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EDS.306.2

Circular to All Chief Executives of Commercial Banks

Revision of the National Payment System Secretariat (NPSS) Report

Reference is made to our memo Ref. EDS.306.2 dated January 16, 2015 on the above subject, where we requested for comments on the revised **National Payment System Secretariat (NPSS) Return**.

The purpose of this letter is to inform you to start submitting the revised report with data for 31 December 2014. The revised return and accompanying notes are attached. The return has also been uploaded on the BSA system.

Benedict Ssekabira
Ag. Executive Director Bank Supervision

20 FEB 2015

Statistical Report on Payment Services

In order for the Bank of Uganda to conduct effective oversight of payment systems, it is necessary to collect timely, relevant and accurate information on payment services from supervised financial institutions (SFIs). In this regard, Bank of Uganda has revised the 'National Payment System Secretariat (NPSS) Return'.

- The return has been renamed the 'Statistical Report on Payment Services'.
- Data items that are considered obsolete have been removed.
- New data items covering recent developments in payment services such as mobile financial services and internet banking have been included.

The return will be completed on a monthly basis with completed returns submitted through the official electronic mode of submission within 10 days following the month to which they refer, and also submitted to in hard copy to Bank of Uganda's Financial Stability Department.

To ensure the comprehensiveness of the return, we sent the revised the return, with accompanying explanatory notes, to all concerned supervised financial institutions and asked for feedback on the return. The following banks provided feedback on the return; Bank of Africa (BOA), Commercial Bank of Africa (CBA), Diamond Trust Bank (DTB), Equity Bank, and United Bank for Africa (UBA). BOA, UBA and Equity Bank felt nothing needed to be changed in the return. Below are the comments we received from the commercial banks that proposed changes, and what steps were taken by Bank of Uganda to address the issues.

SFI	Section	Comments by SFI	Steps taken by BoU
CBA	2 – International Payment Transfers	Travellers Cheques; USD, EUR, GBP, KES, Others – these are no longer issued.	As some SFIs still accept traveller's cheques, we have decided to continue to collect information on their use.
	4 b) – ATM Cash Withdrawals	Cards issued by other local bank – It would be difficult to information / statistics from all the banks on cards issued on a monthly basis. Could it be that statistics are needed of other local bank cards used at the ATM? Please clarify.	The accompanying explanatory notes have been amended to provide a clearer explanation with regards to the information that we require.
		Cards issued by banks operating outside of Uganda – Getting these statistics from banks outside Uganda would be difficult. Could it be that statistics are needed are those of foreign bank cards used at the ATMs of banks in Uganda? Please clarify.	As above.
DTB	2 – Payment Cards	Areas Under International Payments=section 2 (Wire Transfers, Western Union, money gram & Travellers Cheques are Ok) However, Xpress Money Transfer should also be included as it is competing with Western Union & Money Gram.	Given DTB is the only SFI that provides services from Xpress Money; it has <i>not</i> been included separately. However, the 'b) Other international payment services' question has been expanded to include the name of the particular service and the volume and value of transactions in the key four

BANK OF UGANDA

**STATISTICAL REPORT ON PAYMENT
SERVICES**

*(FOR FINANCIAL INSTITUTIONS LICENCED UNDER THE FINANCIAL INSTITUTIONS
ACT (FIA) 2004)*

DECEMBER 2014

Western Union:		
USD		
GBP		
EUR		
KES		
Others		
MoneyGram:		
USD		
GBP		
EUR		
KES		
Others		
Other international money transfer services (please provide the name)		
USD		
GBP		
EUR		
KES		
Others		
Travellers cheques:		
USD		
GBP		
EUR		
KES		
Others		
b. International Payments received:		
Wire transfers:		
USD		
GBP		
EUR		
KES		
Others		
Western Union:		
USD		
GBP		
EUR		
KES		
Others		
MoneyGram:		
USD		
GBP		

	Others (Specify)		
5.	Points of Sale (POS)		
	POS		
6.	Internet Banking Services		
a.	Active number of users		
b.	Types of transactions:		
	Fund transfers:		
	Internal transfer (intrabank)		
	External transfer (interbank)		
	Checking balance		
	Paying bills		
	Other (please specify)		
c.	Availability of the system over the reporting period (%)		
d.	On how many occasions was there a system disruption / failure during the reporting period?		
e.	Briefly describe key system disruptions or failures		
f.	Action taken after each system disruption or failure		
7.	Mobile banking (SMS banking):		
a.	Active number of users		
b.	Fund transfers:		
	Internal transfer (intrabank)		
	External transfer (interbank)		
	Checking balance		
	Paying bills		
	Other (please specify)		
c.	Availability of the system over the reporting period (%)		
d.	On how many occasions was there a system disruption / failure during the reporting period?		
e.	Briefly describe key system disruptions or failures		
f.	Action taken after each system disruption or failure		
8.	Fraud and forgeries		
a.	Successful forgeries / fraudulent activity		
b.	Attempted forgeries / fraudulent activity		

Specific Instruction notes to the 'Statistical Report on Payment Services'

1. Intra-bank Transactions (*E.g. Bank A to Bank A transfers*)

- a) Local currency cheques refer to cheques denominated in Ugandan Shillings deposited and cleared within the same bank during the reporting month
- b) Local currency bankers drafts refer to Bankers draft denominated in Ugandan Shillings and cleared within the same bank during the reporting month
- c) Local currency unpaid cheques refer to cheques denominated in Ugandan shillings that are not cleared within the same bank. *E.g. A cheque paid by customer A to customer B in Bank 1, does not clear due to customer A having insufficient funds in their account.*
- d) Foreign currency cheques are cheques denominated in foreign currency and cleared.
- e) And f) Credit transfers are those initiated by a customer to transfer funds. It includes written requests/forms, and standing orders. It excludes transfers initiated via the use of a cheque, internet banking and mobile (SMS) banking.
- g) And h) Direct Debits are those initiated by a payee to transfer a pre-agreed amount of funds on a certain day periodically (e.g. Monthly). *E.g. Customer authorises a utility provider to withdraw UGX 50,000 on the last day of every month).*

2. International Payment Transfers

- a) Wire transfers: Are electronic fund transfers from one person/institution to another; includes swift transfers, cross-border transfers, etc. Note: other currencies remitted should be converted to USD and reported under 'Others' in the USD equivalent.
- b) Other international payment services: Any other international payment service available. For example, World Remit, Speed Remit, etc. Note: other currencies remitted should be converted to USD and reported under 'Others' in the USD equivalent.

3. Payment Cards

- a) Active number of Debit cards. A "debit card" is active when it can be used to make a transaction, withdraw money from an ATM, etc., as at reporting date. It excludes debit cards reported stolen, misplaced, damaged or expired.
- b) Payments made by Debit cards. These include online (web) purchases and Points of Sale (POS) transactions both locally and internationally during the reporting month.
- c) Active number of Credit cards. A "credit card" is active when it can be used to make a transaction, withdraw money from an ATM, etc., as at reporting date. It excludes credit cards reported stolen, misplaced, damaged or expired.
- d) Payments made by Credit Cards. These include online (web) purchases and Points of Sale (POS) transactions both locally and internationally during the reporting month.
- e) Active number of pre-paid cards. Prepaid Cards (sometimes referred to as value cards), are cards which are used as a store of value. The holder may or may not necessarily hold an account with the issuing bank, but can use the card to effect payment, withdraw money etc. The card is usually not linked to an existing bank account. A "pre-paid card" is active when it can be used to make a transaction, withdraw money from an ATM, etc., as at reporting date. It excludes pre-paid cards reported stolen, misplaced, damaged or expired.
- f) Pre-paid card value loaded. Refers to the total amount of money loaded onto pre-paid cards during the reporting month.

- a) Active number of users refers to the bank's customers who are authorised to use the bank's website/platform to make transactions. *E.g. checking balances on account, making money transfers, obtaining bank statements, etc.*
- b) Types of transactions: Fund transfers are funds transferred through internet banking during the reporting month.
- c) Availability of the system is the amount of time, in percentage terms, that Internet banking was available, over the reporting period.
- d) Provide the number of occasions the system was unavailable throughout the reporting period.
- e) Provide a brief description of key disruptions and failures during the reporting period.
- f) Provide information on the action taken to resolve the above mentioned disruptions and/or failures.

7. Mobile Banking Services (SMS banking)

Mobile (or SMS) banking refers to accessing your own account using a mobile phone that may or may not be necessarily internet enabled. User registers with own bank and can access account through a given command script/code and user PIN, or accessing account through specific mobile phone application (for Smart Phones).

- a) Active number of users refers to the bank's customers who are authorized to use Mobile (SMS) banking to make transactions. *E.g. checking balances on account, making money transfers, etc.*
- b) Fund transfers are funds transferred through Mobile (SMS) banking during the reporting month.
- c) Availability of the system is the amount of time, in percentage terms, that Mobile (SMS) banking was available over the reporting period.
- d) Provide the number of occasions the system was unavailable throughout the reporting period.
- e) Provide a brief description of key disruptions and failures during the reporting period.
- f) Provide information on the action taken to resolve the above mentioned disruptions and/or failures.

8. Fraud and forgeries

- a) Provide detail of the volume and value of successful forgeries and/or fraudulent activity across all types of payment services (e.g. cheques, credit card transactions, etc.) over the reporting period.
- b) Provide detail of the volume and value of attempted, (i.e. unsuccessful) forgeries and/or fraudulent activity across all types of payment services (e.g. cheques, credit card transactions, etc.) over the reporting period.
- c) Provide more in depth detail of any attempted or successful fraud or forgery that occurred during the reporting period. Information required includes, how much money was involved and what actions are being taken to reduce / eliminate such cases.

9. Number of Accounts

- a) Active number of current accounts refers to current accounts where a deposit or withdrawal can be made at the reporting date. It excludes dormant and closed accounts.