



FREQUENTLY ASKED QUESTIONS (FAQ's) FOR AGENT BANKING

Question	Answer
<p>What is Agent Banking?</p>	<p>Agent Banking is an extension of banking services where transactions are carried out through an agent appointed by the Financial Institution.</p> <p>Agent Banking services enable you to access and enjoy banking services conveniently at your door step.</p> <p>The agents are closely monitored by the bank to ensure the security of your funds. Banking at an agent's premises is as good as banking at any bank branch.</p>
<p>Who is an Agent (for purposes of Agent Banking)?</p>	<p>An agent is a person that has been recruited by a Financial Institution (FI) and has been approved by Bank of Uganda to carry out agent banking permitted services on behalf of the FI.</p>
<p>Who qualifies to be an Agent</p>	<p>Any of the following entities qualify to be an agent:</p> <ul style="list-style-type: none"> • Registered Sole Proprietors; • Registered Partnerships; • Limited Liability Companies; • Cooperative Societies; • Microfinance Institutions; • Any other entity approved by the Central Bank.
<p>What are the requirements for</p>	<p>Any of the entities listed above must have operated a bank account with a financial institution licensed by the Central Bank for a minimum of 12 months prior to applying as an agent and also have the following:</p> <ol style="list-style-type: none"> a. A licensed business.



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<p>qualifying to be an agent?</p>	<ul style="list-style-type: none"> b. Have been engaged in the licenced business for at least twelve months. c. A physical address. d. Have adequate and secure premises. e. A clean criminal record. f. And any other requirements as will be determined by the principle bank the prospecting agent is applying to.
<p>Why Agent Banking?</p>	<p>Agent banking benefits a range of stakeholders. i.e.</p> <p>Existing Financial Institution customers will have increased touch points making access to banking services more affordable and convenient.</p> <p>The underserved/ under/unbanked gain convenient access to financial services in their own communities. Financial institutions reach a vast new customer segment, reduce the cost of delivering financial services, relieve crowds in bank branches and establish presence in new areas. Agents increase their sales volumes and have an opportunity to develop deeper relationships with the customer.</p>
<p>How do I identify an authorised agent?</p>	<p>Agents shall be branded, and given a particular Agent Code by the Bank. They will also obtain approval from BOU prior to being on boarded.</p> <p>You can also confirm by calling the help desk number which will lead to the principal bank or Agent Banking Company</p>
<p>What are the authorized services to be carried out by agents?</p>	<p>An agent may provide any of the following services in conducting agent banking-</p> <ul style="list-style-type: none"> (a) Collection and forwarding of information and supporting documents for account opening or applications for payment instruments; (b) Cash deposit and cash withdrawal; (c) Bill payments; (d) Money transfers; (e) Facilitating disbursement and repayment of loans; (f) Receive and forward documents in relation to loans and leases and any other permitted products;



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	<p>(g) Payment of retirement and social benefits;</p> <p>(h) Account balance enquiry;</p> <p>(i) Provide account statements;</p> <p>(j) Provide a communication and distribution channel for the Financial institution;</p> <p>(k) Any other activity as the Central Bank may approve.</p>
<p>What services are Agents prohibited to conduct?</p>	<ul style="list-style-type: none"> i. offer financial institution business on its own accord, except where it is the agent's principal business as at the time of engagement; ii. continue with the agency banking where it has a proven criminal record involving fraud, dishonesty, integrity or any other financial impropriety; iii. provide, render or hold out to be providing or rendering any banking service which is not specifically permitted in the agency agreement; iv. operate or carry out a transaction when the system is down or when there is any communication failure in the system, or in the customer's absence; v. carry out a transaction when a system generated receipt or acknowledgement of the transaction cannot be generated; vi. charge fees directly to customers; vii. undertake cheque deposits or encashment of cheques; viii. distribute cheque books; ix. distribute debit cards, credit cards or PIN mailers; x. conduct foreign exchange transactions; xi. subcontract other persons to provide agency banking services; xii. provide agency banking services at a location other than the physical address of the agent; xiii. open accounts, grant loans or advances or carry out any appraisal function for purposes of opening an account or granting of a loan or any other facility except as may be permitted by any other written law to which the agent is subject; or xiv. Be a guarantor to the financial institution's clients.
<p>Will transacting at an Agent location be a</p>	<p>Transacting at an Agent location is very secure and therefore you have no reason to feel uneasy about visiting an Agent. Further to this, after every successful transaction, you will receive;</p>



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<p>secure environment as it feels in the financial institution?</p>	<ul style="list-style-type: none"> • An SMS confirmation of the transaction that includes a reference number in case of any queries (This is for customers that transact using the Agent Banking App on their phones) • A printed receipt confirming the status of the transaction (This is for customers that transact through the POS terminal/ device).
<p>Related Policy Documents</p>	
<p>Is Agent Banking Governed by any policy document?</p>	<p>Yes, agent banking is governed under the Financial Institutions Act 2016 (as amended) and Agent Banking Regulations issued by Bank of Uganda and gazetted in July 2017.</p>
<p>Are Financial Institutions required to comply with these policy documents</p>	<p>Yes, Agent Banking Regulations 2017 must be read together with other relevant policy documents, guidelines or circulars that have been issued by the Bank.</p>
<p>In the event of inconsistency between Agent Banking Regulations 2017 and other policy documents, guidelines or circulars, which takes precedence.</p>	<p>The FIA Act (Law) takes precedence. All other guiding frameworks are however premised on the law.</p>
<p>Is Agent Banking limited to underserved areas only?</p>	<p>No, Agent Banking is not limited to underserved areas only.</p>



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<p>Can Agent Banking be conducted across the country?</p>	<p>Yes, Agent Banking can be carried out in any part of the country where a Financial institution has approved agents.</p>
<p>Will Agent Banking transactions be processed in real time?</p>	<p>Yes, All Agent Banking transactions will be processed in real-time to protect customers' interest. Operating regulations do not permit transaction processing when the systems are down (offline)</p>
<p>In the case of contingency, is it allowed to facilitate banking transaction on an offline mode?</p>	<p>No, Agent Banking transactions <u>cannot</u> be conducted on an offline mode even in cases of contingencies.</p>
<p>Is there a deposit/withdrawal limit at Agents?</p>	<p>Financial Institutions are responsible for establishing own transaction limits at Agents as required in Section 9 (2i) of the Agent Banking Guidelines.</p>
<p>Can I open an account through an agent?</p>	<p>No. The Agent banking regulations expressly prohibit an agent from opening bank accounts. However, the agent may be permitted to collect and remit/convey/deliver KYC (Know Your Customer) and CDD (Customer Due Diligence) documentation on behalf of the Bank/ Financial Institution.</p>
<p>Can a bank's employee open accounts at agent banking locations?</p>	<p>No. The process of opening accounts must be undertaken either at a bank's head office or branch locations.</p>
<p>Can Agents provide services outside their authorised business locations as long as requirements are met?</p>	<p>No, all transactions must be conducted within the business premise of the appointed agent to protect the interest of the customers, and customers must be informed clearly of this requirement. This is to curb fraudulent activities.</p>



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<p>Is exclusivity permitted for agents?</p>	<p>No, an Agent recruited by any Financial Institution will not be prohibited from conducting Agent banking services with other Financial institutions. Agents are non-exclusive.</p>
<p>Agent Management</p>	
<p>Agent selection - What are the type of agents that can be appointed by financial institutions?</p>	<p>Financial Institutions can appoint any agent that meets their own internal selection criteria as the FIs are ultimately accountable for any misconduct of its agents. FIs' selection process and criteria for agents must at the minimum meet the criteria listed in Section 7.2 of the Guidelines. As per Section 7.2 of the Guidelines, FIs must select agents that have a business license, permanent and secure business premises and a licensed business for at least 12 months.</p>
<p>How many agents are allowed per financial institution?</p>	<p>There is no limit to the number of agents that financial institutions can appoint.</p>
<p>Are agents required to possess a licence by the Financial Institution?</p>	<p>Agents are approved by the Central Bank on the recommendation as a proposed agent by the financial institution (bank). The Bank-Agent relationship is governed by agency agreement entered into between an agent and the bank.</p>
<p>What is the minimum business hours of agents?</p>	<p>There is no minimum business hours of agents imposed by BOU. It is up to the Financial Institutions to determine the appropriate business hours of their agents. Typically, business hours of agents are longer than those of FIs in order to provide convenience to customers to conduct banking transactions after office hours.</p>
<p>Who sets the commission rate, BOU or Financial Institutions?</p>	<p>The commission rate for agents is set by Financial Institutions, and not by BOU.</p>



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<p>What is an example of a verification mechanism by agents?</p>	<p>Each Agent will be assigned a unique Agent Code (Number) and the same will be displayed at the agent's premise.</p>
<p>Can agents be properly certified/licensed, self-regulated and made responsible for their own conduct, akin to insurance agents? Can standard terms of termination of agents be adopted by all financial institutions? Licensed agents should display a standard 'Agent Charter' at their premises.</p>	<p>As much as possible, the industry has standardized agent agreements.</p>
<p>Customer Protection, Awareness and Education</p>	
<p>Can the financial institutions promote and append a standardised "Do's and Don'ts" on agent banking at agent's premises?</p>	<p>Yes, this is one of the items displayed at every agent service point. Other items to be displayed include:</p> <ol style="list-style-type: none"> 1. Tariff Poster for Agent Banking Services 2. Agent Code (Unique 6-digit number) 3. Supporting Branch and Contact Name and Number 4. Service Terms & Conditions for Use 5. Permitted & Prohibited activities 6. A branded Agent Banking Transaction Register 7. An Agent accreditation certificate from the principle bank



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<p>Does end-to-end encryption include agents' Personal Computer (PC), printer etc?</p>	<p>Agent devices have security features embedded.</p>
<p>Can reversal of transactions be manually done by the agent?</p>	<p>This can be initiated by agent, but there is a process and conclusion of a reversal can only be done by the financial institution.</p> <p>For any disputes, Agent or customer should call their Bank Toll free line for support</p>
<p>Reporting Requirements</p>	
<p>What is the submission date of the reports? To whom do financial institutions submit this report to? Is there a dedicated email or personnel?</p>	<p>Establish reporting requirements and insert here.</p>
<p>Settlement Process</p>	
<p>1. What is the ABC settlement process?</p>	<p>Settlement will be conducted in a similar way to the current and any future settlement framework undertaken by banks as members of the clearing house and in accordance with the rules therein.</p>
<p>2. Will there be a collateral for the UBA settlement account to be held at every bank?</p>	<p>Settlement is between the member banks and follows the existing clearing house rules.</p>



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<p>3. How will settlement be done?</p>	<p>ABC will generate settlement file at the end of every day, this will be net bilateral settlement. The agent commissions will be settled monthly</p>
<p>Agent Commission Structure</p>	
<p>4. What Agent risk mitigation strategies will the operation provide?</p>	<p>Agents will pre-fund their accounts</p> <p>A comprehensive risk management framework & risk has been developed. This addresses the measures undertaken to mitigate each risk.</p> <p>The first contact point for the Agents and customers is the parent Bank's Toll-free help line</p> <p>The Agent or customer may also walk into the nearest bank branch for support</p> <p>Every agent is taken through training before they commence their business to make them aware of possible risks and how they can be mitigated.</p>
<p>Where can customers access tariff charges?</p>	<p>The customer tariff guide will be clearly displayed at the agent's premises.</p>
<p>What reports will banks have access to?</p>	<p>Member banks will be provided with a portal where they will have access to all the reports.</p> <p>These reports include but not limited to Transactional, Commission and Settlement reports</p>
<p>Customer/Agent experience- Call centre support services</p>	
<p>What is the role of each stakeholder in this initiative?</p>	<p>Bank of Uganda regulates financial institutions including the provision of agent banking services.</p> <p>Banks recruit and manage agent banking agents and customers.</p>



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	<p>Agent serve bank customers.</p> <p>ABC provides and managed the interoperable and shared agent banking platform.</p>
Agent Network Management Framework	
Who does the supervision, monitoring and what are the QOS (Quality of Service) metrics. What is the expected agent QOS threshold?	<p>ABC will ensure 99.5% System uptime and 95% and 90% service uptime for Kampala and upcountry locations.</p> <p>A clear escalation matrix is in place to support member Bank staff in resolution of customer queries.</p> <p>Customers and Agent queries are to be handled on priority. Maximum TAT should be 24hours</p>
Legal documentation such as sample contracts with Agents	<p>Agents are contracted by the Financial Institution. Agent commissions are to be paid monthly by the 5th working day of the new month</p> <p>Agents shall not charge customers in cash for Transactions. All fees are system configured</p> <p>Agents must operate on a permanent address/structure and not on moveable infrastructure</p>
Advertising / Brand Management	
How will banks extend their Brand visibility on the ABC network? Who does the marketing?	<p>ABC communication & Marketing will compliment banks communication. Agent Banking has a corporate identity and banks will be required to co brand at the Agent banking points.</p>
Training	



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<p>Who trains the agents and how often?</p>	<p>Agents Training is continuous. Both Banks and ABC will train agents using standard curriculum developed to support the trainings.</p>
<p>Sales and Business development strategy</p>	
<p>How is the UBA initiative is addressing the bottom of the pyramid i.e. the financial inclusion?</p>	<p>UBA has engaged BOU on regulation bottlenecks particularly touching on tiered KYC. This will see the platform provide for self-registration / account opening by customers. The KYC process will be simplified in this model. UBA will compliment the business & confidence building activities of member banks through awareness & financial Literacy campaign, commercial & marketing effort via print & electronic media and other ways & means to</p>
<p>Who will be responsible for Agent recruitment?</p>	<p>The member banks will recruit their agents as provided for in the regulations. Banks are at liberty to engage Agent Network Managers to assist them in this process.</p>
<p>Who will be responsible for training the agents?</p>	<p>ABC will provide initial training to agents. Thereafter member banks will provide continuous training on agency banking and other areas touching on agency banking</p>
<p>Who will be responsible for agent management and supervision?</p>	<p>Different member Banks will choose different models or a combination be it inhouse or outsourced.</p>
<p>Who will be responsible for guaranteeing the quality of service offered by the agents?</p>	<p>The Banks are the principle parties are the primary parties responsible for the service level provided by their agents and indeed are the first point of call. Supporting institutions like ABC, ANMs etc will compliment banks.</p>



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<p>Who will be the 1st point of contact for support for the agent?</p>	<p>The first point of contact is the nearest bank branch. Then its HQ. For Agents under externally sourced Agent Network Managers, the ANM is also an escalation point and so is ABC.</p>
<p>Who will be the 1st point of contact for support for the customer</p>	<p>In case of queries, disputes or dissatisfaction, the first point of contact for the customer is their bank either by telephone or by visiting the nearest bank branch. The Bank's HQ is also an escalation point.</p>
<p>What will be the dispute resolution mechanisms and procedures</p>	<p>1st Step is follow escalation matrix (Branch, Bank HQ, BOU). Each Agent is attached to a bank branch and this is their first point of contact in case of any problem. However under the financial Consumer Empowerment Mechanism, There will be a Complaints resolution framework for Agent Banking issues.</p>
<p>How can the Bank enhance their Brand for the agents they recruit?</p>	<p>Banks will co-brand with the Agent Banking Corporate Identity</p>
<p>How is the agent's cash safeguarded? Is there insurance?</p>	<p>Agents buy trade float in the bank, against this float is what they trade on e-wallet. At the agent premises, It is the responsibility of the agent to ensure premises are secure including surroundings)</p>
<p>How will fraud cases on an agent terminal be handled?</p>	<p>1st Step is follow escalation matrix (Branch, Bank HQ, BOU). Each Agent is attached to a bank branch and this is their first point of contact in case of any problem. However under the financial Consumer Empowerment Mechanism, There will be a Complaints resolution framework for Agent Banking issues.</p>
<p>Whose role is it to Brand and Market the</p>	



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products?	Member Banks!
Is it mandatory for every Bank to recruit agents?	This is not mandatory. Different Banks have different strategies and can choose to ride on an existing shared agent network.
Is it mandatory for every Bank to have implant tellers?	This is not mandatory
What happens if the Bank is a corporate Bank and does no deal with retail customer nor do they have an Agency Banking strategy?	All banks have retail & personal banking customers. The strategy for this will depend on each individual bank
Agent & Customer Related Questions	
What equipment will agents use to serve customers?	Financial Institutions will provide a Point of Sale terminal and /or a smart mobile phone with complimenting accessories to each agent. Each device will require a SIM Card, data and receipt roll to operate optimally.
Can a person be an agent of a teleco and a bank at the same time?	Yes, an agent can serve both the telecom company and bank
How does an agent access float?	An agent will visit the branch they are attached to or any other branch of their principle bank and acquire float or rebalance.



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<p>How does an agent benefit from agent banking services?</p>	<p>Agents will earn commission from transactions they carry out on behalf of customers.</p>
<p>Can I withdraw cash from an authorised Agent Banking Agent without my ATM card?</p>	<p>Yes, you can withdrawal cash up to the set transaction limit for the day using your respective Bank's Mobile Banking service APP.</p>
<p>How much will agents charge for agent banking transactions?</p>	<p>Refer to the tariff guide which is well displayed at the agent's premise. Also note that all charges will be deducted by the system. Do not pay any extra fees over the counter.</p>
<p>Will my information be kept confidential when I conduct banking services through an agent?</p>	<p>All your transactions are safeguarded by a PIN which is known only to the customer.</p>