a recognised firm of External Auditors. An auditor appointed under this section shall not be an employee, officer, or director of the bureau.
- b. Such auditors shall prepare for submission, a statutory audit report to the bureau in accordance with the provisions of the Company Act.
- c. The Certified Financial Statements should be submitted by the bureau within three (3) months after each financial year. Non-submission shall attract a penalty each day the default persist as may be prescribed.

XIII. INVESTIGATION

- a. The Bank reserves the right to order an investigation into the affairs of any bureau if in the Bank's opinion the conduct of the bureau justifies this course of action. The charges thereof shall be borne by the bureau.
- b. Any person duly authorised by the Bank 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.
- c. 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 to take copies of or have entry to it shall have its licence withdrawn.

XIV. LIABILITY OF DIRECTORS AND STAFF

Where an offence under this regulation have been committed by a 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.

XV. INDEMNITY

Under these regulations neither the Bank nor a MEMBER OF ITS board of Directors who is acting as an officer or servant of the Bank shall not be liable in damages for any act or omission in the discharge or purported discharge of the functions of the Bank unless it is shown that the act or omission was in bad faith.

XVI. REVOCATION OF LICENCE

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

- a. In the Bank's opinion the conduct of the bureau is detrimental to the success of the bureau scheme.
- b. The 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.
- c. The business has failed to comply with or observed any of the conditions of its licence.
- d. It contravenes the above rules and regulations.
- e. Has made a false or incorrect statement in its application for a licence

XVII. CONFIDENTIALITY

All transactions conducted by a bureau de change shall be done and maintained in the strictest confidence unless otherwise required by Law.

XVIII. MONEY LAUNDERING

- a. All bureau de change are obliged to take the necessary measures to effectively counteract money laundering in accordance with the Money Laundering Act 2003.
- b. Bureau de change should take appropriate measure to ensure that their employees are aware of the dangers of Money Laundering. These measures should include ensuring that employees receive appropriate training to enable them recognise operations which may be related to money laundering as well as instructing them on how to proceed in such cases.
- c. Bureau de change should establish adequate procedures of internal control and communication in order to forestall and prevent operations related to

money laundering. Accordingly, bureau de change should have in place, inter-alia, adequate arrangements and procedures to:

- ensure the prompt reporting of suspicious transactions;
- the bureau de change should have the necessary access to systems and records to fulfil these responsibilities;
- provide screening of potential employees when recruiting; and
- provide continuing training programmes for employees.

XIX. AMENDMENTS TO GUIDELINES

The Bank reserves the right to make amendments to the rules and regulations governing the operations of the bureau de change scheme.

CENTRAL BANK OF THE GAMBIA

OCTOBER 2003

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I AUTHORISATION

- c. Only persons authorised by the Central Bank of the Gambia are allowed to operate a foreign exchange bureau.
- d. Any person who contravenes or fails to comply with this regulation shall be guilty of an offence and shall be dealt with in accordance with section 40 of the Central Bank ACT 1992.

II CONDITIONS GOVERNING THE ISSUE OF LICENCE TO FOREIGN EXCHANGE BUREAUX

Pre-Licensing Authorisation Requirements:

- g. A foreign Bureau applicant must be of a Gambian nationality.
- h. Persons, companies and institutions other than banks, desirous of operating a Foreign Exchange Bureau shall first register the business with the Registrar General, with the sole objective of carrying on the business of foreign exchange transactions. The registered name of the business concern must include the words '**Foreign Exchange Bureau**' or '**Bureau de Change**'.

- i. An application for a Foreign Exchange Bureau Licence must be made on the prescribed form obtained at a fee to be determined by the Central Bank of The Gambia.*
- j. The duly completed application form must be submitted to the General Manager, Central Bank of The Gambia, 1-2 Ecowas Avenue, Banjul accompanied by the following documents:*
- *A Completed Questionnaire on each Director/Shareholder together with a certified statement of affair*
 - Memorandum & Article of Association
 - Certificate of Incorporation
- k. Upon receiving an application the bank shall consider the application and may grant approval in principle, while it reserves the right to reject any application without explanation.*

Licensing Authorisation Requirements and Standards:

After granting approval in principle by the Bank, the applicant shall be required to satisfy the following conditions for the issuance of a licence to operate a foreign exchange bureau:

- k. Payment of GMD300,000-00 (three hundred thousand Dalasis) refundable minimum mandatory deposit.*
- l. A non-refundable application processing fee of GMD5,000-00 (five thousand Dalasis) must be made to the Central Bank of The Gambia. An annual licensing fee of GMD5,000-00 (five thousand Dalasis) must be paid to the Bank prior to the issuing of the Licence or renewal thereof.*
- m. All fees and mandatory deposits shall be subject to periodic review.*
- n. The applicant must have an established and identifiable location for the Foreign Exchange Bureau. The Central Bank shall carry out a physical inspection of the premises of the proposed Bureau to ensure that it is both public and accessible, and suitable in all respects for the business of conducting foreign exchange transactions.*
- o. The place of business should have a protective barrier between the customers and the Dealer, as well as a secure safe.*

- p. Installation of adequate information technology and communication facilities.*
- q. Operations of the licensed Bureau must start within one month after the granting of Licence. If not the Licence will be automatically revoked. The Central Bank must be notified in writing about the commencement of business.
- r. The premises of the bureau shall be used solely for foreign exchange bureau business.
- s. A foreign exchange bureau licence is neither transferable nor assignable.*

Where an applicant has satisfied the above conditions, the Bank shall therefore issue a provisional licence for the operation of a foreign exchange bureau.

III COMMENCEMENT OF BUSINESS

- d. Upon receiving the provisional licence from the Central Bank of The Gambia, the applicant must before starting business:
 - ii. Obtain a business registration certificate from the Registrar of Companies and submit a copy to the Bank.*
 - ii. Notify the Bank of the official(s) i.e. shareholder(s), director(s) and staff of the foreign exchange bureau including the following details:*
 - e. Name(s)*
 - f. Residential Address (es)*
 - g. Specimen Signature(s) of staff*
 - h. Recent passport size photographs endorsed by the bureau's directors*
 - e. Any change in the staff of a foreign exchange bureau must be communicated immediately to the Bank.*
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- iii. An application for renewal should be supported by a valid Business Registration Certificate and Audited annual Accounts.
- iv. The renewal of the bureau de change Licence shall be at the discretion of the Bank and will be subject to the satisfactory conduct of business by the bureau de change

Satisfactory conduct of the business includes, but not limited to the following:

- Selling to the public
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VI. CLOSURE OR SUSPENSION OF FOREX BUREAU

- e. Any bureau which is closed or suspended by the Bank, shall cease to advertise its name and surrender the foreign exchange licence to the Bank. The Bank may re-instate or permit the reactivation of such a bureau within three months upon the fulfilment of re-licensing***

conditions. Any bureau which fails to meet the re-licensing conditions within the stipulated time shall permanently be closed and its licence withdrawn.

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 - i. a copy of the Directors' Resolution on the permanent closure of the bureau;*
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 - iv. The bureau's headquarter is required to collate the transactions of its branch(s) or subsidiary(ies) and submit to the Bank daily

and monthly returns of a consolidated position of the business performances.

- v. *Submission of incomplete and inaccurate returns shall be sufficient grounds for the imposition of a fine as shall be determined by the Bank.*
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- d. Each bureau shall engage the service of a recognised firm of External Auditors. An auditor appointed under this section shall not be an employee, officer, or director of the bureau.*
- e. Such auditors shall prepare for submission, a statutory audit report to the bureau in accordance with the provisions of the Company Act.*
- f. The auditor shall state in his state in his/her statutory report whether or not:
 - i. The accounts give a true and fair view of the state of affairs of the bureau,*
 - ii. Whether all information and explanation required for the efficient performance of the audit were obtained.*
 - iii. The bureau's transactions are within the rules and regulations of the bureau**
- g. These documents are to be submitted by the bureau within four(4) months after each financial year. Non-submission shall attract a penalty each day the default persist as may be prescribed.*

XIII. INVESTIGATION

- d. The Bank reserves the right to order an investigation into the affairs of any bureau if in the Bank's opinion the conduct of the bureau justifies this course of action. The charges thereof shall be borne by the bureau.*
- e. Any person duly authorised by the Bank 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.*
- f. 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 to take copies of or have entry to it shall have its licence withdrawn.

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