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Transitioning from Aggregated to Granular Regulatory Returns: Reforming Remittances Data Collection at the Bank of Uganda

Ronnie Kyamureku Alinda & Milly Nalukwago Isingoma

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Uganda Bankers Association
Plot 2702, Block 244 Nyangweso Road
Off Kironde Road, Tankhill Muyenga, Uganda
P.O. Box. 8002, Kampala
secretariate@ugandabakers.org
www.ugandabakers.org

Executive Summary

Uganda is one of Sub-Saharan Africa's top recipients of personal remittances, with flows reaching USD 1.4 billion in 2023, accounting for a significant share of GDP and household income. However, until recently, the Bank of Uganda (BoU) collected remittances data through monthly aggregated returns, limiting the ability to analyze remittance trends, channels, and costs. The shift in the remittance landscape—particularly the rise of fintechs, mobile platforms, and the need for high-frequency, disaggregated data—the BoU undertook a major reform. This involved transitioning to a weekly, transaction-level remittance data collection framework.

1.0 Introduction

This brief presents the rationale, process, challenges, and policy implications of this transition. It also draws on best practices and offers recommendations for implementing granular data systems in other sectors.

2.0 Problem Statement

2.1 Limitations of the Previous Framework:

- **Inadequate Coverage:** Only captured data from banks and licensed MTOs, excluding growing fintech and mobile money channels (which handle 45% of remittances).
- **Lack of Granularity:** Monthly aggregated data made it impossible to analyze key variables like sender/receiver demographics, transfer channels, and transaction costs.
- **Poor Timeliness:** Data lag of over a month hindered responsive policy intervention.
- **Low Compliance with Global Standards:** The framework did not meet international standards for high-frequency, disaggregated data (e.g., IMF and IFAD recommendations).

3.0 Policy Intervention: Transition to Granular, Weekly Remittance Reporting

3.1 Objectives of the Reform

- Enhance data quality and depth through transaction-level reporting.
- Expand reporting scope to include Payment Service Providers/Operators (PSP/Os) and fintechs.
- Increase reporting frequency from monthly to weekly.
- Improve regulatory oversight including anti-money laundering (AML) and counter-financing of terrorism (CFT) monitoring.
- Align with international best practices for cross-border financial data governance.
- Inform policy under the National Financial Inclusion Strategy (NFIS) 2023–2028.

3.2 Reform Implementation Process

- **Stakeholder Engagement:** BoU leveraged the National Remittance Stakeholder Network (NRSN) to consult market players.
- **Pilot Testing:** Conducted from Dec 2024 to Mar 2025 with 32 entities (banks, credit institutions, PSPs).
- **Template Refinement:** Adjusted reporting templates based on pilot feedback; introduced dual templates for banks and PSPs.
- **Governance Approval:** Templates approved by the Financial Institutions Supervision Committee (FISC).
- **Rollout Strategy:** New form deployed through the Banking Supervision Application (BSA), with ongoing training.

4.0 Key Features of the New Framework

Feature	Description
Frequency	Weekly submissions by the second working day of the following week.
Granularity	Over 30 fields per transaction, including ID, channel, origin, currency, FX margin, sender/receiver demographics, fees, and more.
Coverage	Includes commercial banks, PSPs, mobile operators, fintechs, forex bureaus, and MTOs
Technology	Integration of APIs and SupTech to automate submissions and reduce human error.

5.0 Challenges Encountered

Challenge	Response
Resistance to change	Conducted bilateral consultations and capacity-building to ease concerns.
Capacity disparities	Tailored support for smaller MTOs; collaborated with industry associations (e.g., Forex Bureaus Association).
Data quality issues	Developed detailed compilation notes and validation tools.
Technical integration delays	Encouraged early adoption of APIs and provided interim manual support.
Resource constraints	Leveraged IFAD technical assistance under PRIME Africa.

6.0 Lessons Learned

- **Stakeholder engagement is key:** Early and continuous consultation helped secure buy-in and smooth the transition.
- **Phased implementation works:** Starting with a pilot allowed the BoU to test assumptions and refine tools.
- **Regional collaboration adds value:** Peer learning from the Central Bank of Kenya and National Bank of Rwanda enriched the reform process.
- **Technology is a multiplier:** Integrating SupTech and APIs will be critical for long-term sustainability.

7.0 Policy Recommendations

7.1 For the Bank of Uganda:

- Continue technical support to PSPs and fintechs, especially Tier 3 and 4 institutions.
- Mandate API-based reporting within a defined timeframe to enhance accuracy and reduce compliance costs.
- Use granular data for policymaking in financial inclusion, FX management, and AML/CFT monitoring.
- Expand granular data systems to other sectors (e.g., agriculture, insurance).

7.2 For Other Government Agencies:

- Adopt a similar approach in data collection for health, education, agriculture, and SME finance to improve evidence-based policymaking.
- Harmonize definitions across agencies to improve interoperability and national data quality.

7.3 For Regional Bodies (EAC, AfDB, etc.):

- Encourage cross-country harmonization of remittance data standards.
- Support capacity building and shared SupTech tools among member states.

8.0 Conclusion

The transition from aggregated to granular remittance data collection is a landmark reform that aligns Uganda with global standards, strengthens financial oversight, and enables more responsive, inclusive policy design. By leveraging technology, stakeholder collaboration, and international partnerships, the Bank of Uganda has created a replicable model for modernizing regulatory returns across sectors. The path forward lies in using this data not only for compliance, but for development impact.



Plot 2702 Block 244 Nyangweso Road off Kironde Road Tankhill Muyenga P.O. Box 8002, Kampala
Tel: +256 312 343 400, Email: secretariat@ugandabankers.org, www.ugandabankers.org