

STATUTORY INSTRUMENTS

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STATUTORY INSTRUMENTS

2004 No. 61.

**THE MICRO FINANCE DEPOSIT-TAKING INSTITUTIONS (LICENSING)
REGULATIONS, 2004**

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STATUTORY INSTRUMENTS

2004 No. 61.

The Micro Finance Deposit-Taking Institutions (Licensing) Regulations, 2004.

(Under section 89 (3) (b) of the Micro Finance Deposit Taking Institutions Act, 2003, Act No. 5 of 2003)

IN EXERCISE of the powers conferred on the Central Bank by section 89 (3) (b) of the Micro Finance Deposit Taking Institutions Act, 2003, these Regulations are made this 12th day of May, 2004.

PART I—PRELIMINARY.

1. Citation

These Regulations may be cited as the Micro Finance Deposit-Taking Institutions (Licensing) Regulations, 2004.

2. Application

These Regulations apply to all micro finance deposit-taking institutions in Uganda.

3. Interpretation

(1) In these Regulations, unless the context otherwise requires—

"Act" means the Micro Finance Deposit-Taking Institutions Act, 2003;

"institution" or "MDI" means a micro finance deposit-taking institution;

"licence" means a licence granted to an institution to carry on micro finance business in Uganda, issued under these Regulations in accordance with section 7 of the Act;

"reputable financial institution" means a financial institution licensed to conduct banking or other financial institution business under the laws of any state, country or territory and which meets the following criteria—

(a) has demonstrable experience of providing financial services in Uganda or elsewhere for a minimum of 3 years;

(b) is well capitalized as evidenced by its audited financial statements, with a capital base that is at least double that of the minimum requirements of an institution under the Act;

(c) has a strong and qualified board and management who are fit and proper in accordance with the Second Schedule to the Act; and

(d) has a clean supervisory record from its home country regulator;

"reputable public company" means a company that is financially strong, whose ownership is widely distributed and is of good public standing .

(2) Terms and expressions used in these Regulations have the same meaning ascribed to them in the Act.

4. Purpose

The purpose of these Regulations is to provide information and guidance on the conditions to be fulfilled by an applicant in order to obtain a licence from the Central Bank to conduct micro finance business in Uganda.

5. Objectives

The objectives of these Regulations are—

(a) to promote a strong and viable micro finance industry in Uganda in order to enhance economic growth by contributing to poverty reduction in both rural and urban areas in Uganda;

(b) to promote the growth of the financial sector in Uganda by ensuring that micro finance business is conducted in a safe and sound manner;

(c) to establish clear and transparent criteria for the submission and evaluation of applications for engaging in micro finance business in Uganda;

- (d) to enable the Central Bank to determine whether institutions have suitable shareholders, adequate financial strength and management with sufficient expertise and integrity to operate the institution in a sound and prudent manner;
- (e) to oversee the safety and health of the financial sector in Uganda by controlling entry into the sector; and
- (f) to restrict entry into the financial sector to viable institutions that are adequately capitalized, efficiently managed, properly governed and owned by fit and proper shareholders.

PART II—LICENSING REQUIREMENTS.

6. Licensing criteria

(1) The Central Bank shall, in accordance with section 7 of the Act, take into account the following factors when evaluating an application for a licence to operate an institution—

- (a) the financial capacity of the applicant, that is, the applicant's ability to meet the minimum and ongoing capital requirements as stipulated by sections 15 and 16 of the Act, and the applicant's ability to inject additional core capital when required in future;
- (b) the background, reputation, integrity, experience and capacity of the proposed owners, directors and board members of the applicant as evidenced by the *curriculum vitae* and professional records of those proposed persons;
- (c) the applicant's reputation, relevant experience in micro finance business and the provision of sustainable financial services to low income earners in Uganda and in other countries and the administrative capacity of the proposed senior management as evidenced by the *curriculum vitae* and professional background of the proposed management;
- (d) the business plan of the applicant, including plans to conduct micro finance business in Uganda;
- (e) the projected profitability of the applicant, supported by detailed feasibility studies and projected balance sheets and income statements;
- (f) the scope of operations and services to be offered, including a specific description of the financial services to be offered to the public, the rationale for the services, the capacity of the applicant to provide the services and the past record of ownership and management in such operations in Uganda or elsewhere ;

- (g) the proposed staff development programs, with a written explanation as to how staff skills and expertise will be developed;
- (h) the applicant's risk management systems: the applicant should have the ability to identify, measure, monitor and control the level and type of risks to be assumed, and should provide a comprehensive risk management program tailored to its needs and circumstances covering credit risk, liquidity risk, interest rate risk, foreign exchange risk, operational risk and strategic risk;
- (i) the needs of the community and whether the public interest shall be served by the granting of the licence.

(2) In reviewing an application for a licence to operate an institution, the Central Bank shall have due regard to the following key parameters—

- (a) management and administration, including—
 - (i) evidence of management and the board's ability to identify, monitor and control risks of the institution's proposed activities;
 - (ii) evidence of the level and quality of oversight and support to be provided by management and the board of directors;
 - (iii) the applicant's projected compliance with relevant laws;
 - (iv) evidence of accuracy, timeliness, and effectiveness of the applicant's management information systems;
 - (v) the adequacy of the applicant's proposed internal policies and controls; and
 - (vi) the extent of the likelihood of management being affected by, or being susceptible to, dominant influence and concentration of authority;
- (b) liquidity and funds management, including—
 - (i) projected degree and reliance on short, volatile sources of funds;
 - (ii) availability of assets readily marketable or convertible to cash without undue loss;
 - (iii) foreseeable access to money markets and other sources of funding and ability to meet liquidity needs;
 - (iv) effective liquidity policies and practices;
 - (v) adequate fund management strategies;
 - (vi) adequate contingency funding plans; and
 - (vii) adequate level of funding sources on and off balance sheet;

(c) earnings, including—

- (i) evidence of the applicant's ability to provide for adequate capital through retained earnings;
- (ii) level, trend and stability of projected earnings;
- (iii) quality and sources of projected earnings;
- (iv) projected level of expenses in relation to operations;
- (v) vulnerability of projected earnings to market risk exposures; and
- (vi) adequacy of budget systems, forecasting processes and management information systems; and

(d) capital adequacy, including—

- (i) evidence of the applicant's ability to meet the statutory minimum paid-up capital and minimum on-going capital adequacy requirements;
- (ii) projected level and quality of capital;
- (iii) balance sheet composition; and
- (iv) growth plans and prospects.

PART III—LICENSING PROCEDURE.

7. Application for a licence

An application for a licence to operate an institution shall be submitted through a letter duly signed by the applicant, addressed to the Executive Director, Supervision Function, Bank of Uganda.

8. Information and supporting documents

(1) To ensure that the Central Bank has adequate information to make a judgment on an application for a licence, the applicant shall provide all the information required in accordance with section 7(1) of the Act, and in the form set out in Schedule 1 to these Regulations, including—

- (a) a copy of the memorandum and articles of association of the company, together with the certificate of incorporation or other instrument under which the company is incorporated;
- (b) verified official notification of the company's registered place of business;
- (c) amount of authorised and paid up capital;
- (d) the prospective place of operation, indicating that of the head office and branch offices;

- (e) certificate of a time deposit equivalent to seventy five *percent* of the required minimum paid-up capital deposited with a commercial bank and which shall be held with the bank until the licence is approved;
- (f) biographical data on each of the founding shareholders, together with a breakdown of the proposed ownership structure and of the proposed directors and officers;
- (g) information relating to the criteria for determining professional and moral suitability of proposed directors, top managers and shareholders of institutions and a sworn declaration of assets and liabilities of founder shareholders, in the form set out in Schedule 2 to these Regulations;
- (h) in the case of a wholly owned subsidiary of a bank licensed in Uganda, a copy of the Resolution of the Board approving the proposed investment;
- (i) in the case of a reputable financial institution, a copy of the Resolution of the Board approving the proposed investment and, where applicable, a copy of the approval granted by the home country regulator;
- (j) in the case of a company in operation, a copy of the latest audited balance sheet and profit and loss accounts of the company for each of the three years preceding the application, and other suitable evidence of the resources required for business operations, including a copy of the Resolution of the Board with the approval for the proposed investment;
- (k) two copies of the feasibility study of the institution showing the nature of the planned business, the organisational structure and the planned internal monitoring procedures of the company, covering, among others, the following—
 - (i) mission statement and overall goals;
 - (ii) market research;
 - (iii) ownership and corporate governance;
 - (iv) management;
 - (v) business strategy;
 - (vi) projected balance sheets and profit and loss accounts for three years subsequent to the grant of a licence to the applicant supported by the following—
 - (A) deposit mobilisation and interest payable, stating separately the proposed major sources of deposits;
 - (B) cash and other liquid assets to be maintained;

- (C) small-scale and micro credits to be made and interest receivable;
- (D) provisions for bad and doubtful debts;
- (E) investments to be made and earnings, stating policy and categories of business and productive activities to be financed;
- (F) fixed assets, including business premises;
- (G) operating expenses including rents, salaries, employee benefits and directors' remuneration;
- (H) capital structure;
- (I) other income, including commissions, fees; and
- (J) net operating profit or loss;

(vii) financial analysis; and

(viii) interest rate sensitivity analysis of the projections submitted or other similar analyses of the extent to which the forecasts will vary when interest rates fluctuate, stating the assumptions underlying the projections and sensitivity analysis;

(l) copies of the applicant's risk management programs and the following—

(i) credit manual, including but not limited to the following: lending and provisioning, including borrowers selection criteria, amounts, terms and collateral; and the lending policies and procedures must take into account the different steps of the credit process, including the analysis, negotiation, approval, disbursement, monitoring and collection, taking into account sound and prudent practices including foreclosure;

(ii) human resource manual;

(iii) operations manual;

(iv) liquidity and funds management policies and procedures;

(v) accounting procedures manual; and

(vi) audit manual.

(m) a fully completed questionnaire on the institution's premises as specified in Schedule 3 to these Regulations.

(2) An applicant who submits any false or misleading information commits an offence under section 88(1)(b) of the Act and shall be rendered an unfit and

improper person, and that action shall constitute sufficient grounds for rejection of the application or revocation of the licence under section 12(1)(b) of the Act.

9. Licensing interview

The Central Bank shall, on receipt of the application, notify the applicant, in writing, of a date and time for an interview during which the application shall be appraised.

10. Interview process

(1) The Central Bank shall, at the appraisal interview, verify the applicant's supporting documents.

(2) The applicant's representative shall, on verification of the supporting documents by the Central Bank, formally present the application and supporting documents to the Central Bank.

(3) Where the Central Bank is satisfied that the information required for a proper appraisal has been received, it shall issue a letter to the applicant stating that the application has been accepted, and the six-month period stipulated in section 7(3) of the Act for consideration of the application and grant of a licence or refusal to grant a licence shall thereupon commence.

(4) The Central Bank shall reject all incomplete applications.

(5) The Central Bank shall, on the third working day after the appraisal interview, instruct the applicant's representatives to publish a notice for three consecutive days in a daily newspaper with national circulation in the form set out in Schedule 4 to these Regulations to enable persons with objections to the licensing of the institution to make them; and the applicant's representative shall provide a copy of the notice to the Central Bank.

(6) Objections shall be made within fifteen days after the publication of the notice, and shall be based on concrete and trustworthy grounds.

(7) Objections shall be brought to the attention of the founders who shall have a period of fifteen days within which to reply to them.

(8) Any responses made by the founders under subregulation (7) shall be duly communicated to the applicant.

(9) The Central Bank may, during the evaluation process, require the applicant's representatives and the applicant's proposed Chief Executive Officer, to have meetings or interviews with officials of the Central Bank in order to discuss any document or matter concerning the applicant institution.

11. Disqualification of a shareholder

(1) The Central Bank shall disqualify a shareholder who—

- (a) has been involved in the commission of a criminal offence or who has participated in illegal financial activities;
- (b) has been convicted of the commission of common law offences;
- (c) is not financially solvent or who is incapable of meeting the subscription and payment of the allocated shares;
- (d) has a non-performing loan or non-performing loans in any financial institution in Uganda;
- (e) has been declared bankrupt in a civil or criminal case involving companies in general or financial institutions in particular;
- (f) has issued cheques referred to drawer or has been disqualified from operating current accounts;
- (g) has been permanently suspended from acting as director, trustee, manager, administrator or proxy in any financial institution; or
- (h) has been disqualified by the Central Bank from acting as internal auditor in any financial institution.

(2) Where the Central Bank disqualifies a founder or shareholder under subregulation (1), the disqualification shall be communicated to the founder or shareholder within a period not exceeding thirty working days from the receipt of the application.

(3) The Central Bank shall disqualify any member of the senior management of the institution who is found not to be a fit and proper person in accordance with the criteria stipulated in the Second Schedule to the Act.

12. Pre-licensing inspection

(1) The Central Bank shall carry out an on-site inspection of the premises of the applicant institution to determine the adequacy of its security system, and to confirm the following matters—

- (a) endorsement and evidence of cash payment of the total amount (100%) of capital as stated in the opening balance sheet in the feasibility study;
- (b) evidence of availability of capital, including copies of bank statements, fixed deposit receipts, treasury bills or deposits in any commercial bank to the total equity;

- (c) appropriateness of the premises for start up operations with the public and insurance policies covering such risks as are inherent to the institution's prospective business; and
 - (d) the management information system, the administrative and operational processes and the internal control system.
- (2) The minimum standards for the business premises for the institution are stipulated in Schedule 5 to these Regulations.

13. Review of the management information and internal control systems

(1) In reviewing the management information system and the internal control system, the Central Bank shall take into account the following aspects—

(a) management information systems (MIS)

The management information systems shall facilitate decision making at the different levels in the institution, with reference to the specific description of the system of deposits and loan portfolio, adequate identification of depositors and borrowers, and reporting requirements of the Central Bank, which shall include—

(i) functionality and expandability including—

- (A) functional completeness, appropriate-ness and integration;
- (B) accounting package;
- (C) portfolio tracking;
- (D) deposit monitoring;
- (E) customer information system;
- (F) expandability and institutional growth;
- (G) flexibility;
- (H) customer-centric and account-centric;
- (I) institutional types;
- (J) lending methodologies;
- (K) loan interest types;
- (L) savings and deposit account types;
- (M) deposit interest types;
- (N) payment types;
- (O) payment frequencies; and

(P) multiple branches or regions;

(b) usability, including—

- (i) ease of use and user-friendliness; and
- (ii) user interface;

(c) reporting, including—

- (i) reports; and
- (ii) report generation;

(d) administration and support, including—

- (i) security;
- (ii) backup and recovery;
- (iii) fault tolerance and robustness;
- (iv) end-of-period processing;
- (v) support infrastructure and maintenance; and
- (vi) version control and upgrade strategy.

(2) The internal control systems shall ensure the reasonable accomplishment of the following objectives—

- (a) operational efficiency and effectiveness, which refers to the appropriate management of assets and other resources thus protecting the institution from possible losses while ensuring that the personnel work towards the attainment of the stated aims and safeguard the assets of the institution from loss, fraud or inefficient use;
- (b) the reliability and relevance of the reports and the data generated by the information systems which entails accuracy, reliability, integrity and relevance in terms of decision making at the different levels in the institution, the Central Bank, investors and foreign customers;
- (c) adherence to prevailing rules and regulations which applies also to the policies at the institution, internal control procedures, practices, competence and independence.

14. Conditions on licence

(1) The Central Bank may, in granting a licence, attach such conditions to the licence as it may deem necessary.

(2) Conditions under subregulation (1) may relate to permissible or non-permissible operations or activities of an institution, and may be of a temporary or permanent nature.

15. Application fee

The applicant shall, at the time of filing the application, pay to the Central Bank a fee of twenty five currency points.

16. Grant of approval

(1) Where the Central Bank is satisfied that all the necessary conditions have been fulfilled, it shall issue to the applicant institution a licence to permit the commencement of operations.

(2) The Central Bank may, at its discretion, postpone the granting of the licence and specify the period during which the applicant should rectify the underlying causes of the postponement.

(3) The Central Bank shall inform the applicant, in writing, of its decision to grant or refuse to grant the licence.

(4) A notice communicating the decision not to grant a licence shall state the grounds upon which it is based.

17. Publication of licence

An institution granted a licence under the Act, shall publish, in the *Gazette*, and for three consecutive days in a newspaper with national circulation, a prominent, full-page notice of the licence; and the institution shall send a copy of the notice to the Central Bank.

18. Licence fee

(1) The applicant shall pay to the Central Bank a licence fee of fifty currency points.

(2) The licence fee shall become due and payable by successful applicants within fourteen days after notification of the decision to grant a licence.

(3) An annual licence fee prescribed by the Central Bank shall be payable on or before the 31st day of January of each year until the licence is revoked.

19. Expiry of licence

A licence issued under these Regulations shall expire if business is not commenced within one year from the date on which it is granted.

20. Prohibition on transfer or assignment of licence

An institution shall not transfer or assign a licence.

21. Amendment and restriction of licence

The Central Bank may, at any time and in accordance with section 11 of the Act, amend or restrict the terms and conditions of any licence.

PART IV—REVOCATION OF LICENCE.

22. Expiry and revocation

(1) A licence shall expire or be revoked by the Central Bank in accordance with sections 9 (Expiry of licence) and 12 (Revocation of licence) of the Act.

(2) The Central Bank shall, before exercising its powers under section 12 of the Act, consider the options available to it under sections 58 to 63 of the Act.

SCHEDULE 1

Regulation 8(1)

APPLICATION FOR A LICENCE TO CONDUCT MICRO FINANCE BUSINESS

1. Name of institution:.....
2. Physical address of head office:
Street.....
Building.....
3. Postal address
Telephone No
4. Date and country of incorporation
5. Names of branch offices and the number of years each has been established and has conducted or carried on business.
.....
.....
.....
6. Former name(s) by which the institution has been known
.....
.....
.....

7. Particulars of shareholding

<i>Present and Former Name</i>	<i>Nationality</i>	<i>Address</i>	SHAREHOLDING		
			<i>No. of shares</i>	<i>Amount (in US\$)</i>	<i>% of total</i>

Total capital:

8. Particulars of officers

(a) Directors

<i>Present and Former Name</i>	<i>Nationality</i>	<i>Address</i>	<i>Date of</i>	<i>Other</i>
			<i>Appointment</i>	<i>Directorships</i>

(b) Chief operating officers:

PRESENT AND FORMER NAME	DESIGNATION	NATIONALITY	AGE	ACADEMIC/ PROFESSIONAL QUALIFICATIONS AND YEARS OBTAINED	DETAILS OR PREVIOUS EMPLOYMENT	DATE OF APPOINTMENT
----------------------------------	-------------	-------------	-----	--	--------------------------------------	------------------------

9. Name and address(es) of banker(s).

.....
.....
.....
.....

10. Does the institution hold, or has it ever held any authority from a supervisory body to carry on any business activity in Uganda or elsewhere?

.....

If yes, give particulars.....

.....

If any such authority has been revoked, give particulars.

.....
.....
.....

11. Has the institution been put under receivership in the past or made any compromise or arrangement with its creditors in the past or otherwise failed to satisfy creditors in full?

If yes, give particulars.....

.....

.....

12. Is an inspector or other authorised officer of any government ministry, department or agency, professional association or other regulatory body investigating the affairs of the institution or has such an investigation ever previously taken place into the affairs of the institution?

.....

.....

.....

.....

13. Has the institution been refused registration, in Uganda or elsewhere, to any professional body or trade association concerned with banking or financial activities or decided not to apply for entry after making an approach?

If yes, give particulars.....
.....
.....
.....

14. Is the institution engaged or does it expect to be engaged, in Uganda or elsewhere, in any litigation which may have a material effect on the resources of the institution?

.....
If yes, give particulars.....
.....
.....

15. Is the institution engaged, or does it expect to be engaged in any business relationship with any of its officers or shareholders?

.....
If yes, give particulars

16. DECLARATION

We, the undersigned, being officers of the institution, declare that to the best of our knowledge and belief, the information contained herein is complete and accurate.

Director.....(Name)

Signature..... Date.....

Director(Name)

Signature..... Date.....

Director(Name)

Signature..... Date.....

Director(Name)

Signature..... Date.....

EXPLANATORY NOTES FOR COMPLETION OF APPLICATION FORM

These explanatory notes are intended to give further guidance for the completion of the application form. It is deemed that further guidance is necessary for certain items. These include-

1. Application form for a licence to conduct micro finance business
 - 1.1 Item Number 2: Physical address
These details should be submitted to the Bank of Uganda as soon as the permanent physical location of the applicant is known.
 - 1.2 Item Number 5: Names of branches
This item should be completed by a person licensed in Uganda operating under an Act other than the Micro Finance Deposit-taking Institutions Act, 2003, and seeking to be licensed to operate under the Micro Finance Deposit-Taking Institutions Act, 2003.
 - 1.3 Item Number 8: Particulars of officers
In completing this item—
 - (a) the term ‘officer’ should be used as defined in section 85 of the Micro Finance Deposit-Taking Institutions Act, 2003;
 - (b) the officers referred to are those proposed or already engaged by the institution;
 - (c) where the institution is proposing to, or has entered into a management agreement with another entity, details of the senior persons from the said entity heading or proposed to head the management team should be given.

SCHEDULE 2

Regulation 8(1)(g)

CRITERIA FOR DETERMINING PROFESSIONAL AND MORAL SUITABILITY OF THE PROPOSED DIRECTORS, MANAGERS, AND SUBSTANTIAL SHAREHOLDERS OF INSTITUTIONS LICENSED UNDER THE MICRO FINANCE DEPOSIT-TAKING INSTITUTIONS ACT, 2003

(This form is to be completed by all persons proposed as Chief Executive Officer, Senior/Top Management, directors and substantial shareholders of the proposed institution)

- NB: (a) *Read the declaration in section 6 below before completing this form.*
(b) *In case the space provided is inadequate, attach additional information on separate pages.*

1. THE INSTITUTION

Name

2. PERSONAL INFORMATION

- (a) Surname/Corporate name
Other names
- (b) Previous names (if any) by which you have been known:.....
- (c) Year and place of birth/registration
- (d) Nationality
- (e) Identification card number and date of issue
- (f) Passport number and date of Issue/Company Number.....
- (g) Postal address
- (h) Previous postal address (if any)
Physical address.....
Educational qualifications
- (i) Professional qualifications and years obtained—
..... Year.....
..... Year.....
- (j) Name(s) of your bankers for the last 5 years—
.....
.....
.....

3. SWORN DECLARATION OF ASSETS AND LIABILITIES

3.1 Balance sheet

<i>Assets</i>	<i>Amount in Ushs</i>	<i>Liabilities</i>	<i>Amount in Ushs</i>
Checking accounts in banks		Loans from financial institutions	
Other deposits in financial institutions		Outstanding bills	
Shares, bonds, securities		Outstanding taxes	
Bills for collection		Credit cards	
Immovable asset (rural and urban)		Others (describe)	
Vehicles, ships, aircraft			
Machinery			
Cattle			
Agricultural land			

Others: goods and merchandise

Others: describe

1.	Total liabilities
2.	Net: Equity (assets— liabilities)
Total assets	Total liabilities and equity

3.2 Risks (guarantees for third party obligations)

Type of institution Amount in Ushs

Financial institutions

Companies: commercial and industrial

Other guarantees

3.3 Annual income and expenditure

<i>Income</i>	<i>Amount in Ushs</i>	<i>Expenditure</i>	<i>Amounts in in Ushs</i>
Cash salary		General expenses	
Cash salary (spouse)		Rents	
Incomes		Repayments: debts, liabilities	
Other income (describe)		Other expenses (describe)	
1.		1.	
Total income		Total expenditure	

Surplus (Deficit)

Shares underwritten by the deponent shall be extinguished by the following resources _____

(If more space is required attach another page)

4. Employment/Business record

Person	Name of Employer/Business and address	Positions held and dates	Responsibilities (where applicable)	Reasons for leaving
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5. DESCRIPTION OF YOUR PAST AND CURRENT ACTIVITIES IN UGANDA AND ABROAD

5.1 Shareholding (Directly owned or through nominees)

<i>Company's Name</i>	<i>Date of Incorporation</i>	<i>Amount of shareholding</i>	<i>% of shareholding</i>	<i>Past shareholding</i>		<i>Remarks</i>
				<i>A</i>	<i>B</i>	

A. Refers to date of closure or surrender of shares

B. Refers to reasons for closure or surrender

5.2 Directorship

Company's Name	Date of Appointment	Executive or Non-Executive	Position held in case of Executive	Past shareholding		Remarks
				C	D	

C. Refers to date of retirement

D. Refers to reasons for retirement

5.3 Professional Bodies

Name of Body	Membership Number	Position held (if any)	Past club membership		Remarks
			E	F	

E. Refers to date of retirement

F. Refers to reasons for retirement

5.4 Social Clubs

Name of Body	Membership Number	Position held (if any)	Past club membership		Remarks
			G	H	

G. Refers to date of retirement

H. Refers to reasons for retirement

5.5 Borrowing

Loan/facility	1	2	3	4	5
---------------	---	---	---	---	---

Name of lending institution

Type of facility

Amount borrowed

Date of offer

Security offered

Value of security

Current outstanding balance

Remarks

6.0. ADDITIONAL INFORMATION

6.1 Have you or any entity with which you are associated as director, shareholder or manager, ever held or applied for a licence or equivalent authorisation to carry on any business activity in any country?.....

If yes, give particulars.....

.....

If any such application was rejected or withdrawn after it was made or any authorisation revoked, give particulars:

.....
.....
.....

6.2 Have you at any time been convicted of any criminal offence in any jurisdiction?

If yes, give particulars of the court in which you were convicted, the offence, the penalty imposed and the date of conviction.....

.....
.....

6.3 Have you, or any entity with which you have been involved, been censured, disciplined, warned as to future conduct, or publicly criticised by a regulatory authority or any professional body in any country?.....

If yes, give particulars

.....
.....
.....

6.4 Have you, or has any entity with which you are, or have been associated as a director, shareholder or manager, been the subject of an investigation, in any country, by a government department or agency, professional association or other regulatory body?.....

If yes, give particulars.

.....
.....
.....

6.5 Have you, in any country, ever been dismissed from any office or employment, been subject to disciplinary proceedings by your employer or barred from entry of any profession or occupation?

If yes, give particulars

.....
.....
.....

6.6 Have you failed to satisfy a debt adjudged due and payable by you on order of a court, in any country, or have you made any compromise arrangement with your creditors within the last 10 years?

If yes, give particulars.

.....
.....
.....

6.7 Have you ever been declared bankrupt by a court in any country or has a bankruptcy petition ever been served on you?

If yes, give particulars

.....
.....
.....

6.8 Have you ever been held liable by a court, in any country, for fraud or other misconduct?

If yes, give particulars

.....
.....
.....

6.9 Has any entity with which you were associated as a director, shareholder or manager in any country made any compromise or arrangement with its creditors, been wound up or otherwise ceased business either while you were associated with it or within one year after you ceased to be associated with it?.....

If yes, give particulars

.....
.....
.....

6.10 Are you presently, or do you, other than in a professional capacity, expect to be engaged in any litigation in any country?

If yes, give particulars

.....
.....
.....

6.11 Indicate the names, addresses, telephone numbers and positions of three individuals of good standing who would be able to provide a reference on your personal and professional integrity. The referees must not be related to you, and should have known you for at least five years.

.....
.....
.....
.....

6.12 Is there any additional information which you consider relevant for the consideration of your suitability or otherwise for the position(s) held / to be held?

(The omission of material facts may represent the provision of misleading information)

.....
.....
.....

N.B. This information given in response to this questionnaire shall be kept confidential by the Bank of Uganda, except in cases provided for by law.

7. DECLARATION

I am aware that under section 88(1) of the Act, it is an offence to provide any information which is false or misleading in connection with an application for a licence for a micro finance deposit -taking institution.

I certify that the information given above is complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the supervisory authority should be aware.

I undertake to inform the supervisory authority of any changes material to the application which arise while the application is under consideration.

NAME..... POSITION HELD

DATED AT THIS DAY OF 20....

WITNESSED (Signed).....(*Applicant*)

BEFORE ME:
COMMISSIONER FOR OATHS/MAGISTRATE

Name
Signature
Address

SCHEDULE 3

Regulation 8 (1)(m)

QUESTIONNAIRE ON PREMISES

	YES	NO	COMMENTS
1.1 THE DEED/LEASE AGREEMENT			
(a) Title Deed			
Is the institution registered as the owner of the premises? (Obtain a copy of the title deed.)			
(b) Lease Agreement			
(Obtain a copy of the lease agreement.)			
Is the lease signed by both parties?			
Is the lease registered?			
What is the duration of the lease and is it long enough to allow for economical use of permanent improvements?			
Is the landlord's approval for interior design/alteration obtained and other conditions satisfied?			
1.2 APPROVAL BY RELEVANT AUTHORITIES			
Have the following approvals been obtained where necessary-			
* Local Authority;			
* Security firm-regarding physical security of staff, premises and assets;			
* Approval by UEDCL for electrical wiring of the premises.			
1.3 BUSINESS HALL			
Does the business hall suit the type of business to be undertaken in the premises?			
	YES	NO	COMMENTS
1.4 STAFF OPERATING AREA			
Is the space allowed for each individual employee adequate ?			
Are sufficient and suitable sanitary conveniences for employees provided and kept clean?			
1.5 VENTILATION			
Is ventilation adequate for security and circulation of fresh air in the premises?			
1.6 LIGHTING			
Is there sufficient and suitable lighting in every part of the premises?			
2.1 OUTER DOORS/WALL/WINDOWS			

Are the outer doors of heavy duty metal or reinforced wood?

Are there a minimum of two locks of good quality?

Are windows and glass walls reinforced with metal grills or made of anti-burglar/bullet proof glass?

2.2 STRONGROOM (SAFE/VAULT)

Is there a strong room?

Is it conveniently situated i.e. does it boarder with the outside walls?

Is there adequate space to cater for the needs of the institution?

Are the duplicate keys stored off the premises?

Is there dual control for entry?

2.3 FREE - STANDING SAFE

Is the safe fire proof?

Is access to the safe and the room where the safe is kept under the control of more than one person?

YES NO COMMENTS

Is the safe in a window-less room and secured by a heavy duty lock door of fire resistant material?

2.4 RECORD ROOM AND STATIONERY STORE

Is it fire proof?

2.5 CASH LOADING AREA

Is it protected from public view and access?

Is cash in transit protected by police/security firm?

Are there security guards at the premises at all times - day and night?

2.6 CASHIER'S TILL

Is it restricted to the individual cashiers during working hours?

2.7 ALARM SYSTEM

Is there an alarm system installed in the premises? If yes, Is it connected to police/security firm? Switches to be located in the-

- * Strong room
- * Cashiers' cubicles
- * Manager's office

2.8 EMERGENCY PLAN

Is there an emergency plan? Is it documented? Are there fire extinguishers at appropriate places? i.e.,-

- * Water type
- * Non-water type

SCHEDULE 4

Regulation 10 (5)

PUBLIC ANNOUNCEMENT OF ESTABLISHMENT OF A MICRO FINANCE
DEPOSIT-TAKING INSTITUTION

*(Form to be used by all institutions and to be published in a daily newspaper of national
circulation for three consecutive days)*

In accordance with regulation10(5) of the Micro Finance Deposit Taking Institution
(Licensing) Regulations, 2004, this is to inform the public that a request to establish an
institution has been submitted to the Bank of Uganda.

1. Name of entity.....
2. Location of headquarters (*city*)
3. Paid-up capital: Ug Shs 500,000,000 divided intoshares with a nominal value of
Ug shs..... each.
4. Purpose: To be engaged in Micro finance business in accordance with section 2 of
the Micro Finance Deposit-Taking Institutions Act, 2003. (Each institution to
describe its target group)
5. Shareholders (names, principal business, domicile)
 - a.
 - b.
 - c.
 - d.
 - e.
6. Legal representative of the entity (names, principal business, domicile)
.....
.....
.....
.....
.....
.....

Persons that have reasonable objections against the new organisations or against one
or more of the shareholders or the legal representative may submit the objections in
writing to the Bank of Uganda within fifteen working days after this announcement
has been published, by a confidential note which shall be sent to:

The Executive Director,

Supervision Function,
Bank of Uganda,
P. O Box 7120, Kampala.

All information will be treated with utmost confidentiality.

Kampala,(DATE)

SCHEDULE 5

Regulation 12(2)

GUIDELINES ON MINIMUM STANDARDS FOR BUSINESS PREMISES OF MDIs.

Objectives

These guidelines aim at establishing the minimum standards that MDIs must conform to when operating to ensure a safe and secure environment.

Meaning of Premises

Premises refer to MDI premises/buildings whether owned, rented or leased.

Location and size

- * Premises should be accessible to MDI's clientele.
- * Premises should have ample space to receive clients and a back office to enable the MDI to cope with the volume of business.

Security

- * The premises should have sufficient security to ensure the safety of the MDI's assets.

- * The premises should be strong with reinforced entrance doors and windows.
- * The premises should have fire extinguishers.
- * Where premises are shared with other businesses, there should be a distinct barricade separating the businesses.
- * Sensitive stationery and documents such as land titles should be kept in lockable fireproof cabinets.
- * The premises should be guarded by at least two armed guards.

Strong room

- * Premises must have a strong room of ample size to accommodate a safe.
- * The safe must have a dual control system.
- * The strong room walls must be reinforced.
- * The strong room must not be exposed to the public or be accessible to unauthorised persons.

Other General Requirements

- * The premises should conform to the institution's established policies, procedures and internal controls established by the MDI with regard to acquisition, revaluation, maintenance works, depreciation and disposal.
- * Acquisition and disposal of premises should be reported and duly approved by the Board of Directors.
- * The MDI in rented or leased premises should ensure that rents, ground rents, rates and property taxes are paid up to date.
- * Each MDI should keep a fixed register for the premises, together with all the covenants relating to the premises.
- * The fixed assets register should be regularly reviewed and reconciled to ensure that all necessary entries with regard to acquisition, revaluation, depreciation and disposal are properly recorded.

E. TUMUSIIME-MUTEBILE,
Governor, Bank of Uganda

Enquiries on any aspect of these Regulations should be referred to-
The Executive Director
Supervision Function
Bank of Uganda
P.O. Box 7120
KAMPALA.