

BANK OF GHANA

BANKING SUPERVISION DEPARTMENT

GUIDELINES FOR CREDIT REFERENCE BUREAU LICENCE

By authority vested in the Bank of Ghana (BOG) under section 1 of the Credit Reporting Act, 2007 (Act 726), the following guidelines are hereby issued for the licensing of credit reference bureaux in Ghana:

1. Restricting Eligibility to Corporate Bodies

No person other than a body corporate incorporated in Ghana shall be eligible to apply for a licence to engage solely in credit reference bureau activities in Ghana.

No person(s) shall engage in credit reference bureau activities in Ghana except by or under the authority of licence issued in accordance with the Credit Reporting Act, 2007 (Act 726).

No licence would be granted for the operation of a credit reference bureau, if a financial institution or a debt collection agency has ten (10) per cent or more of the voting rights in the proposed credit reference bureau.

2. Application for Licence

An application for a licence to operate a credit reference bureau in Ghana shall be made in writing to the BOG and accompanied by the following:

- i. Certified true copies of the Regulations, and certificate of incorporation or other Instrument relating to the proposed business.
- ii. Documents that support the value of applicant's capital base as well as sources of funds

- iii. A feasibility study by the applicant's company that shows the business plan, organisational structure, and internal monitoring procedures of the company and information on the following:
 - a. Mission statement and goals
 - b. Market analysis
 - c. Ownership structure
 - d. Governance structure
 - e. Management structure
 - f. A description of projected investments
 - g. Projected financial statements for a minimum of three years
 - h. Analysis of profitability
 - i. Business Continuity Plan
- iv. Details of applicant's shareholder(s), directors and other officers
- v. A description of the applicant's premises and suitability for credit reference bureau activities
- vi. Particulars of the directors and key management personnel concerned with the management of the banking business, including their educational and professional background
- vii. Information necessary for assessing the trustworthiness of applicant
- viii. An overview of operations including a description of systems, design of data collection and dissemination and management processes including:
 - The development schedule of the software required for operation
 - Characteristics of products and services to be provided to users
 - Policy on service provision
 - Proposed security and control measures to prevent improper access to information
 - Proposed security and control measures to prevent improper access to management of information

- Operational manuals designed to ensure accuracy of information contained in the database and its update, and
 - The proposed fee and cost structure of products
- ix. In addition to the above, applicants may also collect personal questionnaire forms for Directors of the proposed credit bureau for completion and submission to the Bank of Ghana, and any
- x. Such other particulars as the Central Bank may require

3. Permissible Activities of Credit Reference Bureaux

A credit reference bureau shall be permitted to carry on any of the following activities:

- (a) Gather and maintain data for the formation of credit histories
- (b) Process credit related data
- (c) Deliver credit reports based partly or fully on information not in the public domain.

4. Capitalisation

A credit reference bureau is required to have a minimum paid-up capital of GH¢ 500,000.00

5. Issuance of Credit Reference Bureau Licence

The Bank of Ghana shall grant a licence to carry on the business of credit reference bureau after the Bank of Ghana is satisfied that the proposed entity:

- (a) has the human, financial and operational resources to enable it function efficiently and perform its functions effectively in accordance with the Credit Reporting Act, 2007 (Act 726)
- (b) proposed credit reference bureau office premises is suitable for the intended lines of business
- (c) has put in place adequate security systems to protect data
- (d) presents plans to adopt mechanisms to gather, input, integrate, update, validate and provide adequate security for data

(e) presents a credible plan to develop and adopt procedures to ensure that:

- questions, concerns and complaints of credit information subjects, or
- data providers are treated equitably and consistently in a timely and efficient manner.

6. Refusal of licence

The Bank of Ghana may refuse an application for a licence to carry on credit reference bureau business where

- (a) an applicant fails to pay the stipulated fees
- (b) there is an error in the application, or
- (c) an applicant fails to satisfy any pre-condition for the granting of the licence

The Bank of Ghana shall within three months after receiving the application, notify the applicant to rectify the situation within thirty (30) days after the receipt of notification. Where the applicant fails to rectify the situation, BOG shall not process the application.

BOG shall state the reasons for the refusal in the notice of refusal to the applicant.

7. Time limit for decision on application

The Bank of Ghana shall communicate its decision on an application for a credit reference bureau licence within three months from the date of receipt of application.

8. Fees

The following fees shall be applicable to all applications for a credit reference bureau licence:

TYPE OF FEE

Non-refundable processing fee	GH¢2,000.00
Licensing fee	GH¢3,000.00
Renewable annual licence fee	GH¢1,000.00