



The Governor

DIRECTIVE N° 2000 /2020 - 00016[613] OF THE NATIONAL BANK OF RWANDA ESTABLISHING REQUIREMENTS TO BE FULFILLED BY A MONEY REMITTANCE SERVICE PROVIDER BEFORE CONNECTING TO A CROSS-BORDER MONEY REMITTANCE HUB.

PREAMBLE

Pursuant to the Law N°48/2017 of 23/09/2017 governing the National Bank of Rwanda in its articles, 6, 8; and 9;

Pursuant to the Law N° 03/2010 of 26/02/2010 concerning Payment Systems in its article 7;

Pursuant to the regulation N° 31/2019 of 16/12/2019 on protection of payment service users in its articles 41;

Pursuant to the Regulation N° 05/2018 of 27/03/2018 governing payment services providers in its Article 36, 37 and 41;

The National Bank of Rwanda hereafter referred to as the Central Bank decrees

Article 1: Purpose of this Directive

This directive aims at:

- 1° establishing requirements to be fulfilled by the money remittance payment service provider wishing to connect to a cross border remittance Hub;
- 2° ensuring the proper protection of remittance service providers against risks that may arise while connecting to a cross border money remittance hubs.

Article 2: Definition

In this directive the Cross **Border Money Remittance Hub** is a switching platform that connects or enables two or more remittance service providers.

Article 3: Application for authorization

A money remittance service provider wishing to connect to a Cross Border Remittance Hub shall apply to the Central Bank for prior authorization.

The application for authorization shall be accompanied by the following:

- 1° the description of the service provided by the cross border remittance hub to the money remittance service provider;
- 2° the description of how the money remittance Service Provider connects to the Cross border money remittance Hub;

- 3° the evidence that the cross border money remittance hub is financially stable and is capable of sustaining the business;
- 4° the description of the settlement arrangements and the measures put in place to mitigate any risks associated with settlement arrangements;
- 5° the foreign exchange rate that is used by the cross border money remittance Hub during settlement of the designated recipient;
- 6° Contracts between the Remittance service provider and the cross border money remittance Hub;
- 7° the evidence that the cross border money remittance hub is licensed and is supervised in the country of incorporation;
- 8° the mechanisms put in place by the cross border money remittance hub to facilitate consumer protection and safeguard of customer's funds;
- 9° the Anti-Money laundering and Counter Terrorism Financing Measures put in place by the cross-border money remittance Hub;
- 10° the Anti-Fraud Measures put in place by the parties to ensure that both the sender and the designated recipient transact in a safe and transparent manner;
- 11° The Security and Control measures put in place by the Cross border money remittance Hub;
- 12° Any other information that the Central Bank may deem necessary.

Article 4: Analysis of the application

If the Central Bank satisfy itself that the application meets the requirements as provided in Article 3 of this Directive, it shall authorize a remittance service provider to connect to a Cross border money remittance Hub, failure of which the authorization shall not be granted.

Article 5: Repealing provisions

All provisions contrary to this directive are hereby repealed.

Article 6: Commencement

This directive shall come into force at the date of its signature.

Done at Kigali, on 12/06/2020

**RWANGOMBWA John
Governor**

