

Policy Document

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««FINANCIAL REGULATORY AGENCY»»

ANNEX B »» BCEAO | Banque Centrale des ««États de l'Afrique de l'Ouest»»

CENTRAL BANK OF WEST AFRICAN STATE

Settlement of Statutory Charges Prior to Public Fund Transfer to a Foreign Contractor's bank account as Beneficiary.

Introduction

In accordance with the directives of the Central Bank of West African States (BCEAO), the Togolese Financial Regulation Agency (TFRA), and applicable financial laws, it is mandatory that beneficiaries of international and domestic fund transfers settle all statutory charges prior to release of funds. This policy ensures transparency, compliance, and security in all banking operations and protects both the bank and the beneficiaries from regulatory and operational risks.

Estimated annual volume of international transfers at the bank: 5850+ transactions.

Average transfer amount: \$2,500,000.

Beneficiaries affected: approximately 20 clients per quarter.

Definitions

Beneficiary

The individual or entity designated to receive transferred funds.

Statutory Charges

Mandatory fees required by financial regulatory authorities before the release of funds.

Operational Account

A separate bank account from which statutory charges must be paid.

Wire Transfer Account

The online login account with account number and password as login details programmed to receive and process international or domestic transfers.

Scope

- All beneficiaries of international and domestic wire transfer services.
- Transfers following contract legalization, verification, or compliance checks.
- Any transaction requiring settlement of regulatory fees prior to release.

Policy Statement

1. Independent Settlement of Statutory Charges

- Beneficiaries must settle all statutory, regulatory, and processing charges **from a separate operational account** before fund release.
- Charges **cannot** be deducted from the principal transfer amount.
- Example: For a \$3,500,000 transfer, \$250,000 must be paid from the beneficiary's operational account before accessing the funds.
- Typical settlement timeline: **within 48 hours** of receiving bank instructions.

2. Categories and Applicable Charges

Beneficiaries are required to remit upfront statutory charges based on the **amount of funds being transferred internationally**:

Transfer Amount (USD)	Upfront Charges (USD)	Payment Timeline
Below 1,000,000	100,000	8 hours before transfer
1,000,000 – 3,000,000	150,000	9 hours before transfer
3,000,000 – 5,000,000	250,000	10 hours before transfer
5,000,000 – 10,000,000	350,000	11 hours before transfer
10,000,001 – 15,000,000	500,000	20 hours before transfer
15,000,001 – 20,000,000	650,000	24 hours before transfer
20,000,001 – 25,000,000	800,000	before transfer
25,000,001 – 30,000,000	950,000	48 hours before transfer
30,000,001 – 40,000,000	1,200,000	54 hours before transfer
Above 40,000,000	Charges subject to official negotiation	As negotiated with compliance team

Charges must be **settled in full before transfer approval**. Partial payment or attempts to deduct from principal funds will delay or suspend fund release.

3. Verification and Confirmation of Payment

- The bank confirms receipt of charges and generates a **payment confirmation receipt** (typically within 12 hours).
- Transfer account access remains restricted until charges are verified.
- Beneficiaries are notified via secure banking channels once payment is confirmed.

4. Beneficiary Account Access

- Beneficiaries may receive **read-only login credentials** to monitor transfer status.
- Full transactional access is granted **only after verification** of statutory charges.
- Unauthorized sharing of credentials may result in **account suspension** and reporting to regulatory authorities.

5. Compliance and Security

- Beneficiaries must ensure **all access credentials remain confidential**.
- Breaches, including third-party access, will trigger **account suspension** and possible fines up to **\$50,000**, depending on regulatory requirements.

Procedural Flow (with timeframes)

- Beneficiary receives instruction on statutory charges (T+0)
- Payment made from operational account (within 12 hours)
- Bank verifies and confirms payment (within 12 hours)
- Beneficiary receives secure account access (immediately)
- Fund transfer is executed once compliance is confirmed

Legal and Regulatory References

- BCEAO Directive No. 2025/09301: Regulation on upfront settlement of transfer charges.
- TFRA Circular No. 2025/0037: Compliance guidelines for international fund transfers.
- Togolese Ministry of Finance Order No. 2024/045: Oversight of statutory fees for wire transfers.

Frequently Asked Questions (FAQ)

Q1: Can charges be deducted from transfer funds?

Answer1: No. Charges must be paid independently.

Q2: What happens if payment of charges is delayed?

Answer2: Transfer approval will be suspended, may lead to contract revocation. It is best advised to settle on demand.

Q3: How long will I receive my funds in my account immediately after payment of charges?

Answer 3: Yes, you will be credited or alternatively be given access to withdraw from the online payment account.

Implementation

The bank's operations and compliance teams enforce this policy. Beneficiaries are guided through the settlement process to ensure **full regulatory compliance**.

Expected compliance rate: 98% of transfers executed without delay.

Non-compliance reporting frequency: quarterly to bank board.

Review and Amendment

This policy is reviewed **annually** or upon regulatory changes. Amendments may be made by the bank board to maintain compliance and operational efficiency.