

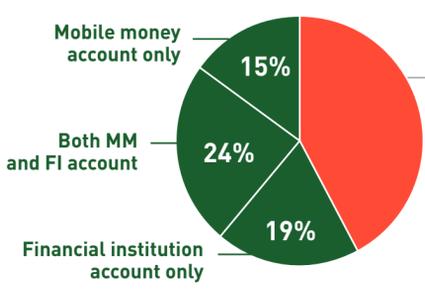
# What is the Digital Financial Services Policy?



The Ministry of Finance has developed a Digital Financial Services (DFS) Policy that details specific actions Ghana can take to build a vibrant and inclusive DFS ecosystem.

Formal financial services offer Ghanaians the tools they need to transact, invest, plan for the future, and protect their families. Over the past decade, DFS have played a catalytic role in driving formal financial inclusion, underscoring their importance to Ghana's economic and social development.

**58%**  
of Ghanaians have a formal bank account, and **most** have a mobile money account

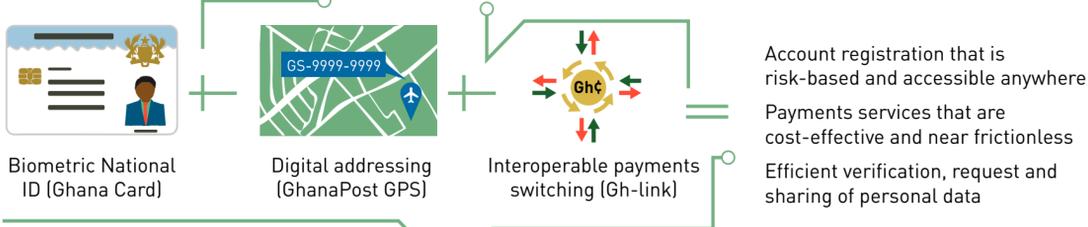


**42%**  
of Ghanaians still lack access to a formal financial account

The DFS Policy lays out a vision for how DFS can contribute to Ghana's target of formally including **85%** of Ghanaians by 2023 as called for in the country's National Financial Inclusion and Development Strategy.

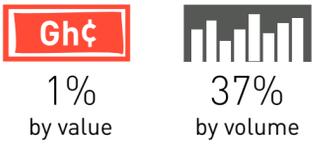
## The DFS Policy has the following 6 pillars

### 1 MARKET INFRASTRUCTURE: Develop a purpose-built infrastructure for DFS and strengthen existing payment platforms



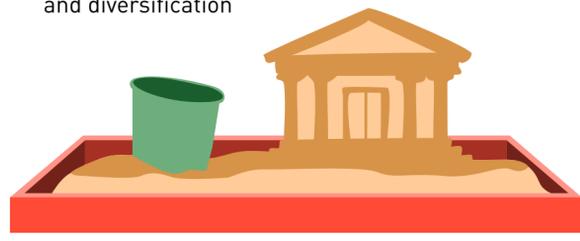
### 2 DIGITAL PAYMENTS: Prioritize the digitization of payment use cases

Ghana's digital annual payments, 2016



**90%**  
The largest component of government payments by value are made to businesses, and 90% of these G2B transactions are still made through paper-based instruments

### 3 SUPPORT FINTECHS: Support the growth of FinTechs through initiatives that promote investment, growth and diversification



**Assess the need of a regulatory sandbox for FinTech products:** A regulatory sandbox would allow new products to be tested on a time and scope-limited basis to allow for appropriate regulation and safety standards to be developed



**\$72 million**  
The amount of small and mostly informal taxpayer revenue that could be collected annually in Ghana through digital payments

**A micro-insurance underwriting license will drive insurance adoption in the mass market.** Insurance adoption (gross written premiums as a percentage of GDP)

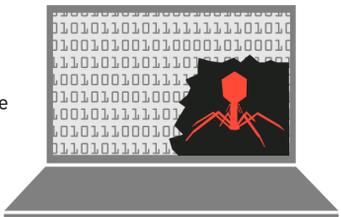
### 4 ENABLING REGULATION: Create a regulatory framework that supports innovation, competition, and financial inclusion

**Implement the Payment Systems and Services Act 987:** Clarifying regulations on issues such as applicable services and institutions, licensing requirements and procedure, and technology standards will drive investment in innovative DFS

**Strengthen and fully implement the Consumer Recourse Guidelines and the Disclosure Rules for Credit Products and develop a consumer protection framework for financial services**

**US\$97 million**  
Money lost in Ghana due to cybercrime related activities from 2016 to 2018

**5.7%**  
of reported fraud cases are investigated



### 5 GOVERNANCE: Develop a framework for and enhance governance of the DFS ecosystem



**60%**

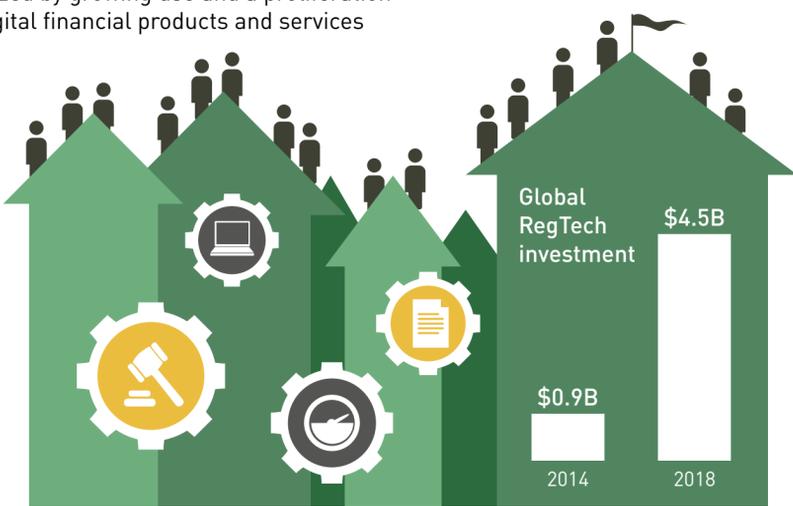
Growth of Africa's Fintech ecosystem from 2017 to 2019, highlights the need for Ghanaian regulators to keep pace

Improve regulator-industry dialogue, as well as cooperation between various regulatory bodies supervising DFS

Establish a DFS program management and coordination unit that oversees the implementation of all DFS initiatives across government

### 6 CAPACITY BUILDING: Build the capacity of regulators to supervise a DFS ecosystem characterized by growing use and a proliferation of providers offering new digital financial products and services

- Digitize compliance reports submitted by DFS providers
- Equip the Data Protection Commission to more actively regulate the use of DFS customer data
- Design a strategy to promote use of technology (RegTech) to more effectively supervise the DFS industry



Sources: Findex (formal bank account holders); Digital Payment Roadmap (digital payments); CGAP 2019 (regulatory sandbox); BF&T October 2018 as cited in KPMG Report (Cybercrime losses and investigations); NIC 2018 Annual Report (digital insurance); Disrupt Africa 2019 (Fintech ecosystem); FinTech Global 2019 (global regtech investment)