

DEVELOPMENT FINANCE INSTITUTIONS BILL, 2020

ARRANGEMENT OF SECTIONS

Section

Preliminary Provisions

1. Application of this Act
2. Application of enactments
3. Development finance business

Licensing of Development Finance Institutions

4. Role of Bank of Ghana
5. Licensing authority of Bank of Ghana
6. Requirement for a licence
7. Application for a licence
8. Types of licences
9. Provisional approval
10. Invitation to the public to subscribe to shares
11. Final approval and issuance of a licence
12. Non-transferability or assignment of a licence
13. Conditions for issuance of a licence
14. Refusal of application for a licence
15. Revocation of a licence
16. Permissible activities
17. Unauthorised development finance activities
18. Places of business to be licensed
19. Representative office

Capital and Reserves

20. Minimum paid-up capital
21. Capital adequacy and other capital requirements
22. Additional capital in respect of special risks
23. Notice of non-compliance with capital requirements
24. Penalty for non-compliance with capital requirements
25. Reserve Fund
26. Restrictions on declaration and payment of dividend
27. Sources of funds

DEVELOPMENT FINANCE INSTITUTIONS BILL, 2020

Liquidity

28. Liquidity requirements
29. Notification of non-compliance with minimum liquidity requirements
30. Penalty for non-compliance with liquidity requirements

Ownership and Control

31. Reporting of group structures
32. Transfer of shares affecting significant shareholdings
33. Disapproval of transfer of shares
34. Sale of business, merger, amalgamation or reconstruction

Governance of Development Finance Institutions

35. Corporate governance
36. Board of Directors and key management personnel
37. Responsibility of the Board of Directors
38. Separation of powers
39. Tenure of office of Board of Directors
40. Independent director
41. Composition and qualifications of Board of Directors
42. Alternate director
43. Meetings of the Board of Directors
44. Performance evaluation of Board of Directors
45. Committees of the Board of Directors
46. Audit Committee
47. Risk Committee
48. Conflict of interest
49. Duties of senior management
50. Chief Internal Auditor
51. Chief Risk Officer
52. Fit and proper
53. Minimum assessment criteria for fitness and propriety
54. Duty of Board of Directors to report
55. Disqualification of a member of the Board of Directors and key management personnel
56. Disclosure of interest
57. Intervention of the Bank of Ghana in appointments

DEVELOPMENT FINANCE INSTITUTIONS BILL, 2020

Restrictions on Lending and Investments

58. Prohibition of an advance against security of own shares
59. Prohibition of lending and guaranteeing of same exposure
60. Limits on financial exposure
61. Restrictions on transactions with an affiliate
62. Restriction on purchase or transfer of certain assets from an affiliate and insider
63. Restrictions on financial exposures to an insider
64. Restrictions on lending to staff
65. Requirements for lending to insiders and their related interests
66. Restriction on establishment of a subsidiary company
67. Limits on equity investments
68. Reporting of exposures
69. Asset classification, provisioning and write-offs
70. Power to impose stricter prudential limits

Accounts and Audit

71. Guidelines on accounting standards and disclosures in financial statements
72. Accounting records
73. Financial statements
74. Appointment of an auditor
75. Power of the Bank of Ghana to appoint an auditor
76. Remuneration of an auditor
77. Right of an auditor to access information
78. Report of an auditor
79. Meetings with auditors
80. Duties of an auditor to the Bank of Ghana
81. Special audit and additional information
82. Termination of appointment of an auditor
83. Display of financial statements

Powers of Supervision and Control

84. Directives
85. Information and periodic returns
86. Examinations

DEVELOPMENT FINANCE INSTITUTIONS BILL, 2020

87. Investigation or scrutiny
88. Power of examiners
89. Taking custody of records
90. Verification of information
91. Examination reports
92. Follow-up action on examination and other supervisory reports
93. Remedial measures
94. Remedial measures for relevant persons
95. Appointment of advisor
96. Liquidation
97. Voluntary winding-up

Review of Decisions

98. Review of decisions of the Bank of Ghana on licensing
99. Adjudicative Panel
100. Functions of the Adjudicative Panel
101. Procedure of the Adjudicative Panel
102. Decisions of the Adjudicative Panel
103. Expenses of the Adjudicative Panel
104. Appeal to the High Court

Miscellaneous Provisions

105. Prohibition of floating charge
106. Confidentiality obligations of officials and employees of the Bank of Ghana
107. Confidentiality of customer information
108. Agreements for exchange of information
109. Disclosure of information relating to development finance institutions
110. Submission of reports on trend and progress
111. Protection from liability and indemnification
112. Administrative penalties
113. Prosecution of offences
114. Joinder of offences
115. General penalty

Development Finance Institutions Bill, 2020

- 116. Regulations
- 117. Interpretation
- 118. Transitional provision

SCHEDULES

FIRST SCHEDULE

Part One

Oath of Confidentiality

Part Two

Declaration of Confidentiality

SECOND SCHEDULE

Part One

Oath of Confidentiality

Part Two

Declaration of Confidentiality