



**Rejoinder: 'Misapplication of Money Laundering Act by Ghanaian Banks,'
Ghana Association of Banks Responds to the allegations by
Ahumah Ocansey**

The attention of Ghana Association of Banks (GAB) has been drawn to an article authored by Mr. Ahumah Ocansey under the heading, "Misapplication of Money Laundering Act by Ghanaian banks," in the Friday, June 9, 2023 edition of the Daily Graphic. Further, Ghana Association of Banks' attention has been drawn to a rejoinder to the foregoing publication by the Bank of Ghana (BoG) on Monday, June 12, 2023 under the caption, "Rejoinder: Bank of Ghana responds to Ahumah Ocansey's allegations." This rejoinder seeks to correct factual inaccuracies and misconceptions contained in the referenced article.

In the article dated Friday, June 9, 2023, the author (Ahumah Ocansey) sought to challenge the integrity of Ghanaian banks; and their strict adherence to provisions in the laws regulating transactions and activities of anti-money laundering in Ghana. Further, the author sought to incite the public against Ghanaian banks; and the broader financial system. However, consistent with the rejoinder by the Bank of Ghana, the Ghana Association of Banks wishes to state categorically that deposits of bank customers are processed in strict adherence with provisions in the Anti-Money Laundering Act of 2020, Act 1044, which takes precedence over earlier laws relating to anti-money laundering in Ghana. In fact, Act 749, which has since been repealed and replaced by Act 1044, was promulgated in 2008; and not in 2000, as referenced by the author in his article.

It is instructive to note, banks licensed in Ghana are committed to upholding the sanctity of the industry; and work in strict compliance with requirements of our foremost regulator, Bank of Ghana, without aberrations. This statement is practically illustrated below.

Application of Act 1044

In December 2020, the new Anti-Money Laundering Act of 2020, Act 1044, was enacted to consolidate laws relating to the prohibition of money laundering in Ghana. Provisions in Act 1044 address deficiencies inherent in the erstwhile Anti-Money Laundering Act 2008, Act 749; and ensure anti-money laundering laws in Ghana conform to international standards.

Act 1044 clearly outlines the processes for money transfer and conditions or circumstances under which a bank; Economic and Organised Crime Office (EOCO); or Financial Intelligence Centre (FIC) would request for funds deposited into a customer's account to be transferred back or returned to the remitter. GAB wishes to state emphatically that banking operations related to money transfers are consistently processed, advanced and executed in tandem with the Provisions in Act 1044.

Commitment to FATF and Act 1044 Requirements

Banks operating in Ghana are not oblivious of their role as accountable institutions; and remain mindful of the strict sanctions likely to be imposed by the FIC, EOCO; and/or BoG on financial institutions found culpable of engaging in or facilitating money laundering. In fulfilment of Recommendations 10 (customer due diligence) and 16 (wire transfers) of the Financial Action Task Force (FATF), banks (and other financial institutions) consider customer due diligence (CDD) measures when customer request for transactions such as wire transfers, including domestic and cross-border wire transfers, are being processed.

To further consolidate the FATF Recommendations, banks apply the following minimum measures (and other advanced measures) when processing wire transfers: (a) clean inflows received from remitters are credited to customers' accounts subject to the fulfilment of anti-money laundering requirements. These include disclosure of full details of the originator and beneficiary information; whether the transaction is consistent with the customer's KYC profile available at the bank, screening results amongst others; and (b) with the deployment of the SWIFT Sanction Screening System by banks, foreign wire transfers are screened to detect designated persons and entities involved in the transaction.

Circumstances under which funds can be returned

Funds wired or deposited into customer's account can be returned to the remitter if there are no sufficient details; discrepancies are observed in the beneficiary's details; details of the beneficiary cannot be verified; discrepancies are observed in the transfer instruction; or there are no beneficiary details at all. Moreover, the remitter can recall the funds on the grounds of fraud or related issues.

Transaction Restrictions

Section 45 of Act 1044 mandates banks not to proceed with a transaction which the bank knows or reasonably suspects to be related to money laundering; financing terrorism; financing of proliferation of weapons of mass destruction; tax evasion; or any other unlawful activity.

Under Section 38 of Act 1044, banks are mandated to file suspicious transaction (or activity) report (STR) with the Financial Intelligence Centre after the knowledge

thereof is established; or ground for suspicion of the transaction is linked to the unlawful activities outlined in Section 45 of Act 1044.

Freezing Powers of FIC

Where the Financial Intelligence Centre considers it necessary, based on the seriousness or urgency of the suspicious transaction report filed by a bank, the Centre may order the suspension of a transaction for a period of not more than seven working days.

Further, the Financial Intelligence Centre may apply to the Court within seven days after a transaction has been suspended under Sub-section (3), for the issuance of a freezing order. Where the Centre is of the opinion, on reasonable grounds, that it is necessary to freeze a transaction or an account to prevent money laundering; terrorist financing or the financing of proliferation of weapons of mass destruction; or tax evasion, it may direct the freezing of transaction or account held with an accountable institution. This mandate is expressed in Section 56 of Act 1044.

Collaboration with Regulatory and Intelligence Agencies

To ensure effective discharge of their mandates and strict adherence to the applicable laws in Act 1044, banks collaborate effectively with security and intelligence agencies such as the Police and EOCCO; and consistently liaise with investigating authorities such as the FIC. It is worth stressing that banks operating in Ghana do not make decisions on “suspicious” customer deposits without recourse to the relevant investigating authority (FIC); or security and intelligence agency (EOCCO); or both.

The Association of Banks wishes to assure the public of the commitment of the banking industry to efficient and effective delivery of our services as the economy transitions towards the path of recovery and sustainable growth. The banks have unanimously decided not to countenance any activity or activities that would undermine public trust and confidence in the industry; and erode considerable gains made by the broader financial sector; and this is a non-negotiable objective of the community of banks in the country. Finally, Ghanaian banks are committed to full implementation of Act 1044 to assure compliance; strong commitment to detection and prevention of anti-money laundering violations; and unflinching support to the country's efforts towards strengthening existing framework on anti-money laundering; while remaining more compliant with international standards.

We call on the general public to utilise the Consumer Recourse Mechanisms instituted by the Bank of Ghana in resolving any complaints they may have against a bank, group of banks or the banking industry generally, for swift resolution. You may also contact the offices of the Ghana Association of Banks at

+233 302 667 138 or info@gab.com.gh for further clarification of any matter emanating from or affecting the banking industry.

About the Ghana Association of Banks

The Ghana Association of Banks is the country's mouthpiece for the universal banking sector, currently representing the interests of 23 member banks, Development Bank Ghana and ARB Apex Bank. The Association was established on May 29, 1980. GAB supports and promotes policies and initiatives that balance both the interest of banks; and the wider public. In consonance with similar global bodies, GAB's work is underpinned by three core priorities: Helping customers - both households and businesses; Promoting growth, including supporting Ghana as the financial gateway to West Africa; Carrying out research, analysis and dissemination of information on issues affecting the banking industry's performance and growth.

-----END-----

PUBLIC