



Founded 1994 • UK Charity No: 1104682 • UK Company No: 4772972

Rich Mix Building, 35-47 Bethnal Green Road, Shoreditch, London E1 6LA
Website: www.afford-uk.org Tel: 020 3326 3750

UK Government Classifies Remittances as Essential Service

Success for AFFORD's advocacy to keep money transfer businesses open during Covid-19 lockdown

(AFFORD, London, 27 April, 2020)

On 21 April 2020, the UK government amended the Health Protection (Coronavirus, Restrictions) Regulations 2020 to include money transfer organisations as essential service providers, exempted from restrictions during the lockdown period. This follows from direct representations made by AFFORD (African Foundation for Development) to the House of Lords International Relations and Defence Committee (IRDC), and to DFID (Department for International Development), about the vital role of remittance flows in supporting day to day living and alleviating poverty in these times of crisis and emergency. The amendment recognises the importance of access to remittance services, especially for migrants and diaspora unable to use online and mobile remittance platforms. The changes took effect as at 11.00am on 22 April 2020, and AFFORD is working with partners to raise awareness about this important development.

The original UK Coronavirus law which came into force on 26 March 2020 gave shutdown exemptions to *"banks, building societies, credit unions, short term loan providers and cash points"*¹. The amendment extends the same exemptions to *"savings clubs...and undertakings which by way of business operate currency exchange offices, transmit money (or any representation of money) by any means or cash cheques which are made payable to customers"*².

"We thank the UK government for their positive response, enabling people to continue to send remittances. We also look forward to engagements to support collective remittances, as mitigation for Covid-19 related income loss suffered by remittance senders", said Mr Onyekachi Wambu, AFFORD's Executive Director. He added: *"It is important that the government recognised the vital role of remittances in supporting development and addressing the threats represented by Covid-19. African diaspora remittances in 2018 were US\$86 billion. As a result of Covid-19 the World Bank is expecting these figures to fall dramatically by over 20 per cent by the end of the year, which will add additional pressure on African countries and their people"*.

As noted by AFFORD at the United Nations High Level Dialogue in 2013, *"Two hundred million migrants, millions of second generation diasporans, support one billion people in the developing world"*³. Remittances to Low and Middle Income Countries (LMIC) remain a major form of international development finance, reaching US\$554 billion in 2019⁴.

For more information please contact: Paul Asquith, Engagement and Policy Manager, AFFORD
Email: paul@afford-uk.org Mob: +44 (0)7855 036 817 Tel: +44 (0)20 3326 3760

¹ Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 <http://www.legislation.gov.uk/ukSI/2020/350/schedule/2/made>

² Schedule 2, Paragraph 33, Health Protection (Coronavirus, Restrictions) (England) (Amendment) Regulations 2020 <http://www.legislation.gov.uk/ukSI/2020/447/regulation/2/made>

³ http://gkpartners.co.uk/Gibril_Faal_UNHLD_Opening_Speech_3_Oct_2013.pdf

⁴ <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>