



REQUIREMENTS FOR MORTGAGE FINANCE OR LEASING OPERATION LICENCE PER SECTION 4 OF THE NON-BANK FINANCIAL INSTITUTION ACT, 2008 (ACT 774)

1. An application for a licence to provide a Leasing or Mortgage Finance Operations shall be made in writing and submitted to the Bank of Ghana for consideration.

2. Interview

The Banking Supervision Department located in the Cedi House [Bank of Ghana Annex] shall first interview the applicant.

3. Application for Licence

An application for licence shall be made in writing to the Head, Banking Supervision Department, Bank of Ghana, Accra, and shall be accompanied by:

- a. A certified true copy of the Company Regulations or other Instrument(s), relating to the proposed institution under which the person proposing to carry on the business of mortgage finance or leasing was established.
- b. The names, addresses, occupations, business and professional history, certified financial positions and corporate affiliations of the significant shareholders and details of their respective shareholdings.
- c. 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
- d. The particulars of the proposed directors and key management personnel of the applicant, including
 - (i) their qualifications and experience,
 - (ii) business and professional history for the preceding ten (10) years or a longer period that the Bank of Ghana may determine,
 - (iii) certified financial position and
 - (iv) business interests



- e. A feasibility report including business plan and financial projections for the first five years, and intended areas of specialisation as well as Anti-Money Laundering policy and internal rules
- f. Documentary evidence of the capital of the applicant, including the original sources of funds and particulars of the ultimate beneficial owners;
- g. In the case of foreign applicant
 - (i) notarised copies of the certificates of incorporation and commencement of business, and the Company Regulations (Articles of Incorporation) or other relevant instruments or by-laws or similar documents;
 - (ii) shareholders' resolution; and
 - (iii) a written confirmation from the supervisory authority (if any) of the country of the foreign applicant that the supervisory authority has no objection to the proposal of the applicant to carry on the Mortgage Finance or Leasing Operations business in Ghana and that that supervisory authority exercises global consolidated supervision over the foreign applicant;
- h. A 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;
- i. The processing fee that the Bank of Ghana may by notice specify **(kindly see 4.0)**; and
- j. Any other particulars that the Bank of Ghana may require.

4. **Minimum Paid-Up Capital, Application Processing and Licensing Fees**

	GH¢
Minimum Paid Up Capital	15,000,000
Application Processing Fee	5,000
Initial Licensing Fee	10,000
Annual Licensing Fee	5,000

- a. An application for a licence must be accompanied by an application processing fee;



- b. After final approval is granted, the applicant would be required to pay the initial licensing fee before the licence will be issued; and
- c. A licensed institution is required to pay an annual licensing fee on or before 31st January of each year

All the above stated fees are payable by cheque or payment order to the Bank of Ghana.

5. **Provisional Approval**

The Central Bank may issue provisional approval to an applicant on such terms and conditions as it may consider necessary and appropriate, if it is satisfied that;

- a. It would carry on the business with integrity, prudence and the required professional competence;
- b. It can and will maintain and unimpaired paid-up capital as specified in section 12 of the Non-Bank Financial Institutions Act, 2008 (Act 774) and holds a licence of the specified type as required; and
- c. Where the applicant is a subsidiary of a foreign company, the applicant will maintain within Ghana the required capital in the form of funds transferred from abroad together with other funds that may be determined by the Bank of Ghana.

In the case of a foreign applicant, in addition to the above;

- a. It is adequately supervised on a global consolidated basis by the home country supervisor of that applicant, and
- b. Arrangements for cooperation, coordination, and information-sharing with the home country supervisor are in place.

The Central Bank may issue the final approval and licence to the applicant after satisfying itself that the conditions above and those set out in **6.0** below have been met.

6. **Pre-Operating Conditions**

Approved applicant shall not commence business until they have obtained a final licence from Bank of Ghana. The Bank of Ghana shall not issue a licence to an applicant unless the Bank of Ghana is satisfied that:



- i. The feasibility report submitted by the applicant is based on sound analysis under reasonable assumptions;
- ii. The premises of the proposed applicant has:
 - a. sufficient title deeds/lease agreements
 - b. approvals by relevant authorities
 - c. adequate business space, staff operating area, ventilation, lighting, etc.
 - d. adequate security of premises including adequacy of alarm systems, fire extinguishers, vaults or safes, etc.
 - e. insurance – fire, burglary, fidelity guarantee, etc.
- iii. The arrangement for governance, including accounting, risk management, and internal control systems and records of the applicant are adequate;
- iv. The significant shareholder(s) is/are suitable and the ownership structure of the applicant will not hinder effective supervision, including supervision on a consolidated basis;
- v. The paid-up capital of the applicant is adequate and the original sources of capital are acceptable and do not include borrowed funds;
- vi. The proposed directors and key management personnel of the applicant are fit and proper persons
- vii. The applicant is not a shell company;
- viii. The applicant has obtained a Data Protection registration certificate from the Data Protection Commission, Ghana; and
- ix. The applicant has complied with the Non-Bank Financial Institutions Act, 2008 (Act 774), the Regulations, Directives, and other legally-binding instruments made under Act 774 and any conditions that the Bank of Ghana may impose.

7. Changes in Licensing Conditions

- a. It should be noted that the above conditions for licence are subject to review, and could affect an application in process.
- b. The Bank of Ghana relies on other agencies both local and external in the processing of applications, and this could cause delays in the processing of applications.