

MAS, Bank of Ghana and Development Bank Ghana to develop an Integrated Financial Ecosystem to...

Singapore, 10 November 2022 — The Monetary Authority of Singapore (MAS), Bank of Ghana (BOG) and Development Bank Ghana (DBG) [1] today signed a Memorandum of Understanding (MOU) to develop the Ghana Integrated Financial Ecosystem (GIFE). The GIFE aims to enhance financial capabilities and access for micro, small and medium enterprises (MSMEs) in Ghana and generate greater opportunities for trade and financial services cooperation between Singapore and Ghana. Over time, it is envisaged that the integrated financial ecosystem model can serve the Asia-Africa SME trade corridor more broadly.

The GIFE will offer an open digital infrastructure for MSMEs in Ghana and Singapore in four key areas:

- The **SME Financial Empowerment Programme** will help MSMEs build **foundational digital financial literacy skills** and gain a good understanding of cross-border financial services.
- MSMEs in Ghana and Singapore can expand their international business connections in Asia and Africa, through a network of **business-to-business e-commerce platforms**.
- DBG and partner financial institutions will provide **digital trade finance and guarantees** for eligible MSMEs through a digital platform.
- MAS, BOG, DBG and financial institutions will jointly develop **financial trust frameworks** [2] **to assess credit worthiness** for financing by enabling financial institutions to use alternative data sets, such as the track record of successful payments to suppliers and tax payments to relevant authorities.

The GIFE is a collaborative effort across public entities, financial institutions, FinTechs, and tech solution providers in Ghana and Singapore. These include Proxtera [3], Consolidated Bank of Ghana, ANEXT Bank, Enterprise Singapore, and the Global FinTech Institute.

Mr. Sopnendu Mohanty, Chief FinTech Officer, MAS, said, “MAS has worked closely with Bank of Ghana since the announcement of the Financial Trust Corridor in 2020. The GIFE is an important step to foster closer collaboration between the two central banks and important emerging markets. The GIFE is a rethink to potentially leapfrog traditional financial inclusion approaches with combined support mechanisms powered by smarter data that MSMEs and financial institutions can tap on based on their needs.”

Dr. Ernest K.Y. Addison, Governor of Bank of Ghana, said “This memorandum further demonstrates BoG’s commitment as a central bank, to working with key stakeholders to explore innovative financing

models. It also further demonstrates our commitment to the Business Sans Borders initiative which we partnered with the Monetary Authority of Singapore to enhance MSME contribution to economic growth and in line with Government's broader economic transformation goals.

Mr. K. Duker, Chief Executive Officer, DBG, said, "We believe that this partnership with the Monetary Authority of Singapore and the GIFE programme mark a pivotal moment in DBG's mission to provide sustainable finance solutions to Ghanaian businesses and facilitate multi-generational, sustainable economic growth. DBG recognises the crucial role of SMEs in our country's economy and the GIFE programme will further strengthen DBG's ability to catalyse SME growth by ensuring that they get the financial solutions they need to achieve their full potential. SMEs are a key pillar of Ghana's economic resilience, prosperity, and international competition, so I'm optimistic that our journey to unlock their potential will yield excellent results for our people and country."

Ms. Toh Su Mei, Chief Executive Officer, ANEXT Bank, said, "ANEXT Bank is honored to join this private-public taskforce in co-creating the FTC trust data framework to promote more trust amongst businesses and financial institutions globally. It allows us to make financial services accessible and effortless for more SMEs as growing businesses can get access to global trades, and be more resilient against macroeconomic market disruptions."

[1] Bank of Ghana is the central bank of Ghana and Development Bank Ghana is a development financial institution set up in 2022 to provide long-term lending to Small and Medium Enterprises.

[2] An example is the Financial Trust Corridor (FTC) initiative to engender greater trust, trade and recognition between both countries' businesses and financial institutions.

[3] Proxtera is the exclusive operational partner of the SME Financial Empowerment Programme. It is the operational and digital infrastructure provider for the implementation of the GIFE.

About Monetary Authority of Singapore

The Monetary Authority of Singapore (MAS) is Singapore's central bank and integrated financial regulator. As a central bank, MAS promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore's exchange rate, official foreign reserves, and liquidity in the banking sector. As an integrated financial supervisor, MAS fosters a sound financial services sector through its prudential oversight of all financial institutions in Singapore — banks, insurers, capital market intermediaries, financial advisors, and financial market infrastructures. It is also responsible for well-functioning financial markets, sound conduct, and investor education. MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. It facilitates the development of infrastructure, adoption of technology, and upgrading of skills in the financial industry.

About Bank of Ghana

Bank of Ghana is the central bank of Ghana. The Bank's mandate is to formulate and implement

monetary policy to achieve price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payment system. The key functions and responsibilities of BoG as defined in Act 612 as amended, and Act 930, are to regulate, supervise, and direct the banking system and credit system to ensure the smooth operation of a safe and sound banking system. The Bank exercises its regulatory and supervisory mandate to ensure that the banking sector is solvent, profitable, and liquid and that depositors' funds are safe. In pursuant to these objectives, the Bank enforces strict compliance with the statutory and regulatory requirements to promote fair competition among banks.

About Development Bank Ghana

DBG is a Development Finance Institution, established by the Government of Ghana, in accordance with the Development Finance Act, 2020 which acts as an enabler for businesses in Ghana and as a long-term capital provider in the market. DBG's mission is to:

- Foster strong partnerships to finance economic growth, create jobs and build capacity for SMEs
- Provide long-term financing and de-risking services, underpinned by technology and evidence-based research/insights
- Attract, develop and retain exceptional people
- Operate as an independent, financially sustainable world-class institution
- Promote ESG excellence within the businesses we support

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