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SECTION ONE



BANK OF SIERRA LEONE FIT AND PROPER GUIDELINES

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1. Authority

- i. These Guidelines are made under the provisions of Section 53(1) and Part II of the Banking Act, 2019.
- ii. Considering that:
 - a) Under Part II, Section 8(1), "The Central Bank may grant or refuse an application for a license under Section 8 based on (inter alia) its assessment of -
 - i. *the character and fitness of the directors and executive officers or proposed directors and proposed executive officers of the applicant.*
 - b) Under Part II, Section 19(1) "A bank or financial holding company shall not appoint-
 - i. *chief executive or deputy chief executive.*
 - ii. *executive director or deputy executive director.*
 - iii. *Board member or key management personnel.*
 - iv. *agent who carries on banking business on its behalf; or*
 - v. *any other officer as the Bank of Sierra Leone may determine, unless prior written approval of the Bank of Sierra Leone is obtained.*
 - c) Under Part II, Section 20(1) of the Banking Act, 2019 "A person shall not be appointed chief executive, deputy chief executive, executive director, Board member, key management personnel, agent or other officer of a bank or financial holding company if (inter alia)
 - a) He/she is declared not to be a fit and proper person by the Bank of Sierra Leone;

2. Interpretation

In these Guidelines, unless the context otherwise requires -

"**BSL**" means the Bank of Sierra Leone

"**fit and proper person**" means a person who is suitable to hold the particular position which that person holds or is to hold with regard to -

- i. the probity, competence and soundness of judgment of the person for purposes of fulfilling the responsibilities of that position;
- ii. the diligence with which that person fulfils or is likely to fulfil those responsibilities;
- iii. whether the interest of depositors or potential depositors of the entity are threatened, or likely to be, in any way threatened by the person holding that position;
- iv. the integrity and the qualifications and experience of the person are appropriate for the position in the light of the business plan and activities of the entity which the person serves, or is likely to serve, taking into account the size, nature and complexity of the institution; and
- v. any other criteria that may be stipulated by the Bank of Sierra Leone;

"**Key Management Personnel**" means -

- i. Chief executive officer;
- ii. Deputy Chief Executive Officer;
- iii. Chief Operating Officer;
- iv. Chief Finance Officer;
- v. Board Secretary
- vi. Treasurer;

- vii. Chief Internal Auditor;
- viii. Chief Risk Officer;
- ix. Head of Compliance
- x. Head of Money Laundering Functions
- xi. Head of Internal Control Functions
- xii. Chief Legal Officer
- xiii. Chief Technical Officer
- xiv. Manager of a Significant Business Unit of a Bank of Financial Holding Company
- xv. Any person with similar responsibilities

"Executive officers" means -

- (a) the chief executive officer, chief financial officer, chief operating officer, chief risk officer, chief internal auditor, chief compliance officer, and chief accounting officer of a bank; and
- (b) any other person who participates or has authority to participate in major policy making or functions of the bank, whether or not such person has an official title or receives compensation for such actions, and is designated as an executive officer by the Central Bank;

"Responsible persons" means:

- (i) high-risk borrowers.
 - i. a director of the Commercial Bank / Financial Holding Company;
 - ii. a Key Management Personnel or Executive Officer as defined above;
 - iii. an approved external auditor who provides any report in relation to the Commercial Bank / Financial Holding Company that is required to be prepared by an auditor under the Banking Act or prudential guidelines made under the Banking Act.
 - iv. for the purposes of a group, a person whose activities may materially affect, either directly or indirectly, the whole, or a substantial part, of the business or financial status of the group.
 - v. A person need not be an employee of a Commercial Bank / Financial Holding Company to be a responsible person. In some circumstances a consultant, contractor or employee of another entity may be a responsible person.
 - vi. BSL may determine that a person is a responsible person if BSL is satisfied that the person plays a significant role in the management or control of the Commercial Bank / Financial Holding Company or group, or that the person's activities may materially impact on prudential matters.
 - vii. BSL may determine that a person is not a responsible person in relation to a particular position, responsibility or activity if BSL is satisfied that the person does not play a significant role in the management or control of the Commercial Bank/Financial Holding Company or group or that the person's activities may not materially impact on prudential matters.

3. Application

- i. These Guidelines shall apply to all Commercial Banks and Financial Holding Companies.
- ii. All Commercial Banks and Financial Holdings Companies shall comply with these Guidelines, unless otherwise expressly indicated.

4. Fit and Proper Policy

- i. Commercial Banks and Financial Holding Companies should have a Nominations Committee (Sub-Committee of the Board). These Committees are to provide recommendations to the Board for new Board members and Senior Management staff. The Nominations Committee also has the responsibility of conducting interviews on proposed Board members and Senior Management staff prior to their approval. However, the reports of the Nominations Committee are to be submitted to the BSL as proof of their due diligence conducted on new appointees.

- ii. It shall analyze the roles and responsibility of Board members and their requisite knowledge, competence and experience which the roles require
- iii. Commercial Banks/Financial Holding Companies shall maintain a documented policy relating to the suitability of the institution's responsible persons that meets the requirements of these Guidelines (Fit and Proper Policy).
- iv. The Fit and Proper Policy shall be approved by the Board. Any changes to the Fit and Proper Policy shall also be approved by the Board. Documentation regarding the adoption of the policy and any amendments thereof shall be maintained (e.g., in the minutes of relevant meetings).
- v. A Commercial Bank / Financial Holding Company shall ensure that each responsible person is aware of, and understands, the provisions of its Fit and Proper Policy.
- vi. The Fit and Proper Policy shall form part of the risk management framework of a Commercial Bank / Financial Holding Company.
- vii. The Fit and Proper Policy shall include principles on the selection, monitoring and succession planning of its members and for re-appointing existing members, and shall set out at least the following:
 - (a) the process for the selection, appointment, re-appointment and succession planning of responsible persons and the applicable internal procedure for the assessment of the suitability of responsible persons;
 - (b) the criteria to be used in the assessment, which shall include the suitability criteria set out in these Guidelines; and
 - (c) how the assessment shall be documented.
- viii. A Commercial Bank / Financial Holding Company shall not be prevented from adopting and applying a group Fit and Proper Policy, provided that the policy has been approved by the Board and meets the requirements of this Guideline.

5. Criteria to Determine if a Responsible Person is Fit and Proper.

For the purpose of determining whether a person is fit and proper to hold a responsible person position, Commercial Banks/Financial Holding Companies shall observe the following criteria:

a. Sufficient time commitment of board members.

- (i) Commercial Banks/Financial Holding Companies shall assess whether or not a board member is able to commit sufficient time to perform his or her functions and responsibilities, including understanding the business of the institution, its main risks and the implications of the business and the risk strategy.
- (ii) Board Members shall also be able to fulfil their duties in periods of particularly increased activity.
- (iii) In the assessment of sufficient time commitment of a member, Commercial Banks/ Financial Holding Companies shall take at least the following into account:
 - a) the member's geographical presence and the travel time required for the role;
 - b) the number of meetings scheduled for the Board;
 - c) the directorships in organizations which do not pursue predominantly commercial objectives held by that member at the same time;

- d) any necessary meetings to be held, in particular, with competent authorities or other internal or external stakeholders outside the Board's formal meeting schedule;
 - e) the nature of the specific position and the responsibilities of the member;
 - f) other external professional or political activities, and any other functions and relevant activities, both within and outside Sierra Leone;
 - g) the necessary induction and training;
 - h) any other relevant duties of the member that Commercial Banks/Financial Holding Companies consider to be necessary.
- (iv) Commercial Banks/Financial Holding Companies shall record in writing the roles, duties and required capabilities of the various positions within the board and the expected time commitment required for each position, also taking into account the need to devote sufficient time to induction and training.
- (v) A member of the board shall be made aware of the expected time commitment required to spend on his or her duties.
- (vi) Commercial Banks/Financial Holding Companies shall monitor whether the members of the board commit sufficient time to performing their functions.
- (vii) Commercial Banks/Financial Holding Companies shall also consider the impact of any long-term absences of members of the board in its assessment of the sufficient time commitment of other individual members of the board.
- (viii) Commercial Banks/Financial Holding Companies shall keep up to date records of all external professional and political positions held by the members of the board.
- (ix) Where changes to such positions occur that may reduce the ability of a member of the board to commit sufficient time to performing his or her function, the Bank/ Financial Holding Company shall re-assess the member's ability to respect the required time commitment for his or her position.

b. Adequate knowledge, skills and experience

- (i) Responsible persons shall have an up-to-date understanding of the business of the institution and its risks, at a level commensurate with their responsibilities.
- (ii) Responsible persons shall have a clear understanding of the institution's governance arrangements, their respective role and responsibilities and, where applicable, the group structure and any possible conflicts of interest that may arise therefrom.
- (iii) The assessment of adequate knowledge, skills and experience shall consider the following:
 - a) the role and duties of the position and the required capabilities;
 - b) the knowledge and skills attained through education, training and practice;
 - c) the practical and professional experience gained in previous positions; and
 - d) the knowledge and skills acquired and demonstrated by her/his professional conduct.
- (iv) The level and profile of the education of each responsible person and whether or not it relates to banking and financial services or other relevant areas shall be considered. In particular, education in the areas of banking and finance, economics, law, accounting, auditing, administration, financial regulation, information technology and quantitative methods can in general be considered to be relevant for the financial services sector.

c. Educational Qualification and Experience for Board

- i. The Chairman of the Board should have at least 10 years of Professional Management experience as stipulated in section 5.1.4.1 of the Guidelines on Corporate Governance for Commercial Banks and Financial Holding Companies.
- ii. Non-Executive Directors should have the requisite knowledge, skills and experience in relevant areas of competence.
- iii. The minimum educational qualification for the Chairman and Non-Executive Directors is a University Degree or professional qualifications
- iv. The assessment shall not be limited to the educational degree of the member or proof of a certain period of service in an institution. A more thorough analysis of the member's practical experience should be conducted, as the knowledge and skills gained from previous occupations depend on the nature, scale and complexity of the business as well as the function that the member performed within it.
- (v) When assessing the knowledge, skills and experience of a responsible person, consideration shall be given to theoretical and practical experience relating to:
 - a) banking and financial markets;
 - b) legal requirements and regulatory framework;
 - c) strategic planning;
 - d) risk management;
 - e) accounting and auditing;
 - f) the assessment of the effectiveness of an institution's effective governance, oversight and controls;
 - g) the interpretation of an institution's financial information, the identification of key issues based on this information, and appropriate controls and measures.
- vi. Key Management Personnel should have the requisite knowledge, skills and competence with a minimum of 10years' Professional Management experience, 5 of which must have been in Senior Management cadre. When assessing the practical and professional experience gained from previous positions, particular consideration shall be given to:
 - a) the nature of the management position held and its hierarchical level;
 - b) the length of service;
 - c) the nature and complexity of the business where the position was held, including its organizational structure;
 - d) the scope of competencies, decision-making powers and responsibilities of the member;
 - e) the technical knowledge gained through the position;
 - f) the number of subordinates.
 - g) The minimum proposed educational qualification for Key Management Personnel is a University Degree or professional qualifications

d. Collective suitability

- (i) Responsible persons shall collectively be able to understand the institution's activities, including the main risks.
- (ii) Responsible persons shall collectively be able to take appropriate decisions considering the business model, risk appetite, strategy and markets in which the institution operates.
- (iii) Board members shall collectively be able to effectively challenge, and monitor decisions made by Key Management Personnel and executive officers.

- (iv) All areas of knowledge required for the institution's business activities should be covered by the board collectively with sufficient expertise among its members.
- (v) The composition of the Board shall reflect the knowledge, skills and experience necessary to fulfil its responsibilities. This includes that the board collectively has an appropriate understanding of those areas for which the members are collectively accountable, and the skills to effectively manage and oversee the institution, including the following aspects:
 - a) the business of the institution and main risks related to it;
 - b) each of the material activities of the institution;
 - c) relevant areas of sectoral/financial competence;
 - d) financial accounting and reporting;
 - e) risk management, compliance and internal audit;
 - f) information technology and security;
 - g) local, regional and global markets, where applicable;
 - h) the legal and regulatory environment;
 - i) managerial skills and experience;
 - j) the ability to plan strategically;
- (vi) The board shall collectively have sufficient management skills to organize its tasks effectively and to be able to understand and challenge the management practices applied and decisions taken by Key Management Personnel.

e. Reputation, honesty and integrity for both residents

- (i) A responsible person shall be deemed to be of good repute and of honesty and integrity if there are no objective and demonstrable grounds to suggest otherwise. The assessment of reputation, honesty and integrity shall also consider the impact of the cumulative effects of minor incidents on a responsible person's reputation.
- (ii) Without prejudice to any fundamental rights, any relevant criminal or administrative records shall be considered for the assessment of good repute, honesty and integrity.
- (iii) Without prejudice to the presumption of innocence applicable to criminal proceedings, and other fundamental rights, the following factors shall at least be considered in the assessment of reputation, honesty and integrity:
 - a). Convictions or ongoing prosecutions for a criminal offence, in particular:
 - i. offences under the laws governing banking, financial, securities, insurance activities, or concerning securities markets or financial or payment instruments, including laws on money laundering and terrorism financing or any of the predicate offences to ML, corruption, market manipulation, or insider dealing;
 - ii. offences of dishonesty, fraud or other financial crime;
 - iii. tax offences, whether committed directly or indirectly, including through unlawful or banned dividend arbitrage schemes;
 - iv. other offences under legislation relating to companies, bankruptcy, insolvency, or consumer protection;
 - b). other relevant current or past findings and measures taken by any regulatory or professional body for non-compliance with any relevant provisions governing banking, financial, securities or insurance activities or any of the matters in paragraph (a) above.
 - v. Ongoing investigations should be taken into account when resulting from judicial or administrative procedures or other analogous regulatory investigations without prejudice to fundamental individual rights. Other adverse reports with relevant, credible and

reliable information (e.g., as part of whistleblowing procedures) should also be considered by Commercial Banks/Financial Holding Companies and competent authorities.

- vi. The following situations relating to the past and present business performance and financial soundness of a responsible person shall be considered, with regard to their potential impact on the member's reputation, integrity and honesty:
 - a) being a defaulting debtor (e.g., having negative records at a reliable credit bureau if available);
 - b) financial and business performance of entities owned or directed by the member or in which the member had or has significant share or influence with special consideration given to any bankruptcy and winding-up proceedings and whether or not and how the member has contributed to the situation that led to the proceedings;
 - c) declaration of personal bankruptcy; and
 - d) without prejudice to the presumption of innocence, civil lawsuits, administrative or criminal proceedings, large investments or exposures and loans taken out, as far as they can have a significant impact on the financial soundness of the member or entities owned or directed by him or her, or in which the member has a significant share.
- vii. A responsible person shall uphold high standards of integrity and honesty. At least the following factors shall be considered in the assessment of reputation, honesty and integrity:
 - e) any evidence that the person has not been transparent, open and cooperative in his or her dealings with competent authorities;
 - f) refusal, revocation, withdrawal or expulsion of any registration, authorization, membership, or license to carry out a trade, business, or profession;
 - g) the reasons for any dismissal from employment or from any position of trust, fiduciary relationship, or similar situation, or for having been asked to resign from employment in such a position;
 - h) disqualification by any relevant competent authority from acting as a member of the board or senior manager; and
 - i) any other evidence or serious allegation based on relevant, credible and reliable information that suggests that the person acts in a manner that is not in line with high standards of conduct.

f. Independence of Mind

- i. When assessing the independence of board members, Commercial Banks/ Financial Holding Companies shall differentiate between the notion of 'independence of mind', applicable to all of the institution's responsible persons, and the principle of 'being independent', required for certain members of the board.
- ii. Acting with 'independence of mind' is a pattern of behavior, shown during discussions and decision-making, and is required for each member of the board.
- iii. When assessing the independence of mind, Commercial Banks/Financial Holding Companies shall assess whether or not all board members have:
 - a) the necessary behavioral skills, including:
 - i. courage, conviction and strength to effectively assess and challenge the proposed decisions of other members of the board.
 - ii. being able to ask the members of senior management questions; and
 - iii. being able to resist group think;

- b) conflicts of interest to an extent that would impede their ability to perform their duties independently and objectively.
- c) economic interests;
- d) personal or professional relationships with the owners of qualifying holdings in the institution;
- e) personal or professional relationships with staff of the institution;
- f) other employments within the recent past (e.g., five years);
- g) personal or professional relationships with relevant external stakeholders (e.g., being associated with suppliers, consultant or other service providers);
- h) membership in a body or ownership of a body or entity with conflicting interests;
- i) political influence or political relationships.

g. Interviews and Additional Information

The Bank of Sierra Leone may interview a Qualifying Person when reviewing an application for approval to get more detailed information about the individual's suitability and appropriateness.

- i. When evaluating a candidate for a director or key management position of a commercial bank/financial holding company, the Bank of Sierra Leone may conduct an interview if, in its judgment, more details about the candidate are needed.
- ii. The textual information given by the commercial bank/financial holding company on the individual may be supplemented with information gathered from any other reliable source.
- iii. In the case of proposed Non- resident Nominees, additional information can be obtained from competent authorities such as Regulatory authority, former employers, state security department including the Police, Anti-Corruption agency and any other institution may be deemed necessary in their home country.
- iv. When required, the Bank of Sierra Leone may ask the person or the commercial bank/financial holding company to furnish more information verbally or in writing.
- v. If the commercial bank/financial holding company fails to comply with the requirements above, the information on the appointee would be considered incomplete and the Bank of Sierra Leone will close the file on the matter.

h. Conditions for Revocation of Fit and Proper Persons' Status

A person's fit and proper status can be withdrawn by the Bank of Sierra Leone if:

1. He/she is found wanting by any competent authority for any of the undermentioned offences:

- i. If he/she is convicted of an offence involving fraud or dishonesty.
- ii. Has been a director or key management personnel of any institution that has been liquidated.
- iii. Has been banned by a professional body to which the person belongs.
- iv. Breach of bank policies and procedures
- v. Insider abuse
- vi. Sexual harassment
- vii. Criminal Activity - Engaging in criminal behaviour that could reflect poorly on the entity.

2. He/she is found culpable of any other infraction as may be determined by the Bank of Sierra Leone from time to time.

i. Additional Criteria Applying to Approved External Auditors.

The additional criteria which shall be met for an auditor to be fit and proper and that the person:

- i. is a member of a professional accountancy body registered in Sierra Leone;
- ii. is not disqualified by law from being appointed as an auditor for a body corporate.
- iii. has a minimum of five years' relevant experience in the audit of Commercial Banks/ Financial Holding Companies in the industry within which they are working;
- iv. is neither the Chief Executive Officer (CEO) nor a director of the Commercial Bank/ Financial Holding Company nor of a related body corporate;
- v. has no conflict of interest;
- vi. has experience that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the audit of Commercial Banks/ Financial Holding Companies; and
- vii. is a resident in Sierra Leone.

j. Human and Financial Resources for Training of Members of the Board

1. Setting Objectives of Induction and Training

- i. Commercial Banks/Financial Holding Companies shall provide for the induction of members of the board to facilitate their clear understanding of the relevant laws, regulations and administrative provisions, the institution's structure, business model, risk profile and governance arrangements, and the role of the member(s) within them, and to provide for relevant general and as appropriate individually tailored training programs. Commercial Banks/Financial Holding Companies shall allocate sufficient resources for induction and training for members of the board individually and collectively.
- ii. All newly appointed members of the board shall receive key information one month after taking up their position at the latest, and the induction shall be completed within six months.
- iii. Board members shall maintain and deepen the knowledge and skills needed to fulfil their responsibilities.

2. Induction and Training Policy

- i. Commercial Banks/Financial Holding Companies shall have in place policies and procedures for the induction and training of responsible persons. The policy shall be adopted by the board.
- ii. The human and financial resources provided for induction and training shall be sufficient to achieve the objectives of induction and training and to ensure that the member is suitable and meets the requirements for his or her role.
- iii. The policies and procedures for induction and training may be part of an overall fit and proper policy, and shall at least be set out:
 - a) the induction and training objectives for the responsible persons, separately for key management personnel and executive officers and members of the board. This should also include where appropriate the induction and training objectives for specific positions according to their specific responsibilities and involvement in committees;
 - b) the responsibilities for the development of a detailed training program;
 - c) the financial resources and human resources made available by the institution for induction and training, taking into account the number of induction and training sessions, their cost and any related administrative tasks, in order to ensure that induction and training can be provided in line with the policy;

- d) a clear process under which any responsible person can request induction or training.
 - iv. In the development of the policy, the board or the nomination committee, when established, shall consider input from the human resources function and the function responsible for the budgeting and organization of training, as well as relevant risk management control functions, where appropriate.
 - v. Commercial Banks/Financial Holding Companies shall set out a process to identify the areas in which training is required, both for the board collectively and for individual board members. Relevant business areas and internal functions, including risk management control functions, shall be involved as appropriate in the development of the content of induction and training programs.
 - vi. The policies and procedures as well as training plans shall be kept up to date, taking into account governance changes, strategic changes, new products and other relevant changes, as well as changes in applicable legislation and market developments.
 - vii. Commercial Banks/Financial Holding Companies shall have an evaluation process in place to review the execution and the quality of induction and training provided and to ensure compliance with the induction and training policies and procedures.

k. Fit and Proper Assessments of Individual Responsible Persons by Commercial Banks and Financial Holding Companies.

1. Commercial Banks/Financial Holding Company should require responsible persons to demonstrate their suitability by providing at least the documentation that is required by BSL for fit and proper assessments in accordance with these Guidelines.
2. As part of the fit and proper assessment of individual responsible persons, Commercial Banks/Financial Holding Companies shall:
 - a) gather information on the assessed individual's suitability through various channels and instruments (e.g. diplomas and certificates, recommendation letters, curricula vitae, interviews, questionnaires);
 - b) gather information on the reputation, integrity and honesty of the assessed individual, including whether there are reasonable grounds to suspect that ML/TF is being or has been committed or attempted or that the risk thereof could be increased;
 - c) evaluate the independence of mind of the assessed individual;
 - d) require the assessed individual to verify that the information provided is accurate and to provide proof of information;
 - e) require the assessed individual to declare any actual and potential conflicts of interest;
 - f) validate, to the extent possible, the correctness of the information provided by the assessed individual;
 - g) evaluate within the board of directors or, where established, the nomination committee, the assessment results; and
 - h) where necessary, adopt corrective measures to ensure the individual suitability of responsible persons.
3. Where there is a matter which causes concern about the suitability of a responsible person, an assessment of how this concern affects that person's suitability should be undertaken. In this assessment Commercial Banks/Financial Holding Companies shall take into account the existence of reasonable grounds to suspect that ML/TF is being or has been committed or attempted or that the risk thereof could be increased.
4. Commercial Banks/Financial Holding Companies shall document a description of the position for which an assessment was performed, including the role of that position within the institution, and shall specify the results of the fit and proper assessment in relation to the following criteria:

- a) sufficient time commitment;
- b) sufficient knowledge, skills and experience;
- c) reputation, honesty and integrity;
- d) independence of mind.

1. Collective Fit and Proper Assessments by Commercial Banks and Financial Holding Companies.

1. Commercial Banks/Financial Holding Companies shall perform a collective fit and proper assessment of responsible persons using their own appropriate methodology in line with the criteria set out in these Guidelines.
2. When assessing individual responsible persons, Commercial Banks/Financial Holding Companies shall, within the same time period, also assess the collective suitability of the key management personnel and the board of directors as well as whether or not the overall composition of the Board's Committees is adequate. In particular, it shall be assessed what knowledge, skills and experience the individual brings to the collective suitability of the key management personnel and the board of directors and whether the overall composition of the two groups reflects an adequately broad range of knowledge, skills and experience to understand the institution's activities and main risks.

m. Ongoing Monitoring and Re-assessment of the Individual and Collective Fit and Proper of Responsible Persons

1. The Fit and Proper Policy requires the suitability assessments for each responsible person position:
 - (a) when applying for authorization to take up the business, including situations where additional activities are authorized;
 - (b) when material changes to the composition of the Board occur, including:
 - i. when appointing new members of the Board, including as a result of a direct or indirect acquisition or increase of a qualifying holding in an institution;
 - ii. when re-appointing members of the Board, if the requirements of the position have changed or if the members are appointed to a different position within the Board;
 - (c) annually on an ongoing basis.
 - (d) The ongoing monitoring should focus on whether responsible persons individually and collectively considered remain fit and proper, taking into account the individual or collective performance.
 - (e) When re-assessing the individual or collective performance of responsible persons, the board of directors or, where established, the nomination committee, shall consider in particular:
 - i. the efficiency of working processes;
 - ii. the effective and prudent management of the institution;
 - iii. the ability of the key management personnel and the board of directors to focus on strategically important matters;
 - iv. the adequacy of the number of meetings held, the degree of attendance, the appropriateness of time committed and the intensity of directors' involvement during the meetings;
 - v. any changes to the composition of the key management personnel and the board of directors and any weaknesses with regard to individual and collective suitability;
 - vi. any performance objectives set for the institution, the key management personnel and the Board of Directors;
 - vii. the independence of mind of key management personnel and board members;

- viii. any events that may have a material impact on the individual or collective fit and proper of responsible persons;
 - ix. reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted or other financial crimes, or there is an increased risk thereof, including following such adverse findings made by the internal or external auditors or competent authorities regarding the adequacy of the institution's AML/CFT systems and controls.
- (f) The result of the re-assessment, the reason for the re-assessment and any recommendation with regard to identified weaknesses shall be documented and submitted to the Board of Directors.
 - (g) Commercial Banks/Financial Holding Companies shall document the reassessments, including their outcome and any measures taken as a result of the re-assessment. Commercial Banks/Financial Holding Companies shall submit the documentation supporting the re-assessment at BSL's request.
 - (h) In the event that the Board of Directors concludes that a member of the key management personnel or the Board is not fit and proper, the Board should immediately inform the BSL without delay, including the measures proposed or taken by the institution to remedy the situation.

n. Institutions' Corrective Measures

1. If an institution's assessment or re-assessment concludes that a responsible person is not fit and proper, that person shall not be nominated or, if the responsible person has already been appointed, the institution shall replace that member.
2. With the exception of criteria relevant to the assessment of reputation, honesty and integrity, if an institution's assessment or re-assessment identifies easily remediable shortcomings in the member's knowledge, skills or experience the institution shall take appropriate corrective measures to overcome those shortcomings in a timely manner.
3. Appropriate corrective measures may include but are not limited to: adjusting responsibilities between members of the management body; replacing certain members; recruiting additional members; possible measures to mitigate conflicts of interest; training single members; or training for the Board and Key Management Personnel collectively to ensure their individual and collective suitability.
4. In any case, BSL shall be informed without delay of any material shortcomings identified concerning any of the members of the management body and the management body's collective composition. The information shall include the measures taken or envisaged to remedy those shortcomings and the timeline for their implementation.

o. Miscellaneous

A non-management staff member of the Central Bank, who directly interfaces with the financial system or has access to sensitive information on the financial system, shall not serve as a manager, director or executive officer of a bank or any financial institution in the country until after one (1) year cooling off period, and shall obtain prior approval from the Central Bank.

p. Effective Date

These Guidelines shall take effect immediately upon publication in the Gazette and shall remain in force until otherwise determined by the BSL.

ANNEX 1**FITNESS AND PROPRIETY QUESTIONNAIRE**

Affix Photo

Please type or print your answers in the space provided below each item

SECTION I - PERSONAL DETAILS

1.1 Surname		1.2 First and Middle Names		1.3 Other Names (Maiden, aliases,	
1.4 Reasons for change of name (if any)					
1.5 Date and Place of birth (City and Country)			1.6 Hometown	1.7 Nationality (Present)	Previous (if any)
1.8 Passport (if any) Type	Number		Place & Date of Issue		Expiry Date
1.9 Travel History (include dates)		2.0 Hobbies		2.1 Occupation / Profession	
a. Parentage – Provide particulars of your parents (where deceased state date of death)					
FATHER					
Full Name	Date / Place of birth	Hometown	Nationality	Occupation (last)	
Residential Address (include popular spot close to residence)			Business Address (if any)		
MOTHER					
Full Name	Date / Place of birth	Hometown	Nationality	Occupation (last)	
Residential Address (include popular spot close to residence)					

2.3 List all professional, social, charitable organization to which you belong(ed) or contribute(ed) or with which you work (have worked).

2.4 Marital Status (please tick appropriate box)

Single Married Widowed Separated Divorced

Please complete 2.5 --3.1 as applicable otherwise go to 3.1

2.5 Indicate type of marriage (please tick appropriate box (es))

Customary Church Ordinance Islamic Registration

2.6 Date & Place of Marriage

2.7 Marriage Certificate (If any)

Witness

2.8 Spouse(s) details (even if divorced, separated or widowed)

Full Name <u>Present</u>	Date & Place of Birth	Residential/ Business Address	Occupation / Profession
<u>Former</u>			

2.9 Names and ages of children with present spouse (s)

SECTION II – Contact Information

3.1 Current Residential Address (include house number, street, town, district or region)		
3.2 Provide name of any popular spot close to your residence		3.3 Home or mobile phone number
3.4 Fax Number	3.5 Your e-mail address	3.6 Your correspondence Address, if different from 3.1
3.7 Previous Residential Address (if any) (Include house number, street, town, district or region & any close popular spot or personality)		
3.8 Home Town Address (Include house number, street, town, district or region & any close popular spot or personality)		
3.9 Employment Address (if any) (Include house number, street, town, district or region & any close popular spot or personality)		
4.0 Employer's Telephone number (s)	4.1 Employer fax number	4.2 Employer's e-mail address

SECTION III - Educational History (Please attach copies of educational certificates for qualifications obtained from tertiary educational institutions)

4.3 Formal Education (List all educational institutions you attend or have attended)			
Name and address of school	Dates attended	Qualification and Grades Achieved	
4.4 Higher/Professional/Vocational Education (indicate whether full or part time study)			
Name and address of Institution	Dates Attended	Subject(s) Studied	Qualification & Grades Achieved

Educational History (Cont'd)

4.5 List all Examinations Taken (including remedial, if any)			
Examining Authority/Board	Exam Title & Index No.	Result	Place/Date
4.6 Informal Education (List all training centers or places you acquired a particular training)			
Name and address of trainer	Specialized skills or Training Acquired	Dates Acquired	

SECTION IV - Employment History (Career)

4.7 Provide particulars of your employment since leaving school including periods of apprenticeship, self-employment, unemployment and National Service			
Dates (from/to) Include month & year	Organization Name & Address (include telephone number if any)	Full Post	Brief Description of duties & reasons for leaving if any
1.			
2.			
3.			
4.			
5.			
6.			

Employment History (Cont'd)

Dates (from/to Include month & year)	Organization Full Name & Address	Post	Brief Description of duties & reasons for leaving, if any
7.			
8.			
9.			

4.8 Provide the following details if you serve (d) in any security service:

Branch of Service/Unit	Rank/Position	Service Number	Date & Place of enlistment	Date & Reasons for leaving, if any

SECTION V - Economic Status

4.9 Do you own any assets (e.g immovable property) Yes <input type="checkbox"/> No <input type="checkbox"/>
5.0 Tax details (where applicable) (Provide evidence of last tax payment (s) on the assets; state type of tax, tax certificate number & date issued)

SECTION VI - Company's Profile

5.1 Name & Address of Company (include house number, street name, town & any close popular spot)	
5.2 Date of Incorporation & Registration No.	5.3 No. of initial workforce
5.4 Name and Address of Bankers	
5.5 Name and Address of Auditors	
5.6 Name and Address of other Director (s) of the Company	
5.7 Reasons for establishing the Company	

SECTION VII - This section refers to applicant relationship or intended relationship with

(BANK/NBFI/CRB/FOREX BUREAUX)

5.8	CAPACITY	CURRENT	A	DIRECTOR
		PROSPECTIVE	B	DIRECTOR
			C	KEY MANAGEMENT STAFF
			D	SIGNIFICANT SHAREHOLDER
			E	COMBINATION OF ANY A - D

5.9 STATE WHETHER OTHER INSTITUTIONS ARE RELATED TO THE INSTITUTION AND SPECIFY THE TYPE OF RELATIONSHIP

6.0 PREVIOUS RELATIONSHIP WITH OTHER INSTITUTION (S), PERIOD AND REASONS FOR LEAVING

A	DIRECTOR
B	KEY MANAGEMENT STAFF
C	SIGNIFICANT SHAREHOLDER
D	COMBINATION OF ANY A – C

IF MORE THAN ONE INSTITUTION, PLEASE PROVIDE INFORMATION ON ADDITIONAL SHEET

6.1 PREVIOUS APPLICATION FOR BANKING LICENCE IN SIERRA LEONE / ELSEWHERE

A	APPROVED
B	REFUSED
C	WITHDRAWN
D	REVOKED

PROVIDE REASON(S) FOR B - D

6.2 HAVE YOU BEEN

- | | |
|----------|---|
| A | CENSURED |
| B | DISCIPLINED |
| C | WARNED AS TO FUTURE CONDUCT |
| D | INVESTIGATED BY ORDER OF COURT |
| E | INVESTIGATED BY REGULATORY BODY |
| F | INVESTIGATED BY PROFESSIONAL BODY |
| G | PRACTICED PROFESSION SUBJECT TO CONDITIONS? |

IF YES, GIVE DETAILS

6.3 DO YOU

- | | |
|----------|---|
| A | OWE ANY PERSON |
| B | ADJUDGED BY COURT AS JUDGEMENT DEBTOR |
| C | ARRANGED WITH CREDITORS TO SUSPEND PAYMENT OF DEBT? |

IF YES, GIVE DETAILS

6.4 HAVE YOU BEEN

- | | |
|----------|--|
| A | DECLARED INSOLVENT |
| B | BANKRUPT |
| C | ASSOCIATED WITH AN INSTITUTION WHICH IS BEING WOUND UP OR HAS BEEN WOUND UP? |

IF YES, GIVE DETAILS

6.5 HAVE YOU BEEN ASSOCIATED WITH AN INSTITUTION THAT HAS BEEN

A

SANCTIONED OR

B

HELD LIABLE FOR FRAUD, MALFEASANCE OR OTHER MISCONDUCT BY YOU TOWARDS THE INSTITUTION OR OTHER PERSON?

IF YES, GIVE DETAILS

6.6 INDICATE NUMBER, VALUE AND CLASS OF SHARES YOU HAVE IN THE INSTITUTION

6.7 INDICATE NUMBER, VALUE AND CLASS OF SHARES NOT REGISTERED IN YOUR NAME BUT WHICH YOU ARE ULTIMATE BENEFICIAL OWNER OR BENEFICIALLY INTERESTED

6.8 DO YOU HOLD SHARES AS TRUSTEE OR NOMINEE IN THE INSTITUTION?

IF YES, GIVE DETAILS

6.9 CONFIRM WHETHER SHARES AS INDICATED ARE LEGALLY OR EQUITABLY CHARGED TO ANY PARTY

7.0 DOES QUANTUM OF YOUR SHARES INCLUDING THOSE OF RELATED PARTY IN THE INSTITUTION (OR SUBSIDIARY) ENTITLE YOU TO EXERCISE CONTROL IN INSTITUTION?

SECTION VIII - Police Clearance

Directors completing this form should apply to the Director, Criminal Investigation Department (CID) for a police clearance report. The Police Clearance should be submitted under the seal of the Director of CID to the following address:

The Director,
Financial Stability Department
Bank of Sierra Leone
Siaka Stevens Street
Freetown

N/B: Under no circumstance should an applicant (director) himself submit the report directly to the Bank of Sierra Leone.

Name-----

Position to be held-----

Signed-----

Date-----

DECLARATION

I HEREBY DECLARE THAT ALL ANSWERS PROVIDED HEREIN ARE IN ACCORDANCE WITH FACT OR TRUTH AND I BEAR THE RESPONSIBILITIES FOR THE CORRECTNESS AND COMPLETENESS OF THE ABOVE MENTIONED INFORMATION.

NAME:

SIGNATURE:

DATE: