



## **NOTICE TO MICROFINANCE INSTITUTIONS, SPECIALISED DEPOSIT-TAKING INSTITUTIONS, ARB APEX BANK LIMITED, BANKS, MICROFINANCE ASSOCIATIONS, OTHER FINANCIAL SECTOR REGULATORS, AND THE GENERAL PUBLIC**

**NOTICE NO. BG/GOV/SEC/2026/03**

### **GUIDELINE ON THE REVISED MICROFINANCE SECTOR FRAMEWORK**

#### **1. INTRODUCTION**

The Bank of Ghana, pursuant to the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Non-Bank Financial Institutions Act, 2008 (Act 774), hereby issues this Guideline to operationalise the new microfinance sector framework. The Guideline affects all Tier 1 - 4 microfinance institutions operating under the 2011 Operating Rules and Guidelines for Microfinance Institutions (Notice No. BG/GOV/SEC/2011/04), including ARB Apex Bank Limited, microfinance industry associations, and other entities within the sector.

The new microfinance framework shall comprise four (4) distinct but complementary categories of institutions: Microfinance Banks (MFBs), Community Banks (CBs), Credit Unions (CUs), and Last-Mile Providers (LMPs). In addition, ARB Apex Bank Limited (the Apex Bank) shall be restructured with an expanded mandate to provide critical centralised banking services for the sector.

Existing institutions and the Apex Bank shall take the necessary steps to comply with this Guideline for transitioning into the new framework, as applicable.

Please watch video explainer on the reform:

<https://youtu.be/lqV0KROiZs?si=naBj0CkuqclU2SKQ>

#### **2. POLICY RATIONALE**

The reform addresses long-standing structural and operational challenges within the sector to enhance its contribution to financial inclusion and development.

Specifically, the reform aims to:

##### **i. Strengthen Institutional Framework**

Resolve existing regulatory and institutional fragmentation by establishing a clear and coherent sector framework that delineates the roles and operational boundaries of the different institutional categories by aligning core business models with the characteristics of their primary market segments.

**ii. Enhance Resilience and Operational Soundness**

Address weaknesses with capital, governance, and operational efficiency which have undermined the viability of most institutions and threaten depositors' funds. Measures seek to enhance the financial strength, governance standards, risk management practices, as well as regulatory and supervisory standards.

**iii. Facilitate Modernisation and Integration into the Financial System**

Strengthen the sector's integration into the national financial architecture by advancing modernisation and fostering a technology-driven ecosystem. Key measures include establishing centralised platforms for account and reserve management, capacity development, enhancing payment systems, accelerating digital transformation, embedding robust cybersecurity protocols, and improving reporting standards.

**iv. Promote Inclusive Ownership and Expand Economic Opportunities**

Embed inclusivity in ownership and governance by empowering communities, groups, and individuals, creating a framework that attracts complementary investment and expertise and ensures broad distribution of economic benefits.

**v. Strengthen Financial Stability and Policy Transmission**

Ensure that microfinance institutions contribute to the effective transmission of monetary, fiscal, and financial inclusion policies, thereby reinforcing systemic stability and broadening access to financial services.

**3. INSTITUTIONAL FRAMEWORK & TRANSITIONAL ARRANGEMENT FOR EACH CATEGORY**

**3.1 Microfinance Banks (MFBs)**

MFBs shall be licensed deposit-taking institutions under Act 930. Ownership is open to both Ghanaians and foreigners, subject to Bank of Ghana approval. MFBs will primarily serve Micro, Small, and Medium Enterprises (MSMEs), formal and informal groups, and individual clients as their core market segments.

**3.1.1 Shareholding Restrictions**

Maximum shareholding limits in an MFB shall be:

- i. Individual: 40%
- ii. Family/Related Party: 50%
- iii. Registered Group: 70%
- iv. Corporate body: 100%

Note: Further restrictions on ultimate beneficiaries of groups and companies may apply.

### **3.1.2 Permissible Business Activities and Business Models**

MFBs shall operate deposit-taking business in accordance with Act 930. An MFB may, with prior approval from the Bank of Ghana, elect to operate a credit-only business model.

The Bank of Ghana may, pursuant to Act 930, periodically review and revise the scope of permissible activities for MFBs to reflect evolving market dynamics, regulatory and monetary policy priorities, and financial inclusion objectives.

### **3.1.3 Minimum Capital**

The minimum capital requirement shall be determined by the Bank of Ghana from time to time, based on prevailing conditions. The minimum capital for an eligible existing institution transitioning into an MFB shall be GH¢ 50 million. The minimum capital for new entrants shall be GH¢100 million.

### **3.1.4 Existing Eligible Institutions**

The following existing institutions are eligible for the new MFB licence, subject to meeting the minimum capital and other regulatory requirements by December 31, 2026:

- i. Savings and Loans Companies
- ii. Finance Houses
- iii. Deposit-taking Microfinance Companies
- iv. Micro-Credit Companies

### **3.1.5 Transitional Pathways for Eligible Institutions**

- i. **Standalone Compliance and Relicensing:** Institutions that independently meet the minimum capital and regulatory requirements shall be relicensed as MFBs.
- ii. **Consolidation:** Institutions may opt to merge with or be acquired by other entities to meet minimum capital and prudential standards, in line with the Mergers and Acquisitions Directive, 2021.
- iii. **Asset and Liability Transfer:** Institutions that prefer not to continue under the new framework may transfer deposit liabilities and performing assets (including financial top-ups) to qualified institutions, and wind-up operations under the Voluntary Winding-Up Directive for Banks and Specialised Deposit-Taking Institutions, 2021, ensuring orderly exit, banking business continuity, and protection of existing clients.
- iv. **Voluntary Exit:** Institutions may elect to wind-up operations under the Voluntary Winding-Up Directive for Banks and Specialised Deposit-Taking Institutions, 2021.

- v. **Regulatory Action:** Institutions that fail to exercise any of the above options within the stipulated timelines shall be subject to regulatory action.

### **3.1.6 Notification and Progress Report on Transitional Options**

All eligible institutions shall formally notify the Bank of Ghana of the transition options they intend to exercise by June 30, 2026, and also provide subsequent progress updates by September 30, 2026. Failure to submit notification or progress report may result in sanctions, including restrictions on operations.

### **3.1.7 Governance, Management, Risk Management and Other Prudential Requirements**

The Bank of Ghana will issue new corporate governance directive on how business and affairs of an MFB shall be governed, in view of the reform, and in line with Act 930, the Companies Act, 2019 (Act 992), and other applicable laws.

MFBs shall comply with the Risk Management Directive, 2021 and establish robust frameworks to identify, measure, evaluate, control, mitigate, and report all material risks on a timely and comprehensive basis.

## **3.2 Community Banks (CBs)**

CBs shall be licensed deposit-taking institutions under Act 930, and operate community banking model focused on integrating local communities - both rural and urban - into the national financial ecosystem.

### **3.2.1 Shareholding Restrictions**

Shares in a CB shall be broadly owned, with at least 30% held by identified individuals and groups within the bank's community of operation, who shall be Ghanaian citizens or resident. Maximum permissible shareholding limits shall be:

- i. Individual: 25%
- ii. Family/Related Party: 35%
- iii. Registered Group: 40%
- iv. Corporate body: 50%

Institutions whose current shareholding structure breaches these thresholds shall take steps to comply by December 31, 2026. The Bank of Ghana may further vary the maximum single shareholding threshold for new urban CBs to promote broad-based participation.

### **3.2.1 Permissible Business Activities**

CBs shall operate deposit-taking business in accordance with Act 930. The Bank of Ghana may, pursuant to Act 930, periodically review and revise the scope of permissible activities for CBs to reflect evolving market dynamics, regulatory and monetary policy priorities, and financial inclusion objectives.

### **3.2.2 Minimum Capital**

The new minimum capital shall be GH¢5 million for CBs and GH¢10 million for a new urban CB.

Existing Rural Banks shall be converted into CBs by March 31, 2026, and meet the revised minimum capital and other regulatory requirements by December 31, 2026.

### **3.2.3 Capitalisation Pathways**

- i. **Standalone Compliance:** Institutions may independently meet the new minimum capital and prudential standards.
- ii. **Consolidation:** Institutions may opt to merge with or be acquired by other entities to meet minimum capital and prudential standards in line with the Mergers and Acquisitions Directive, 2021
- iii. **Asset and Liability Transfer:** Institutions that are unable to meet the new minimum capital requirements or pursue any consolidation options may, under the oversight of the Apex Bank, transfer deposit liabilities and performing assets (including financial top-ups) to qualified CBs operating within close proximity and capable of extending branch operations to the affected areas, to ensure depositor protection and continuity of banking services. Such institutions shall wind up operations in accordance with the Voluntary Winding-Up Directive for Banks and Specialised Deposit-Taking Institutions, 2021.
- iv. **Regulatory Action:** Institutions that fail to exercise any of the above options within the stipulated timelines shall be subject to regulatory action.

### **3.2.4 Notification and Progress Report on Capitalisation Options**

All existing Rural and Community Banks (RCBs) with paid-up capital (unimpaired) below the new minimum requirement shall formally notify the Bank of Ghana of the capitalisation option(s) they intend to exercise by June 30, 2026, and provide subsequent progress updates by September 30, 2026. Failure to submit the notification and the progress report may result in sanctions, including restrictions on operations.

### **3.2.5 Governance, Management, Risk Management and Other Prudential Requirements**

The Bank of Ghana will issue a new corporate governance directive on how the business and affairs of a CB shall be governed in view of the reform and in line with Act 930, the Companies Act, 2019 (Act 992), and other applicable laws.

CBs shall comply with the Risk Management Directive for Rural and Community Banks, 2021, and establish robust frameworks to identify, measure, evaluate, control, mitigate, and report all material risks on a timely and comprehensive basis.

Additionally, CBs shall adhere to all other regulatory and prudential requirements applicable to RCBs.

### **3.3 Credit Unions (CUs)**

CUs with total assets consistently equal to or exceeding GH¢60 million for a continuous period of not less than one year shall, upon the recommendation of the Credit Unions Association of Ghana (CUA) and/or the Apex Bank, be licensed and supervised by the Bank of Ghana as deposit-taking institutions under Act 930. Other applicable provisions of the Co-operative Societies Act, 1968 (N.L.C.D. 252) shall continue to govern matters relating to membership, shareholding, and governance.

#### **3.3.1 Licensing of Credit Unions**

Bank of Ghana licensing of qualified CUs will commence in the second quarter of 2026. Licensed and supervised CUs may, in addition to providing member-based savings and credit services undertake other deposit-taking businesses, subject to Bank of Ghana's approval. The Bank of Ghana will issue appropriate prudential framework for the supervision of CUs.

Financial cooperatives below the supervisory threshold, that are not supervised by the Bank of Ghana, shall be designated as Last-Mile Providers (LMPs) and operate under delegated supervision by the CUA.

#### **3.3.2 Governance, Risk Management, and Prudential Requirements**

The Bank of Ghana shall issue specific directives on governance, risk management, and other prudential requirements for Credit Unions at the appropriate time.

### **3.4 Last-Mile Providers (LMPs)**

Last-Mile Providers (LMPs) shall operate under diverse business forms, including enterprises, registered groups, cooperatives, and companies limited by guarantee, depending on their legal status and operational model. Ownership may vary and

could include individuals, groups, non-governmental organizations (NGOs), and Companies.

### **3.4.1 Permissible Activities**

Permissible activities shall depend on the category of entity and may include:

- i. Micro-credit provision
- ii. Micro-savings mobilisation / Susu collection

For the avoidance of doubt the following shall be classified under LMPs category:

- i. Financial Non-Governmental Organisations (FNGOs)
- ii. Credit Unions, not supervised by the Bank of Ghana
- iii. Micro-Credit Enterprises
- iv. Cooperative Susu Collectors
- v. Rotating Savings and Credit Associations (ROSCAs)
- vi. Village Savings and Loans Associations (VSLAs)

### **3.4.2 Handbook on Delegated and Self-Supervision**

The Bank of Ghana is developing a comprehensive Handbook on Delegated and Self-Supervision to guide the operations of Last-Mile Providers (LMPs). The handbook will provide prudential and operational frameworks, standards, and best practices to ensure effective operation, oversight and compliance.

Relevant sections of the existing Business Rules and Sanctions for Microfinance Institutions, 2016, covering the operations of Tier 4 institutions under the 2011 framework, shall continue to guide operations of the LMPs as applicable, until the new Handbook is issued.

## **3.5 The Apex Bank**

The mandate of the Apex Bank shall, with effect from the issuance of this Notice, apply to all categories of institutions operating under the revised microfinance framework. To ensure the effective execution of this expanded mandate, the Apex Bank shall undertake internal restructuring of its operations and establish dedicated Departments, Offices, or Units, as appropriate, for each institutional category, subject to prior approval by the Bank of Ghana.

Further provisions relating to the Apex Bank's mandate, governance structure, operational framework, and its relationship with each category of institutions shall be prescribed in a revised ARB Apex Bank Limited Regulations, 2006 (L.I. 1825) and/or directive from the Bank of Ghana.

## **Core Functions of the Apex Bank**

Apex Bank shall perform the following core functions to member institutions:

- i. maintain accounts and hold primary cash reserves in accordance with Bank of Ghana's monetary regulations and directives
- ii. provide emergency liquidity assistance based on a set framework
- iii. handle cheque clearing activities
- iv. provide specie movement and management services
- v. render fund management services
- vi. guarantee payment instruments issued to third parties within a framework
- vii. provide common shared technology and other digital infrastructure platforms including banking, reporting, and automated teller machines (ATMs)

Additional services:

- i. identify the resource needs of members and mobilise domestic and external funds for on-lending
- ii. provide training for directors and employees
- iii. monitor and inspect the operations
- iv. design a mechanism through which members in operational, financial or management difficulties can be temporarily supported
- v. facilitate monetary and development policy implementation across institutions
- vi. perform any other function that is incidental to the attainment of its objects or as may be determined by the Bank of Ghana

## **4. ADDITIONAL TRANSITIONAL ARRANGEMENTS**

### **i. General Transition Period**

All existing institutions shall transition into the new framework, before or by December 31, 2026, based on the specific provisions in this Notice.

### **ii. Approvals and Documentation for Merger/Acquisition/Transfer Agreements**

All mergers, acquisitions, and transfer of liabilities and assets, shall be subject to prior approval from the Bank of Ghana. Institutions pursuing any of these measures must submit signed agreements to the Bank of Ghana by September 30, 2026.

### **iii. Depositor Protection, Migration and Operational Continuity Measures**

Institutions undergoing consolidation or liability and asset transfers must provide depositors with clear information on arrangements and timelines for account and data migration, as well as measures to avoid service disruptions during the transition. Institutions must publish notices of these arrangements in local newspapers and/or at their business premises and notify customers at least thirty

(30) days before any major change. Customer notices shall clearly identify the parties to the arrangement and the institution that will assume responsibility for the accounts.

**iv. Sanctions for Non-Compliance**

Failure to meet milestones provided in Notice shall trigger sanctions, including restrictions on business operations.

**v. Support Framework**

Bank of Ghana, in collaboration with Apex Bank and CUA, shall provide a help desk and technical assistance during the transition period. Details will be communicated during subsequent stakeholder engagements, after the issuance of this Notice.

**vi. Licensing of New Institutions**

The licensing of new institutions shall be temporarily restricted to Community Banks in priority areas during the transition period. This is to ensure an orderly rollout of the new framework, maintain sector stability, and prioritise the strengthening of existing eligible institutions.

**5. ADMINISTRATIVE PROVISIONS**

**5.1 Effective Date**

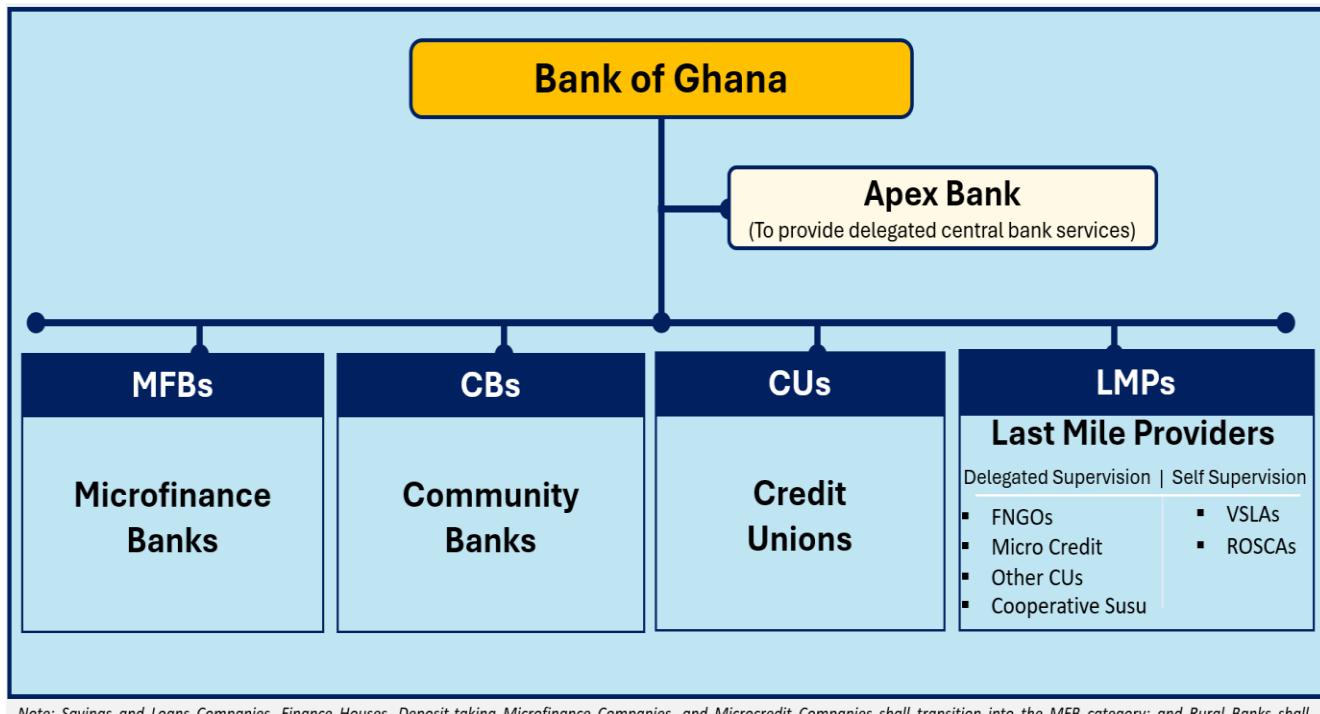
This Notice takes effect from the date of issuance.

**5.2 Amendment and Modification**

The Bank of Ghana reserves the right to amend, vary, or supplement this Guideline as it deems necessary to ensure the safety and soundness of the financial system.

**All Microfinance Institutions, including Specialised Deposit-taking Institutions (SDIs), Non-Bank Financial Institutions (NBFIs) and the Public are hereby advised to take note of the above for compliance.**

## Appendix 1: The New Microfinance Sector Framework



Note: Savings and Loans Companies, Finance Houses, Deposit-taking Microfinance Companies, and Microcredit Companies shall transition into the MFB category; and Rural Banks shall transition into the CB category. Institutions that are unable to meet the requirements on a standalone basis may pursue consolidation or other options set out in the Guideline. Credit Unions are financial cooperatives supervised by the Bank of Ghana based set threshold. (See the main Guideline for details of the transitional arrangements and other options.)

(SGD.)  
AIMEE VYDA QUASHIE (MS.)  
AG. SECRETARY

27<sup>TH</sup> JANUARY 2026