

GUIDELINE ON LICENSING OF NEW INSTITUTIONS - CBK/PG/01

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PART I: PRELIMINARY

- 1.1 Title** - Guideline on licensing of new institutions.
- 1.2 Authorization** – This Guideline is issued under Section 33(4) of the Banking Act, which empowers the Central Bank of Kenya to issue guidelines to be adhered to by institutions in order to maintain a stable and efficient banking and financial system.
- 1.3 Application** - This Guideline applies to all applicants intending to be licensed to conduct banking, mortgage or financial business in Kenya.
- 1.4 Definitions**
- 1.4.1 “Shell bank”** – means a company which exists only on paper with no physical presence and does not apparently trade or operate.
- 1.4.2 “Significant shareholder”** – means a person including a beneficial owner, other than the Government or a public entity, who holds, directly or indirectly or otherwise has a beneficial interest amounting to five percent or more of the share capital of an institution or if it is proposed that such a person shall so hold or have such a beneficial interest. Other terms used in this guideline are as defined in the Banking Act.
- 1.4.3 “Beneficial Owner”** - means a natural person who ultimately owns or controls a legal person or arrangement or the natural person on whose behalf a transaction is conducted and includes those persons who ultimately exercise effective control over a legal person or arrangement.
- 1.4.4 “Constitutive Documents”** - means the Memorandum of Association, Articles of Association, and any other governing instruments of a body corporate, including Model Articles adopted under the Companies Act, 2015.
- 1.4.5 “Banking business”** has the meaning assigned under the Banking Act.
- 1.4.6 “Institution”** means a bank or financial institution or a mortgage finance company.
- 1.4.7 “Banking Group”** means a licensed institution and its subsidiaries, non-operating holding companies and subsidiaries of its non-operating holding companies.

- 1.4.8 “Hive-Down Transaction”** means a corporate restructuring arrangement whereby a licensed institution or its controlling shareholder transfers all or substantially all of the banking business, assets, liabilities, operations, and associated personnel of the institution into a newly incorporated or existing subsidiary, such that the transferred business continues as a going concern.

PART II: STATEMENT OF POLICY

- 2.1 **Purpose** - The purpose of this Guideline is to provide information and guidance to applicants seeking to secure a license to conduct the business of a bank, financial institution or mortgage finance company in Kenya in compliance with Sections 3, 4 and 5 of the Banking Act.
- 2.2 **Scope** - This Guideline provides clear guidance on the conditions applicants must fulfil to be eligible to be granted a license to conduct banking, financial or mortgage business in Kenya. This Guideline does not address the authorization procedures for Representative Offices in Kenya, which are provided for in the *Prudential Guideline on Representative Offices in Kenya* (CBK/PG/17)
- 2.3 **Responsibility** – It is the responsibility of applicants and the promoters proposing to conduct the business of an institution in Kenya to ensure compliance with this Guideline.
- 2.4 **Prohibition of shell banks** – CBK shall not license shell banks.

PART III: APPLICATION PROCEDURES

3.1 Preliminary Consultations

All prospective applicants seeking a license to conduct the business of an institution are encouraged to contact the Central Bank of Kenya at an early stage for an initial meeting to discuss their plans prior to submission of a formal application. The purpose of the meeting would be to advise the applicants on CBK requirements for licensing and clarify any other pertinent issues that the applicant may raise.

3.2 Approval of Proposed Name

Every applicant including applications arising from a group restructuring, including a hive-down transaction seeking to conduct the business of an institution will be required to submit the proposed name of the institution to the Central Bank of Kenya for consideration and approval.

3.3 **Incorporation**

Once the name intended for use has been approved by the Central Bank of Kenya, the promoters will ascertain with the Registrar of Companies that the name selected is available for the Applicant's use. After confirmation by the Registrar of Companies and Kenya Industrial Property Institute (KIPI) the promoters may proceed to incorporate the company as required by law.

3.4 **Unincorporated Branches of Foreign Institutions**

Where the applicants intend to operate an unincorporated branch in Kenya rather than a subsidiary, the applicants may proceed to submit their application to the Central Bank once the name intended for use has been approved by the Central Bank. Except for the mode of incorporation, all licensing requirements for branches and subsidiaries are the same. The incorporation documents required for a branch are those of the parent.

3.5 **Forwarding of Application**

Upon incorporation, all applicants seeking a license to conduct banking business are required to forward an application to the Central Bank which should include:

- a) A duly completed "Application for a License to Conduct the Business of an Institution" form (*Form CBK IF 1-1*),
- b) Duly completed "Fit and Proper" forms for proposed directors and Chief Executive Officer (CEO) (*Form CBK IF 1-2*),
- c) Duly completed "Fit and Proper" forms and schedules for all significant shareholders (*Form CBK IF 1-3*),
- d) A *non-refundable* application fee as specified under the *Banking (Fees) Regulations 2026*, payable by banker's cheque in favour of the Central Bank of Kenya, or such other mode of payment as the CBK may prescribe.
- e) In cases involving hive-down transactions or establishment of a new institution within a group structure, the application shall, in addition to the above, clearly identify the pre- and post-restructuring group structure.

The forms for completion have been prepared as part of this Guideline and hard copies may be obtained from the Bank Supervision Department, Central Bank of Kenya. The forms may also be accessed on the CBK website at www.centralbank.go.ke.

- 3.6 All applications duly completed, including the additional information specified in Part IV below, should be submitted to the Director, Bank Supervision Department, Central Bank of Kenya P.O. Box 60000–00200, Nairobi, Kenya.

In addition, the application may also be submitted through any of the following channels:

- Email, addressed to fin@centralbank.go.ke; or
- Online submission using the Central Bank of Kenya’s designated electronic platform, as may be prescribed by CBK from time to time.

The application should be submitted at least ninety (90) days prior to the proposed date of commencing operations.

PART IV: INFORMATION REQUIRED

- 4.1 Every applicant will be required to submit the following additional information.
- 4.1.1 A certified copy of the certificate of incorporation of the institution from the Registrar of Companies or other equivalent certificate of registration issued under applicable law.
 - 4.1.2 A certified copy of the Memorandum and Articles of Association of the proposed institution. Where Model Articles under the Companies Act, 2015 have been adopted, provide certified proof of adoption together with any duly registered amendments, modifications, or supplementary articles.
 - 4.1.3 A certified copy of the Memorandum and Articles of Association of any corporate body that proposes to have a significant shareholding in the institution. Where Model Articles under the Companies Act, 2015 have been adopted, provide certified proof of adoption together with any duly registered amendments, modifications, or supplementary articles.
 - 4.1.4 A certified copy of the latest audited statement of financial position and statement of comprehensive income for each of the three years immediately preceding the date of the application if the applicant has been operating in any sector under any name and laws or in cases where any of the shareholders is a corporate body. Where the shareholders are individual natural persons, certified personal statements of affairs for the past three years should be submitted.
 - 4.1.5 Details of the ownership structures and ultimate beneficial ownership.
 - 4.1.6 Approval/clearance from Kenya Industrial Property Institute (KIPI) and any other relevant bodies.

- 4.1.7 Certificate issued pursuant to Section 19 of the Data Protection Act from the Office of the Data Protection Commissioner (ODPC).
- 4.1.8 A certificate of compliance upon registration with the Business Registration Service (BRS) for a foreign entity with a presence in Kenya. This is an official document confirming that the entity has been duly registered and is legally permitted to operate in Kenya.
- 4.1.9 In addition, where the application arises from a hive-down transaction or a group restructure, the applicant shall provide:
 - a) details of the proposed transfer of banking business as a going concern;
 - b) asset and liability transfer schedules;
 - c) customer migration and continuity plan;
 - d) group structure chart before and after restructuring;
 - e) details of any proposed Non-Operating Holding Company (NOHC); and
 - f) transitional services arrangements between group entities.

4.2 In case of an institution incorporated outside Kenya, in addition to notarized copies of the documents specified in 4.1 above, the applicants should also submit the following:

- 4.2.1 A notarized copy of the signed minutes of the board of the institution or other prime oversight body passing the resolution to establish a branch or subsidiary in Kenya,
- 4.2.2 An undertaking by the board or other oversight body to maintain minimum assigned capital in the proposed branch in Kenya as per the Banking Act and that such capital shall be in Kenya shillings,
- 4.2.3 The name and contact details of a designated person(s) from Head Office authorized to liaise with the Central Bank on the application on behalf of the institution.
- 4.2.4 A letter of no objection from the home supervisory authority recommending the applicant to establish a branch or subsidiary in Kenya should be obtained. The letter should be forwarded directly to the Director, Bank Supervision Department, Central Bank of Kenya, P.O. Box 60000-00200, Nairobi.
- 4.2.5 There shall be an understanding that the home country supervisor will exchange supervisory information with the Central Bank of Kenya.
- 4.2.6 Confirmation from the home country supervisor that the promoters of the foreign incorporated bank do not operate a shell bank should be obtained.

4.2.7 Where necessary, confirmation from the home supervisor that the supervisor conducts consolidated supervision.

4.3 A sworn declaration signed by every officer as specified in the application form.

4.4 A feasibility study of the future operations and development of the intended business for a minimum period of three years from the date of the application including:

4.4.1 If the applicant has links to or is part of a group of companies (either as a parent, associate, subsidiary or joint venture) the application should include a comprehensive diagrammatic representation of the group structure, indicating details of all respective individual and institutional shareholding within the group as well as the ultimate beneficial shareholders.

4.4.2 Proposed governance and organizational structure for the proposed institution showing:

- Proposed Board of Directors and board committees.
- Proposed CEO, Executive Directors and Senior Officers.
- Proposed functional divisions and reporting lines.

4.4.3 Up-to-date and detailed curriculum vitae of every significant shareholder, director and any senior officer who will take part in policy making, as well as certified copies of supporting documentation such as:

- Certified academic and professional certificates.
- Contact details (postal and e-mail addresses, phone contacts of at least three independent referees, one of whom should be a previous employer or business associate).
- Valid Personal Identification Number (PIN) and tax compliance certificate issued by the relevant tax authority
- The latest credit report from a licensed credit reference bureau.
- Certified statement of personal financial affairs.
- Two recent passport-size photographs.
- A notarized copy of valid passport (for foreign nationals).
- A certified copy of a national identity card (for Kenyan citizens).
- Certificate of good conduct.

And such other information as may be required by the Central Bank of Kenya in respect of all proposed shareholders, directors and key management personnel.

- 4.4.4 Schedule of all the preliminary expenses including organization costs, share-selling and brokerage costs and commission.
- 4.4.5 Projections of statements of financial affairs and statements of comprehensive income for the first three years of operations, with details of the following:
- a) The applicant's proposed products, planned channels of delivery, attendant risks and mitigation strategies – Including planned off-balance sheet items and off-shore activities;
 - b) Deposit mobilization and interest payable stating separately the proposed major sources of deposits;
 - c) Advances to be made and interest receivable, stating intended sectoral lending;
 - d) Investments to be made and earnings, stating the applicant's proposed investment policy(ies) and categories of business to be financed;
 - e) Operating expenses including rents, salaries, employee benefits, directors' remuneration;
 - f) Liquid and cash reserve assets;
 - g) Capital structure;
 - h) Provision for bad and doubtful debts;
 - i) Fixed assets, including business premises;
 - j) Other income, including commission and discounts; and
 - k) Net operating profit/loss.
- 4.4.6 The proposed operational arrangements of the applicant – This should show details of the proposed organizational structure, including functional divisions and units, activities to be run in-house and those that shall be outsourced. For any outsourced activities, the applicant should provide the rationale for outsourcing and outline the risk-mitigation measures that will be implemented to manage associated risks.
- 4.4.7 Interest rate sensitivity analysis of the projections submitted or other similar analysis of the extent to which the forecasts will change when interest rates vary (the assumptions underlying the projections and the sensitivity analysis should be stated).
- 4.4.8 Statistical and other data which may have been collected in respect of the area in which the applicant intends to serve including population of the area, schemes of agriculture, business, industrial development and existing banking facilities.

- 4.5 Sources and evidence of availability of capital – The applicant should demonstrate capacity to meet the minimum capital requirements for the proposed institution as stipulated in the Banking Act. Such capacity may be evidenced by submission of copies of bank statements, Fixed Deposit Receipts (FDRs) and Government Securities. In addition, details should be provided on the sources of capital contributed by all proposed significant individual and institutional shareholders (*i.e. those controlling, directly or indirectly, 5% or more of the applicant's proposed issued equity*).
- 4.6 The proposed significant shareholders of the applicant institution should submit a collective undertaking signed by each significant shareholder to the effect that they accept their responsibility to ensure that the bank or financial institution is at all times adequately and appropriately capitalized. Additionally, every proposed individual and institutional shareholder should submit, as part of the sworn declaration in the application Form CBK IF 1-3, a statement to the effect that the proposed capital is not from proceeds of crime.
- 4.7 All submitted documents should be in the English language. Certified English translations should be provided for all submissions originally expressed in a language other than English. Translation certificates should be attached to the translated documents and should state, as a minimum:
- the name(s) and qualification(s) of the translator.
 - that the translator understands the language in which the original versions of the documents in question have been prepared, and
 - the translation is true, accurate, and correct to the best of the named translator's knowledge and ability.

The certificate should preferably be made under oath or notarized to provide assurance of its validity. The Central Bank reserves the right to request additional information, statements or documents as it shall deem necessary for purposes of determining an application.

PART V: APPRAISAL OF APPLICATION

5.1 Processing of Licence Applications of New Banks

Upon receipt of the application forms together with supporting documents and the requisite application fee, the Central Bank of Kenya shall within ten days send the applicant a formal letter of acknowledgement or a letter of deficiency.

- a) A letter of acknowledgement shall officially advise the applicants that the documents submitted were found to be complete and that the application is under the Central Bank's appraisal process.

- b) A letter of deficiency shall outline any requirements not met by the application and shall provide a time limit within which the outstanding requirements are to be met.
- c) Upon issuing the letter of deficiency, the Central Bank of Kenya may not process the application any further until the outstanding requirements are fulfilled.
- d) Upon receipt of complete documentation, the Central Bank of Kenya will appraise the application. The promoters of the proposed institution may, if the need arises, be invited for further consultations while the application is being assessed. Similarly, the proposed directors and Chief Executive Officer may be invited for an interview as part of the appraisal process.

PART VI: APPROVAL-IN-PRINCIPLE

- 6.1 The Central Bank of Kenya shall within ninety (90) days or such other longer period as may be necessary, upon receipt of a complete application, determine the application through any of the following decisions.
- (i) Grant written approval-in-principle if it is satisfied that the application satisfies substantially the requirements of the Banking Act and these guidelines. With the approval-in-principle, the applicants may proceed to establish operating facilities and recruit staff for the proposed institution but may not yet commence operations until final issuance of the license.
 - (ii) Request additional information or clarification from the applicant or the fulfillment of certain specified conditions by the applicant that it may deem necessary for the further processing of the application.
 - (iii) Decline to grant the license for reasons to be stated in writing.
- 6.2 Upon the Central Bank's issuance of the approval-in-principle or stipulation of further conditions to be met in respect of the application, the applicants will proceed to fulfill the requirements specified and advise the Bank in writing accordingly.
- 6.3 Upon issuing the approval-in-principle to the applicant or stipulating further conditions as the case may be, the Central Bank of Kenya may suspend further processing of the application until the outstanding requirements are met.
- 6.4 **Inspection of Premises, Operating Systems and Policy Manuals**
- Upon the issuance of approval-in-principle and preparation of premises, the applicant will invite the Central Bank for an on-site inspection of the applicant's proposed operating premises, systems and policy manuals. The

Central Bank of Kenya will visit the institution and carry out the requisite inspection.

6.4.1 In the on-site inspection, the Central Bank will among others review:

- a) Governance framework including board charter, board composition, risk governance, control functions, and digital/IT governance.
- b) Confirm existence of comprehensive risk management policies and operating manuals. These policies and manuals will at minimum cover the under-listed areas:
 - i. Capital Planning
 - ii. Liquidity Management
 - iii. Anti-Money Laundering/Combating the Financing of Terrorism/Combating the Proliferation Financing
 - iv. Lending and Credit Administration
 - v. Investments
 - vi. Deposits
 - vii. Finance and Accounting
 - viii. Consumer Protection
 - ix. Cybersecurity Framework
 - x. Management Information Systems
 - xi. Operating Procedures
 - xii. Planning and Budgeting
 - xiii. Human Resources
- c) Determine the adequacy of premises and operating systems as stipulated in the CBK Prudential Guidelines on *Opening of New Place of Business, Closing Existing Place of Business or Changing Location of Place of Business (CBK/PG/11)*.

PART VII: ISSUANCE OF LICENCE AND COMMENCEMENT OF OPERATIONS

7.1 Granting of Approval

After Central Bank of Kenya is satisfied that all the necessary conditions have been met, a letter to allow commencement of operations upon payment of licence fees as prescribed in the Banking (Fees) Regulations, 2026 will be issued to the applicant. A license will be granted only after the application fully satisfies all the conditions including viability as well as the proposed shareholders, directors and senior officers passing the “Fit & Proper” test and verification, by the Central

Bank, of the source(s) of funds for the proposed institution and its ownership structure.

Where the Central Bank of Kenya determines that a licence was granted on the basis of false or misleading information, it may impose such conditions on the applicant or licensed bank as it considers appropriate, including withholding the issuance of the licence or revoking the licence, as the case may be.

7.2 Payment of License Fees for New Applicants

Prior to issuance of the license, the applicants will be required to pay the prescribed annual license fees as specified under the Banking (Fees) Regulations 2026. The prescribed annual license fees are payable *in full* for the year during which the license is initially issued and shall not be prorated for validity periods of less than 12 months. Similarly, no portion of annual license fees already paid shall be refundable in the event the license is revoked, withdrawn, surrendered or otherwise terminated at any time prior to the end of its stipulated validity period.

7.3 Issuance of the License

Upon payment of the license fees and satisfaction of statutory requirements, the Central Bank of Kenya shall issue a license to the applicant to commence operations. A license issued under this Guideline shall remain valid, unless it is suspended or revoked or otherwise withdrawn by the Central Bank of Kenya in accordance with the provisions of the Banking Act and applicable regulations.

A license of an institution shall be considered to have lapsed if the institution fails to commence operations within one year of the Central Bank's approval. In the event of the license lapsing, the applicant shall be required to submit a fresh application if they still intend to conduct business.

7.4 Annual Licence Fees

- (i) A licence issued under the Act shall remain valid unless suspended, revoked, or otherwise terminated in accordance with the Act or any applicable regulatory requirements. Institutions shall pay annual licence fees to the Central Bank in accordance with the Banking (Fees) Regulations, 2026. The annual fee for each financial year will be due by 30 April of that financial year.

- (ii) An institution which fails to pay the annual fees by the date the annual fees fall due shall be liable to pay double the annual fees within ninety days after the date the payment of the annual fees falls due.
- (iii) An institution which fails to pay the annual fees in accordance with paragraph (ii) above shall be liable to have the licence issued to the institution revoked in accordance with the procedure specified under Section 6 of the Banking Act.

7.5 Specification of Institution

Every licensed institution is required to be specified by the Central Bank of Kenya under Section 2 of the Central Bank of Kenya Act, Cap 491.

7.6 Post-Licensing On-Site Inspection

Central Bank of Kenya will conduct an on-site inspection of the newly licensed institution within the first six to twelve months after commencement of operations. This will enable CBK to advise appropriately and ensure that the institution is on the right track from the start.

PART VIII APPRAISAL OF APPLICATIONS ARISING FROM HIVE-DOWN OR GROUP RESTRUCTURING TRANSACTIONS

8.1 The Central Bank shall treat a hive-down as:

- a) a combination of (i) transfer of business and liabilities; and (ii) establishment; or
- b) reorganization of a licensed institution requiring prior approval

8.2 For purposes of this guideline, a hive-down transaction applies to :-

- a) a licensed institution proposes to transfer its banking business to a subsidiary; or
- b) a group proposes to carve out the licensed institution's business into a new entity; or
- c) the transaction results in the continuation of deposit-taking and lending operations in a different legal entity; or
- d) the transaction materially alters the legal entity carrying on regulated banking business.

For avoidance of doubt:

- A hive-down does not constitute the creation of a “new bank” in substance where the business continues uninterrupted. It constitutes a material restructuring of a licensed institution and requires approval by the Central Bank.

8.3 Pre-Application Requirements

An institution proposing a restructuring transaction shall engage the Central Bank prior to submission of a formal application through a pre-application meeting. The institution shall submit a preliminary restructuring proposal containing:

- a) the rationale for the proposed transaction;
- b) a description of the current and proposed group structures;
- c) details of the proposed ownership and control arrangements;
- d) an overview of the proposed transfer of business, assets and liabilities;
- e) anticipated prudential implications; and
- f) an implementation schedule.
- g) any other additional information that may be required by the Central Bank.

8.4 Processing of the Application

Upon receipt of the application forms together with supporting documents and the requisite application fee prescribed under Banking (Fees) Regulations, 2026, the Central Bank of Kenya shall within ten days send the applicant a formal letter of acknowledgement or a letter of deficiency.

8.5 Licensing Requirements for the New Institution

Where a restructuring transaction involves the establishment of a new banking institution, the proposed institution shall comply with all licensing requirements under this Guideline and the Banking Act.

In addition to the requirements applicable to all applicants, the institution shall submit:

- a) a detailed business plan demonstrating the viability of the proposed institution;
- b) evidence of compliance with minimum capital requirements;
- c) actual financial statements for the past three years;
- d) governance arrangements, including board and senior management structures;
- e) risk management and internal control frameworks;
- f) operational readiness assessments; and
- g) details of any business to be transferred from an existing institution.

8.6 Transfer of Banking Business

Where a restructuring transaction involves the transfer of banking business, the applicant shall obtain prior written approval from the Central Bank.

- a) The applicant shall submit a comprehensive Business Transfer Plan containing:
 - i. Details of asset and liability to be transferred;
 - ii. Details of customer accounts, contracts and obligations affected by the transfer;
 - iii. Customer communication and continuity plans;
 - iv. employee transfer arrangements;
 - v. Legal opinions supporting the proposed transfer;
 - vi. operational continuity measures;
 - vii. IT systems migration plan; and
 - viii. Any other information required by the Central Bank.
- b) In assessing the application, the Central Bank shall consider:
 - i. the protection of depositors and customers;
 - ii. the financial condition of the resulting institution;
 - iii. operational resilience;
 - iv. compliance with applicable laws and prudential requirements;
 - v. continuity of critical banking services; and
 - vi. systemic risk implications.

8.7 Ownership and Control

Applicants shall disclose all persons who will directly or indirectly own, control or exert significant influence over the proposed institution. The Central Bank shall assess:

- a) the fitness and propriety of shareholders, directors and senior management;
- b) transparency of ownership structures;
- c) source of capital and funding;
- d) suitability of the proposed group structure; and
- e) potential risks arising from connected parties and intra-group arrangements.

No restructuring transaction shall be implemented until all required approvals relating to ownership and control have been obtained.

8.8 Regulatory Coordination

Applicants shall obtain all approvals required under applicable law, including approvals from:

- i. Competition Authority of Kenya where applicable;
- ii. Capital Markets Authority where applicable; and
- iii. Any other Authority whose approval is required for activities conducted within the group.

The Central Bank may coordinate with other regulatory authorities in assessing the transaction.

8.9 Conditions of Approval

The Central Bank may impose conditions on any approval granted under this section, including requirements relating to:

- a) capital adequacy;
- b) liquidity maintenance;
- c) governance arrangements;
- d) intra-group exposures;
- e) reporting obligations;
- f) implementation timelines;
- g) operational resilience; and
- h) transitional service arrangements.

Failure to comply with any condition imposed by the Central Bank may result in revocation, suspension or variation of the approval granted.

8.10 Post-Implementation Requirements

Following completion of a restructuring transaction, the institution shall submit a post-implementation report to the Central Bank within such period as may be prescribed. The report shall include:

- a) confirmation that the transaction was implemented in accordance with approved terms;
- b) confirmation of transfer of assets, liabilities and operations;
- c) confirmation of capital adequacy and liquidity compliance;
- d) assessment of operational performance following implementation; and
- e) any material issues arising during implementation.

The Central Bank may conduct post-implementation inspections and require remedial measures where deficiencies are identified.

8.11 Supervisory Oversight

Institutions established or restructured under this section shall remain subject to ongoing supervision by the Central Bank.

The Central Bank may require enhanced supervisory monitoring where a restructuring transaction present heightened prudential, operational, governance or systemic risks.

Enhanced monitoring may include additional reporting requirements, targeted inspections, independent reviews and restrictions on specified activities until the Central Bank is satisfied that the institution is operating in a safe and sound manner.

PART IX AMENDMENT OF THE GUIDELINE

- 9.1** The Central Bank may at any time amend, delete, vary, add or change any provision of this Guideline and such amendment, deletion, variation, addition or change shall become effective from the date of notification to the institutions by the Central Bank.
- 9.2** Such notification may be effected through a circular, directive, notice, letter or other means communicating the intention of the Central Bank to the institutions generally.

PART X: EFFECTIVE DATE

- 10.1 Effective date:** The effective date of this Guideline shall be 1st January 2027.
- 10.2 Supersedence:** This guideline supersedes the Guideline on Licensing of New Institutions **CBK/PG/01** issued on January 1, 2013.

ENQUIRIES

Enquiries on any aspect of this guideline should be referred to:

The Director,
Bank Supervision Department,
Central Bank of Kenya,
P.O. Box 60000 - 00200

NAIROBI.

TEL.2860000 E-mail : *fin@centralbank.go.ke*

PART IX APPLICATION FORMS AND NOTES ON COMPLETION
FORM CBK IF 1-1

APPLICATION FOR A LICENCE TO CONDUCT THE BUSINESS OF AN INSTITUTION

NB: (a) Read the declaration on Section 18 below before completing this form.

(b) In case the space provided is inadequate, use additional paper.

(c) This form should be submitted, duly completed, accompanied by the complete set of documents prescribed under Part IV (*Information Requirements*) of the Guideline on licensing (CBK PG/01).

1. Type of Business applied for.....
2. Name of Proposed Institution.
.....
3. Physical Address of Head Office: L.R. No.....
Street..... Building & Town/City
4. Postal Address and Postal Code.....
Telephone No..... P.I.N.
E-mail address.....
5. Date and Country of Incorporation.....
6. Names of branch offices and the number of years each has been established and has conducted or carried on business.....
7. Former name(s) by which the institution has been known.....

8. Particulars of shareholding:

Present & Former Name(s) of shareholder(s)	Postal Address of shareholder(s)	PIN No. & Identification No.	Designation	Age and Nationality	No. of shares held/allocated	Academic Professional Qualifications & Year obtained	Details of Previous Employment	Date of Appointment

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(Attach all necessary supportive documentation; please indicate N/A where requested details are not applicable)

9. Schedule of Ultimate Beneficial Owners

NAME OF Institution:

LIST OF SHAREHOLDERS AS AT (date)

	Shareholder's name	Number of Ordinary shares	Value in Ksh	% Ordinary shareholding	Names of shareholders of corporate persons in column "A"	% of shareholding by persons in column 'E'	Names of shareholders of corporate persons in column "E"	% of shareholding by persons in column 'G'	Ultimate beneficial shareholders of the institution	% Ultimate beneficiary in the institution
	A	B	C	D	E	F	G		H	
1										
2										
3										
4										
	TOTAL			100%		100%				100%
	TOTAL PAID UP CAPITAL									

(Use additional paper and attach in case the space provided is insufficient)

10. Particulars of Officers:

a) Directors

	Name of Proposed Director	Proposed Capacity (Executive / Non-Executive)	Age & Nationality	ID No. / Passport No.	Postal & E-mail address	Telephone contacts	Other Current Directorship (s)
1.							

	Name of Proposed Director	Proposed Capacity (Executive / Non-Executive)	Age & Nationality	ID No. / Passport No.	Postal & E-mail address	Telephone contacts	Other Current Directorship (s)
2.							
3.							
4.							

b) Senior Officers

	Name of Proposed Officer	Proposed Designation	Age & Nationality	ID No. / Passport No.	Postal & E-mail address	Telephone contacts	Current Position
1.							
2.							
3.							
4.							

11. Names of the proposed institution's Bankers and their Address

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.....
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12. Sources of funds for the proposed business

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13. Does the institution hold, or has it ever held any authority from a supervisory body to carry on any business activity in Kenya or elsewhere?

.....

If any such authority has been revoked, give particulars

.....
.....

14. Has the 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 creditors in full?
- If so, give particulars
-
-
15. Is an inspector or other authorized officer of any government ministry, department or agency, professional association or other regulatory body investigating or has such an investigation ever previously taken place into the affairs of the institution?
-
-
16. Has the institution been refused entry in Kenya or elsewhere to any professional body or trade association concerned with banking or financial activities or decided not to apply for entry after making an approach?
-
- If so, give particulars....
-
-
17. Is the institution engaged or does it expect to be engaged in Kenya or elsewhere in any litigation which may have a material effect on the resources of the Institution?.....
- If so, give particulars.....
-
-
18. Is the institution engaged or does it expect to be engaged in any business relationship with any of its officers or shareholders?
- If so, give particulars.....
-
-

19. CONSENT FOR VERIFICATION OF INFORMATION

I hereby authorize the Central Bank of Kenya and any other person appointed or authorized by the Central Bank of Kenya, to contact and obtain any information (personal or otherwise) concerning or relating to me from any referee, present or former employer, or any other person, institution or entity for the purpose of verifying the information provided in this application or for any other lawful purpose.

I further consent to the disclosure of any information by such referee, present or former employer, or any other person, institution or entity to the Central Bank of Kenya or its appointed nominee or agent as may be necessary for the proper determination and/or assessment of this application.

This consent shall remain valid throughout the period of my engagement with the Central Bank of Kenya and any institution licensed by the Central Bank of Kenya under any written law, and even after termination of my engagement with the Central Bank of Kenya or an institution licensed by the Central Bank of Kenya.

Applicant's Declaration

I, the undersigned, hereby confirm that I have read and understood the meaning and implication of Clause 6 above and do hereby voluntarily give my informed consent for the sharing and disclosure of my personal information and/or data as aforesaid.

NAME.....POSITION HELD.....

DATED.....AT.....THIS DAY OF.....

SIGNED..... (Applicant)

20. DECLARATION

We, the undersigned, being directors of the proposed institution, declare that to the best of our knowledge and belief, the information contained herein is complete and accurate. We also certify that the capital to be invested in the proposed bank is not from proceeds of crime.

Director (Name)

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

Director (Name).....

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

(This declaration must be signed *in the presence of* the witness named below)

WITNESSED BEFORE ME:

COMMISSIONER FOR OATHS/MAGISTRATE

Name:

Signature.....

Address:

Date and Stamp.....

SECOND SCHEDULE
FORM CBK/ IF 1-2

**CRITERIA FOR DETERMINING PROFESSIONAL AND MORAL SUITABILITY
OF PERSONS IN CONTROL OF INSTITUTIONS LICENSED UNDER THE
BANKING ACT**

- NB:**
- (a) Read the declaration on Section 6 below before completing this form.
 - (b) In case the spaces provided are inadequate, use additional paper.
 - (c) This form should be submitted as prescribed, duly completed, accompanied by the complete set of documents prescribed under Part IV (*Information Requirements*) of the Guideline on licensing (CBK PG/01).

1. THE INSTITUTION

Name.....

Type.....

Proposed
position.....
Reporting to.....

2. PERSONAL INFORMATION

- a) Surname
- Other Names
- b) Previous Names (if any) by which you have been known:
.....
.....
Reasons for change of names.....
- c) Year and Place of birth:
- d) Nationality and how acquired.....
- e) Personal Identification Number (PIN)
- f) i) Identification Card number and date of issue
- ii) Passport number, place and date of issue.....
- g) Postal Address:
- h) Previous Postal Addresses (if any)
- i) Physical Address.....
- ii) Telephone numbers.....

i) Educational Qualifications

	Qualifications	Year Obtained	Institution	Examining Body	Grade Obtained

j) Professional Qualifications and years obtained

.....

	Qualifications	Year Obtained	Institution	Examining Body	Grade Obtained

(Use additional paper and attach in case the space provided is insufficient)

k) Name(s) of your bankers during the last 5 years

.....

l) Responsibilities of Proposed position

--

(Use additional paper and attach in case the space provided is insufficient)

3. EMPLOYMENT/ BUSINESS RECORD

Period	Name of Employer/ Business and Address	Position Held & Dates	Responsibilities	Reasons for Leaving (where applicable)

(Use additional paper and attach in case the space provided is insufficient)

4. DESCRIPTION OF YOUR PAST AND CURRENT ACTIVITIES IN KENYA AND ABROAD

4.1 SHAREHOLDING (DIRECTLY OWNED OR THROUGH NOMINEES)

Company's Name	Date of Incorporation	Number of Shares held	% of Shareholding	Past Share - holding A	Past Share - holding B	Remarks
A: Refers to date of closure or surrender of shares B: Refers to reasons for closure or surrender						

4.2 DIRECTORSHIPS

Company's Name	Date of Incorporation	Executive or Non-executive	Position held in case of Executive	Past Directorships C	Past Directorships D	Remarks
C: Refers to date of retirement, resignation or dismissal. D: Refers to reasons for retirement, resignation or dismissal.						

4.3 PROFESSIONAL BODIES

Name of body	Membership No.	Position Held (if any)	Position held in case of Executive	<u>Past Membership</u>		Remarks
				E	F	
E: Refers to date when dismissed or ceased from membership. F: Refers to reasons for dismissal or cessation.						

4.4 SOCIAL CLUBS

Club Name	Membership No	Position Held (if any)	Past Club Membership		Remarks
			G	H	
G: Refers to date of retirement, resignation or dismissal. H: Refers to reasons for retirement, resignation or dismissal.					

4.5 BORROWINGS

Name of Borrower*	Name of Lending Institution	Type of Facility	Amount Borrowed	Date of Offer	Terms of Facility	Security Offered	Value of Security	Current Outstanding Balance, KES	Remarks

**Applicant to indicate individual/personal as well as borrowings by associated private companies from lending institutions in which the applicant controls 5% or more of equity.*

N/B - (Use additional paper and attach in case the space provided is insufficient)

5. ASSESSMENT QUESTIONNAIRE

5.1 Have you or any entity with which you are associated as director, shareholder or manager, ever held or applied for a license or equivalent authorization to carry on any business activity in any country?

If so, give particulars. If any such application was rejected or withdrawn after it was made or any authorization revoked, give particulars.

.....

5.2 Have you at any time been convicted of any criminal offence in any jurisdiction?

.....

If so, give particulars of the court in which you were convicted, the offence, the penalty imposed and the date of conviction

.....

- 5.3 Have you, or any entity with which you have been involved, been censured, disciplined, warned as to future conduct, or publicly criticized by any regulatory authority or any professional body in any country? If so give particulars.....
.....
- 5.4 Have you ever been disqualified, under any legislation or regulation from acting as a director or serving in a managerial capacity?
.....
.....
- 5.5 Have you, or has any entity with which you are, or have been associated as a director, shareholder or manager, been the subject of an investigation, in any country, by a government department or agency, professional association or other regulatory body? If so, give particulars.
.....
.....
- 5.6 Have you, in any country, ever been dismissed from any office or employment, or been asked to resign or resigned from employment or position of trust or fiduciary appointment, been subject to disciplinary proceedings by your employer or barred from entry of any profession or occupation because of questions about your honesty and integrity? If so give particulars
.....
.....
- 5.7 Have you ever been diagnosed as being mentally unfit or of unsound mind?
.....
.....
- 5.8 Have you failed to satisfy debt adjudged due and payable by you on order of court, in any country, or have you made any compromise arrangement with your creditors within the last 10 years?
If so, give particulars
.....
.....
- 5.9 Have you ever been declared bankrupt by a court in any country or has a bankruptcy petition ever been served on you? If so, give particulars.
.....
.....

- 5.10 Have you ever been held liable by a court, in any country, for any fraud or other misconduct? If so, give particulars
.....
- 5.11 Has any entity with which you were associated as a director, shareholder or manager in any country made any compromise or arrangement with its creditors, been wound up or otherwise ceased business either while you were associated with it or within one year after you ceased to be associated with it?
If so, give particulars.....
.....
- 5.12 Are you presently, or do you, other than in a professional capacity, expect to be engaged in any litigation in any country?
If so, give particulars.....
.....
- 5.13 Indicate the names, postal and e-mail addresses, telephone numbers and positions of at least three individuals of good standing who would be able to provide a reference on your personal and professional integrity. The referees must not be related to you and should have known you for at least five years.

	Name of Referee	Postal Address	E-mail address	Tel no. (s)	Position (where applicable)	Relationship with applicant
1						
2						
3						

- 5.14 Is there any additional information which you consider relevant for the consideration of your suitability or otherwise for the position(s) held/to be held? The omission of material facts may represent the provision of misleading information.
.....

N.B. The information given in response to this questionnaire shall be kept confidential by the supervisory authorities, except in cases provided for by law.

6. CONSENT FOR VERIFICATION OF INFORMATION

I hereby authorize the Central Bank of Kenya and any other person appointed or authorized by the Central Bank of Kenya, to contact and obtain any information (personal or otherwise) concerning or relating to me from any referee, present or former employer, or any other person, institution or entity for the purpose of verifying the information provided in this application or for any other lawful purpose.

I further consent to the disclosure of any information by such referee, present or former employer, or any other person, institution or entity to the Central Bank of Kenya or its appointed nominee or agent as may be necessary for the proper determination and/or assessment of this application.

This consent shall remain valid throughout the period of my engagement with the Central Bank of Kenya and any institution licensed by the Central Bank of Kenya under any written law, and even after termination of my engagement with the Central Bank of Kenya or an institution licensed by the Central Bank of Kenya.

Applicant's Declaration

I, the undersigned, hereby confirm that I have read and understood the meaning and implication of Clause 6 above and do hereby voluntarily give my informed consent for the sharing and disclosure of my personal information and/or data as aforesaid.

NAME.....POSITION HELD.....

DATED.....AT.....THIS DAY OF.....

SIGNED..... (Applicant)

7. DECLARATION

I am aware that it is an offence to knowingly or recklessly provide any information, which is false or misleading in connection with an application for a banking license. I am also aware that omitting material information intentionally or unintentionally shall be construed to be an offence and may lead to rejection of my application.

I certify that the information given above is complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the supervisory authority should be aware.

I undertake to inform the supervisory authority of any changes material to the applications which arise while the application is under consideration.

NAME..... POSITION HELD.....

DATED..... AT..... THIS DAY OF.....

SIGNED..... (Applicant)

(This declaration must be signed in the presence of the witness named below)

WITNESSED BEFORE ME:

COMMISSIONER FOR OATHS/MAGISTRATE

Name:

Signature.....

Address:

Date and Stamp.....

FORM IF 1-3
SHAREHOLDERS' FORM & S C H E D U L E

**CRITERIA FOR DETERMINING THE SUITABILITY OF PERSONS
INTENDING TO HOLD OR ACQUIRE A SIGNIFICANT STAKE IN AN
INSTITUTION LICENSED UNDER THE BANKING ACT**

NB: (a) Read the declaration on Section 6 below before completing this form.

(b) In case the space provided is inadequate, use additional paper.

(c) This form should be submitted, duly completed, accompanied by the complete set of documents prescribed under Part IV (*Information Requirements*) of the Guideline on licensing (CBK PG/01).

1. THE INSTITUTION

Name.....

.....

Type.....

2. PERSONAL INFORMATION

a) Surname.....

b) Other Names.....

In case of a corporate body, give the name of the corporate body

.....

c) Previous Names (if any) by which you have been known:

.....

d) Year and place of birth.....

In case of a corporate body, the year and date of incorporation

.....

e) Nationality and how acquired.....

In case of a corporate body, state the country of incorporation

.....

f) Personal Identification Number.....

g) Identification Card number and date of issue.....

In case of a corporate body, Registration No. and date of registration.

.....

h) Passport Number and Date of issue.....

i) Postal Address.....

j) Previous Postal Addresses

.....

k) E-mail Address

l) Telephone Numbers.....

m) Educational Qualifications (Post-Primary)

	Qualifications	Year Obtained	Institution	Examining Body	Grade Obtained

Use additional paper and attach in case the space provided is insufficient)

n) Name(s) of your bankers during the last 5 years

.....

.....

.....

.....

.....

.....

3. EMPLOYMENT AND/OR BUSINESS RECORD

Period	Name of Employer/ Business and Address	Position Held & Dates	Responsibilities	Reasons for leaving (where applicable)

(Use additional paper and attach in case the space provided is insufficient)

4. DESCRIPTION OF YOUR PAST AND CURRENT ACTIVITIES IN KENYA AND ABROAD

4.1 SHAREHOLDING (DIRECTLY OWNED OR THROUGH NOMINEES)

Company's Name	Date of Incorporation	Amount of Shareholding	% of Shareholding	Past Shareholding		Remarks
				A	B	
A: Refers to date of closure or surrender of shares B: Refers to reasons for closure or surrender						

4.2 DIRECTORSHIP(S)

Company's Name	Date of Incorporation	Executive or Non-executive	Position Held in case of Executive	Past Directorship		Remarks
				C	D	
C: Refers to date of retirement / cessation D: Refers to reasons for retirement / cessation						

4.3 PROFESSIONAL ASSOCIATIONS

Name of body	Membership No.	Position Held (if any)	Past Directorship		Remarks
			E	F	
E: Refers to date of retirement / termination of membership F: Refers to reasons for retirement or termination of membership					

4.4 SOCIAL CLUBS

Name of body	Membership No.	Position Held	Past Club Memberships		Remarks
			E	F	
E: Refers to date of retirement / termination of membership F: Refers to reasons for retirement or resignation / termination of membership					

4.5 OUTSTANDING BORROWINGS

Name of Borrower*	Name of Lending Institution	Type of Facility	Amount Borrowed KES	Date of Drawdown	Terms of Facility	Security Offered	Value of Security KES	Current Outstanding Balance, KES	Current Status

**Applicant to indicate individual/personal as well as borrowings by associated private companies from lending institutions in which the applicant controls more than 5% of equity.*

N/B - Use additional paper and attach in case the space provided is insufficient)

4.6 SOURCES OF FUNDS

- Please provide details of the actual source(s) of funds that you, as a shareholder, would like to invest or use in the acquisition of shares in the institution.

-
-
-

- Declaration on the sources of funds

Please provide a sworn statement that the funds that you, as a shareholder, would like to invest or use in the acquisition of shares in the institution are not from proceeds of crime.

5. ASSESSMENT QUESTIONNAIRE

- Have you or any entity with which you are associated as director, shareholder or manager, ever held or applied for a license or equivalent authorization to carry on any business activity in any country?

If so, give particulars. If any such application was rejected or withdrawn after it was made or any authorization revoked, give particulars

.....

- Have you at any time been convicted of any criminal offence in any jurisdiction?

If so, give particulars of the court in which you were convicted, the offence, the penalty imposed and the date of conviction

.....
.....

- 5.3 Have you, or any entity with which you have been involved, been censured, disciplined, warned as to future conduct, or publicly criticized by any regulatory authority or any professional body in any country?

If so, give particulars.....

.....

- 5.4 Have you, or has any entity with which you are, or have been associated as a director, shareholder or manager, been the subject of an investigation, in any country, by a government department or agency, professional association or other regulatory body?.....

If so, give particulars

.....
.....

- 5.5 Have you, in any country, ever been dismissed from any office or employment, been subject to disciplinary proceedings by your employer or barred from entry of any profession or occupation? If so, give particulars.

.....

- 5.6 Have you been diagnosed with any mental disability?

.....
.....

- 5.7 Have you failed to satisfy debt adjudged due and payable by you on order of court, in any country, or have you made any compromise arrangement with your creditors within the last 10 years?

If so, give particulars.....

.....

- 5.8 Have you ever been declared bankrupt by a court in any country or has a Bankruptcy petition ever been served on you?.....

If so, give particulars

.....

- 5.9 Have you ever been held liable by a court, in any country, for any fraud or other misconduct?

If so, give particulars.....

.....

5.10 Has any entity with which you were associated as a director, shareholder or manager in any country made any compromise or arrangement with its creditors, been wound up or otherwise ceased business either while you were associated with it or within one year after you ceased to be associated with it?.....

If so, give particulars.....

.....

5.11 Are you presently, or do you, other than in a professional capacity, expect to be engaged in any litigation in any country? If so, give particulars

.....

.....

5.12 Indicate the names, postal and e-mail addresses, telephone numbers and positions of three individuals of good standing who would be able to provide a reference on your personal and financial integrity and honesty. The referees must not be related to you and should have known you for at least five years.

	Name of Referee	Postal Address	E-mail address	Tel no. (s)	Position (where applicable)	Relationship with applicant
1						
2						
3						

5.13 Is there any additional information which you consider relevant for the consideration of your suitability or otherwise to own share capital of an institution?.....

The omission of material facts may represent the provision of misleading information.

.....

.....

In case of a corporate body;

5.14 Does the entity have substantial shareholders, directors, key officers who fail to meet the fit and proper criteria?.....

If yes, state how the entity plans to deal with them

-

- 5.15 Does the entity have meaningful internal controls and procedures (including procedures to manage conflicts of interest)

- 5.16 Has the entity been refused an application for registration, licensing or other authorization to carry on the business for which a license is sought?.....
 If yes, give the reason.....

- 5.17 Has the entity been subject to suspension, cancellation or revocation of its registration, license or other authorization to carry on the business for which a license is sought?.....
 If yes, give the reason

- 5.18 Has the entity been subject to any regulatory or enforcement action by any authority in any jurisdiction?.....
 If yes, why?.....

- 5.19 Has any judgment, order or conviction been made or any legal proceedings, action or other claims or other claims are pending against the entity whether civil or criminal in nature?.....
 If yes, why?

- 5.20 Are the directors, managers and other key officers of the entity qualified, knowledgeable and experienced?
- 5.21 Does the entity have adequate systems and controls in place to provide an efficient and reliable service?.....
- 5.22 Does the entity have in place Know Your Customer (KYC) procedures in line with the Proceeds of Crime and Anti – Money Laundering Act?

- 5.23 Does the entity have IT support to maintain the integrity of the operating system and security?
- 5.24 Has the entity been threatened with receivership, administration, liquidation or other similar proceedings?

5.25 Does the entity have the ability to meet any financial or capital requirements applicable to it?
In case no, why?
.....

N.B. The information given in response to this questionnaire shall be kept confidential by the supervisory authorities, except in cases provided for by law.

6. CONSENT FOR VERIFICATION OF INFORMATION

I hereby authorize the Central Bank of Kenya and any other person appointed or authorized by the Central Bank of Kenya, to contact and obtain any information (personal or otherwise) concerning or relating to me from any referee, present or former employer, or any other person, institution or entity for the purpose of verifying the information provided in this application or for any other lawful purpose.

I further consent to the disclosure of any information by such referee, present or former employer, or any other person, institution or entity to the Central Bank of Kenya or its appointed nominee or agent as may be necessary for the proper determination and/or assessment of this application.

This consent shall remain valid throughout the period of my engagement with the Central Bank of Kenya and any institution licensed by the Central Bank of Kenya under any written law, and even after termination of my engagement with the Central Bank of Kenya or an institution licensed by the Central Bank of Kenya.

Applicant's Declaration

I, the undersigned, hereby confirm that I have read and understood the meaning and implication of Clause 6 above and do hereby voluntarily give my informed consent for the sharing and disclosure of my personal information and/or data as aforesaid.

NAME.....POSITION HELD.....

DATED.....AT.....THIS DAY OF.....

SIGNED..... (Applicant)

7. DECLARATION

I am aware that it is an offence to knowingly or recklessly provide any information, which is false or misleading in connection with an application for a banking license or approval to own significant shares in an institution. I am also aware that provision of false information in this regard may result in rejection of this application by the Central Bank.

I certify that the information given above is complete and accurate to the best of my knowledge, and that there are no other facts relevant to this application of which the supervisory authority should be aware.

I also certify that the capital to be invested in the proposed bank is not from proceeds of crime.

I undertake to inform the supervisory authority of any changes material to the applications which arise while the application is under consideration.

NAME..... POSITION HELD

DATED..... AT..... THIS DAY OF.....

SIGNED..... (Applicant)

(This declaration must be signed in the presence of the witness named below)

WITNESSED BEFORE ME:

COMMISSIONER FOR OATHS/MAGISTRATE

Name

Signature:

Address:

Date and Stamp.....

NOTES ON THE COMPLETION OF THE APPLICATION FORMS

The explanatory notes are intended to give further guidance on the completion of the application forms. It is deemed that further guidance is necessary for certain items. These include:

1. **Application for a license to conduct the business of an institution**
 - 1.1 Item Number 1: Type of Business Applied For
State whether the license being applied for is to transact the business of:
a bank, mortgage finance company or financial institution
 - 1.2 Item Number 3: Physical Address
These details should be submitted to the Central Bank as soon as the permanent physical location is known.
 - 1.3 Item Number 6: Names of Branches
This item should be completed by:
 - a) A person licensed in Kenya operating under Act (s) other than the Banking Act, and is seeking to be licensed to operate under the Banking Act.
 - b) A foreign incorporated banking institution wishing to be licensed under the Banking Act.
 - 1.4 Item Number 8: Particulars of Shareholding
In case of institutions incorporated outside Kenya:
 - a) The term ‘shareholder’ refers to the foreign institution(s) proposing to assign capital to the Kenya branches for which the license is being applied.
 - b) This item is also to be used for the provision of information on the proposed assigned capital for the Kenya branches.
 - 1.5 Item Number 9: Particulars of Officers
In the completion of this item:
 - a) The term ‘officer’ should be used as defined in Section 2 of the Banking Act.
 - b) The officers referred to are those proposed or already engaged by the institution.
 - c) Where the institution is proposing to or has entered into a management agreement with another entity, details of the senior persons from the said entity heading or proposed to head the management team should be given.

- 1.6 **Item No. 9: Nationality**
Nationality and how it was acquired
- a) State your current nationality and indicate whether it was acquired through birth, marriage or naturalization.
 - b) Present occupation and position held/Present employer and address

This item will only apply in case of non-executive directors, shareholders and executives who are yet to join the institution but have been proposed to take up executive positions when the institution starts operations.

Item No. 10-16 Complete as per attached form which is self-explanatory.

2. **Second Schedule “Fit and Proper” Form**
This should be completed by all persons proposed as Senior Officers, Chief Executive and Directors of the proposed institution.
3. **“Fit and Proper” Form and Schedule for Significant Shareholders**
This should be completed by all persons proposing to set up an institution or are about to acquire or intend to acquire a significant stake in an institution.
- 4 **Schedule of Ultimate Beneficial Owners**
An applicant should complete and submit a Schedule of Ultimate Beneficial Owners as indicated under FORM CBK IF 1-1. The information provided in the Schedule of Ultimate Beneficial Owners must be consistent with the ownership structure declared in this form, the corporate structure chart, and all supporting incorporation and shareholding documents. Any discrepancy may result in delays of the application.
- 5 **Processing Applications Arising from Group Restructuring and Hive-Down Transactions**

5.1 Purpose

This section provides guidance on the licensing requirements applicable to restructuring transactions involving:

- a) hive-down transactions;
- b) establishment of a new licensed institution within a banking group; and
- c) conversion of an existing licensed institution into a Non-Operating Holding Company (NOHC).

5.2 Scope

This Section applies where:

- a) a licensed institution transfers all or substantially all of its banking business to another entity;
- b) a new licensed institution is established to assume banking operations; or
- c) a group restructuring results in a NOHC structure.

5.3 Regulatory Classification

A hive-down transaction shall be treated as:

- a) an application for a new banking licence under the Banking Act;
- b) a transfer of banking business under the Banking Act;
- c) a change in ownership or control requiring approval by the Central Bank, where applicable;
- d) any other transaction requiring approval under applicable law.