



The Sierra Leone Gazette

(Extraordinary)

Published by Authority

Vol. CLXV

FRIDAY 27TH SEPTEMBER, 2024

No. 80

FREETOWN 27th September, 2024



DIRECTIVES TO COMMERCIAL BANKS

REVIEW OF THE MINIMUM PAID-UP CAPITAL FOR COMMERCIAL BANKS

DIRECTIVES TO OTHER FINANCIAL INSTITUTIONS

REVIEW OF THE MINIMUM PAID-UP CAPITAL FOR OTHER FINANCIAL INSTITUTIONS

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTING DEPARTMENT, SIERRA LEONE

Annual Subscription:—Inland—Le900,00 Overseas—Le5,000,00

To be purchased from the Government Bookshop, Wallace Johnson Street, Freetown. Price:—Le20,00

G.P. O/218/24/400/6.24.

Govt. Notice No. 450**DIRECTIVES TO COMMERCIAL BANKS****REVIEW OF THE MINIMUM PAID-UP CAPITAL FOR COMMERCIAL BANKS**

A. Pursuant to Section 15 of the Banking Act 2019, the Bank of Sierra Leone (the Bank) has reviewed the minimum paid up capital for commercial banks from NLe85 million to NLe270 million.

Commercial banks shall be required to comply with this new requirement in a graduated manner over a three-year period as stipulated below;

Date	Total Minimum Paid-up Capital
By end December 2025	NLe122,000,000
By end December 2026	NLe196,000,000
By end December 2027	NLe270,000,000

Added to the above, the Bank hereby states as follows:

1. Commercial banks shall not be allowed to appropriate Statutory Reserves during the three-year period stated herein. The minimum capital requirement will be based on paid-up capital and not shareholders' funds. However, banks could be allowed to utilize their revenue reserves or retained earnings.
 2. Commercial banks may also raise new capital through private placement or by offering shares for subscriptions.
 3. The new minimum paid-up capital only applies to existing commercial banks.
 4. New commercial banks (applicants) shall be required to meet the new minimum paid-up capital requirement at the licensing and entry stage. This would require a bullet payment of the new minimum paid-up capital, in full.
- B. Also, pursuant to Section 16 (1) of the OFS Act 2001, the Bank has also prescribed a minimum paid-up capital requirement for Merchant/Investment Banks. This is also pegged at NLe270 million.

Bank of Sierra Leone

September 2024

Govt. Notice No. 451**DIRECTIVES TO OTHER FINANCIAL INSTITUTIONS****REVIEW OF THE MINIMUM PAID-UP CAPITAL FOR OTHER FINANCIAL INSTITUTIONS**

Pursuant to Section 16 (1) and (2) of the Other Financial Services Act 2001, the Bank of Sierra Leone (the Bank) has reviewed the minimum paid-up capital for Deposit-Taking Microfinance Institutions and introduced a minimum paid-up capital for some Other Financial Institutions (OFIs) that did not previously have one.

The increase or introduction of the minimum paid-up capital and an increase in the license fees as well as the introduction of other charges are indicated in the tables 1 and 2 below:

Table 1 Approved Minimum Paid-up Capital Requirements and Licence Fees/Charges

OFIs	Paid-up Capital	Application/Processing Fee	License/Renewal Fees Fee	Annual Operating Levy
	New	New	New	New
Deposit Taking Microfinance Institutions	8,000,000	2,500	20,000	5,000
Credit-only Microfinance Institutions	1,000,000	2,500	10,000	2,000
Foreign Exchange Bureaux:				
Remittance	1,000,000	2,500	10,000	N/A
Spot Transactions	50,000	1,500	5,000	N/A
Mobile Money Operators	10,000,000	5,000	50,000	10,000
FinTechs/Money Remittance/E-Money	5,000,000	5,000	20,000	N/A

Table 2 APPROVED COLLATERAL DEPOSIT FOR FOREIGN EXCHANGE BUREAUX

No.	NLe
Foreign Exchange Bureaux:	
i. Super-Agents (Remittances)	100,000
ii. Sub-Agents/Spot Transactions	50,000

Other Financial Institutions shall be required to meet this new requirement in a graduated manner over a three-year period as stipulated in the tables below:

Table 3

Date	DEPOSIT-TAKING MICROFINANCE INSTITUTIONS (DTMFIs)	CREDIT-ONLY MICROFINANCE INSTITUTIONS (COMFIs)
By end December 2025	Total: NLe2,400,000	Total: NLe200,000
By end December 2026	Total: NLe5,200,000	Total: NLe600,000
By end December 2027	Total: NLe8,000,000	Total: NLe1,000,000

Table 4

Date	MOBILE MONEY OPERATORS (MMO's)	FINTECHS
By end December 2025	Total NLe2,000,000	Total NLe1,000,000
By end December 2026	Total NLe6,000,000	Total NLe3,000,000
By end December 2027	Total NLe10,000,000	Total NLe5,000,000

Table 5

Date	FOREIGN EXCHANGE BUREAUX (FXBs)	FOREIGN EXCHANGE BUREAUX (FXBs)
	Super-Agents (Remittances)	Sub-Agents/Spot Transactions
By end December 2025	Total: NLe200,000	Total: NLe10,000
By end December 2026	Total: NLe600,000	Total: NLe30,000
By end December 2027	Total: NLe1,000,000	Total: NLe50,000

Added to the above, the Bank hereby states as follows:

- (i) Other Financial Institutions (OFIs) shall not be allowed to appropriate Statutory Reserves during the three-year period stated herein. The minimum capital requirement will be based on paid-up capital and not shareholders' funds. However, Other Financial Institutions could be allowed to utilize their revenue reserves or retained earnings.
- (ii) Other Financial Institutions may also raise new capital through private placement or by offering shares for subscriptions.
- (iii) The new minimum Paid-up capital only applies to existing Other Financial Institutions.
- (iv) New Other Financial Institutions (applicants) shall be required to meet the new minimum Paid-up capital requirement at the licensing and entry stage. This would require a bullet payment of the new minimum paid-up capital in full.