**MINIMUM RENEWAL REQUIREMENTS FOR MICRO LENDING ENTITIES**

**LEGAL FORM**

* 1. An application letter for renewal of a license must be submitted two months before expiry of the current license. The same to state the proposed Principal Officer and AML/CFT Compliance Officer
	2. Proof of payment of a non-refundable licensing fee of **P6000.00** deposited into NBFIRA’s account.

**Account Name: NBFIRA Bank name**: Stanbic Bank **Branch name**: Fairground

**Branch code**: 064967 **Account number:** 9060001296510 **Swift code**: SBICBWGX

**Reference**: Company name

* 1. A certified copy of Certificate of incorporation for companies, certified copy of business registration for business and company extract from CIPA
	2. Each additional branch fee is **P1,200.00** – To be accompanied by NBFIRA’s approval letters of the respective branches.

**2. OWNERSHIP & MANAGEMENT**

2.1 Individual shareholders, members of board of directors, senior management, Principal

Officer, AML Compliance Officer, Chief Finance Officer and Chief Executive Officer should submit:

1. Personal questionnaire - Available on NBFIRA website and Portal
2. SV Form 1 - Available on NBFIRA website and Portal
3. Certified copy of national ID/Passport for non-citizens;
4. Work and residence permit for non-citizens
5. 2 passport size photos
6. Copy of CV/Resume
7. Certified copies of academic qualification and professional qualifications
8. Original copy of individual Tax Clearance Certificate
9. Original copy of Botswana Police Clearance/Interpol from country of residence
10. Individual Bank reference

\*All of the above are to have been certified/updated not more than six (6) months prior to submission

*Controllers and Key persons are required to meet the Fit and Proper Rules, 2017(Available on the NBFIRA website)* <http://www.nbfira.org.bw/fit-and-proper-rules-3>

*All forms are to be downloaded from the RBSS Portal or from the NBFIRA website*

[*www.nbfira.org.bw*](http://www.nbfira.org.bw)

*Where shares are held by unnatural persons, shareholders should submit an Affidavit declaring the details of ultimate beneficial shareholders, which should include names of institutional shareholders, the full names of natural persons who are beneficial owners of shares in the institutional entity and their respective percentage shareholding*

2.2 Proposed organizational structure- The Role of AML/CFT Compliance officer and

 Principal Officer must be identified on the organizational structure. The AML Compliance

 Officer must comply with the directive for the AML/CFT Compliance Officer. Link below

 <https://www.nbfira.org.bw/sites/default/files/AML%20desig.pdf>.

*The AML/CFT Compliance officer shall ensure the entity complies with the provisions of the Financial Intelligence Act, and the Principal Officer shall ensure compliance with the Micro Lending Regulations, 2012 and other financial services laws. The Chief Executive Officer, AML Compliance Officer and the Principal Officer should be full-time employees of the micro lender.*

2.3 Where the applicant is a member of a group of Companies, a Group Corporate structure

 showing all the subsidiaries and associates companies should be submitted.

3. **MINIMUM FINANCIAL REQUIRMENT**

* 1. Proof of financial liquidity – **P20 000** to be maintained at all the times by the micro lender.

 A certified bank statement in the name of the applying company should be submitted.

**4. OPERATIONAL POLICIES AND PROCEDURES**

4.1 An application should be accompanied by the latest audited annual financial statements

4.2 The entities must have paid up all their levies due and penalties (if any).

4.3 Copies of the current license

4.4 Number of agents (if any), number of employees, cost of interest and maximum amount loanable

 to clients

4.5 Number and location of branches

4.6  **Loan Underwriting Policy/Credit Policy** to provide guidance to employees on lending and

practical steps to be followed to access the credit-worthiness of a borrower to ensure compliance on an ongoing basis, in line with Regulation 9 of the Micro Lending Regulations, 2012

4.7 **Bad Debts /Delinquency Policy** to provide guidance to employees on how to treat non-

performing loans and including that the penalties should not exceed 5% of the outstanding principal amount per month with a maximum not exceeding the outstanding principal amount.

4.8 **Comprehensive Complaints Policy and Procedures** Manual (after licensing it has to be kept visible to the clients) which is compliant with Regulation 21 of the Micro Lending Regulations,2012. This should include details of the person who will deal with complaints and the time it will take to resolve the complaint. It must include referrals to NBFIRA pending resolution

4.9 **AML and CFT Policy and Procedures** to ensure that it has adequate internal anti-money laundering policies, controls, guidelines and training programs upon commencement of business that will prevent criminals from laundering proceeds obtained from criminal activities. This should comply with Section 12 of the Financial Intelligence Act and Regulations of 2019.

4.10 **Standard Loan agreement** which the institution intends to use. The Loan Agreement must comply with Regulation 11 and Form 5 of the Micro Lending Regulations 12, together with the KYC guidance form

4.11 **Standard consent of spouse form** for customers as per form 4 of the Microlending Regulations. A form that will be completed by all spouses of customers married in community of property.

**Applicants should note that any falsification and misrepresentation of facts would not only lead to denial of the applied renewal license but also the blacklisting of the offending individuals.**

**6. THE LICENSING PROCESS**

6.1 The applicant will be required to submit all as per the requirements two months before the license expires.

*Note: Application are* ***ONLY*** *processed on the RBSS Portal*

6.2 Upon receipt of a complete application on the RBSS Portal, NBFIRA shall within 60 days, review the application and determine whether a license should be renewed or not. Applications deemed incomplete are not accepted by the NBFIRA and will be rejected.

6.3 An application is considered to be complete when all the necessary documents have been submitted and the non-refundable application fee has been paid. Upon receipt of a complete application the Authority shall, within the stipulated days for consideration of an application referred in 6.2 commence assessment.

6.4 Once a complete application is received, NBFIRA will assess the documents submitted to determine if the applicant has satisfied all the conditions as prescribed by the respective Acts and attendant Regulations. In order to complete its determination, NBFIRA may require the applicant to submit additional information or will instruct the applicant to make changes deemed necessary. While NBFIRA awaits a response to the enquiries the application ‘clock’ will be halted and only resume on receipt of the requested information. Incomplete applications will not be referred to a decision-maker.

6.5 Once an applicant has satisfied the requirements, the application will be approved and a certificate of licence issued. If however, the assessment is completed and it is determined that the applicant has not satisfied the conditions as stipulated by the respective legislation, NBFIRA will inform the applicant in writing of the rejection, stating the reasons for the rejection and informing the applicant of the right to an appeal.

6.6 If the licence renewal process is not completed within 6 months, due to outstanding items required from the applicant, NBFIRA may instruct the entity to cease and desist from the micro lending business and require a new application, a further application fee and updated supporting documentation (e.g. a refreshed business plan and financial information).

6.7 It should be noted that the onus is on the licence applicant and relevant persons connected with the licence applicant to satisfy the Authority that they are fit and proper, not on the Authority to prove that they are not.