

**UGANDA FOREX BUREAU AND MONEY
REMITTANCE ASSOCIATION**

CODE OF CONDUCT

JULY 2008

UGANDA FOREX BUREAU & MONEY REMITTANCE ASSOCIATION

CODE OF CONDUCT

This code of conduct is made by the Uganda Forex Bureau & Money Remittance Association in consultation with Bank of Uganda by Virtue of the powers conferred upon the bank by the Foreign Exchange Act 2004 and The Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006 as licensor and superintendent of Forex Bureaus and Money Transfer Operators.

The Code is not intended to replace or amend any of the provisions of the other laws currently in force relating to Forex Bureaus and Money Transfer operations and control.

INTRODUCTION:

The code is intended to guide Forex Operator and Money Transfer Operators in ensuring professionalism, high ethical standards and fair play while carrying out business and it outlines the basic rules and guidelines for the operation of Forex bureaus and Money Transfer Operators. The code shall be updated from time to time as the need arises.

All licensed Forex Bureaus and Money Transfer Operators shall be members of the association, where by ;

‘ **Forex bureau**’ or **Foreign Exchange Bureau**’ means a person holding a license issued by the Bank of Uganda to engage in activities specified in sub section (2) of section 5 of the Foreign Exchange Act, 2004.

‘**Money Transfer Operator**’ means a person holding a license issued by the Bank of Uganda to engage in activities specified in Section 15 of the Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006

1. OPERATIONAL STANDARDS

- i) All Forex Bureaus and Money Transfer operators shall ensure that all their transactions and professional conduct reflect positively on the image of the Association.
- ii) All members of the association shall be deemed to have accepted to be bound by this code.
- iii) Each Operator shall keep a copy of this code and ensure that all employees read and adopt these guidelines in their day to day operations.

2. OPERATIONAL GUIDELINES

Management of the bureau shall ensure that all staff are conversant with and deal accordingly to the set operational standards and guidelines:-

- i) All transactions for Forex Bureaus must be spot, i.e. immediate exchange of value across the counter with no remnant of business postponed to another day or time.
- ii) A Forex Bureau shall not engage in the direct transfer of funds abroad, unless licensed to do so by Bank of Uganda. Transfer of funds abroad must be effected through authorized commercial banks and approved categories of money transfer as provided under Section 15 of the Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006.
- iii) All operators shall not engage in money lending or deposit taking activities.
- iii) All Operators shall keep and issue, for every transaction, an official receipt in a format described by Bank of Uganda.

3. MANDATORY DISPLAYS

All Operators must display in a conspicuous place the following information.

- i) A valid operational license issued by Bank of Uganda. Where a license has not been issued, under the renewal process, the authority granted by Bank of Uganda to continue operations would suffice.
- ii) The buying and selling rates of all foreign currencies traded by the Operator. Where special rates are offered, this should be clearly spelt out for the public's guidance.
- iii) Notices to the public issued by Bank of Uganda.

4. PRECAUTIONS

Forex Bureaus and Money Transfer Operators staff must be vigilant against fraud, forgery and counterfeit instruments. They shall ensure the following;

- i) Check that all currency notes purchased/sold are genuine.
- ii) Training in the detection of fake counterfeit notes shall be under taken by all operators.
- iii) Counterfeits shall not be traded in by the Operators and if detected shall be confiscated in the presence of the customer, confiscated and forwarded to the

relevant authorities. Where possible details of the person presenting the counterfeit shall be obtained cautiously.

- iv) An Operator is responsible for the actions of any of its staff and as such management shall ensure that their staff are trustworthy and people of high integrity and should not be involved in any form of malpractice.
- v) Operator's staff shall desist from speculative activities

5. SECURITY

All Operators shall provide the following:

- i) Provide armed guards, alarms systems and insurance cover at their premises.
- ii) Provide insurance cover
- iii) Keep staff files with photographs
- iv) Share information that enhances protection of the market in the following way:-
 - a) Operators shall inform the association and Bank of Uganda in writing if any staff is dismissed for unprofessional conduct, like attempted robbery, theft and involvement in money laundering which information shall be circulated to all operators to ensure that the staff is not rehired by other operators.
 - b) Operators shall inform the association and Bank of Uganda in writing if any of their customers defraud them, which information shall be circulated to all operators to ensure that they are not defrauded by the same customer.
 - c) Operators shall inform the association of any person operating illegally or without a forex bureau or money remittance license issued by Bank of Uganda.

6. MAINTENANCE OF RECORDS

An Operator shall;

- i) Maintain all records pertaining to the business at its premises and staff bio-data
- ii) Maintain accurate and proper books of accounts in its day to day operations.
- iii) Present all its records to Bank of Uganda staff for inspection as and when required to do so.
- iv) Prepare periodical accounts as required by the Bank of Uganda and Uganda Revenue Authority.
- v) Ensure that the accounts are audited by auditors dully registered by the institute of Certified Public Accountants of Uganda (ICPAU) and Bank of Uganda.

- vi) The quarterly and annual audited accounts shall be submitted to Bank of Uganda within the stipulated period.
- vii) All Operators shall comply with Bank of Uganda in the submissions of returns and in the prescribed formats.

7. MONEY LAUNDERING

- (i) All Operators shall comply with money laundering policies and guidelines and take due diligence with customers especially during money transfers.
- ii) Operator staff shall not involve themselves in money laundering, fraud and forgeries including tampering with instruments like drafts, remittance documents, cheques and travelers cheques.
- iii) Operators are cautioned against engaging in or abetting money-laundering activities and are required to report any suspicious transactions to BOU.

8 ENFORCEMENT

- i). All Operators are required to operate within the basic framework outlined in this code.
- ii) Failure to observe any of the outlined operational requirements shall result in disciplinary action, by the disciplinary committee in the following ways.
 - a) Fines and Penalties to be determined by the association,
 - b) Legal action shall be taken against the concerned Operator by the association,
 - c) The association may recommend to Bank of Uganda to suspend or withdraw the license of the operator.

