

# **NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY**

## **(NON-BANK LENDERS ACT, 2020)**

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**An Act to regulate the carrying on of non-bank lending business in Botswana; to establish an effective and consistent legal framework relating to non-bank lending; to promote responsible borrowing and lending; and to provide for incidental matters.**

***Date of Assent:***

***Date of Commencement:***

***ENACTED by the Parliament of Botswana***

## **PART I- PRELIMINARY**

### **1. Short title and commencement**

This Act may be cited as the Non-Bank Lenders Act, 2020, and shall come into operation on such a day as the Minister may, by Order published in the Gazette, appoint.

### **2. Interpretation**

(1) In this Act, unless the context otherwise requires-

"**Authorised Address**" means the address at which a non-bank lender is authorised by the Regulatory Authority to carry on a business as a non-bank lender.

"**Authorised Name**" mean the name under which a non-bank lender is authorised by a licence or certificate granted under this Act to carry on business as a non-bank lender.

"**Beneficial owner**" has the meaning assigned to it in the Financial Intelligence Act.

"**Borrower**" means a person to whom a non-bank lender makes a loan or provides a credit facility, and includes a person to whom such a borrower's rights and liabilities have passed, whether by assignment, delegation, cession or otherwise.

"**Branch office**" means an institution's place of business, used for the provision of non-bank lending business and directly responsible to the head office of the institution for the conduct of business, and which is situated at a permanent location and address or any establishment carrying out part of or similar functions.

"**Controller**" has the meaning assigned to it under the NBFIRA Act.

"**Credit Agreement**" means an agreement, acknowledgement of debt or any other lending instrument concluded between a non-bank lender and a borrower.

"**Deposit-taking**"- means the business activity of accepting money, whether made up of Botswana or foreign currency or both, cheques or other negotiable or non-negotiable instruments, which a

non-bank lender accepts for credit to an account in its books or those of another non-bank lender, but does not include money paid as

- (i) security for performing a contract
- (ii) an advance or part payment under a contract for the sale, hire or other provision of property or services, where the sum is repayable only if the property or service is not sold, hired or otherwise provided;

**“Fit and Proper Person Rules for Controllers”** means the Fit and Proper Person Rules for Controllers.

**“Fit and Proper Person”** has the meaning assigned to it in the NBFIRA Fit and Proper Rules for Controllers.

**“Interest rate”** means the percentage rate of interest at which money is borrowed inclusive of all charges, except insurance premiums levied on the loan, and shall be expressed in terms of simple interest only is calculated as  $R = I/Pt$ , where I is the total interest paid for the borrowing, P is the principal amount of the borrowing and t is the period of time the loan is outstanding.

**“Key person”** has the meaning assigned to it under the NBFIRA Act.

**“Minister”** means the Minister responsible for Finance;

**“Non-Bank Lender”** means anybody corporate which carries on, or which advertises or announces itself or holds itself or out in any way as carrying on any of the following:

- (a) Micro lending business
- (b) Pawnshop business
- (c) Finance business
- (d) Leasing business

**“Non-Bank Lending Agent”** means a person who solicits applications for non-bank lending for a non-bank lender.

**“Non-Bank Lending Broker”** means a person who offers services as an intermediary, otherwise than as an agent of the non-bank lender.

**“Principal Amount”** means the original amount advanced to a borrower, excluding any charges.

**“Principal officer”** means a natural person appointed as such under section 24.

**“Supervisory Levies and Licensing Fees Regulations”** means the Supervisory Levies and Licensing Fees Regulations as published by the Regulatory Authority from time to time.

**“The Credit Information Act”** means the Credit Information Act.

**“The NBFIRA Act”** means the Non-Bank Financial Institutions Regulatory Authority Act.

**“The Regulations”** means the Regulations for finance companies, micro lenders, leasing companies, pawnshops and any other persons declared by the Minister to be a non-bank lender.

**“The Regulatory Authority”** means the Non-Bank Financial Institutions Regulatory Authority.

**“This Act”** means the Non-Bank Lenders Act, and includes -

- (a) the Regulations made by the Regulatory Authority under this Act;
- (b) Government notices issued by the Minister under this Act; and
- (c) the Standards issued by the Regulatory Authority under this Act.

**“Total cost of credit”** means, total cost of credit, in any loan agreement, being the difference between the aggregate of all repayments to be made and the principal amount excluding insurance premiums levied on the loan.

### **3. Objectives of Act**

The objectives of this Act are to -

- (1) foster –
  - (a) the highest standards of business conduct by non-bank lenders;
  - (b) fairness, efficiency, transparency and orderliness of the non-bank lending industry;
  - (c) the protection of borrowers and the promotion of responsible borrowing and lending;
  - (d) the promotion of public awareness and understanding of the non-bank lending industry; and
  - (e) the reduction and deterrence of financial crime;

- (2) regulate and supervise the non-bank lenders as provided for in this Act; and
- (3) ensure that non-bank lenders comply with the relevant provisions of the financial services laws.

## **PART II-LICENSING REQUIREMENTS**

### **4. Prohibition to conduct unlicensed business of Non-Bank Lending**

- (1) No person shall carry out a business as a non-bank lender without a licence issued by the Regulatory Authority.
- (2) Any person who contravenes the provisions of subsection (1) commits an offence and on conviction is liable to a fine not exceeding P5 000 for each day on which the offence occurs or continues to occur or to imprisonment for a period not exceeding five (5) years, or to both.
- (3) Any credit agreement entered into with a person without a licence issued by the Regulatory Authority is unlawful in terms of this Act and therefore void and of no effect.

### **5. Application for a licence**

- (1) The Regulatory Authority may, on application made as prescribed, accompanied by such documents and statements as are prescribed and as the Regulatory Authority directs, grant a person a licence as a non-bank lender of a kind specified in the licence.
- (2) The Regulatory Authority may require an applicant for a licence to give it further information in connection with the application.
- (3) The Regulatory Authority is not bound to deal further with the application until the requirement is satisfied.
- (4) The Regulatory Authority shall not grant an application for a licence unless satisfied that the applicant-
  - (a) will carry on the activities to be covered by the licence with integrity, prudence and professional skill;

- (b) will maintain a sound financial position and not cause or promote instability in the financial system; and
  - (c) otherwise meets and will continue to meet the requirements of the financial services laws.
- (5) The Regulatory Authority may impose conditions on a licence.
- (6) A financial services law may prescribe additional criteria for granting licences.
- (7) Where the Regulatory Authority is satisfied that the applicant has –
- (a) complied with the requirements of licencing as may be applicable; and
  - (b) demonstrated the capacity to meet the obligations and compliance requirements as provided for under this Act, it shall, within 90 days of receiving the complete application and additional information requested, issue a licence to the applicant in Form 2 set out in Schedule 1 of the Regulations as may be applicable.
  - (c) An applicant shall notify the Regulatory Authority of any material change which may have occurred, whether before or after the issuance of a licences, in the information provided in the application.
- (8) A trust shall not be licenced to carry on a business as a non-bank lender under this Act.

## **6. Determination of a licence**

- (1) The Regulatory Authority may, on application made as prescribed, accompanied by such documents and statements as are prescribed and as the Regulatory Authority directs, grant a person a licence as a non-bank lender of a kind specified in the licence.
- (2) The Regulatory Authority is not bound to deal further with the application until the requirements of subsection (1) are satisfied.
- (3) The Regulatory Authority shall not grant an application for a licence unless satisfied that-
- (a) The licensing criteria set out for the activity for the granting of the licence are met
  - (b) The applicant will carry on the activities to be covered by the licence with integrity, prudence and professional skill;
  - (c) The applicant will maintain a sound financial position and not cause or promote instability in the financial system;
  - (d) The applicant will take reasonable steps to ensure transparency and fair treatment of clients and mitigate consumer risks.
  - (e) licensing of the activity would not be contrary to this Act or public interest and

- (f) the applicant otherwise meets and will continue to meet the requirements of the financial services laws.
- (4) A person issued with a licence under subsection (1) shall, at all times, continue to satisfy the requirements specified in the subsection (1) after the granting of the licence.
- (5) For the purposes of the objects of this Act, the Regulatory Authority may impose such conditions on a licence as it may determine
- (6) A financial services law may prescribe additional criteria for granting licences.
- (7) The Regulatory Authority shall, within 90 days from the date of receipt of a complete application, and all documentation and information in support of the application, consider the application and notify the applicant in writing of its decision.

## **7. Rejection of a licence application**

Where the Regulatory Authority rejects the application, it shall, in writing provide the applicant with an explanation of the grounds upon which the rejection is based.

## **8. Appeal against rejection of a licence application**

- (1) Any person aggrieved by the decision of the Regulatory Authority not to grant a licence under this Act, may appeal against the decision in accordance with the Tribunal constituted under the NBFIRA Act.
- (2) An applicant whose application has been rejected may re-apply, if the deficiencies that formed the basis for rejection of the application have been corrected or otherwise addressed.
- (3) Where the licence application of a non-bank lender is rejected, the non-bank lender may re-apply for a licence as per subsection (2), which re-application shall be treated as a new application for a licence.

## **9. Exemptions**

The Regulatory Authority may, in the public interest, grant an exemption to any institution from all or any of the provisions of this Act subject to such terms and conditions as the Regulatory Authority may deem fit.

## **10. Validity of a licence**

A licence issued under this Act shall remain valid for such period as shall be stipulated in the licence.

## **11. Conditions of a licence**

- (1) A licence may be issued subject to such terms and conditions as the Regulatory Authority may impose in accordance with the Act and Regulations.
- (2) The Regulatory Authority reserves the right to exempt a non-bank lender of any part of this Act in view of its size, complexity and the risk it poses.
- (3) The Regulatory Authority, prior to licensing, may require a person to change its proposed name (or a translation, shortened form or derivative thereof), if proposed name is unacceptable because it;
  - (a) is identical to that of another financial institution;
  - (b) closely resembles that of another financial institution that the one is likely to be mistaken for the other;
  - (c) is identical to or closely resembles that under which another financial institution was previously licensed, and reasonable grounds exist for objection to its use;
  - (d) is misleading; or
  - (e) is undesirable.
- (4) A licensee may not change its name or any shortened form or derivative of the name of the license that is used in conducting business without the approval of the Authority.
- (5) In the determination of a licence the Regulatory Authority reserves the right to independently seek further information on the basis of the submitted application.
- (6) The Regulatory Authority may, on application by non-bank lender or on its own initiative, entity from the application of this Act, or part, provision or requirement of this Act:
  - (i) Where application of the Act or a part, provision or requirement thereof is not proportionate to the nature, size, scale or complexity of

the risks or business of the Non- Bank Lender or activity or type of persons conducting the activity

- (ii) Where practicalities impeded the application of a part, provision or requirement of the Act,
- (iii) Where any existing Act of Parliament also regulates an activity;
- (iv) For development, financial inclusion and transformation objectives in order to facilitate the progressive or incremental compliance with this Act by a financial institution
- (v) In order to provide scope for innovation, the development and investment in innovative technologies, practice, and practices; or
- (vi) Is in the public interest.

## **12. Renewal of a licence of a non-bank lender**

- (1) Every non-bank lender shall, three (3) months prior to its licence expiring, apply to the Regulatory Authority in such form as may be prescribed to renew such licence for a further period as the Regulatory Authority determines.
- (2) Where a non-bank lender does not renew its licence without the prescribed period, it shall pay, to the Regulatory Authority, a penalty of P250 per day during the period it does not renew its licence.
- (3) Where a non-bank lender does not renew its licence within the prescribed three (3) months, the Regulatory Authority shall cancel that licence upon its expiry.
- (4) Where a non-bank lender does not wish to renew its licence, it shall inform the Regulatory Authority, in writing, before the expiry of the licence.
- (5) Where notification in terms of subsection (4) above is made by a non-bank lender, the non-bank lender shall not be subjected to a renewal penalty as per subsection (2) above.
- (6) Where the licence of a non-bank lender is cancelled, the non-bank lender shall re-apply for a licence, which re-application shall be treated as a new application for a licence.
- (7) Where a non-bank lender fails to notify the Regulatory Authority that it does not wish to renew its licence, upon re-application, a new licence may only be granted on payment of the late renewal penalty.

### **13. Requirement to be a fit-and-proper person**

(1) A controller of a non-bank lender to be licensed under this Act shall demonstrate, at time of application and when requested to do so, that he or she, individually or collectively with other controllers of the non-bank lender –

(a) is in a position to perform his or her tasks with integrity, prudence and professional skill; and

(b) for purposes of the licence applied for, has sufficient business knowledge and experience.

(2) No natural person shall be a controller or key person of a non-bank lender if that person–

(i) is an un-rehabilitated insolvent in any country;

(ii) is under the age of 18 years;

(iii) has been declared mentally unfit by a competent court in any country;

(iv) has been removed from an office of trust on account of misconduct relating to fraud or misappropriation of money in any country;

(v) has been a director or member of a governing body of an entity at the time that such an entity was involuntarily deregistered in terms of any law; or

(vi) has been convicted during the previous ten years, in

(vii) Botswana or in any country, for –

(i) dishonesty or any other crime of a serious nature; or

(ii) an offence in terms of the Act.

(3) Where a natural person who subsequent to being approved as a controller of a non-bank lender, becomes disqualified in terms of subsection (1) above, the non-bank lender and the said person shall notify the Regulatory Authority immediately and in any event no later than seven (7) days from the disqualification.

(4) Where the non-bank lender and the natural person fail to notify the Regulatory Authority of the disqualification, they shall each be liable to a civil penalty;

(a) for a natural person, a penalty not exceeding P10 000 to be imposed by the Regulatory Authority;

(b) for the non-bank lender, a penalty not exceeding P50 000 to be imposed by the Regulatory Authority.

(5) A non-bank lender shall not be licensed if any natural person, who would be disqualified

in terms of subsection (2), is a controller, manager, principal officer or other senior officers of the non-bank lender, either alone or in conjunction with others.

- (6) Natural person who, after the non-bank lender is licensed, becomes disqualified in terms of section (2) shall notify the licensed non-bank lender and the Regulatory Authority immediately and if he or she fails to do so, shall be liable to a civil penalty not exceeding P10 000 to be imposed by the Regulatory Authority.
- (7) Where a natural person becomes disqualified in terms of subsection (2) after being licensed as a non-bank lender, the Regulatory Authority may –
  - (a) request the natural person to dispose of his or her interest in the non-bank lender; or
  - (b) after considering the circumstances and the nature of the disqualification, impose conditions regarding the continuation of the licence.
- (8) All controllers and key persons of the non-bank lender shall demonstrate, at the time of application and whenever requested to do so, that they satisfy the requirements of the fit-and-proper tests as prescribed by the Regulatory Authority from time to time.

#### **14. Maintenance of a register by the Regulatory Authority**

- (1) The Regulatory Authority shall keep in a form and manner as it may determine a register of licenced non-bank lenders which shall be made available for public inspection in such manner as it may determine.
- (2) The register shall contain –
  - (a) The name of the licenced non-bank lender;
  - (b) The business address of the entity;
  - (c) The type and category of licence;
  - (d) The date the license was granted;
  - (e) The names and business address of any agents or representatives of the licence, if any; and
- (4) The Regulatory Authority may make appropriate annotations in the register with respect to license suspended or revoked.

#### **15. Opening of a Branch Office**

- (1) A non-bank lender may apply to the Regulatory Authority for an approval to open a branch office in Form 3 as set out in Schedule 1 of the Regulations, and such application shall be accompanied by an Application fee as prescribed by the Regulatory Authority.
- (2) Where the Regulatory Authority is satisfied that the applicant has:
  - (a) complied with the requirements of subsection (1) as may be applicable; and
  - (b) demonstrated the capacity to meet the obligations and compliance requirements as provided for under this Act, it shall, upon receiving the complete application and additional information requested, issue a branch office certificate to the applicant in Form 4 set out in Schedule 1 of the Regulations as may be applicable.
- (3) No non-bank lender shall open a branch office without an approval by the Regulatory Authority.
- (4) Any non-bank lender who contravenes the provisions of subsection (1) commits an offence and on conviction is liable to a fine not exceeding P2 500 for each day on which the offence occurs or continues to occur.

## **16. Use and change of name**

- (1) Every non-bank lender must for all purposes, and in every document issued by the non-bank lender, use the name under which the non-bank lender is licenced.
- (2) A non-bank lender may not, without prior written approval from the Regulatory Authority -
  - (a) change the name under which the non-bank lender is licenced;
  - (b) use or refer to itself by a name other than the name under which the non-bank lender is licenced; or
  - (c) use or refer to itself by a shortened form or derivative of the name under which the non-bank lender is not licenced.
- (3) the name of the non-bank lender, the translation of the name, the shortened form or derivative of that name will not be irrelevant to the nature of business of the non-bank lender, will not be offensive to the community it will serve, or is not similar to, or may be confused with, the name of any business conducted in terms of any existing licence;

- (4) A request for approval of a change of name, use of another name or use of a shortened form or derivative of a name in terms of subsection (2) must be made to the Regulatory Authority in the form and manner and be accompanied by such documents as required by the Regulatory Authority.
- (5) On receipt of an application referred to in subsection (2), and if the Regulatory Authority is satisfied that the proposed name does not contravene the requirements of subsection (3), and that the applicant is in compliance with the provisions of any other law applicable to a change of name, the Regulatory Authority must register the applicant under its new name and issue to such applicant a new licence under that name.
- (6) A non-bank lender who contravenes subsections (1), (2) or (3) commits an offence and is liable on conviction to a fine not exceeding P50, 000.

#### **17. Conducting of business as authorised**

- (1) A non-bank lender shall not conduct its business under a name not authorised by the Regulatory Authority;
- (2) A non-bank lender shall conduct its business at the premises authorised by the Regulatory Authority.
- (3) A person shall not change the address of its business premises without the prior written approval of the Regulatory Authority.
- (4) The bank accounts of the business as a regulated entity shall not be combined with those of other business interests.
- (5) The business premises of the non-bank lender must be clearly demarcated from other business interests of the non-bank lender, and their adequacy for running the operation must receive the prior approval of the Regulatory Authority.

#### **18. Restriction on transfer of a licence**

- (1) A licence shall not be transferred, assigned or encumbered in any way unless authorised by the Regulatory Authority.
- (2) A licence may only be transferred in the event of an amalgamation or similar corporate restructuring transaction on such terms and conditions as the Regulatory Authority may approve.

(3) A person shall not operate or manage a non-bank lender on behalf of another person without the prior written approval of the Regulatory Authority.

Any person who contravenes subsections (1) and (3) commits an offence and shall be liable to a fine not exceeding P10 000.

## **19. Revocation of a Licence**

- (1) The Regulatory Authority may revoke a licence if;
  - (a) it appears to the Regularity Authority that the information provided in the application for the licence is fraudulent or contains a materially false statement; or
  - (b) the licensee has failed, within a period of twelve months from the date of issuance of the licence, to commence business under the licence; or
  - (c) the licensee is seriously or persistently in breach of any provision of this Act;
  - (d) the licensee has failed to comply with any condition of its licence or with any directive of the Regulatory Authority; or
  - (e) the licensee has ceased to conduct the business authorised by its licence.
- (2) Where a licence is revoked, the licensee shall surrender to the Regulatory Authority a copy of the licence on display in every place of business of the licence publish a notice of the revocation.
- (3) The Regulatory Authority may take such additional steps as it considers necessary to inform the public of the revocation.
- (4) A person whose licence is revoked shall not continue to operate as a non-bank lender or conduct any non-bank lending business.
- (5) Any person who contravenes subsection (5) commits an offence and shall be liable, upon conviction, to a fine not exceeding P5 000 for each day on which the offence occurs or continues to occur or imprisonment not exceeding five (5) years, or both.
- (6) The revocation of a licence shall not relieve the licensee of any obligation incurred or assumed by the licensee during the period of validity of the licence

## **20. Variation, suspension or cancellation of licence on request**

- (1) The Regulatory Authority may, on written request by a licensed non-bank lender, by notice to the non-bank lender-
  - (a) vary the conditions of the non-bank lender 's licence (including by imposing additional conditions);
  - (b) suspend the non-bank lender 's licence for the period specified in the notice; or
  - (c) cancel the non-bank lender 's licence.

## **21. Variation, suspension and cancellation of licence by the Regulatory Authority**

- (1) This section applies if it appears to the Regulatory Authority that a licensed non-bank lender-
  - (a) is not carrying on, or is likely not to carry on, the business for which it is licensed with integrity, prudence and professional skill;
  - (b) has failed to demonstrate fairness, efficiency, transparency and orderliness in its business operations;
  - (c) practices reckless lending as prescribed in section 58;
  - (d) is in an unsound financial position or is likely to become in an unsound financial position;
  - (e) is causing or promoting instability in the financial system, or is likely to do so;
  - (f) is not complying or is likely not comply with a financial services law;
  - (g) is or is likely to be involved in financial crime;
  - (h) has failed to submit statutory reports as required under section 61; or
  - (i) has failed to pay a civil penalty imposed by the Regulatory Authority under this Act.
- (2) If this section applies, the Regulatory Authority may, by notice to the licensed non-bank lender-
  - (a) vary the non-bank lender's licence-
    - (i) restricting the activities that can be carried on in terms of the licence; or
    - (ii) including further conditions on the licence;
  - (b) suspend the non-bank lender's licence for the period specified in the notice; or
  - (c) cancel the institution's licence.

- (3) A financial services law may prescribe additional criteria for variation, cancellation or suspension of licences.
- (4) The Regulatory Authority shall not act in terms of subsection (2) in relation to a licensed non-bank lender unless-
- (a) the Regulatory Authority has given the non-bank lender a written notice of the proposed action, setting out the reasons for the proposed action and stating that the non-bank lender has a specified period (at least 21 days) to make representations to the Regulatory Authority about the matter; and
  - (b) the Regulatory Authority has taken into account any representations made by or for the non-bank lender within that period.
- (5) The Regulatory Authority may suspend the licence of a licensed non-bank lender without giving a notice in terms of subsection (4) if satisfied on reasonable grounds that it is necessary to do so to prevent or mitigate damage to the interests of the non-bank lender, clients of the non-bank lender or the financial system, but the Regulatory Authority shall-
- (a) give the non-bank lender the notice as soon as practicable;
  - (b) give the non-bank lender the opportunity mentioned in subsection (4) (a); and
  - (c) having considered any representations made by or for the non-bank lender, determine whether the suspension should be confirmed.

## **PART III- GOVERNANCE**

### **22. Non-Bank Lending incorporation**

All non-bank lending operations in the Republic of Botswana shall be carried out by locally registered body corporates.

### **23. Ownership and control of non-bank lender**

- (1) Multinationals and citizen-controlled companies satisfying the requirements of section 22 shall be eligible for application of a licence.
- (2) No Trusts can directly or indirectly own shares in a non-bank lender.

(3) The Regulatory Authority may restrict the ownership of shares as may be prescribed.

#### **24. Board of directors**

- (1) Where relevant, a non-bank lender shall have a board of directors, the majority of whom shall be permanent residents in Botswana.
- (2) Members of a board of directors should be capable of demonstrating an understanding of the non-bank lender's financial position and reporting requirement.

#### **25. Management of non-bank lender**

- (1) The management of a non-bank lender shall include the principal officer and any other person equivalent to the chief executive officer;
- (2) The positions referred to in subsection (1) shall have at least two (2) key persons who are approved by the Authority as being responsible for the conduct of the business and who must have skills, experience and qualifications necessary to control the business undertaken by the non-bank lender.

#### **26. Principal Officer**

A person seeking to be a principal officer shall be appointed in accordance with the requirements of the Regulations and NBFIRA Fit and Proper Rules.

#### **27. Approval of Key Persons, Controllers and Beneficial owners**

- (1) A non-bank lender shall not without the prior written approval of the Regulatory Authority make any changes regarding its controllers and key persons.
- (2) Subject to subsection (2)(a) no shares, or any legal beneficial interest in a licensee shall be issued or transferred except with the approval of the Regulatory Authority.
  - (a) Subsection (1) shall not apply to a transfer of shares or legal or beneficial interest of less than twenty (20) per cent in a licensee unless such transfer results in a change in control in the licensee.
  - (b) Where there is a transfer of shares or legal or beneficial interest of less than twenty (20) in an licensee, the licensee shall notify the Regulatory Authority of the transfer.

## **PART IV -OPERATIONAL REQUIREMENTS**

### **28. Minimum financial and capital requirements**

- (1) Every non-bank lender shall maintain in Botswana such financial and capital requirements as may be prescribed in the Regulations or Prudential Rules.
- (2) A non-bank lender, which contravenes subsection (1), shall be guilty of an offence and shall be liable to a fine not exceeding P10 000.
- (3) The Regulatory Authority may prescribe;
  - (a) the regulatory capital of a non-bank lender; and
  - (b) the conditions under which funds may be recognised and measured as capital of a non-bank lender.
- (4) A person licenced as a non-bank lender under this Act shall demonstrate to the Regulatory Authority, at all times, that the non-bank lender is financially solvent.
- (5) The Regulatory Authority may declare a non-bank lender that has failed to maintain a minimum financial or capital balance as prescribed by the Regulatory Authority or to demonstrate its state of solvency as provided in subsections (3) and (4) to be in an unsound financial position and may review the non-bank lender to determine whether it qualifies to continue to be licensed as a non-bank lender under this Act.
- (6) Where the Regulatory Authority, after reviewing a non-bank lender, is of the view that the non-bank lender is in an unsound financial position, it may suspend the non-bank lender's licence for the period specified in the written notice given to the non-bank lender by the Regulatory Authority.
- (7) A non-bank lender that is operating at the date of the coming into effect of this Act that does not meet the minimum capital requirements shall be required to build up its capital to the prescribed level not later than 6 months from the coming into force of this Act.

### **29. Procedure in conduct of business**

A non-bank lender shall;

- (a) ensure provision and availability of continuous service based on appropriate information technology systems, backups, skilled manpower and well-defined processes; and

- (b) engage only in bona fide transactions.

### **30. Prohibited business**

A licensed non-bank lender shall not be permitted to carry out the following business activities:

- (a) deposit-taking;
- (b) non-financial activities such as trading, construction and project management; and
- (c) other financial services other than those prescribed above, which include but are not limited to hire-purchase, insurance services, and dealing in foreign exchange.

### **31. Display of information on premises**

(1) a non-bank lender shall, at all times, display in a prominent place:

- (a) the licence in a public part of its principal place of business or its head office; and
- (b) the branch office certificate in a public part of each of its branches or offices
- (c) business name as specified in the licence
- (d) formal business hours for each day of the week
- (e) relevant contact numbers;
- (f) information sheet relating to the rights and responsibilities of the borrower as may be prescribed;
- (g) Summarized Dispute Resolution Policy Procedure, including the place and contact numbers where a complaint may be lodged; and
- (h) Additional information required by the Regulatory Authority as it may determine.

(2) A person who contravenes subsection (1) commits an offence and shall be liable, to a fine not exceeding P5 000.

### **32. Dispute resolution**

(1) A non-bank lender shall have a clear Dispute Resolution Policy and Procedure approved by the Regulatory Authority, which shall be displayed at a prominent position in each of the non-bank lender's premises.

- (2) A non-bank lender shall ensure that the names and contact details of persons responsible for dispute resolution are clearly displayed on the non-bank lender's premises.
- (3) A complainant shall submit any dispute in writing to the persons responsible for dispute resolution, and every attempt shall be made to resolve the dispute within a reasonable period of time.
- (4) A non-bank lender shall ensure that a record of the dispute is maintained, indicating the following;
  - (a) the name of the complainant
  - (b) the credit agreement number
  - (c) the date the dispute was lodged
  - (d) nature of complaint
  - (e) the outcome of the dispute indicating whether the complainant was satisfied or not.
- (5) Where a dispute is not satisfactorily resolved, the non-bank lender shall ensure that the complainant confirms this in writing, and the non-bank lender shall notify the Regulatory Authority within thirty (30) calendar days of the unresolved complaint.
- (6) The dispute recorded shall be kept for a period not less than six (6) years.

### **33. Confidentiality of Information**

- (1) No non-bank lender, any officer, employee, agent or broker of a non-bank lender or any person who, by virtue of his or her professional relationship with the non-bank lender, has access to the records of the non-bank lender, shall during or after his or her relationship with the non-bank lender, directly or indirectly disclose any information he or she may acquire in the course of his or her duties, concerning the borrower's transactions, personal information, financial or business affairs without the written and freely given consent of the borrower or his or her personal representative.
- (2) The provisions of subsection (1) shall not apply where;
  - (a) the borrower is declared bankrupt in Botswana and the information is required in bankruptcy proceedings;
  - (b) the information is required in any legal proceedings;

- (c) the information is required by an auditor or a legal representative of the non-bank lender who requires, and is entitled to know, the information in the course of his or her professional duties;
  - (d) the information is required by another non-bank lender for the purpose of assessing the creditworthiness of a borrower and is required for assessment purposes only;
  - (e) the information is required in terms of any other law; or
  - (f) it is necessary to disclose the information in the public interest as approved by the Regulatory Authority.
- (3) A loan applicant or borrower shall not sign general waivers in terms of which he or she forfeits his or her right to privacy.

#### **34. Appropriate product design and delivery channels**

- (1) A non-bank lender shall not without the prior written approval of the Regulatory Authority make any changes to its existing products and unfair channels, or make new product offerings or delivery channels.
- (2) The Regulatory Authority shall not approve requests to offer products or make changes to existing products or delivery channels, unless satisfied that the products or delivery channels are not harmful or likely to cause harm to borrowers.

#### **35. Agents, brokers and other third parties**

- (1) A non-bank lender shall assume responsibility for the behaviour of its employees, agents, brokers and other third parties interacting with its clients.
- (2) The non-bank lender must take due care that high standards of care are practiced by its agents, brokers and other third parties interacting with clients, and that procedures for recourse and dispute resolution are available to clients.
- (3) A non-bank lender shall ensure that all its employees, agents and third parties engaged in soliciting concluding and enforcing loan agreements are given adequate instructions in the requirement of this Act.
- (4) A non-bank lender shall assume responsibility for the oversight and periodic training of agents, brokers and other third parties interacting with its clients.

- (5) A non-bank lender must ensure that contractual arrangements with agents, brokers and other third parties explicitly state the terms and conditions for contract renewal, data privacy and security, complaints handling, and actions to be taken against unfair deceptive or abusive acts and practices against clients, among others.
- (6) Remuneration, compensation or consideration must not be structured in a manner that may increase the risk of unfair outcomes for financial customers.

### **36. Statement of cost of borrowing**

- (1) A non-bank lender shall at the time of providing the service, in a statement in writing, disclose to the customer concerned the cost of borrowing.
- (2) The statement referred to in subsection (1) shall be in Form 5, set out in Schedule 1 of the Regulations.

### **37. Administration and other fees**

- (1) No non-bank lender shall cause interest to accrue on administration and other fees.
- (2) Administration and other fees shall not be charged on restructured loans.

### **38. Marketing and advertising**

- (1) A non-bank lender shall not –
  - (a) issue statements or advertisements which make false, misleading or likely to mislead, deceptive or extravagant claims;
  - (b) use any harmful or misleading ways to solicit business; or
  - (c) coerce a person to apply for credit or to enter into a credit agreement or related transaction.
- (2) A non-bank lender shall at all times –
  - (a) with each advertisement or marketing material, display with reasonable prominence the following statements –
    - (i) “CAUTION! Borrowing more than you can afford to repay could lead to severe financial difficulties”;

- (ii) “[Company name] is a licensed micro-lender/finance company/leasing company/pawnshop/pawn broker/other [non-bank lender of a kind specified in the licence]. Licence no....[as specified in the licence]”; and
- (iii) Disclose the monthly total cost of credit charged to clients.

### **39. Assessment mechanisms**

- (1) A non-bank lender shall consider, on the balance of available information at the time a determination is made, including the borrower’s history of debt repayment, whether a particular borrower is or will be able to satisfy in a timely manner, all the obligations under the credit agreement to which the borrower is or would be party.
- (2) The non-bank lender shall not enter into a credit agreement with a borrower without first taking reasonable steps to assess the borrower’s general understanding and appreciation of the –
  - (a) risks and cost of the proposed credit; and
  - (b) rights and obligations of a borrower under such agreement.
- (3) A non-bank lender shall have its own credit underwriting criteria, approval documentation, evaluative mechanisms and procedures to be used in its assessment obligations, including situations under which credit will not be available.
- (4) Where the borrower is married in community of property, ensure that the borrower submits a complete consent-of-spouse form in Form 9 as set out in Schedule 1 of the Regulations.
- (5) A non-bank lender must keep a record and copy of each assessment process as well as the final outcome of the assessment for a minimum period of six (6) years.
- (6) a non-bank lender shall be considered by the Regulatory Authority as not carrying on its business with integrity, prudence and professional skill where the non-bank lender has –
  - (a) failed to conduct a proper assessment under this Act; or
  - (b) entered into a credit agreement despite the fact that based on the balance of information available and based on the evaluative mechanisms and procedures in place for the non-bank lending institution, the credit agreement should have not been entered into.
  - (c) The provisions of this section shall not apply to a credit agreement where the borrower is a juristic person.

### **40. Disclosure of salient features**

- (1) A non-bank lender shall provide a borrower prior to signing of the credit agreement, a copy of the credit agreement containing the following salient features:
  - (a) the principal amount;
  - (b) the total amount repayable over the repayment period;
  - (c) the total cost of credit;
  - (d) the repayment period;
  - (e) the number of instalments and the amount of each instalment;
  - (f) the total monthly cost of credit rate;
  - (g) a statement providing details of whether the interest rate element of the total monthly cost of credit is fixed for the repayment period or variable, and if variable, how and under which conditions it may vary;
  - (h) for credit exceeding six (6) months, an amortisation schedule detailing principal amount, monthly repayment amount, outstanding amount, cost of credit, and any other as may be determined by the Regulatory Authority;
  - (i) the circumstances under which penalties would be charged, the amount of the penalty, any additional costs that may have to be paid and the method of calculating the penalty;
  - (j) the nature and amount of any insurance if required, including the name of the insurer, the amount and frequency of the premiums payable; and
  - (k) any other salient features specific to the nature of the product being offered.
- (2) A non-bank lender shall make available to a borrower, a revised salient features schedule, within a reasonable time, whenever the interest rate element under subsection (1) (g) is changed in terms of any variable clause of the credit agreement.
- (3) The aggregate of the penalty amount referred to in subsection 1(h) and the additional costs, excluding identifiable legal fees shall not exceed five percent of the outstanding principal amount per month with a maximum not exceeding the outstanding principal amount.

#### **41. Defaults and terminations of credit agreements**

- (1) In case of defaults and termination of credit agreement, the following will apply –
  - (a) **Default or failure to perform**

- (i) Provided that provision may be made in writing by any such contract that, if default is made in the payment upon the due date of any sum payable to the non-bank lender under the contract, whether in respect of principal or interest, the non-bank lender shall be entitled to charge simple interest on that sum from the date of the default until the sum is paid, at a rate not exceeding the rate payable in respect of the principal apart from any default, and any interest so charged shall not be reckoned for the purposes of this Act as part of the interest charged in respect of the loan.
- (ii) The contracting parties may restructure the loan repayment, in which case a new credit agreement will be completed with all the necessary information required for a credit agreement as stipulated in this Act.
- (iii) There shall be no more than one (1) loan repayment restructuring on the principal amount borrowed resulting from the loan default.
- (iv) In the event that the amount of arrear interest reaches the amount of the unpaid capital amount, there shall be no loan repayment restructuring in accordance with subsection (3).
- (v) interest ceases to run when the amount of arrear interest reaches the amount of the unpaid capital amount.
- (vi) The accrued interest must not exceed the unpaid capital amount.
- (vii) Subject to subsection (1)(a)(iv), if, by payment, the accumulated interest is reduced to an amount less than the amount of the capital sum, interest again runs until the amount of the capital sum is reached.
- (viii) A credit agreement may provide for an interest charge to become payable or be debited at any time after the day to which it applies.

**(b) Early settlement**

The borrower may make additional payments or settle the outstanding amount early in one or more payments as prescribed in the Regulations.

**(b) Loan roll-over**

An outstanding loan that has reached maturity date may be rolled-over to the next period as a restructured loan with all the details of the credit agreement unchanged except the maturity date, in which case the provisions of subsections (1)(b), (c) and (d) will apply.

**(c) Acknowledgement of debt**

An acknowledgement of debt only applies after the borrower has defaulted. At the time of granting credit, only the credit agreement should be signed. A non-bank lender is not at liberty to issue summons without further notice or demand to the borrower. A letter of demand must be issued thirty days prior to taking stern collection efforts, including litigation.

**42. Statement of settlement amount**

- (1) At the request of a borrower, a non-bank lender must deliver without charge to the consumer a statement of the amount required to settle a credit agreement, as of a date specified in the request.
- (2) A statement requested in terms of subsection (1)
  - (a) must be delivered within five (5) business days;
  - (b) may be delivered
    - in writing, either to the consumer in person or by SMS, mail, fax or email or other electronic form of communication, to the extent that the credit provider is equipped to offer such facilities, as directed by the borrower when making the request; and
  - (c) is binding for a period of a minimum of five (5) business days after delivery, subject to subsection (3).
- (3) A statement delivered in respect of a credit agreement is only binding for the period as stipulated or reflected in the said statement.

**43. Consumer's right to settle agreement.**

- (1) A borrower is entitled to settle the credit agreement at any time, provided they have given advance notice to the non-bank lender as prescribed.
- (2) At any time, without notice or penalty, a borrower may prepay any amount owed to a non-bank lender under a credit agreement.
- (3) A non-bank lender must accept any payment under a credit agreement when it is tendered, even if that is before the date on which the payment is due.
- (4) A non-bank lender must credit each payment made under a credit agreement to the borrower as of the date of receipt of the payment, as follows
  - (a) to satisfy any due or unpaid interest charges;
  - (b) to satisfy any due or unpaid fees or charges; and
  - (c) to reduce the amount of the principal debt.

#### **44. Debt management procedures**

- (1) A non-bank lender must have and follow adequate written policies and procedures to prudently manage debt owed by clients.
- (2) A non-bank lender shall not engage in the inappropriate treatment of borrowers during the debt collection process, and shall ensure that comprehensive systems are put in place to ensure high ethical standards which necessitate that appropriate debt collection policies be put in place with oversight from management to protect clients' rights whether or not they are in default. Such policies and related practices should be periodically assessed, and correction measures taken to address lack of compliance.
- (3) Non-bank lenders will be held liable for the actions of those who collect debt on their behalf, whether they are employees, agents, brokers, debt collection agencies or any other third parties.

#### **45. Compromises and arrangements involving non-bank lenders**

- (1) In this section-

"compromise or arrangement" means-

- (a) a compromise or arrangement in relation to a non-bank lender, being a compromise or arrangement of a kind described in the Companies Act; and

- (b) any other arrangement (however described) for the amalgamation of a non-bank lender with one or more other bodies corporate or the reconstruction of a non-bank lender.
- (2) Each non-bank lender concerned in a proposed compromise or arrangements shall ensure that a copy of-
- (a) all applications to a court; and
  - (b) all documents to be given to members or creditors of the bodies corporate involved, either in relation to a meeting of members or creditors or otherwise;
- are given to the Regulatory Authority before the application is made or the documents are sent to the members or creditors.
- (3) The Regulatory Authority is entitled to be heard in any proceeding in a court in relation to a compromise or arrangement.
- (4) A court shall not make an order in terms of the Companies Act, or any order to a similar effect, in relation to a compromise or arrangement unless the Regulatory Authority has approved the compromise or arrangement in writing.
- (5) Subsection (4) does not apply to an interlocutory or similar order.
- (6) Regulations may make further provision about compromises and arrangements.

#### **46. Transfers of business of non-bank lenders**

- (1) None of the business of a prudentially regulated non-bank lender, being business in respect of which it is licensed, may be transferred to another person or amalgamated with the business of another person except under a scheme for the transfer or amalgamation that has been approved by the Regulatory Authority.
- (2) A purported transfer or amalgamation contrary to subsection (1) is void.

#### **47. Sections 45 and 46 prevail over Companies Act**

If there is an inconsistency between a provision of section 45 or 46 and the Companies Act, the provisions of section 45 or 46 prevail to the extent of the inconsistency.

## **PART V- CREDIT AGREEMENT**

### **48. Credit agreement requirements**

- (1) A non-bank lender shall ensure that a credit agreement concluded with a borrower –
  - (a) contains the minimum requirements set out in Form 8 in the Schedule in addition to the salient features referred to in section 40;
  - (b) is written in clear and simple English or Setswana language; and
  - (c) is, where the borrower cannot understand the language of the agreement, clearly interpreted to the borrower.
- (2) An agreement shall have no effect unless –
  - (a) the provisions of subsection (1) have been complied with before the agreement is signed by the borrower;
  - (b) it is in writing and is signed by the borrower before the loan is advanced to the borrower;
  - (c) a copy of the credit agreement is provided to the borrower, within three business days of the borrower's signature of the loan agreement;
  - (d) it complies with this Act and its Regulations; and
- (3) A non-bank lender shall, prior to concluding a credit agreement with a borrower –
  - (a) provide the borrower with an opportunity to read the credit agreement, or have it read to him or her, where the borrower is unable to read for any reason whatsoever; and
  - (b) explain to the borrower, in a language understood by the borrower the essential terms of the credit agreement so as to ensure that the meaning and the consequences of the credit agreement are understood.

### **49. Alteration and amendment of Original agreement**

- (1) Any change to a document recording a credit agreement or an amended credit agreement, after it is signed by the borrower, if applicable, or delivered to the borrower, is void unless-
  - (a) the change reduces the borrower's liabilities under the agreement; or
  - (b) after the change is made, the borrower signs or initials in the margin opposite the change; or
  - (c) the change is recorded in writing and signed by the parties; or

- (d) any oral change is recorded electromagnetically and subsequently reduced to writing.
- (2) A non-bank lender may not unilaterally change-
- (a) the repayment period, except to lengthen it; or
  - (b) the manner of calculating the minimum payment due periodically under the credit agreement.

### **50. Cooling-off**

- (1) A non-bank lender shall, in terms of the provisions of the credit agreement, allow the borrower to terminate the credit agreement within at least two days after the signing of the credit agreement or approval, where it happened earlier, and shall not charge the borrower any fee for the termination, provided that –
- (a) where the principal amount has been advanced to the borrower, the borrower shall simultaneously repay the amount advanced; and
  - (b) the non-bank lender is entitled to charge the borrower the pro-rated cost of credit.

### **51. Provision of reasons for refusal to give credit**

- (1) A non-bank lender shall, on request from a borrower, advise the borrower in writing, of the reasons for –
- (a) refusing to enter into a credit agreement with the borrower; or
  - (b) changing the terms and conditions of the credit applied for by the borrower.
- (2) When responding to a request made in terms of subsection (1), a non-bank lender that based its decision on an adverse credit report received from a third party shall advise the borrower in writing of the name, address and other contact particulars of that third party.

### **52. Repayment and collection methods**

- (1) A non-bank lender shall not, as security for repayment of credit advanced –
- (a) require the disclosure of the borrower's personal identification number used for a bankcard; or
  - (b) take possession of a bankcard, national identity card or any other official document.

- (2) A non-bank lender shall ensure that evidence of payment is available for a period of five (5) years from the end of the loan agreement for every payment made by the borrower in terms of the credit agreement, and the evidence –
  - (a) may be in the form of a bank order, e-mail, payslip, statement of payment or written receipt; and
  - (b) shall, on request by the borrower, be given to the borrower or the person paying on behalf of the borrower.
- (3) A non-bank lender shall not collect any amount from the borrower that is in excess of any amount stated in the loan agreement.
- (4) The non-bank lender shall provide a copy of any contract or service agreement to be used in the collection of the loan to the Regulatory Authority for review.

### **53. Duty to provide information to borrower**

- (1) A non-bank lender shall, on request by the borrower, at any time, provide the following information –
  - (a) the date on which the credit agreement was made;
  - (b) the principal amount, in Pula and the original total cost of credit and monthly cost of credit rate;
  - (c) the amount already paid in terms of the credit agreement by, or on behalf of the borrower and the date of such payment;
  - (d) the amount outstanding in terms of the credit agreement in terms of the credit agreement and the date upon which it is due and the amount of each instalment;
  - (e) with respect to arrears, the date upon which instalment became due and the amount of each instalment; and
  - (f) a copy of the signed credit agreement.
- (2) A non-bank lender may charge a nominal fee to provide the information referred to in subsection (1).

#### **54. Duty to provide statement of credit agreement**

A non-bank lender shall, where the agreement is originally for a period longer than twelve months, provide the borrower with a statement, every six months while the loan agreement is still in force, in the same language as that of the loan agreement, signed by, or on behalf of the non-bank lending institution, showing the –

- (a) date of the statement;
- (b) original principal amount;
- (c) original total amount that was to be paid over the full term;
- (d) total amount paid to date;
- (e) total amount still to be paid; and
- (f) total monthly cost of credit rate of the loan agreement.

#### **55. Duty to provide credit information**

A non-bank lender should provide credit information in accordance with the Credit Information Act.

#### **56. Protection of borrowers' credit rights**

- (1) A non-bank lender must not, in response to a borrower exercising, asserting or seeking to uphold any right set out in this Act or in a credit agreement –
  - (a) discriminate directly or indirectly against the borrower, compared to the non-bank lender's treatment of any other borrower who has not exercised, asserted or sought to uphold such a right;
  - (b) penalise the borrower;
  - (c) alter, or propose to alter, the terms or conditions of a credit agreement with the borrower, to the detriment of the borrower; or
  - (d) take any action to accelerate, enforce, suspend or terminate a credit agreement with the borrower.

- (2) If a credit agreement, or any provision of such an agreement is, in terms of this Act, declared to be unlawful or is severed from the agreement, the non-bank lender who is a party to that agreement must not, in response to that decision –
- (a) directly or indirectly penalise another party to that agreement when taking any action;
  - (b) alter the terms or conditions of any other credit agreement with another party to the impugned agreement, except to the extent necessary to correct a similarly unlawful provision; or
  - (c) take any action to accelerate, enforce, suspend or terminate another credit agreement with another party to the impugned agreement.

### **57. Over-indebtedness**

- (1) A borrower is over-indebted if the balance of available information at the time a determination is made indicates that the particular borrower is or will be unable to satisfy in a timely manner all the agreements entered into with all the credit providers as defined in the Credit Information Act, to which the borrower is a party, having regard to that borrower's-
- (a) financial means and obligations; and
  - (b) probable propensity to satisfy in a timely manner all the obligations under all the credit agreements to which the borrower is a party, as indicated by the borrower's history of debt repayment.
- (2) When a determination is to be made whether a borrower is over-indebted or not, the person making that determination must apply the criteria set out in subsection (1) as they exist at the time the determination is being made.

### **58. Reckless lending**

- (1) A non-bank lender is reckless if, at the time that a credit agreement was made, or at the time when the amount approved in terms of the agreement is increased -
- (a) the non-bank lender failed to conduct an assessment as required by section 57, irrespective of what the outcome of such an assessment might have concluded at the time; or

- (b) the non-bank lender, having conducted an assessment as required by section 76 (2), entered into the credit agreement with the borrower despite the fact that the balance of information available to the non-bank lender indicated that-
  - i. the borrower did not generally understand or appreciate the borrower's risks, costs and obligations under the proposed credit agreement; or
  - ii. entering into that credit agreement would make the borrower over-indebted.
- (2) When a determination is to be made whether a non-bank lender is reckless or not, the person making that determination must apply the criteria set out in subsection (1) as they existed at the time the agreement was made, and without regard for the ability of the borrower to –
  - (a) meet the obligations under that credit agreement; or
  - (b) understand or appreciate the risks, costs and obligations under the proposed credit agreement, at the time the determination is being made.
- (3) When making a determination in terms of this section, the value of any credit facility is the credit limit at that time under that credit facility,

### **59. Prevention of reckless credit**

- (1) When applying for a credit agreement, and while that application is being considered by the non-bank lender, the prospective borrower must fully and truthfully answer any requests for information made by the non-bank lender as part of the assessment required by this section.
- (2) A non-bank lender must not enter into a credit agreement without first taking reasonable steps to assess-
  - (a) the proposed borrower's-
    - i. general understanding and appreciation of the risks and costs of the proposed credit, and of the rights and obligations of a borrower under a credit agreement;
    - ii. debt repayment history as a borrower under credit agreements;
    - iii. existing financial means, prospects and obligations; and
  - (b) whether there is a reasonable basis to conclude that any commercial purpose may prove to be successful, if the borrower has such a purpose for applying for that credit agreement.
- (3) A non-bank lender must not enter into a reckless credit agreement with a prospective borrower.

- (4) For all purposes of this Act, it is a complete defence to an allegation that a credit agreement is reckless if –
- (a) the non-bank lender establishes that the borrower failed to fully and truthfully answer any requests for information made by the non-bank lender as part of the assessment required by this section; and
  - (b) a court or the Tribunal determines that the borrower’s failure to do so materially affected the ability of the non-bank lender to make a proper assessment.

## **PART VI- ACCOUNTING RECORDS, FINANCIAL STATEMENTS AND REPORTS**

### **60. Keeping of accounts**

- (1) A non-bank lender shall keep all accounting records, in Botswana, as are necessary to exhibit clearly and accurately the state of its affairs and to explain its transactions and financial position so as to enable the Regulatory Authority to determine whether the non-bank lender concerned has complied with the provisions of this Act and any other relevant legislation.
- (2) Records and documents referred to in subsection (1) may be kept in their original form or in such other medium or form as may be prescribed.
- (3) Where data and records are maintained by a service provider or any third party, such records and data remain the property of the non-bank lender and must be made available promptly to the borrower free of charge.
- (4) Without prejudice to the generality of subsection (1), a non-bank lender shall maintain proper accounting records reflecting full details of all the credit extended and amounts outstanding from such facilities.
- (5) A non-bank lender shall keep a signed copy of each credit agreement for a period of not less than twenty (20) years.
- (6) A non-bank lender shall, in respect of every credit agreement, maintain a record of the following details:

### **61. Annual Returns**

- (1) A non-bank lender shall, within 90 days of the end of its fiscal year, lodge with the Regulatory Authority, annual financial and statistical returns in Form 6 and the compliance report in Form 7 as set out in Schedule 1 of the Regulations.
- (2) The accounts, records and statement referred to in Section 60 shall be kept and prepared in such form and detail, and in accordance with such accounting standards, as may be prescribed.
- (3) A non-bank lender may not change its financial year end without the approval of the Regulatory Authority.
- (4) The Regulatory Authority may, from time to time request a non-bank lender to lodge any other periodic returns or any other information.

## **62. Submission of information to the Regulatory Authority**

- (1) A non-bank lender shall within five (5) business days, inform the Regulatory Authority, in writing, where;
  - (a) the non-bank lender or any of its branches ceases to operate;
  - (b) the non-bank lender becomes unable to discharge any of its obligations promptly and in full;
  - (c) there is a change in contact numbers or authorised address of the non-bank lender;
  - (d) There is a change in the business funding sources of the non-bank lender which may have an effect on its capital;
  - (e) there is a change in the business affairs of the non-bank lender that has or may have a negative effect on the borrowers.
- (2) A non-bank lender which fails to submit any information required under this Act may be declared by the Regulatory Authority as not carrying on business with integrity, prudence and professional skill and shall be liable to a civil penalty to be imposed by the Regulatory Authority.

## **PART VII - MISCELLANEOUS**

### **63. Supervisory Levies**

Every non-bank lender shall pay to the Regulatory Authority an annual non-refundable supervisory levy as shall be advised by the Regulatory Authority within thirty (30) days from the end of the Regulatory Authority's financial year in accordance with the NBFIRA Act.

#### **64. Regulations**

- (1) The Minister may by statutory instrument make regulations providing for any matter which under this Act is to be provided for by regulations or is to be prescribed or which, in the Minister's opinion, is necessary or convenient to be prescribed for the better carrying out of the objectives and purposes of this Act or to give force or effect to its provisions or for its better administration.
- (2) Regulations made in terms of subsection (1) may provide for any of the following-
  - (a) the form of any document referred to in this Act and the way in which it is to be prepared, executed, registered, transmitted or delivered;
  - (b) the maximum loan amount and the maximum repayment period in respect of non-bank lending transactions;
  - (c) fees to be charged in respect of this Act, matter or thing to be done by or in relation to the Regulatory Authority;
  - (d) matters to be included in the document submitted with an application for a licence and procedures for considering those applications;
  - (f) the submission to the Regulatory Authority of financial statements, reports, statistics, accounts and other documents.

#### **65. Prudential and Market Conduct Rules**

- (1) The Regulatory Authority may make rules imposing requirements with respect to-
  - (a) the conduct of the affairs of non-bank lenders, or of the affairs of financial groups, with a view to ensuring that the non-bank lenders or the groups (as the case requires) maintain a sound financial position and do not cause or promote instability in the financial system;

- (b) the conduct of the affairs of non-bank lenders with integrity, prudence and professional skill;
  - (c) repayment periods, cost of credit, maximum principal amount, administration fees, penalty fees and any other related fees; and
  - (d) any other as may be determined by the Regulatory Authority.
- (2) Without limiting what a rule may deal with, a rule may impose requirements with respect to any of the following-
- (a) fit and proper person requirements for controllers and managers of prudentially regulated non-bank lenders;
  - (b) the governance of prudentially regulated non-bank lenders;
  - (c) capital and liquidity requirements;
  - (d) valuation requirements and methods;
  - (e) standards of business conduct;
  - (f) requirements for controllers of non-bank lenders;
  - (g) the use by non-bank lenders of financial instruments (including derivatives) and off – balance-sheet transactions;
  - (h) how non-bank lenders manage risks associated with their businesses.
- (3) The Regulatory Authority shall not make a rule unless-
- (a) either-
    - i. a draft of the rule has been published in a way that the Regulatory Authority considers will bring it to the attention of non-bank lenders to which it will apply;
    - ii. those institutions have had at least ninety (90) days after that publication to make representations about the matter to the Regulatory Authority; and
    - iii. the Regulatory Authority had regard to those representations in deciding whether to make the rule; or
  - (b) the Regulatory Authority considers on reasonable grounds that it is necessary to make the rule urgently.
- (4) A rule made in terms of paragraph (b) of subsection (3) ceases to have effect at the end of 90 days after it is made, but this subsection does not prevent the Regulatory Authority from acting in terms of that paragraph again.
- (5) Subsections (3) and (4) apply in respect of modifications of rules.

## **66. Powers to give directions**

- (1) If it appears to the Regulatory Authority that-
  - (a) a non-bank lender has contravened this Act or any financial services law;
  - (b) a non-bank lender is likely to contravene this Act or any a financial services law;
  - (c) a non-bank lender is conducting its affairs in an improper or in a financially unsound way;
  - (d) a non-bank lender is causing or promoting instability in the financial system, or is likely to do so;
  - (e) a non-bank lender is involved in financial crime; or
  - (f) the direction is necessary to protect the interests of clients of a non-bank,

the Regulatory Authority may give the non-bank lender a written direction as to the way in which the affairs of the institution are to be conducted.

- (2) Without limiting subsection (1), a direction may require a non-bank financial lender to do any of the following-
  - (a) to comply with the whole or a specified part of a financial services law;
  - (b) to cause a person (such as an auditor) chosen by the Regulatory Authority to audit the records of the institution, at the expense of the institution, and give the report to the Regulatory Authority;
  - (c) to ensure that a specified director or employee of the institution does not take part in the management or conduct of the business of the institution except as permitted by the Regulatory Authority;
  - (d) to appoint a specified person or persons to a specified office (including the office of director) of the institution for a period specified in the direction;
  - (e) to remove an auditor of the institution from office;
  - (f) not to borrow a specified amount, or any amount;
  - (g) not to pay a dividend;
  - (h) not to pay or transfer an amount to a person, or create an obligation (contingent or otherwise) to do so;

- (i) not to undertake a financial obligation (contingent or otherwise) on behalf of another person;
  - (j) to take any other action the Regulatory Authority considers necessary or desirable to deal with the case in the interests of the institution, the clients of the non-bank lender or the financial system.
- (3) A direction may include a direction to remove a director or officer of the non-bank lender from office but only if the Regulatory Authority is satisfied that-
  - (a) either-
    - i. the institution has contravened a financial services law or been involved in financial crime; and
    - ii. the director or officer was knowingly concerned in the contravention of the financial crime; or
  - (b) the director or officer has contravened a financial services law or has been knowingly concerned in financial crime (whether or not related to the institution).
- (4) A direction in terms of subsection (2) not to pay or transfer an amount does not apply to the payment or transfer of money under an order of a court or a process of execution.
- (5) A direction may specify the time by which, or period during which, it is to be complied with.
- (6) A non-bank lender that has been given a direction in terms of this section has power to comply with it despite anything in its memorandum or articles of association or regulations, and despite any contract or arrangement to which it is a party.
- (7) A direction in terms of this section is not a ground on which a person may terminate, repudiate or cancel a contract with the non-bank lender, accelerate a debt under such a contract or close out a transaction with the institution, despite any provision to the contrary in any document.
- (8) The High Court may, on application by a party to a contract mentioned in subsection (7) (other than the non-bank financial institution), make an order relating to the effect of the direction on the contract.
- (9) Without limiting what the order may do, the order may require the non-bank lender
  - (a) to perform its obligations under the contract; or

(b) to compensate the applicant, as specified in the order; but may not require a person to take action that would contravene the direction.

- (10) The Regulatory Authority may revoke a direction at any time, by written notice to the non-bank lender concerned.
- (11) Where a non-bank lender fails to adhere to a directive issued by the Regulatory Authority, the Regulatory Authority may impose an administrative penalty not exceeding P250 000.

### **67. False statements and documents**

A person who, for any purpose connected with a financial services law-

- (a) knowingly makes a false statement; or
- (b) produces or gives, or causes or knowingly allows to be produced or given, a document that the person knows or ought reasonably to have known to be false in a material particular, shall be liable to a civil penalty not exceeding P50,000 to be imposed by the Regulatory Authority.

### **68. Winding down of non-bank lenders**

- (1) A non-bank lender intending to wind down business shall at least sixty (60) days prior to winding down such business, notify the Regulatory Authority, in writing, of its intention to do so.
- (2) A resolution, demand or other step to wind down a non-bank lender is of no effect unless the Regulatory Authority has approved of such action.
- (3) The Regulatory Authority may apply to the court for an order that a non-bank lender be wound up if-
- (a) a statutory manager has been appointed to the non-bank lender; and/or
  - (b) the Regulatory Authority is satisfied that the non-bank lender is insolvent and cannot be restored to solvency within a reasonable period.
- (4) An application to a court for the winding down of a non-bank lender (whether under the Companies Act or under another law) is not to be made except by the Regulatory Authority or with its approval.
- (5) The Regulatory Authority shall not give approval in terms of subsection (3) unless-
- (a) the regulated non-bank lender's licence has been or is to be revoked; or

- (b) the Regulatory Authority is satisfied that adequate provision has been made to protect the interests of the clients of the non-bank lender.

### **69. Appointment of statutory managers**

- (1) The High Court may, on application, appoint a person to be the statutory manager of a non-bank lender.
- (2) The application may only be made by the Regulatory Authority or with the Regulatory Authority's written consent.
- (3) The High Court may only make the appointment-
  - (a) if satisfied that the non-bank lender requested the appointment; or
  - (b) if it appears to the Court that the non-bank lender –
    - (i) is not complying with a financial services law;
    - (ii) is or is likely to be in an unsound financial position;
    - (iii) is or may be involved in financial crime; and
    - (iv) the Court considers it in the interests of the clients of the non-bank lender or the financial system to make the appointment.
- (4) Subject to subsection (5) the Regulatory Authority may appoint a person to be the statutory manager of a non-bank lender but only if it appears to the Regulatory Authority that-
  - (a) the institution-
    - (i) is not complying with a financial services law;
    - (ii) is or is likely to be in an unsound financial position; or
    - (iii) is or may be involved in financial crime; and
  - (b) it is necessary to appoint a statutory manager urgently to protect-
    - (i) the interests of the clients of the institution;
    - (ii) the stability, fairness, efficiency and orderliness of the financial system; or
    - (iii) the safety and soundness of the non-bank lender.
- (5) An appointment in terms of subsection (4) takes effect immediately, but the Regulatory Authority shall, as soon as practicable after the appointment and in any event within five (5) business days after the appointment, apply to the High Court for an order confirming the appointment.

- (6) On the application, the High Court shall, by order, confirm the appointment unless satisfied that the Regulatory Authority was not entitled to make the appointment, or that the grounds for making the appointment no longer exist.
- (7) On an application in terms of this section, the High Court may also make further ancillary orders, including as to costs, as is just.

## **70. Statutory management**

- (1) A person is not to be appointed or hold office as a statutory manager of a non-bank lender unless the Regulatory Authority has approved the person as the statutory manager of the institution.
- (2) The statutory manager of a non-bank lender shall-
  - (a) manage the affairs of the institution to the exclusion of its directors and other managers;
  - (b) have power to repudiate a contract to which the institution is a party, but only if the statutory manager considers the contract detrimental to the interests of clients of the institution; and
  - (c) be entitled to receive such remuneration from the institution as the High Court orders.
- (3) A repudiation of a contract in terms of paragraph (b) of subsection (2) does not affect any rights of the parties that have accrued before the repudiation.
- (4) The statutory manager of a non-bank lender shall manage the affairs of the institution with the greatest economy possible compatible with efficiency and, as soon as practicable, shall report to the Regulatory Authority-
  - (a) what steps should be taken to ensure that the institution-
    - (i) complies with the financial services laws; or
    - (ii) will be financially sound; or
    - (iii) will not be involved in financial crime;
  - (b) if the statutory manager considers that it is not practicable to take steps as mentioned in paragraph (a)-
    - (i) whether steps should be taken to transfer the business of the institution to another appropriate person and, if so, to whom and on what terms; and
    - (ii) whether the institution should be wound up.

- (5) The statutory manager of a non-bank lender shall comply with written directions from the Regulatory Authority in relation to his or her functions.
- (6) The statutory manager of a non-bank lender may apply to the High Court at any time for directions.
- (7) The Regulatory Authority may at any time remove a statutory manager from office, and appoint a replacement, for whom the Regulatory Authority shall apply to court for an order confirming the appointment in terms of section 69.
- (8) The statutory manager of a non-bank lender is not liable for a loss that the institution suffers unless it is established that the loss was caused by the statutory manager's fraud, dishonesty, negligence or wilful failure to comply with the law.

#### **71. Termination of statutory management**

- (1) If a statutory manager is appointed to a non-bank lender, the Regulatory Authority shall ensure that such a statutory manager remains appointed until the earlier of the times when-
  - (a) the Regulatory Authority is satisfied that the grounds for making the appointment no longer exist;
  - (b) the Regulatory Authority applies for the institution to be wound down on the basis that it considers that the institution is insolvent and is unlikely to return to solvency within a reasonable time.

### **PART VIII CONSEQUENTIAL AMENDMENTS OF OTHER LAWS**

#### **72. Transitional Provision**

- (1) A person who was licensed in terms of a financial services law immediately before Part II commences shall be taken to be licensed in terms of this Act, on the same terms, the licence terminating-
  - (a) at the end of 12 months after Part II commences; or
  - (b) if, but for this Act, the licence would terminate on an earlier day, on that earlier day.
- (2) Subsection (1) does not apply if;

- (a) a person resident in Botswana is lawfully carrying on an activity immediately before Part II commences;
  - (b) the person was not, at that time, required to be licensed or registered under a financial services law other than this Act in relation to carrying on the activity; and
  - (c) the person applies for a licence within 6 months after Part II commences;
- (3) Section (1) does not prevent the person from carrying on the activity until the application is finally determined.

## **PART IX ACTIONS TAKEN BY THE REGULATORY AUTHORITY IN CASE OF NON-COMPLIANCE**

### **73. Offences**

Any person who;

- (a) obstructs any person in the exercise of any power conferred upon the person under this Act;
- (b) fails to provide information required under this Act with intent to evade any provisions of this Act destroys, mutilates or hides any document;
- (c) contravenes a duty imposed by this Act;

a person who commits an offence under this subsection shall be liable, upon conviction, to a fine not exceeding P 100 000 or to imprisonment for a term not exceeding two (2) years, or to both.

### **74. Offence by a non-bank lender and its officers**

Where the offence is committed by a non-bank lender;

- (a) every director or officer of that body commits an offence;
- (b) in the case of a non-bank lender that is not incorporated, every manager, partner or member of the board of directors commits an offence; unless the director, officer, partner or manager proves to the satisfaction of the court that the act constituting an offence was done without the knowledge, consent or connivance of the director, officer, partner or manager, or that, the person attempted to prevent the commission of the crime having regard to the circumstances of the case.

### **75. Penalties**

- (1) Subject to subsection (2) of this Act, where a person;
  - (a) issues or takes part in the issuance of a document which is false, the person and every other person who signed such document;
  - (b) knowingly makes a false statement;
  - (c) a person who commits an offence under this subsection shall be liable, upon conviction, to a fine not exceeding P100 000 or to imprisonment for a term not exceeding two (2) years, or to both.
- (2) A person does not commit an offence under this Act if the person did not know and could not reasonably be expected to have known that the document was false when the person signed it, issued it or took part in its issue.
  - (i) Any person who:
    - (a) obstructs any person in the exercise of any power conferred upon the person under the Act;
    - (b) fails to provide information required under the Act;
    - (c) with intent to evade any provisions of the Act destroys, mutilates or hides any document; or
    - (d) contravenes a duty imposed by the Act;
    - (e) a person who commits an offence under this subsection shall be liable, upon conviction, to a fine not exceeding P100 000 or to imprisonment for a term not exceeding three (3) years, or to both.
  - (ii) Where the offence is committed by a body of persons:
    - (a) in the case of a body corporate, every director or officer of that body commits an offence;
    - (b) in the case of a non-bank lender that is not incorporated, every manager, member of the board of directors commits an offence; unless the director, officer, manager proves to the satisfaction of the court that the act constituting an offence was done without the knowledge, consent or connivance of the director, officer, manager, or that, the person attempted to prevent the commission of the crime having regard to the circumstances of the case.

- (iii) Any person who contravenes the provisions of this Act for which no penalty is provided shall be liable, upon conviction, to a fine not exceeding P500 000 or to a term of imprisonment not exceeding three (3) years, or to both.

## **76. General penalty**

- (1) Any person who contravenes the provisions of this Act for which no penalty is provided shall be liable, upon conviction, to a fine not exceeding P100 000 or to a term of imprisonment not exceeding two years, or to both.
- (2) Subject to the provisions of the Act, Regulations issued thereunder or any licence, or Directives issued by the Authority, the Authority will exercise its discretion to take enforcement action it considers appropriate in the circumstances. A range of enforcement actions available to the Authority are as follows:
  - (a) Issue warning letters;
  - (b) Impose civil penalties/fine;
  - (c) Suspend, revoke, or vary the terms of a licence issued under the Act
  - (d) Issue of directions (orders) aimed at preventing or rectifying a contravention;
  - (e) Refer to the prosecuting authority any matter in which the Authority is of the view that criminal offence has been committed under the Act;
  - (f) Vary, suspend or cancel the licence of the non-bank lender, in accordance with section 21;
  - (g) place the non-bank lender under statutory management in terms of sections 69 and 70;
  - (h) Publish names of offenders;
  - (i) Refund excess charges to clients;
  - (j) Prohibition of product, class of product, delivery channel; or
  - (k) Any other enforceable actions as determined by the Regulatory Authority from time to time.

**77. Penalties against charging clients for services not yet provided**

- (1) A non-bank lender shall not impose any fees or charges on borrowers for any service it has not yet provided.
- (2) Any person who contravenes the provisions of subsection (1) commits an offence and on conviction is liable to a fine not exceeding P100 000.

**78. Authority's right to issue a public notice regarding non-compliance**

- (1) The Regulatory Authority reserves the right to issue a public notice to inform the public about the non-compliance of a non-bank lender where such notice would be in the public interest, unless such publication would adversely affect any ongoing investigations.
- (2) Prior to issuing the public notice, the Regulatory Authority may at its own discretion invite the alleged defaulter to show cause why such public notice should not be made.

**79. Authority's powers to issue interpretation rulings and guidelines**

- (1) The Regulatory Authority may make and issue interpretation rulings or guidelines to provide guidance on the interpretation and application of the provisions of the legislation administered by the Regulatory Authority, to ensure uniformity in the application of such provisions in line with such interpretation.
- (2) The Regulatory Authority may issue operational rules, directives or guidelines stipulating administrative fees, disclosure of information on products of non-bank lenders.

**SCHEDULE 1**

**Form 1**

**APPLICATION FOR A NON-BANK LENDING BUSINESS LICENCE**  
(Section. 5)

Address of applicant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_ 20\_\_\_\_\_

To:

The Chief Executive Officer  
Non-Bank Financial Institutions Regulatory Office  
Private Bag 00314  
Gaborone  
Botswana

I/We, the undersigned, do hereby apply for a licence in terms of section 5 of the Non-Bank Lenders Act, to operate a non-bank lending business in Botswana.

I/we have taken note of section 19 of the Non-Bank Lenders Act regarding the consequences of giving false or misleading statements to the Regulatory Authority or falsely holding out as being licenced.

**PART I- APPLICANT AND BUSINESS INFORMATION**

1. Name of applicant \_\_\_\_\_
2. Trading name(s) of applicant \_\_\_\_\_

Provide all the names if different \_\_\_\_\_

3. Legal status of applicant (mark with x)

Private company (closed corporation)	Partnership	Public company	Other (specify)

**Note:** *I/we take note that Regulatory Authority will not allow Non-Bank Lenders to conduct additional activities parallel to those that the lender has been licensed for without prior notice and approval by the Regulatory Authority. Permission to conduct such activity (ies) is subject to the approval of the Regulatory Authority and the inspection (at the discretion of the Authority) of the applicant's physical premises. No Lender shall be authorised to operate solely on a mobile basis without an established physical office.*

4. **For closed corporations or public companies:**

Official registration number of the above legal status \_\_\_\_\_

**Note:** *Corporations should submit copies of all relevant documentation for the formation as a non-bank lending company, including the forms for:*

- a) Certificate of Incorporation,*
- b) Articles of Incorporation*
- c) Tax Registrations*
- d) Licence/ Registration from the Registrar of Companies*

5. Date of commencement of trading as a lender (dd/mm/yy) \_\_\_\_\_

6. Financial year end (dd/mm/yy) \_\_\_\_\_

7. Income tax registration number \_\_\_\_\_

**Note:** *Tax registration required from individuals as well as corporate entities*

8. Vat registration number (if applicable) \_\_\_\_\_

9. Contact details of the applicant (head office if applicable) \_\_\_\_\_

Physical address \_\_\_\_\_

Postal address \_\_\_\_\_

Landline telephone number \_\_\_\_\_

Fax number \_\_\_\_\_

E-mail address \_\_\_\_\_

Website \_\_\_\_\_

*Note: Similar details to be provided for all branches with a different addresses. Provide on separate sheet of paper.*

10. Contact details of principal officer

Title \_\_\_\_\_

Full name(s) \_\_\_\_\_

ID number: \_\_\_\_\_

Telephone number (office) \_\_\_\_\_

E-mail address \_\_\_\_\_

*Note: The principal officer means the person responsible for the daily management of the principal office of the lender in Botswana. Applicants are to provide a short Curriculum Vitae detailing applicable professional experience as a lender and manager of debt instruments.*

11. Auditor/Accountant (external firm and or employee)

Name of firm/person \_\_\_\_\_

Physical address \_\_\_\_\_

Postal address \_\_\_\_\_

Name of responsible person (if a firm) \_\_\_\_\_

Telephone number \_\_\_\_\_ Fax  
number \_\_\_\_\_

E-mail  
address \_\_\_\_\_

Professional registration number/practice  
number \_\_\_\_\_

Name of Professional body registered  
with \_\_\_\_\_

12. Banker

Name of bank \_\_\_\_\_

Branch name \_\_\_\_\_

Name of holder of main business account for lending  
business \_\_\_\_\_

Account  
number \_\_\_\_\_

*I/we enclose an original or certified letter from my/our bank confirming the above.*

**Note:** *If more than one account is used for the business, due to branches for instance, provide full account details for each account.*

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## **PART II - CONTROLLER(S) OF THE LENDER**

**Note:** *The definition of a controller is provided in the Non-Bank Financial Institutions Regulatory Authority Act.*

13. Provide the following in respect of each of the above persons:

<b>First name(s)</b>	<b>Surname</b>	<b>Nationality of Origin</b>	<b>Legal Resident of:</b>	<b>ID number</b>	<b>Designation (Owners, Directors, Management)</b>	<b>Percentage ownership</b>

*Note: Attach Curriculum Vitae for each controller and indicate any tertiary qualifications, abbreviated employment history and specific credit experience and contribution to be made in respect to the lending business.*

**PART III SALIENT FINANCIAL INFORMATION**

14. All applicants (individual and/or corporate) shall provide a copy of their internally prepared [or latest audited financial statements if applicable], Balance Sheet, Profit & Loss Statement and Cash Flow Statement, dated no earlier than 60 days prior to the date of licence application.

If applicant is a new start-up operation, licence application must include a business plan with a minimum 3-year financial projections (clearly disclosing the level of investment as well as the projected source of ongoing funding) are to be submitted.

Additionally, the following salient financial information is required from established non-bank lenders to complete the licence application:

<b>Description</b>	<b>At most recent financial year end (Pula)</b>	<b>At date of application (Pula)</b>
(a) Aggregate value of principal amounts of outstanding loans still to be repaid		
(b) Aggregate value of all future principal payments		
(c) Projected interest income included		
(d) Less: provisions relating to (b) above (refer note 1)		
Net value of loan/debtors book [ <b>b +c</b> ] - ( <b>d</b> )		
Number of loan contracts		
Number of borrowers		

*Note 1: Provisions are those amounts that will with reasonable probability not be paid.*

*Note 2: A copy of most recent financial statements must also be provided as described in 14. above*

**Analysis and Aging of loan portfolio**

<b>Loan Book Risk Analysis</b>	<b>Current (&lt;30 days)</b>	<b>30-60 days</b>	<b>60-120 days</b>	<b>&gt;120 days</b>
Total Number of Loan Contracts Past Due				
Total Loans Past Due*				
Total Overdue Payments*				
Overdue principal amount				
Overdue interest accrued				

*\*in Pula*

*Note 3. Non-Bank Lender to define 'past due' in terms of its loan agreements. Payment means total of periodic loan payments and includes principal amount and accrued interest to date.*

**PART IV-FUNDING and SECURITY**

15. The existing and/or intended sources of funds to be utilised in the business are as follows:

<b>Type of Funding</b>	<b>Source of Funds</b>	<b>Amount as of date of application</b>	<b>Percentage of total funds available for lending</b>
Own funds—provide details of continuing source of funding			
Borrowed funds—provide details of lending source			
Donor funds—Name of donor agency			
Any other (describe in detail)			

*Note: A Non-Bank Lender is not allowed to solicit and/or accept funds (deposits) from the public. If members of the public wish to invest in a Non-Bank Lender, they do so by acquiring a stake in the business either through an equity contribution or the lending of funds.*

**As of date of application:**

*Provide details of all loan programs that require a borrower to maintain a cash reserve as security*

<b>Number of loans secured by cash or cash equivalents</b>	<b>Balance of loans secured by cash or cash equivalents</b>	<b>Percentage of loan portfolio secured by cash or cash equivalents</b>

**PART V-DESCRIPTION OF BUSINESS**

- 16. Applicant must provide a description of the business (existing and/or proposed business for next two years) describing the main loan product(s) offered and including a detailed description of the total monthly cost of credit rate associated with each product, established and projected marketing methods, client focus, geographical spread of business and branches, number of persons to be employed, methods to ensure compliance with statutory responsibilities, administrative procedures and control. (Submit on a separate piece of paper)
  
- 17. Describe briefly the system to be used to assess the creditworthiness and debt affordability of a borrower and policies to be employed regarding the refusal of an application for a loan.
  
- 18. Describe briefly the collection methods and systems to be used. Provide details of normal loan repayment systems to be employed as well as collection procedures for past due loans.
  
- 19. Do you, or an affiliated company, as the entity doing lending business, engage in any other activity than the lending business hereby applied for? Yes\_\_\_\_\_ No\_\_\_\_\_

If yes, please provide details.

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- 20. Which of the following ancillary products does the applicant or its holding company or subsidiary or associate sell, or intends to sell, in conjunction with the lending products applied herewith:

Life insurance

---

Funeral cover

---

Credit life insurance

---

Short term insurance

---

Other (specify)

---

Explain the relative importance and volumes of these products in relation to the lending business applied herewith

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Provide a schematic group structure and indicate whether the entity operates as a principal or intermediary for that specific product

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**PART VI-DECLARATION OF NATURAL PERSONS**

*This part must be completed and signed by each natural person mentioned in Part II (make additional copies if necessary)*

**Declaration**

I/We, the undersigned, declare that the above information are true and correct to the best of our knowledge and belief and undertake to provide any other information that may be required by the Regulatory Authority.

I/We, the undersigned, declare that none of us, except as indicated hereafter, are disqualified in terms of any of the disqualifications as mentioned in paragraph \_\_\_\_\_ of the Rules of Business Operations published in the Government Gazette No. \_\_\_\_\_ dated \_\_\_\_\_ 2009.

I/We, the undersigned, hereby give permission to the Botswana police criminal record center to furnish the Regulatory Authority or its authorized agents with my/our previous convictions or any relevant information in their possession, including any directions by the Court for my/our detention in a mental hospital or prison.

I/We hereby indemnify the Botswana police criminal center, its employees, the Regulatory Authority, its agents and its employees and hold them harmless against any claims by myself/ourselves or any other person that may arise out of or be connected with such disclosure as well as any legal costs, including attorney and client costs.

<b>First name and surname</b>	<b>ID number</b>	<b>Signature</b>	<b>Date</b>

## **ATTACHMENTS**

I/we enclose the following:

1. Non-refundable application fee as prescribed by the Regulatory Authority;
2. All additional information as to be provided in Application form above;
3. Articles of Association or any document by which the applicant is constituted (if applicable);
4. Certificate of Incorporation and full corporate documentations from Registrar of Companies (Ministry of Trade and Industry) (if applicable);
5. Copy of a document showing income tax registration number;
6. A copy of any other registration or licensing certificate (if applicable);
7. Copy of latest financial statements of the business (if already conducting lending business).

Yours faithfully,

---

Authorised signature

## **GENERAL NOTES:**

1. Where an answer or documentation requested above is not known or available it is essential that this be brought to the attention of, and explained to, the Regulatory Authority. Any application not fully completed will be returned to the applicant.
2. Any controller and/or principal officer appointed after the approval of a license must within 30 days of such appointment complete and submit PART II and PART VI of this Form to the Regulatory Authority.
3. Prospective applicants are invited to hold informal discussions with the Regulatory Authority prior to formal application.
4. A prospective applicant needs to establish as a company in Botswana, if applicable, before formal application.

Form 2

**NON-BANK LENDER BUSINESS LICENCE**

*(section 5(1))*

Licence No: \_\_\_\_\_

**NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY**

**REPUBLIC OF BOTSWANA**

**NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY ACT**

*(Cap 46:08)*

**NON-BANK LENDER LICENCE**

This is to certify that: ***NAME IN FULL*** has been duly licenced by Non-Bank Financial Institutions  
Regulatory Authority to carry out the business of

***MICRO LENDING/FINANCING/ LEASING/PAWNSHOP***

This licence is not transferable and remains the property of the Non-Bank Financial Institutions  
Regulatory Authority.

**PERIOD OF VALIDITY: UP TO \_\_\_\_\_**

Dated this \_\_\_ day of \_\_\_\_\_ in Gaborone

**Signed:** \_\_\_\_\_

**DEPUTY CHIEF EXECUTIVE OFFICER - REGULATORY**

**APPLICATION TO OPEN A BRANCH OFFICE OF A NON-BANK LENDING BUSINESS**  
(Section 15(2))

Address of applicant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_ 20 \_\_\_\_\_

To:

The Chief Executive Officer  
Non-Bank Financial Institutions Regulatory Authority  
Private Bag 00314  
Gaborone  
Botswana

I/We, the undersigned, do hereby apply for approval to open a branch office in terms of section 15 (2) of the Non-Bank Lenders Act, to open a non-bank lending business in Botswana.

I/we have taken note of sections 19 of the Non-Bank Lenders Act, regarding the consequences of giving false or misleading statements to the Regulatory Authority or falsely holding out as being licensed.

**PART I- APPLICANT'S INFORMATION**

1. Name of applicant \_\_\_\_\_

2. Trading name of this branch of the applicant \_\_\_\_\_

3. License number allocated by the Regulatory Authority \_\_\_\_\_

4. Legal status of licensed lender \_\_\_\_\_

5. Will this branch engage in any other activity than that of the approved activity? If so, please provide details \_\_\_\_\_

6. Contact detail of the applicant (Head office)

Physical address \_\_\_\_\_

Postal address \_\_\_\_\_

Telephone number \_\_\_\_\_ Fax number \_\_\_\_\_

E-mail address \_\_\_\_\_

7. Contact detail of the applicant (branch office)

Physical address \_\_\_\_\_

Postal address \_\_\_\_\_

Telephone number \_\_\_\_\_ Fax number \_\_\_\_\_

E-mail  
address\_\_\_\_\_

8. Contact detail of responsible person at branch

Title\_\_\_\_\_Name\_\_\_\_\_

—

Surname\_\_\_\_\_

—

Telephone number (office)  
\_\_\_\_\_

E-mail  
address\_\_\_\_\_

9. Products marketed or intended to be marketed in this branch:

Non-bank lending products (yes/no)  
\_\_\_\_\_

Any other (yes/no)  
\_\_\_\_\_

10. Which of the following ancillary products does the applicant sell, or intends to sell, in conjunction with its lending products from this branch i.e. as an intermediary?

Life  
insurance\_\_\_\_\_

Funeral  
cover\_\_\_\_\_

Credit life  
insurance\_\_\_\_\_

Short term insurance\_\_\_\_\_

Other (specify)\_\_\_\_\_

Explain shortly the relative importance and volumes of these products in relation to the non-bank lending products\_\_\_\_\_

\_\_\_\_\_

**PART II – RESPONSIBLE PERSON OF THE APPLICANT IN THE BRANCH**

- 11. Any new person assuming general management, control and reporting responsibilities for the branch must complete PART II and PART VI of Form No. 1 of this Act, and provide them separately.

**PART III- DESCRIPTION OF BUSINESS**

- 12. Any changes to the original description of the business as approved should be noted.

I/we confirm that the information contained in this application is accurate and complete.

Yours faithfully:

Applicant:

Principal Officer:

Date\_\_\_\_\_

Date\_\_\_\_\_

Name\_\_\_\_\_

Name\_\_\_\_\_

Capacity\_\_\_\_\_

Signature\_\_\_\_\_

Signature\_\_\_\_\_

*Note: If this application is completed on behalf of a juristic person, attach proof of authorisation.*

**ATTACHMENTS**

I/we enclose the following:

1. Non-refundable application fee of P1200 (One thousand two hundred Pula)
2. All additional information as to be provided in Application form above.

**GENERAL NOTES:**

*Where an answer or documentation requested above is not known or available it is essential that this be brought to the attention of, and explained to, the Regulatory Authority. Any application not fully completed will be returned to the applicant.*

Form 4

**BRANCH OFFICE CERTIFICATE**

*(section.15 (2))*

Licence No: \_\_\_\_\_

Certificate No: \_\_\_\_\_

**NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY**

**REPUBLIC OF BOTSWANA**

**NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY ACT**

*(Cap 46:08)*

**NON-BANK LENDER BRANCH OFFICE CERTIFICATE**

This is to certify that: **NAME IN FULL** has been duly authorised by the Non-Bank Financial Institutions Regulatory Authority to operate a branch office at

***LOCATION***

This certificate is not transferable and remains the property of the Non-Bank Financial Institutions Regulatory Authority.

**PERIOD OF VALIDITY: UP TO \_\_\_\_\_**

Dated this \_\_\_\_ day of \_\_\_\_\_ in Gaborone

**Signed:** \_\_\_\_\_

**DIRECTOR- LENDING ACTIVITIES**

## Form 5

### MINIMUM REQUIREMENTS FOR FEATURES OF A DISCLOSURE STATEMENT

1. The name and address of the non-bank lender.
2. The name and address of the borrower
3. A description of any property to be used as security and its location, (if applicable).
4. A description of any guarantee or other collateral, (if applicable).
5. The date when the first payment on the loan is due.
6. In the case of any Mortgage, whether it is first, second, etc.
7. The principle of the loan, including:
  - (a) the total amount of all charges to be financed; and
  - (b) the net amount of money to be paid to the borrower or to be disbursed at the borrower's discretion.
8. The rate of interest expressed as a rate per annum, if that rate does not vary.
9. The initial rate of interest expressed as a rate per annum, if the rate varies from time to time.
10. A description any factors that would cause the rate of interest to vary.

11. The length of the term of the loan.
12. The period during which an offer to a customer is valid before it expires.
13. A description of any factors that would cause the term of the loan to vary.
14. The total cost of borrowing over the term of the loan expressed as a rate varies from time to time.
15. A list of each charge to be financed.
16. A description of any terms and conditions applicable to pre-payment of the principle.
17. A description of any charge or penalty that would be imposed for failure to make any payment or to repay the loan when due.
18. The date of statement.
19. The name and signature of the representative of a non-bank lender.

**Form 6**

**Annual Return**

**FINANCIAL AND STATISTICAL ANNUAL  
RETURN**

Name of licensed Non-Bank Lender: \_\_\_\_\_

NBFIRA Licence  
Number:

\_\_\_\_\_

Company/partnership/other registration  
number:

\_\_\_\_\_

Reporting period:  
from \_\_\_\_\_ to  
\_\_\_\_\_

Name of person completing this  
form:

\_\_\_\_\_

Designation:

\_\_\_\_\_

Contact information: e-  
mail

\_\_\_\_\_

Telephone number \_\_\_\_\_ Mobile \_\_\_\_\_

**PART I: SALIENT INFORMATION**

Table 1: Reporting Period Analysis

<b>Description</b>	<b>Current financial</b>	<b>Previous financial</b>
Total Pula value of loans disbursed during period		
Total number of loans disbursed during the period		
Total value of loan book at end of period		

Total number of clients in book at last day of reporting period		
Total number of employees on last		
Total number of agents of period and broker (if any)		

*Note1: Value means only the principal amounts*

**Table2: Analysis of original terms of agreements approved during reporting period**

Original Term	0-3 month	>3-6 month	>6-9 month	>9-12 month	>12-18months	>18-24months	>24 month	Total
Aggregate value (refer								
Number of agreements								

*Note2: Value in tables 2 and 3 means original principal amount. Each renewal or rollover during this period counts as a new agreement and principal amount.*

**Table3: Analysis of original principal amounts approved during reporting period**

Original principal amount	0-P300	P301 - P500	P501-1000	P1000 - P1500	P1501 - P2000	P2001 - P3000	>P3000	Total
Aggregate value (note2)								
Number of agreements								
Average								

**Loan book risk analysis**

**Table4: Age analysis of overdue payments (in Pula) (refer to note3)**

Current(<30 days)	31-60days	61-90days	91-120days	120+days	Total

*Note3: Non-Bank Lender to define 'overdue' in terms of its guidelines and payment means total payment that includes principal amount and cost of credit portion.*

**Table5: Age analysis of principal amounts involved corresponding to Table 4 (in Pula)**

Current(<30 days)	31-60days	61-90days	91-120days	120+days	Total

**Table 6: Age analysis of number of agreements overdue corresponding to Table 4**

Current(<30 days)	31-60days	61-90days	91-120days	120+days	Total

Table7: Indicate fees (in Pula) for following sized transactions

Principal amount	P300	P500	P800	P1000	P2000	P3000	P5000	P10000
(a)Initial fee:								
(b)Ongoing service fee								
(c)Any other fees-specify:								

**Table 8: Indicate total monthly cost of credit rate for following transactions**

Principal amount:	P300	P500	P1000	P3000	P5000	P10000
<b>Term:</b>						
1 month						
3 months						
6 months						
9 months						
12 months						
24 months						

**Table 9: Analysis of repayment methods**

<b>Repayment method</b>	<b>Number of agreements</b>	<b>Value of payments made during last month of reporting period</b>
Cash		
Stop/bank order		
Bank Deposit slip		
Cheque		
Third party collection agent		
Bank card		
Other (specify)		
Mobile pay		
Internet pay (electronic transfer)		

**PART II: FINANCIAL STATEMENTS**

**INCOME STATEMENT FOR THE PERIOD ENDING \_\_\_\_\_**

<b>Description</b>	<b>Current Financial</b>	<b>Previous Financial</b>
<b>Income</b>		
(a)Gross repayments excluding capital portion in loan		
(b)Other income related to loan book(specify)		
(c)Commissions and fees from insurance		
<b>Gross income from moneylending</b>		
(d)Other income		
Total income		

<b>Expenses</b>		
(e)Bad debts written off		
(f)Interest paid		
(g)Change in provision for bad debts		
(h)Operational expenses		

(i)Other expenses		
<b>Total expenses</b>		
<b>Net income</b>		
<b>Less Tax</b>		
<b>Net income after tax</b>		

**BALANCE SHEET AS AT \_\_\_\_\_**

<b>Description</b>	<b>Current Financial</b>	<b>Previous Financial</b>
<b>Assets</b>		
(a)Gross loan debtors (note4)		
(b)less: provision for bad debts		
(c)less: other provisions		
(d)Net loan debtors		
(e)Current and other assets		
<b>Total assets</b>		
<b>Liabilities</b>		
(f)Long-term interest bearing liabilities (note5)		
(g)Short-term interest bearing liabilities		
(h)Other current liabilities		
<b>Total liabilities</b>		
<b>Equity</b>		
(i) Stated capital		
(j)Retained earnings		
<b>Total equity</b>		

*Note4: Gross loan debtors are the aggregate of all the future gross repayments to be made after the reporting date.*

*Note5: Long-term liabilities are those liabilities with an outstanding term of more than 12 months, and short-term liabilities are those with an outstanding term of 12 months and less, at the reporting date.*

## DECLARATION BY AUDITOR/ACCOUNTANT

Information contained in Financial and Statistical Return as prescribed in...

Name

---

Professional body (if applicable)

---

Membership no. (if applicable)

---

Report of the auditor/accountant (delete where applicable) regarding the Financial and Statistical Return of \_\_\_\_\_ (name of Non-Bank Lender).

NBFIRA licence number

---

### **Declaration A: Accountant (In terms of Section 61(2))**

1. I/we have reviewed the accompanying Financial and Statistical Return for the year ended \_\_\_\_\_
2. Management/owner is responsible for the preparation and fair representation of the figures in this Return in accordance with International Financial Reporting Standards.
3. My/our responsibility is to express an opinion on the accuracy of these figures. I/we have conducted enough reasonable checks, taking the size and complexity of the business of the Non-Bank Lender into account, to obtain reasonable assurance whether the Return is free from material misstatement.
4. In my/our opinion, the Return has been properly prepared in accordance with the notes to the Return and is consistent with the records on which these have been based.

\_\_\_\_\_  
Signature (Registered Accountant)  
Date \_\_\_\_\_

Contact number \_\_\_\_\_

**Declaration B: Auditor (In terms of section 61(2))**

Report of the auditor regarding the Financial and Statistical Return

of \_\_\_\_\_ (name of Non-Bank Lender).

NBFIRA licence number \_\_\_\_\_

1. I/We have audited the accompanying financial statements which comprise the statement of financial position as of

\_\_\_\_\_ and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year the ended and a summary of significant accounting policies and other explanatory notes.

2. ***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

3. ***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

4. ***Report on other legal and regulatory requirements***

We have also audited the accompanying disclosures required in terms of **Form 8 (Part D)** of the Act. These disclosures are the responsibility of the company's management. Our responsibility is to express an opinion on the disclosures based on our audit.

5. In our opinion, the accompanying disclosures required in terms of the **Form 8 (Part I)** of the Act have been properly prepared in accordance with the relevant requirements and \_\_\_\_\_ are consistent with the annual financial statements and the accounting records on which these have been based.

Signature (Registered Auditor)

Date \_\_\_\_\_

Contact Number \_\_\_\_\_

Signature \_\_\_\_\_

**Form 7**

**COMPLIANCE REPORT**

For the period from .....to  
....., I/We,  
.....  
in my/our capacity as .....  
of .....(name of  
non-bank lender) do hereby wish to report as follows:

1. The necessary disclosures as specified in section 40 of the Non-Bank Lenders Act (hereafter just referred to as “the Act”) as published in Government Gazette No..... dated ..... is in place.
2. The Non-Bank Lender has complied with section 38 of the Act regarding marketing and advertising.
3. The Non-Bank Lender has complied with section 39 of the Act and has not failed to conduct a proper assessment or advanced a loan where it should not have.
4. The Non-Bank Lender has complied with section 40 of the Act regarding the provision of a salient features document and section 48 of the Act regarding signature, copy and explanation of the agreement to the borrower.
5. The Non-Bank Lender has kept a record of all unresolved disputes as required in section 32(4) of the Act.
6. In general, the Non-Bank Lender has complied with the requirements of the Non-Bank Lenders Act.
7. In case of non-compliance; the Non-Bank Lender hereby discloses the following areas of non-compliance and the steps taken by the Non-Bank Lender to rectify such non-compliance. (Please list the areas and provide detailed explanations on a separate paper).

Signed on behalf of the Board of Directors/Controllers of:

.....

Date

Name

Capacity

**Form 8**

**MINIMUM REQUIREMENTS TO BE INCLUDED IN THE CREDIT AGREEMENT**

Any credit agreement between a lender and a borrower needs to comply with the minimum requirements as set out in this sample agreement.

**FRONT PAGE**

**PART A**

**Particulars about the lender**

Name of lender: .....

Licence number: .....

Authorised address: .....

Address of branch (if applicable): .....

Contact number(s): .....

Website (if available): .....

**Particulars of the borrower**

FOR INDIVIDUALS

Title: .....

Name of borrower: .....

Date of birth: .....

National ID/Passport No: .....

Nationality: .....

Postal address: .....

Physical address: .....

Duration of stay: ..... if < 2 years, give previous place of residence:

.....

Contact numbers: Home .....

Work: .....

Mobile: .....

Email address: .....

Any other (where necessary): .....

For proof of physical address, please submit any of the following valid documents (latest):

Telephone bill ..... Electricity bill ..... Water bill ..... Lease agreement .....

**BANKING DETAILS**

Bank Name: .....

Branch: .....

Account Number: .....

Account Type: .....

FOR NON-INDIVIDUALS

CORPORATE ENTITY

Company name: .....

Registration No: .....

Country of incorporation: .....

Postal address: .....

Physical address: .....

Contact numbers: Home .....

Work: .....

Mobile: .....

Email address: .....

Website (if available): .....

Any other (where necessary): .....

Brief description of business:  
.....  
.....

**BANKING DETAILS**

Bank Name: .....

Branch: .....

Account Number: .....

Account Type: .....

**Contact Person**

Title: .....

Name: .....

Date of birth: .....

National ID/Passport No: .....

Nationality: .....

Capacity/Position: .....

Email address: .....

Telephone: .....

Physical address: .....

**DECLARATION OF BENEFICIAL OWNERSHIP**

The Company hereby confirms and declares that as at the date hereof, the following individual(s) is/are the ultimate beneficial owner(s) of the Company through ownership in the intermediate or ultimate holding company/-ies:

Full Name	Residential Address	Date of Birth	Nationality	Percentage of ownership (%)

**PART B**

Details of the credit agreement

Type of credit

Principal amount

Total amount to be repaid

Number of instalments

Amount of each instalment

Date of loan

Date(s) of instalment(s)

Total cost of credit and total cost of credit rate

FROM SECOND PAGE ONWARDS

1. Undertaking by the borrower to repay the full amount on due date(s).
2. Repayment arrangements (e.g. cash, electronically, deductions from wages or salary by employer or debit order)  
and applicable authorizations and indemnities.
3. Procedures and cost implications in case of failure of the borrower to adhere to the terms of the agreement.
4. Reasonable penalty fee are to be stipulated and under what circumstances and added to the total amount to be repaid.
5. Confirmation by the borrower that all the required statutory disclosures have been made to the borrower and that the dispute resolution process has been explained.
6. Confirmation by the borrower that he or she is in a position, financially and legally, to enter into the agreement.
7. Confirmation by the borrower that he or she has truthfully disclosed all relevant facts regarding his or her own current and expected future financial position.
8. Consent by the borrower that all legal means can be employed by the lender to establish the borrower's creditworthiness.
9. Early repayment fees (if any), conditions and procedures.
10. Whether insurance is taken out on behalf of the borrower and the associated costs.
11. Borrower's undertaking to inform lender if any of his or her personal particulars change.
12. Cooling-off arrangements with a minimum of 2 calendar days.
13. Document to contain the entire agreement

14. Statement and signature by the borrower that the agreement was explained and all blank spaces were duly filled before the borrower signed the agreement.

15. Any other normal legal clauses can be added.

**Form 9**

**MINIMUM REQUIREMENTS TO BE INCLUDED IN THE CONSENT OF SPOUSE FORM**

I, .....

the undersigned, married in community of property to

.....

hereby consent to my spouse binding himself/herself to this

\* .....

as surety and co-principal debtor for the indebtedness of the Debtor(s) to the Micro Lender.

Consenting Spouse:

Full Name:.....

Identity Number: .....

Address: .....

Signature: .....

Date:.....

Witnesses:

1. Full Name:.....

Identity Number: .....

Address: .....

Signature: .....

Date:.....

2. Full Name:.....

Identity Number: .....

Address: .....

Signature: .....

Date:.....

\*Surety, Loan agreement





**Form 10: Amortisation schedule**

	<i>Loan amount</i>				<i>Scheduled payment</i>				
	<i>Annual interest rate</i>				<i>Scheduled number of payments</i>				
	<i>Loan period in years</i>				<i>Actual number of payments</i>				
	<i>Number of payments per year</i>				<i>Total early payments</i>				
	<i>Start date of loan</i>				<i>Total interest</i>				
	<i>Optional extra payments</i>				<b>LENDER NAME</b>				
<b>P</b>	<b>PAY</b>	<b>BEGIN</b>	<b>SCHE</b>	<b>EXT</b>	<b>TOTAL</b>	<b>PRIN</b>	<b>INTE</b>	<b>ENDI</b>	<b>CUMUL</b>
<b>M</b>	<b>MEN</b>	<b>NING</b>	<b>DULE</b>	<b>RA</b>	<b>PAYME</b>	<b>CIPA</b>	<b>REST</b>	<b>NG</b>	<b>ATIVE</b>
<b>T</b>	<b>T</b>	<b>BALA</b>	<b>D</b>	<b>PAY</b>	<b>NT</b>	<b>L</b>		<b>BAL</b>	<b>INTER</b>
<b>N</b>	<b>DATE</b>	<b>NCE</b>	<b>PAYM</b>	<b>MENT</b>				<b>ANC</b>	<b>EST</b>
<b>O</b>			<b>ENT</b>	<b>T</b>				<b>E</b>	
<b>1</b>									
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