

BANK OF GHANA

BANKING SUPERVISION DEPARTMENT

GUIDELINES FOR OPENING REPRESENTATIVE OFFICES OF FOREIGN BANKS

1. APPLICATION FOR LICENCE

An application to the Bank of Ghana to open a representative office of a foreign registered bank (hereafter called Representative Office), should be supported by the following:

- a) The legal and organisational structure of the foreign bank.
- b) Particulars of home country supervisor and the latest examination report on the parent bank together with any reaction thereof.
- c) Audited financial statements for the last three years.
- d) A copy of an application to the Ghana Investment Promotion Centre (GIPC) for clearance.
- e) Copy of clearance from the GIPC, evidence of residence status, as well as work permit for foreign staff.
- f) Particulars of the proposed business of the representative office in Ghana.
- g) Detailed plans for establishing a representative office in Ghana.
- f) The curriculum vitae of the designated Ghana representative and other management personnel, as well as the management team of the foreign registered bank.

2. Permissible Activities of Representative offices

A representative office shall not conduct any activities other than the following:

- Solicitation of loans and in connection therewith.
- Assembly of credit information.
- Making of property inspections and appraisals.
- Securing of title information.
- Preparation of applications for loans including making recommendations with actions thereon.
- Solicitation of investors to contract with the bank purchase loans from the bank.
- The search of such investors to contract with the bank for the servicing of such loans.
- Solicitations of new business and conduct of research.

Any other activity, which the foreign registered bank seeks to conduct, shall be subject to prior approval in writing from the Bank of Ghana.

3. Approval

The Bank of Ghana shall grant approval for the issuance of a licence if it is satisfied that the;

Financial responsibility, experience, character, and general fitness of the foreign bank and its Representative are such as to command the confidence of the community and to warrant belief that the Representative will operate honestly, fairly, and efficiently within the purpose and intent of the Banking Act, 2004 (Act 673).

4. Refusal of licence

The Bank of Ghana may refuse an application for a licence to carry on banking business if the Bank of Ghana is not satisfied with the merits of the application or in view of prevailing conditions in the banking sector or in keeping with its banking policy.

An applicant reserves the right of an appeal to the Minister of Finance.

5. Time limit for decision on application

The Bank of Ghana shall communicate its decision on an application for a banking licence within three months from receipt of complete information.

6. Processing Fee and Licensing Fee

Non-refundable processing fee equivalent to USD 4,000.00 shall accompany an application and a licensing fee equivalent to USD 6,000.00 shall be paid before the issuance of an operating licence.