The Sierra Leone Gazette

(Extraordinary)

Published by Authority

Vol. CLXVII | FRIDAY 2ND OCTOBER, 2026 | No. 85

FREETOWN 2nd October, 2026

Govt. Notice No. 290

LOAN AND COLLATERAL EXPOSURE DATA REPORTING DIRECTIVES

2026

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTING DEPARTMENT, SIERRA LEONE
Annual Subscription:–Inland–Le1,800 Overseas–Le8,000
To be purchased from the Government Bookshop, Wallace Johnson Street, Freetown. Price:–Le50,00 G.P.O/334/26/400/9.26.

Item	Provision
Issuing authority	Bank of Sierra Leone
Responsible department	Banking Supervision Department
Proposed issue date	September 2026
Effective date	1 October 2026
Reporting frequency	Quarterly

Purpose. To establish a proportionate prudential framework for identifying, reporting and managing sectoral and geographical loans and collateral exposures in order to assess exposure to climate-related risks.

Regulatory Approach. These Directives first build reliable sector, location, collateral and risk data. It does not introduce automatic climate-based lending prohibitions, risk weights, provisioning rates, capital charges or sectoral limits.

PART I PRELIMINARY

1 Authority and Application

1.1 These Directives are issued pursuant to section 65 of the Bank of Sierra Leone Act 2019 and sections 53 and 54 of the Banking Act 2019. It shall be read together with applicable prudential, corporate governance and credit risk requirements issued by the Bank of Sierra Leone.

1.2 They apply to all commercial banks and financial holding companies licensed or registered by the Bank, on a solo basis and, where directed, on a consolidated basis. The Bank may extend specified requirements to other regulated financial institutions by written notice.

1.3 An Act of Parliament prevails in the event of conflict. More specific reporting instructions issued under these Directives apply unless the Bank directs otherwise.

2 Objectives

2.1 The objectives of these Directives are to -

(a) to prepare and publish a report on the Bank's website that identifies physical risk transmission channels to the financial sector;

(b) obtain consistent sectoral and geographical loan and collateral exposure data;

(c) identify climate-sensitive exposures, climate-related concentrations, and emerging vulnerabilities;

(d) strengthen the management of climate-related drivers of conventional prudential risks; and

(e) support risk-based supervision, thematic review, stress testing and macroprudential surveillance.

3 Key Definitions

In these Directives, unless the context otherwise requires:

Term	Meaning
Bank	The Bank of Sierra Leone
Climate-related financial risk	Potential financial impact from physical or transition risk drivers transmitted through credit, market, liquidity, operational, reputational, strategic or other prudential risks.
Climate-sensitive exposure	A credit exposure whose borrower, activity, cash flow, supply chain, collateral or location may be materially affected by a climate-related risk driver.
Material	Capable of influencing a commercial bank's risk assessment, credit decision, portfolio management, capital planning or the Bank's supervisory assessment.
Physical risk	Risk from acute weather events or chronic changes, including flood, extreme rainfall, heat, drought, landslide, sea-level rise and coastal erosion.
Transition risk	Risk from policy, legal, technology, market or reputational changes associated with transition to more climate-resilient or environmentally sustainable activity.

PART II GOVERNANCE AND RISK MANAGEMENT

4 Prudential Treatment and Proportionality

4.1 Commercial banks shall treat material climate-related risk drivers as factors affecting exising prudential risk categories, including credit, collateral, concentration, operational, liquidity, market, reputational and strategic risk.

4.2 Classification as climate-sensitive shall not, by itself, require rejection, downgrading, additional provisioning or a capital charge. Decisions shall reflect the exposure's actual risk characteristics and documented judgement.

4.3 Implementation shall be proportionate to a commercial bank's size, complexity, business model and risk profile. Proportionality shall not justify omission of mandatory data that is available or can reasonably be obtained through normal credit processes.

5 Governance and Accountability

5.1 The Board shall oversee material climate-related financial risks and approve clear responsibilities. Senior management shall integrate such risks, where material, into strategy, risk appetite, credit risk management, capital and liquidity planning, recovery planning and business continuity.

5.2 Business and credit functions shall own and manage the risks; risk management and compliance shall establish methods, monitor and challenge; and Internal Audit shall independently assess the framework and controls.

5.3 The Chief Risk Officer or equivalent shall be accountable for the completeness and integrity of the return, supported by the heads of Credit and Finance or Regulatory Reporting.

6 Policies, Systems and Controls

6.1 Commercial banks shall update relevant credit policies, application forms, collateral registers, customer data and systems to capture the prescribed fields. New facilities shall capture them at origination; existing facilities shall be progressively updated with the prescribed data fields in accordance with the phased implementation requirements under Part VI.

6.2 Commercial banks shall maintain documented classification rules, data lineage, validation, reconciliation and change controls sufficient for supervisory verification.

PART III IDENTIFICATION AND DATA

7 Exposure, Sector and Location

7.1 Commercial banks shall identify exposures using sector, geography, collateral, borrower activity and other relevant indicators. The principal location of the financed or income-generating activity shall be used instead of the registered addresses where they differ.

7.2 Facilities shall be classified by the activity financed. A general-purpose facility shall use the borrower's principal revenue-generating activity. Commercial banks shall map internal sector codes to the taxonomy prescribed by the Bank.

7.3 Commercial banks shall report to the Bank the Region, District, Area, and address, where available, coordinates (latitude and longitude), for the customer, economic activity, and collateral. For project finance, the reported economic activity location shall correspond to the location of the financed project or asset.

8 Collateral and Risk Indicators

8.1 For material tangible collateral, commercial banks shall capture type, location, latest value and valuation date, insurance status and known material climate vulnerability. Borrower or activity location and collateral location shall remain distinct.

8.2 Financed-emissions measurement is not required in the quarterly return at this stage.

PART IV REPORTING REQUIREMENTS

9 Scope, Frequency and Deadline

9.1 Each commercial bank shall submit the Loan Reporting Return in the electronic format and validation rules prescribed by the Bank. It shall cover all on-balance-sheet loans and advances; material commitments and guarantees may be required by notice.

9.2 The return shall be submitted quarterly for positions on 31 December, 31 March, 30 June and 30 September, no later than fifteen business days after quarter-end. The Bank may require more frequent reporting where warranted.

10 Data Quality and Materiality

10.1 Reported information shall be accurate, complete, timely, internally consistent and reconcilable to the general ledger, credit system, collateral register and existing prudential returns. Working papers shall be retained for supervisory review.

10.2 All loans shall be included in core sector and location reporting.

10.3 Commercial banks shall preserve borrower and connected-group identifiers and be able to aggregate exposures by borrower, group, sector, geography, collateral type and risk rating.

11 Corrections and Attestation

11.1 A material error identified after submission shall be notified promptly and corrected within five business days unless the Bank approves another period. Repeated errors or unexplained reconciliation breaks may be treated as weaknesses in reporting and risk management.

11.2 Each return shall be accompanied by the attestation in Annex 3, signed by the Managing Director, Chief Risk Officer or equivalent, and Head of Finance or Regulatory Reporting.

PART V USE AND SUPERVISORY REVIEW

12 Use in Credit and Portfolio Management

12.1 Commercial banks shall progressively integrate material climate-related risk drivers into credit appraisal, approval, monitoring and periodic review where repayment capacity, collateral value or facility structure may be affected.

12.2 Commercial banks shall monitor material concentrations of credit and collateral in climate-sensitive sectors and locations and report significant concentrations through appropriate senior management and board governance channels.

12.3 Where physical risk could materially affect collateral value, accessibility, insurability or enforceability, the commercial bank shall consider valuation frequency, insurance, haircuts, covenants or alternative security.

12.4 Material climate developments shall be reflected through normal watchlist, classification, staging, provisioning and recovery processes. Classification shall not be mechanical or based solely on sector or location.

13 Supervisory Review and Measures

13.1 The Bank may use reported information in off-site surveillance, risk-based supervision, thematic review, on-site examination and system-wide stress testing, and may request supporting records, methodologies, internal reports or other validation information.

13.2 Where material weakness is identified, the Bank may require a time-bound remediation plan, enhanced reporting, independent validation, improvements to governance, data, systems, credit or collateral practices, additional analysis, or other lawful prudential measures.

13.3 Failure to submit complete and accurate information, meet deadlines or comply with a lawful requirement may attract action under applicable law. The Bank may consider good-faith efforts, data maturity and prompt remediation when determining proportionate action.

PART VI IMPLEMENTATION AND REVIEW

14 Phased Implementation

Phase	Period	Minimum requirement
Preparation and pilot data sharing	Issuance to November 30 2026	Commercial banks to share mandatory [2026Q3] data with BSL. Data-gap assessment; accountable officers; field mapping; template testing; industry validation and training.
Initial mandatory reporting template shared with commercial banks	1 October 2026	Commercial banks should start populating the quarterly reporting form; documented qualitative ratings and reasonable estimates permitted; material gaps disclosed.

Full embedding	From 1 January 2027	Substantial backfilling of core fields and demonstrated use in portfolio and credit risk management.

14.1 The Bank may adjust implementation dates by written notice after assessing pilot results and industry readiness.

15 Effective Date and Review

15.1 These Directives take effect on 1 January 2027, while preparation and pilot obligations commence on issuance.

15.2 The Bank shall review these Directives periodically in light of supervisory experience, data availability, WAMZ developments and relevant international standards. It may issue reporting instructions, technical specifications, FAQs and sector or hazard guidance without amending these Directives.

ANNEX 1 MINIMUM REPORTING FIELDS

Field group	Minimum information
Identification	Reporting bank and date; borrower, group and facility identifiers; borrower name.
Exposure	Facility type, currency, original amount, outstanding balance, undrawn commitment, approval and maturity dates, performing status, days past due, classification and ECL or provision.
Economic activity	BSL sector code; activity financed; principal activity.
Geography	Country, Region, District and Area, and address, where available, coordinates (latitude and longitude), for the customer, economic activity, and collateral.
Collateral	Identifier, type, location, latest value, valuation date, and insurance status.
Mitigation and quality	Insurance, climate-related covenants, guarantees; estimate or proxy flag, missing-data flag, source, review date and approver.

Aggregate Capability. Commercial banks shall be able to report gross loans, non-performing loans, ECL or provisions and collateral values by sector, Province, District, and combinations designated by the Bank.

ANNEX 2 ILLUSTRATIVE SECTORS

This annex is illustrative and non-exhaustive. Inclusion does not automatically make an exposure high-risk; the specific borrower, activity, location, tenor and mitigants remain determinative.

Sector or activity

Agriculture, forestry and fisheries

Mining and quarrying

Construction and real estate

Transport logistics and energy

Tourism manufacturing trade and services

ANNEX 3 MANAGEMENT ATTESTATION

* We certify that the return for the quarter ended _____ was prepared in accordance with these Directives and the applicable reporting instructions.

* To the best of our knowledge, it is complete and accurate in all material respects and reconciles to underlying credit records and relevant prudential returns.

* Material limitations, estimates, unresolved reconciliation items and methodology changes are disclosed in the accompanying schedule.

* Material climate-sensitive concentrations identified through reporting have been communicated through appropriate risk governance channels.

Managing Director: _____ Date: _____

Chief Risk Officer or equivalent: _____ Date: _____

Head of Finance or Regulatory Reporting: _____ Date: _____