

STATUTORY INSTRUMENTS SUPPLEMENT  
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STATUTORY INSTRUMENTS

2021 No. 18.

THE NATIONAL PAYMENT SYSTEMS REGULATIONS, 2021

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# STATUTORY INSTRUMENTS

2021 No. 18.

## **The National Payment Systems Regulations, 2021**

*(Under section 72 of the National Payment Systems Act, 2020,*

*Act 15 of 2020)*

**IN EXERCISE** of the powers conferred on the Minister in consultation with the central bank by section 72 of the National Payment Systems Act, 2020, these Regulations are made this 26<sup>th</sup> day of February, 2021.

### **PART I—PRELIMINARY**

#### **1. Title**

These Regulations may be cited as the National Payment Systems Regulations, 2021.

#### **2. Interpretation**

In these Regulations, unless the context otherwise requires—

“Act” means the National Payment Systems Act, 2020;

“cash-in” means accepting banknotes or coins and performing the necessary steps to credit that monetary value to the customer’s electronic money account.

“cash-out” means giving out banknotes or coins and performing the necessary steps to debit that monetary value from the customer’s electronic money account;

“currency point” has the value assigned to it in Schedule -I to these Regulations;

“customer due diligence” means the process of obtaining customer information and verifying or assessing the authenticity of the information from independent and

reliable sources to identify the customer upfront, as well as to detect, monitor and report suspicious activity;

“electronic money account” means the account held by an electronic money holder with an electronic money issuer for conducting electronic money transactions in accordance with section 54 of the Act;

“electronic money holder” means a person who has electronic money issued by an electronic money issuer;

“licensee” means a person issued a licence under the Act and these Regulations;

“manager” means an officer of a licensee at the rank of at least head of department or its equivalent by whatever name called;

“payment cards” means any card that may be used to pay for goods and services, to withdraw or deposit cash;

“special account” means an account opened in accordance with section 51 of the Act;

“substantial shareholder” means a person who holds at least five percent of the shares of a licensed entity or of the applicant;

“trust” means a body corporate referred to under section 49 (5) of the Act;

“trustee” means a person appointed by the electronic money issuer with the approval of the central bank to manage the trust account;

“trust account” means an account opened in accordance with section 49 of the Act.



PART II— LICENSING OF OPERATORS OF PAYMENT SYSTEMS, PAYMENT  
SERVICE PROVIDERS AND ISSUERS OF PAYMENT INSTRUMENTS

**3. Application to operate a payment system or offer a payment service**

(1) An application under section 7 (1) of the Act to operate a payment system or to offer a payment service shall be made in Form A prescribed in Schedule 2 to these Regulations.

(2) The application referred to in subregulation (1) shall be accompanied by—

- (a) proof that the objects of the applicant are in accordance with section 8 (1) of the Act in case of the payment system;
- (b) a detailed description of the product or services and its operations;
- (c) a list of the substantial shareholders including the beneficial owners;
- (d) a business plan with financial projections for the first three years which demonstrate that the applicant is able to employ appropriate and proportionate systems, resources and procedures to operate soundly for a three-year period;
- (e) the applicant's organisational, governance and management structure;
- (f) a risk management framework with disaster recovery plan, cyber security plan and business continuity arrangements that are appropriate and adequate;
- (g) policies and procedures for transacting with customers that include disclosure requirements, complaints handling, prices and redress mechanisms;
- (h) a certified copy of incorporation documents of the applicant;

- (i) at least two recommendation letters from persons of good repute attesting to the credibility of the directors, managers and substantial shareholders of the applicant to offer the services applied for;
- (j) a duly filled fit and proper person Form for substantial shareholders, directors and managers as prescribed in Form B prescribed in Schedule 2 to these Regulations;
- (k) a certificate of good conduct for substantial shareholders including beneficial owners, directors and managers;
- (l) a credit reference report for substantial shareholders including beneficial owners, directors and managers;
- (m) source of funds with supporting documents;
- (n) in case of a foreign company a copy of incorporation documents certified by a notary public;
- (o) audited financial statements for the previous two years, where the applicant has an established business;
- (p) the tax identification number and a copy of a tax clearance certificate;
- (q) in case of an applicant who intends to operate a payment system or offer a payment service on electronic systems or platforms, a certified copy of a systems licence from the National Information Technology Authority Uganda;
- (r) proof of payment of the application fees prescribed in Schedule 3 to these Regulations;
- (s) a copy of the policy for monitoring, detecting and reporting incidences of money laundering and combating the financing of terrorism;
- (t) documented outsourcing arrangements;
- (u) information on planned or existing participation in a domestic or foreign payment system;

- (v) evidence of holding the minimum paid up capital of not less than the amount prescribed in Schedule 4 to these Regulations, including the projected level, quality of capital, balance sheet composition and growth plans;
- (w) an agreement between the applicant and a financial institution where all charges, fees and penalties shall be recovered;
- (x) a list of other countries in which the applicant is licensed to engage in or provide other similar businesses if any;
- (y) in case of an electronic money issuer a copy of the customer service agreement among others specifying the fees to be charged on the customer; and
- (z) any other information that the central bank may require or that the applicant may consider relevant.

(3) The central bank shall before grant of a licence to the applicant inspect the premises to ensure that the premises are suitable for the operations of the applicant.

(4) The central bank shall consider the application and shall make a decision on whether to grant licence or not in accordance with section 9 of the Act.

(5) Where a decision is made to grant a licence under subregulation (4), the applicant shall pay the licence fees prescribed in Schedule 3 to these Regulations.

(6) For the avoidance of doubt, an applicant may apply for two or more licences in one application and the central bank may combine and issue two or more licences in one operating licence.

(7) Where the applicant makes a combined application referred to in subregulation (6), the applicant shall be required to pay the fees for each category of licence specified in Schedule 3 to these Regulations.



(8) Subregulation (2) (c), (h), (i), (j), (k), (l), (m), (v) and (w) shall not apply to an applicant who is a government entity referred to in section 5 (b) of the Act.

(9) For avoidance of doubt subregulation (8) shall not apply to a government entity that applies for a licence under the Act in partnership, as shareholder or under a joint venture with a private entity.

#### **4. Application for licence to issue a payment instrument**

(1) A person other than a financial institution or microfinance deposit taking institution that wishes to issue a payment instrument shall apply to the central bank for a licence to issue a payment instrument.

(2) The application referred to in subregulation (1) shall be in Form C prescribed in Schedule 2 to these Regulations.

(3) The application referred to in subregulation (1) shall be accompanied by—

- (a) a copy of a licence of a payment service provider or a payment system operator in case, of an applicant who is a licensee;
- (b) a description of the type of payment instrument intended to be issued;
- (c) a risk management framework that is appropriate to ensure safety and efficiency;
- (d) terms and conditions of issuance of the payment instrument;
- (e) a merchant and agent agreement, where applicable;
- (f) proof of payment of fees prescribed in Schedule 3 to these Regulations;
- (g) a pricing policy that includes the variables used to arrive at a price and the nature and amount of charges or fees imposed on customers; and
- (h) any other information that the central bank may require.



(4) The central bank shall consider the application and shall make a decision on whether to grant a licence or not in accordance with section 9 of the Act.

**5. Payment of annual fee**

A licensee shall pay an annual fee prescribed in Schedule 3 to these Regulations which shall be paid in accordance with section 15 of the Act.

**6. Effect of revocation or suspension of a licence**

(1) Upon revocation or suspension of a licence under section 14 (1) of the Act, the central bank shall—

- (a) take over the entire database and electronic records of the licensee in a format in which it was originally generated, sent or received or in a format which can be demonstrated to accurately represent the information originally generated, sent or received; or
- (b) suspend the operations on the special or trust account in case of an electronic money issuer.

(2) For purposes of section 13 (4) of the Act, the central bank shall publish in a newspaper of wide circulation a notice of revocation or suspension within three days from the date of revocation or suspension.

**7. Publication and display of licence issued by the central bank**

(1) A licensee shall publish the licence in the Gazette and in a newspaper of wide circulation on at least quarter page within seven days from the date of issuance of a licence.

(2) The licensee shall furnish the central bank with a copy of the newspaper and the Gazette in which a licence is published under subregulation (1).

(3) A licensee shall display, in a conspicuous place at its premises, the licence issued by the central bank.

#### **8. Minimum capital requirement**

(1) For purposes of section 66 (1) of the Act, a licensee shall maintain the minimum capital prescribed in Schedule 4 to these Regulations.

(2) A licensee who is granted a licence under regulation 3 (6) shall be required to maintain minimum capital that is the highest among the categories or classes of licence combined in one operating licence.

(3) Where a licensee fails to maintain the required minimum capital stipulated under subregulation (1), the central bank shall order the licensee to restore the minimum capital required within ninety days after making the order.

(4) Where a licensee fails to restore the minimum capital in accordance with subregulation (3), the central bank may take any of the corrective actions referred to in section 12 of the Act.

#### **9. Approval of changes**

(1) A licensee shall apply to the central bank for approval of the intended change referred to in subregulation (2) before effecting the change.

(2) The change referred to in subregulation (1) may include—

- (a) physical address;
- (b) a director;
- (c) a manager;
- (d) a trustee; or
- (e) a substantial shareholder.

(3) The central bank shall within sixty days after receipt of the application under subregulation (1) approve the changes referred to in this regulation if the central bank is satisfied that—

- (a) the proposed physical address is suitable for the conduct of the business; and
- (b) the proposed director, manager, trustee or substantial shareholder is a fit and proper person to hold the respective office.

(4) The central bank may request a licensee for any information concerning a director, manager, trustee or substantial shareholder if the central bank has reasonable suspicion that the director, manager, trustee or substantial shareholder is no longer a fit and proper person to hold the respective office.

#### **10. Modification of licence**

(1) A licensee holding a category of licence referred to in regulation 11 and who wishes to offer services in respect of a different category of a licence may apply to the central bank for modification of a licence.

(2) Where the central bank is satisfied that the applicant is fit and proper to offer services in respect of a different category of the licence, the central bank may modify the licence in accordance with section 10 of the Act.

#### **11. Categories of licence**

(1) The categories of licences granted under section 9 of the Act are as follows—

- (a) payment systems operator licence;
- (b) payment service provider licence; and
- (c) issuer of a payment instrument licence.

(2) A payment system operator licence shall be issued in respect of the following classes—

- (a) funds transfer systems including person to person payment systems, business to government payment systems, business to business payment systems, person to business payment systems or card processors with common rules and standardised arrangements for the transfer of payment orders;
- (b) clearing systems as defined in section 1 of the Act;
- (c) settlement systems including real time gross settlement systems, deferred settlement systems or central securities depository system to facilitate the settlement of transfer funds;
- (d) third party systems including aggregator, integrator or gateway which facilitate the receiving of electronic payments from a customer without first setting up a merchant account; and
- (e) any other class of a payment system operator as the central bank may determine.

(3) A payment service provider licence shall be issued in respect of the following classes—

- (a) electronic money issuer;
- (b) payment services including tokens; and
- (c) any other class of a payment service provider as the central bank may determine.

(4) An issuer of a payment instrument licence shall be issued in respect of the following classes—

- (a) payment cards;
- (b) electronic devices;
- (c) paper based instruments; and
- (d) any other class of a payment instrument as the central bank may determine.



**12. Opening a trust account**

(1) An electronic money issuer shall not open or operate a trust account without the approval of the central bank.

(2) The form referred to in section 49 (1) of the Act shall is Form D prescribed in Schedule 2 to these Regulations.

**13. Approval of trustee**

(1) A list of the proposed names of the trustees referred to in section 49 (2) of the Act, shall be accompanied by a copy of the trust agreement between the electronic money issuer and the proposed trustees.

(2) An electronic money issuer shall, for each trustee submitted to the central bank for approval, indicate the following—

- (a) the citizenship of the trustee;
- (b) a duly filled Fit and Proper Person Form B, for trustees prescribed in Schedule 2 to these Regulations;
- (c) in case of a corporate trustee—
  - (i) the date of incorporation of the trustee; and
  - (i) the names and qualifications of the directors of the corporate trustee;
- (d) the trustee's ability to perform the functions of a trustee;
- (e) a certificate of good conduct for each trustee proposed;
- (f) a credit reference report;
- (g) whether the trustee is the subject of any insolvency proceedings in any country; and
- (h) any other information that the central bank may require for the purpose of determining the approval of a trustee.

(3) The trustees approved by the central bank under this regulation shall collectively be a body corporate in compliance with section 49 (5) of the Act.

(4) For purposes of subregulation (3) the central bank shall issue a notice of legal corporate personality to the trustees in Form E prescribed in Schedule 2 to these Regulations.

**14. Interest on funds held in a trust account or special account**

(1) For purposes of section 49 (6) of the Act the interest earned on a trust or special account shall not be subject to any charges.

(2) The interest earned on the trust account or special account shall be accrued on a daily basis and paid to the customer at the end of every calendar year quarter.

(3) Any electronic money issuer who fails to comply with the requirement under this regulation shall pay to the central bank a civil penalty of two hundred fifty currency points for each day of the contravention.

(4) Notwithstanding subregulation (3), the central bank may issue a directive to an electronic money issuer to cease and desist from noncompliance with this regulation.

(5) The trustees shall transfer to the central bank at the end of every calendar year quarter the interest accruing on a dormant account referred to in section 57 of the Act.

(6) The central bank shall within thirty days from the date of receipt of the monies under subregulation (5), transfer the monies to the Consolidated Fund.

(7) The trustees shall inform the central bank every calendar year quarter of the interest accrued and the applicable interest rate on a trust account or special account.

**15. Risk management by the trustees**

- (1) The trustees incorporated under regulation 13 (3) shall—
- (a) audit and publish financial statements in respect of the position of the trust entity, and submit a copy of the annual audited accounts to the central bank not later than the 30<sup>th</sup> day of the fourth month after the end of the calendar year;
  - (b) submit to the central bank a report of the annual audit of the electronic money issuance system in any case not later than the 30<sup>th</sup> day of the third month after the end of the calendar year;
  - (c) provide safeguard measures to protect the funds from risks that may occasion loss to beneficiaries of the funds, and submit documented policies and procedures in respect thereof to the central bank;
  - (d) not commingle the trust account funds with any other funds or use it for any other operations; and
  - (e) any other requirements that may be stipulated by the central bank.

(2) For purposes of section 53 (a) of the Act, an electronic money issuer shall not hold funds in a trust account exceeding twenty percent of the total electronic value in one financial institution or microfinance deposit taking institution.

(3) Subregulation (2) may not apply to an electronic money issuer whose total electronic value does not exceed five hundred million shillings.

**16. Categories of electronic money accounts**

(1) The categories of electronic money accounts referred to in section 56 of the Act may include—



- (a) tier I – government entities, embassies, high commissions, religious institutions, educational institutions, civil society and related organisations;
- (b) tier II – merchants;
- (c) tier III- super agents;
- (d) tier IV- retail agents;
- (e) tier V- small and medium enterprises;
- (f) tier VI- individual accounts with higher limits; or
- (g) tier VII- individual accounts.

(2) The customer verification requirements for each category of the electronic money accounts referred to in subregulation (1) are prescribed in Schedule 5 to these Regulations.

(3) An electronic money issuer shall implement the risk mitigation measures in respect of each electronic money account or category as prescribed in Schedule 5 to these Regulations.

#### **17. Liquidity and transaction limits**

(1) An electronic money issuer shall comply with the liquidity requirements and transaction limits prescribed in Schedule 5 to these Regulations.

(2) An electronic money issuer who fails to comply with subregulation (1) shall be liable to pay to the central bank a civil penalty of two hundred and fifty currency points for each day of default.

#### **18. Requirements for opening an electronic money account**

(1) A person who wishes to open an electronic money account shall satisfy the know your customer and customer due diligence requirements prescribed in Schedule 5 to these Regulations.

(2) An electronic money issuer shall establish a registration system of its customers that is capable of providing a registered customer proof of successful registration.



## **19. Account activation**

(1) An electronic money issuer shall assign a unique identifier that is not a phone number, to every electronic money account holder that is a customer of the electronic money issuer.

(2) The electronic money system shall prompt the registered customer to activate the service by use of a personal identification number or password or any other authentication process before commencement of any transaction processing.

(3) The activation process, shall be through secure messaging systems to ensure integrity and the security of the customer's identity.

(4) The electronic money issuer shall be responsible for the security and integrity of the entire activation process.

## **20. Stored value or prepaid cards**

(1) An issuer of a payment instrument shall not issue stored value or prepaid cards, unless it is an institution licensed by the central bank to take deposits with clearing capacity.

(2) Notwithstanding subregulation (1), an issuer of a payment instrument may enter into partnership with an institution licensed by the central bank to take deposits with clearing capacity to issue stored value or prepaid cards.

(3) The central bank may impose terms and conditions under which a stored value card or prepaid card may be issued by an issuer of a payment instrument.

(4) An issuer of a payment instrument licensed to issue stored value or prepaid cards shall submit to the central bank monthly returns by the 15<sup>th</sup> day of every month.

(5) The monthly returns referred to in subregulation (4). shall include—

- (a) the number of stored value or prepaid cards issued;
- (b) the number of active stored value or prepaid cards;
- (c) balances on the stored value or prepaid cards;
- (d) volume of transactions and value of transactions;
- (e) geographical location of use of the stored value or prepared card; and
- (f) any other information as the central bank may request.

(6) An issuer of a payment instrument licensed to issue stored value or prepaid cards who fails to comply with this regulation or submits false returns is liable to pay to the central bank a civil penalty of two hundred currency points per day of default.

(7) This regulation shall not apply to a financial institution or a person that issues a stored value card under section 44 of the Financial Institutions Act, 2004.

## **21. Dormant stored value or prepaid card**

The provisions of section 57 of the Act shall apply to an issuer of a payment instrument in respect of the value on the dormant stored value or prepaid card with necessary modifications.

## **22. Reporting**

(1) A licensee shall, within ten working days from the last day of every month, submit to the central bank information regarding—

- (a) the number of registered and active agent locations on the network, with activity counted on the basis of monthly transactions;
- (b) the volumes and values of all activities on its platform broken down by type of transaction, including cash-in, cash-out, fund transfers and other payment services;
- (c) volume and value of points of sale including interbank transactions where applicable;

- (d) incidents of fraud, theft or robbery if any;
- (e) number and type of service interruptions and significant security breaches;
- (f) number of suspicious transaction reports generated;
- (g) gender disaggregated data of its customers; and
- (h) complaints received, broken down by category and agent location, including remedial measures taken.

(2) In addition to the information referred to in subregulation (1), an electronic money issuer shall submit the following to the central bank—

- (a) the number of registered and active electronic money accounts issued, broken down by the type of account level;
- (b) the sum total of outstanding electronic money balances held by the electronic money issuer including customers, agents and other balances;
- (c) the aggregate value of all trust accounts used in the electronic money transactions;
- (d) the value of each trust account held with the respective financial institution or micro-finance deposit taking institution;
- (e) interest earned on the trust account or special account;
- (f) volume and value of cross border transactions;
- (g) volume and values on interoperability;
- (h) information on dormant accounts specifying the volume, value and age;
- (i) volume and value of transaction bands;
- (j) the electronic value held in the trust or special account expressed as a percentage of the total electronic value of the electronic money issuer; and



- (k) such other information as may be required by the central bank from time to time.

(3) An electronic money issuer shall submit to the central bank information related to financial inclusion as may be determined by the central bank from time to time.

(4) The electronic money issuer shall notify the central bank in writing, no later than twenty-four hours from the occurrence of any of the following—

- (a) suspected or confirmed fraud relating to the electronic money service, security breaches, material service interruption or other significant issues that may affect the safety and efficiency of the electronic money service;
- (b) loss of confidential data; and
- (c) any other occurrence from which the central bank may request for information.

(5) An electronic money issuer shall on a daily basis submit to the central bank a reconciliation statement between the electronic money account and the trust account or special account.

(6) An electronic money issuer shall on a weekly basis submit to the central bank a report of the breakdown of the balances in the trust account or special account in liquid assets as prescribed in section 60 (2) of the Act.

(7) An electronic money issuer shall replicate in real time the data and records of the electronic money account to the central bank or as directed by the central bank.

(8) Any licensee who without reasonable cause fails to comply with this regulation or submits inaccurate returns within the stipulated period, shall pay to the central bank a civil penalty of two hundred currency points per day of default.



### **23. Submission and publication of financial reports**

(1) A licensee shall submit to the central bank—

- (a) quarterly financial statements including an income statement and a statement of the financial position verified by an external auditor by the 15<sup>th</sup> day of the following month;
- (b) audited financial statements no later than the 30<sup>th</sup> day of March, after the end of the calendar year; and
- (c) a report of the annual audit of the payment system or electronic platform used to issue a payment instrument, operate a payment system or provide a payment service by the 30<sup>th</sup> day of March, after the end of the calendar year.

(6) A licensee shall publish in the newspaper of wide circulation the audited financial statements by the 30<sup>th</sup> day of April after the end of the calendar year.

### **24. Fines and penalties**

(1) An electronic money issuer who immediately fails to report to the central bank any discrepancies between the electronic money issued and the balances on the trust or special account shall pay a civil penalty to the central bank of two hundred and fifty currency points per day of contravention.

(2) Where an electronic money issuer fails to restore the imbalance between electronic money issued and the trust or special account balance within a time prescribed by the central bank, the central bank may suspend the licence to issue electronic money.

## **PART IV—MISCELLANEOUS**

### **25. Data management**

(1) A payment service provider shall maintain a sound management information system that—

- (a) facilitates efficient data collection, processing of information and statistical data; and
- (b) is capable of providing audit trail for its own use, use by internal and external auditors and the central bank.

(2) A payment service provider shall collect, process, control and manage personal data in accordance with the Data Protection and Privacy Act, 2019.

## **26. Monitoring of the operations of a licensee**

(1) A licensee shall provide to the central bank access to its electronic system and records to facilitate monitoring of the operations of the licensee.

(2) A financial institution or microfinance deposit taking institution holding a special account or a trust account shall provide the central bank access to the statement of the balances in such accounts.

## **27. Mergers or acquisitions**

(1) A licensee shall not enter into any merger or acquisition agreement without the written approval from the central bank.

(2) A licensee who enters into a merger or acquisition agreement without the written approval from the central bank is liable to pay a civil penalty of two hundred currency points per day of default.

## **28. Outsourcing requirements**

(1) A licensee shall not outsource its licensed services, core operation of a payment system or technical personnel except with the written approval of the central bank.

(2) The application for a written approval of the central bank referred to in subregulation (1) shall be accompanied by—

- (a) the criteria for the selection of the outsourced licensed services, core operation of a payment system or technical personnel;

- (b) the business rationale for outsourcing the licensed services, core operation of a payment system or technical personnel and measures to mitigate risks involved;
- (c) a duly filled fit and proper Form B prescribed in Schedule 2 to these Regulations of a person being outsourced in case of outsourcing technical personnel;
- (d) the outsourcing agreements; and
- (e) any other information as the central bank may request.

(3) The central bank may within thirty days from the date of making the application grant or refuse to grant the approval referred to in subregulation (1).

(4) Where the central bank grants an approval, a licensee may outsource the licensed services, core operation of a payment system or technical personnel unless the outsourced licensed services, core operation of a payment system or technical personnel—

- (a) increase the risk or reduce consumer protection and quality of services;
- (b) impair the quality of the licensee's internal control; and
- (c) affect the ability of the central bank to monitor the payment service provider's compliance with all obligations under the Act and these Regulations.

(5) In addition to complying with subregulation (4) an electronic money issuer outsourcing licensed services, core operation of a payment system or technical personnel shall comply with the following conditions—

- (a) the outsourcing shall not result in the delegation by the electronic money issuer of its responsibility especially the issuing of electronic money;



- (b) the relationship and obligations of the electronic money issuer towards the beneficiaries of services shall not be altered; and
- (c) none of the other conditions subject to which the licence was granted shall be removed or modified.

(6) For purposes of this regulation “core operation of a payment system” means an operation whose failure or defect in its performance would impair the compliance of a system with the requirements of its licence, soundness or the continuity of its operations.

## **29. Cross border payments or transfers**

(1) A payment service provider shall not operate a cross border payment system or offer cross border payment services except with the written approval of the central bank.

(2) The application for a written approval of the central bank referred to in subregulation (1) shall be accompanied by—

- (a) proof that the applicant has a counterparty authorised by the responsible body in the country of operation;
- (b) a copy or proof of an existing legal basis for operation between the applicant and the counterparty;
- (c) consumer protection and complaints redress mechanism; and
- (d) any other information as the central bank may request.

## **30. Currency**

An electronic money issuer shall not issue electronic value in a foreign currency.

## **31. Branch offices**

A licensee shall not operate a branch office in or outside the country or create a subsidiary entity without a written approval from the central bank.



### **32. Risk management**

(1) A licensee shall put in place a risk management framework with measures to mitigate risks that arise in the operation and provision of payment system services.

(2) A licensee shall comply with the risk management requirements including technical standards issued by the central bank or other competent authority through guidelines or directives.

(3) A licensee shall comply with the international payment system standards prescribed in the Schedule 6 to these Regulations.

## SCHEDULE - 1

*regulation 2*

### CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

## SCHEDULE 2

### FORMS

THE REPUBLIC OF UGANDA

#### FORM – A

*regulation 3 (1)*

### APPLICATION FOR A LICENCE OF PAYMENT SERVICE PROVIDER OR TO OPERATE A PAYMENT SYSTEM

*NOTE: This application shall be filled in Capital Letters*

1.	NAME OF APPLICANT ( <i>as it appears in the registration certificate</i> ):	M/S:
2.	TYPE OF LICENCE BEING APPLIED FOR:	Payment Service Provider/ Operator of a Payment System
	Category of Payment System Services	
3.	APPLICANT'S CONTACTS	
	Physical Address:	
	Street/Road:	
	Plot No:	
	Town/City:	
	Building:	
	Floor:	
	Postal Code:	
	Phone/Fax No.	
	Mobile No.	
	Email Address:	

#### 4. Particulars of substantial shareholders

S/N	Name	Nationality	Telephone Numbers & Email	Occupation	Percentage of shareholding
1.					
2.					
3.					
4.					
5.					

#### 5. Particulars of directors and managers in order of seniority

S/N	Name	Nationality	Designation	Educational Qualification
1.				
2.				
3.				
4.				
5.				
6.				
7.				

#### 6. OTHER INFORMATION

S/N	
1.	State whether any of the partners/directors/substantial shareholders have a beneficial interest in any other business licensed to provide payment services
2.	Has any previous application been rejected or cancelled under the Act? (If so give details)



7. SUPPORTING DOCUMENTS

S/N	DOCUMENTS
1.	Covering letter
2.	All documents listed under regulation 3 to these Regulations.

8. DECLARATION (by substantial shareholders)

I/We, the undersigned, hereby declare:	
(a)	THAT the particulars set out herein are true and correct to the best of my/our knowledge and belief;
(b)	THAT I am/we are not undischarged bankrupt and that I/we have never been convicted of fraud or dishonesty;
Name:	Signature:
Name:	Signature:
Name:	Signature:

BEFORE ME:

\_\_\_\_\_  
COMMISSIONER FOR OATH/ NOTARY PUBLIC

**FORM - B****FIT AND PROPER PERSON FORM***regulation 3 (2) (j), 13 (2) (b) and 28 (2) (c)***(TO BE COMPLETED BY SUBSTANTIAL SHAREHOLDERS,  
DIRECTORS, SENIOR MANAGERS AND TRUSTEES)****1. PERSONAL INFORMATION**

- (a) Full name (Mr. Ms.).....
- (b) Previous names (if any) .....
- (c) Year and place of birth:.....
- (d) Nationality:.....
- (e) National Identification Number in case of a citizen or  
Passport number, date and place of issue in case of a  
foreigner:.....
- (f) Postal address:.....
- (g) Physical residential address:.....
- (h) Telephone number:.....
- (i) E-mail address:.....
- (j) Educational qualifications:.....
- (k) Professional qualifications:.....

**2. EMPLOYMENT/BUSINESS RECORD**

Period	Name of Employer/ Business and address	Positions held and dates	Responsi- bilities	Reasons for leaving (where applicable)

**3. SHAREHOLDING IN OTHER COMPANIES (DIRECTLY OWNED OR THROUGH NOMINEES)**

Company Name	Date of Incorporation	Percentage of shareholding

**4. OTHER INFORMATION**

- 4.1 Have you or any entity with which you are associated as substantial shareholder or director held or applied for a licence to carry on a payment system business?

.....  
 .....  
 .....  
 .....  
 .....

- 4.1 Have you at any time been convicted of any criminal offence in any jurisdiction? If so, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction.

.....  
 .....  
 .....

- 4.2 Have you ever been dismissed from any office or employment, been subject of disciplinary proceedings by your employer or barred from entry into any profession or occupation? If so, give particulars.

.....  
 .....  
 .....



- 4.3 Have you ever been declared bankrupt by a court or has a bankrupt petition ever been served on you? If so, give the status.

.....  
.....  
.....

- 4.4 Is there any additional information which you consider relevant for the consideration of your application for the payment system licence?

.....  
.....  
.....

**NOTE:** The information provided in response to this questionnaire shall be kept confidential by the central bank except in cases provided otherwise by law.

**5. DECLARATION**

- 4.1 I am aware that it is an offence to knowingly or recklessly provide any information which is false or misleading in connection with an application for a payment system licence.

- 4.2 I certify that the information given above is true to the best of my knowledge and that there are no other facts relevant to this application of which the central bank should be aware.

- 4.3 I undertake to inform the central bank of any changes material to the application which arise while the application is under consideration.

.....  
*Name and Signature of deponent.*

**BEFORE ME:**

**COMMISSIONER FOR OATH/ NOTARY PUBLIC**

## FORM – C

regulation 4(2)

# APPLICATION FOR A LICENCE TO ISSUE A PAYMENT INSTRUMENT

**NOTE: This application shall be filled in Capital Letters**

1.	NAME OF APPLICANT (as it appears in the registration certificate):	M/S:
2.	CATEGORY OF LICENCE BEING APPLIED FOR:	Payment Instrument Issuance Approval
3.	APPLICANT'S CONTACTS	
	Physical Address:	
	Street/Road:	
	Plot No:	
	Town/City:	
	Building:	
	Floor:	
	Postal Code:	
	Phone/Fax No.	
	Mobile No.	
	Email Address:	

## 4. SUPPORTING DOCUMENTS

Submit all documents listed under regulation 4 to these Regulations

**5. DECLARATION (by substantial shareholders)**

I/We, the undersigned, hereby declare:	
(a) THAT the particulars set out herein are true and correct to the best of my/our knowledge and belief;	
(b) THAT I am/we are not undischarged bankrupt and that I/we have never been convicted of fraud or dishonesty;	
Name:	Signature:
Name:	Signature:

**BEFORE ME:**

\_\_\_\_\_  
**COMMISSIONER FOR OATH/ NOTARY PUBLIC**



## FORM D

THE REPUBLIC OF UGANDA

*regulation 12 (2)*

### APPLICATION FOR APPROVAL TO OPEN A TRUST ACCOUNT

1.	<b>Name of the Electronic Money Issuer</b> <i>(as it appears on the licence):</i>	M/S:
2.	Name of the Financial institution or microfinance deposit taking institution where the trust account is intended to be opened	
3.	<b>ELECTRONIC MONEY ISSUER CONTACTS</b>	
	Physical Address:	
	Street/Road:	
	Plot No:	
	Town/City:	
	Building:	
	Floor:	
	Postal Code:	
	Phone/Fax No.	
	Mobile No.	
	Email Address:	

**4. List of the proposed trustees**

Name	Profession/ occupation

**5. DECLARATION (by substantial shareholders)**

I/We, the undersigned, hereby declare:	
(c) THAT the particulars set out herein are true and correct to the best of my/our knowledge and belief;	
(d) THAT I am/we are not undischarged insolvent and that I/we have never been convicted of fraud or dishonesty;	
Name:	Signature:
Name:	Signature:

## FORM -E

THE REPUBLIC OF UGANDA

### NOTICE OF LEGAL PERSONALITY

*regulation 13 (4)*

**THIS** to notify that ..... (*Insert the description of the trustee*) has been approved by the central bank as a trustee of ..... (*Insert the description of the electronic money issuer*) and shall be a body corporate in accordance with section 49 (5) of the Act.

Given under my hand and seal at Kampala this .....day of .....20....

.....  
GOVERNOR  
*Bank of Uganda.*



# SCHEDULE- 3

regulation 3, 4 and 5

## FEEES

Licence category	Licence class	Application fees	Licensing fees	Annual fees
Pay- ment systems operator	(a) funds transfer systems-			
	(i) large funds transfer systems whose transaction value exceeds one hundred billion shillings per month.	3,000,000/=	25,000,000/=	25,000,000/=
	(ii) medium funds transfer systems whose transaction value exceeds one billion shillings per month and does not exceed one hundred billion shillings per month.	3,000,000/=	20,000,000/=	20,000,000/=
	(iii) small funds transfer systems whose transaction value does not exceeds one billion shillings per month.	3,000,000/=	15,000,000/=	15,000,000/=
	(b) clearing systems or switches	3,000,000/=	25,000,000/=	25,000,000/=
	(c) settlement systems	3,000,000/=	25,000,000/=	25,000,000/=
	(d) third party systems	3,000,000/=	10,000,000/=	10,000,000/=
Pay- ment service provider	Electronic money issuer			
	(a) large electronic money issuer whose total trust account value exceeds two hundred billion.	3,000,000/=	25,000,000/=	25,000,000/=
	(b) medium electronic money issuer whose total trust account value exceeds five hundred million but does not exceed two hundred billion.	3,000,000/=	20,000,000/=	20,000,000/=

	(c) small electronic money issuer whose total trust account value does not exceed five hundred million.	3,000,000/=	15,000,000/=	15,000,000/=
	(d) any other payment service provider licence	3,000,000/=	5,000,000/=	5,000,000/=
Issuer of a payment instrument		<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

# SCHEDULE - 4

regulation 3 (2) (v) and 8 (1)

## MINIMUM CAPITAL REQUIREMENTS

Licence category	Licence class	Minimum Capital requirement
Payment systems operator	(a) funds transfer systems-	
	(i) large funds transfer systems whose transaction value exceeds one hundred billion shillings per month.	1,000,000,000/=
	(ii) medium funds transfer systems whose transaction value exceeds one billion shillings per month and does not exceed one hundred billion shillings per month.	500,000,000/=
	(iii) small funds transfer systems whose transaction value does not exceed one billion shillings per month.	100,000,000/=
	(b) clearing systems or switches	500,000,000/=
	(c) settlement systems	250,000,000/=
	(d) third party systems	100,000,000/=
Payment service provider	(a) electronic money issuer	10,000,000,000/=
	(i) large electronic money issuer whose total trust account value exceeds two hundred billion shillings.	
	(ii) medium electronic money issuer whose total trust account value exceeds five hundred million but does not exceed two hundred billion shillings.	5,000,000,000/=
	(iii) small electronic money issuer whose total trust account value does not exceed five hundred million shillings.	250,000,000/=.

# SCHEDULE -5

regulation 16, 17, 18

## CATEGORIES OF ELECTRONIC MONEY ACCOUNT, TRANSACTION LIMITS, LIQUIDITY REQUIREMENTS, CUSTOMER VERIFICATION REQUIREMENTS AND RISK MITIGATION MEASURES

Category of account	Maximum Transaction Limits (Per day)		Risk Mitigation Measures		
	Limit	Amount	KYC	Management Information Systems	Governance
Tier VII individual accounts	Maximum single transaction	3,000,000/=	(a) For mobile money (e-money) transfers transactions- (i) Registered phone number (ii) Registered mobile money account customer	(a) Automatic system block on exceeding limits; (b) Audit trail reports of transaction of each customer;	(a) Segregation of duties and clear approval procedures that are documented. (b) Existence of a risk mitigation Unit;
	Maximum daily transfer	10,000,000/=	(b) For cash-in transactions- (i) Registered phone number and registered mobile money account customer (ii) Acceptable passport photo and Identification Card.	(c) Alerts; (d) AML/CFT screening and monitoring System;	(c) AML/CFT compliance officer and reporting; and (d) AML/CFT Reporting of suspicious transactions
	Maximum daily balance	10,000,000/=	(c) For cash-out transactions- (i) Acceptable passport photo and - (ii) National Identification Card. (iii) Refugee Identification Card	(e) Electronic records of transactions auditable in MNO system; and (f) Electronic statement sent to customer and agent.	
	NOTE: Maximum transaction counts should not exceed the maximum daily transfer limit and all individuals should be electronically registered for Know your Customer purposes.				



Tier VI individual accounts with higher limits	Maximum single transaction	5,000,000 =	(a) For mobile money (e-money) transfers transaction-	(a) Automatic block on exceeding limits.	(a) Segregation of duties and clear approval procedures that are documented
	Maximum daily transfer	20,000,000/=	(i) Registered phone number (ii) Registered mobile money account customer	(b) Audit trail reports of each transaction customer.	(b) Existence of a risk mitigation unit
	Maximum daily balance	20,000,000/=	(b) For cash-in transactions- (i) Registered phone number and registered mobile money account customer (ii) Acceptable passport photo and Identification Card (c) For cash-out transactions- (i) Acceptable passport photo, and (ii) National identification Card, (iii) Passport, or Refugee identification Card	(c) Alert. (d) AML/CFT screening and monitoring system. (e) Electronic records transactions auditable in MNO system, and (f) Electronic statement sent to customer and agent.	(c) AML/CFT compliance office and reporting (d) AML/CFT Reporting of suspicious transactions
	Note: Maximum transaction counts should not exceed the maximum daily transfer limit. And all individuals should be both electronically and physically registered, and the storage of documents shall be in the mobile money customer account registry applying Know Your Customer /Customer Due Diligence control				

Tier V - Small and medium enterprises	Maximum single transaction	10,000,000/=	(a) Full KYC/CDD.	(a) Automatic block on exceeding limits.	(d) Segregation of duties and clear approval procedures that are documented.
	Maximum daily transfer	50,000,000/=	(b) Terms and conditions for operating the Micro-Enterprise mobile money account.	(b) Audit trail reports of transaction of each customer.	(e) Existence of a risk mitigation Unit.
	Maximum daily balance	50,000,000/=	(c) Tax Identification Number.	(c) Alerts.	(f) AML/CFT compliance officer and reporting, and
	NOTE: Maximum transaction counts should not exceed the maximum daily transfer limit. All individuals shall be electronically and physically registered and storage of documents shall be in the mobile money customer account registry, applying KYC/CDD controls		(d) Business Licence Number or trading licence;	(d) AML/CFT screening and monitoring System.	(g) AML/CFT Reporting of suspicious transactions.
			(e) VAT registration; and	(e) Electronic records of transactions auditable in MNO system, and	
			(f) Other documents.	(f) Electronic statement sent to customer and agent	

Tier IV-Retail Agents	Maximum single transaction	20,000,000/=	(a) Full KYC/CDD	(a) Automatic system block on exceeding limits; (b) Audit trail reports of transaction of each customer; (c) Alerts; and (d) AML/CFT intelligent System.	(a) Segregation of duties and clear approval procedures that are documented; (b) Existence of a risk mitigation Unit; (c) AML/CFT compliance officer and reporting; and (d) AML/CFT Reporting of suspicious transactions.
	Maximum daily transfer	100,000,000/=	(b) Agent agreement or terms and conditions;		
	Maximum daily balance	100,000,000/=	(c) Agent number;		
	NOTE: Maximum transaction counts should not exceed the maximum daily transfer limit. All individuals or SME registered as Retail Agents with full KYC/CDD		(d) Business license number or trading licence number; and (e) Other verification documents.		
Tier III-Super-Agent	Nil	Nil	(a) Full business KYC/CDD shall apply and each MNO shall submit to the central bank a list of Super-Agents with copies of the business service agreement and quarterly updates of registered Super Agents; and (b) Submission of monthly reports of transactions volume and values of super-agency service.	(a) Audit trail reports of transaction of each customer; (b) Alerts; and (c) A M L / C F T intelligent System.	(a) Segregation of duties and clear approval procedures that are documented; (b) Existence of a risk mitigation Unit; (c) AML/CFT compliance officer and reporting; and (d) AML/CFT Reporting of suspicious transactions

Merchants Tier II	Nil	Nil	<p>(a) Full business KYC/CDD shall apply and each MNO shall submit to the central bank a list of large business with copies of business service agreement and quarterly updates of registered large business; and</p> <p>(b) Submission of monthly reports of transactions volume and values of large business service.</p>	<p>(a) Audit trail reports of transaction of each customer; and</p> <p>(b) Alerts</p>	<p>(a) Segregation of duties and clear approval procedures that are documented;</p> <p>(b) Existence of a risk mitigation Unit;</p> <p>(c) AML/CFT compliance officer and reporting; and</p> <p>(d) AML/CFT Reporting of suspicious transactions.</p>
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Government entities, embassies, high commission, religious bodies, educational institution, civil society and related organisations – Tier - I	Nil	Nil	(a) Full entity KYC/CDD shall apply and each MNO shall submit to the central bank a list of other entities with copies of quarterly updates of registered other entities; and  (b) Submission of monthly reports of transactions volume and values of the other entities	<p>(a) Audit trail reports of transaction of each customer.</p> <p>(b) Alerts</p> <p>(a) Segregation of duties and clear approval procedures that are documented.</p> <p>(b) Existence of a risk mitigation Unit.</p> <p>(c) AML/CFT compliance officer and reporting, and</p> <p>(d) AML/CFT Reporting of suspicious transactions.</p>
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**SCHEDULE -6***regulation 32 (3)***INTERNATIONAL PAYMENT SYSTEM STANDARDS**

Item	Standards	Standard Setting Body
1	Principles for Financial Markets Infrastructures (PFMIS)	(a) Bank for International Settlement (BIS). (b) Committee for Payments and Markets (c) Infrastructure and International Organisation of Securities Commission
2	Communication, Security and Payment Cards Standards	(a) International Organisation for Standardisation (b) Europay, MasterCard and Visa Standards (EMV). (c) Payment Card Industry (PCI) Security Standards Council.
3	Anti-Money Laundering and Combating of Financing of Terrorism standards. (AML/CFT)	Financial Action Task Force (FATF)

**HON. MATIA KASAIJA (MP)***Minister of Finance Planning and Economic Development*

**Cross References**

Data Protection and Privacy Act, 2019, (Act 9 of 2019).

Financial Institutions Act, 2004, (Act 2 of 2004).

