



GUIDELINES FOR OPENING REPRESENTATIVE OFFICES OF FOREIGN BANKS IN ACCORDANCE WITH SECTION 26 OF THE BANKS AND SPECIALISED DEPOSIT TAKING ACT, 2016 (ACT 930)

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. Purpose of opening the Representative Office;
- b. Planned business activities in Ghana;
- c. History, activities and organisational structure of the Foreign Bank;
- d. The names, addresses, occupations, business and professional history, certified financial positions and corporate affiliations of the significant shareholders (those with at least 5% ownership) and details of their respective shareholdings;
- e. 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.
- f. The particulars of the proposed designated Ghana Representative and other key management personnel of the proposed Representative Office, 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
 - iv. business interests
- g. Permission from the supervisor in the country where that bank has its head office or is incorporated;



- h. The latest examination report on the Foreign Bank together with any reaction thereof;
- i. Audited financial statements of the Foreign Bank for the last three years; and
- j. Copy of clearance from the Ghana Investment Promotion Centre, evidence of residence status, as well as work permit for foreign staff.

2. Permissible Activities of Representative offices

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

- a. Representational and administrative functions. Representational and administrative functions in connection with the banking activities of a foreign bank may include:
 - i. soliciting new business for a foreign bank;
 - ii. gather information about markets and clients for a foreign bank;
 - iii. acting as liaison between a foreign bank's head office and it's customers in Ghana;
 - iv. performing preliminary appraisal in connection with lending on behalf of a foreign bank;
 - v. performing back-office functions; but shall not include contracting for any deposit or deposit-like liability, lending money, or engaging in any other banking activity for a foreign bank;
- b. Making credit decisions on behalf of a foreign bank. The loans approved at the Representative Office are made by a foreign bank, and the loan proceeds shall not be disbursed in the Representative Office;
- c. Collecting information regarding the procedure of setting up a permanent business entity in Ghana for customers of a foreign bank;
- d. Building trade contacts and handle product inquiries;
- e. Participating in trade shows and exhibitions.

A representative office of a foreign bank shall not transact any form of deposit-taking in the country. 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 Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930).

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.

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