GOVERNMENT NOTICE NO. 39

FINANCIAL SERVICES ACT

(NO. 26 OF 2010)

FINANCIAL SERVICES (CORPORATE GOVERNANCE REQUIREMENTS FOR MICROFINANCE INSTITUTIONS) DIRECTIVE, 2014

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Application
3. Interpretation

PART II—OBJECTIVES

4. Objectives

PART III—CORPORATE GOVERNANCE REQUIREMENTS

5. Rights and responsibilities of shareholders
6. Board composition
7. Board charter
8. Board oversight
9. Board and senior management
10. Other matters
11. Senior management oversight
12. Company secretary
13. Duties of a company secretary

PART IV—BOARD AND MANAGEMENT COMMITTEES

14. Board and management committees
15. Board audit committee
16. Asset and liability management committee
17. Nomination committee
18. Other committees

PART V—FINANCIAL REPORTING AND AUDITS

19. Internal audit
20. External auditor
21. Financial reporting

PART VI—REPORTING REQUIREMENTS

22. Ethics
23. General requirements

PARAGRAPH

PART VII—EENFORCEMENT

24. Monetary penalties

25. Other penalties

SCHEDULES

First Schedule: Minimum Qualifications for Senior Management of an institution

Second Schedule: Fit and Proper Questionnaire

IN EXERCISE of the powers conferred by section 34 (2) (*b*) of the Financial Services Act, 2010, I, CHARLES S. R. CHUKA, Registrar of Financial Institutions, issue the following Directive—

PART I—PRELIMINARY

Citation

1. This Directive may be cited as the Financial Services (Corporate Governance Requirements for Microfinance Institutions) Directive, 2014.

Application

2.—(1) This Directive shall apply to—

(*a*) deposit taking microfinance institutions; and

(*b*) prudentially regulated non-deposit taking microfinance institution.

(2) This Directive shall apply in addition to the Code of Best Practice for Corporate Governance in Malawi (the Malawi Code II), published by the Institute of Directors in Malawi.

(3) Where this Directive is inconsistent with the Malawi Code II, this Directive shall prevail to the extent of such inconsistency.

Interpretation

3. In this Directive, unless the context otherwise requires—

"affiliate" means a company or enterprise that controls or is under common control with the institution;

"board" means the board of directors of an institution;

"group" means a group consisting of two or more institutions that have a common controlling party and the bodies corporate of which any of those institutions is a controlling party;

"independent director" means a non-executive director that either—

(*a*) is not related or affiliated to a shareholder that has the ability to control or influence management of an institution;

(*b*) has not been employed by the an institution or its subsidiary in any executive capacity for the preceding three financial years;

(*c*) is not a member of the immediate family of an individual who is or has been in any of the past three financial years employed by an institution or the group in an executive capacity;

(*d*) is not a professional advisor to an institution or the group other than in a director capacity;

(*e*) is not a significant customer or supplier of the institution;

(*f*) has no significant contractual relationship with the institution or group; or

(*g*) is free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner;

"institution" shall refer to a deposit taking microfinance institution or any other prudentially regulated microfinance institution;

"non-executive director" means a director who is not a member of the management of an institution; and

"Registrar" means Registrar of Financial Institutions appointed under the Act.

PART II—OBJECTIVES

Objectives

4. The objectives of this Directive are to—

(*a*) set minimum requirements for good governance of institutions;

(*b*) promote corporate self-discipline in the management of institutions; and

(*c*) ensure that institutions are managed in a sound and prudent manner by a competent board, which is capable of making reasonable and impartial business judgments.

PART III—CORPORATE GOVERNANCE REQUIREMENTS

Rights and responsibilities of shareholders

5.—(1) Shareholders of an institution shall—

(*a*) ensure that the board has clear policies for shareholder relations;

(*b*) ensure that the board annually reviews practices aimed at communicating the goals, strategies and achievements of the institution;

(*c*) where deemed necessary, question external auditors on the auditors' opinion during the annual general meeting or extraordinary general meetings;

(*d*) ensure that only competent and reliable persons who can enrich and add value to the institution are elected or appointed to the board;

(*e*) ensure that the board is constantly held accountable and responsible for the efficient and effective governance of the institution; and

(*f*) change the composition of a board that does not perform to expectations or in accordance with the mandate of the institution.

(2) A shareholder with more than ten per cent (10%) shareholding in an institution shall not be an executive director or form part of the management of the institution.

(3) Shareholders of an institution shall fix and approve director's remuneration and fees during annual general meetings or extraordinary general meetings.

(4) A shareholder may—

(*a*) participate in decisions concerning fundamental corporate changes including—

(i) amendments to articles of association, memorandum of association or similar governing documents of the institution; and

(ii) authorization of additional shares and extraordinary transactions, including the transfer of all or substantially all assets, that in effect results in the sale of the institution;

(*b*) participate and vote in general meetings;

(*c*) access information concerning rules and voting procedures governing a general meeting including information concerning the date, location and agenda;

(*d*) ask the board any question and enquire about the annual external audit;

(*e*) place items on the agenda of general meetings;

(*f*) propose resolutions; and

(*g*) vote in person or by proxy.

Board composition

6.—(1) A board shall have a minimum of five (5) directors, the majority of which shall be independent directors.

(2) A chairperson of a board shall be a non-executive director.

(3) A chairperson of a board shall not be a person who has served in the position of a chief executive officer of the institution for the past two years before appointment as chairperson.

(4) A chairperson of a board shall be responsible for—

(*a*) fostering a constructive governance culture; and

(*b*) applying appropriate governance principles among the directors and with management;

(5) An institution shall have a transparent procedure for appointment of its board.

(6) A majority of directors and the chairperson of the board shall ordinarily reside in Malawi.

(7) The board shall comprise persons who, as a group, shall provide core competencies such as accounting or finance, business or management experience, industry knowledge, or strategic planning knowledge or experience.

Board charter

7.—(1) The board shall have a formal charter that sets out its responsibilities, which shall—

(*a*) at a minimum, confirm the board's responsibility for the formulation and adoption of a strategic plan, monitoring of operational performance and management; and

(*b*) allow the board to determine appropriate policies and processes to ensure integrity of—

(i) the institution's risk management practices;

(ii) internal controls;

(iii) communication policy; and

(iv) selection, orientation and evaluation of directors.

Board oversight

8. The board shall—

(*a*) retain full and effective control over the institution and be responsible for monitoring of management in respect of implementation of the board's plans and strategies;

(*b*) give strategic direction to the institution;

(*c*) discuss and approve the organisational structure of the institution;

(*d*) appoint and remove management of the institution;

(*e*) ensure that there is a succession plan;

(*f*) allocate time and resources for directors to acquire and retain a sound understanding of their responsibilities;

(*g*) have a rigorous formal process for evaluating its performance along with that of board committees and individual directors;

(*h*) ensure that the institution complies with all relevant laws and codes of business practice;

(*j*) ensure that management maintains an effective compliance function that routinely monitors adherence to rules, regulations and policies to which the institution is subject and ensures that any deviations are reported to an appropriate level of management or, if necessary, the board;

(*j*) have access to all the institution's information, records, documents and property;

(*k*) have an agreed procedure and access to budget resources to enable the board, if necessary, to obtain independent professional advice at the institution's expense;

(*l*) identify and monitor the non financial aspects relevant to the business of the institution including reputation risk;

(*m*) ensure that senior management implements policies to identify, prevent or manage and disclose, as appropriate, any conflict of interest that may arise; and

(*n*) ensure that the institution maintains a positive image within the industry and the economy as a whole.

Board and senior management

9.—(1) Every member of the board shall be accountable to the Registrar for the sound and prudent management of the institution.

(2) The board may delegate authority to management to act on its behalf with respect to certain matters.

(3) The board shall—

(*a*) document any authority that it delegates to management;

(*b*) have mechanisms for monitoring delegated authority; and

(*c*) not abrogate responsibility for delegated functions.

(4) The board may supplement its skills, knowledge and time constraints through the use of external consultants and experts.

(5) The board shall allow an appointed auditor, consultant or expert to raise matters directly with the board.

(6) Non-executive directors of the board shall meet with external auditors, head(s) of internal audit, compliance and legal functions at least once, annually in the absence of management.

(7) Where the Registrar requests to meet the chairperson of the board or the entire board, they shall make themselves available to meet the Registrar.

Other matters

10.—(1) A director of an institution shall not be a member of more than six (6) other boards within the microfinance sector.

(2) The maximum amount of time that an independent non-executive director of an institution may serve on its board shall be ten years.

(3) Where a director of an institution has resigned or has been removed, the board of directors of the institution shall report to the Registrar, within seven (7) days, of such resignation or removal.

(4) Every director of a board shall attend all board meetings of the institution.

(5) Where a director of a board has failed to attend at least seventy five per cent (75%) of board meetings in a year, the institution shall inform the Registrar and provide reasons for poor attendance and showing cause why the director should be permitted to continue in his or her office.

(6) An annual report of an institution shall—

(*a*) include information on the name, age, experience, education, affiliation, and committee membership of each director;

(*b*) identify independent directors;

(*c*) disclose attendance of board meetings by each director;

(*d*) stipulate in summary the board's responsibilities;

(*e*) include information on remuneration of individual directors as well as earnings, business or share options, restraint payments and any other benefits;

(*f*) disclose remuneration bonuses and other benefits received by senior management on an aggregate basis;

(*g*) include a statement describing the major risks of the institution and how these are managed;

(*h*) include full financial statements, including comprehensive notes and auditor's opinion; and

(*i*) disclose adherence to the code of ethics against the criteria in paragraph 22 .

(7) The nominations committee of the board of an institution (in this Directive otherwise referred to as the "nominations committee") shall comprise non-executive directors only, the majority of whom shall be independent.

G.N. No. of 2014
No. 21 of 2010

(8) The nominations committee shall ascertain whether potential new directors are suitable for the position in terms of the Fit and Proper Test Requirements of the Act and the Microfinance Act, 2010;

(9) Practising accountants of audit firms that audit an institution shall not be appointed as directors of that institution.

Senior management oversight

11.—(1) A member of senior management of an institution shall ordinarily reside in Malawi.

(2) Where an institution is a local subsidiary owned by a foreign holding company, the management of the subsidiary shall report to the board of the subsidiary.

(3) Senior management of an institution shall at a minimum comprise—

(*a*) chief executive officer;

(*b*) chief financial officer; and

(*c*) chief operating officer.

(4) An institution shall obtain approval of the Registrar prior to the appointment of senior management officers and such officers shall—

(*a*) meet the minimum qualifications prescribed in the First Schedule to this Directive;

(*b*) be subjected to a fit and proper test;

(*c*) submit the fit and proper test questionnaire prescribed in the Second Schedule to this Directive.

(5) The Registrar may prescribe higher minimum qualifications for a specific institution than the ones prescribe in this Directive where the Registrar deems necessary.

Company secretary

12.—(1) A company secretary of an institution shall be—

(*a*) a chartered company secretary;

(*b*) a lawyer or a firm which provides legal services;

(*c*) an accountant or a firm which provides accounting services; or

(*d*) a firm which provides company secretarial services.

(2) A person shall not combine the roles of a company secretary and chief executive officer.

Duties of a company secretary

13. In addition to other duties, a company secretary shall provide—

(*a*) the board with detailed guidance on how to discharge their responsibilities in the best interest of the institution and in compliance with laws, internal rules, and the Registrar's directives; and

(*b*) a central source of guidance and advice to the board and within the company on matters of ethics and good governance.

PART IV—BOARD AND MANAGEMENT COMMITTEES

Board and management committees

14. Every institution shall have board and management committees which shall include—

(*a*) at board level—

(i) an audit committee;

(ii) a risk management committee;

(iii) a nomination committee; and

(iv) a credit committee; and

(*b*) at management level—

(i) an asset and liability management committee;

(ii) a risk management committee; and

(ii) a credit committee.

Audit committee

15.—(1) The Audit committee shall—

(*a*) assist the board by providing an objective non–executive review of the effectiveness of the financial reporting and risk management framework of the institution;

(*b*) have sufficient powers to enable it to obtain information necessary for the performance of its functions;

(*c*) have a minimum of three (3) members and all of them, including the chairperson, shall be independent directors;

(*d*) ensure adequacy and independence of the internal and external audit functions;

(*e*) regularly review—

(*i*) internal and external audit as well as risk management framework to ensure that they cover all material risks and financial reporting requirements of the institution; and

(ii) findings of audits and ensure that issues raised are managed and rectified appropriately and promptly;

(*f*) establish and maintain policies and procedures for the employees of the institution to submit confidential information to it about accounting, internal control, compliance, audit and other matters with which the employees have concerns;

(*g*) have a process for ensuring that employees are aware of the established policies and procedures for dealing with matters raised by employees under the policies; and

(*h*) invite an appointed external auditor of an institution to meetings of the committee.

(2) An audit committee shall have a charter stipulating that the oversight responsibilities of the committee shall include—

(*a*) statutory reporting requirements;

(*b*) financial reporting requirements;

(*c*) professional accounting requirements;

(*d*) internal and external audit;

(*e*) appointment and dismissal of an internal auditor;

(*f*) remuneration and performance assessment of an internal auditor; and

(*g*) appointment of an external auditor.

(3) person who is holding the position of chairperson of the board or holding the position of chief executive officer of an institution shall not be a member of the audit committee.

Asset and liability management committee

16.—(1) An institution shall have an asset and liability management committee comprising a minimum of three (3) members of management, including the head of finance.

(2) The asset and liability management committee shall—

(*a*) manage the institution's assets and liabilities in a manner that ensures that the investment activities of the institution and asset position are appropriate for the liabilities and risk profile of the institution;

(b) have a written charter approved by the board;

(*c*) be responsible for the following—

(i) assessing the risk or reward structure of the institution;

(ii) designing and implementing asset liability management strategies to modify risk;

(iii) quantifying levels of risk exposure;

(iv) monitoring risk exposure and revising asset and liability management strategies as appropriate; and

(v) proposing risk tolerance limits for board approval; and

(*d*) furnish a report to the board on the asset and liability management performance of the institution on a quarterly basis.

Nomination committee

17.—(1) The nomination committee shall have terms of reference, explaining the committee's role and authority which the board may delegate to the committee.

(2) The nomination committee shall, in addition to its terms of reference—

(*a*) consult the chairman of the board or the chief executive officer of the institution about its proposals relating to the remuneration of other executive directors; and

(*b*) recommend and monitor the level and structure of remuneration for senior management.

(3) The nomination committee may—

(*a*) appoint consultants to set the remuneration of executive directors of the institution; or

(*b*) delegate responsibility for proposing remuneration packages for executive directors of the institution and the chairperson of the board including pension rights and compensation payments.

(4) Where a remuneration consultant is appointed pursuant to subparagraph (3)(*a*), the institution shall make a statement to the Registrar on whether the consultant has any connection with the institution.

(5) The nomination committee shall—

(*a*) have a clear policy for proposing remuneration packages for executive and non-executive directors of institution at levels that are fair and reasonable in a competitive market for the skills, knowledge, experience, nature and size of the institution;

(*b*) ensure that levels of remuneration for non-executive directors reflect the time, commitment and their responsibilities; and

(*c*) ensure that remuneration for non-executive directors does not include share options or other performance related elements.

Other committees

18. In addition to the Committees prescribed in this Part, an institution may set up other committees of the board or management, as it deems fit.

PART V—FINANCIAL REPORTING AND AUDITS

Internal Audit

19.—(1) An institution shall have an independent and adequately resourced internal audit function.

(2) An institution shall have an internal audit charter which shall include, among other issues, the following—

(*a*) an internal audit's role and responsibility for governance, risk management, consulting services, and fraud investigations;

(*b*) the right for a chief internal auditor to have unrestricted access to the audit committee chairperson, employees, facilities and records of the institution;

(*c*) reporting requirement which shall be direct to the board or its audit committee in order to ensure independence from management; and

(*d*) authorisation of the chief internal auditor to attend audit committee meetings and meet the audit committee, at least once a year.

(3) Where an institution is not in a position to have a dedicated internal audit function, the Registrar may approve alternative arrangements.

(4) An institution shall put in place robust internal audit procedures, with appropriate reporting lines to the board and with oversight by the audit committee of the board.

(5) An internal audit function of an institution shall develop an annual work plan which shall include for each assignment the scope, objectives, timing and resources.

(6) The work plan must be approved by the audit committee.

(7) The board shall ensure that management has follow up mechanisms to ensure that—

(*a*) recommendations made in internal audit reports are dealt with in a timely manner; and

(*b*) corrective actions have been taken on deficiencies noted in the audit.

(8) An internal auditor of an institution shall not assume other operational responsibilities.

External auditor

20.—(1) The board shall—

(*a*) ensure that the shareholders of an institution appoint an external auditor annually in accordance with the requirements of the Act and this Directive;

(*b*) advise the external auditor to use this Directive in conjunction with provisions of sections 57, 58 and 59 of the Act;

(*c*) ensure that financial statements are prepared in accordance with international financial reporting standards;

(*d*) ensure rotation of the lead audit partner for the institution every five (5) years;

(*e*) facilitate full and frank dialogue among its audit committee, external auditors, and management;

(*f*) include in the annual report the amount of fees paid to the external auditors by the institution and its affiliates and clearly distinguish audit and non-audit fees; and

(*g*) explain in the annual report all non-audit work undertaken, if any, and why this did not compromise auditor independence.

(2) An appointment of an external auditor to an institution shall not take effect unless the institution obtains written approval from the Registrar in accordance with section 56 (1) of the Act.

(3) An auditing firm that provides auditing services may be engaged to provide other non-audit work subject to prior approval by the audit committee.

Financial reporting

21.—(1) An institution shall prepare financial statements, on individual basis and, where applicable, on group basis.

(2) The board shall ensure that the external auditor of the institution has audited the financial statements prepared under subparagraph (1).

(3) Management of an institution shall require that the audited financial statements under this paragraph, together with an external auditor's report be exhibited at a conspicuous place in all business places of the institution.

PART VII—REPORTING REQUIREMENTS

Ethics

22.—(1) An institution shall—

(*a*) conduct business on the principles of utmost good faith and sound microfinance principles;

(*b*) promote and observe the customary practices relating to microfinance; and

(*c*) engage stakeholders in determining standards of ethical behaviour of the institution.

(2) An institution shall demonstrate commitment to organisational integrity by codifying and publishing standards of ethical behaviour in a code of ethics by—

(*a*) availing a copy of the code of ethics to the Registrar and any amendments thereto;

(*b*) articulating acceptable behaviour in the code of ethics of the institution; and

(*c*) disallowing unacceptable behaviour that may result in the institution engaging in illegal activity such as money laundering, fraud, bribery or corruption.

(3) A code of ethics shall—

(*a*) bind all directors, senior management, employees, officers and agents of the institution;

(*b*) ensure that the institution complies with relevant laws, regulations and directives of the Registrar;

(*c*) create systems and procedures to introduce, monitor and enforce the code of ethics;

(*d*) assign high level individuals to oversee compliance with the code of ethics;

(*e*) assess the integrity of new appointees in selection and promotion procedures;

(*f*) exercise due care in delegating discretionary authority;

(*g*) communicate with, and train, all employees regarding enterprise values, standards and compliance procedures;

(*h*) provide, monitor and audit safe systems for reporting of unethical or risky behaviour;

(*i*) enforce appropriate discipline with consistency; and

(*j*) respond to offences and prevent re-occurrence of the offences.

(4) The board shall ensure that senior management implements policies that prohibit or appropriately limit activities and relationships that diminish the quality of corporate governance, including—

(*a*) lending to directors and employees or officers from affiliated companies at non-arms length basis;

(*b*) providing preferential treatment to insiders;

(*c*) improper use of property or information;

(*d*) unfair dealing with clients, employees, suppliers, competitors and other stakeholders;

(*e*) allowing the delinquency of loans to board members; and

(*f*) permitting directors with an interest in a transaction to which the institution is an actual or potential party to vote on those transactions.

General requirements

23.—(1) The institution shall have procedures for assessing, at least annually, the performance of the board, board committees and individual directors.

(2) An institution shall train directors on various aspects of microfinance business and critical processes particular to that institution.

(3) The institution shall have a formal policy on board appointments which shall include—

(*a*) details of how the board members will update themselves with knowledge, skills and expertise relevant to doing business of the institution; and

(*b*) consideration of whether directors have served on the board for a period which may materially interfere with their ability to act in the bestinterests of the institution.

(4) The audit committee, and any other committee established by the board shall meet at least two (2) times a year and shall keep minutes of all proceedings.

(5) An institution shall have in place a succession plan for its chief executive officer.

(6) A corporate governance framework of an institution shall have—

(*a*) adequate provisions to allow for whistle-blowing if a person believes that untoward activity is taking place within the institution; and

(*b*) a policy providing that a person, acting in good faith, cannot be discriminated against for providing information to its committees, or the Registrar.

(7) A prospective, current, or former officer, employee or contractor of an institution shall not be constrained by confidentiality clauses or otherwise from—

(*a*) disclosing information to the Registrar;

(*b*) discussing issues of relevance to the management and supervision of the institution with the Registrar;

(*c*) providing documents under the control of the employee to the Registrar; and

(*d*) providing information to auditors and other persons who have statutory responsibilities in relation to the institution.

(8) An institution shall ensure that its internal policies and contractual arrangements do not restrict or discourage auditors or other parties from communicating with the Registrar.

PART VII—ENFORCEMENT

Monetary penaltie

24.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

(*a*) for an institution up to fifty million Kwacha (K50,000,000); and

(*b*) for natural persons who are members of the board of directors or management, up to ten million Kwacha(K10,000,000).

(2) An institution or natural person shall pay the penalty in subparagraph (1) through a bank certified cheque payable to the Reserve Bank of Malawi within ten (10) working days of being notified of the violation.

25. In addition to the monetary penalty imposed in paragraph 24 (1), the Registrar may impose directions and administrative penalties as provided for under the Act and the Microfinance Act, 2010.

Other penalties

Act No. 21 of 2010

SCHEDULE

MINIMUM QUALIFICATIONS FOR SENIOR MANAGEMENT OF AN INSTITUTION

	Academic Qualification	*Experience*
Chief Executive Officer	Master's Degree in Accounting, Administration, Economics, Finance, Banking or Microfinance	3 years experience at senior level in a financial institution
	Bachelors' Degree in Accounting, Administration, Economics, Finance, Banking or Microfinance	5 years experience at senior level in a financial institution
	Diploma in Accounting, Administration, Finance, Banking or Microfinance	10 years experience at middle level in a financial institution
Chief Financial Officer	Master's Degree	2 years experience at middle level in a financial institution
	Bachelor's Degree in Accounting, Finance or Administration and professional qualification i.e ACCA or CFA	5 years experience in the accounting profession
	Diploma in Accounting, Finance or PAEC	6 years experience in the accounting profession
Chief Operations Officer	Master's Degree	2 years experience at middle level in a financial institution
	Bachelor's Degree in Administration, Economics	3 years experience at middle level in a financial institution
	Diploma in Accounting, Administration, Banking or Microfinance	6 years experience at middle level in a financial institution

SECOND SCHEDULE (para II (4) (*c*))

FIT AND PROPER QUESTIONNAIRE

This form shall be submitted to the Registrar of Financial institutions and the information listed below shall be submitted in the order requested. The information requested in this fit and proper questionnaire is required of all persons proposed to be Directors and Senior Management officials of Deposit Taking Microfinance Institutions.

1. Name of Director/Officer:.....
2. Proposed Position in the Microfinance Institution:.....
3. Postal address:.....
4. Physical address:.....

.....

5. Highest academic qualifications:.....
6. Amount, type and percentage of shareholding, if any, in the Microfinance Institution.

Name	*Type of Shareholding*	*Amount of Shareholding*	*Percentage of Shareholding*

7. Share- holding in other companies

Company's name	*Date of incorporation*	*Amount of shareholding*	*Percentage of Shareholding*	*Past Shareholding*		*Remarks*
				A	*B*	

A. Refers to date of closure or surrender of shares

B. Refers to reasons for closure or surrender

8. Employment/Business record (Please include positions you are holding, or may have held as a director, shareholder or senior management official at any financial institu tion anywhere in the world)

Name of Director or Officer	*Name of Employer*	*Positions held and dates*	*Responsibilities (where applicable)*	*Reasons for Leaving*

9 Provide a name (or names) of your bankers for the last five (5) years.

.....

.....

.....

.....

10. Are you an accredited member of any professional body in Malawi such as Institute of Chartered Accountants in Malawi (ICAM), Institute of Internal Auditors (IIA) Economics Association of Malawi (ECAMA) or Malawi Law Society (MLS)?

.....

If yes, give particulars.....

.....

.....

.....

11. Have you or any entity with which you are associated with as Director, Shareholder or Manager or 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 had been issued, or any authorisation revoked, give particulars.....

.....

.....

12. Has the applicant:

a. been found liable in any criminal or civil proceedings involving findings of fraud or other dishonesty, or violence, misrepresentation, breach of contract, breach of fiduciary duty or professional negligence given against him or her, or are there any proceedings now pending that may lead to such a judgment or finding?

.....

If yes, give particulars.....

.....

b. had any body corporate, partnership, or unincorporated institution with which the person was associated as a controlling party shareholder, director, executive officer or senior management official, in Malawi or elsewhere, been wound-up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors, or ceased trading either while the person was associated with it or within one year after the person ceased to be associated with it or has anything analogous to any of these events occurred under the laws of any other jurisdiction?

.....

If yes, give particulars.....

.....

c. contravened any written law designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts?

.....

If yes, give particulars.....

.....

d. ever failed to satisfy, within one year, a judgment debt under a court order in Malawi or elsewhere?

.....

If yes, give particulars.....

.....

e. ever been adjudged bankrupt by a court in Malawi or else where? Has a bank ruptcy petition ever been served on the person? Has the person made any compromise arrangement or otherwise failed to satisfy creditors in full?

.....

If yes, give particulars.....

.....

f. ever been censured, prosecuted, warned as to conduct, disciplined, disqualified or suspended from practicing a profession, removed from office, publicly criticized, or made subject to a court order at the instigation of any governmental body appointed under any enactment, by a professional organization, or the substantial equivalent thereof in Malawi or elsewhere?

.....

If yes, give particulars.....

.....

13. Indicate the names, addresses, telephone numbers and positions of at least 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 must have known you for at least three years.

.....

.....

.....

.....

.....

14. Please attach a detailed copy of the applicants Curriculum Vitae and copies of certificates, duly certified.

15. Please attach copies of any employment contracts.

16. Attach a copy of an official resolution of the board, authorizing the appointment notice of the individual to the institution.

17. Please attach a copy of certified minutes of the board demonstrating that they have thoroughly evaluated the proposed executive officer according to the "Fit and Proper" requirements of the Registrar of Financial Institutions and deem the applicant to be "fit and proper".

Made this 21st day of July, 2014.

(FILE NO. ST/2/120)

C. S. R. CHUKA
Registrar of Financial Institutions