

Directive No. MFI/4/1996

LICENSING AND SUPERVISION OF THE BUSINESS OF MICRO-FINANCING INSTITUTIONS

CONDITIONS TO BE MET PRIOR TO COMMENCEMENT OF OPERATIONS

1. Issuing Authority

These directives are issued by the National Bank of Ethiopia pursuant to the authority vested in it by Article 41 of the Monetary and Banking Proclamation No. 83/1994 and by Article 7 of the Licensing and Supervision of the Business of Micro-financing Institutions Proclamation No. 40/1996.

Conditions for the Commencement of Operation

A licensed institution shall be authorized to commence operations where it informs in writing the National Bank of Ethiopia at least 30(thirty) days prior to the actual commencement of its operations and where:

A title deed or a signed lease agreement whichever is applicable for the premises is acquired and ready for commencement of operation;

The fixed assets registered are in place;

A detailed operational policy and plans and the relevant manuals are available; and

Additionally, every institution should provide evidence to the Bank that all the conditions required under the license are met

These directives shall enter into force as of 21st day of October 1996.