

CENTRAL BANK OF SOMALIA
Licensing and Supervision Department

MOBILE MONEY REGULATIONS,
2019

CBS/NBS/REG/06

In exercise of the powers of the Central Bank of Somalia set forth in Section 5 (c)(d) and (e), Section 45(3) and Section 52(1) of the Central Bank of Somalia Act, 2012, the following Regulations are hereby made:

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PART I – PRELIMINARY

1. Authority

These Regulations are made by the Central Bank of Somalia pursuant to its authority set forth in Section 5 (c)(d) and (e), Section 45(3) and Section 52(1) of the Central Bank of Somalia Act, 2012.

2. Citation

These Regulations may be cited as the Central Bank (Mobile Money) Regulations, 2019.

3. Interpretation

In these Regulations, unless the context otherwise requires—

“abandoned funds” means any consumer funds in the custody of a mobile money service provider which remain unclaimed for a period of five years, despite reasonable efforts made to trace the owner through the last known postal address or other contacts;

“agent” means a person who, for a fee, provides mobile money services on behalf of one or more mobile money service providers;

“AML/CFT” means Anti-Money Laundering and Counter Financing of Terrorism;

“Central Bank” means the Central Bank of Somalia established by the Central Bank of Somalia Act;

“consumer funds” means funds belonging to a consumer of mobile money services;

“electronic-wallet” or “e-wallet” means a mobile money product, where the record of funds is stored on a particular device, typically in a card or mobile phone.

“interoperability” means the technical or legal compatibility that enables a system or mechanism to be used in conjunction with other systems or mechanisms;

“mobile money” means a monetary value, represented by a claim on the issuer, which is:

- (i) stored on an electronic device (e.g. a card or computer);
- (ii) issued upon receipt of funds in an amount not less in value than the monetary value received; and
- (iii) accepted as a means of payment by persons other than the issuer.

“mobile money service” means a payment service delivered in electronic form by a mobile money service provider in accordance with these Regulations;

“mobile money account” means the account of a mobile money service provider holding consumer funds;

“mobile money service provider” means a person who provides mobile money services;

“outlet” means a place of business of a mobile money service provider, other than the head office where it provides mobile money service;

“senior officer” includes the chief executive officer, deputy chief executive officer, chief operating officer, chief financial officer, secretary to the board of directors, treasurer, chief internal auditor, or manager of a significant unit of a mobile money service provider;

“payment” means a payer's transfer of a monetary claim on a party acceptable to the payee;

“person” means a company duly registered in Somalia as such;

“significant shareholder” means a person who holds or proposes to hold ten per cent or more of the shareholding of a mobile money service provider;

“third party service provider” means any person, not being a mobile money service provider or agent as defined in this Regulation, to whom a mobile money service provider may outsource part of its responsibilities or from whom a mobile money service provider may obtain other services relevant to its mobile money service;

4. Objectives and purposes

The objectives and purposes of these Regulations are to-

- (a) provide a framework for the licensing, regulation and supervision of mobile money services;
- (b) provide a consumer protection framework for consumers of mobile money services;
- (c) foster financial stability in the mobile money services sub-sector;
- (d) improve market development; and
- (e) foster investor protection and financial inclusion.
- (f) establish a framework to prevent mobile money services from being abused for money laundering and terrorism financing

5. Application

These Regulations shall apply to any person providing mobile money services.

PART II - LICENSING

6. Application for license to provide mobile money service

- (1) A person who seeks to provide mobile money services shall apply to the Central Bank for a license in the form prescribed in the First Schedule to these Regulations.
- (2) The application shall be made to the Central Bank of Somalia.
- (3) The application shall be submitted together with-
 - (a) An Oath and Declaration set out in the Second Schedule;
 - (b) application fee of USD 5,000 and
 - (c) license fee of USD 25,000.
- (4) The Oath and Declaration referred to in sub-regulation (3)(a) shall contain the information set out in the Third Schedule.
- (5) The Oath and Declaration referred to in this Regulation shall be signed by the Chairperson of the Board of Directors and the Chief Executive Officer/Managing Director of the applicant and shall be witnessed or commissioned by a Commissioner for Oaths or Notary Public.

7. Granting of license

- (1) Where the Central Bank has received the application document, the Oath and Declaration and the required fees, the Central Bank may within Ninety days issue a license with or without conditions.
- (2) The Central Bank may verify the existence of the documents specified in the Oath and Declaration during onsite inspection of a mobile money service provider or may request for their submission after the license has been issued.

Where the Central Bank declines to grant a license to an applicant, it shall state the reasons for its decision.

- (3) A license granted to an applicant shall not be transferable to another person.
- (4) A license granted under this Regulation shall be valid for one year and may be renewable annually; provided that a license granted in the course of a calendar year shall be valid up to 31st December of that year.
- (5) An application for renewal of a license shall be made in writing to the Central Bank ninety days before the end of the year and shall be accompanied the documents submitted during the license application stage and annual renewal fee of USD 10,000 and USD 500 per outlet/agent
- (6) The Central Bank shall consider a renewal application within ninety days and may renew or decline to renew a license for reasons stated.

8. Appeal against refusal to grant or renew a license

- (1) Where the Central Bank declines to grant or renew a license, the aggrieved applicant may in writing appeal to the Central Bank for re-consideration of the application and the applicant shall state the grounds upon which the appeal is based.
- (2) An appeal may be submitted to the Central Bank within thirty days from the date the Central Bank communicates its decision to the applicant.
- (3) Where an appeal has been lodged, the Central Bank may constitute a committee of Board of Directors who never took part in processing the initial application to consider the appeal and make a decision thereon.
- (4) The Committee shall determine any appeal under these Regulations within sixty days from the date of receipt of the appeal and the decision of the Committee shall be communicated to the applicant within this period.

PART III – CONDUCT OF BUSINESS

9. Governance

- (1) A mobile money service provider shall establish adequate governance arrangements, which are effective and transparent, to ensure the integrity of the operations of its mobile money service.
- (2) The governance arrangements shall include, but not limited to the following:
 - (a) constitution of an effective board of directors having diversity of skills and able to exercise effective oversight over the mobile money service;
 - (b) established processes for ensuring that significant shareholders, directors, senior officers and agents fulfil the fit and proper criteria; and
 - (c) clearly defined and documented organizational arrangements to include management structure and accountabilities of significant positions in the organizational structure and appropriate personnel management arrangements.
- (3) A mobile money service provider shall-
 - (a) formulate and implement policies and procedures for safe and efficient operation of its mobile money service; and
 - (b) set up a separate business unit or division within which the mobile money service shall be operated.

10. Establishment of safe, secure and efficient mobile money service

- (1) A mobile money service provider shall establish internal controls, risk management, accounting and procedures; automated issuance of mobile money process; administrative controls, operational risk management with disaster recovery plans and business continuity arrangements, that demonstrate that the arrangements, controls and procedures are proportionate, appropriate, sound and adequate.
- (2) Mobile money service providers shall implement a program against money laundering (ML) and terrorist financing (TF), commensurate to the risks and size of the business, which shall include but not be limited to the following internal policies, procedures and controls: compliance management arrangements (including the appointment of a

compliance officer); screening procedures to ensure high standards when hiring employees;

11. Capital requirements

- (1) A mobile money service provider shall at the time of application for a license and at all times, hold minimum capital of USD 2,000, 000.
- (2) A mobile money service provider shall at all times meet such on-going capital requirements as may be specified by the Central Bank in the *Official Bulletin*.

12. Liquidity Requirement

- (1) A mobile money service provider shall at all times maintain or keep funds in its bank account equal to the amount of mobile money issued to consumers.
- (2) Any deficiency between funds in the bank account and mobile money issued shall be reported to the Central Bank immediately upon occurrence and the reasons for the shortfall shall be stated.
- (3) A mobile money service provider shall put in place systems and arrangements, and endeavor to maintain sufficient cash at outlets and agents.
- (4) Notwithstanding sub-regulation (3), a mobile money service provider shall make sufficient arrangements to fund the bank account so that at all times, funds in the bank account equal mobile money issued.

13. Profitability

A mobile money service provider shall endeavor to attain profitability and reduce business risk.

14. Risk management

- (1) A mobile money service provider shall identify, assess, manage, control and mitigate all mobile money service risks including-
 - (a) capital management risk;
 - (b) liquidity risk;

- (c) credit risk, where applicable;
 - (d) operational risk;
 - (e) settlement risk;
 - (f) information, communication and technology risk;
 - (g) compliance risk;
 - (h) reputational risk; and
 - (i) money laundering and terrorist financing risk.
- (2) A mobile money service provider shall comply with any guidelines, technical standards or directives which the Central Bank may issue from time to time relating to risk management.

15. Technology system requirements

- (1) A mobile money service provider shall use appropriate, secure, reliable and thoroughly tested technology systems.
- (2) The system shall have interoperability capability with other systems.
- (3) The system shall be regularly tested and shall have adequate back-up.
- (4) The system used shall be able to provide an accurate and fully accessible audit trail of all transactions from the beginning to the end.
- (5) Mobile money solutions shall use secure systems and prevent unauthorized third-party access.
- (6) A mobile money service provider shall maintain a sound management information system that facilitates efficient collection and processing of statistical information and data.
- (7) The CBS may issue periodic circulars from time to time on the applicable technical standards.

16. Security system

A mobile money service provider shall put in place a robust security system which shall ensure the following-

- (a) Appropriate security policies, procedures and measures intended to safeguard the integrity, authenticity and confidentiality of data and operating processes are in place;
- (b) Access to information in the system shall be secured through password or other appropriate protection measures;
- (c) Confidential or sensitive information, whether in the possession of a mobile money service provider, agent or a third party service provider shall be fully protected from unauthorized access and usage;
- (d) Consumer details and his transactions shall be fully secured and protected from unauthorized access at all times, irrespective of the device used; and
- (e) Data, systems, application software, utility telecommunication lines, servers, system software and all other essential facilities shall be protected and controlled accordingly.
- (f) Such other requirement as the central bank may specify.

17. Disaster Recovery Site

A disaster recovery site shall be established at a place away and separate from the primary site and a mobile money service provider shall put in place sufficient measures to enable the disaster recovery site to assume immediate and complete operation in the event that the primary site is affected.

18. Permissible transaction

- (1) Permissible mobile money transactions may include but not limited to the following-
 - (a) domestic payments;
 - (b) domestic money transfers, including transfers to and from a bank account;
 - (c) bulk transactions, including payments of salaries, benefits and pensions;
 - (d) cash-in and cash-out transactions;
 - (e) over-the-counter transactions;
 - (f) international remittances in partnership with financial institutions authorized by the Central Bank;
 - (g) savings products in partnership with financial institutions authorized by the Central Bank;
 - (h) credit products under-written by a licensed financial institution;
 - (i) insurance products under-written by a licensed insurer; or
 - (j) any other transaction approved by the Central Bank.

- (2) A mobile money service provider may perform any of the permissible transactions directly, through its outlets or through duly appointed agents.

19. Prohibited activities

- (1) The following activities shall be prohibited-
 - (a) providing loans using consumer funds in electronic wallet;
 - (b) using consumer funds for purposes not related to mobile money service;
 - (c) entering into exclusive contracts with agents; and
 - (d) providing services when the mobile money technological system cannot execute transactions.
 - (e) Any other activities prohibited by the Central Bank.
- (2) Consumer funds shall not be invested in any other business or investment activity but shall be kept safely in a commercial bank as provided for under these Regulations except such portion as may be kept as reserves with the Central Bank.
- (3) Telephonic credits granted by a mobile money service provider or any other telecommunications company to a consumer through a mobile technology for purposes of making or receiving calls or short text messages or SMS messages are not deemed as mobile money for purposes of these Regulations.

20. Registration of consumers

- (1) A consumer shall be duly registered for mobile money service and the registration shall be communicated to the consumer.
- (2) A mobile money service provider shall take measures to establish and record the true identity of the person seeking to establish a consumer relationship with it or undertake a mobile money transaction, in particular during the following instances:
 - (a) when establishing the business relationship;
 - (b) when there is a suspicion of ML or TF; and
 - (c) the financial institution has doubts about the veracity or adequacy of previously obtained customer identification data
- (3) A mobile money service provider shall comply with the existing AML/CFT Law and regulations when establishing the Know Your Consumer (KYC) details of a consumer at the time of establishing a relationship and during every transaction.

21. Issuance and redemption of mobile money

A mobile money service provider may issue mobile money and shall comply with the following requirements in addition to any other requirement provided for in these Regulations-

- (a) The mobile money service provider shall open a mobile money account or electronic wallet (e-wallet) for every consumer through which mobile money services shall be transacted;
- (b) The mobile money may be stored in a mobile or electronic device and may be accessed through any appropriate mobile or electronic device including a mobile phone, Automatic Teller Machine, computer and internet;
- (c) Mobile money shall be issued only in exchange of funds of the same amount in any approved currency;
- (d) Mobile money issued shall be exclusive of costs or charges;
- (e) Mobile money shall be converted into cash at par value;
- (f) Only transfers or redemption of consumer funds shall be allowed from the bank account held in the commercial bank;
- (g) A separate account shall be maintained for fees charged; and
- (h) Mobile money shall never expire.
- (i) Any other requirements as the Central Bank may direct

22. Transaction processing

(1) Mobile money transactions shall meet the following requirements-

- (a) A mobile money service provider shall promptly and execute fully, any transaction instructions received from a consumer.
- (b) Consumer transactions shall be protected through the use of PIN, password or any other reliable and secure means;
- (c) The mobile money service provider shall ensure security and integrity of the entire transaction process from the beginning to the end;
- (d) An electronic receipt shall be generated for every transaction and the receipt shall contain the following details:
 - (i) Unique transaction reference number;
 - (ii) Date and time;
 - (iii) Amount;
 - (iv) Name of the mobile money service provider providing the service;
 - (v) Outlet/agent identification (where applicable);
 - (vi) Payer details;

- (vii) Payee details; and
 - (viii) Purpose of payment (where applicable).
- (2) A party to a mobile money transaction shall receive immediate confirmation or notification of all successful transactions.
 - (3) A failed transaction shall be backed by an error message notification to the consumer describing the reasons for the failure.
 - (4) The cost of transaction processing, including electronic fund transfer, whether through SMS or any other means shall be separate from the value of the transaction.
 - (5) Where the mobile money service provider imposes fees or charges on any service, such fees or charges may be subject to a limit determined by the Central Bank.

23. Real time transactions

- (1) All mobile money transactions shall be executed instantly on receipt of instruction from a consumer.
- (2) Any transaction which cannot be promptly executed fully for any reason shall be reversed.

24. Transaction limits

- (1) The Central Bank may from time to time and in consultation with mobile money service providers set transaction limits for mobile money service providers, their agents and consumers including daily and periodic limits.
- (2) Any transaction limits set under sub-regulation (1) shall be published in the *Official Bulletin*, two local newspapers with wide circulation and the Central Bank's website.

25. Records and back up

- (1) A mobile money service provider shall maintain proper, complete and accurate records relating to the mobile money service.
- (2) Records shall at all times be digitally backed up on real time basis and in a safe place away from the business premises.
- (3) All records including all correspondences relating to mobile money services shall be kept by a mobile money service provider for at least five years.

26. Management and protection of consumer funds

- (1) A mobile money service provider shall take adequate measures to protect consumer funds from loss and other risks and shall-
 - (a) open a bank account in a designated name in a commercial bank in which all consumer funds received in exchange for mobile money shall be held;
 - (b) reflect all monetary values relating to the mobile money transactions in the bank account;
 - (c) ensure that the balance of funds reflected in the bank account is at all times equal to the total outstanding (un-claimed) balance of all holders of the mobile money;
 - (d) not issue any mobile money not backed by equal amount of funds in any approved currency;
 - (e) not effect any transfer of mobile money from an electronic wallet an amount which exceeds the credit balance of mobile money in the relevant electronic wallet;
 - (f) not mix consumer funds with its own funds;
 - (g) not withdraw any funds from the bank account except fees arising from consumer transactions;
 - (h) keep separate accounts and records of mobile money service from the accounts and records of its other commercial activities;
 - (i) employ appropriate risk mitigation strategies to ensure that the funds held in the bank account are sufficiently diversified and placed in commercial banks and the Central Bank;
 - (j) immediately report to the Central Bank any illegality, variance between consumer funds and issued mobile money and the reasons for the variance; and
 - (k) put in place procedures for handling dormant accounts and accounts of deceased persons.

- (2) A mobile money service provider shall:
 - (a) conduct periodic reconciliation of:
 - (i) funds received and withdrawn;
 - (ii) mobile money issued, transferred and redeemed;
 - (iii) balance of funds in the bank account and the total mobile money issued and the mobile money service provider shall immediately account for any variation between the two figures;
 - (b) ensure that efficient accounting procedures are adopted and applied in all accounting processes;
 - (c) generate periodic statements for funds held in the bank account and mobile money issued respectively and reconciliation reports;
 - (d) put in place adequate internal and external audit, risk management and compliance frameworks;
 - (e) carry out frequent audit of its mobile money system; and
 - (f) thoroughly vet its senior officers, employees, agents and outsourced third parties.

27. Reserves with the Central Bank

- (1) The Central Bank may in consultation with mobile money service providers issue requirement to mobile money service providers to keep part of consumer funds with the Central Bank.
- (2) Any ratio agreed on under sub-regulation (1) shall be published by the Central Bank in the *Official Bulletin*, two newspapers with wide circulation and its website.

28. Use of outlets

- (1) A mobile money service provider may open outlets in any place in Somalia for purposes of providing mobile money services.
- (2) Outlets shall be managed well and shall not pose any risk to the safety, security or integrity of mobile money services.

29. Appointment of agents

- (1) A mobile money service provider may provide mobile money services either directly or through a duly appointed agent.

- (2) Due diligence shall be exercised in identifying, assessing the suitability and recruiting an agent and a mobile money service provider shall consider amongst other things his background, integrity, business experience, adequacy of his financial resources, business structure, ability to execute consumer instructions; and his ability to understand these Regulations and the Anti-money Laundering and Countering the Financing of Terrorism Laws.
- (3) The Central Bank shall be notified in the form prescribed in the Fourth Schedule of every appointment of an agent at least fourteen days before the appointment date and the notification shall contain the following information-
 - a) name of agent;
 - b) identity details;
 - c) physical address;
 - d) postal address;
 - e) telephone number;
 - f) e-mail address;
 - g) in case of corporate entities, names and identity details of persons who will manage the agency business; and
 - h) date of commencement of agency business.

30. Liability for acts of agents

A mobile money service provider shall be liable for any loss or damage to a consumer arising from the acts or omissions of its agents, if the acts or omissions relate to an agent's obligations to the consumer.

31. Non-exclusivity

A contract between a mobile money service provider and an agent shall be non-exclusive and an agent shall be at liberty to provide mobile money services to other mobile money service providers;

Provided that the agent has the capacity, facilities and resources to safely and conveniently render services to more than one mobile money service provider.

32. Oversight of agents

- (1) A mobile money service provider shall-
 - (a) exercise continuous and effective oversight over its agents;
 - (b) put in place sufficient measures for continuous monitoring of agent activities including compliance with these Regulations and Anti-money Laundering and Countering the Financing of Terrorism Law; and
 - (c) provide sufficient and continuous training to its agents on the operations of the agency business including internal controls, accounting procedures, risk management, consumer protection and anti-money laundering and combating financing of terrorism.
- (2) A mobile money service provider may delegate specified oversight roles to another duly appointed person but the ultimate oversight responsibility of agents shall remain with the mobile money service provider.
- (3) Before appointing a person under sub-regulation (2), a mobile money service provider shall consider whether the person has the following qualifications-
 - (a) sufficient experience in matters relating to oversight of people and activities;
 - (b) enough financial resources to meet the necessary oversight expenses;
 - (c) is trained or has trained personnel with proven technical skills, oversight competence and is knowledgeable in these Regulations and any other relevant law; and
 - (d) is a person of integrity.

33. Anti-money Laundering and Countering the financing of terrorism (AML/CFT) compliance

- (1) A mobile money service provider, its agents and outsourced third party service providers shall at all times comply with any existing Anti-money Laundering and Countering the Financing of Terrorism Law and Regulations as a reporting entities.
- (2) A mobile money service provider, its agents and outsourced third party service providers shall adopt a risk-based approach in addressing AML/CFT risks relating to mobile money services, and they shall periodically carry out internal assessments to understand their risks of ML/TF, and implement internal programs and controls to prevent these risks, including the ongoing training of staff.

- (3) Without prejudice to the generality of the preceding sub-regulation, a mobile money service provider shall-
- (a) employ consumer identification procedures which ensure that the true identity of a consumer is established and understand the source of their funds or wealth;
 - (b) establish appropriate systems and internal control procedures for screening and monitoring transactions, and identifying suspicious transactions;
 - (c) set limits for frequency, volume and value of transactions according to their clients risks;
 - (d) be held accountable and responsible for agents' compliance with these Regulations and any existing Anti-money Laundering and Countering the Financing of Terrorism Law and Regulations relating thereto;
 - (e) develop appropriate AML/CFT compliance program and appoint a chief compliance officer for ensuring compliance with the Law and Regulations;
 - (f) provide regular training for employees and agents to ensure that they are informed of new developments and current money laundering and terrorist financing techniques, methods and trends.
 - (g) report suspicious transactions to the Financial Reporting Center and comply with Mobile Money Suspicious Reporting guidelines issued by the Centre.

34. Competition

- (1) A mobile money service provider and other persons who have entered into arrangements with it in the provision of mobile money services shall not engage in anti-competitive practices, contracts, arrangements or undertakings that would be likely to substantially inhibit competition in the market.
- (2) A mobile money service provider shall not discriminate against any person seeking mobile money services on any ground other than on ground of suspicion of terrorism financing.

35. Obligations of a mobile money service provider towards consumers

- (1) A mobile money service provider shall develop and adopt general policies on safe operations, privacy of consumer information, reliable and quality service, transparency of services, and prompt response to refund demands, enquiries and quick resolution of complaints.
- (2) Without prejudice to the preceding sub-regulation, a mobile money service provider shall comply with the following obligations-
 - (a) sign an agreement with a consumer containing the necessary terms and conditions and other relevant information set out under these Regulations;
 - (b) clearly and in a simple language describe the services to be provided;
 - (c) display and disclose charges and fees in a conspicuous and prominent place in its business premises including outlets and agent premises;
 - (d) display a copy of its Central Bank license in a conspicuous and prominent place in its business premises including outlets and agent premises;
 - (e) clearly disclose to a consumer in a transparent and an easy-to-access manner the terms and conditions applicable to the services, fees, charges and transaction records;
 - (f) frequently educate consumers on services available, safe use of devices, protection of sensitive and confidential information, procedure in accessing services, potential risks relating to mobile money services; procedure for lodging complaints and complaints resolution mechanism;
 - (g) provide a telephone number and a consumer care service desk to enable consumers contact the mobile money service provider with ease;
 - (h) conspicuously display information on consumer dispute resolution procedures including reporting procedures, dispute handling and the expected time for resolution;
 - (i) treat consumers fairly;
 - (j) not issue any misleading advertisement in respect of its mobile money services;
 - (k) issue a thirty days' notice before changing any term or condition of service including increase of fees or charges;
 - (l) issue warning alerts to consumers on the risk of loss arising from disclosure of PIN or Password, fraudulent transaction or loss of device or instrument; and
 - (m) employ staff with high integrity and put in place policies which are consumer-centric.
 - (n) any other obligations as the Central bank of Somalia may direct.

- (3) A mobile money service provider may put in place a mechanism for dispute resolution relating to failed or disputed transactions which mechanism shall provide for reversal of transactions and re-imburements.

36. Confidentiality

- (1) A mobile money service provider and its agents shall keep confidential mobile money information of a consumer.
- (2) Despite the preceding sub-regulation, a mobile money service provider and its agents may disclose consumer information in respect of mobile money services only-
 - (a) to the consumer concerned;
 - (b) to the Central Bank;
 - (c) to the Financial Reporting Centre
 - (d) when authorised, in writing, by the consumer concerned;
 - (e) as legislated by any written law; or
 - (f) as ordered by a court of law.

37. Exemption from liability for bona fide reporting of suspicions

- (1) Mobile money providers, their agents, their directors, officers, and employees shall not be held liable in any way, including criminal, civil, or administrative liability, for breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory, or administrative provision, while fulfilling obligations to report suspicious transactions, cash transactions, or any related information in good faith to the Financial Reporting Center or the Central Bank of Somalia.
- (2) Mobile money providers, their agents, their directors, officers, and employees shall be prohibited from disclosing the fact that a suspicious transaction report or related information is being reported to the Financial Reporting Center.

38. Audit

A mobile money service provider shall-

- (a) establish a comprehensive and effective internal audit function;
- (b) appoint annually a qualified external auditor approved by the Central Bank to audit the financial statements and operations of the mobile money service provider;
- (c) have its mobile money issuance system audited annually by a qualified system auditor; and
- (d) prepare audited annual financial statements of its mobile money service.

39. Dispute resolution mechanism

- (1) A mobile money service provider shall provide an easy, convenient and accessible means of lodging complaints.
- (2) Complaints or disputes shall be resolved immediately and if this is not practicable, within thirty days from the date of lodging the complaint or dispute.
- (3) A consumer shall be continuously updated on the progress on the resolution of his complaint.
- (4) A mobile money service provider shall resolve a complaint to the satisfaction of the consumer and where the consumer is dissatisfied with the resolution, he may pursue any other available remedies including lodging the same complaint with the Central Bank.

PART IV – SUPERVISION BY THE CENTRAL BANK

40. Register of mobile money service providers

The Central Bank may establish, maintain and keep up to date a public register of all mobile money service providers including those whose licenses have been suspended or revoked.

41. Approvals by Central Bank

- (1) The following activities shall require the prior approval of the Central Bank-
 - (a) transfer or acquisition of ten percent or more of the shares of a mobile money service provider by any person;
 - (b) appointment of any director or senior officer of a mobile money service provider who will be involved in the management of the mobile money service or consumer funds; and
 - (c) amalgamation or transfer of all or part of the assets or liabilities of a mobile money service provider to another person.
 - (d) opening of a bank account for the holding of consumer funds;

- (2) A mobile money service provider shall apply to the Central Bank for the approval of any of the activities mentioned in sub-regulation (1) and shall furnish the Central Bank with sufficient information in support of the application as the Central Bank may require.
- (3) The Central Bank shall consider any application for approval under this Regulation and shall make a decision thereon within thirty days from the date of receipt of the application or receipt of any information which the Central Bank may have requested to enable it determine the application.
- (4) The Central Bank may reject an application for approval where:
 - (a) the transfer, amalgamation or acquisition may-
 - (i) threaten the safety, security or integrity of mobile money service;
 - (ii) prejudice the interests of consumers or public interest; or
 - (iii) threaten financial stability.
 - (b) upon assessment of a proposed director or senior officer, he is found to be unfit to manage a mobile money service provider or consumer funds

42. Notifications to the Central Bank

- (1) The following activities shall be notified to the Central Bank at least twenty-one days before implementation-
 - (a) appointment of agents and termination of agent contract;
 - (b) establishing new outlets;
 - (c) outsourcing agreements;
 - (d) conducting a pilot testing of a new innovative product and services
 - (e) imposition of new fees or charges on new products or services;
 - (f) increase of fees or charges on existing products or services;
 - (g) change of any term or condition in an agreement between a mobile money service provider and a consumer;
 - (h) increase or reduction of account limits, transaction limits and daily limits; and
 - (i) change of head office.
- (2) A mobile money service provider shall notify the Central Bank of the suspension or revocation of its license issued by the National Communications Authority within two days from the date it is notified of the suspension or revocation.

43. Supervision

- (1) The Central Bank shall exercise supervisory powers over mobile money service providers, their agents and outsourced third party service providers in relation to mobile money services and may conduct onsite examination, offsite surveillance and may request for any information from a mobile money service provider, associate, agent or outsourced third party service provider as it may deem necessary.
- (2) The Central Bank shall be responsible for AML/CFT supervision over mobile money service providers, both on site and off site, and shall adopt a risk-based approach.

44. Online access to systems

- (1) A mobile money service provider shall provide the Central Bank with remote secure read-only access to its systems so that it can monitor, in real time-
 - a) electronic money issuance and transactions;
 - b) daily statement of cash balances;
 - c) daily reconciliations of actual cash and mobile money issued or in circulation;
 - d) daily statements of accounts; and
 - e) the electronic register of outlets and agents.
- (2) A mobile money service provider shall develop a suitable framework to enable the Central Bank to have access referred to in sub-regulation (1).
- (3) Notwithstanding sub-regulation (1), the Central Bank or its nominee may audit a mobile money service provider's system onsite.

45. Provision of information to Central Bank

The Central Bank may at any time require a mobile money service provider, its associate or agent to furnish it with such information as it may require for the purposes of discharging its functions under these Regulations.

PART V – SUPERVISORY ACTIONS

46. Suspension and revocation of license

- (1) A license may be suspended by the Central Bank for a specified period on any of the following grounds-
 - (a) failure to comply with any condition imposed, direction given or order issued by the Central Bank;
 - (b) the technological infrastructure used to provide mobile money services becomes unstable thereby leading to frequent disruptions;
 - (c) when there are several consumer complaints against the licensee;
 - (d) the license issued by the National Communications Authority has been suspended; or
 - (e) a mobile money service provider has refused inspection of its mobile money service.

- (2) A license may be revoked for any of the following reasons-
 - (a) failure to comply with the provisions of these Regulations or the AML/CFT laws;
 - (b) the mobile money service is being conducted in a manner that is damaging or injurious to the interests of the consumers or the public;
 - (c) the mobile money service provider becomes insolvent;
 - (d) the mobile money service provider has failed to protect or safeguard consumer funds; or
 - (e) the license issued by the National Communications Authority has been revoked.

- (3) In determining whether to suspend or revoke a license, the Central Bank may consider-
 - a) the nature of the provision, directive, instruction, condition or order violated;
 - b) the seriousness or severity of the violation; including non-compliance with the AML/CFT Act, 2016;
 - c) any corrective measures taken or proposed to be taken by the mobile money service provider;
 - d) the financial condition of the mobile money service provider; or
 - e) whether the mobile money service provider cooperates with an investigation.

- (4) The Central Bank shall give a mobile money service provider a notice of not less than fourteen days before any adverse action is taken under this Regulation and shall take into account any representation made by a mobile money service provider before making a decision.

47. Directives

Where a mobile money service provider-

- (a) is operating its mobile money service in a manner contrary to these Regulations;
- (b) is conducting mobile money service in a manner detrimental to or not in the best interest of its consumers or members of the public; or
- (c) any of its officers or agents is engaged in any practice likely to contravene these Regulations;

the Central Bank may issue a directive requiring a mobile money service provider to-

- (i) cease and desist from any conduct;
- (ii) take corrective measures to remedy a violation or deficiency;
- (iii) take specific measures to improve management or business methods of the mobile money service provider.

48. Monetary penalty for specific violations

- (1) The Central Bank may impose against a mobile money service provider, its officer, employee or agent, any of the specific monetary penalties set out in the Sixth Schedule in any case where a mobile money service provider, its officer, employee or agent has violated any of the provisions of these Regulations or any directive, instruction, condition or order issued by the Central Bank.
- (2) Where a mobile money service provider, its officer, employee or agent has violated a provision of these Regulations for which there is no specific monetary penalty under the Sixth Schedule, the Central Bank may impose a monetary penalty not exceeding USD 100,000 for each violation.
- (3) The Central Bank may impose a lesser monetary penalty than is specified in the Sixth Schedule or sub-regulation (2) if in the opinion of the Central Bank, there are reasonable grounds to do so.

49. Administrative actions

- (1) Where a mobile money service provider, its officer, employee or agent has violated any of the provisions of these Regulations or has failed to comply with any directive, instruction, condition or order issued by the Central Bank, the Central Bank may take any of the following administrative actions-
 - (a) impose monetary penalty set out in the Sixth Schedule;
 - (b) restrict the services being provided;
 - (c) order the suspension or removal of any officer or employee from office;
 - (d) terminate the services of a third party service provider;
 - (e) terminate an agency contract;
 - (f) prohibit a mobile money service provider from carrying out any particular activity;
 - (g) direct a mobile money service provider, its officer, employee or agent to take a specified remedial or corrective measure to rectify any violation or omission; or
 - (h) prohibit a mobile money service provider from establishing new branches, appointing new agents or introducing new services or products or engaging in new activities.
- (2) The Central Bank may, before taking any administrative action, invite the mobile money service provider, officer, employee or agent, as the case may be, to show cause why administrative action should not be taken and the Central Bank shall consider any representations submitted under this sub-regulation. .
- (3) In determining the nature of administrative action to take, the Central Bank may consider the nature of the provision, directive, instruction, condition or order violated, the seriousness or severity of the violation, any corrective measures taken by the violator, the financial condition of the violator or whether it cooperates with an investigation.

PART VI – RETURNS AND REPORTS TO THE CENTRAL BANK

50. Returns to the Central Bank

- (1) A mobile money service provider shall on a monthly basis submit to the Central Bank on or before the 10th day of each succeeding month, the following information in the Return provided in the Fifth Schedule-
 - (a) volume of mobile money transactions;

- (b) value of mobile money transactions;
 - (c) number of electronic wallets;
 - (d) number of registered outlets and agents;
 - (e) total sum of outstanding cash balances;
 - (f) total amount of mobile money issued;
 - (g) number of consumer complaints received;
 - (h) incidents of fraud, theft or robbery; and
 - (i) number of outages or serious operational hitches.
- (2) Any service interruptions and major security breaches shall be reported immediately to the Central Bank.
 - (3) Returns may be submitted to the Central Bank through online process if the Central Bank so allows.

51. Annual report to the Central Bank

- (1) A mobile money service provider shall submit to the Central Bank, on an annual basis-
 - (a) audited financial statements of all its activities;
 - (b) a separate audited financial statements of its mobile money service; and
 - (c) a system audit report of its mobile money issuance system.
- (2) The reports shall be submitted to the Central Bank within three months after the end of each calendar year.

PART VII– WINDING UP

52. Voluntary winding up of mobile money service

- (1) A mobile money service provider may apply to the Central Bank for approval to voluntarily wind up its mobile money service.
- (2) No approval shall be granted under this Regulation unless the mobile money service provider has furnished the Central Bank with-
 - (a) a copy of the resolution of the board of directors resolving to voluntarily cease mobile money service and the reasons for this resolution;

- (b) documentary evidence of the total number of e-wallet holders as at the date of application to the Central Bank;
 - (c) a copy of its bank statement confirming its ability to settle in full, respective claims of all consumers;
 - (d) documented procedure of settling consumer claims including how to handle claims of consumers who cannot be traced; and
 - (e) a time bound framework for settling consumer claims.
- (3) Where the Central Bank is satisfied that the mobile money service provider has met all requirements of sub-regulation (2), it may grant an approval with or without conditions.
- (4) The Central Bank may either before or after granting an approval, take measures to safeguard consumer funds held in a mobile money service provider's bank account pending distribution of the funds to the respective consumers.
- (5) The Central Bank shall monitor the settling of consumer claims by the mobile money service provider and shall require the mobile money service provide to furnish it with such reports and at such frequency as the Central Bank shall direct.
- (6) Upon granting an approval under this Regulation, the mobile money service provider shall cease to provide mobile money service and may only operate for purposes of winding up its mobile money service.
- (7) A mobile money service provider which has been granted approval shall within seven days from the date of approval-
- (a) invite each consumer through his available contacts to lodge any claim he may have against the mobile money service provider; and
 - (b) publish in two local daily newspapers with wide circulation, its website, outlet premises and agent premises, a notice of its decision to voluntarily wind up its mobile money service and inviting consumers to lodge their respective claims for settlement.
- (8) Once a mobile money service provider has settled all claims of consumers who have been traced, the mobile money service provider shall compile and submit to the Central Bank a final report detailing-
- (a) full details of each consumer whose claim has been fully settled;
 - (b) settlement details and the date of settlement of each consumer's claim and the amount paid to each consumer;
 - (c) full details of consumers who could not be traced and their respective claims;
 - (d) unpaid amount of each consumer who could not be traced;
 - (e) a copy of the bank statement showing the latest balance after settling claims of consumers who lodged their claims; and
 - (f) any disputed consumer claim and the basis of the dispute.

- (9) Any amount which is a credit to a consumer who cannot be traced shall be surrendered to the Central Bank for safe keeping, pending the consumer's claim on 'those funds.
- (10) The Central Bank may grant a final approval of the winding up of the mobile money service and from the date of approval, the mobile money service provider shall cease to be a mobile money service provider.
- (11) The Central Bank shall within seven days from the date referred to in sub-regulation (10), publish in the *Official Bulletin*, its website and two widely circulated national newspapers, a public notice on the cessation of mobile money service by the mobile money service provider.

53. Involuntary winding up of mobile money service

- (1) Where for any reason a mobile money service provider is not able to continue to provide mobile money services, the mobile money service provider shall-
 - (a) within the same day stop forthwith providing any form of mobile money service;
 - (b) within the same day transfer forthwith to the Central Bank the full amount of the balance of consumer funds in its custody;
 - (c) pay to the Central Bank any shortfall in consumer funds to enable full and prompt settlement of consumer claims;
 - (d) immediately provide access to and hand over the entire database, electronic records in a readable format and other relevant information to the Central Bank to facilitate the processing of payments or refunds to the consumers;
 - (e) put a notice in a conspicuous and prominent place within all premises where it conducts business directly or through agents that it is not in operation;
 - (f) Comply with all instructions, directives, conditions or orders as may be issued by the Central Bank.
- (2) The Central Bank may take such measures as it may deem necessary to secure and protect consumer funds, database and records in the custody of a mobile money service provider or any other person.
- (3) Upon receipt of the consumer funds, the entire database and records from the mobile money service provider, the Central Bank may appoint another mobile money service provider or any other person to distribute the funds to the consumers according to their respective entitlements or claims and in proportion to the available funds.
- (4) The Central Bank shall within seven days from the date of cessation of mobile money service, publish in the *Official Bulletin*, its website and two widely circulated national

newspapers, a public notice on the cessation of mobile money service by the mobile money service provider.

PART VIII – GENERAL PROVISIONS

54. Agreements

- (1) A mobile money service provider shall enter into a written agreement with a consumer, agent, financial institution, outsourced third party service provider or any other person for the provision of services.
- (2) An agreement referred to in the preceding sub-regulation shall contain material information including information on;
 - (a) rights, duties, responsibilities, liabilities and expectations of the parties;
 - (b) services to be rendered, quality of service and the mode of rendering services;
 - (c) terms and conditions relating to the services;
 - (d) ownership of information generated or exchanged between the parties;
 - (e) consumer protection measures to be put in place;
 - (f) reporting obligations;
 - (g) business continuity management framework;
 - (h) Central Bank’s supervisory powers including its right to examine people and to access premises, information, books, records, system or equipment of the parties;
 - (i) privacy and confidentiality of information;
 - (j) dispute resolution mechanisms;
 - (k) complaints redress mechanisms;
 - (l) termination procedures and rights of the parties after termination;
 - (m) procedures for changing terms of the agreement or amending them; and
 - (n) such other terms or conditions as the parties may agree.
- (3) The information referred to in sub-regulation (2) may be modified to suit any particular agreement depending on the intentions of the parties and the nature of the services to be covered in the proposed agreement.

55. Outsourcing arrangements

- (1) A mobile money service provider may outsource some of its operational functions to a third party service provider.
- (2) Any proposed outsourcing arrangement shall be notified to the Central Bank at least fourteen days before the effective date.

56. Business arrangements with other service providers

- (1) A mobile money service provider may enter into a business arrangement with any person who provides a service which can be accessed or consumed partly or wholly through mobile money or through a mobile technology.
- (2) An arrangement referred to in sub-regulation (1) may be bilateral or multilateral and shall be documented in a written agreement.

57. Interoperability

- (1) A mobile money service provider shall use systems capable of becoming interoperable with other payment systems in the country and internationally, in order to facilitate full interoperability.
- (2) A mobile money service provider shall enter into interoperability or interconnectivity arrangements with other mobile money service providers to enable consumers to transact across all networks, systems or mobile money platforms without any limitation or restriction.
- (3) The Central Bank may give directions on the implementation of interoperability and may permit the implementation to be undertaken in phases.

58. Innovation

- (1) In order to promote innovation and the development of the mobile financial services sub-sector, a mobile money service provider may invest in research and develop new products or services either alone or with another person through an experimental or “Test and Learn” process, which shall not be subject to the provisions of these Regulations, except this Regulation.
- (2) Upon the Central Bank notification, a mobile money service provider may in a controlled environment, conduct a pilot testing of a new innovative product or service and shall keep the Central Bank updated on the progress.

- (3) Every risk relating to the innovative product or service being tested shall be identified, assessed, managed and mitigated and risk assessment reports shall be submitted to the Central Bank.
- (4) The Central Bank may impose specific conditions to be met by a mobile money service provider for purposes of this Regulation and such conditions may relate to-
 - (a) the number of people to participate in the pilot testing;
 - (b) the identity or category of people or consumers to participate in the pilot testing;
 - (c) the geographical coverage of the pilot testing;
 - (d) the timeframe within which the pilot testing should be commenced and concluded;
or
 - (e) the nature of the report to be prepared and submitted to the Central Bank following the pilot testing.
- (5) The Central Bank may whether before, during or after the pilot testing require a mobile money service provider to address the following issues-
 - (a) additional risks relating to the new product or service which the mobile money service provider may not have identified, assessed or mitigated;
 - (b) consumer protection;
 - (c) measures to be taken to ensure compliance with existing AML/CFT Laws;
 - (d) the safety, security or reliability of the new product or service; or
 - (e) cost to the intended consumers.

59. Abandoned funds

- (1) Any mobile money service provider holding abandoned funds shall surrender such funds together with the details of the owner to the Central Bank.
- (2) Any funds surrendered to the Central Bank may be released to the owner or his/her legally verified representative.

- (3) A mobile money service provider shall be released from any liability in respect of funds surrendered to the Central Bank and any claim in respect of such funds shall be lodged with the Central Bank.

60. Technical notes

The Central Bank may from time to time in a circular issue technical notes to explain any term or phrase used in these Regulations or give interpretation to any provision of these Regulations.

61. Issuance of circulars and guidelines

- (1) The Central Bank may from time to time issue circulars regarding the application or implementation of any provision of these Regulations.
- (2) The Central Bank may from time to time issue guidelines regarding-
 - (a) measures to be adopted in furthering the implementation of these Regulations; or
 - (b) the adoption of any international standards, principles or practices relating to mobile money service.

62. Commencement date

- (1) These Regulations shall come into force immediately upon publication by the Central Bank in the *Official Bulletin*.
- (2) Any person who at the commencement of these Regulations is providing mobile money services shall within six months from the date of commencement apply to the Central Bank for a license.
- (3) Sub-regulation (2) shall not apply to a new applicant and the new applicant shall apply for a license to the Central Bank before commencing to provide mobile money services.
- (4) Within thirty days after commencement of these Regulations, any existing mobile money service provider shall notify the Central Bank of its existence.
- (5) Every mobile money service provider shall within twenty four months from the date of commencement of these Regulations, comply with all provisions of these Regulations

First Schedule - Application for license to provide mobile money services

Second Schedule – Licensing Application; Oath and Declaration

Third Schedule – Information and Documentation Checklist

Fourth Schedule - Notification of agent appointment

Fifth Schedule - Returns on mobile money services

Sixth Schedule – Specific monetary penalties

SCHEDULES

FIRST SCHEDULE

Regulation 6

APPLICATION FOR LICENSE TO PROVIDE MOBILE MONEY SERVICES

NOTE: This application shall be filled in English and in capital letters

NAME OF THE APPLICANT		
APPLICANT'S CONTACTS		
	Physical Address:	
	Street/Road:	
	Plot No:	
	Town/City:	
	Building:	
	Floor:	
	Postal Address:	
	Postal Code:	Town:
	Phone No.	
	Mobile No.	
	Email Address:	

SUPPORTING DOCUMENTS:

The Oath and Declaration specified in Second Schedule.
--

DECLARATION (by the Chief Executive Officer/Managing Director):

I, the undersigned, hereby declare:

That the particulars set out herein are true and correct to the best of my knowledge and belief.	
Name:	Signature

BEFORE ME:

NAME:.....

SIGNATURE:.....

DATE:.....

ADDRESS:.....

COMMISSIONER FOR OATHS/NOTARY PUBLIC

SECOND SCHEDULE

(Regulation 6)

LICENSE APPLICATION; OATH AND DECLARATION

(Please date and place on applicant’s letter head. This Oath and Declaration is to be signed by Chairman of the Board of Directors and the Chief Executive/Managing Director)

To: Director – Licensing and Supervision Department
Central Bank of Somalia
Mogadishu, Somalia

Dear.....

MOBILE MONEY SERVICE LICENSE APPLICATION

We, the undersigned, do hereby apply for a license to engage in mobile money service.

We take oath and declare that to the best of our knowledge and belief that the:

- (a) Facts stated in this license application package are complete and correct;
- (b) The following documents and/or information set out in the Third Schedule are available.
 - (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)

(List here all documents or information presently available)

- (c) The following documents and/or information set out in the Third Schedule are presently not available.
 - (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)

(List here all documents or information presently not available)

- (d) The applicant shall immediately take steps to make available the currently unavailable documents;
- (e) Applicant is/is not¹ under investigation by any law enforcement agency;

¹ Delete whichever is not applicable

- (f) Applicant has a compliance regime in place to make sure that the mobile money service meets all of licensing, regulatory reporting, record keeping, customer identification, and risk management obligations and that operational manuals are written down, monitored and kept up to date; and
- (g) Applicant understands, measures, monitors and controls the risks assumed from its mobile money service; and has adopted effective risk management practices whose sophistication are commensurate to the risks being monitored and controlled; and maintains capital commensurate with the risk exposures assumed.

We fully understand that false or fraudulent statements, other material irregularities or failure to disclose accurate information may render the application liable to be denied. We also understand that if such irregularities are discovered subsequent to the issuance of the license, the Central Bank may revoke or vary the terms and conditions of the license.

We understand and accept that the Central Bank may wish to investigate the application – both now and on a continuing basis – to satisfy itself of the initial and continuing financial condition and responsibility, financial and business experience, character, and general fitness and propriety of the applicant. Accordingly, we authorize the Central Bank to make such enquiries and seek such further information as its thinks appropriate in verifying the information given in this application or in other documents submitted as part of this application, for the purpose of performing its due diligence and background checks.

Signature:.....	Signature:.....
Full name:.....	Full name:.....
Position:.....	Position:.....
Date:.....	Date:.....

Sworn to and signed before me this.....day of.....2.....,
 by.....and
 who produced identification (state type of identification produced)

Commissioner for Oaths/Notary Public Signature
 WRITE OR STAMP NAME OF COMMISSIONER FOR OATHS/NOTARY PUBLIC

THIRD SCHEDULE

Regulation 6

INFORMATION AND DOCUMENTATION CHECKLIST

(Information to be included in the Oath and Declaration accompanying the License Application)

- (a) Documents of registration as a corporate entity;
- (b) Memorandum and Article of Association of the entity
- (c) A valid license issued by the National Communications Authority;
- (d) Address of the head office;
- (e) Identity details of all shareholders together with their respective shareholdings; (passport copy/Identity Copy, share certificates and affidavit of probity)
- (f) Identity details of Board of directors (CVs, passport copy and Affidavit of probity);
- (g) A board charter governing the operations of the board;
- (h) Identity details of senior officers and the respective positions they hold; (CVs, passport copy/Identity Card and Affidavit of probity)
- (i) Minimum capital of USD 2,000,000;
- (j) Policies and procedures for safe, secure and efficient provision of mobile money services and management of consumer funds;
- (k) Disaster recovery plans and business continuity arrangements;
- (l) Measures have been put in place to:
 - (i) secure, protect and safeguard consumer funds;
 - (ii) ensure prompt execution of transactions and payment of claims;
 - (iii) ensure prompt and periodic reconciliation of consumer funds and mobile money in circulation;
 - (iv) ensure proper accounting and record keeping;
 - (v) prevent unauthorized issuance of mobile money;
- (m) The system to be used is capable of interoperability with other systems nationally and internationally;
- (n) Documented procedures on how settlements will be made within the system and with other mobile money service providers;
- (o) The technology to be used has been tested;
- (p) A business plan for mobile money service covering the first three years;
- (q) A consumer fee schedule;
- (r) List of outlets/agents and the towns in which they are located;
- (s) A detailed schedule of fees charged to consumers;
- (t) A framework has been developed for the use of agents, in case the applicant intends to use agents;
- (u) A detailed schedule of transaction limits;
- (v) An institutional development plan which details areas of the Regulations the applicant does not currently comply with but it thinks it can comply with within two years. The plan shall detail measures to be put in place to ensure compliance in two years;
- (w) Applicant has opened a bank account where consumer funds will be held;
- (x) Applicant has appointed some of its officers to manage consumer funds;

- (y) A board charter assigning the responsibility of managing consumer funds
- (z) Any other documents as the Central Bank may require.

FOURTH SCHEDULE

Regulation 29

NOTIFICATION OF AGENT APPOINTMENT

NAME OF MOBILE MONEY SERVICE PROVIDER:

.....

DATE OF SUBMISSION:

NO.	NAME OF AGENT	IDENTITY DETAILS	PHYSICAL ADDRESS	TELEPHONE NUMBER

NO.	NAME OF AGENT	POSTAL ADDRESS	E-MAIL ADDRESS	DATE OF COMMENCEMENT OF AGENCY BUSINESS

FIFTH SCHEDULE

Regulation 50

RETURN ON MOBILE MONEY SERVICES

(A mobile money service provider shall submit to the Central Bank on a monthly basis on or before 5th of the succeeding month, the following information)

Name of mobile money service provider:

Return for the month of

Date of submission:

NO.	INFORMATION REQUIRED	NUMBER/VALUE(in USD)
	Number of electronic wallets	
	Volume of mobile money transactions	
	Value of mobile money transactions	
	Number of outlets	
	Number of registered agents	
	Total sum of outstanding cash balances	
	Total amount of mobile money issued	
	Number of consumer complaints received	
	Incidents of fraud, theft or robbery	
	Material service interruptions and major security breaches	
	Number of outages or serious operational hitches	

SIXTH SCHEDULE

Regulation 48

SPECIFIC MONETARY PENALTIES

NO.	VIOLATION	PENALTY (USD)
LICENSING		
1.	Making a declaration containing false or inaccurate information	50,000
2.	Providing mobile money service without a license	200,000
3.	Providing mobile money services when the license has been suspended or revoked	200,000
4.	Failing to apply for renewal of a license ninety days before the end of the current year	20,000
5.	Applying for a license after 31 st December of the current year	40,000
CONDUCT OF BUSINESS		
6.	Failing to establish an effective governance structure	30,000
7.	Failing to formulate policies and procedures for safe, secure and efficient operation of mobile money services	40,000
8.	Failing to set up a separate business unit to handle mobile money service	50,000
9.	Failing to maintain minimum capital requirements	30,000
10.	Failing to ensure that funds in the bank account are equal to mobile money issued	100,000
11.	Issuing mobile money not backed by equal amount of funds	100,000
12.	Failing to identify, assess, manage and mitigate mobile money service risks	10,000

13.	Failing to comply with guidelines, technical standards or directives issued by the Central Bank relating to risk management	40,000
14.	Failing to meet prescribed technology system requirements	20,000
15.	Failing to comply with security system requirements cited in the article 16.	30,000
16.	Failing to establish a disaster recovery site at a place away and separate from the primary site	20,000
17.	Carrying out any prohibited activity	40,000
18.	Failing to register a consumer for mobile money service	40,000
19.	Failing to comply with any provision of existing AML/CFT Law and Regulations including AML/CFT reporting requirements and information sharing with the competent authorities	40,000
20.	Failing to comply with any of the prescribed requirements for the issuance and redemption of mobile money	50,000
21.	Failing to issue a transaction receipt containing the prescribed details	20,000
22.	Failing to apply approved transaction limits	40,000
23.	Failing to provide real time mobile money service	50,000
24.	Failing to comply with the record keeping requirements cited in the article 25	30,000
25.	Failing to comply with prescribed requirements for the management and protection of consumer funds	50,000
26.	Failing to manage outlet owned by mobile money provider	10,000
27.	Failing to notify the Central Bank of establishment of new outlets	10,000
28.	Failing to notify the Central Bank of the appointment of any agent	10,000
29.	Entering into an exclusive contract with an agent	10,000
30.	Failing to exercise oversight over an agent	30,000

31.	Failing to comply with Obligations of a mobile money service provider towards consumers as cited in the article 35	20,000
32.	Issuing a misleading advertisement in respect of its mobile money services	10,000
33.	Unlawful publication of confidential information of a consumer	40,000
34.	Failing to carry out annual audit of mobile money service	50,000
35.	Failing to comply with dispute resolution mechanism as cited in the article 39	20,000
SUPERVISION BY THE CENTRAL BANK		
36.	Failing to comply with prior approval of the Central Bank of the activities as cited in the article 41	30,000
37.	Failing to notify the Central Bank twenty-one days before implementation of the activities as cited in the article 42	20,000
38.	Failing to provide any information requested by the Central Bank with the prescribed time frame.	30,000
39.	Failing to allow an inspection	50,000
40.	Failing to furnish an inspector with any information or document requested	50,000
41.	Providing false, inaccurate or incomplete information to the Central Bank	50,000
42.	Failing to comply with any condition, directive or order issued by the Central Bank under these Regulations	40,000
RETURNS AND REPORTS TO THE CENTRAL BANK		
43.	Failing to furnish returns and reports to the Central Bank as cited in the article 50 and article 51	20,000
44.	Submission of late return to the Central Bank	10,000
45.	Submission of false return to the Central Bank	40,000
46.	Failing to carry out annual audit of mobile money service	100,000

WINDING UP		
47.	Failing to promptly notify the Central Bank of its inability to continue providing mobile money services	50,000
48.	Failure to comply with involuntary winding up of mobile money service as cited in the article 53	50,000
49.	Failing to comply with any condition imposed by the Central Bank for voluntary winding up	30,000
GENERAL PROVISIONS		
50.	Failing to sign an agreement with a consumer, agent, financial institution, outsourced third party service provider or any other person for the provision of services	20,000
51.	Carrying out a pilot testing of a new product or service without the prior notification of the Central Bank	20,000
52.	Failing to surrender abandoned funds to the Central Bank	30,000
53.	Failing to apply for a license within six months from the commencement date of the Regulations if the mobile money service provider has been in existence before the commencement of the Regulations	200,000