

# **BANK OF GHANA ACT, 2002 (ACT 612)**

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**THE SIX HUNDRED AND TWELFTH  
ACT  
OF THE PARLIAMENT OF THE REPUBLIC OF GHANA  
BANK OF GHANA ACT, 2002**

**AN ACT** to amend and consolidate the law relating to the Bank of Ghana and to provide for related matters.

**DATE OF ASSENT:** 24th January, 2002.

**BE IT ENACTED** by Parliament as follows:

**PART I—THE BANK OF GHANA, ITS OBJECTS AND SHARES**

**Section 1—Continued Legal Existence of Bank of Ghana**

(1) The Bank of Ghana in existence immediately before the commencement of this Act shall, subject to this Act, continue to be in existence as a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

(2) The Bank referred to in subsection (1) shall be the Central Bank of Ghana and may, in relation to its business purchase, hold, manage and dispose of movable and immovable property and may enter into a contract or a transaction as may be expedient.

(3) The application of the common seal of the Bank shall be authenticated

(a) by the Governor, or

(b) in the absence of the Governor, by a Deputy Governor, and two directors all of whom shall certify the validity of the authentication and that signing shall be independent of the signing by any other person who may sign the instrument as a witness.

**Section 2—Head Office and Branches**

The Bank shall have its head office in Accra and may, where it is considered necessary for the performance of its functions, open branches and have agencies or agents in and outside Ghana.

**Section 3—Objects of the Central Bank**

- (1) The primary objective of the Bank is to maintain stability in the general level of prices.
- (2) Without prejudice to subsection (1) the Bank shall support the general economic policy of the Government and promote economic growth and effective and efficient operation of banking and credit systems in the country, independent of instructions from the Government or any other authority.

#### Section 4—Functions of the Central Bank

- (1) The Bank shall for the purposes of section 3 perform the following functions:
  - (a) formulate and implement monetary policy aimed at achieving the objects of the Bank;
  - (b) promote by monetary measures the stabilization of the value of the currency within and outside Ghana;
  - (c) institute measures which are likely to have a favourable effect on the balance of payments, the state of public finances and the general development of the national economy;
  - (d) regulate, supervise and direct the banking and credit system and ensure the smooth operation of the financial sector;
  - (e) promote, regulate and supervise payment and settlement systems;
  - (f) issue and redeem the currency notes and coins;
  - (g) ensure effective maintenance and management of Ghana's external financial services;
  - (h) license, regulate, promote and supervise non-banking financial institutions;
  - (i) act as banker and financial adviser to the Government;
  - (j) promote and maintain relations with international banking and financial institutions and subject to the Constitution or any other relevant enactment, implement international monetary agreements to which Ghana is a party; and
  - (k) do all other things that are incidental or conducive to the efficient performance of its functions under this Act and any other enactment.

(2) The Board may by legislative instrument authorise any person to exercise the power of the Bank to regulate and supervise non-banking financial institutions.

(3) An instrument issued under subsection (2) may include provisions relating to

- (a) inspection;
- (b) management audit; and
- (c) any other aspect of operation of non-banking institutions.

(4) An instrument issued under subsection (2) shall be under the signature of the Governor.

#### Section 5—Authorised Shares of the Bank

(1) The authorised number of shares of the Bank shall be seven hundred billion shares of no par value which shall be taken up from time to time by the Government and may be increased from time to time.

(2) The shares shall not be transferable or subject to any encumbrance.

## Section 6—General Reserve Fund, Payment into Consolidated Fund

- (1) There shall be a General Reserve Fund of the Bank.
- (2) At the end of each financial year of the Bank, after allowing for the operational expenses out of its income and after provision has been made for bad and doubtful debts, depreciation of assets, replacement of currency, development fund, contributions to staff and superannuation fund and other contingencies, there shall be transferred to the General Reserve Fund,
  - (a) one-half of the net profit of the Bank if the amount of money in that Fund is less than the paid-up capital of the Bank; or
  - (b) one-quarter of the net profit of the Bank, if the amount of money in that Fund is less than twice the amount of the paid-up capital of the Bank.
- (3) Money that remains after the transfer under subsection (2) shall
  - (a) where there is a balance of government indebtedness in the books of the Bank, be used to set off the indebtedness; and
  - (b) where there is no balance of government indebtedness in the books of the Bank, be paid into the Consolidated Fund.
- (4) Where at the end of a financial year the amount of money in the General Reserve Fund is more than twice the amount of the paid-up capital, a proportion of the profit, as may be agreed upon between the Bank and the Minister, shall be paid into the Consolidated Fund.

## Section 7—Revaluation Account

- (1) Profits or losses arising from a revaluation of the Bank's assets or liabilities in gold, special drawing rights or foreign securities as a result of a change in the par value of the cedi or of any change in the par value of the currency unit of any other country shall be excluded from the computation of the annual profits or losses of the Bank.
- (2) The profits and losses arising under subsection (1) shall be carried to a special account to be known as the 'Revaluation Account'.
- (3) Profits shall not be paid into the General Reserve Fund or the Consolidated Fund under subsection (2) or (3) of section 6 where the Revaluation Account shows a net loss, and the profits not paid into the General Reserve Fund shall be credited to the Revaluation Account in an amount sufficient to cover the loss.
- (4) Where the profits referred to under subsection (1) are insufficient to cover the losses of the Bank in a financial year, the Government shall cause to be issued to the Bank redeemable negotiable interest bearing securities to the extent of the deficiency.
- (5) A credit balance in the Revaluation Account at the end of a financial year of the Bank shall be applied to redeem the outstanding securities issued under subsection (4).

## PART II—ADMINISTRATION OF THE BANK

### Section 8—The Board of Directors

The governing body of the Bank shall be a Board of Directors consisting of,

- (a) the Governor of the Bank who shall be the chairperson;
- (b) the First and Second Deputy Governors appointed under section 17;

(c) one representative of the Ministry of Finance; and

(d) eight other directors appointed by the President in consultation with the Council of State.

#### Section 9—Functions of the Board on Policy Formulation

The Board shall formulate policies necessary for the achievement of the objects of the Bank.

#### Section 10—Terms and Conditions of Service of Members

(1) The members of the Board, other than the Governor and the two Deputy Governors, shall hold office for a period of three years but are eligible for re-appointment.

(2) The members, other than the Governor and the two Deputy Governors shall be paid appropriate allowances to be determined by the Board in consultation with the Minister.

#### Section 11—Qualifications of Members

A person does not qualify to be appointed as a member of the Board who

(a) is not a citizen of Ghana;

(b) has entered into terms with any person for payment of his or her debt, has suspended payment of his or her debt or has been declared insolvent;

(c) has been convicted of a felony or an offence involving dishonesty;

(d) is adjudged to be a person of unsound mind; or

(e) in the case of a person possessed of professional qualification, that person is disqualified or suspended, otherwise than at the request of that person, from practising the profession of that person by order of a competent authority made in respect of that person.

#### Section 12—Removal from the Board

A member shall cease to hold office if that member

(a) ceases to be a citizen of Ghana;

(b) becomes a person of unsound mind or incapable of carrying out the duties of that member;

(c) has entered into terms with any person for payment of his or her debt, has suspended payment of his or her debt or has been declared insolvent;

(d) is convicted of a felony or of an offence involving dishonesty;

(e) is guilty of gross misconduct in relation to the duties of that member; or

(f) in the case of a person possessed of professional qualification, that member is disqualified or suspended from practising his or her profession by the order of a competent authority, made in respect of that member or ceases to be a member of the profession otherwise than at the request of that member.

#### Section 13—Vacancy on the Board

Where a member dies, resigns or otherwise vacates office before the completion of the term of office, another person shall be appointed

(a) in the case of the Governor or a Deputy Governor, for a period of four years;

(b) in the case of any other member for the unexpired period of that member.

#### Section 14—Meetings of the Board

(1) The Governor shall summon meetings of the Board as often as may be required but not less frequently than once in each month.

(2) The Governor shall preside at the meetings of the Board and

(a) in the absence of the Governor, the First Deputy Governor shall preside, or

(b) in the absence of the Governor and the First Deputy Governor, the Second Deputy Governor shall preside.

(3) The quorum for a meeting of the Board shall be six members including the Governor or a Deputy Governor.

(4) A member who has an interest, whether direct or indirect, in a matter that is being considered or dealt with by the Board shall disclose in writing to the Board the nature of that interest and shall not participate in a discussion or decision of the Board on that matter.

(5) Where a member fails or refuses to disclose his or her interest under sub-section (4), the member shall cease to be a member.

(6) Decisions of the Board shall be determined by a simple majority of the members present and voting except that where there is an equality of votes on an issue before the Board, the person presiding shall have a casting vote.

(7) The Board may, where it considers it fit, invite a person to assist at its meeting but a person so invited is not entitled to vote at that meeting on a matter for decision by the Board.

(8) The validity of the proceedings of the Board shall not be affected by a vacancy among its membership or by a defect in the appointment or qualification of any of the members.

(9) An act done by a member acting in good faith as a member is valid, notwithstanding a defect in the appointment or qualification of that member.

(10) Except as otherwise provided in this section, the Board shall determine the procedure for its meetings.

#### Section 15—Committees of the Board

The Board may appoint a number of committees that are necessary for the purpose of advising the Board.

#### Section 16—Audit Committee

(1) There shall be appointed by the Board an Audit Committee whose chairperson shall be appointed by the members from among their number.

(2) The Audit Committee shall consist of three members and its responsibilities shall be to:

(a) establish appropriate accounting procedures and accounting controls for the Bank and supervise compliance with these procedures;

(b) monitor compliance with enactments applicable to the Bank and report to the Board thereon;

(c) deliver opinions on any matters submitted to it by the Board or management;



(d) receive and examine the external auditor's report and recommend to the Board any appropriate action to be taken; and

(e) review the work of the Chief Internal Auditor.

(3) The Audit Committee shall meet ordinarily once every quarter and extraordinarily when convened by the Board or management.

#### Section 17—Appointment of Governor and Deputy Governors

(1) The Governor and the two Deputy Governors shall be

(a) persons of recognised financial or banking experience; and

(b) appointed by the President acting in consultation with the Council of State.

(2) The Governor and the Deputy Governors shall each be appointed for a term of four years each and each one is eligible for re-appointment.

(3) Unless otherwise permitted by the Board in writing, the Governor and the Deputy Governors shall not, while holding office under this Act, occupy any other office or employment whether there is remuneration attached to it or not.

(4) Notwithstanding subsection (3), the Governor or a Deputy Governor may, with the approval of the Board,

(a) act as a member of a commission appointed by the Government to enquire into a matter affecting currency or banking;

(b) act as a member of the board of an international bank or an international monetary authority or any other institution to which the Government gives support.

(5) Subject to the Constitution and this section, the Governor and the two Deputy Governors shall be appointed on terms and conditions determined by the Government.

(6) The two Deputy Governors shall be designated as First Deputy and Second Deputy Governor respectively.

#### Section 18—Functions of the Governor

(1) The Governor shall, subject to the directions given by the Board on matters of policy and subject as expressly provided in this Act, be entrusted with the day-to-day business and administration of the Bank, and may make decisions and exercise all powers and perform the functions which may be exercised and performed by the Bank.

(2) Without prejudice to sub-section (1), the Governor shall

(a) execute the policies of the Board;

(b) make regular reports to the Board on the management and operations of the Bank;

(c) provide the data, statistics and advice necessary for the attainment of the objects of the Bank; and

(d) perform any other functions directed by the Board.

(3) The Governor shall be answerable to the Board for the acts and decisions of the Governor.

#### Section 19—Emergency Powers of the Governor

(1) Where there is an internal disorder, external exigencies, national disaster or critical financial or economic crisis or other exigencies requiring immediate action and there is insufficient time to call a meeting of the Board, the Governor may, after giving notice to the Minister, exercise the powers of the Board and take necessary action.

(2) The Governor shall, within seven working days after having taken action by virtue of subsection (1), call a meeting of the Board and report the action taken for ratification or review by the Board.

#### Section 20—Functions of the Deputy Governors

(1) The Deputy Governors shall assist the Governor in the performance of the functions of the Governor under this Act in the area that the Governor may in consultation with the Board, determine.

(2) In the absence of the Governor, the First Deputy Governor shall have authority to perform the functions of the Governor under this Act and in the absence of both the Governor and the First Deputy Governor the Second Deputy Governor shall have authority to perform the functions of the Governor.

#### Section 21—The Secretary

The Bank shall have an officer designated the Secretary who shall be appointed by the Board to perform the functions of maintaining a secretariat for the Board and ensuring accurate recording of proceedings and decisions of the Board and to perform such other functions as the Governor or the Board may direct.

#### Section 22—Chief Internal Auditor

(1) The Bank shall have a Chief Internal Auditor who shall be appointed by the Board.

(2) Subject to this Act, the Chief Internal Auditor is responsible to the Governor in the performance of functions of office as Chief Internal Auditor.

(3) The Chief Internal Auditor shall, as part of the functions of office, at intervals of three months, prepare a report on the internal audit work carried out by the Chief Internal Auditor during the period of three months immediately preceding the preparation of the report, and submit the report to the Governor who shall place the report before the Board.

#### Section 23—Other Officers and Employees of the Bank

(1) The Board shall appoint such other officers and employees as the Board considers necessary for the effective implementation of the functions of the Bank.

(2) Subject to this Act, the officers and employees of the Bank shall hold office or appointment on the terms and conditions specified in their letters of appointment.

(3) The salaries, benefits, wages or other remuneration or allowances paid by the Bank shall not be computed by reference to the net or other profits of the Bank.

#### Section 24—Signing of Documents

(1) The Board may empower the Governor, a Deputy Governor or an employee of the Bank in writing generally or in respect of a particular document or class of documents to sign for and on behalf of the Bank.

(2) The Governor and the employees of the Bank empowered under subsection (1), are hereby severally empowered for and on behalf of the Bank to endorse and transfer promissory notes, stock-receipt, debenture stock, shares, securities and documents of title to goods standing in the name of, or held by, the Bank.

#### Section 25—Declaration of Secrecy

(1) The employees of the Bank of all classes of designation shall be bound by a declaration of secrecy unless they are otherwise called upon to give evidence in a court or to fulfil an obligation imposed by law.

(2) For the purposes of this section a former employee of the Bank is similarly bound and shall not disclose any information whether documentary or otherwise relating to the affairs of the Bank except by order of a court or to fulfil an obligation imposed by law.

(3) A person who contravenes a provision of this section commits an offence and is liable on summary conviction to a fine not exceeding 500 penalty units or to imprisonment for a term not exceeding 2 years or to both.

#### Section 26—Liability for Loss

An employee of the Bank is liable for loss or damage suffered by the Bank as a result of any wilful default or negligence of that employee.

#### Section 27—Monetary Policy Committee

(1) There is hereby established a committee of the Bank to be known as the Monetary Policy Committee of the Bank.

(2) The Monetary policy Committee shall be responsible for

- (a) initiating proposals for the formulation of the monetary policies of the bank; and
- (b) providing the statistical data and advice necessary for the formulation of monetary policies.

(3) The members of the Monetary Policy Committee shall be

- (a) the Governor;
- (b) the First and Second Deputy Governors;
- (c) the head of monetary policy analysis of the Bank;
- (d) the head of banking operations of the Bank; and
- (e) two other persons appointed by the Minister being persons with knowledge or experience relevant to the functions of the Monetary Policy Committee.

(4) The members of the Monetary Policy Committee other than the full-time members shall be paid such allowances as the Board shall determine.

### PART III—THE BANK AS BANKER AND FISCAL AGENT OF GOVERNMENT AND STATE INSTITUTIONS

#### Section 28—Custodian of State Funds

The Bank shall be the sole custodian of the state funds both in and outside Ghana, and may by notice published in the Gazette authorise any other person or institution to act as custodian of any such funds as may be specified in the notice.

## Section 29—The Banker for Government

- (1) The Bank shall receive, collect, pay and remit money, bullion and securities on behalf of the Government.
- (2) The Bank shall accept custody of all securities, documents and other valuable objects belonging to the Government.
- (3) The Bank may act as banker to any government institution or agency.
- (4) In a place where the Bank does not have a branch, the Bank may appoint a banking institution to act as its agent for the collection and payment of Government moneys.
- (5) An agent which collects money for and on behalf of the Bank under subsection (4) shall, as may be specified, remit the money to the Bank.
- (6) Interest shall not be paid by the Bank on amounts deposited in a government account.
- (7) Except as otherwise determined by agreement with the Minister, the Bank shall not receive from the Government remuneration for its services under this section.
- (8) Subject to this section, the Bank may undertake and transact a business which the Government may entrust to the Bank.

## Section 30—Temporary Advances

- (1) The Bank may
  - (a) make advances and loans to the Government on overdraft or in any other form that the Board may determine;
  - (b) make direct purchase from the Government of treasury bills or securities representing obligations of the Government.
- (2) The total of the loans, advances, purchase of treasury bills and securities together with money borrowed by the Government from other banking institutions and the public at the close of a financial year under subsection (1) shall not exceed 10 percent of the total revenue of the fiscal year in which the advances were made.
- (3) An advance made under subsection (1) shall be repaid within three months after the grant of the advance, and where that advance remains unpaid after the due date, the power of the Bank to make further advances in a subsequent financial year shall not be exercised unless the amounts due in respect of outstanding advances have been repaid.
- (4) Where repayment of the advances and overdrafts is unduly delayed, the Bank may transfer the debt to the public through the sale of treasury bills.
- (5) The Bank shall charge interest on advances granted under this section at the rate that the Board in consultation with the Minister shall determine.
- (6) In the event of any emergency, the Governor, the Minister and the Controller and Accountant-General shall meet to decide the limit of borrowing that should be made by Government and the Minister shall submit a report on the issue to Parliament within seven sitting days.

## Section 31—Management of the Public Debt

The Bank shall be entrusted with the issue and management of government loans publicly issued upon the terms and conditions that are agreed between the Government and the Bank.

#### Section 32—Adviser to Government on Fiscal Matters

The Bank shall advise Government on

- (a) the monetary transactions of the Government and government agencies; and
- (b) the international and local contracts to which the Government is a party and which relate to the object and functions of the Bank.

#### PART IV—CREDIT CONTROL

##### Section 33—Report on Unusual Movement in Supply of Money

(1) Where the Board considers that there are unusual movements in the money supply and prices, detrimental to a balanced growth of the national economy, it shall subject to this Act, make as soon as practicable a report of this to the Minister specifying the causes which in its opinion led to the situation.

(2) The Bank, in counteracting unusual movements in the money supply and prices in the country shall, after consultation with the Minister, use any of the instruments of control conferred upon it under this Act or under any other enactment to maintain and promote a balanced growth of the national economy.

##### Section 34—Managing the Monetary and Banking System

Without prejudice to subsection (2) of section 33, the Bank may, for the purposes of monetary management,

- (a) alter the minimum ratio of reserve to deposits or the minimum capital adequacy ratio which each banking institution shall maintain;
- (b) alter the discount and interest rates of the Bank to be applied in credit operations with banking institutions;
- (c) buy or sell in the open market commercial bills, Government bonds and securities or bonds and securities guaranteed by the Government;
- (d) issue, sell, re-purchase or redeem Bank of Ghana securities;
- (e) expand or contract credit facilities to the banks;
- (f) authorise a banking institution that it considers fit to accept deposits for the Government or order the transfer of government deposits with any bank;
- (g) impose special requirements on deposit with banking institutions that it may determine; and
- (h) impose such other measures as the Board may determine.

#### PART V—DOMESTIC OPERATIONS

##### Section 35—Issue and Redemption of Notes and Coins

The Bank shall have the sole right to issue and redeem currency notes and coins in the country.

##### Section 36—Cover for Notes and Coins

The Bank shall hold assets to cover the currency notes and coins issued by the Bank.

### Section 37—Unit and Denomination and Form of Currency

- (1) The unit of currency shall be the Cedi which shall be divided into one hundred pesewas, one pesewa being one hundredth part of a cedi.
- (2) The Bank shall issue currency notes and coins of the denominations that are approved by the Board.
- (3) Currency notes and coins issued by the Bank shall be of the forms and designs that are approved by the Board.
- (4) The standard weight and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the Board.
- (5) The currency issued by the Bank shall be printed or minted by the Bank or under the authority of the Bank.

### Section 38—Appointment of Other Banks as Currency Agents

The Bank may appoint a banking institution to act as agent for the issue, re-issue, exchange and withdrawal of currency notes and coins on the terms and conditions that are agreed between the Bank and that banking institution.

### Section 39—Currency Cover Assets of the Bank

- (1) The currency cover assets of the Bank may include
  - (a) gold, gold coin and bullion;
  - (b) convertible currency notes and coins and bank balances in convertible currency with a bank outside Ghana;
  - (c) treasury bills of the Government of a country whose currency is convertible;
  - (d) bills of exchange bearing at least two good signatures drawn on a place outside Ghana, payable in convertible currency and having a maturity not exceeding three months exclusive of days of grace;
  - (e) securities of Government other than the Government of Ghana expressed in convertible currency;
  - (f) special drawing rights;
  - (g) securities or bonds in convertible currency issued by any international financial institution or bank; and
  - (h) subject to subsection (2),
    - (i) treasury bills of the Government denominated in cedis and maturing within ninety-one days;
    - (ii) other securities of the Government denominated in cedis and maturing in not more than twenty years which have been publicly issued or form part of an issue which is being made to the public at the time of acquisition.
- (2) The aggregate holding of treasury bills and of securities under paragraph (h) of subsection (1) shall not at any time exceed sixty per cent of the currency in circulation.

### Section 40—Liabilities for Issue

(1) The currency cover assets of the Bank shall be available to meet only the liabilities of the Bank as represented by the total of the amount of currency notes and coins issued by the Bank and are in circulation.

(2) Where at any time the assets of the Bank including funds in the General Reserve Fund and the Revaluation Account are insufficient to meet demands for the redemption of notes and coins, that deficiency shall be a charge on the Consolidated Fund.

#### Section 41—Legal Tender

(1) Currency notes issued by the Bank shall be legal tender at their face value.

(2) Coins issued by the Bank shall, if those coins have not been tampered with, be legal tender for payments up to an amount not exceeding

(a) five thousand cedis in the case of coins of denominations of one hundred, two hundred and five hundred cedis;

(b) one thousand cedis in the case of denominations of not less than twenty cedis; and

(c) one hundred cedis in the case of coins of denominations of less than twenty cedis.

(3) For the purposes of this Act, a coin shall be deemed to have been tampered with if the coin has been

(a) impaired, diminished or lightened otherwise than by fair wear and tear; or

(b) defaced by stamping, engraving or piercing whether the coin has been thereby diminished, lightened, or not.

(4) The Bank may, on giving not less than three months notice in the Gazette, call in any of its currency notes and coins on payment of the face value; and the notes or coins with respect to which a notice has been given under this subsection shall, on the expiration of the notice, cease to be legal tender.

#### Section 42—Refund of Lost or Imperfect Currency Notes or Coins

(1) A person is not entitled to recover from the Bank the value of any mutilated or imperfect currency note or a coin tampered with.

(2) Notwithstanding subsection (1), the Governor may permit the exchange of the amount of any mutilated or imperfect currency notes or coins as determined by the Governor.

#### Section 43—Evidence of Imitation of a Currency Note

Where in proceedings in a court it has to be determined whether a document purporting to be a currency note is an imitation of a currency note, a certificate in the form set out in the Schedule to this Act under the hand of the Governor or the First or Second Deputy Governor shall be received in evidence without further proof as conclusive evidence of the fact that the document is an imitation of a currency note.

#### Section 44—Exemption from Stamp Duty on Currency Notes

The Bank is not liable for the payment of a stamp duty under any enactment in respect of currency notes issued by it.

#### Section 45—Exchange of Currency

(1) A person who delivers to the Bank an amount of currency is entitled to receive from the Bank in exchange, without charge, currency notes or coins of the same amount and of the denomination as that person may require.

(2) Where the Bank is unable to give currency notes or coins of the denomination required under subsection (1), it shall give that person currency notes or coins of the nearest denomination.

#### Section 46—Business Transaction

The Bank may, subject to this Act and the policies of the Bank, undertake or transact any or all of the following:

(a) accept deposits from and make payments to Government and other public bodies, agencies or international organisations, embassies and bodies or persons specified in notices issued by the Board;

(b) issue demand drafts and other forms of remittances made payable at its own offices or the offices of agencies or correspondents;

(c) purchase and sell secured export bills;

(d) purchase, sell, discount and rediscount bills of exchange and promissory notes arising out of bona fide commercial transactions bearing two or more authorised signatures and maturing within ninety days, exclusive of days of grace from the date of acquisition;

(e) purchase, sell, discount and rediscount bills of exchange and promissory notes bearing two or more authorised signatures drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops and maturing within one hundred and eighty days, exclusive of days of grace from the date of acquisition;

(f) purchase, sell, discount and rediscount treasury bills of the Government publicly issued;

(g) purchase and sell for the Bank's account, Government securities and guaranteed securities of other public corporations;

(h) grant, on the conditions determined by the Board, advances to financial institutions for fixed periods not exceeding three months against publicly issued treasury bills of the Government maturing within ninety-one days of the issue;

(i) grant advances for a fixed period not exceeding three months at the interest rate determined by the Board against promissory notes secured by the pledge with the Bank of

(i) gold, gold coin or bullion;

(ii) securities of the Government which have been publicly offered for sale and are to mature within a period of twenty years;

(iii) warehouse warrants or their equivalent (securing possession of goods) in respect of staple commodities or other goods duly insured with a letter of hypothecation from the owner;

(j) accept from customers for safe custody moneys, securities and other articles of value; and collect proceeds whether principal, interest or dividend on the moneys, securities or articles of value; and

(k) generally conduct the business of banking for its specified customer base.



## Section 47—Transactions in Securities

The Bank may issue securities of its own, specify the conditions for the securities and sell or purchase them.

## Section 48—Clearing Houses

The Bank shall facilitate the clearing of cheques and other credit instruments for banking institutions.

## Section 49—Business the Bank may not Engage in

(1) Except as authorised by the Board, and for the purposes of supporting the Banks core functions, the Bank shall not

(a) engage in a trade or have a direct interest in any commercial, agricultural, industrial or any other undertaking except an interest that the Bank may acquire in the course of the satisfaction of debts due to it;

(b) purchase the shares of a company except shares of a financial institution or grant loans upon the security of shares;

(c) advance money on mortgage or otherwise on the security of immovable property or the title deeds relating to that property;

(d) become the owner of an immovable property except in so far as it is necessary for its own business premises and residence of its staff and employees;

(e) draw or accept bills payable otherwise than on demand;

(f) pay interest on deposits; or

(g) accept for discount or as guarantee for an advance made by the Bank, bills or notes signed by members of the Board or by the Bank's officials or other employees.

(2) Notwithstanding paragraph (c) of subsection (1), the Bank may for the purpose of acquisition of houses by its staff, advance money on mortgage to a member of staff on terms and conditions as determined by the Board.

## PART VI—FOREIGN OPERATIONS

### Section 50—Transactions in Assets of International Value

(1) The Bank may

(a) purchase and sell external convertible currencies;

(b) discount and re-discount treasury bills drawn in convertible currencies;

(c) purchase and sell bills of exchange drawn in convertible currencies;

(d) import, export, refine, hold, sell, transfer or otherwise deal in gold, gold coins and bullion, silver, platinum and any other precious metals as determined by the Board;

(e) accept deposits from foreign banking institutions, international financial institutions, foreign governments and their agencies or the organs of the United Nations;

(f) acquire, hold and transfer foreign exchange and foreign government securities;

(g) maintain accounts with central banks and reputable international financial institutions;

(h) act as correspondent bank or agent for an international banking institution or a monetary authority; and

(i) effect foreign exchange transactions of any kind.

(2) The Bank shall not acquire, hold or transfer any foreign government securities unless those securities are denominated in convertible currency.

#### Section 51—Power to Borrow and Guarantee

(1) The Bank may,

(a) without the prior approval of the Minister borrow money from foreign institutions for a period not exceeding ninety days for the day-to-day operations of the Bank;

(b) in accordance with this Act or any other enactment, borrow money from foreign institutions and pledge assets held by it as security for the repayment of the loan;

(c) lend money or grant short-term credits to any financial institutions; but the Bank may, without the approval of the Minister, lend to those institutions in the ordinary course of business.

(2) The Bank may, at the written request of the Minister, guarantee a loan granted to the Government or an agency of Government by a foreign institution.

(3) The Bank shall put a limit on the aggregate of guarantees issued by it in each year.

(4) The Bank may request security to cover its exposure for any guarantee it issues.

(5) The Government may guarantee on behalf of the Republic a loan granted under paragraph (a) and (b) of subsection (1).

#### Section 52—Exchange Rate of the Cedi

The Board may, in consultation with the Minister, formulate exchange rate policy.

#### Section 53—Holding of State Foreign Exchange

The Bank shall hold all foreign exchange of the State and be responsible to Parliament in the performance of its function in relation to the foreign exchange.

### PART VII—BANKING SUPERVISION AND RESEARCH

#### Section 54—Head of Banking Supervision and Supervision of Financial Institutions

(1) The Bank shall have an officer designated as the Head of the Banking Supervision Department of the Bank who shall be appointed by the Board.

(2) The Head of the Banking Supervision Department shall be responsible for the supervision and examination of all banking institutions in the country and perform functions specified under any enactment to be performed by the Head of the Banking Supervision Department.

#### Section 55—Statistical Data and Publication of Bulletins and Reports

For the purpose of providing the Board with information necessary for the proper formulation of monetary and credit policies, the Bank shall

(a) collect and prepare statistics on money and banking, public finance, prices, wages, production, the balance of payment and any other statistical data that the Board may direct;

- (b) publish a monthly and quarterly bulletin on economic and financial indicators;
- (c) prepare and publish the annual report of the Bank which shall include statements about monetary policies pursued in the year under review; and
- (d) perform any other duties that the Board may direct.

#### Section 56—Request for Research Information

- (1) For the effective conduct of research, the Bank may request from an institution or a person information relating to money or banking, balance of payments and any other subjects that the Board may direct.
- (2) Information received under subsection (1) shall be treated with the utmost confidence.
- (3) A publication for statistical purpose or information obtained under subsection (1) shall not include personal data.
- (4) A person who fails to supply information requested under subsection (1) commits an offence and is liable on summary conviction to a fine not exceeding 500 penalty units or to imprisonment for a term not exceeding 2 years or both and where the offence is continued after conviction, to a further fine not exceeding 50 penalty units for every day on which the offence is continued.

### PART VIII—ACCOUNTS AND AUDIT

#### Section 57—Accounts and Audit

- (1) The Bank shall keep proper books of accounts and records in relation to them.
- (2) The books of accounts of the Bank shall be audited by the Auditor-General or any other auditor appointed by the Auditor-General.

#### Section 58—General Returns

- (1) The Bank shall, within three months after the end of each financial year,
  - (a) transmit a copy of the annual accounts certified by the Auditor-General to the Minister who shall, not later than one month after receipt of the annual accounts, cause the annual accounts to be published in the Gazette; and
  - (b) submit to the Minister an annual report of the Board on its working during the financial year in question which shall be published by the Bank within six months from the end of the financial year to which it relates.
- (2) The Minister shall, not later than one month after receiving the annual report, submit the annual report with the Minister's comments on it to Parliament.
- (3) The Bank shall, after the fifteenth day and the last day of each month, prepare and publish returns of its assets and liabilities as at the close of business on those days; or if either of those days is a holiday, then at the close of business on the last preceding business day; and a copy of the returns, shall be transmitted to the Minister and shall be published in the Gazette by the Bank within one month after receipt of the returns by the Minister.

#### Section 59—Returns Relating to Foreign Exchange

- (1) The Bank shall, not later than three months

(a) after the end of the first six months of its financial year, and

(b) after the end of its financial year,

submit to the Auditor-General for audit a statement of its foreign exchange receipts and payments or transfers in and outside Ghana.

(2) The Auditor-General shall, not later than three months after the submission of the statement referred to in subsection (1), submit the report on that statement to Parliament.

#### Section 60—Financial Year of the Bank

The financial year of the Bank shall be the same as the financial year of the Government.

#### Section 61—Application of Part V of the Banking Law

The following provisions of the Banking Law, 1989 (PNDCL 225) or any statutory re-enactment or modification of the Law shall with the modifications that are necessary apply to accounting and auditing under this Part:

(a) section 31 (which relates to the matter of keeping a bank's account);

(b) section 34(3) (which relates to the qualifications of the auditors of banks);

(c) section 37 (which relates to the remuneration of a bank's auditors); and

(d) section 38 (which relates to the auditors' right of access to and demand for information).

### PART IX—GENERAL AND SUPPLEMENTARY PROVISIONS

#### Section 62—Training of Employees of the Bank and Bankers

(1) The Bank may, in co-operation with banking institutions in the country or with any other bodies determined by the Board establish educational institutions and facilities for the training of employees for the Bank and for the banking institutions in the country.

(2) Subsection (1) shall be without prejudice to any other banking training facilities that an institution or individual bank may have or provide.

#### Section 63—Exemption from Income Tax

The Bank is exempted from the payment of income tax in respect of its functions under this Act.

#### Section 64—Liquidation

The Bank shall not be placed in liquidation except in accordance with legislation passed for that purpose.

#### Section 65—Bye-Laws by the Board

(1) The Board may make bye-laws and issue notices not inconsistent with this Act, for the purposes of regulating the administration of the Bank and for the performance of its functions.

(2) Bye-laws and notices issued under subsection (1) shall be signified under the hand of the Secretary to the Board.

#### Section 66—Regulations

The Minister may, after consultations with the Board by legislative instrument, make Regulations that are necessary to give effect to this Act.

#### Section 67—Offences and Penalties

Except as otherwise provided in this Act, a person who

(a) contravenes a provision of this Act or Regulations made under this Act, or anything prescribed or direction made or given under this Act and published in the Gazette; or

(b) knowingly makes an incorrect statement in a document submitted by that person or an incorrect reply to a question asked of that person for the purposes of this Act,

commits an offence and is liable on summary conviction to a fine not exceeding 500 penalty units or to imprisonment for a period not exceeding 2 years or to both.

#### Section 68—Offences by Bodies of Persons

(1) Where an offence is committed under this Act or under Regulations made under this Act by a body of persons,

(a) in the case of a body corporate, other than a partnership, every director or an officer of that body shall be deemed to have committed that offence; and

(b) in the case of a partnership, every partner or officer of that body shall be deemed to have committed that offence.

(2) A person shall not be convicted of an offence by virtue of subsection (1), if that person proves that the offence was committed without the knowledge or connivance of that person, and that that person exercised all due care and diligence to prevent the commission of the offence having regard to all the circumstances.

#### Section 69—Interpretation

In this Act, unless the context otherwise requires,

"Auditor-General" includes an auditor appointed by the Auditor-General;

"Bank" means the Bank of Ghana continued in existence by section 1;

"Board" means the Board of Directors specified under section 8;

"financial institution" means an entity which may be either a depository financial institution such as a commercial bank, savings and loans company, mutual savings company, credit union or a non-depository financial institution such as a brokerage firm, insurance company, pension fund, investment company, which carries on the business of or part of whose business is any of the following activities:

(a) taking of deposits of money from the public repayable on demand and withdrawable by cheques, drafts, orders or by other means;

(b) financing of any activity by way of creating financial assets such as loans and advances, securities, bank deposits or otherwise, other than its own;

(c) companies dealing in shares, stocks, bonds or other securities;

(d) leasing, letting or delivering goods to a hirer under a hire purchase agreement;

(e) carrying on by insurance companies of any business other than insurance;

(f) collecting of money or accepting employer contributions and paying it out for legitimate claims or for retirement benefits;

"financial system" means a network of deposit-taking and non-deposit taking financial institutions and entities providing financial services to the public.

"foreign exchange" means

(a) currency notes, bank notes or coins other than the currency of Ghana which are legal tender in any other country and are convertible into currency which is legal tender in any other country;

(b) bills of exchange, travellers cheques, convertible currency, foreign government treasury bills, securities and bonds, promissory notes and balance in a bank payable otherwise than in the currency of Ghana;

"foreign institutions" means banking or financial institutions of foreign governments and agencies or institutions acting on behalf of foreign governments, banking or financial institution;

"Government" means the Government of Ghana;

"liquid assets" means the cash in till, balances deposited with the Bank of Ghana and such other assets as the Bank of Ghana may determine.

"member" means a Director of the Board;

"Minister" means the Minister responsible for Finance;

"prescribed" means prescribed by Regulations made under section 66.

"settlement system" means an arrangement by which action is taken to discharge any obligation in respect of funds or security transfers between two or more parties.

#### Section 70—Repeals and Savings

(1) The Bank of Ghana Law 1992 (PNDCL 291) is hereby repealed.

(2) Notwithstanding the repeal of the enactment specified in subsection (1) any Regulations, bye-laws, notices, orders, directions, appointments, other act lawfully made or done under the repealed enactment and in force immediately before the commencement of this Act shall be deemed to have been made or done under this Act and shall until revoked, cancelled, withdrawn, or terminated continue to have effect.

(3) Every contract in respect of any matter subsisting between the Bank and any other person and in force immediately before the commencement of this Act, shall be deemed to subsist between the Bank and that other person.

(4) The assets and liabilities of, and property vested in the Bank immediately before the coming into force of this Act shall, without further authority than this subsection vest in the Bank.

#### SCHEDULE

(Section 43)

I ..... Governor/Deputy Governor of the Bank of Ghana for the time being acting as the chief executive officer of the Bank, do hereby certify that I have examined the document marked ..... which purports to be a

bank note of the denomination ..... bearing the number ..... and dated ..... and that the document is an imitation of a bank note and is not a bank note issued or deemed to be issued by the Bank of Ghana.

**Date of Gazette Notification: 25th January, 2002.**