STATUTORY INSTRUMENTS
SUPPLEMENT No. 9 5th March, 2021

STATUTORY INSTRUMENTS SUPPLEMENT

to The Uganda Gazette No. 22, Volume CXIV, dated 5th March, 2021

Printed by UPPC, Entebbe, by Order of the Government.

S T A T U T O R Y I N S T R U M E N T S

2021 No. 19.

THE NATIONAL PAYMENT SYSTEMS (AGENTS) REGULATIONS, 2021

ARRANGEMENT OF REGULATIONS

Regulation

1. Title
2. Interpretation
3. Approval of use of agents
4. Grant of approval
5. Appointment of agent
6. Terms of agency agreement
7. Responsibilities of licensee
8. Agent non-exclusivity
9. Reporting
10. Anti-money laundering and countering financing of terrorism

2021 No. 19.

The National Payment Systems (Agents) Regulations, 2021

(Under section 72 (2) (c) of the National Payment Systems Act, 2020, Act 15 of 2020)

IN EXERCISE of the powers conferred upon the Minister by section 72 (2) (c) of the National Payment Systems Act, 2020, and in consultation with the central bank, these Regulations are made this 26th day of February, 2021.

1. Title

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

2. Interpretation

"Act" means the National Payment Systems Act, 2020;

"agent" means a person contracted by a licensee to provide payment services on behalf of the licensee in accordance with the Act and these Regulations;

"currency point" has the value assigned to it in Schedule 1 to these Regulations;

"licensee" means a person issued a licence under the Act.

3. Approval of use of agents

(1) A licensee who intends to use an agent shall apply to the central bank for approval before using an agent to perform the licensed activities.

(2) An application referred to in subregulation (1) shall be made to the central bank in the Form prescribed in Schedule 2 to these Regulations.

(3) An application shall be accompanied by—

(a) a due diligence policy on the selection of agents;

(b) a copy of the draft agency agreement to be used between the licensee and agent;

(c) a copy of the specifications and detailed description of the technology to be used;

(d) a risk assessment report of the operations to be performed through the agent including the mitigation measures to be adopted to control the identified risks;

(e) a copy of a manual providing for detailed procedures on anti-money laundering and countering financing of terrorism;

(f) a copy of an operational manual and a risk management framework to be followed by an agent;

(g) a copy of the pricing and revenue sharing structure; and

(h) any other information that the central bank may require.

(4) A licensee who is granted approval to appoint an agent by the central bank under regulation 4, shall be responsible and liable for the actions of the agent subject to section 157 and 160 of the Contracts Act, 2010.

(5) Subject to subregulation (4), where an agent performs an act that is criminal or exceeds the authority under the agency agreement, the licensee shall be responsible to have the agent rectify the wrong.

4. **Grant of approval**

(1) The central bank shall consider the application made under regulation 3 within sixty days after receipt of the application and shall grant approval, where it is satisfied that the licensee is fit and proper to perform the licensed activities through an agent.

(2) The approval granted under subregulation (1), shall be valid until it is revoked by the central bank.

(3) A licensee shall not make any change to the documents submitted to the central bank under regulation 3 (3), except with the approval of the central bank.

5. Appointment of agents

(1) A licensee shall conduct a suitability assessment and due diligence on a person before appointing the person as an agent in accordance with the due diligence policy on the selection of agents referred to in regulation 3 (3) (a).

(2) A licensee shall not appoint an agent unless the agent has—

(a) operated an account with a licensed institution that takes deposits or an electronic money account for at least three months prior to the appointment;

(b) a national identification card in the case of a citizen or a passport in the case of a foreigner; or

(c) certified copies of incorporation documents in the case of an incorporated entity;

(d) a recommendation letter from a local authority conforming that the agent is a resident in their area of jurisdiction; and

(e) secure premises to be used by the agent while performing the agency services.

6. Terms of agency agreement

An agency agreement shall include the following provisions—

(a) the rights, responsibilities and liabilities of both parties;

(b) the scope of work to be performed by the agent;

(c) the activities the agent is prohibited from engaging in;

(d) the safe keeping of all records collected in relation to the agency services and a requirement that the records at regular pre-specified intervals, are transferred to the principal who shall ensure safe keeping of these records for at least ten years;

(e) that the agent is bound to complete confidentiality forms regarding the customers and the transactions of the customers;

(f) a requirement to comply with the Data Protection and Privacy Act, 2019;

(g) allows the central bank unrestricted access to internal systems, information, data and documents of the agent;

(h) stating that an agent shall not subcontract any or part of its contractual obligations to a third party without consent of the licensee;

(i) provide that the central bank may direct the licensee to terminate the agreement;

(j) providing for termination of the agreement, amendment of the agreement and dispute resolution; and

(k) any other provision as the licensee may prescribe in the agency agreement or as the central bank may direct.

7. Responsibilities of licensee

A licensee shall—

(a) put in place adequate and secure technological infrastructure for the operation of the agent services;

(b) define a contingency plan to mitigate disruption, discontinuity, or gaps in the functions of the agent;

(c) prohibit an agent from charging fees to customers other than fees prescribed by the licensee;

(d) conduct mandatory onboard training and continuous training of agents;

(e) require that the agent complies with the consumer protection requirements;

(f) compensate agents for the services rendered;

(g) provide monthly reports to the central bank on its agent network in accordance with regulation 9; and

(h) monitor the operations of agents to ensure compliance with the provisions of the Act and these Regulations.

8. Agent non-exclusivity

(1) An agent may provide agency services for two or more approved licensees provided that the agent has—

(a) entered into an agency agreement with each licensee for the provision of agency services; and

(b) the capacity to manage the transactions for the different licensees.

(2) A licensee shall not sign an exclusive agreement with an agent.

(3) A licensee shall assess the capacity of an agent to manage transactions for different licensees under subregulation (1) (b) in terms of—

(a) premises or operating space;

(b) technology; and

(c) adequacy of funds or float of the agent.

(4) A licensee shall not discriminate against an agent on the grounds that the agent is providing agency services to more than one licensee.

9. Reporting

(1) A licensee shall submit to the central bank monthly reports relating to the agency services or operations in the format prescribed in Schedule 3 to these Regulations.

(2) For purposes of a monthly report relating to new agents, exited or terminated agents, changes effected by an existing agent, the licensee shall submit the report in the format prescribed in Schedule 4 to these Regulations.

(3) The central bank may impose a civil penalty of two hundred and fifty currency points on a licensee for non-submission, incomplete or inaccurate submission of the monthly reports referred to in subregulation (1) and (2) for each day that the default continues.

10. Anti-money laundering and countering financing of terrorism

A licensee shall train its agents on anti-money laundering and combating of financing of terrorism requirements as provided for by the Anti-Money Laundering Act, 2013 and the Anti-Terrorism Act, 2002.

SCHEDULE 1

regulation 2

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

regulation 3

APPLICATION FOR APPROVAL TO CONDUCT AGENT SERVICES

PART I: GENERAL INFORMATION

1. Name of licensee: _____

_____

2. Contact information
   (a) Postal address and telephone numbers: _____
   (b) Physical address: _____
   (c) Building: _____
   (d) Street: _____
   (e) District: _____
   (f) Division: _____
   (g) Town: _____
   (h) City: _____

PART II: PROPOSED AGENT SERVICE NETWORK INFORMATION

3. Regional agent network information

	Region	Number of agents
1.		
2.		
3.		

4. Key services to be rendered through the agent.

_____

_____

_____

5. Proposed technology platform to be used in operating agent banking

_____

_____

_____

6. Description of the agent selection procedures and proposed date of commencing operations

_____

_____

_____

Signed for and on behalf of

_____

_____

_____

(Applicant)

Name: _____

Signature: _____

Title: _____

Dated at _____this _____ day of _____20_____

Note. *Attach all documents referred to in regulation 3 (3) of these Regulations.*

SCHEDULE 3

regulation 9(1)

MONTHLY REPORT ON AGENT OPERATIONS

To be submitted by every licensee by the 10th day of the following calendar month

Name of licensee:

Month:

Total number of active agents	
Number of new agents signed up during previous month	
Number of agents exited or terminated during previous month	
Number of branches serving as parent branches for agents	
Number of agents attached to each parent branch	
Number of transactions processed by agents	
Total value of transactions processed by agents	
Average size of transactions processed by agents	
Total value of deposits taken by agents	
Total value of withdrawals from agents	
Total number of fund transfers/payments processed by agents	
Total number of accounts opened through agents in reporting period	
Transactional limits (specify)— (a) frequency (b) value (UGX)	
Total number of complaints	
Nature of complaints (list all relevant)	
Complaints resolved	
Number, nature and value of fraud:	

<table><tr><th>Number</th><th>Nature</th><th>Value</th></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>	
System uptime	
Name: Position: Signature: Date:	

SCHEDULE 4

AGENT NOTIFICATION

regulation 9(3)

Name of licensee:

Month:

Part 1: New Agents or Outlets

Name of Agent or Outlet	Unique ID number	Place of business	Village location	LC 1	District	GPS co-ordinates	P.O. Box (if available)	Telephone No.	Licenced business	Agent Services provided	Parent Branch

Part 2: Exited Agents or Outlets

Name of Agent or Outlet	Unique ID number	Place of business	Village location	LC 1	District	GPS co-ordinates	P.O. Box (if available)	Telephone No.	Licenced business	Agent Services provided	Parent Branch	Reason for exit

Part 3: Change of Agent Location

Unique ID number	Previous location	New location	Village location	LC 1	Dis-trict	GPS co-ordi nates	P.O. Box (if available)	Telephone No.	Licenced business	Agent Services provided	Parent Branch	Reason for relocation
Name: Position: Signature Date:												

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

Cross References

Anti-Money Laundering Act, 2013, (Act 12 of 2013).

Anti-Terrorism Act, 2002, (Act 14 of 2002).

Contracts Act, 2010, (Act 7 of 2010).

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