



RESERVE BANK OF MALAWI
GUIDELINES FOR LICENSING AND OPERATING MONEY TRANSFER
AGENTS (MTA)

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Introduction

The Money Transfer Agents (MTAs) guidelines provide a framework for licensing, monitoring, and supervising of MTAs in order to safeguard the interests and welfare of senders and recipients of monetary instruments. The guidelines are also meant to ensure that money remittance service providers have in place systems and technologies that will facilitate timely, accessible, cost effective, reliable and transparent mechanisms for transfer of funds to and from Malawi. The guidelines will also help to encourage and facilitate use of formal means of remitting funds to and from Malawi. The guidelines are issued under the Exchange Control Act 1989 and may be subject to amendment from time to time.

Applicants must demonstrate that they are controlled and managed by persons who are fit and proper and who pose no undue risk to the public or the reputation of the country. The Reserve Bank of Malawi will apply the procedures on fitness and propriety when determining whether persons are fit and proper to undertake money remittance business.

1. Authority, Purpose and Scope

- 1.1 MTAs are business entities whose activities are limited to the receiving and sending of monetary instruments for immediate delivery (spot transactions).
- 1.2 MTAs shall conduct their business in Malawi under an agreement with a credible international money transfer service provider that is duly licensed with financial services authority in the country of incorporation.
- 1.3 Provision of international money transfer services by locally established entities may be considered in conjunction with other financial services laws in Malawi.

2. Licensing Criteria and Commencement of Business

2.1 Application to Deal in Foreign Exchange as a Money Transfer Agent (MTA)

- 2.1.1 An investor intending to apply for a money transfer agency business shall form or shall be a limited liability company.
- 2.1.2 The investor shall express interest to operate a money transfer agency business by applying to the Governor, Reserve Bank of Malawi.
- 2.1.3 Applicants for an MTA license shall pay a non refundable application fee of K100,000. This amount shall be subject to review from time to time and shall not apply to applicants already licensed to deal in foreign exchange as either Authorised Dealer Banks (ADB's) or foreign exchange bureaux.
- 2.1.4 An application for an MTA licence must be made on Form MT A1 (Annex 1) and submitted to the Governor, Reserve Bank of Malawi. The application shall be supported by the following documents:
 - (a) a certificate of incorporation.
 - (b) articles and memorandum of understanding.
 - (c) duly completed Fit-and-Proper Person Test Standards forms (Annex 3). This shall not apply to applicants already licensed to deal in foreign exchange as either (ADB's) or foreign exchange bureaux.
 - (d) draft money transfer agency agreement with an international money transfer service provider outlining terms and nature of services to be provided by the agent. The agreement shall not

restrict the agent from partnering with other money transfer service providers.

At the minimum, the agreement must state;

- i. responsibilities and expectations of each party,
- ii. settlement arrangements,
- iii. dispute resolution process,
- iv. obligations to comply with all applicable regulatory requirements,
- v. the procedures and grounds for termination of relationship amongst other things.

(e) In the case of international money transfer service providers that do not have agency outlets in Malawi:

- i. certified copy of registration of the international money transfer service provider with financial services authority in the country of incorporation.
- ii. a reference letter from a government authority in the country of incorporation confirming that the principal international money transfer service provider is duly registered and is a reputable institution.

(f) Bank statements of shareholders for a period of six months preceeding the date of submission of the application.

2.2 Processing of an Application to Deal in Foreign Exchange as a Money Transfer Agent

- 2.2.1 The Bank shall consider an application for a license within sixty (60) working days from date of receipt of the application.
- 2.2.2 The Bank shall consider applications taking into account, among others things, the following issues:
- (a) Financial position and history of applicant.
 - (b) Nature and character of shareholders and proposed directors.
 - (c) Nature of other businesses of the applicants if they have any effect on money transfer service business and
 - (d) Proposed place of business.
- 2.2.3 If an applicant has met all the requirements, the Bank shall either;
- (a) grant approval for a license, in the case of applicants who are already licensed as authorised foreign exchange dealers or
 - (b) request the applicant to invite the Bank for inspection of proposed business premisses, in the case of applicants that do not have a license to deal in foreign exchange. The premises shall on the minimum be equipped with the following:
 - (i) a customer's lounge
 - (ii) a cashier counter
 - (iii) telecommunications equipment and
 - (iv) other necessary facilities
- 2.2.4 Successful applicants shall be issued with a license in a prescribed form upon payment of license fees amounting to K450,000.00 payable at once or in three equal annual instalments. The annual instalment for the subsequent year shall be paid by the 31st

December of the current year. This amount is subject to review by the Bank from time to time such that the fees are reflective of the costs incurred for processing licenses.

2.2.5 A MTA shall commence business within one (1) month of the date of issue of its license, failing which the license shall be withdrawn by the Bank.

2.2.6 A MTA license shall be valid for a period of thirty six (36) months (3 years) from date of issuance subject to periodic and annual reviews. The license shall expire on 31st December of the third year from the date of issuance.

2.2.7 A license issued shall not be transferrable or assignable.

2.2.8 No refund of any licence fees paid to the Bank shall be made in the event that;

(a) A licence is cancelled or revoked.

(b) The licensee ceased to carry on business at any time before expiry of the license.

2.2.9 The Bank reserves the right to deny applications based on its internal assessment and where an application has been rejected, the Bank shall notify the applicant in writing.

2.2.10 MTAs that were granted approval by the Reserve Bank of Malawi prior to coming into effect of these guidelines shall formalise their businesses under the new regulation by:

(a) Applying to the Governor, confirming that they will conform to current guidelines governing MTAs.

(b) Pay license fees or part thereof for each of their respective branches for the Bank to issue licenses.

2.3 Renewal of Money Transfer Agents Licence

- 2.3.1 An application for renewal of a licence shall be submitted to the Bank on form MTA A2 (Annex 2) at least sixty (60) days before expiry of a licence.
- 2.3.2 Unless otherwise stated, where a renewal is not submitted in accordance with 2.3.1 above, the MTA shall automatically cease operations upon expiry of the license and shall remain closed until the license is renewed.
- 2.3.3 where an MTA changes the name, address or telephone numbers, the licensee shall indicate such changes on the renewal form.
- 2.3.4 the renewal of an MTA license shall be at the discretion of the Bank upon being satisfied that;
 - (a) the application meet requirements under the regulations;
 - (b) the applicant complied with the regulations during the previous three years;
 - (c) the applicant has paid license fees or part thereof.

2.4 Licensing of Locally Incorporated International Money Transfer Services Providers

- 2.4.1 Any persons intending to incorporate and operate an international money transfer business in Malawi shall apply to the Governor, Reserve Bank of Malawi.
- 2.4.2 The applicant shall satisfy requirements under the Financial Services Act 2010 and National Payments Regulations prior to operationalising international money transfer business.

2.4.3 Before licensing, the Bank shall satisfy itself that an applicant has a remittance system that will be able to capture the relevant data needed for reporting on a regular basis and that it maintains adequate Anti-Money Laundering/Know Your Customer functionality for monitoring of transactions. The system shall at the minimum be able to:

- (a) record, transmit and receive information on transactions;
- (b) have adequate security controls to prevent unauthorized or fraudulent transactions;
- (c) establish an audit trail;
- (d) track and aggregate outward and inward remittance transactions conducted by a customer of the licensee and its agents on a real-time basis;
- (e) detect cancellation or amendments made to transactions;
- (f) generate reports that would allow for monitoring (i.e. ability to track changes in remittance and receipt activity and destination countries); and other reports as may be required by the Bank.

3. Operational Requirements for Licensed Money Transfer Agents

3.1 An MTA shall prominently display to the public, at its premises, a valid license issued by the Bank.

3.2 An MTA shall prominently display, at all times, on its premises, a notice informing its customers that they are entitled to be issued with a receipt for any transaction.

3.3 Inward remittances shall not be subject to any limit.

- 3.4 Outwards remittances shall be subject to a maximum limit of US\$1,000.00 per transaction or the equivalent thereof in any other foreign currency.
- 3.5 An MTA shall ensure to maintain complete records of all its transactions.
- 3.6 An MTA shall, cause a review and an audit to be carried out on its operations and shall submit to the Bank its audit accounts within ninety (90) days from the date of the end of its financial year.
- 3.7 An MTA shall, on monthly basis, submit returns to the Bank in the prescribed form and mode (Annexe 4).
- 3.8 Failure to submit returns within the stipulated dealines shall attract sanctions by the Bank .
- 3.9 Submission of incomplete and or inaccurate returns shall be sufficient grounds for the imposition of sanctions by the Bank.
- 3.10 Persistent default may lead to the suspension of the MTA license and subsequent closure of the MTA.
- 3.11 The Bank or any officer authorized by the Bank may, at any time, cause an inspection to be made of the premises of the licensee and the books of accounts or any other records on those premises.
- 3.12 The Bank shall notify the MTA of an impending inspection at least one week prior to the inspection. However, the Bank shall have the discretion to make adhoc inspection without notice.
- 3.13 The MTA shall immediately make available to an officer making an inspection all such books, accounts and other documents in the custody of the MTA and to furnish that officer with such statements or

information relating to the affairs of the MTA as that officer may require.

3.14 The Bank may appoint independent examiners to conduct on-site examination of an MTA, a report of which shall be considered to be an official report of the Bank.

3.15 An MTA shall not open a branch without the express written approval of the Bank.

3.16 The Bank shall, before granting any approval under this guideline, satisfy itself that:-

3.16.1 the MTA is financially sound;

3.16.2 the proposed management and staff of the branch are fit and proper; and

3.17 Each branch of an MTA shall be treated as an autonomous entity for purposes of licensing and operation.

3.18 No person shall directly or indirectly acquire control of an MTA without the express written consent of the Bank, which consent shall be granted upon certification of the fit and proper of the prospective owner.

3.19 An MTA shall not change the location of a branch without the written consent of the Bank.

4. Suspension, Penalties and Revocation Procedures

4.1 Suspension of MTA License

4.1.1 The operations of an MTA may be suspended as per the provisions of the Exchange Control Act .

4.1.2 An MTA will be deemed to have violated these guidelines if it is proven that:

- (a) it obtained a license based on false and/or fraudulent information supplied to the Bank by itself or its authorized employee; and
- (b) it fails to abide by the provision of these guidelines.

4.1.3 The Bank may suspend operations of an MTA in accordance with the following procedures:

- (a) instant audit of books and registers of an MTA in order to take stock of the MTA's cash balances, assets and other holdings;
- (b) Physical sealing of the premises and confiscation of the MTA's operating license;
- (c) Blocking of the Malawi Kwacha and Foreign Currency Denominated Accounts of the MTA;
- (d) Notifying and alerting the general public against dealing with the MTA over the period of its suspension; and
- (e) Winding up of the MTA through normal liquidation process of a private limited liability company.

4.1.4 If, in the opinion of the Bank, the conduct of an MTA involves a slight first time misdemeanor, the Bank shall issue a warning cautioning the MTA.

4.1.5 In the case of repeated misconduct the Bank may suspend or revoke the license of an MTA.

4.1.6 The Bank may suspend operations of an MTA for a period not exceeding 30 days to pave way for investigations or any process required before an MTA license can be revoked.

4.2 Revocation of MTA License and related penalties

- 4.2.1 The Bank, in accordance with Exchange Control Regulations reserves the right to revoke the license of any MTA, at any time, if in the Bank's opinion the conduct of that MTA is contrary to these guidelines and/or detrimental to the success of the MTA market.
- 4.2.2 Any person guilty of an offence under these guidelines shall be liable to penalties as specified under Exchange Control Regulations. The Bank may demand full payment of any fines to which an MTA or its directors may be liable under the Regulations;



RESERVE BANK OF MALAWI
APPLICATION FORM FOR AN INTERNATIONAL MONEY TRANSFER AGENCY
AUTHORITY

“To be filled in **block letters** by the company applying for a money transfer agency license and submitted in a sealed envelope to the Governor, Reserve Bank of Malawi”.

1. Full name of applicant
2. Postal address of applicant.....
3. Full name(s) of applicant’s bankers.....
4. Location of proposed Moneytransfer business
 - (a) District.....
 - (b) City/Town.....
 - (c) Plot No. and street number
 - (d) Other information on location (if any)
5. Certificate of Registration No.....
6. The following information should be supplied
 - (a) Organization chart for the business showing all positions, titles, and names
 - (b) A list of responsibilities for each position on the chart
 - (c) Qualifications of shareholders, directors, and officers
 - (d) Detailed curriculum vitae for all shareholders for a period of six months to date
 - (e) Memorandum and articles of association
7. All shareholders and directors of the money transfer business should supply the following information;
 - (a) Name
 - (b) Designation

- (c) Postal address
- (d) Bankers
- (e) Bankers postal address
- (f) Account name
- (g) Account number
- (h) Number of shares (forshareholders)
- (i) Percentage of shares held to total
- (j) Shareholding on other companies
- (k) Country of citizenship
- (l) Telephone number
- (m) Fax number
- (n) Specimen signature

Declaration

I, the undersigned, hereby declare that the above statements are true and also agree the money transfer business in accordance with Exchange Control Act and any other written law governing the operation of money transfer business in Malawi. I further declare that I am not a discharged bankrupt and I have never been convicted of fraud or embezzlement.

Signature..... Date.....

Full name Designation.....

Witness (Name and signature)

Address



RESERVE BANK OF MALAWI
APPLICATION FORM FOR RENEWAL OF MONEY TRANSFER AGENCY
LICENCE

“To be filled in **block letters** by the company applying for a Money Transfer Agency license and submitted in a sealed envelope to the Governor, Reserve Bank of Malawi”.

8. Full name of applicant.....

9. Postal address of applicant.....

10. Full name(s) of applicant's bankers

11. Location of proposed Money transfer business

(a) District

(b) City/Town.....

(c) Plot No. and street number

(d) Other information on location (if any).....

12. Certificate of Registration No

13. Date of issue of the previous licence

14. Date of expiry

15. Licence number.....

16. Has company/provisional tax been paid? Yes/No

If YES please indicate tax clearance certificate number, and if NO, indicate when payment is due:

.....

(Please note that the Reserve Bank of Malawi will not renew a licence in the absence of a tax clearance certificate. Applicants are, therefore, advised to pay provisional tax and obtain a certificate)

9 Full names, addresses, bankers and specimen signatures of Directors

.....

10
Full names, addresses and designations of the employees of the bureau
.....
.....
.....
.....

11 State any change (including ownership and management of the MTA or observation that affected your operations during the previous year. (If the space provided is inadequate, please provide the information on a separate page)
.....
.....
.....
.....
.....
.....

(Please attach a copy of the notification of change of directors to the Registrar of Companies)

12 Declarations
(a) I, the undersigned, hereby declare that the above statements are true and also agree to operate the foreign exchange bureau in accordance with regulations governing the operations of Money Transfer Agents in Malawi.
(b) I further declare that I am not a discharged bankrupt and I have never been convicted of fraud or embezzlement.

Signature Date.....

Full name

Designation

Witness' signature

Name and address of witness
.....

Note: Attach a copy of tax clearance certificate or documentary evidence of provisional tax payment. All information on this Form will be treated as confidential and will only be used for the processing of the application.

ANNEX 3A

CORPORATE QUESTIONNAIRE AND DECLARATION FORM
(for Shareholders, Directors and Management of an international money transfer agent)

1	Name of an international money transfer agent	
2	(a) Name of applicant company (b) Any names previously held by this company	
3	Address of registered office of applicant company	
4	(a) Country of incorporation of applicant company (b) Date of incorporation	
5	(a) Authorized share capital of applicant (b) Issued and fully paid-up share capital at date of application	
6	(a) Are the shares of the applicant company privately or publicly held? (b) If shares are listed, state where, and date of registration	
7	Give a brief description of the nature of the company's business	
8	List all affiliate companies of the applicant, indicating the nature and extent of the relationship between the applicant and each company	
9	List the names of your company's directors, indicating executive and non-executive directors, Chairman and Chief Executive officer <i>Please note that each of these persons is required to complete and submit a Personal Questionnaire and Declaration form</i>	

Please check this box to confirm that the following documents* have been appended to this declaration

☐

* Complete audited financial statements (balance sheet, income statement, statement of cash flows, notes to the financial statements, auditors' report) for the most recently completed financial year-end of applicant and for two periods immediately prior to that.

I,

.....
.....certify
(FULL NAME AND TITLE OF DECLARANT)

that the information on the operations of

.....,
(NAME OF APPLICANT COMPANY)

is complete and correct to the best of my knowledge and belief.

.....

.....

Date

Signature of Person making Declaration

.....

Stamp of Applicant Company

PERSONAL QUESTIONNAIRE AND DECLARATION FORM

(for Chief Executive Officer, Controlling Shareholders¹, Controllers and Officers of an international money transfer agent)

1.	Name of an international money transfer agent	
2.	(a) Surname of person making declaration (b) Forename(s) (c) Name of spouse (including maiden name) (d) Any name(s) by which you and your spouse have previously been known	(a) (b) (c) (d)
3.	(a) Are you completing this questionnaire as a Chief Executive Officer, Controller or Officer? (b) Effective date (DD/MM/YYYY)	(a) (b)
4.	Private residential address	
5.	Previous private addresses during the last ten	

¹ A controlling shareholder is a person who either alone or with an affiliate or relative or connected person, is entitled to exercise or control twenty-five percent or more of the voting power at any general meeting of the licensed institution or another company of which the licensee is a subsidiary.

	years (with relevant dates)	
6.	(a) Date of birth (DD/MM/YYYY) (b) Place of birth (including town, state and country)	(a) (b)
7.	(a) Nationality (b) How nationality was acquired (e.g. birth, naturalization, marriage)	(a) (b)
8.	(a) Present occupation or employment (<i>position; name of employer; effective date</i>). State your complete official job title and give date of original appointment to this present position (not date of last reappointment). (b) Occupation and employment during the last ten years, including the names of employers, the nature of the businesses, positions held and relevant dates (<i>Annex to Q8</i>).	(a) (b)
9.	Of what companies, partnerships and unincorporated associations are you now a shareholder/member, director, chief executive officer, controller or officer? In the case of private entities, state the number of shares or stock held and the percentage ownership such membership represents. In the case of public companies, where such membership represents ownership of ten percent and more of the company's issued share capital, state the number of shares or stock held and the percentage ownership represented.	

	In all cases please specify the country of incorporation and indicate whether the shares and/or stock thus held are held beneficially or otherwise. (<i>Annex to Q9</i>)	
10.	Of what private companies, partnerships and unincorporated associations have you been, at any time during the last ten years, a shareholder/member, director, chief executive officer, controller or officer? (<i>Annex to Q10</i>) In each case state the number of shares or stock held and the percentage ownership such membership represents. Please specify the country of incorporation and relevant commencement and termination dates of membership, etc in each case.	
11	Professional qualification and year(s) in which they were obtained.	
12.	Have you at any time been convicted of any offence (other than (a) an offence committed when you were under the age of 18 unless the offence was committed within the last ten years, or (b) an offence in connection with the use or ownership of a motor vehicle which was tried in a court of summary jurisdiction) by any court, whether civil or military, in any jurisdiction? If so, give full particulars of the court by which you were convicted, the offence and date of conviction, and the penalty imposed.	
13.	Have you, anywhere, been censured, disciplined or criticized by any professional body to which you belong or belonged and have you ever held a practicing certificate subject to conditions? If so, give full particulars.	
14.	Have you, or any company, partnership or unincorporated association with which you are, or have been associated as a controlling shareholder, director, chief executive officer, controller or officer been the subject of an investigation, anywhere, by a governmental, professional or other regulatory body? If so, give full particulars.	
15.	Have you, anywhere, been dismissed from any office or employment or barred from entry to any profession or occupation? If so, give full particulars.	

16.	Have you been adjudicated bankrupt by a court in any jurisdiction? If so, give full particulars.	
17.	Have you failed to satisfy any debt adjudged due and payable by you as a judgement-debtor under an order of a court in any jurisdiction? If so, give full particulars.	
18.	Have you, in connection with the formation, control or management of any body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give full particulars.	
19.	Has any body corporate, partnership or unincorporated institution with which you were associated as a controlling shareholder, director, chief executive officer, controller or officer anywhere, been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.	
20.	In carrying out your duties will you be acting on the directions or instructions of any other person? If so, give full particulars.	

I,

BLOCK CAPITALS

certify that the above information is complete and correct to the best of my knowledge and belief and I undertake that as long as I continue to be a Chief Executive Officer, Controlling Shareholders, Controllers or Officer of an international Money Transfer Agency licensed under the Exchange Control Act, I will notify Reserve Bank of Malawi of any material changes affecting the completeness of the answers to questions 1 to 20 above.

I fully understand and acknowledge that a failure on my part to comply with the declaration will render the application liable to be refused and, if such failure is discovered after the application has been accepted, will render the application liable to be suspended or revoked.

.....
Date

.....
Signature of Person Making Declaration

Declarant's Occupation and Employment during the last 10 Years

Name of Declarant's Employer	Declarant's Official Job Title	Commencement and Termination Dates of Employment	Nature of Business of Employer

ANNEX 3D

Declarant's Current Associations

Name of Company, Partnership or Unincorporated Association with which declarant is associated	State Whether Entity is Private or Public	Nature of Declarant's Relationship with Entity (shareholder/member, director, chief executive officer, controller or officer)	Number of Shares or Stocks held by declarant in this Entity	Declarant's Percentage Ownership of Entity	Country of Incorporation of Entity	State whether declarant's Shares or Stocks are held Beneficially or Otherwise

ANNEX 3E**Declarant's Past Associations**

Name of Company, Partnership or Unincorporated Association with which declarant was associated	Nature of Declarant's Relationship with Entity (shareholder/member, director, chief executive officer, controller or officer)	Number of Shares or Stocks held by declarant in this Entity	Declarant's Percentage Ownership of Entity	Commencement and Termination Dates of Relationship	Country of Incorporation of Entity

ANNEX 4A :

DETAILS OF INWARD REMITTANCES MADE DURING A MONTH THROUGH A MONEY TRANSFER GENT (FUNDS RECEIVED IN MALAWI FROM REST OF THE WORLD)

[illegible]

ANNEX 4B:

[illegible]