

REQUIREMENTS FOR SAVINGS AND LOANS/FINANCE HOUSE LICENCES

1. Restricting Eligibility to Licensed Corporate Bodies

No person other than a body corporate incorporated in Ghana shall be eligible to apply for a licence to carry on the business of a savings and Loans/Finance House.

2. No person shall carry on the business of a savings and Loans/Finance House unless the Bank of Ghana licenses it.

3. Interview

The Banking Supervision Department located in the Cedi House [Bank of Ghana Annex] shall first interview the applicant. The applicant may then make a payment of GH¢5,000.00 [Five thousand Ghana Cedis only] as non-refundable processing fee. A licensing fee of GH¢10,000.00 [Ten thousand Ghana Cedis] would be paid if the application is approved for the issuance of the licence.

4. Application for 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 Regulations or other Instrument, relating to the proposed business, or by or under which any person proposing to carry on such business was established.
- [b] Names, addresses, occupations of persons who would hold significant shareholdings directly or indirectly in the proposed venture and the respective values of such holdings as also their corporate affiliations.
- [c] Completed Personal Questionnaire on the particulars of five [5] directors and senior persons to be in-charge of the management of the said 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 for the first five years and intended areas of specialisation, if any.
- [e] Information on capital and sources of funds; and
- [f] Such other particulars as the Central Bank may require.

5. Minimum Paid-Up Capital

All saving and loans/finance houses applications require initial paid-up capital of GH¢15,000,000 (Fifteen million Ghana cedis) .In the case of foreign ownership not less than 60% of the required capitalization shall be brought into Ghana in convertible currency

6. In Principle Approval

The Central Bank may issue 'in-principle' approval 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 initial paid-up capital required to hold a licence.

The Central Bank may issue the final approval and licence to the applicant after satisfying itself that the conditions above and those set out in 7.0 below have been met.

7. **Pre-Operating Conditions**

Approved institutions shall not commence business until they have obtained a final licence from Bank of Ghana. Such a certificate shall be issued only upon fulfillment of the following requirements and demonstration of readiness to commence business by the institution.

- i. Premises:
 - [a] Sufficiency of title deeds/lease agreements
 - [b] Approvals by relevant authorities
 - [c] Adequacy of business premises, staff operating area, ventilation, lighting, etc. and
- ii. Security of premises including adequacy of alarm systems, fire Extinguishers, vaults or safes, etc.
- iii. Insurance – fire, burglary, fidelity guarantee, etc.
- iv. Operational plans and policies approved by the Board.
- v. Accounting procedures manual. General ledger and subsidiary ledgers.
- vi. Capital stock or shareholder’s register.
- vii. Adequacy of staffing;
- viii. Capital subscribed and received; and
- ix. Competent key personnel [Managers] in place.
- x. Submission of financial statement of affairs.

8 **CHANGES IN LICENSING CONDITIONS**

- [a] It should be noted that the above conditions for licence are subject to review, and could affect an application in process.
- [b] The Bank of Ghana relies on other agencies both local and external in the processing of applications, and this could cause delays in the processing of applications.

.