Rwanda

Regulation on Money Remittance Services
Regulation 6 of 2018

Legislation as at 2 April 2018
FRBR URI: /akn/rw/act/reg/2018/6/eng@2018-04-02

There may have been updates since this file was created.
PDF created on 21 February 2024 at 16:51.

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 on Money Remittance Services

Contents

Chapter One – General provisions ......................................................................................................................... 1
  Article one – Purpose ............................................................................................................................................. 1
  Article 2 – Definitions ............................................................................................................................................. 1

Chapter II – Operation requirements .......................................................................................................................... 2
  Article 3 – Licensing .............................................................................................................................................. 2
  Article 4 – Authorized activities .............................................................................................................................. 2
  Article 5 – Prohibited activities .............................................................................................................................. 2
  Article 6 – Transfer .................................................................................................................................................. 3
  Article 7 – Agent ..................................................................................................................................................... 3
  Article 8 – Place of business .................................................................................................................................. 3
  Article 9 – Accounts ................................................................................................................................................ 4
  Article 10 – Unclaimed remittance transfers ........................................................................................................ 4
  Article 11 – Record keeping ................................................................................................................................. 5

Chapter III – Anti-money laundering and financing of terrorism ....................................................................................... 5
  Article 12 – Compliance with laws and regulations .............................................................................................. 5
  Article 13 – Internal control mechanisms ........................................................................................................... 6
  Article 14 – Split transactions ............................................................................................................................... 6
  Article 15 – Suspicious transactions .................................................................................................................... 6
  Article 16 – Customer due diligence .................................................................................................................... 6
  Article 17 – Transaction thresholds .................................................................................................................... 7

Chapter IV – Reporting requirements .......................................................................................................................... 9
  Article 25 – Duty to supply information to the Central Bank ................................................................................. 9
  Article 26 – Annual reports ................................................................................................................................. 10

Chapter VI – Miscellaneous provisions ................................................................................................................... 10
  Article 27 – Exclusivity conditions ....................................................................................................................... 10
  Article 28 – Anti-competitive behavior ............................................................................................................... 10
Article 29 – Remedial measures ..................................................................................................................................................... 10

Chapter VI - Final provisions .............................................................................................................................................................. 10

Article 30 – Transitional provision .................................................................................................................................................. 10

Article 31 – Repealing provision ......................................................................................................................................................... 10

Article 32 – Drafting, consideration and approval of this Regulation ............................................................................................. 10

Article 33 – Commencement ................................................................................................................................................................. 11
Pursuant to Law n° 48/2017 of 23/09/2017 governing the National Bank of Rwanda, especially in Articles 6, 8, 9 and 10;
Pursuant to Law n° 03/2010 of 26/02/2010 concerning the Payment System, especially its articles 3, 5, 7 and 10;
Pursuant to Regulation N° 05/2018 of 26/03/2018 governing payment services providers;
The National Bank of Rwanda, hereinafter referred to as “the Central Bank” decrees:

Chapter One
General provisions

Article one – Purpose

The purpose of this Regulation is to:

a) specify operational requirements for persons that provide money remittance services;
b) encourage the increased use of formal funds transfer systems through the facilitation of remittances that are timely, accessible, cost effective, reliable, and transparent; and
c) increase transparency of remittance and payment flows in and outside Rwanda by ensuring that anti-money laundering and the combating of the financing of terrorism measures are observed in remittance services.

Article 2 – Definitions

In this Regulation, unless the context otherwise requires:

1) **bank account**: any account maintained in a commercial bank, microfinance institution or a saving and credit cooperative;
2) **currency**: domestic and foreign currency;
3) **designated recipient**: any person, either a natural person or a corporation, located in Rwanda or in a foreign country and identified by the sender as the authorized recipient of a remittance transfer;
4) **international remittance service provider**: any provider of money remittance services that is resident in a country other than Rwanda, legally permitted by the laws of the home country to provide such remittance services and who is providing remittance services in Rwanda through Primary Agent arrangement;
5) **primary agent**: Remittance Service Provider that acts in partnership with an International Remittance Service Provider to provide remittance services by virtue of Primary Agency Agreement with the International Remittance Services Provider;
6) **money remittance**: a payment service where funds are received from an originator without any accounts being created in the name of the originator or the beneficiary, for the sole purpose of transferring a corresponding amount to a beneficiary or to another Payment Services Provider acting on behalf of the beneficiary;

7) **money remittance service provider**: hereinafter "Provider": any Payment Service Provider offering money remittance services acting on its own or on behalf of the International Remittance Services Provider by virtue of Primary Agency Agreement;

8) **outlet**: a place of business of a money remittance service provider that has been approved by the Central Bank;

9) **pre-authorized remittance transfer**: remittance transfer authorized in advance to recur at substantially regular intervals;

10) **on spot transaction**: the purchase and sale of currencies or the purchase and sale of any other instruments approved by the Central Bank with immediate delivery against an agreed price.

11) **"exclusivity condition"**: a condition where an International Remittance Provider or a Remittance Service Provider allow their Remittance Service Provider and Agents, respectively, to offer their remittance service only on condition that they do not offer any other remittance service either proprietary or on behalf of other companies.

12) **sender**: a customer that requests that a Remittance Service Provider sends a remittance transfer to a designated recipient.

### Chapter II

#### Operation requirements

**Article 3 – Licensing**

Umuntu wese wifuza gutanga serivisi zo kohereza amafaranga agomba kubahiriza ibisabwa mu kwemererwa gukora bishyirwaho hakurikijwe amabwiriza ya Banki Nkuru agenga abatanga serivisi zo kwishyurana.

**Article 4 – Authorized activities**

Without prejudice to the regulation governing payment service providers, a money remittance service provider shall deal with domestic or international money transfer transactions.

These transactions shall consist of the following activities:

a) acceptance of monies for the purpose of transmitting them to persons resident in Rwanda or another Country;

b) execution of funds transfers for the purpose of transmitting them to persons resident in Rwanda or another country;

c) an international payment transfer executed in form of bill payment.

A money remittance service provider shall not engage in any other business other than as authorized by the Central Bank.

**Article 5 – Prohibited activities**

A money remittance service provider is not authorized to:

a) engage in lending money;

b) engage in deposit taking;
c) maintain current accounts on behalf of customers;
d) establish letters of credit; or
e) act as a custodian of funds on behalf of customers.

Without prejudice to the provision of the paragraph one (1) a money remittance service provider may carry out any other activity that the Central Bank may approve from time to time.

**Article 6 – Transfer**

All inbound money transfers shall be disbursed to the beneficiary who maintains a bank account, e-money wallets with agent, through ATM or any other digital means.

Where the beneficiary does not have a bank account or e-wallet account, payments shall only be made upon the provision of accepted means of identification such as the national identification card, the driving license or passport.

The following conditions shall apply in the transaction:

a) a payment transaction shall be executed in the currency agreed between the parties; and

b) where a currency conversion service is offered before initiation of a payment transaction or at the point of payment, the money remittance service provider must disclose all charges as well as the exchange rate to be used for converting the payment transaction.

**Article 7 – Agent**

A licensed money remittance service provider may conduct money remittance business through an agent in line with the regulation N° 02/2017 of 22/02/2017 governing agents or act as a primary agent of an International money remittance service provider.

When a money remittance service provider provides remittance services as Primary Agent on behalf of an International Remittance Service Provider, the Central Bank is entitled to confirm:

a) the regulatory status of the International Remittance Service Provider in its home country;

b) the settlement arrangements with the Primary Agent;

c) whether the Primary Agent has entered into a suitable written agreement to provide the services on behalf of the International Remittance Service Provider;

d) All other aspects the Central Bank deems necessary;

A licensed money remittance service provider shall maintain an updated list of its agents and shall submit it to the Central Bank on annual basis and when requested.

**Article 8 – Place of business**

A money remittance service provider shall obtain approval from the Central Bank before opening an outlet and shall designate one of the outlets as its head office.

The Central Bank shall before grant any approval under these Regulations in respect of opening an outlet, satisfy itself that:

(a) the money remittance service provider is financially sound;

(b) the capital structure, earning prospects, business and financial plans of the money remittance service provider are adequate;

(c) the public interest will be served by the opening of a new place of business in that location;
(d) the outlet will enhance the operations and performance of the money remittance service provider;

(e) the money remittance service provider has integrated the systems to process information of all its outlets.

The Central Bank may, in granting approval under paragraph three (3), impose such other conditions as it may consider necessary.

A provider shall not be allowed to sublet, lease or authorize any other person to undertake any other business or offer any other product or service in its business premises other than as approved by the Central Bank.

A provider shall display prominently at each of its business premises the following:

(a) the current licence to engage in money remittance;

(b) the business hours;

(c) details of the tariffs to be charged;

(e) a notice informing the customers that they are entitled to be issued with a receipt for any money remittance transactions;

[Please note: numbering as in original.]

Article 9 – Accounts

A money remittance service provider shall not keep anonymous accounts or accounts in obviously fictitious names nor conduct any anonymous transaction.

A Remittance Service Provider shall maintain a separate account designated “customers’ account” domiciled in one of the financial institutions in Rwanda on behalf of its customers for its remittance and funds shall not be co-mingled with any other business in which the Remittance Service Provider and any of its Agents may be engaged. All remittance services shall be transacted directly through this account.

Proof of set-up of this account must be submitted to the Central Bank no later than ten (10) working days after the date of approval.

A Remittance Service Provider shall pay into the account referred to in paragraph two (2) of this Article, all funds that are received from its customers for remittance purposes not later than the next bank business day following the day on which the funds were received by it.

No funds shall be withdrawn from a customer’s account except:

(a) funds that have been paid into the account by the money remittance service provider for the purposes of opening or maintaining the account;

(b) funds properly required for a payment to or on behalf of a customer; and

(c) funds properly required for payment of the charges for rendering services to a customer and the customer have been notified that any funds held for him or her will be applied towards or in satisfaction of such fees and charges.

The funds in a customers’ account maintained by a Remittance Service Provider at a financial institution shall not be liable to be attached, sequestered or levied upon for or in respect of any debt of the Remittance Service Provider or any claim whatsoever against the Remittance Service Provider, and if the Remittance Service Provider is adjudicated a bankrupt or, being a company, is declared insolvent or is wound up by an order of the court, the funds in the customers’ account shall not form part of the property of the Remittance Service Provider.

Article 10 – Unclaimed remittance transfers

An outbound remittance transfer from Rwanda that is unpaid to the designated recipient at the destination twelve (12) months after the originating date of the transaction shall be deemed to be unclaimed.
Any Remittance Service Provider who has unclaimed remittance transfers shall report such unclaimed remittance transfers to the Central Bank on a quarterly basis in such manner as the Central Bank may specify, and thereafter pay or deliver to the Central Bank all unclaimed remittance transfers in such manner and in such time as the Central Bank may specify.

Any money remittance service provider shall, thirty days before the filing of the report to the Central Bank required in paragraph two (2), publish in a newspaper of general circulation in Rwanda the following information in relation to each unclaimed remittance transfer:

a) the name of the person who originated the remittance transfer;

a) the remittance transfer control number; and

[Please note: numbering as in original.]

a) the date of the transaction.

[Please note: numbering as in original.]

**Article 11 – Record keeping**

A money remittance service provider shall:

a) maintain a management information system that facilitate efficient collection and processing of data required for audit trails;

b) maintain accurate information on each transaction. Such information shall include, but not limited to the following:

(i) Date of transaction

(ii) Name, address and contact phone number of the sender;

(iii) Name, address and contact phone number of the beneficiary;

(iv) Accepted means of identification; and

(v) Amount and currency;

The money remittance service provider shall keep the transaction information for a period of ten (10) years starting from the conclusion of the transaction.

The records shall be accurate and up to date and verified on a daily basis.

**Chapter III**  
**Anti-money laundering and financing of terrorism**

**Article 12 – Compliance with laws and regulations**

Any Remittance Service Provider shall comply with the Law on Prevention of Money Laundering and Terrorism, and any Regulations, Directives and guidelines made pursuant thereto or adopted by the Central Bank and FIU to prevent the misuse or abuse of the remittance service by criminal groups, for criminal activities, for fraudulent purposes or for circumventing the legitimate controls in the financial system.
**Article 13 – Internal control mechanisms**

A Remittance Service Provider shall put in place internal control mechanisms in order to comply with AML and CFT obligations as follows:

(i) the assessment of the AML and CFT risks associated with its business, including the risks associated with its customer base, the products and services provided, the distribution channels used and the geographic areas of operation;

(ii) risk assessment process, the policies and procedures to comply with customer due diligence requirements and the policies and procedures to detect and report suspicious transactions or activities;

(iii) systems and controls in place to ensure that their branches, agents and distributors comply with applicable AML and CFT requirements, including, in cases where the agent, distributor or branch is located in another country, the anti-money laundering and counter terrorist financing requirements of that country;

(iv) arrangements to ensure that staff, agents and distributors are appropriately trained in anti-money laundering and counter terrorist financing matters;

(v) a compliance officer shall be appointed at the senior management level in the Remittance Service Provider and must have explicit and ultimate responsibility for anti-money laundering and the combating of the financing of terrorism compliance program;

(vi) the systems to ensure their anti-money laundering and counter terrorist financing policies and procedures remain up to date, effective and relevant;

(vii) the systems and controls the applicant has or will put in place to ensure that the agents and distributors do not expose to increased money laundering and terrorist financing risk; and

(viii) The AML and CFT manual for the staff and agents.

**Article 14 – Split transactions**

A Remittance Service Provider shall not allow or process a transaction that is or appears to have been deliberately split into small amounts to avoid the requirements of reporting on suspicious transactions provided under the Law on prevention and punishment of money laundering and financing of terrorism.

**Article 15 – Suspicious transactions**

A Remittance Service Provider shall pay special attention to all complex, unusual, or large transactions, including individual remittances which are consolidated into larger transfers, or unusual patterns of transactions and to insignificant but periodic transactions.

A Remittance Service Provider shall, upon reasonable suspicion that the transactions described in paragraph one (1) or any other transactions could constitute or be related to money laundering or terrorist funding, report the suspicious transactions to the Financial Investigation Unit and shall cooperate fully in supplying any information requested for the investigation of any suspicious transaction whether reported by the remittance service provider or requested by the Financial Intelligence Unit.

**Article 16 – Customer due diligence**

Any Remittance Service Provider shall identify the sender or the designed recipient of a remittance transfer on the basis of an official or other reliable means of identification and where the remittance transfer transaction is conducted on behalf of a third party, the identity of the third party shall also be established.

The identity and authorization of any person purporting to act on behalf of a corporate entity shall be verified.
Any Remittance Service Provider is required to check identification based on:

a) true name and names used;
b) correct permanent address, including a postal address if that is different from the permanent address;
c) date and place of birth.
d) Other independent source of information;

**Article 17 – Transaction thresholds**

The maximum thresholds for both domestic and international Money Remittances shall be established by the Central Bank from time to time by way of a directive.

**Chapter VI**

**Customer protection**

[Please note: Chapter numbering as in original.]

**Article 18 – Disclosure in general**

Each Remittance Service Provider shall make disclosures as required under this Regulation and in accordance with rules prescribed by the Central Bank. Disclosure shall be in addition to any other disclosure applicable to electronic fund transfers.

Disclosures must be made in all official languages and in each foreign language principally used by the Remittance Service Provider to advertise, solicit or market at that office.

Disclaimers are required indicating that the designated recipient may receive less than the disclosed total due to the fees and taxes charged by the designated recipient’s Remittance Service Provider and/or taxing authority.

**Article 19 – Onsite displays**

A Remittance Service Provider shall prominently display, and timely update, in every physical store front location owned or controlled by them, a notice describing.

a) the operating license;
b) a list of applicable fees and charges, including the exchange rate applied to the transaction;
c) the time it will take the funds to reach the payee; and
d) the locations of the Remittance Service Provider’s access points in both sending and receiving countries.

A money remittance service provider that provides remittance transfers via a remote channel like the internet, shall provide a notice, comparable to a storefront notice described in paragraph 1, located on the home page owned or controlled by the Remittance Service Provider.

Information in paragraph (1) and (2) shall be provided in easily accessible and understandable forms.

For the purpose of this Article, “access point” means both physical (e.g. bank branches, shops) or virtual (e.g. websites, telephones) locations where senders and designed recipients can send and/or receive remittance and electronic fund transfers.
Article 20 – Timely execution of transfers

With regard to outward transfer, the provider shall:

a) advise customers of the time funds sent would be available for collection by beneficiaries;

b) inform the customers within twenty-four (24) hours where outward transfers could not be effected within the time frame advised;

d) refund to the sender, any amount returned undelivered in the manner it was paid by the customer:
   i. where the provider is responsible for the returned transfer, the refund to the sender shall include all fees and charges paid by the sender; and
   ii. where the sender is responsible for the returned transfer, the provider shall recover from the sender, only costs associated with the transaction.

[Please note: numbering as in original.]

With regard to inward transfer, the provider shall guarantee that the funds transferred are put at the disposal of the beneficiary not later than 24 hours from reception.

Article 21 – Prepayment disclosures

At the time when the sender requests a remittance transfer to be initiated, and before the sender making any payments in connection with the remittance transfer, the Remittance Service Provider shall provide in writing to the sender a disclosure describing:

a) the amount to be transferred to the designated recipient in the currency in which the sender pays for the transfer;

b) any fees and taxes imposed or passed onto the sender by the Remittance Service Provider in the currency in which the sender pays for the transfer;

c) the total amount of the transaction, which reflects the sum of the transfer amount (a) and any fees and taxes that may be imposed by the Remittance Service Provider (b), in the currency in which the sender pays for the transfer;

d) the exchange rate applied to the remittance transfer;

e) the amount to be transferred to the designated recipient in the currency in which the funds will be received;

f) a reasonably accurate estimate of any fees and taxes that may be imposed on the transfer by a third party in the currency in which the funds will be received;

h) a reasonably accurate estimate of the total amount of the transaction to be received by the designated recipient in the currency in which the funds will be received, after all fees and taxes have been deducted.

[Please note: numbering as in original.]

Article 22 – Transaction content

At the time at which the sender makes payments in connection with the remittance transfer, the remittance service provider shall provide to the sender:

a) a paragraph showing:
   i) the information described in Article 21 of this regulation;
   ii) the date by which the funds will be available to the designated recipient, and
b) a statement containing information regarding the sender’s error resolution and cancellation rights.

c) Such paragraph and statement can be either on paper or electronic form.

**Article 23 – Preauthorized transfers**

When a sender schedules a one-time transfer or the first in a series of preauthorized remittance transfers five or more business days before the transfer date, the remittance service providers are permitted to estimate certain information in the pre-payment disclosure and the paragraph provided when payment is made.

Providers that estimate disclosure information are required to give the sender an additional paragraph with accurate figures no later than one business day after the date of the transfer.

The Remittance Service Provider is not required to provide prepayment disclosure for each subsequent transfer. A paragraph must be sent, however, in a reasonable time prior to the transfer if certain disclosed information changes regarding the first preauthorized remittance transfer. This paragraph may also contain estimates.

**Article 24 – Dispute resolution procedures**

The money remittance service providers shall have adequate, independent, impartial, transparent and effective dispute resolution procedures for the settlement of disputes between the parties concerning their rights and obligations.

A complaint may be lodged orally, in writing or electronically, but in each case must be lodged within a period of thirty (30) days from the date of occurrence.

A money remittance service provider shall acknowledge all complaints filed with them. Each complaint shall be assigned a unique identifier for easy of reference.

Providers shall provide a dedicated channel by which complainants may enquire about progress of their complaints. In addition, providers shall provide a response to all enquiries within forty-eight (48) hours of receipt.

The provider shall have in place an internal mechanism to review its initial decision in the event a complainant is not satisfied with the provider’s decision.

The provider must arrive at a decision within one (1) week of the receiving a letter of dissatisfaction from a complainant.

Where a complainant is not satisfied with a provider’s decision, the complainant may escalate the issue to the Central Bank.

The provider shall submit monthly reports on all complaints to the Central Bank.

The remittance service provider shall put in place processes to provide complainants with sufficient information and the means to inquire on the progress of complaints and such processes may include complaint reference numbers or other identifiers in order to facilitate timely and accurate responses to subsequent inquiries by complainants.

**Chapter IV**

**Reporting requirements**

*Please note: Chapter numbering as in original.*

**Article 25 – Duty to supply information to the Central Bank**

Subject to the Regulation n° 06/2010 of 27/12/2010 of the National Bank of Rwanda relating to the oversight of payment systems and the activities of payment service providers, any remittance service provider shall, in relation to its operations, submit to the Central Bank such information or reports on all remittance transfers
and net settlements, including financial and other statements of condition, books, income, accounts, reports, schedules and other information within such a period and in such form as may be specified by the Central Bank from time to time.

**Article 26 – Annual reports**

Notwithstanding to electronic reporting, a remittance service provider shall, within three (3) months after the end of the fiscal year, submit to the Central Bank an annual report concerning its operation and administrative organization and this report shall include the audited financials of the Remittance Service Provider's remittance transfer activities, or, in the case where the size of operations does not allow this, a review opinion of an auditor.

A Remittance Service Provider who fails to submit the report required pursuant to this article is subject to sanctions as established in Regulation N° 05/2015 of 11/02/2015 on administrative sanctions applicable to the Payment System Providers and Payment Services Providers.

**Chapter VI**

**Miscellaneous provisions**

[Please note: Chapter numbering as in original.]

**Article 27 – Exclusivity conditions**

Exclusivity conditions between International Remittance Providers and its Primary Agent, and between Remittance Service Providers and Agents shall be prohibited.

**Article 28 – Anti-competitive behavior**

In addition to what is established in Article 21 of this regulation, Remittance Services Providers shall respect competition law principles established in the country and avoid any abusive or collusive practice.

**Article 29 – Remedial measures**

If the provider or its agent fails to comply with this regulation the Central Bank may take any corrective action against the provider as provided by the regulation establishing administrative sanctions of the payment service providers and payment service providers.

**Chapter VI**

**Final provisions**

[Please note: Chapter numbering as in original.]

**Article 30 – Transitional provision**

A person who at the commencement of this Regulation, is carrying out remittance service shall within six months from commencement comply with the requirements of this Regulation or cease to carry out such business.

**Article 31 – Repealing provision**

All prior regulatory provisions inconsistent with this Regulation are hereby repealed.

**Article 32 – Drafting, consideration and approval of this Regulation**

This Regulation was drafted, considered and approved in English.
Article 33 – Commencement

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