



## **PRESS RELEASE**

### **NOTICE OF REVOCATION OF LICENCES OF INSOLVENT MICROCREDIT COMPANIES**

**Accra, Ghana, May 31, 2019** - The Bank of Ghana has, with effect from today, revoked the licences of 29 insolvent microcredit companies (see attached list). The Bank of Ghana has also revoked the licences of 10 insolvent microcredit companies that have ceased operations. This action is pursuant to section 7 of the Non-Bank Financial Institutions Act, 2008 (Act 774), which mandates the Bank of Ghana to revoke the licence of a non-bank financial institution (NBFI) licensed under that Act if that institution among other things ceases to carry on business or ceases to satisfy a qualification under the Act or contravenes any provision of the Act or rules or directives issued by the Bank of Ghana. The Bank of Ghana has also notified the Registrar of Companies at the Registrar General's Department of the revocation of these licences, and has requested that the Registrar commence winding-up proceedings against these companies.

A total of 70 microcredit companies were licensed by the Bank of Ghana from 2011 until the end of 2015 under Act 774, to provide micro loans. Severe undercapitalization, poor lending and risk management practices, and poor corporate governance practices were among many other reasons accounting for the poor performance and eventual collapse of the 39 failed institutions whose licences have been revoked today. Despite notices issued to the affected institutions by the Bank of Ghana over the last few years requiring remediation of identified regulatory violations and other supervisory concerns, these institutions failed to address the issues brought to their attention.

Following the revocation of the licences of these institutions, a total number of 31 microcredit companies will continue to operate. Going forward, the Bank of Ghana is strengthening its regulatory and supervisory framework, and promoting confidence in the microcredit sector through:

- A comprehensive review of licensing and supervisory policies and directives;
- A review of the minimum capital requirements for microcredit and encouraging possible consolidation through voluntary mergers and acquisitions;
- Introduction of proportional corporate governance, fit and proper, and risk management directives;
- Strict supervision of licensed micro credit companies and enforcement of relevant regulatory requirements; and
- Increase the resources available for effective supervision of licensed micro credit companies.

The Bank of Ghana assures the public of its commitment to promoting stability of the financial system.

Kindly direct any questions to the Other Financial Institutions Supervision Department of Bank of Ghana. You may call telephone number **0209-125348/0302-665619**.

**Issued by Bank of Ghana on May 31, 2019**

**ANNEX: LIST OF 39 MICROCREDIT INSTITUTIONS WHOSE LICENCES HAVE BEEN REVOKED**

<b>MICROCREDIT COMPANIES - INSOLVENT</b>	
<b>S/No.</b>	<b>NAME OF INSTITUTION</b>
1	Allied Wealth Money Lending Limited
2	Bennet Money Lending Limited
3	Bremco Money Lending Company Limited
4	Calmad Money Lending Company Limited
5	Catamount Finance Money Lending Limited
6	Citizens Money Lending Limited
7	Divine Announcement Money Lending
8	Fountain Money Lending Services Limited
9	GDFS Money Lending Limited
10	GFI Capital Management Money Lending Limited
11	Great Africa Money Lending Limited
12	Hatmag Money Lending Limited
13	Haubins Money Lending Limited
14	Index Money Lending Limited
15	KAF Investment Money Lending Limited
16	KBN Money Lending Limited
17	KYC Money Lending Limited
18	McOttley Money Lending Limited
19	N & J Money Lending Limited
20	Obrapa Money Lending Limited
21	One2One Money Lending Services Limited
22	Orbit Money Lending Co. Limited
23	Pitsea Ways Money Lenders Limited

24	P-Mag Investment Money Lending Services Limited
25	Sat Finance Money Lending Limited
26	Shammah Capital Money Lending Limited
27	SNJ Money Lending Limited
28	Uni-focus Money Lending Limited
29	Zeta Money Lending Limited

<b>MICROCREDIT COMPANIES - INSOLVENT AND CEASED OPERATIONS</b>	
<b>S/No.</b>	<b>NAME OF INSTITUTION</b>
1	Boafo Yena Money Lending Limited
2	CFI Money Lending Limited
3	CIF Money Lending
4	First Assurance Money Lending Services Limited
5	Global Point Investment and Money Lending Services Limited
6	Intelligent Money Lending Company Limited
7	Kan Money Lending Company Limited
8	PD PAG Money Lending Limited
9	R.P.I.C. Money Lending Services Limited
10	TCP Money Lending Limited