

What are the steps to follow in applying for a credit reference bureau license?

The A – Z of Licensing a Credit Reference Bureau

- a. Register a limited liability company with the Registrar of Companies.
- b. Submit a duly completed application form to the Central Bank of Kenya (CBK). The prescribed application form can be downloaded from the CBK website, www.centralbank.go.ke.
- c. Documents and information to accompany the application:
 - i Certified copies of the applicant's certificate of incorporation and its Memorandum and Articles of Association.
 - ii Feasibility study by the applicant, showing the nature of the planned business.
 - iii Duly completed "Fit and Proper" forms for proposed directors, senior officers and significant shareholders. The forms can be downloaded from the CBK website, www.centralbank.go.ke.
 - iv Management processes including the software required for operation, characteristics of products and services to be provided to subscribers, service policies and procedures manuals, as well as the proposed security and control measures aimed at preventing misuse or improper management of information.
 - v Overview of operations including the description of systems and the design of the data collection including the unique identification system for individuals and enterprises.
 - vi A description of the applicant's proposed premises and the security measures to be adopted.
 - vii The proposed fees structure.
 - viii A prototype of the final product that demonstrates the principal features and functions of the system.
 - ix A banker's cheque of Kshs. 10,000 payable to Central Bank of Kenya, being a non-refundable application processing fee

Upon meeting all the above requirements, the Central Bank will grant the applicant a letter of intent (approval in principle). The approval in principle indicates the Bank's intention to license the applicant upon meeting the pending pre-licensing requirements.

- d. With the approval in principle, the applicant may proceed to obtain premises, Information Technology Systems and recruit staff for the proposed CRB.
- e. Once the applicant is ready with the premises and Information Technology systems, they should invite the CBK to conduct an inspection.
- f. If the inspection is satisfactory, the CBK shall notify the applicant to submit to the Central Bank
 - i a bankers cheque for one hundred thousand Kenya shillings (KShs 100,000) payable to the Central Bank of Kenya being the annual licence fee, and
 - ii a statutory declaration in the prescribed form sworn under oath by the Chief Executive Officer of the applicant, confirming that the applicant will adhere to the provisions of the Banking (CRB) regulations 2008 and, in particular, that the

applicant will not disclose to any person any information obtained pursuant to the applicant's obligations under the Banking (CRB) Regulations 2008 except as provided therein.

- g. Upon satisfactory fulfillment of the above requirements by the applicant, the CBK will then issue a licence to the applicant and place a notice in the Kenya Gazette to formally license the credit reference bureau.
- h. The newly licensed credit reference bureau may then open its doors to subscribers.
- i. Within thirty days of being granted the licence, the newly licensed credit reference bureau is required to submit to the Central Bank an irrevocable bank guarantee for one million shillings (Kshs 1,000,000) in a format acceptable to the Central Bank.