



**BANK OF GHANA**

# ***Financial Holding Companies Directive***

***For Banks, Specialized Deposit-Taking Institutions and Financial Holding Companies***

**Banking Supervision Department**

**July 2018**

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EXPOSURE DRAFT

## **PART I: PRELIMINARY**

### **1.1 Title**

This Directive may be cited as the Financial Holding Companies Directive.

### **1.2 Preamble**

The Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930) mandates the Bank of Ghana to have overall supervisory and regulatory authority in matters relating to Financial Holding Companies.

This directive is intended to facilitate understanding of the requirements for the adoption and operations of a financial holding company in Ghana. It covers the definition and structure of a financial holding company, registration requirements, ownership and control, governance, permissible and non-permissible activities, statutory regulation, as well as supervision.

The directive seeks to facilitate effective consolidated supervision of the regulated financial institutions and to further engender the safety and soundness of banking system. Under Act 930, existing holding companies that are non-financial in nature must be divested and a financial holding company established as a parent of the bank/SDI and the other financial subsidiaries.

A financial holding company may be a source of financial and managerial strength to the subsidiaries. In pursuant to this attribute, a financial holding company shall maintain financial flexibility and capital-raising capabilities for supporting its subsidiaries. It shall also stand ready to use available resources to augment the capital of its subsidiaries in periods of financial stress or adversity.

This directive shall be read in conjunction with the provisions of the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930), other subsidiary legislations made under the Act, as well as written directives, notices, circulars, frameworks and other guidelines that the Bank of Ghana and other regulators in the financial services sector have issued or may issue from time to time.

### **1.3 Application**

This Directive shall apply to all Regulated Financial Institutions.

## 1.4 Interpretations

Terms used in this directive are as defined in the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930) except as otherwise specified. Other terms used in this guideline shall be taken to have the meaning assigned to them hereunder:

- a. **“Act 930”** means *Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)*
- b. **Regulated Financial Institutions**, *“refers to banks, savings & loans, finance houses, leasing, mortgage companies and financial holding companies licensed or regulated under the Banks & Specialised Deposit Taking Institutions Act 2016 (Act 930)”*
- c. **“acquisition”** means *the purchase of an institution licensed or regulated under Act 930 by another person which makes the purchaser a significant shareholder in that institution and it includes take-overs;*
- d. **“control”** means *a relationship where a person or a group of persons acting in concert, directly or indirectly:*
  - (i) *owns 25 percent of the voting shares of a person;*
  - (ii) *(ii) has the power to appoint or remove the majority of the board of directors of the person; or*
  - (iii) *has the ability to exert a significant influence on the management or policies of a juridical person or;*
  - (iv) *has the ability to direct the activities of the person so as to affect the financial returns on any investment made with the person.*
- e. **“merger”** means *the fusion of two or more Regulated financial institutions licensed or regulated under Act 930;*
- f. **“person”** includes *an individual, a company, a partnership, an association, and any other group of persons acting in concert, whether incorporated or not;*
- g. **“significant shareholder”** means *a shareholder who has a direct or indirect holding in a bank: (a) which represents 5% or more of the capital or the voting right.*
- h. **“Non –operating Financial Holding Company”** refers to the situation where the financial holding company does not undertake any active business itself but owns and manages assets in one or more companies.
- i. **“Financial exposure”** in relation to a bank, specialised deposit – taking institution or financial holding company with respect to a person is the aggregate of:
  - 1) The loans, advances, placements and credit facilities including off-balance sheet obligations given to that person, and

- 2) The value of the holdings by the bank, specialised deposit-taking institution or financial holding company of shares, debentures and other debt securities issued by that person.

## **PART II: STATEMENT OF POLICY**

### **2.1 Objective**

The objective of this directive is to:

- a. Operationalise the provisions of the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930) relating to Financial Holding Companies;
- b. Prescribe the permissible and non-permissible activities for Financial Holding Companies;
- c. Set forth the procedures for the Registration of a financial holding company pursuant to the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930); and
- d. Prescribe the minimum prudential and regulatory requirements (liquid assets and capital adequacy) to be maintained by the Financial Holding Companies.

### **2.2 Scope**

This Directive applies to regulated financial institutions as defined and to Financial Holding Companies owning a significant stake in a regulated financial institution.

### **2.3 Responsibility**

The board of directors of each Regulated Financial Institution shall be responsible for ensuring that the provisions of this directive are complied with accordingly.

## **PART III: THE STRUCTURE OF A FINANCIAL HOLDING COMPANY**

### **3.1 Definition**

A financial holding company is a company that controls a bank or SDI which is subject to registration requirement under the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930). Its principal object includes managing equity investments in two or more companies, being its subsidiaries, engaged in the provision of financial services, one of which must be a bank or SDI.

## **3.2 Non-Operating Financial Holding Company**

The nature of a financial holding company under this Directive shall be non-operating.

- 3.2.1** A financial holding company is non-operating and exists solely to carry out investment in approved subsidiaries without engaging in the day-to-day management of same.
- 3.2.2** A financial holding company shall be a body corporate registered under the Companies Act, 1963 (Act 179) as a company and registered also by the Bank of Ghana.

## **3.3 Structure**

- 3.3.1** For any financial holding company structure to emerge, there shall be at least, two subsidiaries and the focus of all the subsidiaries shall be in the financial services sector.
- 3.3.2** A financial holding company is permitted to have only two hierarchies (parent and subsidiaries which may be intermediate financial holding companies). Where a sub-subsidiary of the FHC exist and is locally based, the relevant regulator shall have the overall responsibility for its supervision.
- 3.3.3** A financial holding company may acquire any licensed financial institution, taking into account the requirements of BOG's Mergers and Acquisitions Directive and subject to prior written approval of the Bank of Ghana. Where the target company is outside the supervisory purview of Bank of Ghana, the prior approval of the relevant regulator is required.
- 3.3.4** A financial holding company that elects to change and specialise in a single line of the financial services business shall seek the prior approval of the Bank of Ghana.

## **3.4 Divestment of a Banking Subsidiary from a financial holding company Group.**

The Bank of Ghana may divest or cause to be divested from a financial holding company Group a banking subsidiary and ring-fence it into a single line bank or SDI, where in the opinion of the Bank of Ghana, the financial holding company is being run in an unprofessional manner that is detrimental to the interest of depositors, creditors and/or other stakeholders of the banking subsidiary.

## **PART IV: REGISTRATION REQUIREMENTS**

The promoters of financial holding company shall be required to submit a formal application for registration which should be addressed to the Governor of the Bank of Ghana. Registration process shall be in two phases: Provisional Approval and Final Registration.

### **4.1 Requirements for granting Provisional Approval**

An application for registration shall be made in writing to the Governor of the Bank of Ghana with the Head, Banking Supervision Department in copy, and shall be accompanied by:

- 4.1.1 A non-refundable application fee as may be determined by the Bank of Ghana or such other amount that the Bank of Ghana may specify from time to time which shall be payable by bank draft or electronic transfer.
- 4.1.2 The following documents and information shall accompany the registration application:
  - a. company incorporation documents (as issued by the Registrar of Companies).
  - b. feasibility report including a detailed business plan and financial projections for the first five (5) years, which shall include, intended areas of specialisation as well as Anti-Money Laundering policy and other internal policies.
  - c. the capital resources of the applicant, including the original sources of funds, evidence of meeting the prescribed minimum paid up capital and capital structure of the proposed company.
  - d. the names, addresses, occupations, business and professional history for the preceding ten (10) years or longer period determined by BOG, certified financial positions and corporate affiliations of the significant shareholders and details of their respective shareholdings.
  - e. when the applicant is a member of a corporate group:
    - i. a complete organizational structure including a diagram of the group;
    - ii. direct and indirect affiliates and associates of the applicant; and
    - iii. the nature of the relationship with the group.
  - f. audited financial statements for the last three (3) years or for a lesser period if the company has been in existence for shorter than three (3) years.
  - g. statement on measures and structures that the applicant's business would be conducted under sound corporate governance principles and in accordance with the Anti-Money Laundering and Anti-Terrorism laws of Ghana.
  - h. Schedule of services to be rendered by the financial holding company.
  - i. Five (5)-year financial projections for the operations of the proposed financial holding company indicating expected growth and profitability; and the details of the assumptions underlying the financial projections.

- j. The particulars of proposed directors and key management personnel, including qualification and experience business and professional history for the preceding ten (10) years or longer, certified personal statement of affairs and business interests.
  - k. Details of Information Technology (IT) facilities proposed to be deployed.
  - l. Corporate group structure indicating percentage holding of the financial holding company in each of the subsidiaries as well as their principal businesses and registered Head offices.
  - m. Criteria for selecting Board members.
  - n. a statutory declaration for each director, key management personnel or significant shareholder, disclosing where applicable:
    - conviction for offences by a court of competent jurisdiction;
    - personal bankruptcy filings;
    - disqualifications from practising a profession; and
    - past or present managerial involvement in an insolvent company.
  - o. Any other particulars that the Bank of Ghana may require.
- 4.1.3 Appointment of directors and Key management personnel shall be in accordance with the corporate governance directive and the fit and proper directive issued by the Bank of Ghana.

Pursuant to the above, the Bank of Ghana shall:

- (i) Within ten (10) working days of the receipt of the application acknowledge in writing the receipt of the application.
- (ii) Within six (6) months after the receipt of complete information in respect of an application communicate its decision in writing to the applicant.

#### **4.2 Requirements for granting a final Registration**

Not later than six (6) months after obtaining Provisional Approval the promoters of a proposed financial holding company shall submit application for the grant of a final Registration Certificate to the Bank of Ghana. The application should fulfil the conditions outlined in the provisional approval which shall include the following:

- a. Evidence of payment of capital contribution by each shareholder and compliance with the minimum capital requirements by the proposed financial holding company.
- b. Evidence of location of Head Office (rented or owned) for the take-off of the financial holding company business and a satisfactory inspection of same by the Bank of Ghana.

- c. Schedule of changes, if any, in the Board, Key Management and significant shareholding since the grant of provisional approval.
- d. Evidence of compliance with technical requirements and modern infrastructural facilities such as office equipment, computers, telecommunications, etc. to perform financial holding company operations and satisfy Bank of Ghana and other sector regulatory requirements.
- e. Copies of Offer and Acceptance letters of engagement in respect of the Directors and Key Management Personnel.
- f. Schedule of Board, Management and Staff training programme for the ensuing year.
- g. Copy of the Enterprise Risk Management framework of the proposed Financial Holding Company.
- h. Internal Control Policy.
- i. Audited Statement of affairs of the proposed financial holding company.
- j. Any other information that the Bank of Ghana considers necessary for proper functioning of the financial holding company.

#### **4.3 Registration Exemption**

- a. The Bank of Ghana may exempt a foreign bank or other foreign company that is subject to effective regulation and consolidated supervision in another jurisdiction:
  - i. from inclusion in the definition of financial holding company, or
  - ii. from one or more of the provisions applicable to financial holding companies, where that foreign bank or company is adequately supervised on global consolidated basis by the home country supervisor or host jurisdiction in which it has substantial operations.
  - iii. such a foreign bank or foreign company shall submit to the Bank of Ghana its last two (2) years audited group account and on a yearly basis, the group statutory financial statement.
  - iv. Payment of an registration exemption fee as may be determined by the Bank of Ghana or such other amount that the Bank of Ghana may specify from time to time and shall be payable by bank draft or electronic transfer.
  - v. Payment of a annual exemption renewal fee as may be determined by the Bank of Ghana or such other amount that the Bank of Ghana may specify from time to time and shall be payable by bank draft or electronic transfer.
- b. The Bank of Ghana may impose further terms and conditions on an exemption subject to the objectives of consolidated supervision or on any other specialised supervision.

#### **Application for Registration Exemption**

Application for exemption under section 4.3 above shall be made in writing and submitted to the Governor of the Bank of Ghana with the Head of Banking Supervision in copy.

Pursuant to the above, the Bank of Ghana shall:

- (i) Within ten (10) working days of the receipt of the application acknowledge in writing the receipt of the application.
- (ii) Within six (6) months after the receipt of complete information in respect of an application communicate its decision in writing to the applicant.

#### **4.4 Requirements for commencement of operations**

The financial holding company shall inform the Bank of Ghana of its readiness to commence operations and such information shall be accompanied by copies of each of the following:

- i. Minutes of pre-commencement board meeting;
- ii. Share certificates issued to each investor (shareholder);
- iii. Date of commencement of operations;
- iv. Certificate to commence business from the Registrar Generals Department;
- v. Shareholders Register;
- vi. Amended copy regulations (where applicable).

#### **4.5 Display of Certificate of Registration**

Upon commencement of operations a financial holding company shall display a copy of the certificate of registration at its head office for the information of the public.

#### **4.6 Post Registration requirements**

A financial holding company shall:

- 4.6.1. Comply with all guidelines and regulations issued by the Bank of Ghana and other sector regulators.
- 4.6.2. Maintain adequate accounting system and keep records that capture all information which reflect the financial condition of the financial holding company.
- 4.6.3. Ensure that the financial holding company and all its subsidiaries are adequately capitalised at all times.

#### **4.7 Other requirements**

- 4.7.1. A person shall not function or take an action that causes it to function as a financial holding company except that company is registered as a financial holding company by the Bank of Ghana.

- 4.7.2. A financial holding company shall submit to the Bank of Ghana audited group account and on a yearly basis.
- 4.7.3. Section 43-48 of Act 930 outlines pre-registration requirement, restrictions, registration conditions and determinations by the Bank of Ghana in considering an applicant for registration certificate for a Financial Holding Company.

#### **4.8 Withdrawal of certificate of Registration**

The Bank of Ghana may withdraw the registration of a financial holding company and require the divestment of a bank or Specialised Deposit –Taking Institution where;

- i. The financial holding company persistently fails to comply with the requirements of Act 930;
  - ii. The financial holding company fails to comply with the conditions of the registration;
  - iii. The financial holding company ceases to meet the requirements for registration as a financial holding company;
  - iv. The Bank of Ghana determines that the registration was granted based on false or inaccurate information;
  - v. The Bank of Ghana determines that the financial holding company is insolvent or is likely to become insolvent;
  - vi. Proceeding for bankruptcy, insolvency or an arrangement with creditors are initiated against the financial holding company.
- 4.8.1 Where the registration of a financial holding company is withdrawn, the Bank of Ghana may;
- a. Require the divestiture of the bank or specialised Deposit–Taking Institution;
  - b. Restrict transactions between the bank or specialised Deposit–Taking Institution and the financial holding company and other members of the financial group; or
  - c. Place the financial holding company in official administration or receivership.

## **PART V: GOVERNANCE**

### **5.1. Governance Structure**

The following provisions are designed to strengthen the governance structure of financial holding company:

- a. The board shall include at least an individual who is well-versed in the practice and theory of each segment of the subsidiary companies within the Group.
- b. Appointment to the board and management positions shall be in line with the requirements of the Corporate Governance Directive, Fit and Proper Directive and any other notices and directives issued by the Bank of Ghana from time to time.
- c. The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) that apply to banks and SDIs also apply to Financial Holding Companies.

### **5.2. Intra Group investments and Control**

- a. Changes in ownership and control of a financial holding company shall be subject to the prior approval of the Bank of Ghana as well as any conditions incidental to such approval.
- c. Subsidiaries of a financial holding company or their affiliates are prohibited from acquiring shares in the financial holding company.
- d. Subsidiaries are prohibited from acquiring shares of other subsidiaries of their parent holding company.
- e. Notwithstanding the provisions of 5.2 (c) & (d), a subsidiary acting as a nominee is at liberty to invest in any financial holding company on behalf of its clients subject to restriction in equity investments per Act 930.
- f. Where a financial holding company loses its Controlling Interest in the only banking subsidiary in the group, the financial holding company shall cease to be a financial holding company and will be required to return its Registration to the Bank of Ghana for cancellation.
- g. Where a financial holding company that has only two subsidiaries loses its Controlling Interest in either of the subsidiaries, the financial holding company shall cease to be a financial holding company and will be required to return its registration to the Bank of Ghana for cancellation.
- h. Where a financial holding company loses controlling interest in a subsidiary under (f) or (g) above it shall divest wholly from that subsidiary within a period of six (6) months or any other period as may be determined by the Bank of Ghana.

## **PART VI: PERMISSIBLE ACTIVITIES AND NON-PERMISSIBLE ACTIVITIES**

### **6.1. Permissible Activities**

- 6.1.1. The activities of the financial holding company shall be to the holding of equities in its subsidiaries.
- 6.1.2. Raise funds to invest in-or provide support to its subsidiaries.
- 6.1.3. A financial holding company may, with the prior written approval of the Bank of Ghana, provide shared services to its subsidiaries within the group in respect of:
  - a. Human Resources policy;
  - b. Risk Management policy;
  - c. Internal Control policy;
  - d. Compliance policy;
  - e. Information and Communication Technology;
  - f. Facilities;
  - g. Advisory financial, accounting or information processing services for the purposes of providing support to the business conducted by subsidiaries; and
  - h. Any other services as the Bank of Ghana may determine from time to time.
- 6.1.4. Shared services shall be provided on non-preferential basis (arm's length) to subsidiaries and affiliates. Transactions in respect of such services shall require the consent of the Board of both the banking subsidiary and the financial holding company.
- 6.1.5. A financial holding company may invest in a company (vendor) that engages in the activities permissible for banks and specialised deposit-taking institutions and any other activities that the Bank of Ghana may determine.
- 6.1.6. For the purpose of subsection 6.1.5, a financial holding company shall not hold equity investment of more 5% of the issued shares of the vendor or in aggregate not more than 10%.

### **6.2. Non-Permissible Activities**

- 6.2.1. A financial holding company is prohibited from undertaking the following activities:

- i. Direct or indirect Investment in non-financial entities (e.g. commercial, agricultural or industrial activities).
- ii. Establishment, divestment and closure of subsidiaries without the prior written approval of the Bank of Ghana and/or any other relevant regulatory or supervisory authority, as the case may be.
- iii. Deriving or receiving income from sources other than as listed herein:
  - a. Dividend Income from its subsidiaries/associates;
  - b. Income from shared services, where applicable;
  - c. Interest earned from idle capital funds invested in government securities;
  - d. Divestment from subsidiaries/associates; and
  - e. Any other source as may be approved by the Bank of Ghana.

#### **6.2.2. Internal Management of Subsidiaries**

No financial holding company, its shareholder, director or key management personnel shall:

- i. Usurp any of the powers or functions of the Board of Directors, or internal management responsibilities and obligations of any of its subsidiaries or associates within the group;
- ii. Interfere in the day-to-day activities of the subsidiaries;
- iii. Be involved in credit administration and approval process of its subsidiaries;
- iv. Require subsidiaries (including any organ, agent, employee, staff, manager, officer or director thereof) to take directives or act on the instructions of the financial holding company in its decision making process, or in relation to the conduct of its business in any way whatsoever.
- v. Engage the services of any employee of any of its subsidiaries;
- vi. Engage the services of any employee of any of its subsidiaries;
- vii. Enter into any technical or management service contract with any of its subsidiaries except as stipulated in Section 6.1.3 of this Directive;
- viii. Purchase/dispose assets from/to its subsidiaries without the prior written approval of the Bank of Ghana and any other relevant regulator;

6.2.2.1 No financial holding company shall:

have any of its officers or employees, while in the employment of the financial holding company, work for any subsidiary

### **6.2.3. Intra-Group Transactions**

No financial holding company shall:

- i. Engage in any transaction or maintain any business relationship with any of its subsidiaries, except such transaction is conducted on non-preferential basis (arm's length);
- ii. Borrow from the Ghanaian banking system for the purpose of capitalizing itself or any of its subsidiaries;
- iii. Obtain a loan based on the guarantee of its banking subsidiary/associate, except where the loan is secured by dividend income or Service Level Agreements by the financial holding company for services to its banking subsidiaries.

6.2.4. Extension of credit by a banking subsidiary to its Holding Company would be regarded as a return of capital and deducted from the capital of the banking subsidiary when computing the bank's capital adequacy ratio;

6.2.5. Any banking subsidiary lending to other subsidiaries within its financial holding company group would attract 100% risk weight (if it is fully secured) otherwise it would be deducted from the capital of the bank when computing capital adequacy ratio.

### **6.2.6. Change in ownership structure**

Except with the prior written approval of the Bank of Ghana, no financial holding company or any director, shareholder, agent or its shareholders shall enter into an agreement or arrangement which results in:

- a. a change in the control of the financial holding company; and
- b. the transfer of shareholding of 5% and above in the financial holding company;
  - i. For the sale, disposal or transfer of the whole or any part of the business of the financial holding company;
  - ii. For the amalgamation or merger or takeover of the financial holding company with any other person;
  - iii. For the reconstruction of the financial holding company; or
  - iv. To employ a management agent or to be managed by or to transfer its business to any such agent.

### **6.2.7. Intra-Group Transfer of Properties, Plants and Equipment**

Intra-group transfer of properties, plants and equipment shall be carried out in a transparent manner and on a non-preferential basis (arm's length).

## **PART VII: STATUTORY REGULATION OF FINANCIAL HOLDING COMPANY GROUPS**

### **7.1 Minimum Paid-up Capital and Capital Reserves**

A financial holding company shall have a minimum paid up capital which shall exceed the sum of the minimum paid up capital of all its subsidiaries as may be prescribed by the various sector regulators from time to time. It shall demonstrate its financial strength to the Bank of Ghana and provide its commitment to recapitalise subsidiaries within the group in the event of a capital call-up by a sector regulator.

### **7.2 Capital Adequacy Ratio**

A financial holding company shall ensure that its subsidiaries comply with the Capital Adequacy Ratio (CAR) prescribed by their respective sector regulators. For banking entities in the group, minimum capital requirements should be complied with on a solo and consolidated basis.

Prompt Corrective actions shall be in accordance to the relevant sections in the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930).

### **7.3 Acquisition of Subsidiaries**

In determining the acquisition of subsidiaries, the Bank of Ghana shall be satisfied that a financial holding company has adequate capital resources by way of free-fund to carry out the acquisition.

### **7.4 Limits on Insider-Related Transactions:**

In addition to regulations issued by relevant sector regulators on exposure to directors/insiders:

- a. A financial holding company shall not grant or permit:
  - An outstanding financial exposure in respect of an insider of the financial holding company and the related interest of that insider except on terms which are non-preferential in all respects.

- b. A banking subsidiary of a financial holding company shall not grant a financial exposure to its parent or related interests where the aggregate of the financial exposure exceeds 10% of the net own funds of the banking subsidiary.

## **7.5 Limits on Investment in Fixed Assets**

A financial holding company shall ensure that its investment in fixed assets does not exceed 25% of its net own funds.

# **PART VIII: SUPERVISION**

## **8.1 Responsibility for Supervision of Financial Holding Companies**

### **8.1.1 Examination**

Financial holding companies shall be supervised by the Banking Supervision Department of the Bank of Ghana. The subsidiaries within the group may be supervised by relevant financial sector supervisors.

### **8.1.2 Investigation and Scrutiny**

- The Bank of Ghana may without prior notice carry out investigations or scrutiny into a specific matter or activity or office relating to the affairs of a financial holding company.
- The Bank of Ghana may carry out an examination of the operations and affairs of any member of a financial holding company whenever the Bank of Ghana determines that the examination is appropriate to carry out its responsibilities under Act 930.

## **8.2 Consolidated Supervision of Financial Holding Companies**

Financial holding companies shall be required to render returns to the Banking Supervision Department in a format as may be prescribed by the Bank of Ghana from time to time.

## **PART IX: GUIDANCE NOTES**

- 9.1. Fitness and propriety of the shareholders, Directors and key management personnel shall be ascertained through compliance with the fit and proper Directive issued by the Bank of Ghana.
- 9.2. The Bank of Ghana may also inspect the books and records of a proposed financial holding company to satisfy itself about the representations made or information submitted by the promoters.
- 9.3. Provisional Approval granted to a proposed financial holding company is not an authority for the promoters to commence operations or perform any of the activities stated in Section 6.0.
- 9.4. The Bank of Ghana may, at any time and without recourse, vary or review any condition of the Registration or impose additional conditions.
- 9.5. In constituting the Board of Directors of a financial holding company, consideration shall be given to core competencies in the areas of operation of the subsidiaries.

## **PART X: PRUDENTIAL AND REPORTING REQUIREMENTS**

- 10.1. In addition to the provisions of the Act 930 and this Directive, a financial holding company with a banking subsidiary shall ensure compliance with the provisions of the Prudential Guideline on Capital Adequacy, Liquidity Management and Consolidated Supervision with regard to capital adequacy, large exposures, liquidity ratios and market risk exposures.
- 10.2. A registered financial holding company shall be required to submit by March 31 each year the following information as at December 31 of the preceding year:
  - I. The group audited financial statements/annual accounts to the Bank of Ghana.
  - II. A chart or series of charts depicting the relationship between the financial holding company and its subsidiary companies, associates, and significant shareholders, together with a brief outline of the nature of business, services and locations of principal places of business for each such company or person.
  - III. A list of significant shareholders, directors and senior officers and significant shareholders for each subsidiary, associates and affiliates of the financial holding company.

- IV. The name and contact details of the authority or body responsible for regulation and supervision, if applicable, of each subsidiary, associate and other affiliates of the financial holding company.
  - V. The name and contact details of the external auditors for each subsidiary, associate and significant institutional shareholders of the financial holding company.
  - VI. A chart of the group management structure, if applicable, which clearly indicates the way in which senior management responsibilities (including the names and job titles) are allocated.
- 10.3. A financial holding company shall be required to submit the relevant prudential returns to the Bank of Ghana on both solo and consolidated basis.