

## **THE A-Z OF LICENSING A FOREIGN BANKING INSTITUTION FOR AUTHORITY TO OPEN A REPRESENTATIVE OFFICE IN KENYA**

Section 43 of the Banking Act, Cap 488 of the laws of Kenya, empowers the Central Bank of Kenya (CBK) to grant authority to foreign institutions to open representative offices in Kenya.

The following key steps are followed in applying for authority to open a representative office in Kenya:-

- a) Submission of a formal letter to the Central Bank from the foreign institution expressing intention to seek authority to open and operate a Representative Office in Kenya.
- b) Alongside the aforementioned formal letter, the applicant should submit:

- i. A duly completed Application Form for Authority to Establish a Representative Office of a Foreign Bank or Financial Institution (Form CBK/RO 1-1-Page 423 of Prudential Guideline on Authorisation of Representative Offices in Kenya) with the relevant supporting documentation:-

- Notarized copy of the Certificate of Incorporation of the foreign institution proposing to open the Representative Office;
- Notarized copy of the Articles and Memorandum of Association of the foreign institution proposing to open the Representative Office;
- The names of the principal shareholders of the foreign institution and their respective percentage holdings;
- A complete list of the Applicant's Board of Directors and Chief Executive Officer;
- A notarized extract of the minutes of the Applicant's Board meeting passing the resolution to establish the proposed Representative Office in Kenya;
- A statement identifying the kind of business intended to be conducted through the proposed Representative Office as well as the intended objectives of the Representative Office;
- The name and full contact details of the relevant monetary or supervisory authority to which the Applicant is subject;
- A notarized copy of the Applicant's valid licence to conduct banking business as issued by the home supervisor;
- Certified copies of the audited financial statements for each of the three years immediately preceding the date of the application;
- If the applicant has links to or forms part of a group (either as parent company, subsidiary, joint venture or Associate Company) a detailed chart giving the entire group structure and respective shareholdings between members of the group;
- A feasibility study of the future operations and development of the business for a minimum period of three years from the date of the application;
- Proposed organisation structure for the Representative Office in Kenya;

- A declaration signed by the Chief Executive Officer as specified in the application form.
  - A non-refundable application fee to the Central bank of Kenya, payable by banker's cheque or such other mode of payment as the CBK may prescribe, as specified under the Fourth Schedule to the Banking Act, (The Banking (Fees) Regulations. The application fee is currently Kshs 5,000.
- ii. Duly completed Fit and Proper Application Forms for the proposed Chief Representative Officer, proposed managers and senior officers for the proposed Representative Office (Form CBK/RO 1-2-Page 426 Prudential Guideline on Authorisation of Representative Offices in Kenya) with the following relevant supporting documentation:-
- A notarized copy of the nominee's valid passport (for foreign nationals).
  - A certified copy of a national identity card (for Kenyan citizens).
  - An up-to-date and detailed curriculum vitae.
  - Copies of the nominee's academic and professional certificates, which should be duly certified where the issuing authority is located within the Republic of Kenya or notarized if the certificates and other related documents are issued by foreign authorities.
  - Copies of any testimonials available, which should be duly certified or notarized as the case may be.
  - Names and full contact details of at least three independent personal referees who should have known the applicants for at least five years.

Note: A senior officer at the Representative Office is the Chief Representative Officer or other officers who are likely to take part in decision making.

- c) All documents submitted should be in the English language. Certified English translations should be provided for all submissions originally rendered 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,
  - the translation is true, accurate, and correct to the best of the translator's knowledge and ability,
  - The certificate should preferably be made under oath or notarized to provide assurance of its validity, and

The Central Bank reserves the right to request additional information, statements or documents as it shall deem necessary for purposes of determining an application.

- d) In processing an application by a foreign institution to open a Representative Office in Kenya, the Central Bank shall have the right to object to the name under which the prospective Representative Office proposes to operate in Kenya if the Central Bank deems such name to be inappropriate, ambiguous, potentially misleading or confusing to the public.
- e) Upon meeting all the requirements, the CBK will grant the applicant an approval in principle to open a representative office in Kenya.
- f) With the approval in principle, the applicant may proceed to obtain premises, recruit staff and other facilities necessary for operations of the Representative Office and to pay the prescribed license fee of Kshs 20,000 vide a banker's cheque payable to CBK, or such other mode of payment as CBK may prescribe.
- g) Once the premises are ready, the applicant will invite CBK to conduct an inspection.
- h) If the inspection is satisfactory, the CBK grants final authority to the applicant to commence the business of a Representative Office in Kenya.
- i) Representative Offices are required to submit quarterly activity reports to CBK in the prescribed format (CBK/PR/RO/04).

A complete list of the authorized representative offices of foreign banks in Kenya can be found on the CBK's website under the link: <http://www.centralbank.go.ke/index.php/representative-offices-of-foreign-institutions-in-kenya>.