



SUPERVISORY GUIDANCE UNDER SECTION 62 OF ACT 930 – ELIGIBLE COLLATERALS

FOR BANKS, SAVINGS AND LOANS COMPANIES, FINANCE HOUSES AND
FINANCIAL HOLDING COMPANIES

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1. Introduction

Collateral in the lender-borrower relationship serves as a mechanism for mitigating the lender's exposure to credit risk arising from information asymmetry that exists between the lender (creditor) and the borrower (also referred to as the obligor) by securely binding the obligor to agreed repayment terms and schedules. The availability of collateral also conveys a positive signal to creditors, helping to alleviate problems that may arise from adverse selection and issues of moral hazard inherent in lending.

The heightened demand for collateral in recent years is largely driven by regulatory developments that prescribes a greater preference for secured transactions following the 2007/08 global financial crisis. However, the nature, quality, and substance of what qualify as acceptable collateral continue to evolve as risk management practices by financial institutions continue to improve in response to market developments, regulatory requirements, and financial innovations.

Consequently, the Bank of Ghana (BOG) sought to broaden the scope of eligible instruments that may be considered for collateral purposes as outlined under Section 62 subsections (8) and (9) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). This Directive, therefore, seeks to provide guidance and to outline the eligible instruments that may be held as "deductible" collateral for the purposes of computing financial exposure to a "single counterparty" as well as guidance on the determination of secured and unsecured financial exposures. It also sets out BOG's expectations relative to the principles that should underpin each Regulated Financial Institution's (RFI's)¹ approach to the management of these collaterals.

This Directive shall be read in conjunction with **Part 2 "Management and Measurement of Credit Risk"** of the Capital Requirement Directive (CRD) issued by the Bank of Ghana in 2018.

¹ Regulated Financial Institution (RFI) means a bank, savings and loans company, finance house and/ or financial holding company regulated under Act 930.

2. Expansion of Collaterals

2.1 Background

Developments in the banking industry coupled with the expansion in the economy has necessitated the broadening of the range of instruments acceptable as collaterals under Act 930, for the purposes of computing Single Obligor Limit (SOL). The growth in the use of Credit Risk Mitigation (CRM) techniques by banks, and the improvements in financial system policies and infrastructure have all led to the development and introduction of a number of financial instruments that are liquid and tradable. These financial instruments could be used as collaterals in the computation of financial exposure in order to create credit opportunities for businesses and households.

Section 62(1) of Act 930 provides that, a bank or specialised deposit-taking institution (SDI) shall not take financial exposure in respect of a person or a group of connected persons which constitutes in aggregate, a liability amounting to more than twenty-five percent (25%) of the net own funds of that bank or SDI, or a lower percentage that the Bank of Ghana may prescribe. Furthermore, Section 62(2) of Act 930 prescribes that an unsecured financial exposure shall not exceed 10% of the net own funds of a bank or SDI.

In furtherance, Section 62(8) states that, "For the purpose of this section, in computing the financial exposure the following assets that may be held as collateral shall be deducted:

- a. cash deposit;
- b. lien on term deposit with the bank or SDI;
- c. market value of Treasury Bills; Government securities, Bank securities; and
- d. any other security of a similar nature approved by the Bank of Ghana."

Additionally, subsection (8)(d) of Section 62 of Act 930, empowers the Bank of Ghana to determine other securities of a similar nature that can be considered deductibles in computing financial exposure.

2.2 Credit Risk Mitigation Techniques

Principally, the main types of credit risk mitigation techniques as prescribed by Basel regulations and other supervisory authorities are: (i) Collateralised Transactions, (ii) On-Balance Sheet Netting (Netting Agreements), (iii) Guarantees, and (iv) Credit Derivatives, with each technique having its own set of operational requirements. Acceptability of these techniques rests on their effectiveness in reducing counterparty credit risk.

Collateralised transactions and netting agreements are the main credit risk mitigation techniques prescribed under Section 62 of Act 930 for the determination of SOL of banks and SDIs. Hence, financial institutions are not allowed to use the approaches interchangeably, they are to be treated differently.

Section 62(8) of Act 930, as its being discussed in this Directive, points to the use of *highly liquid collaterals* in determining the *financial exposure* of banks and SDIs. Accordingly, Guarantees, Credit Derivatives, and On-balance sheet netting arrangements other than cash and near cash items do not qualify as instruments in determining financial exposure. In expanding the collateral space under Section 62(8) to accommodate other eligible collaterals of similar nature, the use of less liquid collaterals (lower quality collaterals) shall attract appropriate supervisory haircuts (at a minimum) or own haircuts to take account of the collateral quality, volatility, and mismatches (where applicable).

2.3 Definition of financial exposure

Under Section 156 of Act 930, financial exposure in relation to a bank, SDI, or Financial Holding Company (FHC) with respect to a **person** is the aggregate of:

- a. the loans, advances, placements, and credit facilities including off-balance sheet obligations given to that person; and
- b. the value of the holdings by that bank, SDI, or FHC of shares and debentures and other debt securities issued by that person.

On the basis of Section 62(8) (d), this Directive proposes additional eligible collaterals for the purposes of computing financial exposure to a counterparty under Section 62 of Act 930 (SOL), after meeting certain qualifying criteria defined under **appendix 1**.

3. Eligible Collaterals

3.1 Additional Eligible Financial Collaterals for Computing Financial Exposure for SOL Purposes

Where an RFI takes eligible financial collateral (e.g. cash or securities as specifically defined under Section 62 of Act 930), Act 930 permits RFIs to reduce their credit exposure to a counterparty when computing their financial exposure, by considering the risk mitigating effect of the collateral.

The two (2) key principles underpinning supervisory consideration of collaterals under Section 62(8) of Act 930, are *liquidity* and *legal certainty*, if it is to be accepted. Therefore, eligible collaterals under subsection 62(8) is restricted to financial instruments that can easily (or quickly) be disposed of (that is easily realisable) or converted into cash without any additional cost.

Consequently, the following additional financial instruments held as collaterals shall also be eligible for the purposes of computing financial exposure in determining SOL for counterparty or a group of connected counterparties under Section 62(8) (d) after meeting the standards set out in **appendix 1**.

- i. ESLA bonds; and
- ii. Other Fixed Income Securities issued by PSEs with revenue raising powers, listed on the Ghana Fixed Income Market (GFIM), and guaranteed by the Government of Ghana.

3.2 Acceptable Collaterals for the Determination of SOL

Under Section 62(9) of Act 930, a financial exposure shall not be considered secured unless it is adequately secured by collateral having a market value of at least one hundred and twenty percent (120%) of the outstanding amount of the exposure throughout the term of the financial exposure.

An RFI shall at all times hold adequate collateral to protect itself against risks associated with lending. The amount of collateral accepted for lending shall, therefore, be in line with Section 62(9) of Act 930 for the underlying exposure to be considered secured.

For prudential purposes, the additional collaterals indicated below that are pledged by a counterparty for loans and other credit facilities in addition to the defined collaterals for SOL purposes shall be accepted by an RFI and may be used for capital purposes in line with the requirements of the CRD.

However, RFIs shall consider robust risk management practices including the risk characteristics of the collateral in arriving at the market value.

Accordingly, the following acceptable collaterals shall **NOT** be eligible for the purposes of computing financial exposure in determining SOL under Section 62(8)(d) but shall be considered under Section 62(9) of Act 930 after meeting the requirements as set out in **appendix 2**.

- i. Landed Property;
- ii. Motor Vehicles;
- iii. Plant and Equipment (P&E);
- iv. Stocks/Inventories/Commodities (floating charge);
- v. Securities issued by Multilateral Development Banks (MDBs) in convertible currency; (Examples of MDBs are shown in appendix 3)
- vi. Guarantees from Multilateral Development Banks (MDBs);
- vii. Foreign sovereign debt securities in convertible currency;
- viii. Eurobonds issued by foreign governments/corporates in a convertible currency;
- ix. Other Fixed Income Securities issued by PSEs with revenue raising powers, listed on the Ghana Fixed Income Market (GFIM) but not guaranteed by the Government of Ghana;
- x. Debt securities issued by foreign financial institutions other than affiliates of the bank (issued in convertible currency);
- xi. Debt securities issued by a listed bank in Ghana other than the lender; and
- xii. Debt securities issued by listed non-financial corporates (other than affiliates of the corporates) domiciled in Ghana.

4. General Operational Control-Requirements

4.1 Principles

Whereas the use of credit risk mitigation technique generally decreases risk, it may increase other risks such as legal, liquidity, operational, and market risks. It is, therefore, imperative that RFIs employ robust processes and procedures to manage these risks.

All RFIs shall establish Collateral Management Systems (CMS) and operational procedures and processes throughout the establishment that observe principles of purpose, documentation, consistency, legal certainty, risk identification, valuation, verification, and reporting. The principles governing the collateral management policies and practices shall be applied consistently throughout the establishment, however, the implementation process may vary within and across financial institutions. Bank of Ghana's supervisory process will include a review and compliance to the principles indicated below.

For the purposes of this document, CMS shall refer to all the systems, methods, processes, controls, data collection, and IT systems that are used in the management, valuation, maintenance, and realisation of collateral held for credit risk mitigation purposes.

RFIs shall use various systems and processes to manage acceptable collaterals and shall demonstrate to the BOG that the institution has established effective collateral management policies and procedures. Where risks as stated above are not adequately managed, BOG may take appropriate supervisory actions as prescribed under Act 930.

4.1a Purpose

For these instruments to be accepted for purposes of computing financial exposure for a counterparty, RFIs would be expected to meet all of the requirements as set out under **Appendices 1 and 2**, and further demonstrate adherence to the under-listed collateral management system principles. At a minimum, RFIs shall espouse practices appropriate to their conditions, risk profiles, business models and business strategies.

4.1b Robust Risk Management Policies and Documentation

RFIs shall have collateral management policies in place to control, monitor, and report among others, the concentration risk to particular types of collateral. Comprehensive collateral management principles, procedures, and processes shall be incorporated into the institution's documented risk management policies. RFIs shall establish and maintain fully documented policies, processes and procedures surrounding the scope, purpose, and use of the collateral management systems.

4.1c Consistency of Collateral Characteristics

An RFI's policies shall ensure consistency of collateral characteristics throughout the establishment to provide sufficient clarity and promote the consistent treatment of collaterals thereby avoiding variances across different business units of the institution.

4.1d Comprehensive Assessment of Risks

An RFI shall have policies and procedures to manage material risks that may arise from the use of the acceptable collateral to mitigate credit risk. Institutions shall have clear definitions of the types of risks that arise in respect of collateral management and the associated processes and procedures used to manage these risks.

The RFIs shall demonstrate to the Bank of Ghana that the instruments being used as acceptable collateral can be realised.

4.1e Legal Certainty

An RFI's collateral management system shall ensure that all necessary steps or processes are taken to fulfill legal requirements to protect the institution's interest in the collateral. RFIs shall have operational procedures and risk management processes in place and ensure that relevant and material documentation used to collateralise a transaction is binding on all parties and legally enforceable.

RFIs shall conduct sufficient legal reviews as required, to ensure continued legal enforceability. An institution's documentation and policies should ensure that it has the right to legally possess, liquidate, or deal with the collateral in a timely manner.

4.1f Valuation and Verification

An RFI's valuation policy shall explicitly define how and when to value, re-value, and verify the existence of collateral. Mark-to-market policies and procedures for financial assets held as collateral must be explicit and incorporate suitable control mechanisms.

4.1g Operational requirements

RFIs shall examine all relevant material data to ensure a complete collateral data set for the purposes of assessing the risk-mitigation benefits of the collateral and developing internal loss estimates. The examination of relevant and material data should include a review of a variety of data set such as the collateral type, the loan to value parameters, the historical collateral values by obligor, and the valuation and revaluation criteria.

4.1h Reporting and Analysis

RFIs shall ensure that the internal reporting and analysis capability of the collateral management systems supports key risk identification and mitigation and can therefore be used to inform risk management.

4.1i Haircuts for all the proposed instruments

RFIs shall compute their financial exposure or the 120% market value on the outstanding financial exposure based on the haircuts assigned to the collateral. The Discounted Collateral Value (DCV) is deemed as value of the asset, based on an appraisal or estimate of its current market value discounted by a percentage (haircut).

$$\text{DCV} = (100\% - \text{Haircut}) * \text{Current Market Value of Collateral}$$

DCV shall determine the adequacy of the collateral to secure the financial exposure or otherwise.

Other eligible collaterals indicated in this Directive shall attract appropriate haircuts in line with risk management practices.

RFIs shall also develop their own haircuts policy, other than the minimum supervisory haircuts prescribed in this Directive, depending on the liquidity, marketability, credit quality of issuers among others, and shall be subject to the Bank of Ghana's review.

RFIs shall take note of the above regulatory standards for guidance.

5. Appendices

Appendix 1

Additional Eligible Financial Collaterals for Computing Financial Exposure for SOL Purposes

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
1	ESLA Bonds	Liquid and tradable	Central Securities Depository (CSD) Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	Assignment: Evidence of ownership plus cover letter from the borrower's broker/bank/custodian bank to CSD copy to the RFI. Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI. Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689) Confirmation of registration of collateral in favour of the RFI with unique reference number from the CSD system Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	20

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
2	<p>Other Fixed Income Securities issued by PSEs with revenue raising powers, listed on the Ghana Fixed Income Market (GFIM) and guaranteed by the Government of Ghana. .</p> <p>Securities issued in domestic currency by Central/Non-Central Government Public Sector Entities (PSEs) with revenue raising powers and guaranteed by the Government of Ghana. Issuance of such securities and the specific revenue raising powers of the PSE shall be backed by an Act.</p>	Liquid and tradable	<p>Central Securities Depository (CSD)</p> <p>Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)</p>	<p>Assignment: Evidence of ownership Plus cover letter from the borrower's broker/bank/custodian bank to CSD copy to the RFI.</p> <p>Confirmation of registration of collateral in favour of the RFI with unique reference number from the CSD system</p> <p>Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689)</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	20

Appendix 2

Acceptable Collaterals for Determination of SOL

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
1	Landed Property	Property registered in the name of the mortgagor in accordance with the Land Act, 2020 (Act 1036).	Land Commission Collateral Registry Office of the Registrar of Companies where the Mortgagor is an entity registered under the Companies Act, 2019 (Act 992)	<p>Evidence of Ownership: Land Title Certificate or Registered Lease Agreement (where the property is not in a compulsory registration district).</p> <p>Credit Agreement detailing Lender, Borrower and Collateral information.</p> <p>Mortgage adequately executed by the Mortgagor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Mortgage adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Land Title Certificate endorsed with the Mortgage Interest; or Mortgaged Agreement stamped as registered with the Lands Commission (where the mortgaged property is not in a compulsory registration district).</p> <p>Acknowledgement of registration issued by the Registrar of the Collateral Registry.</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p> <p>Valuation Report from an independent certified valuer.</p>	20

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
2	Motor Vehicles	<p>Comprehensively insured.</p> <p>Motor vehicles not more than four (4) years from the year of manufacture.</p> <p>RFIs shall use their internal depreciation policy as well as Independent Certified Valuers for guidance.</p>	<p>DVLA</p> <p>Collateral Registry</p> <p>Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)</p>	<p>Evidence of ownership: All registration papers and certificates by the DVLA.</p> <p>Insurance Certificate.</p> <p>Credit Agreement detailing Lender, Borrower and Collateral information.</p> <p>Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Acknowledgement of registration issued by the Registrar of the Collateral Registry.</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	30

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
3	Plant and Equipment (P&E)	Technical assessment and certification by an independent credible assessor on the P&E performance, condition among others in line with best practices.	Collateral Registry Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	<p>Evidence of ownership.</p> <p>Credit Agreement detailing Lender, Borrower and Collateral information.</p> <p>Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Acknowledgement of registration issued by the Registrar of the Collateral Registry.</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p> <p>Valuation Report from an independent certified valuer.</p>	40

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
4	Stocks/ Inventories/ Commodities (Floating Charge)	<p>Tripartite agreement: Financial assets financed shall be under the care of an appointed independent collateral manager agreed by the RFI and borrower. The collateral manager shall provide regular reports to the RFI (per the RFI's risk management framework).</p> <p>The ultimate responsibility for the oversight and control administration, among others, shall rest on the Collateral Manager in accordance with the RFI's risk management framework.</p>	<p>Ghana Commodity Exchange</p> <p>Collateral Registry</p> <p>Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)</p>	<p>Evidence of ownership: Certificate from the warehouse.</p> <p>Credit Agreement detailing Lender, Borrower and Collateral information.</p> <p>Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Acknowledgement of registration issued by the Registrar of the Collateral Registry.</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	50

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
5	Securities issued by Multilateral Development Banks (MDBs) in convertible currency (USD, GBP, EUR, JPY) e.g. IFC, AfDB, etc.	<p>Liquid and tradable</p> <p>Highly Rated by a reputable rating agency such as: S&P, Moody's, and Fitch.</p> <p>S&P: A-1 / AAA to AA</p> <p>Moody's: P-1 / Aaa to Aa3:</p> <p>Fitch: F-1 / AAA to AA-</p>	Relevant international Securities Depository	<p>Evidence of ownership</p> <p>Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	0
6	Guarantees from Multilateral Development Banks (MDBs) e.g. IFC, AfDB, etc	<p>Highly Rated by a reputable rating agency. Such as S&P, Moody's, Fitch:</p> <p>S&P: A-1 / AAA to AA</p> <p>Moody's: P-1 / Aaa to Aa3:</p> <p>Fitch: F-1 / AAA to AA-</p>		<p>Confirmation letter and Undertaking from the MDB</p> <p>Guarantee Agreement dated and Executed by the Guarantor in favour of the RFI.</p> <p>Guarantee Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p>	0

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
7	Foreign sovereign debt securities in convertible currency (USD, GBP, EUR, JPY) The sovereign issue in its own currency	Liquid and tradable Rated by a reputable rating agency with ratings of: S&P: A-1 / AAA to AA Moody's: P-1 / Aaa to Aa3: Fitch: F-1 / AAA to AA-	Relevant international Securities Depository Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	Evidence of ownership Confirmation of debt securities from the Foreign country's Central Bank. Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI. Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689). Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).	20
8	Eurobonds issued by foreign governments/corporates in a convertible currency (USD, GBP, EUR, JPY)	Liquid and tradable Rated by a reputable rating agency with ratings of: S&P: A-1 / AAA to AA Moody's: P-1 / Aaa to Aa3: Fitch: F-1 / AAA to AA-	Relevant international Securities Depository Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	Evidence of ownership Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI. Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689) Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).	20

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
9	<p>Other Fixed Income Securities issued by PSEs with revenue raising powers, listed on the Ghana Fixed Income Market (GFIM) but not guaranteed by the Government of Ghana.</p> <p>Securities issued in domestic currency by Central/Non-Central Government Public Sector Entities (PSEs) with revenue raising powers but not guaranteed by the Government of Ghana</p>	Liquid and tradable	<p>Central Securities Depository (CSD)</p> <p>Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)</p>	<p>Assignment: Evidence of ownership Plus cover letter from the borrower's broker/bank/custodian bank to CSD copy to the RFI.</p> <p>Confirmation of registration of collateral in favour of the RFI with unique reference number from the CSD system.</p> <p>Collateral Agreement dated and Executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689).</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	20

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
10	Debt securities issued by foreign financial institutions other than affiliates of the bank (issued in convertible currency) (USD, GBP, EUR, JPY)	Liquid and tradable Rated by a reputable rating agency with ratings of: S&P: A-1 / AAA to AA Moody's: P-1 / Aaa to Aa3: Fitch: F-1 / AAA to AA-	Relevant international Securities Depository Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	Evidence of ownership Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI. Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689) Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).	25
11	Debt securities issued by a listed bank in Ghana other than the lender. The listed bank shall maintain at all times above the minimum regulatory requirements as BOG may determine	Liquid and tradable on the Ghana Fixed Income Market (GFIM)	Central Securities Depository (CSD) Ghana stock exchange Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	Assignment: Evidence of ownership and cover letter from the borrower's broker/bank/custodian bank to CSD copy to the RFI. Confirmation of registration of collateral in favour of the RFI with unique reference number from the CSD system. Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI. Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689). Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).	30

S/N	Instruments	Characteristics	Relevant Registry	Required Documentations in Respect of the Collateral	Haircut (%)
12	Debt securities issued by listed non-financial corporates (other than affiliates of the corporates) domiciled in Ghana (GHS)	Liquid and tradable on the Ghana Fixed Income Market (GFIM)	Central Securities Depository (CSD) Office of the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992)	<p>Assignment: Evidence of ownership Plus cover letter from the borrower's broker/bank/custodian bank to CSD copy to the RFI.</p> <p>Confirmation of registration of collateral in favour of the RFI with unique reference number from the CSD system.</p> <p>Collateral Agreement dated and executed by the Chargor (Borrower or third-party owner of the collateral) and the RFI.</p> <p>Collateral Agreement adequately stamped under the Stamp Duty Act, 2005 (Act 689)</p> <p>Certificate of registration issued by the Registrar of Companies where the Chargor is an entity registered under the Companies Act, 2019 (Act 992).</p>	40

Appendix 3

Multilateral Development Banks (MDBs) whose securities and guarantees shall be considered as eligible collateral for the determination of SOL are as follows:

- a. World Bank Group comprising the International Bank for Reconstructions and Development (IBRD) and the International Finance Corporation (IFC);
- b. Asian Development Bank (ADB),
- c. African Development Bank (AfDB);
- d. European Bank for Reconstruction and Development (EBRD);
- e. Inter-American Development Bank (IADB);
- f. European Investment Bank (EIB);
- g. European Investment Fund (EIF);
- h. Nordic Investment Bank (NIB);
- i. Caribbean Development Bank (CDB);
- j. Islamic Development Bank (IDB); and
- k. Council of Europe Development Bank (CEDB).