

# **BANK OF GHANA**

## **NOTICE TO RURAL BANKS, MICROFINANCE INSTITUTIONS AND THE PUBLIC**

### **NOTICE NO. BG/GOV/SEC/2015/08**

#### **RURAL BANKS AND MICROFINANCE INSTITUTIONS: REVISION OF THE MINIMUM PAID-UP CAPITAL**

Further to Bank of Ghana Notice No. BG/GOV/SEC/2013/05 DATED 30<sup>th</sup> August 2013 and Notice No. BG/GOV/SEC/2013/08 DATED 30<sup>th</sup> December, 2013, the Bank of Ghana announces for the information of Rural/Community Banks and Microfinance Institutions (TIER 2 and Tier 3 Microfinance Institutions), the revised minimum capital requirement for the industry applicable to both existing and new entrants, in accordance with Section 6(2) of the Banking Act, 2004 (Act 673) and Section 11 of the Non-Bank Financial Institutions Act, 2008 (Act 774) as follows:

#### **1.0 RURAL/COMMUNITY BANKS**

- 1.1 Minimum paid-up capital requirement for obtaining a Rural/Community banking licence is GH¢1,000,000.00 (One Million Ghana Cedis).
- 1.2 All existing Rural and Community banks as well as Rural and Community banks which have been granted provisional approval by the Bank of Ghana are advised to take steps to enhance their capital, to meet the revised minimum paid-up capital requirement.
- 1.2 New applicants or entrants into the industry should note and comply with the new minimum paid-up capital requirement.

#### **1.4 TRANSITIONAL ARRANGEMENTS**

All licensed Rural/Community Banks are to raise their minimum paid-up capital to GH¢300,000.00 (Three Hundred Thousand Ghana Cedis) by 31<sup>st</sup> December 2015, GH¢500,000.00 (Five Hundred Thousand Ghana Cedis) by 31<sup>st</sup> December 2016 and GH¢1,000,000.00 (One Million Ghana Cedis) by 31<sup>st</sup> December 2017.

## **2.0 TIER 2 AND TIER 3 MICROFINANCE INSTITUTIONS**

- 2.1 The minimum paid-up capital requirement for obtaining a Tier 2 (Deposit Taking) and Tier 3 (Non-Deposit Taking) Microfinance Institution Licence is GH¢2,000,000.00 (Two Million Ghana Cedis).
- 2.2 Microfinance Institutions which have been granted provisional approval by the Bank of Ghana, shall comply with a minimum paid-up capital requirement of GH¢500,000.00 (Five Hundred Thousand Ghana Cedis) and submit a credible capital plan to raise the minimum paid-up capital to GH¢2,000,000.00 (Two Million Ghana Cedis) in accordance with the transitional arrangements set out in paragraph 2.5 of this Notice.
- 2.3 Applicants who have not been granted provisional approval and new applicants shall comply with the new minimum paid-up capital requirement of GH¢2,000,000.00 (Two Million Ghana Cedis) with immediate effect.
- 2.4 Evidence of capital contribution shall be subject to verification by the Bank of Ghana before inclusion in the paid-up capital and registration with the Registrar-General's Department.

## **2.5 TRANSITIONAL ARRANGEMENTS**

- i. All licensed Tier 2 Microfinance Institutions are to raise their minimum paid-up capital to GH¢250,000.00 (Two Hundred and Fifty Thousand Ghana Cedis) by 30<sup>th</sup> July 2015, GH¢500,000.00 (Five Hundred Thousand Ghana Cedis) by 30<sup>th</sup> June 2016 and GH¢2,000,000.00 (Two Million Ghana Cedis) by 30<sup>th</sup> June 2018.
- ii. All licensed Tier 3 Microfinance Institutions are to raise their minimum paid up capital to GH¢ 150,000.00 (One Hundred and Fifty Thousand Ghana Cedis) by 31<sup>st</sup> December 2015, GH¢300,000.00 (Three Hundred Thousand Ghana Cedis) by 31<sup>st</sup> December 2016 and GH¢2,000,000.00 (Two Million Ghana Cedis) by 31<sup>st</sup> December 2018.

## **3.0 FINANCIAL NGOS**

The minimum paid-up capital of Financial NGOs remains at GH¢300,000.00 (Three Hundred Thousand Ghana Cedis).

- 4.0** Microfinance Institutions which fail to comply with the revised capital requirements shall have their operating licenses revoked.

Shareholders, Directors and Operators of Rural/Community Banks, Microfinance Institutions, prospective investors/applicants and the general public are to take note of the above and be guided accordingly.

This notice supersedes earlier notices issued in relation to the minimum paid-up capital requirements for Rural/Community Banks and Microfinance Institutions.

**CAROLINE OTOO (MRS)**  
**THE SECRETARY**

**3<sup>RD</sup> JULY, 2015**