

S T A T U T O R Y I N S T R U M E N T S

2018 No. 10.

**THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY
LENDERS (NON-DEPOSIT TAKING MICROFINANCE INSTITUTIONS)
REGULATIONS, 2018**

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

1. Title.
2. Interpretation.

PART II—LICENSING

3. Application for licence.
4. Consideration of application.
5. Rejection of application.
6. Grant of licence.
7. Publication.
8. Validity and renewal of license.
9. Revocation of licence.
10. Suspension of licence.
11. Withdrawal of suspension of licence.
12. Display of information.
13. Register.

PART III—LOANS

14. Application for a loan.
15. Classification of loan portfolio.
16. Accrued interest.

Regulation

17. Loan loss allowances.
18. Collateral against loan loss.
19. Loan write-offs.
20. Risk classification return.
21. Records.

PART IV—REGULATION AND SUPERVISION

22. Change in management.
23. Reports of Non-Deposit Taking Microfinance Institutions
24. Confidentiality.
25. Take over.
26. Effect of takeover.
27. Opening branches.
28. Operating outlet.
29. Relocating of place of business.
30. Closing place of Business.

PART V—MISCELLANEOUS

31. Fees.

SCHEDULES

SCHEDULE 1 FORMS

FORM 1 A - APPLICATION FOR A LICENSE

FORM 1B - NON-DEPOSIT TAKING MICROFINANCE
INSTITUTION LICENCE

FORM 1C - NOTICE OF INTENTION TO REVOKE
LICENCE.

FORM 1D - NOTICE OF REVOCATION OF LICENCE

FORM 1E - NOTICE OF SUSPENSION OF LICENCE.

FORM F - LOAN APPLICATION

SCHEDULE 2 FEES

SCHEDULE 3 RISK CLASSIFICATION OF ASSETS AND PROVISIONING

S T A T U T O R Y I N S T R U M E N T S

2018 No. 10.

The Tier 4 Microfinance and Money Lenders (Non-Deposit Taking Microfinance Institutions) Regulations, 2018

IN EXERCISE of the powers conferred on the Minister by section 112 of the Tier 4 Microfinance and Money Lenders Act, 2016 these Regulations are made this 28th day of February, 2018.

PART I—PRELIMINARY.

1. Title.

These Regulations may be cited as the Tier 4 Microfinance and Money Lenders (Non-Deposit Taking Microfinance Institutions) Regulations, 2018.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“Act” means the Tier 4 Microfinance Institutions and Moneylenders Act, 2016;

“allowance for loan loss” means an amount set aside in a statement of financial position so that the true value of the loan portfolio is fairly stated;

“Authority” means the the Uganda Microfinance Regulatory Authority established by section 6 of the Act;

“core capital” means shareholders’ equity in the form of issued and fully paid up shares; including retained earnings approved by the Authority;

“delinquent loan” means any loan for which the principal or interest remains unpaid after the due date;

“equity” means shares, reserves, retained surplus, donations and general reserves;

“foreclosed assets” means real estate and other assets of material value which are transferred to the Non-Deposit Taking Microfinance Institution as a result of non-repayment of a loan;

“institution” means a non-deposit taking institution;

“Non-Deposit Taking Microfinance Institution” means a company or a non government organisation licensed under section 62 of the Act;

“quarter” means the three months ending March, June, September and December respectively.

PART II—LICENCING

3. Application for licence

(1) An application for a licence to operate a Non Deposit Taking Microfinance Institution shall be made to the Authority by a company or a non governmental organisation.

(2) An application for a licence under sub regulation (1) shall be made to the Authority in Form 1A set out in Schedule 1 to these Regulations.

(3) An application shall be accompanied by—

- (a) a certified certificate of incorporation for a company issued by Uganda Registration Services Bureau or a certificate of registration for a non-governmental organisation by the National Bureau of Non-governmental Organisation, as the case may be;
- (b) the memorandum and articles of association, constitution, or other incorporation documents, as the case may be;
- (c) the management structure of the company or Non-governmental organisation; and
- (d) evidence of payment of a fee prescribed in Schedule 2..

4. Consideration of application

(1) The Authority shall consider an application for a licence lodged under regulation 3 and inform the applicant of its decision within three months after the application has been lodged with it, except that where the Authority requests for more information, the period of three months shall be calculated from the time that the additional information is submitted to the Authority.

(2) The Authority may, on an application duly made and after being furnished with all such information as it may require, grant a licence or reject the application.

(3) Where a decision is not made on the application by the Authority within three months, the Authority shall immediately notify the applicant of the reasons for the delay.

(4) In determining whether to grant a licence or reject an application the Authority may take into account any matter relating to any person who is or will be employed by or associated with the applicant for the purposes of conducting the business of financial services as a Non-deposit Taking Microfinance Institution.

5. Rejection of application

(1) The Authority may reject an application for a licence on the following grounds—

- (a) failure to submit all the required documents;
- (b) submission of misleading information;
- (c) submission of forged or fraudulent information; and
- (d) any other reason as the Authority may determine.

(2) The decision to reject an application for a licence shall be communicated to the applicant by the Authority in writing, with reasons, to the applicant within three months of the receipt of a complete application.

(3) An applicant may resubmit an application for a licence to operate as a Non-Deposit Taking Microfinance Institution at any time if the reason for refusal has been addressed.

6. Grant of licence

(1) Where the Authority is satisfied that the applicant meets the requirements to operate as a Non Deposit Taking Microfinance Institution, the Authority shall issue a notice to the applicant requiring the applicant to pay licence fees prescribed in Schedule 2 to these Regulations before issuing the licence.

(2) The Authority shall grant a licence to the applicant in Form 1B set out in Schedule 1 to these Regulations, upon being satisfied that the licence fees have been paid.

(3) A licence granted under these Regulations is not transferable or assignable to any other entity.

7. Publication of non deposit taking micro finance institutions

The Authority shall at the beginning of each year and in any case, not later than 31st March publish in the Gazette and in at least one newspaper of wide circulation a list of the Non Deposit Taking Microfinance Institutions licensed by the Authority.

8. Validity and renewal of License

(1) A licence shall, unless revoked by the Authority, be valid up to 31st December of the year in which it is issued.

(2) A Non Deposit Taking Microfinance Institution may apply for renewal of a licence at least ninety days before the expiry of the licence, the application shall be in Form 1 A set out in Schedule 1 to these Regulations.

(3) The Authority shall communicate its decision on the application for renewal at any time before the expiry of the licence.

(4) The Authority may require the applicant to provide additional information for the renewal of a licence.

(5) The Authority shall before renewing a licence, have regard to the extent to which the Non-Deposit Taking Microfinance Institution complied with the Act, these Regulations and the conditions set in the earlier licence, if any.

(6) The Authority may refuse to renew a licence if it is satisfied that the Non-Deposit Taking Microfinance Institution failed to comply with the provisions of the Act, the terms and conditions set in the licence sought to be renewed or these regulations.

(7) Where the Authority refuses to renew a licence, it shall give written notice to the applicant within thirty days after receiving the application stating the reasons for refusal.

9. Revocation of licence.

(1) Where the Authority intends to revoke a licence under section 66 of the Act, the Authority shall issue to the licensee a notice of intention to revoke a licence, in form 1C set out in Schedule 1 to these Regulations.

(2) The licensee shall, within 14 days after receiving a notice referred to in subregulation (1) show cause in writing to the Authority why the licence should not be revoked.

(3) The Authority shall examine the reasons provided in subregulation (2) and—

- (a) where the Authority is satisfied with the explanation, the Authority shall, in writing, withdraw the notice referred to in sub regulation (1); or
- (b) where the Authority is not satisfied with the written explanation, the Authority shall invite the licensee for an oral interface within five days after receiving the explanation.

(4) Where the Authority is not satisfied with the explanation after an oral interface with the licensee, under subregulation (3)(b) the Authority shall—

- (a) issue a notice of revocation to the licensee;
- (b) require the licensee to deliver to the Authority the licence; and
- (c) endorse on the licence the words; “**REVOKED**”.

(5) The notice of revocation shall be in Form 1D set out in Schedule 1 to these Regulations.

10. Suspension of licence

(1) The Authority may, suspend a licence instead of revoking the licence if the Authority is not satisfied with a written explanation referred to in Regulation 9(3)(b) and (4).

(2) The suspension of a licence shall be for a specified period or until the occurrence of a specified event or until specified conditions are complied with.

(3) An institution whose licence is suspended shall be taken not to be licensed unless the Authority revokes the suspension.

(4) A notice of suspension of licence shall be in form 1E set out in Schedule 1 to these Regulations.

11. Withdrawal of suspension of licence

(1) An institution whose licence is suspended may apply to the Authority in writing to withdraw the suspension.

(2) The Application shall state the grounds on which the institution seeks the suspension to be withdrawn, stating clearly the remedies for the reasons that led to revocation.

(3) Where the Authority is satisfied with the grounds stated by the applicant in subregulation (2), the Authority shall withdraw the suspension in writing.

12. Display of Information

A Non Deposit Taking Microfinance Institution shall display in a conspicuous place at the premises of its business; the licence, a list of products and services offered and the fees chargeable by the institution.

13. Register

The Authority shall maintain a register of Non Deposit Taking Microfinance Institutions and shall enter into the register in respect of each institution, the following information—

- (a) the name of Non Deposit Taking Microfinance Institution and licence number;
- (b) the physical and postal address of the Non Deposit Taking Microfinance Institution;
- (c) the date of issue of the licence and conditions if any;
- (d) the name of the auditors of the institution;
- (e) the location of head office of the institution;
- (f) the number of branches and agencies held by the licensee; and
- (g) the balance sheet and income statement of the Institution.

PART III—LOANS

14. Application for a loan

(1) A person may apply for a loan from a Non Deposit Taking Microfinance Institution in the form specified by the Non Deposit Taking Microfinance Institution.

(2) A Non Deposit Taking Microfinance Institution shall consider a loan application in accordance with the credit policy of the the Institution and shall, if satisfied that the borrower has capacity to repay the loan, enter into a loan agreement with the borrower.

(3) The loan agreement shall bear the signatures of the borrower and the lender and shall indicate the method of calculating the interest rate.

15. Classification of loan portfolio

(1) A Non Deposit Taking Microfinance Institution shall classify its loan portfolio based on performance measured against the terms provided in the loan agreement.

- (2) All loans offered by an institution shall be classified as—
- (a) performing credit facilities, being loans which are performing according to contractual terms; or
 - (b) delinquent loans, classified as—
 - (i) watch loans; being loans whose principal or interest is due and which has remained un-paid for one day to thirty days or where one installment is outstanding;
 - (ii) substandard loans; being loans whose principal or interest is due and which has remained un-paid between thirty one to ninety days or where two to six installments remain outstanding;
 - (iii) doubtful loans; being loans whose principal or interest is due and which has remained un-paid between ninety one days to one hundred eighty days or where four to six installments remain outstanding; and
 - (iv) loss loans; being loans whose principal or interest is due and which has remained un-paid for more than one hundred eighty days or where more than six installments have remained outstanding.

(4) A loan may be reclassified if a sustained record of performance is maintained for six months installments from the date of the reclassification, except that loan shall not be reclassified more than once in its life cycle.

16. Accrued interest

(1) where a loan is classified as substandard, doubtful or loss, payment of interest on the loan shall be suspended and that interest shall be taken into account in computing provisions for non performing loan accounts.

(2) Accrued interest shall not exceed thirty days earnings of the entire loan portfolio.

17. Loan loss allowances

(1) A Non-Deposit Taking Microfinance Institution shall assess and provide for loan loss allowance for delinquent loans as follows—

- (a) one percent for a loan classified as performing;
- (b) five percent for a loan classified as watch;
- (c) twenty-five percent for a loan classified as substandard;
- (d) fifty percent for a loan classified as doubtful; and
- (e) one hundred percent for a loan classified as loss.

(2) A Non-Deposit Taking Microfinance Institution may provide for accounts deemed uncollectible at any time subject to the provisioning referred to in subregulation (1).

18. Collateral against loan loss

(1) Where a Non-Deposit Taking Microfinance Institution obtains collateral, for securing a loan, the Non-Deposit Taking Microfinance Institution shall ensure that the collateral is duly charged and adequately insured.

(2) A Non-Deposit Taking Microfinance Institution shall maintain an up to date register of all collaterals provided for securing loans.

(3) A Non-Deposit Taking Microfinance Institution shall not dispose of any collateral given by a debtor as a pawn, sale, pledge or collateral for the loan advanced to him, unless 60 days have passed since a written demand notice was issued to the debtor requiring him or her to pay any outstanding monies on the money advanced.

(4) A Non-Deposit Taking Microfinance Institution may dispose of the collateral given by the debtor by way of public auction or private treaty without recourse to a court of law.

(5) A Non-Deposit Taking Microfinance Institution may, before carrying out a sale of collateral by public auction or private treaty, undertake a valuation and obtain a forced sale value of the collateral to determine the market value of the collateral.

(6) A Non-Deposit Taking Microfinance Institution may not sell the collateral for less than the forced sale value in the initial two auctions except that if the collateral does not sell in the first two attempts, it may sell the collateral at a value less than the forced value.

(7) The proceeds from the sale of collateral shall be applied as follows—

- (a) to the payment of all monies outstanding on the loan;
- (b) to the recovery of costs and expenses properly incurred and incidental to the sale;
- (c) the balance, if any, shall be paid to the borrower.

19. Loan write-offs

(1) A Non Deposit Taking Microfinance Institution shall write-off a loan or part of a loan from its statement of financial position—

- (a) where it loses control of the contractual rights over the loan;
- (b) where all or part of the loan is deemed uncollectible;
- (c) where there is no realistic prospect of recovery; or
- (d) where the loan has remained non performing for more than two hundred and seventy days.

(2) The circumstances specified in subregulation (1) shall be deemed to have arisen where—

- (a) a court has ruled against the Non Deposit Taking Microfinance Institution;
- (b) all forms of securities or collateral have been called or realized and the proceeds do not meet the entire loan;
- (c) a Non Deposit Taking Microfinance Institution is unable to collect, or there is no collateral;
- (d) a borrower is declared bankrupt; or
- (e) efforts to collect the debt are abandoned for any other reason.

(3) A recovery made from any account previously written-off shall be credited back to the allowance for loan losses account in the financial statement and shall be recognized as income.

20. Risk classification return

(1) A Non-Deposit Taking Microfinance Institution shall, at the end of every quarter before the 15th day of the following month, submit to the Authority a return on the risk classification of assets and provisioning.

(2) The return shall be in the Form set out in Schedule 3 to these Regulations.

21. Records

A Non-Deposit Taking Microfinance Institutions shall keep all records relating to loan transactions for at least ten years.

PART IV—REGULATION AND SUPERVISION

22. Change in management

(1) A Non-Deposit Taking Microfinance Institution shall not change its management, except with the written authorisation of the Authority.

(2) A Non-Deposit Taking Microfinance Institution which wishes to change its management shall apply to the Authority in writing, for authorisation to change its management.

(3) The Authority shall, on receipt of an application under subregulation (2), carry out a due diligence on the directors and other persons proposed to be involved in the management of the business and shall—

- (a) if satisfied that the new directors and the management of the institution are fit to carry on the business of financial services as a Non-Deposit Taking Microfinance Institution, issue a notice of no objection to the change in management and directors;

- (b) if not satisfied that the new directors and the management of the [Non-Deposit Taking Microfinance Institution] are fit to carry on the business of institution, issue a notice of objection to the change in management and directors.

23. Reports of Non-Deposit Taking Microfinance Institutions

(1) The Authority may require a Non-Deposit Taking Microfinance Institution to furnish any reports it may deem necessary, in such a form as the Authority may require.

(2) A Non-Deposit Taking Microfinance Institution shall submit to the Authority annually and in any case not later than 31st March of the following year, the audited financial statements for the institution and any other reports as may be determined by the Authority.

(3) In examining the reports submitted under subregulation (1), the Authority shall consider—

- (a) the composition of assets, liabilities and equity accounts;
- (b) the quality of earning assets;
- (c) financial, operational and business risks; and
- (d) any other matter which the Authority may deem fit.

(4) Where the Authority is not satisfied with the reports submitted under subregulation (3), the Authority may –

- (a) request for additional information from the Non-Deposit Taking Microfinance Institution;
- (b) make an on-site inspection; or
- (c) request for and inspect books of accounts and other records of the Non-Deposit Taking Microfinance Institution.

(5) The Authority shall, after every inspection, compile a report on the performance of a Non-Deposit Taking Microfinance Institution.

(6) Where the Authority finds that a Non-Deposit Taking Microfinance Institution is operating in contravention of the Act or these Regulations, the report under sub regulation (5), shall specify—

- (a) the contravention of the Act or these Regulations;
- (b) the contravention of a condition of a licence;
- (c) any irregularity in the manner of conduct of the business of the Non-Deposit Taking Microfinance Institutions; and
- (d) any remedial action.

(7) The Authority shall serve on the Non-Deposit Taking Microfinance Institution the report compiled under subregulation (5) and the Non-Deposit Taking Microfinance Institution shall present a report on the corrective actions to the Authority within 30 days after receiving the report.

24. Confidentiality

(1) The Authority shall keep confidential, all information obtained in the course of regulating and supervising a Non-Deposit Taking Microfinance Institution.

(2) Any information obtained under these Regulations shall be used solely for the purpose of regulating and supervising the Non-Deposit Taking Microfinance Institution in accordance with the Act and these Regulations.

25. Takeover of institution

(1) Where the Authority intends to take over the management of a Non-Deposit Taking Microfinance Institution under section 33 of the Act, the Authority shall issue a notice of intention to take over the management of the Non-Deposit Taking Microfinance Institution.

(2) For purposes of section 33(a) of the Act a Non-Deposit Taking Microfinance Institutions shall be deemed to operate under unsound financial conditions if—

- (a) the Non-Deposit Taking Microfinance Institution is unable to meet its obligations to creditors; or
- (b) the capital of the Non-Deposit Taking Microfinance Institution is less than two percent of total assets, and is on a declining trend.

(3) The Non-Deposit Taking Microfinance Institution shall, within 14 days after receiving a notice referred to in subregulation (1) show cause in writing to the Authority why the Authority should not take over the management of the Non-Deposit Taking Microfinance Institution.

(4) The Authority shall examine the reasons submitted under subregulation (2) and—

- (a) where the Authority is satisfied with the explanation, the Authority shall, in writing, withdraw the notice; or
- (b) where the Authority is not satisfied with the written explanation submitted under subregulation (2), the Authority shall invite the licensee for an oral interface within five days after receiving the explanation referred to in subregulation (2).

(5) Where the Authority is not satisfied with the explanation after an oral interface with the licensee, the Authority shall takeover the management of the Non-Deposit Taking Microfinance Institution.

26. Effect of takeover

(1) The Authority shall, on taking over the management of a Non-Deposit Taking Microfinance Institution, have exclusive powers of management and control of the affairs of the Non-Deposit Taking Microfinance Institution.

(2) The Authority may in exercising control and management of a Non-Deposit Taking Microfinance Institution—

- (a) continue or discontinue any of the operations of the Non-Deposit Taking Microfinance Institution;
- (b) stop or limit the payment of the obligations of the Non-Deposit Taking Microfinance Institution;
- (c) employ any necessary staff;
- (d) execute any instrument in the name of the Non-Deposit Taking Microfinance Institution;
- (e) reorganize or liquidate the Non-Deposit Taking Microfinance Institution in accordance with the Act;
- (f) cancel any leases or tenancy agreements entered into by the Non-Deposit Taking Microfinance Institution as lessee or tenant;
- (g) appoint an advisory board of directors for the Non-Deposit Taking Microfinance Institution; or
- (h) close the Non-Deposit Taking Microfinance Institution.

(3) The Authority shall, as soon as possible after taking over the management of a Non-Deposit Taking Microfinance Institution, appoint an auditor to make an inventory of the assets and liabilities of the Non-Deposit Taking Microfinance Institution and submit a report to the Authority.

(4) The Authority shall, upon taking over the management of a Non-Deposit Taking Microfinance Institution, immediately inform the public by notice in a newspaper of nation wide circulation.

(5) The Authority shall exercise management over a Non-Deposit Taking Microfinance Institution for the minimum time necessary to bring the Non-Deposit Taking Microfinance Institution into compliance with prudential standards and sound financial practices.

(6) Where the Non-Deposit Taking Microfinance Institution does not comply with prudential standards within six months after its being placed under management, the Authority shall close the Non-Deposit Taking Microfinance Institution and place it under receivership or liquidation, as the case may be.

27. Opening branches

(1) A Non-Deposit Taking Microfinance Institution shall not open a branch without the prior written approval of the Authority.

(2) A Non-Deposit Taking Microfinance Institution that intends to open and operate a branch shall apply to the Authority for approval.

(3) The Authority shall, before approving the opening of a branch—

- (a) inspect the branch premises;
- (b) examine the compliance of the head office with the Act, these Regulations and any other standards prescribed by the Authority; and
- (c) examine the readiness of the Non-Deposit Taking Microfinance Institution for commencing branch operations.

(4) The Authority shall, if satisfied that all requirements have been fulfilled, grant approval upon payment of the prescribed fee.

28. Operating outlet.

(1) A Non-Deposit Taking Microfinance Institution shall not open an outlet without the prior written approval of the Authority.

(2) Where the Authority is satisfied that the applicant is fit to operate an outlet, the Authority shall grant the approval.

29. Relocating of place of business

(1) A Non-Deposit Taking Microfinance Institution shall not relocate its place of business without the written approval of the Authority.

(2) An application for approval to relocate to a place of business shall be made to the Authority in writing and shall specify—

- (a) the reasons for the change of location;
- (b) the plan for settlement or transfer of claims and liabilities; and
- (c) the particulars of the new place of business.

(3) Where the Authority is satisfied that the applicant is fit to relocate to a new place of business, the Authority shall grant its approval for the relocation to a new place of business.

30. Closing place of Business

(1) A person shall not, without the written approval of the Authority close or cause to be closed a place of business, in a manner so as to permanently cease operation of business.

(2) An application to close a place of business shall be made to the Authority and shall state—

- (a) the reasons for the closure;
- (b) the extent to which the interests of borrowers are secured; and
- (c) a plan for settlement or transfer of the assets and liabilities.

(3) The Authority shall consider the application for permanent closure of a place of business and if satisfied, may grant approval.

(4) A Non-Deposit Taking Microfinance Institution granted approval to close its business shall—

- (a) give notice of the intended closure to the public, at least ninety days prior to the closure, in at least one newspaper of nationwide circulation or through any other method acceptable to the Authority; and

- (b) report the closure to the Authority not later than fourteen days after closure.

PART V—MISCELLANEOUS

31. Fees.

The fees payable in respect of applications made under these Regulations are specified in Schedule 2 to these Regulations.

SCHEDULES

SCHEDULE 1

FORM 1 A

Regulation 3

THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY LENDERS ACT 2016

APPLICATION FOR A LICENCE

1. Name of Non-Deposit Taking Microfinance Institution.....
2. Physical address of the head office:
.....
3. Postal address.....Email,.....
4. Telephone number.....
5. Present administrative structure:.....
.....
6. Date of incorporation or registration with NGO Bureau
7. Certificate of incorporation or registration as the case may be (**attach copy**)
8. Names of places of business in Uganda and start date and the number of years each has been established and has conducted or carried out business

S/N	Place of Business	Year Established	No. of years in operation
1			
2			
3			
4			
5			
6			

- 9. Details of Capital:
 - (a) Core Capital.....
 - (b) Permanent and non-withdrawable capital.....
 - (c) Redeemable capital.....
 - (d) Institutional capital.....

- 10. (a) Provide the following for each member of the Board of Directors
 - Name.....
 - Designation.....
 - Address.....
 - Other directorship.....
 - Date of appointment.....

- (b) Provide the following for each of the senior management officers:-
 - Name.....
 - Designation.....
 - Nationality.....
 - Age.....
 - Academic or Professional Qualifications & year obtained.....
 -
 -
 -

Details of previous employment:

Date of appointment.....

Position held & responsibilities.....

11. BANKERS (*if any*) :

	Name of Banker	Address	Details of Banking
1			
2			
3			
4			
5			
6			

12. AUDITORS;

Provide details of the following

Name of auditors.....

Date of appointment.....

13. Has the Non-Deposit Taking Microfinance Institution been put under receivership in the past or made any compromise or arrangement with its creditors in the past or otherwise failed to satisfy its creditors in full?

Yes.....

No.....

If Yes please give details

.....

.....

.....

.....

.....

14. Has the Non-Deposit Taking Microfinance Institution been the subject of an investigation, in any country..... *If YES, give particulars*.....

.....

.....

.....

15. Is the Non-Deposit Taking Microfinance Institution currently engaged or does it expect to be involved in any litigation which may have a material effect on the resources of the institution?

Yes.....

No.....

If yes, give particulars.....

16. Is the institution engaged or does it expect to be engaged in any business relationship with any of it`s officers or significant shareholders?

Yes.....

No.....

If yes, give the particulars.....

17. FINANCIAL SERVICES

(a) List and briefly describe current and envisaged financial products

	Financial Products and Services	Description (eg interest rates or fees charged)
1		
2		
3		
4		
5		
6		

Financial Product and Services Description

(b) Describe the methodologies of delivering products and services

.....

.....

.....

.....

DECLARATION

We, the undersigned, being the Board of Directors of the institution, declare that to the best of our knowledge and belief, the information contained herein is complete and accurate.

Chairperson.....(Name)

Signature..... Date.....

Chief Executive Officer.....(Name)

Signature.....Date.....

Note: This form must be accompanied by all relevant documents and requirements prescribed in the Act and these Regulations.

FORM 1B

**THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY
LENDERS ACT 2016**

Regulation 6(2)

NON-DEPOSIT TAKING MICROFINANCE INSTITUTION LICENCE

This licence is granted to (*name*)
of (*address*)
to conduct the business of financial services as a Non-Deposit Taking
Microfinance Institution in Uganda for one year beginning
..... and ending (both
dates inclusive).

This licence is issued subject to observance of the requirements of the Tier 4
Microfinance Institutions and Moneylenders Act, 2016, the Regulations made
under the Act and any other conditions as may be stipulated by the Authority.

Dated thisday of20.....

.....
Chairperson of the Board Secretary to the Board/ Executive Director

FORM 1C

**THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY
LENDERS ACT 2016**

Regulation 9(1)(c)

NOTICE OF INTENTION TO REVOKE LICENCE.

To

TAKE NOTICE that the Authority intends to revoke your licence for the following reasons:-

.....
.....
.....

TAKE FURTHER NOTICE that you may make your representations in writing to the Authority in regard to the said intention within fourteen days from the date of receipt of this notice. The Authority shall consider the representation in accordance with the provisions of the Act, and the Regulations made under the Act before making its decision on the intended revocation.

.....
Chairperson of the Board Secretary to the Board/ Executive Director

FORM 1D

**THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY
LENDERS ACT 2016**

Regulation 9(5)

NOTICE OF REVOCATION OF LICENCE

To

Following the notice of intention to revoke a licence served on you on
.....(date) and the consideration of the representations you made to
the Authority;

TAKE NOTICE that the Authority hereby revokes the licence issued to you
.....(date) as licence No.....for the following reasons:-

.....
.....
.....

TAKE FURTHER NOTICE that you are to cease operations as a Non-Deposit
Taking Microfinance Institution with immediate effect and surrender the
license to the Authority within fourteen days from the date of this notice.

.....
Chairperson of the Board Secretary to the Board/ Executive Director

FORM 1E

**THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY
LENDERS ACT 2016**

Regulation 10(4)

NOTICE OF SUSPENSION OF LICENCE.

To

Following the notice of intention to revoke a licence served on you on
..... (date) and consequently, the
consideration of the representations you made to the Authority,

TAKE NOTICE that the Authority hereby suspends the licence issued to you
.....(date) as licence No.....for the following
reasons:.....
.....
.....
.....

TAKE FURTHER NOTICE that you are to cease operations as a Non-Deposit
Taking Microfinance Institution with immediate effect until
(date) the reasons for suspension are addressed.

.....
Chairperson of the Board Secretary to the Board/ Executive Director

SCHEDULE 2

FEES

Regulation 3(3)(d), 6(1) (8)

TABLE OF FEES

	Title	FEE
1	Application for licence	50,000/=
1	Annual Licence	500,000/=
3	Branch Licence	300,000/=
4	Alteration	100,000/=

SCHEDULE 3

Regulation 20(2)

THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY LENDERS ACT 2016

RISK CLASSIFICATION OF ASSETS AND PROVISIONING

Name of Non-Deposit Taking Institution	Microfinance				L i c e n c e No.....
Financial year:					
Start date:					
End date					
PORTIFOLIO AGEING REPORT					
No.	Classification	No. of A/Cs	Outstanding Loan Portfolio (UGSH)	Required Provision	Required Provision Amount (UGSh.)
1	Performing			1%	
2	Watch			5%	
3	Substandard			25%	
4	Doubtful			50%	
5	Loss			100%	
	Sub Total				
Rescheduling or reclassification of loans					
6	Performing			1%	
	Watch			5%	
	Substandard			25%	
3	Doubtful			50%	
	Loss			100%	
	Sub Total				
	GRAND TOTAL				
<p>Note: This return should be received on or before the fifteenth day of the following month following the end of the quarter.</p>					

AUTHORISATION:

We declare that this return, to the best of our knowledge and belief is correct

.....sign.....Date.....
Name of Authorising Officer

.....sign.....Date.....
Name of Authorising Officer

MATIA KASAIJA (MP),
Minister of Finance, Planning & Economic Development.

