

LICENSING REQUIREMENTS FOR TIER 3

A.

1. Restrictions of Eligibility to Corporate Entities

No person other than a body corporate, incorporated in Ghana, shall be eligible to apply for a licence to carry Tier 3 microfinance business.

No person shall carry on Microfinance business unless it has obtained from the Bank of Ghana a license for that purpose.

2. Restrictions on shareholding

i) Shareholding of microfinance institutions such as Susu companies, Deposit taking financial NGOs and Money lending companies shall be restricted to only Ghanaians.

ii) Shareholding in non-deposit taking microfinance institutions may be exclusively Ghanaian, exclusively foreign or jointly Ghanaian and foreign.

3. Application procedures

i) Application for a licence

Every application for a licence shall be made in writing to the Director, Banking Supervision Department, Bank of Ghana, Accra, and shall be accompanied by:

[a] A certified true copy of the Certificate of Incorporation and Regulations of the company.

[b] Names, addresses, occupations of persons who would hold significant shares directly or indirectly in the proposed venture and the respective values of such holdings as well as their corporate affiliations.

[c] Completed Personal Questionnaire on the particulars of the directors and senior persons to be in-charge of the management of the business, including their background, financial position, business interests and particulars of other business concerns under their control or management.

[d] A feasibility report including a business plan and financial projections of the company for the first five years of operation.

[e] Information on capital and sources of funds; and

[f] Such other particulars as the Bank of Ghana may require.

ii) Interview

The Banking Supervision Department shall interview the applicant with respect to the application.

5. Minimum Paid-Up Capital

Tier 2 Activities

All Tier 2 entities shall require not less than GH¢500,000.00 [Five Hundred thousand Ghana Cedis only] as minimum paid-up capital.

Tier 3 Activities

All Tier 3 entities shall require not less than GH¢300,000.00 [Three Hundred Thousand Ghana Cedis only] as minimum paid-up capital.

6. Approval in principle

The Bank of Ghana may issue an 'approval-in-principle' to the applicant on such terms and conditions as it may consider necessary and appropriate, if it is satisfied that:

- [a] the applicant would carry on the business with integrity, prudence and the required professional competence; and
- [b] The applicant has the capacity to raise the initial paid-up capital required to hold a licence.

7. Pre-operating Conditions

The Central Bank may issue the final approval and licence to the applicant after satisfying itself that the following pre-licensing conditions have been met.

- i. Minimum paid-up capital – the company has raised the minimum paid up capital
- ii. Premises: The Company
 - [a] has provided evidence of title deeds/lease agreements
 - [b] has approvals by relevant authorities
 - [c] has adequate business premises, staff operating area, ventilation, lighting, etc.
- iii. Has demonstrated security of the premises, including adequacy of alarm systems, fire extinguishers, vaults or safes, etc.
- iv. Has in place up to date insurance covers – fire, burglary, fidelity guarantee, etc.
- v. Possesses Operational plans and policies approved by the Board.
- vi. Has accounting procedure manuals, computers and appropriate software, etc.
- vii. Has in place adequately trained and sufficiently experienced staff as well as competent key personnel;
- viii. Has submitted its first year pre - operating financial statement of affairs.
- ix. Has met any other conditions imposed by the Bank of Ghana.

8. Fees

Tier 2 and 3 microfinance institutions shall pay the following fees:

- i. Processing fee: **GH¢500.00**
- ii. Licence fee: **GH¢1000.00**
- iii. Annual licence renewal fee: **GH¢500.00**

B.

TIER 4 OPERATORS

1. Application and Licensing Procedure

Tier 4 operators shall:

- i. Obtain and complete a preliminary registration form for licensing as a Susu Collector or Money Lender.
- ii. Register as a member or affiliate with the umbrella Association for Susu Collectors or Money Lenders.
- iii. Submit the completed preliminary form, together with a personality profile form endorsed by the executives of the umbrella Association to the Bank of Ghana.
- iv. Be licensed after obtaining satisfactory reports on background checks undertaken.

2. Fees

- i. Application processing fee: **GH¢100.00**
- ii. Licensing fee: **GH¢500.00**
- iii. Licence renewal fee: **GH¢250**

Any enquiry in respect of this Notice may be addressed or directed to:

THE HEAD

BANKING SUPERVISION DEPARTMENT

BANK OF GHANA (9TH FLOOR, CEDI HOUSE)

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