

BANK OF GHANA

NOTICE TO BANKS, FOREX BUREAUX AND THE GENERAL PUBLIC

NOTICE NO. BG/GOV/SEC/2014/04

CLARIFICATION TO NOTICES ON:

- Additional Operating Procedures for Forex Bureaux in Ghana (BG/GOV/SEC/2014/01)
- Revised Rules on the Operations of Foreign Exchange Accounts (FEA) and Foreign Currency Accounts (FCA) (BG/GOV/SEC/2014/02)
- Repatriation of Export Proceeds (BG/GOV/SEC/2014/03)

Following consultations with stakeholders and comments from the general public, the Bank of Ghana announces the following clarifications to its Notices, issued on February 4, 2014:

1. The transfer of foreign exchange to meet external payment obligations remains permissible for transactions, such as:
 - a. redemptions and coupon payments on Bonds held by non-residents;
 - b. investment income, technology and management transfer entitlements, expatriate emoluments, and other incentive packages and overseas commitments under provisions in various legislation i.e. (the Foreign Exchange Act, 2006 (Act 723), the Minerals and Mining Act, 2006 (Act 703), Ghana Investment Promotion Centre Act, 2013 (Act 865), the Ghana Free Zone Act, 1995 (Act 504) the Technology Transfer Regulations (LI 1547), the Free Zone Regulations (LI 1618, etc) governing FDIs in Ghana; and
 - c. other outward payments for imports of goods and services.

Banks are however required to ensure that, such transfer requests are supported by the relevant underlying documentation.
2. All balances in Foreign Currency Accounts (FCA) and Foreign Exchange Accounts (FEA) will continue to be held in foreign currency, and will not be converted into Ghana Cedis. However, except for travel purposes, withdrawals out of these accounts over the counter will be paid in Cedis, at the existing exchange rate.
3. External transfers of up to \$10,000.00 per annum, without documentation from FEA and FCA, are still permitted.
4. Balances held in Foreign Exchange Accounts (FEA) and Foreign Currency Accounts (FCA) continue to remain available, for all legitimate external transactions.
5. Documentation required for transfers from the FCA should

be the regular forms used by the banks, which also indicate the purpose of the transfer.

6. Transfers from FEA and FCA to Cedi accounts, are permitted.
 7. Transfers from FEA to FCA are prohibited. Similarly, transfers from an FEA or FCA to a third party's FEA or FCA within the same bank, or another bank, are also not permitted. However, for the same account holder, transfers from one FCA to another FCA or FEA within the same bank, or another bank, are allowed.
 8. Forex Bureaux may deposit and withdraw foreign exchange, from their FEA.
 9. Existing provisions in the Foreign Exchange Guidelines to facilitate trade on a small scale, remain valid. Importers are allowed to undertake imports through direct transfer from their FEA up to US\$25,000 per transaction, without the initial documentation. As evidence of receipt and clearance of goods in Ghana, the importer shall submit relevant Customs Entry Forms covering imports to his/her bankers, not later than three months after the transfer has been effected. No importer shall transfer foreign exchange abroad, if he/she has not fully accounted for an outstanding transfer, and no bank shall transfer foreign exchange abroad on behalf of any importer, if he/she has not fully accounted for the outstanding transfer of up to US\$25,000.
 10. Servicing of existing foreign currency denominated loans to residents by resident banks, are to be made in Ghana Cedis converted at the average interbank foreign exchange rate prevailing on the day of conversion.
 11. Balances held in Margin Accounts for payment of import bills, debt servicing etc. shall be for an initial 30-day period and renewable, based on a particular transaction. For further extensions, Banks shall consider each application on its merit. All requests shall be backed by relevant documentation.
 12. Offshore foreign exchange deals by resident and non-resident companies, including exporters and non-resident banks, are strictly prohibited.
 13. Companies registered under the Free Zone Act, 1995 (Act 504) are to comply with provisions under the relevant legislative instruments governing their operations.
- All other provisions that have not been mentioned in this clarification, remain valid and unchanged. For the avoidance of doubt, please contact any of the banks.

CAROLINE OTOO (MRS.)
THE SECRETARY

13TH FEBRUARY, 2014