



**BANK OF GHANA**

# ***‘Fit and Proper’ Directive***

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

**Banking Supervision Department**

**July 2018**

## Table of Contents

PART I - PRELIMINARY .....	2
Title .....	2
Application .....	2
Objective of the Directive .....	2
Interpretation .....	2
Principles Underlying the Directive .....	3
PART II— RELEVANT LEGAL REQUIREMENTS .....	5
PART III - ROLE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT AND EXTERNAL AUDITORS.....	6
Role of Board .....	6
Role of Senior Management .....	6
Role of the External Auditors .....	6
PART IV - CONDITIONS FOR ASSESSMENT AND APPOINTMENT .....	7
PART V - MINIMUM ASSESSMENT CRITERIA .....	7
APPENDIX .....	17

## PART I - PRELIMINARY

### Title

1. The Directive may be cited as Fit and Proper Directive.

### Application

2. This Directive is issued under the powers conferred by Sections 6 and 92(1) of the *Banks & Specialised Deposit Taking Institutions Act, 2016 (Act 930)* and shall apply to regulated financial institutions licensed or registered under the Act 930 and any other entity regulated by the Bank of Ghana under any other enactment.

### Objective of the Directive

3. The objective of this Directive is to set out a framework which can be used by regulated financial institutions as well as the Bank of Ghana in determining whether a person is fit to be a director, a significant shareholder or to hold a key management position within the organization.

### Interpretation

4. **“Fit and Proper person”** means a person who is suitable to hold the particular position which that person holds or is to hold as regards:
  - (a) the probity, competence and soundness of judgment of the person for purposes of fulfilling the responsibilities of that person;
  - (b) the diligence with which that person fulfils or is likely to fulfil those responsibilities;
  - (c) whether the interest of depositors or potential depositors of the entity are threatened, be likely to be, in any way threatened by the person holding that position; and
  - (d) that the integrity of the person is established and the qualifications and experience of the person are appropriate for the position in the light of the business plan and activities of the entity which the person serves, or is likely to serve, taking into account the size, nature and complexity of the institution.
5. **“Act 930”** means the *Banks & Specialised Deposit Taking Institutions Act 2016 (Act 930)*;
6. **“Duty of care”** means to act in an informed and prudent basis in making decisions;
7. **“Duty of loyalty”** means to act in the interest of the *regulated financial institution* and shareholders and to prevent pursuing one’s own individual interest or that of another individual or group at the expense of the *regulated financial institution* and its shareholders.

8. **“Key management personnel”** refers to the chief executive officer, deputy chief executive officer, chief operating officer, chief finance officer, board secretary, treasurer, chief internal auditor, the chief risk officer, the head of compliance, the anti-money laundering reporting officer, the head of internal control functions, the chief legal officer, the manager of a significant business unit of the bank, a specialised deposit taking institution, or a financial holding company or any person with similar responsibilities;
9. **“Regulated financial institution”** refers to banks, specialised deposit-taking institution (excluding Microfinance Institution), leasing company, mortgage finance company and financial holding company licensed or registered under Act 930 and any other enactment;
10. **“Significant shareholders”** refers to a shareholder with direct or indirect holdings which represents 5% (five percent) or more of the capital or of the voting rights.

### **Principles Underlying the Directive**

11. The principles underlying this Directive are —
  - a. **Primary responsibility of Regulated Financial Institutions**
    - i. The Regulated Financial Institutions have the primary responsibility of selecting and nominating individuals for the board and key management personnel who comply with the requirements for fitness and propriety (“suitability”) as well as significant shareholders who are fit and proper.
    - ii. They must carry out their own due diligence and assessment of the members of the board, key management personnel and significant shareholders, not only prior to their appointment but also on an ongoing basis (e.g. in the case of a significant change to the responsibilities of a member of the board or key management personnel).
    - iii. In some cases, significant shareholder may be corporate entities and in these instances, similar fit and proper tests should be applied to those entities and their directors.
    - iv. As part of its responsibility to ensure ongoing suitability of members of the board, key management personnel and significant shareholders, regulated financial institutions must provide the Bank of Ghana with **all the information necessary** for conducting fit and proper assessment in all cases (new appointment, new facts, change of role etc.).
    - v. The Bank of Ghana, if necessary, can request a regulated financial institution or the appointee to provide additional information in writing or orally (e.g. in an interview).
    - vi. If a regulated financial institution or appointee does not comply with this requirement, the information on the appointee would be considered incomplete, thus impairing the ability of the Bank of Ghana to decide on the matter.

***b. Gatekeeper***

- i. Fit and proper supervision prevents individuals who pose a risk to the proper functioning of the regulated financial institution from being appointed as part of the management team or from continuing their role when an issue regarding their fitness and propriety arise.
- ii. The responsibility of the Bank of Ghana in this respect is to act as a gatekeeper. The Bank of Ghana ensures that regulated financial institutions comply with the requirements of putting in place robust governance arrangements, including the fit and proper requirements for the persons responsible for the management of regulated financial institutions.

***c. Proportionality and case-by-case assessment***

- i. The principle of proportionality applies throughout the whole fit and proper process. This means that the supervisory process of the Bank of Ghana as well as the application of the suitability criteria should be commensurate with the size, nature and complexity of the regulated financial institution as well as the particular role under consideration to be filled.
- ii. The application of the proportionality principle to the suitability criteria cannot lead to a lowering of the suitability standards, but can result in a differentiated approach to the assessment procedure or the application of suitability criteria. Therefore, in all cases the assessment will narrow down to an individual analysis and supervisory judgment.

***d. Due process and fairness***

- i. Fit and proper supervision is strongly procedure-driven. The regulated financial institution is in most cases the applicant in the supervisory procedure and the supervisory relationship is between the Bank of Ghana and the regulated financial institution.
- ii. However, the rights of both the regulated financial institution and the appointee could be affected by a fit and proper decision. In such cases both the regulated financial institution and the appointee will enjoy all the procedural guarantees including the right to be heard.
- iii. In arriving at its decision, the Bank of Ghana shall weigh up the factors that speak for and against the appointee and shall consider all information relevant and material to the fit and proper assessment of the appointee.

***e. Interaction with ongoing supervision***

- i. The fit and proper assessment feeds into the ongoing supervision of the governance of an institution, especially with regard to the composition and functioning of the board and key management personnel.
- ii. A fit and proper assessment may lead to a decision which needs to be followed up in ongoing supervision, while ongoing supervision in turn may provide input for a fit and proper assessment or lead to the reassessment of members of the management board and key management personnel.

## **PART II— RELEVANT LEGAL REQUIREMENTS**

12. The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) requires significant shareholders, directors and persons occupying key management positions in regulated financial institutions, to be fit and proper persons.
13. Section 9(b) and 9(c) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) empowers the Bank of Ghana not to issue licences to promoters of Banks and Specialised Deposit-Taking Institutions unless it is satisfied that the significant shareholders are suitable and the proposed directors and key management personnel are fit and proper.
14. Section 44 (4)(b) and (c) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) extend the powers of the Bank of Ghana to consider the fitness and propriety of key management personnel and significant shareholders of applicants of financial holding companies.
15. Section 60(6) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) empowers the Bank of Ghana not to grant approval for the appointment of a person as a Chief Executive or Deputy Chief Executive when in the opinion of the Bank of Ghana, the person is not fit and proper.
16. Section 60(9) and 60(10) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) grants the Bank of Ghana the power to remove a director or key management personnel if it considers that such an appointee is not fit and proper after hearing a representation made by the Bank.
17. Section 103 (1)(h) provides that where the Bank of Ghana determines that a significant shareholder, a director, or a key management personnel of an institution has contravened a provision of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), Regulations or Directives issued under Act 930 or engaged in unsafe and unsound practice, it can declare such a person as no longer fit and proper.
18. In developing the Directive, international best practice, where relevant, has been considered by the Bank of Ghana.

## **PART III - ROLE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT AND EXTERNAL AUDITORS**

### **Role of Board**

19. To effectively discharge its responsibilities, the Board of Directors of a Regulated financial institution should:-
- a. *Establish a fit and proper policy, taking into account the fit and proper criteria stated in this Directive;*
  - b. *Have documented the processes used to assess whether a person is fit and proper and reasons for any decisions made; and*
  - c. *Make the documentation available to the Bank of Ghana upon an application for approval of a director or key management personnel under Section 60 of the Banks and Specialised-Deposit Taking Institutions Act, 2016 (Act 930) as well as approval of transfer of shares involving significant shareholders under Section 49 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).*
  - d. *Ensure that candidates who are being considered for appointment to the board and key management positions meet the fit and proper test before appointments are made;*
  - e. *Ensure that processes are implemented to keep under constant review the capacity of Directors, significant shareholders, key management personnel to continue to meet the fit and proper test; and*
  - f. *Certify not later than end March of every year that significant shareholders, directors, key management personnel and employees are fit and proper, which certification must be done by an external body*
  - g. *Request the external auditors to advise and provide all necessary details if they become aware of information that points to non-compliance or potential non-compliance with the fit and proper requirements of this Directive.*

### **Role of Senior Management**

20. *The Senior Management of the regulated institutions applies the fit and proper test to middle and lower level management positions within the organization and reports to the Board periodically on the results of the tests. The tests should guide the recruitment of personnel in the institution.*

### **Role of the External Auditors**

21. The External Auditor of a regulated financial institution shall make a statement in the published financial statements to the effect that all significant shareholders, directors and key management personnel are fit and proper personnel

#### **PART IV - CONDITIONS FOR ASSESSMENT AND APPOINTMENT**

22. The fit and proper assessments on qualifying persons within the scope of this Directive shall be conducted both prior to initial appointments and at regular intervals of at least annually or whenever the regulated financial institution becomes aware of information that may materially compromise a person's fitness and propriety.
23. The fit and proper assessments must be supported by relevant information in relation to the person being assessed.
24. Where significant reliance is placed on information that is obtained from the person being assessed, and that information is material to the determination of the person's fitness and propriety, the regulated financial institution shall take reasonable steps to verify the information from independent sources and copies of the independent assessment made available to the Bank of Ghana as part of the request for approval.
25. Regulated financial institutions and financial holding companies shall have regard to the factors set out in Part V in assessing a person's fitness and propriety. The factors shall be assessed individually, as well as collectively, taking into account their relative importance.

#### **PART V - MINIMUM ASSESSMENT CRITERIA**

26. The fitness and propriety of members of the management body is assessed against the following criteria, namely:
- experience,
  - reputation,
  - conflicts of interest and independence of mind,
  - time commitment,
  - collective suitability and financial integrity, and
  - interviews.

These criteria are described in the following paragraphs.

#### **27. Experience**

##### **a. Practical experience and theoretical knowledge**

- i. Members of the board and key management personnel must have sufficient knowledge, skills and experience to fulfil their functions.

- ii. The term “experience”, used hereafter in a broad sense, covers both practical and professional experience gained in previous occupations and theoretical knowledge gained through education and training.
- iii. The member’s knowledge and skills should also be taken into account.
- iv. For the purposes of assessing a member’s theoretical knowledge, the level and profile of the education, which should relate to banking and financial services or other relevant areas (mainly banking and finance, economics, law, administration, information technology, financial regulation, strategy, risk management, internal control, corporate governance, financial analysis and quantitative methods) are taken particularly into account.
- v. Practical experience covers previous positions held, taking into account the length of service, the size of the entity, responsibilities held, number of subordinates, the nature of the activities carried out, the actual relevance of experience gained, etc.
- vi. The regulated financial institution shall submit, as a minimum, a detailed and current curriculum vitae (CV) for the appointee with supporting documents and completed Personality Note Form (PNF) (which is available for download from the Bank of Ghana’s website.)
- vii. Training plans already followed or to be followed by the appointee are also taken into account.

**b. Function-specific and minimum requirements**

- i. The principle of proportionality is inherently applicable, as the level of experience required depends on the main characteristics of the specific function and the institution. The more complex these characteristics are, the more experience will be required.
- ii. All members of the board and key management personnel are expected to possess, as a minimum, basic theoretical banking experience relating to:
  - financial markets;
  - regulatory framework and legal requirements;
  - strategic planning, and understanding of a regulated financial institution’s business strategy or business plan and implementation thereof;
  - risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of a financial institution) including experience directly related to the responsibilities of the member;
  - assessment of the effectiveness of a financial institution’s arrangements, ensuring effective governance, oversight and controls;
  - interpretation of financial information, identification of key issues based on this information and appropriate controls and measures.

**c. Assessment against thresholds**

- i. Experience is assessed against guiding presumptions of sufficient experience based on thresholds. If the thresholds are met, the appointee is ordinarily presumed to have sufficient experience, unless there is an indication to the contrary.
- ii. Furthermore, additional experience might be deemed necessary based on relevant factors e.g. the function applied for, the nature, size and complexity of the entity or other factors deemed necessary.
- iii. For a director who is also the Chair of the Audit Committee or Chair of the Risk Committee, and an executive director who is Chief Operations Officer, Chief Risk Officer, Chief Finance Officer, Compliance Officer, specialised experience in the relevant area needs to be identified.

Presumption of adequate experience for executive director its management function are indicated below:

CEO/MD	Executive Director
Executive: ten (10) years of practical experience at senior level managerial positions in areas related to banking or financial services.	Executive: five years of practical experience in areas related to banking or financial services in senior level managerial positions.

Presumption of adequate experience for the board in its supervisory function

Board Chair	Non-Executive Director
Non-executive Chair: ten years of relevant practical experience. This should include a significant proportion of senior level managerial positions and significant theoretical knowledge in banking or a similar relevant field.	Non-executive: three years of relevant practical experience at senior level managerial positions (including theoretical knowledge in banking).

**28. Reputation**

- a. Members of boards and key management personnel shall at all times be of good repute to ensure sound and prudent management of the regulated financial institution.
- b. Since a person can either have a good or a bad reputation, the principle of proportionality cannot apply to the reputation requirement or to the assessment of the reputation requirement, which should be conducted for all institutions in an equal manner.
- c. A nominee will be considered to be of good repute if there is no evidence to suggest otherwise and no reason to have reasonable doubt about his or her good repute (presumption of innocence).
- d. If the personal or professional conduct of a nominee gives rise to any doubt about his or her ability to ensure the sound and prudent management of the regulated financial institution, the regulated financial institution and/or the

nominee should inform the Bank of Ghana, who will assess the materiality of the circumstances.

- e. (Pending) legal proceedings
  - i. Pending - as well as concluded - criminal or administrative proceedings may have an impact on the reputation of the appointee and the regulated financial institution.
  - ii. While there is a presumption of innocence, the very fact that an individual is being prosecuted is relevant to propriety.
  - iii. Concluded proceedings will have an impact if the finding goes against the nominee. Even if the conclusion is in favour of the nominee, the Bank of Ghana may question the underlying circumstances of the proceedings to determine whether there is any impact on reputation. Therefore, the Bank of Ghana must always be informed about legal proceedings.
  - iv. Based on all the relevant information available, the Bank of Ghana will assess the materiality of the facts and the impact on the reputation of the nominee and the regulated financial institution.
- f. At a minimum, the following set of information will be required from the nominee, the regulated financial institution and/or prosecution authority:
  - i. whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings
  - ii. the personal involvement of the nominee particularly with regard to offences;
  - iii. whether the person has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
  - iv. whether the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
  - v. whether the person, or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
  - vi. whether the person has engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;

- vii. whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his honesty and integrity;
- viii. whether the person has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated;
- ix. whether the person has been a director of, or directly concerned in the management of any licensed institutions, the license of which has been revoked;
- x. whether the person has been a director of, or directly concerned in the management of, any company which is being or has been wound up by a court or other authority competent to do so within or outside Ghana;
- xi. whether the person has held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business;
- xii. whether, in the past, the person has acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities;
- xiii. whether a person has contributed significantly to the failure of an organisation or a business unit;
- xiv. whether the person is involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgment when acting in the capacity of a director or key management personnel.

## **29. Conflicts of interest and independence of mind**

### **a. Disclosure, mitigation, management and prevention of conflicts of interest**

- i. The regulated financial institution should have governance arrangements in place for disclosing, mitigating, managing and preventing conflicts of interest, whether actual, potential (i.e. reasonably foreseeable) or perceived (i.e. in the mind of the public).
- ii. There is a conflict of interest if the pursuance of the interests of a board member or key management personnel adversely affects the interests of the regulated financial institution.

- iii. It would be acceptable for a board member or key management personnel to have conflicts of interest if these were mitigated or managed adequately. If adequate mitigation or management is not possible based on the written policies of the regulated financial institution, material conflicts of interest must be prevented.

**b. Materiality**

- i. The Bank of Ghana will assess the materiality of the risk posed by the conflict of interest. The non-exhaustive table below includes situations in which there is a presumption that a material conflict of interest exists. However, this does not mean that the Bank of Ghana cannot find material conflicts in cases that fall outside these situations and thresholds.
- ii. When the materiality of a conflict of interest is determined, the regulated financial institution must adopt adequate measures. It must:
- perform a detailed assessment of the particular situation; and
  - decide which mitigating measures it will take based on its internal policy.
- iii. The regulated financial institution should submit a “Conflict of Interest Statement”, explaining the above to the satisfaction of the Bank of Ghana.

<b>Category of conflict</b>	<b>Period</b>	<b>Degree and type of connection and, where applicable, threshold</b>
Personal	Current	<p>The nominee:</p> <p>has a close personal relationship with a Board member, key management personnel or a significant shareholder in the regulated financial institution or in the parent undertaking/its subsidiaries;</p> <p>is a party in legal proceedings against the regulated financial institution or against the parent undertaking/its subsidiaries;</p> <p>conducts business, in private or through a company, with the regulated financial institution or with the parent undertaking/its subsidiaries</p>
Professional	Current or over the past two years	<p>The nominee or a close personal relation holds at the same time a management or senior staff position in the regulated financial institution or any of its competitors, or in the parent undertaking/its subsidiaries;</p> <p>Has a significant commercial relationship with the regulated financial institution or any of its competitors, or with the parent undertaking/its subsidiaries.</p> <p>The significance of the commercial interest will depend on what (financial) value it represents to the business of the appointee or his close personal relation.</p>

Financial	Current	<p>The nominee or a close personal relation has a substantial financial interest in or financial obligation to:</p> <ul style="list-style-type: none"> <li>• the regulated financial institution; the parent undertaking or its subsidiaries;</li> <li>• any of the regulated financial institution’s clients;</li> <li>• any of the regulated financial institution’s competitors.</li> </ul> <p>Examples of financial interests/obligations are shareholdings, other investments and loan. The substantiality depends on what (financial) value the interest or obligation represents to the financial resources of the nominee.</p> <p>The following would in principle be considered non-material:</p> <ul style="list-style-type: none"> <li>• all non-preferential secured personal loans (such as private mortgages) that are performing;</li> <li>• current shareholdings of less than or equal to 5% or other investments of equivalent value.</li> </ul>
Political	Current or over the past two years	<p>The nominee or a close personal relation holds a position of high political influence. “High influence” is possible at every level:</p> <ul style="list-style-type: none"> <li>• local politician (e.g. DCE/MCE);</li> <li>• regional or national politician (e.g. MP/Minister of State);</li> <li>• public employee (e.g. governmental job).</li> </ul> <p>The materiality of the conflict of interest depends on whether there are specific powers or obligations inherent in the political role which would hinder the appointee from acting in the interest of the regulated financial institution.</p>

**c. Independence of mind**

- i. Each member of the board or key management is expected to act with independence of mind. This criterion is also assessed when there is no conflict of interest, as the absence of a conflict of interest does not necessarily mean that the member will act with independence of mind.
- ii. This criterion will be taken into account in the assessment if there is information to suggest that the appointee has not acted with independence of mind in previous or current functions in the past.

### **30. Time Commitment**

#### **a. Qualitative and quantitative restrictions**

- i. All members of the management body must be able to commit sufficient time to performing their functions in the institution.
- ii. The time a director can dedicate to his or her functions can be affected by several factors, such as:
  - the number of directorships held;
  - the size and the situation of the entities where the directorships are held and the nature, scale and complexity of the activities;
  - the place or country where the entities are based; and
  - other professional or personal commitments and circumstances (e.g. a court case in which the appointee is involved).
- iii. Holding of multiple directorships is restricted under section 58 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) as it is an important factor that may affect time commitment.
- iv. The Corporate Governance Directive also limits the number of directorship positions that can be held by a director under clause 59 to ensure that directors give greater time commitment to their oversight function in the regulated financial institution
- v. The minimum set of information required from the regulated financial institution is as follows:
  - a specification of the time commitment required for the role;
  - a full list of the mandates or positions requiring time commitment from the nominee;
  - a self-declaration by the nominees that they have sufficient time to dedicate to all the mandates confirmed by the regulated financial institution.

### **31. Collective suitability and Financial Integrity**

#### **a. Self-assessment**

- i. The regulated financial institution has the primary responsibility of identifying gaps in the collective suitability through the self-assessment of its board and key management based on a suitability matrix. How a nominee will fit into the collective suitability is one of the criteria to assess at the time of his or her initial fit and proper assessment.
- ii. The regulated financial institution should provide a description of the composition of the board and key management for which the nominee is being added, and a short statement on how the nominee will contribute to the collective suitability needs of the regulated financial Institution.
- iii. The short statement ideally should provide an indication of how the nominee will complement/contribute to the existing board or key

management, and how he or she will rely on the existing board and key management for certain fields of knowledge, skills or experience.

**b. Financial integrity**

- i. Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently.
- ii. In assessing a person's financial integrity, the regulated financial institution and the Bank of Ghana shall consider all relevant factors which include, but are not limited to the following:
  - whether the person has been and will be able to fulfil his financial obligations, whether in Ghana or elsewhere, as and when they fall due; and
  - whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Ghana or elsewhere.
- iii. The fact that a person may be of limited financial means does not in itself affect the person's ability to satisfy the financial integrity criteria.

**32. INTERVIEWS**

**a. Purpose**

- i. Interviews are one of the ways in which information about the nominee can be collected to supplement the written information provided by the regulated financial institution and the nominee or any information about the nominee from any other source.
- ii. Interviews are an opportunity to probe a nominee on his or her practical experience or to test whether a nominee is well informed about the regulated financial institution he or she is being appointed to as well as any relevant market developments.
- iii. Interviews can also be used to explore issues of integrity and propriety or to verify facts in order to gain more assurance about specific elements of his or her fitness and propriety.

**b. Scope and types**

The aim of the interview is to complement and/or verify:

- (i) the documentation submitted by the appointee and/or regulated financial institution or
- (ii) information that has come to the knowledge of the Bank of Ghana by other means.

- c.** The Bank of Ghana takes a proportionate and risk-based approach to the use of interviews in fit and proper assessments. In all other cases interviews may be used on a discretionary basis as a tool for fit and proper assessments (e.g.

when a specific concern relating to an appointee's fitness or integrity/propriety has been identified).

- d. An informative interview will cover all elements of suitability. If there are still concerns after this interview, a second, specific interview focusing on the facts that gave rise to the concerns may be conducted. The Bank of Ghana may also decide to only hold a specific interview, e.g. if it is already clear from the written documentation that there is a specific concern regarding the fitness and propriety of the nominee.
- e. The nominee and the regulated financial institution will be given adequate notice in writing of the date, time and place of the requested interview.
- f. Where a specific interview is initiated because there is a specific concern regarding the fitness or propriety of a nominee, an outline of the issues to be discussed will be sent to the nominee and the regulated financial institution in advance.
- g. **Interview panel**
  - i. The interview panel will consist of a minimum of two and not more than three people. The interview panel, and at least the chair, must have sufficient seniority.
  - ii. No member of the interview panel must have a conflict of interest or perceived conflict of interest or bias in relation to any nominee who is being interviewed.

## APPENDIX

### Documents to be submitted for “fit and proper” test

1. On application, or as otherwise requested, the following documents should be submitted to the Central Bank in order to assess the fitness and propriety of persons: -
  - a) Personality Notes Form (PNF)
  - b) An updated, signed Curriculum Vitae
  - c) A Certificate of Good Character or Conduct from the Ghana Police Service or from the relevant authority of the relevant jurisdiction in the case of foreign directors, controlling/significant shareholders and key management personnel.
  - d) Criminal Record (if applicable).
  - e) Any other document that the Central Bank deems necessary.
  
2. In the case of corporate entities, the following documents should be submitted:-
  - a) Copy of the Company’s Certificate of Incorporation, Certificate to Commence Business, Company’s Regulations and By-laws *or* other instrument of incorporation.
  - b) Copies of audited financial statements of the company concerned, for three consecutive years immediately preceding its application or for each year it has been in operation, if less than three years.
  - c) A signed Conflict of Interest Statement
  - d) Any other document that the Central Bank deems necessary.