

Rwanda

Regulation of the National Bank of Rwanda governing Foreign Exchange Bureaus Regulation 2310-15 of 2018

Legislation as at 7 January 2019

FRBR URI: /akn/rw/act/reg/2018/2310-15/eng@2019-01-07

There may have been updates since this file was created.

PDF created on 21 February 2024 at 14:54.

[Check for updates](#)



About this collection

The legislation in this collection has been reproduced as it was originally printed in the Government Gazette, with improved formatting and with minor typographical errors corrected. All amendments have been applied directly to the text and annotated. A scan of the original gazette of each piece of legislation (including amendments) is available for reference.

This is a free download from the Laws.Africa Legislation Commons, a collection of African legislation that is digitised by Laws.Africa and made available for free.

www.laws.africa
info@laws.africa

There is no copyright on the legislative content of this document.
This PDF copy is licensed under a Creative Commons Attribution 4.0 License (CC BY 4.0). Share widely and freely.

Regulation of the National Bank of Rwanda governing Foreign Exchange Bureaus
 Contents

Chapter One – General provisions 1

 Article One – Purpose 1

 Article 2 – Definitions 1

Chapter II – License to carry out the activity of foreign exchange business 3

 Article 3 – License requirements 3

 Article 4 – Category of forex bureaus 3

 Article 5 – Conditions for licensing 3

 Article 6 – Information and supporting documents 4

 Article 7 – Processing of application 5

 Article 8 – Criteria for licensing 6

 Article 9 – Preliminary inspection at the place of business 6

 Article 10 – Issuance of a license and its validity period 7

Chapter III – Mode of operations 7

 Article 11 – Authorized operations 7

 Article 12 – Available funds at all times 7

 Article 13 – Prohibited operations 7

 Article 14 – Records of transactions and documentations 7

 Article 15 – Use of bank accounts 9

 Article 16 – Equipment 9

 Article 17 – Verification of counterfeits 9

 Article 18 – Detection, prevention and reporting of suspicious transactions 9

 Article 19 – Opening a branch 10

 Article 20 – Merger and acquisition 10

 Article 21 – Other requirements 11

Chapter IV – Governance of a forex bureau 11

 Article 22 – Common provisions for shareholders, directors and the management 11

 Article 23 – Share transfer 12

 Article 24 – Board of Directors 12

 Article 25 – Management 13

Chapter V – Supervisory power of the Central Bank 13

 Article 26 – Examination of operations and forex bureau transactions 13

 Article 27 – Reports required 13

 Article 28 – Supervision fee 14

Chapter VI – Penalties and final provisions 14

Article 29 – Administrative sanctions	14
Article 30 – Revocation of a license	14
Article 31 – Consequence of revocation of a forex bureau’s license on other licences	14
Article 32 – Opening of a forex bureau after revocation of license	15
Article 33 – Pecuniary sanctions	15
Article 34 – Penalties for unlicensed forex bureaus activities	15
Article 35 – Liquidation of the forex bureau	15
Article 36 – Directives and other decisions	15
Article 37 – Requirements for forex bureau with branches	15
Article 38 – Drafting and consideration of this Regulation	15
Article 39 – Repealing provision	15
Article 40 – Commencement	16
Appendices I - III	16
Appendix IV	17

Rwanda

Regulation of the National Bank of Rwanda governing Foreign Exchange Bureaus Regulation 2310-15 of 2018

Published in Official Gazette 1 on 7 January 2019

Assented to on 27 December 2018

Commenced on 7 January 2019

[This is the version of this document from 7 January 2019.]

Pursuant to Law N° 68/2018 of 30/08/2018 determining offences and penalties in general especially in its article 223;

Pursuant to the Protocol on the establishment of the East African Community Common Market, especially in articles 16, 17 and 18;

Pursuant to Law N° 48/2017 of 23/09/2017 governing the National Bank of Rwanda, especially in articles 6, 8, 42 and 43;

Pursuant to Law N° 17/2018 of 13/04/2018 governing companies;

Pursuant to Law N° 69/2018 of 31/08/2018 on prevention and punishment of money laundering and terrorism financing;

Pursuant to Law N° 23/2018 of 29/04/2018 relating to insolvency and bankruptcy;

Pursuant the Regulation of the National Bank of Rwanda N° 2100/2018-008 [614] of 25/07/2018 on reporting requirements;

Having reviewed the Regulation N° 01/2017 of 22/02/2017 governing Foreign Exchange Bureaus;

The National Bank of Rwanda, hereafter referred to as “the Central Bank”,

Decrees:

Chapter One General provisions

Article One – Purpose

This regulation governs the activity of foreign exchange bureaus.

It establishes licensing requirements and other conditions to carry out the “foreign exchange business”.

Article 2 – Definitions

In this Regulation, the following words and expressions shall mean:

- 1° **capital:** permanent shareholders’ equity in form of issued and fully paid-up shares of common stock plus all disclosed reserves;
- 2° **related party:** any natural person or legal entity that maintains with a forex bureau at least one of the following relationships:
 - (i) a person who is a member of the Board of Directors or Management of a Forex Bureau;

- (ii) a person who has a direct or indirect significant shareholding in a forex bureau;
 - (iii) a spouse of a member of the Board of Directors of a forex bureau;
 - (iv) a spouse of a member of the Management of a forex bureau;
 - (v) a spouse of a shareholder in a forex bureau;
 - (vi) a parent or a descendant of a shareholder in a forex bureau;
 - (vii) a person in direct kinship, at first degree, with a member of the Board of Directors of a forex bureau;
 - (viii) a person in direct kinship, at first degree, with a member of the Management of a forex bureau;
 - (ix) a person in direct kinship, at first degree, with a shareholder in a forex bureau;
 - (x) any entity whose member of the Board of Directors is also a member of directors of a forex bureau;
 - (xi) any entity whose member of the Board of Directors is also a member of the Management of a forex bureau;
 - (xii) any shareholder holding directly or indirectly, alone or with others, at least ten (10%) percent of the shares or voting rights or can exert influence is also member of the Board of Directors of a forex bureau;
 - (xiii) any other person whose connection to any forex bureau is, in sole appreciation of the Central Bank, likely to compromise the efficiency expected within the foreign exchange activity in general.
- 3° **foreign exchange bureau, forex bureau or bureau de change:** a company limited by shares, a cooperative or a Government institution licensed by the Central Bank to carry out foreign exchange business;
- 4° **foreign exchange business:** the business of buying and selling foreign currencies;
- 5° foreign currency includes:
- (i) banknotes, coins or electronic units of payment in any currency other than Rwandan Francs which are or have legal tender outside Rwanda;
 - (ii) financial instruments denominated in foreign currency; and
 - (iii) any right to receive such bank notes or coins in respect of any balance at a financial institution located within or outside Rwanda.
- 6° **director:** a member of a board of directors;
- 7° **management:** An organ with decision making power in a Forex Bureau and includes notably the Managing Director, Head of operations and Branch Manager;
- 8° “**resident**” includes:
- (i) a citizen of the Republic of Rwanda residing therein;
 - (ii) any individual who is not a citizen of the Republic of Rwanda but he/she permanently residing therein and has received the visa for residence;
 - (iii) During their stay, citizens of the Republic of Rwanda staying abroad for a period not exceeding twelve months;
 - (iv) Rwandan diplomatic missions or consular offices abroad are considered as residents and persons with Rwandan nationality attached to these institutions and, if they are of Rwandan nationality, members of their families are also considered as residents;
 - (v) a corporation or other legal entity organized under the laws of the Republic of Rwanda;

- (vi) any agency or any other unit of a foreign legal entity that is either registered or, if this formality is not compulsory, carries its activities in Rwanda;
 - (vii) Rwandans studying abroad;
 - (viii) EAC Citizens from Member-States of the East African Community in the limits of the clauses of the Protocol on the establishment of the East African Community Common Market.
- 9° **non-resident:** any person who, being in Rwanda or abroad, is not included in the definition of resident as defined in this regulation;
- 10° **place of business:** includes head office and branches of a forex bureau;
- 11° **person:** a physical person or legal entity;
- 12° **spot exchange rate:** the rate at which a foreign exchange transaction is concluded for immediate delivery;
- 13° **spot exchange transaction:** the purchase and sale of currencies or any other instruments agreed/ accepted by the Central Bank with immediate delivery against an agreed price;
- 14° **undercapitalized:** the capital of the bureau which is below the minimum capital required under this regulation;
- 15° **initial investment costs:** all funds incurred in acquisition of all the required equipment's and infrastructures to start up the foreign exchange business;
- 16° **amalgamation:** the fusion of two or more forex bureaus licensed under this Regulation;
- 17° **acquisition:** the purchase of one forex bureau by another for cash or transfer of shares or a combination of both.

Chapter II

License to carry out the activity of foreign exchange business

Article 3 – License requirements

No person shall carry out or purport to carry out a foreign exchange business in Rwanda unless he/she is licensed by the Central Bank in accordance with this regulation.

However, subject to written approval by the Central Bank, companies licensed to carry out international money remittance activities may carry out foreign exchange activities without getting a new license for foreign exchange activities.

The Foreign exchange bureau that provides other financial services approved by the Central Bank shall maintain the minimum required paid up capital for each approved activity by the Central Bank.

Article 4 – Category of forex bureaus

Forex bureaus are classified in two categories. Category one (I) Forex Bureaus and Category II Forex Bureaus.

The Central Bank shall issue Directive specifying geographical area in which each category of a forex bureau shall operate.

Article 5 – Conditions for licensing

The applicant for a license to operate a foreign exchange bureau shall:

- 1° be a company limited by shares, a cooperative or a public institution allowed to carry out profit making activities;

- 2° have a paid up capital of at least fifty million Rwandan francs (Frw 50,000,000) or its equivalent in another currency prior to commencement of operations, including the initial investment costs of at least Frw 10 million for applicant intending to operate in category one Forex Bureaus;
- 3° have a paid up capital of at least twenty five million Rwandan francs (Frw 25,000,000) or its equivalent in another currency prior to commencement of operations, including the initial investment costs of at least Frw 5 million for applicant intending to operate in category two Forex Bureaus;
- 4° prove that it has a fixed permanent and identifiable place that is accessible to the public and suitable in all aspects for the foreign exchange business;
- 5° prove that it has required equipment to carry out foreign exchange business as provided for under Article 16 of this regulation;
- 6° provide the name and full address including postal address, telephone number and email address of the proposed forex bureau;
- 7° provide a full identification record of the proposed Management and Directors. They shall be persons well known, of good repute and integrity;
- 8° not be a related party to any other Forex Bureau licensed by the Central Bank;
- 9° not be a related party to a Forex Bureau whose license was revoked, unless it is after five (5) years at least;
- 10° hold, in a licenced commercial banks and in the names of the proposed forex bureau, permanent accounts in Rwandan and foreign currencies;
- 11° have and maintain an IT system based management for efficient collection, keeping, processing and reporting of data on all transactions of the forex bureau;
- 12° guarantee, in writing, that the proposed Forex Bureau shall solely carry out foreign exchange activities.

Subject to the provisions of subparagraph 12° of this article, a forex bureau may deliver other financial related services upon further authorization by the Central Bank on request.

Article 6 – Information and supporting documents

An application for a license to carry out a foreign exchange business shall be submitted in writing, to the Central Bank, by using the format specified in Appendix (I) of this regulation.

The application shall be accompanied by at least the following information and documentation:

- 1° authenticated resolution of the shareholders, authorizing the preparation and submission of the application for licence to carry out foreign exchange business;
- 2° a declaration by the applicant that no shareholder, director, managing director or a staff has a similar position or role in any other forex bureau;
- 3° a declaration that no shareholder, director, managing director or staff is a related party to any foreign exchange bureau whose the license was revoked by the Central Bank within a period of current five (5) years;
- 4° the certificate of incorporation as a company limited by shares or a cooperative whose name includes the words “Forex Bureau/Foreign Exchange Bureau/ Bureau de Change”;
- 5° A proof that it has been given by the Law the mandate to carry out profit making activities if the applicant is a public institution;
- 6° the applicant’s memorandum of understanding and articles of association;
- 7° organizational chart with key functions of the foreign exchange bureau;

- 8° relevant documents for the approval of the applicant's shareholders, Directors and management team members such as:
- (i) a bank statement of the forex bureau's shareholders and for each of the directors and the management team for a period of six months prior to the date of the application;
 - (ii) report from a Credit Reference Bureau on the credit status of the shareholders, directors and top managers of the forex bureau;
 - (iii) latest tax clearance certificate or certified true copy of income tax returns for the shareholders, directors and managers of the forex bureau;
 - (iv) a well completed form as specified in appendix II for each of the applicant's shareholders, proposed directors and managers;
 - (v) declaration of assets and liabilities for each of the applicant's shareholders, proposed directors and managers;
 - (vi) the criminal record certificate, a copy of national identity cards or passport for each of the applicant's shareholders, directors and managers;
 - (vii) certified copies of academic documents as well as curriculum vitae of directors and managers of a forex bureau.
- 9° proof of payment of a non-refundable application fee of one hundred fifty thousand Rwandan francs (Frw 150,000);
- 10° business plan containing projected financial statements, for at least the next 2 years, the strategic orientation, the description of activities and market analysis, the funding of its activities and target customers underlying the financial projections and a description of the organizational structure, the key systems and the administrative organization;
- 11° documented procedures for preventing, detecting and reporting incidences of money laundering and combating the financing of terrorism, in compliance with relevant laws and regulations;
- 12° internal control and operating manuals covering the description of the Management Information System (MIS), accounting system;
- 13° any other information as may be required by the Central Bank.

Article 7 – Processing of application

The Central Bank shall, within a period of one (1) month after the receipt of a complete application file in accordance with the provisions of article 6 of this regulation, either approve or reject the application.

The Central Bank shall, if satisfied that all necessary requirements have been met and that the applicant may be eligible to be licensed, issue a letter informing the applicant to:

- 1° pay the license fees of three hundred thousand Rwandan Francs (Frw 300,000) that may be modified by the Central Bank from time to time;
- 2° provide a proof that the minimum working capital required under article 5 of this regulation was deposited on the account opened at the Central Bank;
- 3° submit authenticated lease agreement on the working premises accompanied with certified copies of the title proving ownership of the lessor;
- 4° submit certified copies of the title deed proving his/her/its ownership in case the applicant is the owner of the premises;
- 5° submit an insurance coverage certificate of money in cash and other valuable items in the working premises as well as money in cash and valuable goods in transit;

6° avail the working premises and do necessary arrangements thereof bearing in mind the nature of the foreign exchange business.

Where the application is rejected, the Central Bank shall notify the applicant in writing with reasons for the rejection.

An applicant, who is not satisfied with the decision of rejection may, within 30 days from the date of the reception of that decision, request the Central Bank to review its decision.

The right to request the Central Bank to review the decision rejecting the application is exercised only once.

The Central Bank shall reconsider the application with due emphasis on criticisms by the applicant and then shall notify him/her, in writing, of its final and conclusive decision in a period not exceeding 60 days calendar.

Article 8 – Criteria for licensing

The Central Bank shall consider the following factors in making a decision to grant a licence:

- 1° the financial condition and background of the applicant;
- 2° the nature of any other business of the applicant, if it does not negatively affect the business of foreign exchange or the integrity of the financial sector;
- 3° the integrity, the suitability, the reliability and competence of the applicant's shareholders, the proposed management and directors;
- 4° the organizational structure to promote and maintain a proper conduct of business or comply with its legal obligations;
- 5° the adequacy of the applicant's capital structure, earning prospects, business and financial plans;
- 6° whether the granting of the licence to the applicant benefits to the public interest and the financial sector in general;
- 7° level of the IT system enabling the Forex Bureau to record transactions, process data, generate receipts and reports that meet regulatory requirements;
- 8° any other relevant information relating to the applicant, its ultimate beneficial owners, direct and indirect shareholders, directors and management, the foreign exchange bureau sector, foreign exchange market and the financial system as a whole.

An applicant who submits false or misleading information in the application shall be considered as unfit and improper person, and thus, it shall be a sufficient ground for the rejection of the application.

Article 9 – Preliminary inspection at the place of business

From the date of reception, by the applicant, specified in paragraph 2 of article 7 of this regulation, the applicant is entitled to a maximum period of 3 months to comply with that letter and prepare the projected working premises appropriate to foreign exchange business.

Once the applicant completed works specified in the above paragraph, he/she informs the Central Bank together with requesting for preliminary inspection. Upon reception of the said letter, the Central Bank shall, before granting a license, conduct preliminary inspection on the projected working premises, to verify if the place is appropriate for the conduct of foreign exchange business and consistent with the information provided in the application.

During that process period, the applicant shall not carry out any foreign exchange transaction until granted a written licence by the Central Bank.

Article 10 – Issuance of a license and its validity period

When the Central Bank is satisfied with the documents and other informations given by the applicant, in compliance with the provisions of this regulation, it issues a licence to exercise the activity of foreign exchange.

The license to exercise the activity of foreign exchange shall remain valid unless revoked in accordance with provisions of this regulation. The license cannot be transferred, in anyway, to anyone else, or be pledged.

When the Central bank issues a license, the working capital deposited on the account specified in Article 7(2°) of this regulation is remitted to the account of the licensed forex bureau in a commercial bank.

Chapter III Mode of operations

Article 11 – Authorized operations

A forex bureau shall deal only in spot exchange transactions in compliance with the provisions of article 2(13°) of the present regularion.

However, a forex bureau may be authorized to deliver other financial related services, without prejudice to provisions of article 5(10°) of the present regulation.

Transactions of foreign exchange business are deemed to be concluded at counter, by bank account or any other electronic means recognized by the Central Bank.

Notwithstanding the definition related to spot exchange transaction, Forex Bureau's transactions amounting to or above twenty million Rwandan Francs (Frw 20,000,000) or its equivalent shall be transacted through forex bureau banks' accounts.

Article 12 – Available funds at all times

A category one Forex Bureaus is required, to maintain in cash and at all times, the minimum working capital of fourty million Rwandan Francs (Frw 40,000,000) or its equivalent.

A category two Forex bureau is required, to maintain in cash and at all times, the minimum working capital of twenty million Rwandan Francs (Frw 20,000,000) in cash at all time.

Article 13 – Prohibited operations

A forex bureau shall not sell foreign currency to non-residents unless the latter proves that the amount in Rwandan currency he possesses was obtained in Rwanda from the sale of foreign currency, or from other lawful activity carried out on Rwandan territory.

Article 14 – Records of transactions and documentations

A forex bureau shall:

- 1° maintain an adequate Management Information System (MIS) to detect suspicious transactions for money laundering and terrorism financing and any other illegal practices and to facilitate efficient collection and processing of statistical data, prudential returns, and information required to provide audit trails for use by internal auditors, external auditors and the Central Bank;
- 2° apply customer due diligence before processing any exchange transaction and request from him/her appropriate documentation for the identification and verification of identity of customers.

- 3° issue, for every transaction including even those made through bank account, an accurate receipt containing at a minimum the following information:
- (i) the transaction number;
 - (ii) the nature (sale or purchase), time, date and office where the transaction was executed;
 - (iii) full names of the customer;
 - (iv) nationality of the customer;
 - (v) identity card/passport number of the customer;
 - (vi) telephone number of the customer;
 - (vii) number of any other travel documents showing the identification of the customer and recognized by the Directorate General of Immigration and Emigration Rwanda;
 - (viii) company registration code, address, and telephone number for the forex bureau;
 - (ix) the type and amount of foreign currency sold or bought;
 - (x) the exchange rate applied for that particular transaction;
 - (xi) customer's signature;
 - (xii) names and signature of the employee who served the customer; and
 - (xiii) name, address and stamp of the forex bureau.
- 4° make records, in its books of accounts, of all transactions generated in the course of its business activities;
- 5° keep the following records of its foreign exchange transactions:
- (i) a record of all transactions as provided under paragraph 3 of this article;
 - (ii) a daily summary and balances list;
 - (iii) updated vault list for stock of currencies;
 - (iv) list of fixed assets;
 - (v) any other records applicable to the forex bureau as may be specified by the Central Bank.
- 6° maintain updated proper records of all transactions. Such records shall, *inter alia*, reflect the following information:
- (i) the serial numbers of source documents such as receipts, cheques, invoices etc;
 - (ii) the date of the purchase or sale of foreign exchange;
 - (iii) the foreign exchange amount purchased or sold;
 - (iv) the exchange rate applied;
 - (v) the amount of Rwandan Francs paid/or received to/or from the customer received;
 - (vi) copy of the customer's identity card or passport or any other travel documents showing the identification of the customer and recognized by the Directorate General of Immigration and Emigration Rwanda;
 - (vii) copy of certificate of incorporation, partnership deed or a similar document or act establishing a corporate if the transaction is concluded in the name of a corporate;
 - (viii) A power of attorney, if the person seeking the service of foreign exchange does so on behalf of any entity, accompanied with the documents specified in 6°(vi) of this article.

- 7° maintain such books of accounts and records to enable the timely preparation of audited annual financial statements and generation of required reports.
- 8° store all records of transactions for a minimum period of ten (10) years from the date of the transaction.

A forex bureau owned by a foreign parent company shall keep its primary data and financial data on the territory of Rwanda to enable Central Bank or other competent authorities to access them.

Article 15 – Use of bank accounts

A forex bureau shall:

- 1° maintain active local and foreign currency accounts in commercial banks licensed by the Central Bank;
- 2° not use the personal bank accounts of its directors, shareholders, managers, employees or any other individual or any other entity for purposes of transacting foreign exchange business;
- 3° purchase foreign currencies from banks through the forex bureau's bank accounts.

Article 16 – Equipment

A forex bureau shall have at least the following modem equipment/system to be used to carry out its daily activities:

- 1° counterfeit detector to verify the counterfeit currency;
- 2° a tool used to display the exchange rates;
- 3° tools for communicating effectively (telephone, email,...);
- 4° computers, printers, scanners, photocopier, an adequate operating system application and an adequate/sound management information system to process data and generate reports that meet regulatory requirements;
- 5° vaults/safe, CCTV Cameras and any other security equipment to secure funds and assets in the forex bureau's premises;

The equipment and systems mentioned in Paragraph One of this article shall be operational at all time and a Forex Bureau shall have staff with minimum skills to use them.

The CCTV camera shall have technical capacity to keep and display information for at least 3 months.

Article 17 – Verification of counterfeits

A Forex Bureau shall be diligent and cautious when receiving cash from the public in order to detect counterfeit by using appropriate detectors.

In case of counterfeit currency identified, the Forex Bureau shall produce a report identifying the presenter of that counterfeit currency. The report shall be signed by both the presenter of the counterfeit banknotes or coins and the Forex Bureau representative and then be submitted to competent investigative authorities.

The counterfeit notes or coins shall not be returned to the presenter.

Article 18 – Detection, prevention and reporting of suspicious transactions

The Board of Directors and management of a forex bureau shall take all necessary measures to ensure that it applies appropriate policies and procedures to detect, prevent, report incidents of money laundering and financing of terrorism in accordance with the Law on prevention and penalising the crime of money laundering and financing terrorism.

Article 19 – Opening a branch

Opening a branch of a forex bureau is subject to prior application addressed, in writing, to the Central Bank, upon payment of a non-refundable fee of one hundred thousand Rwandan francs (100,000 Frw).

The Central Bank may specify other documents to accompany the application to open a branch of a forex bureau.

A forex bureau shall not open a branch until authorized by the Central Bank in writing.

The Central Bank shall, before granting any approval under this regulation in respect of opening a branch, ensure that:

- 1° the forex bureau is financially sound and has sufficient capital;
- 2° the capital structure and earning prospects, business and financial plans of the forex bureau are adequate;
- 3° the opening of a branch in a new place will serve the public interest and the financial sector in general;
- 4° the branch will enhance the operations and performance of the forex bureau;
- 5° the forex bureau has the capacity to make an online processing of information for all of its branches;
- 6° the category one forex Bureau has additional capital of Frw 20 million for each additional branch to be established in the area of the category one forex bureau;
- 7° Forex Bureau in category I or II has additional capital of Frw 10 million for each additional branch to be established in the area of the category II forex bureau;
- 8° the forex bureau is fully compliant with this regulation;
- 9° the proposed branch manager is approved by the Central Bank.

Forex Bureaus of category II are not allowed to open a branch in the area of Forex Bureaus of category I; unless they comply with the minimum required capital of category I Forex Bureaus and have additional capital of Frw 20 million for each branch.

The approval of a branch manager shall be based on an analysis of relevant documents provided for in Article 6 (8°) of the present regulation, which documents shall be submitted together with the application for opening a branch.

Article 20 – Merger and acquisition

In accordance with specific laws, a forex bureau may:

- 1° merge with another forex bureau;
- 2° acquire another forex bureau; or
- 3° be acquired by purchase of all shares.

Merger/amalgamation of forex bureaus shall be submitted, in writing, to the Central Bank for prior approval. The same applies in case a forex bureau is going to be acquired by another forex bureau or a purchaser of all shares.

Any request for merger or acquisition of forex bureaus shall be accompanied by the following documents and informations:

- 1° resolutions of the relevant governance organ for each of the forex bureaus concerned by the merger or acquisition;
- 2° pro-forma balance sheet and income statements for the first year of activities of the forex bureau resulting from the merger or acquisition;

- 3° relevant documents for the approval of the manager of the forex bureau resulting from the merger or acquisition. The relevant documents referred to herein are those specified by Article 6 (8°) of this Regulation.

Article 21 – Other requirements

Without prejudice to other requirements provided for in this regulation, any licenced forex bureau and its branch if any, shall respect the following:

- 1° notify the Central Bank the working hours for each of its branches;
- 2° not change its working hours without notifying the Central Bank;
- 3° display at each of its place of business and conspicuously, the following:
 - (i) the name of the Forex Bureau;
 - (ii) a copy of the forex bureau license;
 - (iii) the working days and business hours;
 - (iv) the daily foreign currency exchange rates;
 - (v) a notice informing the customers that they are entitled to a receipt for any purchase or sale of foreign currency made by them; and
 - (vi) A notice to the public that the forex bureau is not allowed accepting deposits from the public.
- 4° not shifting from working place without prior written approval from the Central Bank;
- 5° promptly communicate to the Central Bank any change to the list of staff and their positions.
- 6° not to lease, sublet, or authorize any other person to undertake any other business or offer any other product or service in its business premises other than the service or business approved by the Central Bank.
- 7° not to conduct foreign exchange activities outside of its premises without Central Bank approval;
- 8° keeping all correspondences, registers, books and financial statements and accounts relating to the Forex Bureau operations in the Forex Bureau premises or any other premises communicated in advance to the Central Bank.
- 9° disclose to the Central Bank in writing operational challenges in and seek prior approval to close or suspend the operations of the bureau;
- 10° motivate reasons for closure or suspension of the business;

The suspended Forex Bureau shall apply, in writing, for resuming foreign exchange activities at least two weeks before the expiration of the suspension period.

The suspended Forex Bureau or the forex whose license was revoked shall remove all displayed signs at its premises and return the license to the Central Bank.

In any case, the suspension of forex bureau activities shall not exceed eighteen (18) months.

Chapter IV Governance of a forex bureau

Article 22 – Common provisions for shareholders, directors and the management

For a person to become a shareholder, a director or a member of the management of a forex bureau, he/she shall be a person deemed fit and proper and approved by the Central Bank.

No person shall become a shareholder, a director, a member of management or a staff in more than one forex bureau in Rwanda.

A forex bureau shall not change its shareholders, directors and member of management without prior written approval of the Central Bank. The approval shall be subject to the submission of information/documents required by article 5(g) of this regulation.

Changes in the information regarding the identity, background on integrity or other requested information on shareholders, directors and management shall be communicated to the Central Bank in writing.

The Central Bank may suspend or dismiss shareholders, directors, senior manager, an external auditor or any staff of a forex bureau for/who:

- 1° fail to adhere to this regulation or any other directives issued by the Central Bank;
- 2° fail to continuously meet vetting requirements;
- 3° have non-performing loan in any financial institution;
- 4° have issued a bounced check;
- 5° any other reason in the discretion of the Central Bank.

Article 23 – Share transfer

Any transfer of share of a forex shall be subject to prior written application for approval of the Central Bank.

Article 24 – Board of Directors

A forex bureau may have a Board of Directors. Directors must have skills in management and in the operations of forex bureau business.

The Board of Directors is chaired by a President/chairperson who is responsible for its effective overall functioning.

The Board of Directors of a Forex Bureau shall:

- 1° set a strategic guideline for the conduct of the forex bureau's operations;
- 2° oversee and monitor the implementation of the forex bureau strategy, business objectives and policies;
- 3° Adopt a policy promoting sound values to develop good conduct in the business sector and make sure the forex bureau is sensitized thereon;
- 4° Adopt internal rules and rules of procedures, and make sure they are complied with;
- 5° make sure that the forex bureau submits all reports required from the forex bureaus by the Central Bank.
- 6° ensure compliance with regulations issued by the Central Bank;
- 7° Establish succession plan for management of forex bureau;
- 8° Ensure that the forex bureau has adequate systems to identify, measure, monitor and manage key risks facing the forex bureau, by adopting sound policies and objectives which have been fully deliberated;
- 9° Review the inspection report and audit reports to ensure implementation of all recommendations made;
- 10° Ensure that the forex bureau maintains a positive image within the industry and the economy as a whole;
- 11° Ensure that the management establishes and maintains an adequate, effective and efficient internal control system.
- 12° ensure that the management and the staff of the forex bureau is adequately trained in the operations of the forex bureau business, prevention of money laundering and regulatory requirements.

the Board of Directors of a forex bureau shall respect the following:

- (i) actively attend the board meetings on at least 75%;
- (ii) meeting regularly at least once a quarter and produce Minutes for each meeting held.

The Central Bank shall require changes in the composition of the Board of Directors if any of its members is not fulfilling the minimum requirements or his/her responsibilities as specified in this regulation.

The internal rules shall provide for resignation/dismissal of a director not attending meetings for at least 75% times.

The attendances status shall be disclosed in the annual report.

Article 25 – Management

Each forex bureau shall have a Managing Director or a Manager.

When a forex bureau has a branch or branches, it shall appoint a manager responsible for each branch approved by the Central Bank.

The Managing Director or manager shall be full time employee of the forex bureau.

A forex bureau shall appoint a Managing Director or manager holding at least a bachelor's degree or its equivalent in accounting, finance, management or any related field and having adequate knowledge on foreign exchange operations, relevant legislations and the Central Bank regulatory requirements. However, a manager having an Advanced Level certificate of secondary education (A2) with 5 years of experience in forex bureau activities or a diploma (A1) with 2 years of experience in forex bureau activities may be appointed as a manager.

If the forex bureau has no Board of Directors, responsibilities of the Board of Directors as provided by this regulation, shall be exercised by the Management.

Chapter V Supervisory power of the Central Bank

Article 26 – Examination of operations and forex bureau transactions

The Central Bank has the power to undertake an examination of the operations and affairs of a forex bureau, at any place of business, in order to ensure that the foreign exchange bureau is compliant with legal and regulatory requirements.

For the purpose of the provisions of the previous paragraph, a forex bureau shall avail to the Central Bank all relevant documents and informations for effective examination. These documents and informations referred to herein shall be forwarded to the Central Bank upon request or remitted to Inspectors at the place of business of the forex bureau.

Article 27 – Reports required

A forex bureau shall comply with the existing reporting requirements provided by regulation and directives of the Central Bank.

Without prejudice to the paragraph 1 of this Article, the Central Bank reserves the right of requesting the forex bureau any other return/information.

A forex Bureau shall submit financial statements audited by an external auditor approved by ICPAR within three months after the end of the financial year.

Article 28 – Supervision fee

A licensed forex bureau shall pay, annually and not later than the 30th April, a supervision fee of three hundred thousand Rwanda Francs (Frw 300,000). The annual supervision fee may be modified by the Central Bank from time to time.

Defaulting in paying the supervisory fee results in pecuniary penalties. It may also result in revocation of the license following the provisions of this regulation.

Chapter VI Penalties and final provisions

Article 29 – Administrative sanctions

In case a forex bureau violates or fails to comply with provisions of this regulation and any other relevant regulatory requirement, it shall be liable, depending upon the seriousness of the violations, to the following disciplinary measures:

- 1° written warning;
- 2° suspension of the license for a period as it may be specified by the Central Bank;
- 3° revocation of the license.

Article 30 – Revocation of a license

The Central Bank may revoke a forex bureau's license due to at least one or all of the following reasons:

- 1° failure of the forex bureau to commence operations within a period of six months from the date of issuance of the license;
- 2° the forex bureau has ceased to conduct the authorized activities without disclosing the incident to the Central Bank in writing;
- 3° deviation of capital in activities other than those authorized by the Central Bank;
- 4° the Forex bureau undertakes activities other than those approved by the Central Bank;
- 5° the shareholders of the bureau, or the bureau itself, is convicted by any court of competent jurisdiction, in Rwanda or elsewhere, of an offense related to money laundering and/or terrorist/proliferation financing, or is an affiliated or is a subsidiary of a company that has been so convicted;
- 6° the forex bureau has made a false or incorrect statement in its application for license;
- 7° the forex bureau is using forged or counterfeit documents in its foreign exchange operation;
- 8° the Forex Bureau is financing or involved in illegal practices;
- 9° persistent non-compliance with existing regulatory requirements;
- 10° failure to re-operate as required by Article 21 (11°) of this Regulation;
- 11° in the Central Bank opinion, the forex bureau operations negatively affect the soundness of the financial sector and the public interest.

Article 31 – Consequence of revocation of a forex bureau's license on other licences

When a forex bureau whose license is revoked was also licensed to carry out international money transfers, the revocation of its license as a forex bureau implies also revocation of the license for the money transfers activity.

Article 32 – Opening of a forex bureau after revocation of license

A shareholder or a related party, a Board member and a management member of a Forex Bureau whose license was revoked for administrative or operational reasons may be authorized to carry out a foreign exchange activity, once again, after a period of 5 years from the license revocation.

Article 33 – Pecuniary sanctions

Central Bank shall determine pecuniary sanctions applicable to a forex bureau that violates the provisions of this regulation, instructions and decisions.

The amount of each penalty shall depend on the nature and seriousness of the violation, according to a scale set out in Appendix IV of this regulation.

Article 34 – Penalties for unlicensed forex bureaus activities

Any person who engages in forex bureau activities on his own account or on behalf of a third party within the territory of the Republic of Rwanda without license issued by the Central Bank, shall be penalized in accordance with the provisions of the penal code.

Article 35 – Liquidation of the forex bureau

The process of liquidation of a forex bureau shall be in conformity with relevant laws following whether the forex bureau was in form of a company, a cooperative or a public institution, and the law relating to insolvency and bankruptcy;

A forex bureau shall seek for non objection from the Central Bank before it enters into the process of the voluntary liquidation.

Article 36 – Directives and other decisions

The Governor of the Central Bank shall issue directives to guide the activities of Forex Bureaus in accordance with this Regulation.

The Administration of the Central Bank may, any time it may be deemed necessary, decide to suspend applications related to the exercise of the foreign exchange business for a definite or indefinite period.

Article 37 – Requirements for forex bureau with branches

Forex bureaus with branches are required to comply with the additional capital for each branch provided in this regulation within a period of six (6) months from the publication of this regulation in the *Official Gazette*.

Where a forex bureau has a sound reasons preventing, it to comply with the period referred to under the previous paragraph have been given, the Central Bank may extend the compliance deadline for a period not exceeding six (6) months.

Article 38 – Drafting and consideration of this Regulation

This Regulation was drafted, considered and approved in English.

Article 39 – Repealing provision

The regulation N° 01/2017 of 22/02/2017 governing Foreign Exchange Bureaus and other previous provisions of regulations or directives contrary to this regulation are hereby repealed.

Article 40 – Commencement

This Regulation shall come into force on the date of its publication in the Official *Gazette* of the Republic of Rwanda.

Appendices I - III

Forms

[Editorial note: The forms have not been reproduced.]

Appendix IV

Violations and pecuniary sanctions in Rwandan francs

No	Violations	Penalties for Forex Bureaus of category one	Penalties for Forex Bureaus of category two
1.	Failure to submit to the Central Bank the required reports as per Article 27 except reports provided in the regulation on reporting requirements and its implementing Directive	10,000 per day of delay and per document.	5,000 per day of delay and per document
2.	Misreporting of foreign exchange transactions (purchases and sales)	2,000,000	1,000,000
3.	Failure to records information on transaction as stated in Article 14 of this regulation	1,000,000	500,000
4.	Failure to keep customer identification documents to support foreign exchange transaction as stated in Article 14 of this Regulation	100,000 per transaction that is not supported by customer identification document	50,000 per transaction that is not supported by customer identification document
5.	Transferring shareholding without obtaining the prior written approval of the Central Bank	1,000,000	500,000
6.	Engaging a director and management member who has not been vetted or approved by the Central Bank	500,000	300,000

7.	Failure to appoint a Forex Bureau Manager or a branch manager	500,000	300,000
8.	Opening, relocation of a place of business without prior approval by the Central Bank	500,000	300,000
9.	Failure to display updated foreign exchange rates	10,000 per day	5,000 per day
10.	Payment of supervision fee or any pecuniary penalties with delay	10,000 per day	5,000 per day
11.	Violation of any other provision of this regulation not listed in this appendix, instructions and decisions of the Central Bank	500,000 per violation	200,000 per violation