



BANK OF GHANA

*PROCEDURES FOR ISSUANCE
OF DIRECTIVES TO BANKING
INDUSTRY*

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PUBLIC

BANK OF GHANA

PROCEDURES FOR ISSUANCE OF DIRECTIVES TO BANKING INDUSTRY

Introduction

1. The Bank of Ghana under section 92 (1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), is authorised to issue directives to banks, Specialised Deposit-Taking Institutions (SDIs) and financial holding companies, where necessary to:
 - (i) secure the proper management of the aforementioned category of institutions herein referred to as regulated financial institutions;
 - (ii) prevent the affairs of a regulated financial institution from being conducted in a manner detrimental to the interest of depositors and other stakeholders or prejudicial to the interests of the regulated financial institutions;
 - (iii) maintain the overall stability of the financial system in the country; and
 - (iv) give full effect to the provisions of Act 930.
2. In developing directives for Banks and SDIs, the Bank of Ghana will:
 - (i) in line with section 92(5) of Act 930, consult with stakeholders including regulated financial institutions to which the directive will apply, and in that process, solicit and consider contributions and inputs from such stakeholders in respect of the directive under consideration; and
 - (ii) ensure that the final directive, to the extent possible, addresses inputs received from the consultative process referred to above, which in the opinion of the Bank of Ghana are (i) relevant, (ii) in line with international best practice, and (iii) consistent with the stated objective of the directive.

3. Preliminary Engagement with Industry

When considering and developing proposed directives, the Bank of Ghana may, where appropriate, endeavour to involve relevant regulated financial institutions in its deliberations at the earliest stage possible. To that end, the Bank of Ghana may discuss with the industry associations or umbrella bodies of the relevant category of regulated financial institutions a concept note setting out a clear definition of the problem purported to be addressed by the proposed directive and the key elements of the proposed directive being contemplated.

4. Development and Publication of Exposure Draft of Directives

Following initial discussions of the objectives of a proposed directive under paragraph 3 above, the Bank of Ghana will develop an Exposure Draft of the proposed directive for consultation with industry and the general public. In particular, the Bank of Ghana will:

- (i) publish on its website, the Exposure Draft of the proposed directive for public comments;
- (ii) allow a reasonable period of not less than fourteen (14) days from the date of the publication of the Exposure Draft on its website, for comments; and
- (iii) give due consideration to the comments and suggestions received on the Exposure Draft.

Stakeholders shall provide their comments to the Bank of Ghana within the specified period, through the official communication channel (email or other address) specified by the Bank of Ghana at the time of publication of the Exposure Draft.

On receipt of comments and suggestions from stakeholders, the Bank of Ghana, where it considers necessary for the smooth implementation of a proposed directive, may publish a revised Exposure Draft of the proposed directive for further comments.

5. Publication of Final Directive

Upon the conclusion of the public consultation process as outlined above, the Bank of Ghana shall:

- (i) to the extent possible, consider all material comments and suggestions received through the public consultation process;
- (ii) in line with section 92(7) of Act 930, provide a written explanation for comments that were incorporated into the final directive or otherwise; and
- (iii) publish the final directive on its official website which shall be deemed as an official communication to the industry and shall have the force of law as prescribed under Act 930.

6. Modifications to Final Directives

Section 92(3) of Act 930 authorises the Bank of Ghana to modify a directive issued as it considers fit. Any revisions to a final directive shall follow the procedures set out above.

7. Despite the foregoing paragraphs, and in line with section 92 (5) of Act 930, the Bank of Ghana may issue a final Directive without following the procedures set out above where the Bank of Ghana determines that:

- (i) It is impracticable to do so under the circumstances;
- (ii) It is not in the public or depositors' interest to do so; or
- (iii) a strict adherence to the procedures would have financial stability implications and may jeopardize the stability of the financial system.