

# STREAMLINING CEDI-RELATED OFFSHORE TRANSACTIONS

## POLICY BRIEF

### 1 Introduction

The Bank of Ghana (BoG) aims to optimize offshore transactions related to the cedi, enhancing foreign exchange (FX) inflows into the interbank market. This move is part of the BoG's efforts to stabilize the Ghanaian cedi and address exchange rate pressures.

### 2 Implication

Streamlining cedi-related offshore transactions is expected to improve FX inflows, bolster currency stability, and protect inward remittances. The BoG's new Foreign Exchange Operations Framework may increase transparency and accountability in FX operations. However, smaller banks and fintech operators might face compliance challenges.

#### **The policy could impact various industries:**

- Export-oriented industries (e.g., cocoa, gold) may see improved competitiveness and increased exports.
- Import-dependent industries (e.g., oil, pharmaceuticals) might benefit from reduced costs and improved supply chain stability.
- Remittances and diaspora businesses could see increased flows and investments.
- Fintech and digital payments might need to adapt, but could also innovate and grow.



## 3 CERPA's Position

As a think tank, CERPA recommends:

- The BoG ensures the new framework doesn't disproportionately burden smaller players
- Regular assessments of the policy's impact on FX inflows and currency stability
- Encouraging transparency and accountability in FX operations to maintain market confidence
- Supporting smaller banks and fintech operators through:
  - i. Capacity building and training
  - ii. Streamlined compliance processes
  - iii. Access to FX liquidity
  - iv. Encouraging partnerships and collaboration
- Aligning with international best practices, including:
  - i. Transparency and clear communication
  - ii. Market-based exchange rates
  - iv. Robust FX reserve management
  - v. Proportionate regulatory frameworks

## 4 Conclusion

The BoG's initiative can contribute to Ghana's economic stability. CERPA suggests careful monitoring and stakeholder engagement to maximize benefits and minimize potential drawbacks.

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### About CERPA

The Centre for Economic Research and Policy Analysis (CERPA) is a think tank dedicated to providing independent, data-driven economic research and policy recommendations to foster sustainable

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