

## **Directive No. MFI/7/1996**

### LICENSING AND SUPERVISION OF THE BUSINESS OF MICRO-FINANCING INSTITUTIONS

#### BRANCHES

##### 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 14 of the Licensing and Supervision of the Business of Micro-financing Institutions Proclamation No. 40/1996.

##### Opening of Branch Offices

Every licensed institution may open new branches or subsidiaries or offices without prior approval of the National Bank of Ethiopia.

Every licensed institution which has opened new branch office shall in writing inform the National Bank of Ethiopia the full address, date of commencement of operation, and an overview of the economic conditions of the area where the new branch is situated not later than fifteen days after the commencement of operation.

##### Closure of Branch Offices

Closure of Branch office of a licensed institution may only be conducted after obtaining approval from the National Bank of Ethiopia.

An application for closure of a branch office shall be submitted by the board of directors of the concerned institution at least three months prior to conducting the intended closure of the branch office

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