



BANK OF GHANA

GUIDELINE FOR THE REGULATION AND SUPERVISION OF NON-INTEREST BANKING IN GHANA

13 JANUARY 2026

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Introduction

1. The Bank has developed this Guideline to meet the growing interest from individuals, banks, and financial institutions for the introduction of Non-Interest Banking (NIB) products and services. The Guideline is to govern the regulation and supervision of Non-Interest Banking in Ghana.
2. The regulation and supervision of Non-Interest Banking will contribute strategically to the growth of the real sector of the economy, deepen financial inclusion, promote the realisation of the Sustainable Development Goals, and create new banking and finance jobs. These align with the Bank's objective of price stability, financial stability and economic development.

PART I: PRELIMINARY

Title

- A. This Guideline shall be cited as the Bank of Ghana Guideline for the Regulation and Supervision of Non-Interest Banking 2025.

Application

- B. This Guideline is issued under the powers conferred by sections 3 and 18(1)(r) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and section 4 of the Development Finance Institutions Act, 2020 (Act 1032).

Scope and Applicability

3. All institutions seeking to operate under the NIB model are required to transact banking business, engage in trading, investment and commercial activities as well as provide financial products and services as well as contracts in accordance with established NIB principles.
4. This Guideline is applicable to all Regulated Financial Institutions (RFIs) licensed under this model. These includes banks, specialised deposit taking institutions, financial holding companies, affiliates of banks and development finance institutions, rural and community banks and microfinance institutions.

Legal and Institutional Framework

5. This Guideline is issued pursuant to the provisions of the following:
 - a. The 1992 Constitution of Ghana
 - b. The Companies Act, 2019 (Act 992)
 - c. The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)
 - d. Development Financial Institutions Act, 2020 (Act 1032)
 - e. The Non-Bank Financial Institutions Act, 2008 (Act 774)
 - f. Anti-Money Laundering Act, 2020 (Act 1044)

- g. Anti-Terrorism Act, 2008 (Act 762)
 - h. Payment Systems and Services Act, 2019 (Act 987)
 - i. Basel Core Principles for Effective Banking Supervision
 - j. Islamic Financial Services Board
 - k. Accounting and Auditing Organisation of Islamic Financial Institutions (AAOIFI)
6. This Guideline is a complement to the current regulatory and supervisory framework for RFI and shall be read together with other Directives, Guidelines, Notices and Circulars issued by the Bank.

Interpretation

7. In this Guideline, words and phrases associated with NIB shall have the same meaning as assigned in accordance with definitions from IFSB and AAOIFI:

“AAOIFI” means the Accounting and Auditing Organisation for Islamic Financial Institutions, an international standard-setting body for Islamic finance.

“Act 930” means the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

“Act 1032” means the Development Finance Institutions Act, 2020 (Act 1032).

“Act 774” means the Non-Bank Financial Institutions Act, 2008 (Act 774).

“Bank” means the Bank of Ghana.

“Conventional Banking” means the business of banking as traditionally practiced, which involves the acceptance of deposits, granting of loans, and provision of other financial services, where the core model is based on the charging and payment of interest.

“Gharar” means excessive uncertainty, ambiguity or deception in a contract, the presence of which is prohibited under Non-Interest Banking principles. It refers to contracts where the underlying subject matter, its price, or the terms of delivery are not clear and certain.

“Hiba” means payment of money or transfer of an asset to another party without a consideration.

“IFSB” means the Islamic Financial Services Board, an international standard-setting body that promotes and enhances the soundness and stability of the Islamic financial services industry.

“Ijarah” means contract made to lease the usufruct of a specified asset for an agreed period against a specified rental. It could be preceded by a unilateral binding promise from one of the contracting parties.

“Investment Risk Reserve (IRR)” means the amount appropriated out of the mudarib's profit of investment account holders, after allocating the mudaribs

share of profit, in order to cushion against future investment losses for investment account holders.

“Istisna'a” means the sale of a specified asset, with an obligation on the part of the seller to manufacture/construct it using his own materials and to deliver it on a specific date in return for a specific price to be paid in one lump sum or instalments.

“Kafala” means adding the liability of the guarantor to that of the guaranteed in settling a debt so that it will be established on both of them.

“Maysir” means gambling or games of chance that involve the acquisition of wealth by chance instead of by effort, the practice of which is prohibited under Non-Interest Banking principles. It includes speculative transactions that resemble gambling.

“Mudarabah” means a partnership where one partner provides capital (rabbul maal) to another partner (mudarib) for investing in a commercial enterprise. Profits are shared according to a pre-agreed sharing ratio, while loss is borne by the fund/capital provider, except in cases of proven negligence, misconduct or breach of contract by the manager.

“Murabahah” means a sale contract whereby the institution sells to a customer a specified asset, whereby the selling price is the sum of the cost price and an agreed profit margin. The murabahah contract can be preceded by a promise to purchase from the customer.

“Musharakah” means a partnership contract in which the partners agree to contribute capital to an enterprise, whether existing or new. Profits generated by that enterprise are shared in accordance with the percentage specified in the musharakah contract, while losses are shared in proportion to each partner's share of capital.

“NIBI” means a licenced non-interest banking operator including a window.

“Non-Interest Banking (NIB)” means a form of banking business which is consistent with principles and rules derived from established Non-Interest Banking and Finance (NIBF) sources, and which avoids the payment and receipt of interest (Riba), uncertainty (Gharar), gambling (Maysir), and financing of prohibited activities.

“Non-Interest Banking Advisory Committee (NIBAC)” means a committee established by a licensed Non-Interest Banking Institution (NIBI) in accordance with paragraph 71 of this Guideline, responsible for advising its Board and management on NIBF compliance and the appropriateness of its products and operations.

“Non-Interest Banking and Finance (NIBF) Principles” means the collective principles and rules governing Non-Interest Banking, which include, but are not limited to, the prohibition of Riba), uncertainty (Gharar), gambling (Maysir) and

the requirement for all transactions to be backed by permissible, real economic assets and activities.

“Non-Interest Financial Advisory Council (NIFAC)” means the council established by the Bank of Ghana in accordance with paragraph 84 of this Guideline, to advise the Bank on matters relating to the effective regulation and supervision of NIBIs in Ghana.

“Profit Sharing Investment Account (PSIA)” means an investment account offered by an NIBI where the returns to the account holder are based on a pre-agreed profit-sharing ratio from the profits generated by the pool of assets in which the funds are invested. The account holder, in the absence of negligence or misconduct by the NIBI, bears the risk of loss.

“Qard al-Hasan” means the payment of money to someone who will benefit from it provided that its equivalent is repaid. The repayment of the money is due at any point in time, even if it is deferred.

“Rahn” means contract to withhold an asset for the benefit of the creditor as a security against a debt whereby the creditor (murtahin) is entitled to hold custody of the asset actually or constructively. In the event of default by the debtor (rahin), the creditor has the right to sell the asset. A mortgage ties a financial asset to a debt so that the asset or its value is used for repayment of the debt in case of default. It is binding on the mortgagor, but the mortgagee can revoke the contract.

“Riba” means any predetermined, fixed or floating or rate of guaranteed interest or increase, without a commensurate counter-value or benefit, stipulated in a loan or debt contract. For the purposes of this Guideline, it is synonymous with "interest" and is strictly prohibited in all Non-Interest Banking transactions.

“Salam” means a sale of a specified commodity that is of a known type, quantity and attributes for a known price paid at the time of signing the contract for its delivery in the future in one or several batches. This is one of the exceptions to the general rule of "selling what you don't have".

“Technical Partner” means an established NIBI for which the new NIBI enters into an agreement for the purpose of capacity building. The established NIBI may be an operating licensed institution in Ghana or outside Ghana. The agreement must clearly define the roles and responsibilities of both parties and remain in effect for a minimum period of three (3) years, starting from the date the NIBI in Ghana commences operations.

“Wa'ad” means an undertaking by someone to perform an act in the future related to someone else.

“Wakala” means agency contract where the customer (principal) appoints an institution as agent (wakil) to carry out the business on his behalf. The contract can be for a fee or without a fee.

“Window Operation” means part of a conventional financial institution (which may be a branch or a dedicated unit of that institution) that provides NIB products and services governed by this Guideline.

Objectives

8. The objective of this Guideline is to provide minimum standards for the operationalisation of NIBs to complement conventional banking as follows:
 - a. Provide a robust regulatory and supervisory framework for the operation of NIBs;
 - b. Provide for licensing requirements, financing modes, risk management, and any other-related matters;
 - c. Establish effective audit and corporate governance measures;
 - d. Provide consumer protection; and
 - e. Provide rules for the establishment of Non-Interest Financial Advisory Council (NIFAC) and Non-Interest Banking Advisory Committee (NIBAC).

PART II - LICENSING REQUIREMENTS

Eligibility

9. Pursuant to Act 774, Act 930 and Act 1032, a person who seeks to carry on a NIB business shall be a body corporate formed under the Companies Act, 2019 (Act 992).
10. No person shall carry on the business of NIB unless licensed by the Bank.
11. A person who seeks to carry on a NIB business shall apply in writing to the Bank for a license.

Interview

12. The Bank shall interview the applicant and/or its representatives (Promoter) to determine its suitability for a particular NIB license.
13. The Bank may also, for the purpose of verifying the particulars submitted, interview a promoter, shareholder, proposed NIBAC member, director or key management personnel in the course of the verification.

Application for a Licence

14. An application for a NIB license shall be made in writing to the Governor of Bank of Ghana. The application shall indicate the type of NIB license being applied for (full-fledged or window). The application shall be accompanied by the documentation specified by the Bank.
15. As part of the licensing procedure, NIBs may have technical partners that shall be approved by the Bank.

Documentation for Full-Fledged NIBI

16. The name of the institution shall be a duly registered name under Act 992. In addition, the documentation shall comply with sections 13, 21 and 23 of Act 992.
17. The names, addresses, occupation, curriculum vitae including business and professional history, certified financial positions and corporate affiliations of the members.
18. A list of all shareholders and ultimate beneficial owners of the applicant, and for each, their names, the respective values of the shares they hold in the applicant (and whether such shares are fully paid up), addresses, occupations (in case of individuals), authorised business (in case of corporate bodies), professional or business history, certified financial positions, Tax Identification Number (TIN), tax clearance certificate and corporate affiliations.

Minimum Paid-Up Capital and Fees

19. Pursuant to its regulatory authority, the Bank shall determine and specify, through official notice, the requisite minimum paid-up capital and application fees for all Non-Interest Financial Institutions.
20. In the case of foreign ownership of a NIBI, not less than 60% of the required capitalisation or contribution shall be brought into Ghana in convertible currency. The capital shall be invested in non-interest compliant instruments.
21. Where a final approval is granted, the applicant will be required to pay the initial licensing fee before the license is issued.
22. A licensed institution is required to pay an annual licensing fee on or before 31st January of each year.
23. The mode of payment for all the above fees shall be communicated by the Bank to the applicant.
24. The Bank may prescribe additional capital requirements on a case-by-case basis.
25. To operate a window, a conventional financial institution is required only to apply to the Bank. The Bank shall then conduct an evaluation of the applicant's capital, risk profile, and operational capacity. Additional capital is not required unless the evaluation concludes that additional capital is necessary for the safe operation of the window.

Provisional Approval

26. The Bank may issue provisional approval to an applicant institution on such terms and conditions as it may consider necessary and appropriate, if it is satisfied that:
- a. The applicant would carry on the business with integrity, prudence and the required professional competence;
 - b. The applicant maintains an unimpaired paid-up capital as specified in sections 11 and 12 of Act 774, section 28 of Act 930, and section 20 of the Act 1032; and
 - c. Where the applicant is a subsidiary of a foreign company, the applicant maintains within Ghana the required capital in the form of funds transferred from abroad together with other funds that may be determined by the Bank.

In the case of a foreign applicant, in addition to the above requirements the applicant shall comply with section 10 (1) of Act 930.

The Bank may issue the final approval and licence to the applicant after satisfying itself that the conditions above and those set out in the Pre-Operating Conditions below have been met.

Pre-Operating Conditions

27. An approved applicant shall not commence business until they have obtained a final license from the Bank. The Bank shall not issue a license to an applicant unless it is satisfied that:
- a. The feasibility report submitted by the applicant is based on sound analysis under reasonable assumptions and includes the specific Non-interest Banking products intended, a business plan and financial projections for the first five years.
 - b. The premises of the proposed applicant have:
 - i. sufficient title deeds/lease agreements.
 - ii. approvals by other relevant authorities.
 - iii. adequate business space, staff operating area, ventilation, lighting, etc.;
 - iv. adequate security of premises including adequacy of alarm systems, fire extinguishers, vaults or safes, disability access etc.;
 - v. insurance – fire, burglary, fidelity guarantee, etc.; and
 - vi. appropriate information technology infrastructure compatible with non-interest banking business.

28. The arrangements for non-interest governance, including accounting, risk management, internal control systems and records of the applicant are adequate.
29. The NIBAC has been approved by the NIFAC of the Bank and are fit and proper persons.
30. The significant shareholders are suitable, and the ownership structure of the applicant will not hinder effective supervision, including supervision on a consolidated basis.
31. The paid-up capital of the applicant is adequate, and the original sources of capital are acceptable and do not include borrowed funds, funds sourced from money-laundering, terrorism financing or other non-permissible activities to be determined by the Bank.
32. The proposed directors and key management personnel of the applicant are fit and proper persons.
33. The applicant is not a shell company.
34. The applicant has obtained a Data Protection registration certificate from the Data Protection Commission, Ghana.
35. The applicant has complied with Act 930, Act 1032, and Act 774 as it is applicable and any other regulations that the Bank may impose.
36. An approved expatriate quota of foreign nominees to key management positions (if any) including undertaking to comply with all the conditions of the Ministry of Interior and or Ghana Investment Promotion Centre on expatriate quota.
37. Adequate Board and Board committee charters as well as relevant policies.
38. The NIFAC and NIBAC shall have separate charters.
39. Approval of the first set of products to be rolled out by the proposed institution by NIFAC.
40. Successful testing of compliance of the system with NIB Principles.

Additional Licensing Conditions

41. The above conditions for non-interest banking licenses are subject to review and could affect pending application.
42. The Bank relies on other agencies both local and external in the processing of applications, and this could cause delays in the processing of applications.
43. Where a document submitted to the Bank is not in the English language, the document shall be accompanied with a certified translation in English.
44. The Bank may require that information supplied can be verified, certified or otherwise authenticated in the manner that it may determine.

Timelines

45. Sections 7 of Act 930 and Act 1032, and section 5 of Act 774 regarding timelines for processing an application apply to these Guidelines.

PART III- DEFINITION OF NON-INTEREST BANKING INSTITUTION (NIBI) AND NIB PRODUCTS

46. Non-Interest Banking Institution (NIBI) for the purposes of this Guideline means:
 - a. Full-fledged non-interest bank or a Development Bank;
 - b. Full-fledged non-interest Rural and Community Bank (RCB);
 - c. Full-fledged non-interest Specialised Deposit-Taking Institution (SDI);
 - d. Full-fledged non-interest Microfinance Institution (MFI);
 - e. Non-interest window of a conventional banking institution; and
 - f. A non-interest foreign subsidiary of a conventional bank and other banking institutions shall be established in line with licensing requirements for the establishment of a full-fledged non-interest bank or other NIBIs.
47. Any FINTECH company that develops, markets, or distributes any product that exhibits the characteristics of a non-interest financial product shall enter into a prior written agreement with a licensed NIBI approved by the Bank. Under such an agreement, the NIBI must assume responsibility for product structuring, governance, and underlying financial obligations, while the FINTECH company may serve as a technology and distribution channel.

Financing Modes and Instruments

Approval of Contracts, Products and Services

48. All contracts, products and services offered or proposed to be offered by NIBI shall be reviewed and approved by its NIBAC and the Bank's NIFAC. The introduction of new products/services shall require the prior written approval of the Bank of Ghana.
49. The underlisted are designed to serve as minimum requirements for the approval of NIBI's products.
50. NIB operations shall primarily be subject to the Bank's rules and guidelines on Non-Interest Banking, followed by Basel Committee on Banking Supervision or Islamic Financial Services Board (IFSB) for capital adequacy, liquidity and risk management.

Prohibited Elements

51. NIBIs are expected to ensure that their products are devoid of the following:
 - a. Interest (Riba);
 - b. Uncertainty (Gharar);
 - c. Gambling/betting (Maysir);
 - d. Derivative instruments that do not adhere to NIBF principles;
 - e. Financing of and investment in activities that are prohibited under NIBF principles; and
 - f. Any other product that the Bank may consider prohibited under the NIBF principles.

The Bank may amend the prohibited products/services from time to time.

Permissible Contracts and Products

52. Upon satisfactory recommendation by NIBAC and NIFAC, the Bank may approve the offer of any of the following by an NIBI:

Sale or Exchange Contracts:

- a. Cost-Plus Financing (Murabahah);
- b. Forward/ Pre-financing Sales (Salam);
- c. Deferred Payment (Istisna'a); and
- d. Leasing (Ijarah).

Partnerships:

- e. Mudarabah; and
- f. Musharakah;

Other Contracts:

- g. Benevolent Loan (Qard al-Hassan);
- h. Agency (Wakala);
- i. Guarantee (Kafala);
- j. Mortgage (Rahn);
- k. Promise (Wa'ad);
- l. Gift (Hiba); and
- m. Any other contract aligned with NIBF principles.

Fees and Commissions

- 53. An NIBI may charge fees or commissions as may be necessary in accordance with the principles under this NIBF model.
- 54. The funds received as fees and commissions shall constitute the NIBIs income and shall not be shared with depositors.
- 55. All contracts must conform to the principles of the NIBF. In instances where late payment penalties are levied by NIBI, the NIBI is expressly prohibited from deriving any financial benefit penalty payments. Such penalties must be segregated into a designated non-permissible account and disbursed in their entirety to charitable causes approved by NIBAC.

Dispute Resolution

- 56. All NIBI contracts shall be subject to the judicial system of Ghana, however recourse to internal dispute resolution and Alternative Dispute Resolution (ADR) mechanisms shall precede the utilisation of the court system.
- 57. All contracts or deployed products shall have a provision for dispute resolution. The NIBI shall resolve such disputed matters using the NIBAC structures. Where a person is aggrieved with a decision of the NIBAC, the person may petition the NIFAC of the Bank for redress.
- 58. The NIBAC through the NIBI Board, shall on quarterly basis submit to NIFAC the status of disputes resolutions.
- 59. In the event that the structures under paragraph 57 (NIBAC and NIFAC) fail to achieve a satisfactory resolution, the aggrieved party may, as a final recourse, initiate processes in accordance with the rules of the Alternative Dispute Resolution Centre, as established under the Alternative Dispute Resolution Act, 2010 (Act 798) as amended.

PART IV - WINDOWS AND BRANCHES ESTABLISHMENT

60. Conventional banks and other banking institutions operating in Ghana may offer products and services in line with this Guideline through windows or branches.
61. A non-interest window of a conventional bank or other banking institutions shall be established and operated in line with NIBF principles.

Cross-Selling and Shared Facilities

62. The non-interest window may operate using the existing facilities or branch network of the conventional bank. The window shall, however, not sell products or services that do not comply with the provisions under this Guideline.

Service Level Agreements (SLAs)

63. Conventional banks or other banking institutions with non-interest windows shall execute a Service Level Agreements (SLAs) in respect of shared services with their windows.

Prohibition of Commingling of Funds and Non-Interest Finance Fund (NIFF) for Windows

64. A NIBI shall maintain a separate set of books and records for all transactions. In terms of both sources and uses of funds, the NIBI shall establish a system that ensures that there is no commingling of funds relating to the NIBI business with the conventional business activities of the entity.

65. Fund Segregation and Integrity

A non-interest banking window shall maintain a dedicated fund, **Non-Interest Finance Fund (NIFF)** which shall be legally and operationally segregated from its conventional funds. The conventional institution shall conduct ongoing due diligence to verify that, after allocation, these funds remain entirely separate and are not commingled under any circumstances.

66. Funding Source

A window's NIFF may be funded either through an internal allocation from the Head Office or via a fresh injection of capital, in accordance with the approved framework by the Bank.

67. Utilisation of Funds and Income

All operational expenditures, including overheads, and other matters pertaining to the window's activities, shall be charged exclusively to this fund. Conversely, all income generated from the window's operations must be credited directly to the same fund.

68. Irrevocability of Allocation

The segregation of the NIFF from capital designated for conventional operations must be explicit and absolute. The reallocation of these funds to conventional operations is strictly prohibited and shall require the prior written approval of the Bank.

69. Operational Systems

Core operating software system may be shared between conventional operations and a window, but the recording, processing, and reporting of transactions and activities of the window shall be practically separated to ensure auditability and compliance to the principle in paragraphs 62 to 68 of this Guideline.

PART V - CORPORATE GOVERNANCE ARCHITECTURE

Board and Key Management Personnel

70. All NIBIs shall be subject to the Bank's Corporate Governance issued Directives, including all relevant provisions of Act 774, Act 930 and Act 1032. The Board and Key Management Personnel of a NIBI shall also meet the fit and proper test in line with the Bank's Fit and Proper Persons Directive.

Non-Interest Banking Advisory Committee (NIBAC)

71. All licensed NIBIs shall have a Non-Interest Banking Advisory Committee (NIBAC), in addition to the existing corporate governance structures as stated in paragraph 70 of this Guideline.

Composition of NIBAC

72. The NIBAC shall have a balanced expertise of individuals with knowledge in banking, finance, economics, accounting, business management, law, insurance, and NIBF. Membership of NIBAC shall comprise three (3) persons who meet the requirements under paragraph 75.

73. Any resignation or removal as a NIBAC member before the expiration of the tenure, shall be notified to the Bank with a stated reason, and subject to NIFAC's oversight. Removal shall be in accordance with how Directors are removed under Act 992 and other related legislations.

74. An individual shall not be a member of the NIBAC of different NIBIs.

Qualification for NIBAC and NIFAC Members

75. The following shall be the qualification of members of NIBAC and NIFAC:
- Individuals of high integrity, honesty and ethical reliability;
 - Individuals with proven experience or knowledge in handling matters relating to product, contracts appropriateness and related matters for the operation of NIB;
 - In addition to the above, the individuals shall have knowledge in the workings of the IFRS, IFSB, AAOIFI and the Basel Standards as they pertain to NIBF; and
 - Individuals shall pass the fit and proper test in line with the Bank's Fit and Proper Persons Directives.
76. The NIBs shall ensure at the minimum inclusion of at least: (I) one Ghanaian, and (II) one female who meet the requirements of NIBAC and NIFAC and (III) an independent member.

Remuneration and Tenure for NIBAC

77. Remuneration for NIBAC shall be determined by the Board of the NIBI. The remuneration should be commensurate with the expected duties and functions of the Committee. The appointment of a NIBAC member shall be for a renewable term of four years subject to a maximum of three terms.

Duty to Ensure Compliance with NIB Standards

78. NIBs shall always ensure that its aims and operations, business and transactions follow the principles of NIBF.
79. For the purposes of this Guideline, compliance with any recommendation by the NIFAC shall be deemed to be a compliance with the Standards of NIBF.
80. Where an institution becomes aware that it is carrying on any of its business and transactions in a manner which is not in compliance with the NIBF principles or the advice of the NIBAC, the institution shall:
- Immediately notify the NIFAC;
 - Immediately cease from carrying on such businesses and transactions; and
 - Within thirty days of becoming aware of such non-compliance, submit to the NIFAC a plan on the rectification of the non-compliance.
81. The Bank may carry out an assessment as it deems necessary to determine whether the institution has rectified the non-compliance referred to in paragraph 80.

82. Any NIBI that contravenes paragraphs 78 to 80 of this Guideline shall be liable to penalties prescribed under sections 22, 102 and 103 of Act 930, section 36 of Act 774, and section 94 of Act 1032.
83. If non-compliance is caused by NIBAC, the Bank shall determine regulatory sanctions as recommended by NIFAC.

Non-Interest Financial Advisory Council (NIFAC)

84. The NIFAC shall be the Bank's advisory council on governance of NIBF. The NIFAC is to advise on matters relating to the effective regulation and supervision of NIBIs in Ghana.
85. The NIFAC shall also serve as advisory council to the Securities and Exchange Commission (SEC) and the National Insurance Commission (NIC) until such a time that the industry has the required stock of experts for NIBF.
86. Opinions issued by the NIFAC shall not replace the supervisory, enforcement and regulatory discretion of the Bank, SEC and NIC.

Composition of NIFAC

87. Membership of NIFAC shall comprise five (5) persons, with at least one independent member who meet the requirements under paragraph 75 of this Guideline.

Information, Privilege, and Confidentiality Information to be Provided to NIBAC

88. An institution shall:
- a. Provide any document or information which the NIBAC may require; and
 - b. Ensure that such document or information provided under paragraph (a) is accurate, complete, not false or misleading in any form, timely, to enable the NIBAC to carry out its duties or perform its functions under this Guideline.
89. Except as provided in paragraph 88 of this Guideline, a member of a NIBAC shall not disclose any information furnished under subsection (a) to any other person.

Qualified Privilege and Duty of Confidentiality

90. A member of a NIBAC shall not be liable:
- a. For a breach of duty of confidentiality between such member and the NIBI in respect of:
 - i. Any reporting to the Bank; or
 - ii. The discharge of his or her duties and functions, pursuant to any standards specified by the Bank.

- b. In respect of any statement made by the member in the discharge of his duties in good faith under this Guideline.

PART VI - NAMING AND IDENTIFICATION OF NIBIs

91. For the avoidance of doubt, the registered or licensed name of a NIBI shall not have any religious connotation, symbol or any other related expression or derivation, as may be determined by the Bank.
92. Marketing materials shall strictly adhere to paragraph 91.

Profit Sharing Investment Accounts (PSIAs)

Disclosure and Implementation of Contracts

93. NIBIs shall ensure that all disclosures relating to Profit Sharing Investment Accounts (PSIAs) are made to account holders in a clear, timely, and effective manner prior to the execution of any contract.
94. Disclosures shall include, but not be limited to:
- a. The contractual terms and conditions of the PSIA;
 - b. The basis and methodology for profit-sharing /loss-bearing/ loss sharing;
 - c. The rights and obligations of both the NIBI and the PSIA holder; and
 - d. Any material risks associated with the investment.
95. Each NIBI shall establish internal procedures to ensure the proper documentation, implementation and monitoring of all contracts with PSIA holders.
96. The Bank reserves the right to request and review copies of PSIA contracts, disclosure statements, and related documents at any time.

Risk of Loss and Client Notification

97. An NIBI shall, prior to account opening, provide all prospective PSIA clients with a written notification stating that under profit-sharing/ loss-bearing contracts, the risk of financial loss rests with the client(s).
98. The written notification shall expressly state that the NIBI shall not share in such losses, except where negligence, misconduct, misrepresentation, or breach of fiduciary duty by the NIBI is established.
99. A copy of the written notification shall be:
- a. Incorporated into the account opening documentation;
 - b. Signed or acknowledged by the client; and

c. Retained in the institution's records for regulatory inspection.

100. Failure to provide such written notification shall constitute a breach of regulatory requirements and is liable to pay to the Bank an administrative penalty of five hundred penalty units

Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR)

101. A NIBI may establish a Profit Equalisation Reserve (PER) as an income-smoothing mechanism to mitigate volatility in profits payable to PSIA holders.

102. A NIBI may also establish an Investment Risk Reserve (IRR) for the purpose of absorbing potential future investment losses attributable to PSIA operations.

103. The basis for computing appropriations to the PER and IRR shall be predefined in the NIBIs PSIA policies.

104. The amounts appropriated to the PER and IRR shall be:

- a. Transparent, consistently applied, and free from arbitrary adjustments;
- b. Disclosed in the NIBIs financial statements and reports to PSIA holders; and
- c. Subject to oversight by both the NIBAC and NIFAC.

105. Any misuse, misstatement, or non-disclosure of PER and IRR balances shall be treated as a regulatory breach.

Compliance, Reporting, and Sanctions

106. Every NIBI shall submit periodic returns to the Bank on:

- a. The operation and performance of PSIA's;
- b. The balances, appropriations, and utilisations of PER and IRR; and
- c. Any losses incurred and how they were treated.

107. Non-compliance with the provisions of this section shall attract an administrative penalty of not more than one thousand penalty units, including:

- a. Suspension of the affected product or service;
- b. Revocation of approvals for PSIA operations; and
- c. Any other corrective or enforcement measures deemed appropriate by the Bank.

108. The Bank reserves the right to conduct examinations, request additional information, issue directives and conduct other regulatory duties in lines with sections 95 to 103 of Act 930.

PART VII - AUDIT, ACCOUNTING AND DISCLOSURE REQUIREMENTS

General Requirements

109. A NIBI shall comply with the provisions of the Guide for Financial Publication for Banks and Licensed Financial Institutions.
110. The financial statements of every NIBI shall be prepared in accordance with:
- The Companies Act, 2019 (Act 992);
 - Act 930; Act 774 and Act 1032;
 - International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants (Ghana), in line with the ICAG Act, 2020 (Act 1058); and
 - All applicable directives, notices, and circulars issued by the Bank.
111. Where the IFRS as adopted by the ICAG, do not adequately address the treatment of transactions, products and contracts, NIBIs, shall in addition apply the relevant provisions of international standard-setting organisations, including but not limited to:
- The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI); and
 - The Islamic Financial Services Board (IFSB).
112. In any conflict between local and international standards, the local standard(s) issued by the ICAG shall take precedence.

Audit Requirements

113. NIBIs shall comply with the requirements of Act 774, Act 930 and Act 1032 regarding:
- The appointment of auditors;
 - The powers of the Bank to appoint auditors;
 - The rights of auditors to access information;
 - The preparation and submission of audit reports;
 - The duties of auditors to the Bank;
 - The conduct of special audits and submission of additional information; and
 - The termination of appointment of auditors.
114. NIBIs shall ensure that their appointed auditors possess the requisite qualifications, independence, and capacity to conduct audits in accordance with both local and applicable international standards.
115. An auditor, appointed under section 108, shall in addition have officers who understand the audit of NIBI.

Internal Review and Conflict of Standards

116. Where there is a conflict between local and international accounting, auditing, or disclosure standards, the provisions of the local standards issued by the Institute of Chartered Accountants (Ghana) (ICAG) shall prevail to the extent of the inconsistency.
117. NIBIs shall establish an internal review and audit mechanism to:
 - a. Periodically examine and evaluate compliance with applicable regulatory requirements;
 - b. Assess adherence to the principles governing Non-Interest Financial Institutions; and
 - c. Report any findings, breaches, or deficiencies to the Board of Directors and the Bank in a timely manner.
118. The internal review mechanism shall be subject to review by the Bank to ensure its adequacy and effectiveness.

Consumer Protection: Disclosure and Transparency

119. NIBIs shall adhere to applicable principles on consumer protection for financial services and other market conduct rules, notices, directives and regulations in the delivery of the services.
120. NIBIs shall ensure that products and services are delivered in a fair, transparent, safe and secure manner.
121. NIBIs shall employ effective transparency and disclosure measures in clear and simple manner on specific product offerings with all associated T&Cs, applicable fees and risks disclosed to the customer during transactions.
122. NIBIs shall disclose all associated fees and charges including processing fees if any to customers for any product or service being offered.
123. NIBIs shall promote financial literacy and consumer education to ensure customers are aware and fully understand the concepts of non-interest banking.
124. While accepting deposit under PSIA basis, the NIBIs shall disclose upfront the ratio of sharing of periodic profit between shareholders and PSIA holders.
125. NIBIs shall comply with the Bank's directives, policies and regulations on complaints management and implement effective consumer recourse mechanisms with specialised technical expertise to resolve any complaints associated with delivery of service.

126. NIBs shall establish fair and clear procedures for handling defaults.
127. NIBs shall ensure there are no misleading adverts or commercials on products and services offerings.
128. NIBs shall train relevant staff at least annually on non-interest banking and related instituted procedures and policies of the institution.

NIBs shall put in place measures to safeguard customer data integrity and cyber security in the delivery of services.

PART VIII - PRUDENTIAL REQUIREMENTS

Minimum Capital Adequacy Ratio (CAR)

129. NIBs shall maintain, always, a Capital Adequacy Ratio (CAR) not less than the minimum prescribed by the Bank.
130. The CAR shall be consistent with the prevailing ratio as may be applicable to conventional banks and specialised deposit-taking institutions. However, the Bank has the supervisory authority to vary the CAR for NIBs from time to time.
131. The Bank shall issue a supplementary directive on the computation and reporting of CAR for NIBs in line with international standards.

Liquidity Management

132. NIBs shall establish and implement robust liquidity management policies, strategies, and procedures designed to ensure that adequate liquidity is always maintained to meet operational, contractual, and regulatory obligations.
133. In the management of liquidity, NIBs shall be prohibited from investing in interest-bearing securities or activities. However, in the absence of liquidity instruments, NIBs may invest in interest bearing securities without earning interest. The Bank will from time-to-time issue guidelines on liquidity instruments in line with NIB principles as acceptable in international liquidity management of NIBs.
134. Reserves and liquid assets shall be maintained strictly in accordance with the CRR directives and any other prudential requirements issued by the Bank from time to time.

Other Prudential Requirements

135. NIBs shall comply with prudential requirements on large exposures, connected financing, concentration limits, and related risk controls as may be prescribed by the Bank.

136. The Bank may issue further instructions or guidance from time to time to ensure effective risk management to ensure effective operation of NIBIs.

Risk Management

137. The Board shall have ultimate oversight responsibility for the Risk Management activities of NIBIs, ensuring that comprehensive and effective risk management objectives, strategies, policies and procedures, that are consistent with NIBIs' risk profile and distinctive nature of its operations, are developed and implemented.
138. The Board shall review and approve from time to time, the risk management strategy and significant risk policies, taking into consideration the NIBIs business model, legal structure and macroeconomic environment.
139. Senior Management shall be responsible for the continuous execution of the strategic risk management direction set out by the Board and implement a robust Management Information System (MIS) to facilitate the timely identification, quantification, and monitoring of risks across the NIBI.
140. NIBIs shall implement a prudent investment strategy that safeguards customers' funds while ensuring the generation of appropriate returns on investments and in compliance with NIBF principles.
141. NIBIs shall develop a robust risk mitigation policy, including the mechanism to segregate the non-compliant income at the directive of NIBAC and for its distribution to charitable institutions.
142. NIBIs shall develop and maintain a comprehensive investment plan that outlines strategic investment objectives, risk tolerance levels, and asset allocation guidelines. The plan shall also include:
- a. Feasibility studies of projects, and appropriate due diligence of investment partners;
 - b. The setting up of a well-designed MIS for reporting and monitoring of risk exposures to enable customers make informed decisions regarding potential risks to their investment;
 - c. Adoption of consistent valuation methodologies applicable for each financial instrument;
 - d. Monitoring of the transformation of risks inherent at each stage of the investment lifecycles.
 - e. Constant evaluation of market risk exposures arising from price fluctuations of the tradable assets held; and
 - f. Application of NIBF permissible risk mitigation techniques that will reduce the impact of any capital impairment or loss on the investment projects.
143. For the avoidance of doubt, paragraphs 137 to 142 also apply to NIBF windows.

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)

144. NIBIs shall establish and enforce policies and procedures aimed at mitigating risks related to money laundering and terrorism financing, and ensuring their services are not exploited for illegal activities.
145. NIBIs shall establish and maintain robust internal controls to monitor and mitigate AML risks and fraud arising from their shareholders, customers, counterparties, and transactions. These controls must safeguard against the proceeds of crime, corruption, terrorist financing, and other illicit activities, and prevent the NIBI from being used as a conduit for money laundering or terrorism financing.
146. NIBIs shall develop and maintain a comprehensive AML programme that fosters a culture of continuous compliance. This programme must ensure the effective implementation of AML Guidelines, including, among others, customer identification, ongoing monitoring of unusual account activities or transactions, proper record keeping, and timely reporting of suspicious transactions.
147. NIBIs shall ensure full compliance with the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Money Laundering Regulations, 2011 (L.I. 1987), and all applicable directives and guidelines issued by the Bank on AML/CFT.

General Provisions

148. Consistent with the Bank's objective to promote financial inclusion and diversify financial products and services to enhance financial stability, NIBIs must refrain from any actions that undermine this goal or compromise the credibility, integrity, and sustainability of Non-Interest Banking services in Ghana.
149. The Bank shall collaborate with the Ghana Revenue Authority (GRA) and the Ministry of Finance (MOF) to develop and issue a complementary framework to ensure tax neutrality for permissible NIB products and contracts.
150. To augment liquidity management and risk mitigation, complementary guidance on Sukuk (non-interest bonds) and Takaful (Islamic insurance) shall be issued by the Securities and Exchange Commission (SEC) and National Insurance Commission (NIC).
151. Conventional financial institutions seeking to operate as a window are encouraged to ensure that their operations spread beyond the Greater Accra Region.
152. There shall be no discrimination based on faith, ethnicity, gender or any other grounds in the participation of individuals or institutions, as promoters, shareholders, depositors, employees, customers, or other relevant parties, in any transaction involving NIBIs.

153. The Bank will continue to pursue its objectives by providing a fair, enabling, and non-discriminatory regulatory environment for all NIBIs.

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