

## **PRESS RELEASE BY THE CHAMBER OF TECHNOLOGY**

### **Statement on Recent Media Reports Regarding Inward Remittance Transfers**

**20th February 2025**

Our attention has been drawn to recent media reports alleging that over \$10 billion in inward remittance transfers between 2019 and 2023 remain unaccounted for, with fintech firms being singled out. As the representative body of licensed fintech companies in Ghana, we find these claims misleading and potentially damaging to the financial ecosystem.

We wish to clarify the following points to ensure that discussions on this matter are well-informed and constructive:

#### **1. Fintechs Operate Within a Regulated Framework**

Fintech firms licensed to process remittances operate under strict regulatory guidelines set by the Bank of Ghana (BoG). These companies submit monthly transaction reports of inward remittances, which are reviewed to ensure transparency and compliance. Fintechs, like all other financial service providers, adhere to established reporting and reconciliation processes.

#### **2. Fintechs Do Not Handle Foreign Exchange Directly**

It is important to clarify that under current regulations, fintech firms do not receive foreign exchange (forex) directly from Money Transfer Operators (MTOs). Instead:

- Licensed banks receive the forex inflows from MTOs.
- The banks convert the forex to cedis at regulated exchange rates.
- Fintech companies then disburse the cedis to recipients through mobile money wallets or other digital channels.

This structure ensures that forex flows remain within the formal banking sector, with banks playing a central role in managing and reporting foreign exchange inflows.

#### **3. Fintechs Work in Partnership with Banks and E-Money Issuers**

Fintech remittance operators do not operate in isolation. The process of bringing remittances into the country is a collaborative effort involving:

- Banks – which receive forex, convert it, and provide liquidity.
- E-money issuers (mobile money operators) – which issue e-money and facilitate disbursement to e-money wallets.

- Fintech firms – which provide the technological infrastructure for efficient and secure transfers.

Any discussion about remittance flows must, therefore, consider the entire ecosystem rather than focusing solely on fintechs.

#### **4. Ghana's Remittance Model is Not Unique and has immense value**

The termination of remittances through digital platforms is not unique to Ghana. Many African and emerging economies have adopted similar models to:

- Improve financial inclusion.
- Lower remittance costs.
- Enhance transaction security.

The introduction of such digital remittance models has facilitated significant progress towards the sustainable development goal of [reducing remittance costs to less than 3 per cent of the transaction costs](#), and eliminating remittance corridors with costs higher than 5 per cent.

Mobile money consistently remains the lowest cost method of sending remittances. Globally, the average total fee for [sending \\$200 via mobile money was 3.54% in 2024](#), in contrast to the global average fee of 6.35% for all methods for the same \$200 transfer. Ghana's average cost for the same amount [stood at 6.4% as at Q1 2024](#), underscoring the importance and potential of leveraging digital remittances to reduce remittance costs.

Pursuant to this, It is our firm belief that stakeholders should engage in meaningful discussions on how to further strengthen the remittance process while maintaining efficiency and regulatory compliance. This will ensure that Ghana remains on course for meeting the remittance cost goals and position the country to obtain maximum benefit from the remittances received.

#### **5. Maintaining Confidence in the Financial Ecosystem**

Ghana has built a strong reputation as a fintech leader in Africa, attracting investment and innovation in digital finance. Unverified reports of missing funds can create unnecessary panic and discourage investment in Ghana's fintech sector. A well-structured and transparent review of remittance operations will help maintain confidence in the system and reinforce Ghana's position as a vibrant and robust fintech hub.

#### **6. Remittances Are Just One Part of Ghana's Forex Inflows**

It is important to note that remittances processed through fintechs represent only a fraction of Ghana's total foreign exchange inflows. Other key sources include:

- Foreign Direct Investment (FDI) from multinational corporations.
- Grants and development aid from international organizations.
- Export proceeds from key sectors such as mining, agriculture, and services.
- Diaspora investments in real estate, government bonds, and businesses.
- Corporate remittances processed through traditional banking channels.

Any review of forex inflows should consider these multiple sources rather than focusing solely on P2P remittances.

## **7. The Way Forward**

To ensure continued trust and efficiency in Ghana's remittance ecosystem, we support:

- A broad-based industry review that considers all stakeholders in the remittance value chain, including banks and e-money issuers.
- Stronger collaboration among fintechs, banks, and regulators to enhance transparency and efficiency and eliminate misconceptions about how remittance transactions are managed.
- Proactive stakeholder engagement to sustain Ghana's position as a fintech and financial services hub, attract investment, and build consumer confidence in the ecosystem.
- Continued stakeholder collaboration in ensuring that Ghana's remittance infrastructure continues to support financial inclusion, economic growth, and forex stability.

Ghana's fintech sector remains committed to upholding the highest standards of compliance, security, and operational excellence. We remain open to discussions that promote the integrity and growth of the financial ecosystem.

Signed:



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Coordinator