



THE BANK-FINANCIAL INSTITUTIONS AND BANK-FINANCIAL HOLDING COMPANIES ACT OF 2025”

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PART I— PRELIMINARY

IT IS ENACTED by the Senate and House of Representatives of the Republic of Liberia in Legislature Assembled as follows:

Immediately following the passage of this Act, the Bank Financial Institutions Holding Act of 2025, approved on April 28, 2025, and printed on April 29, 2025, is hereby repealed in its entirety and replaced with this Act.

This Act shall be cited as *The Bank-Financial Institutions and Bank-Financial Holding Companies Act of 2025*.

1.0 Application

This Act applies to:

1. Bank-financial institutions;
2. Financial holding companies; and
3. Subsidiaries, branches and the overseas operations of bank-financial institutions and financial holding companies.

2.0 Authority of the Central Bank

For the purposes of this Act: -

1. The Central Bank shall be the sole authority for the licensing, supervision, regulation and resolution of bank-financial institutions and shall have all the functions and powers conferred and duties imposed on it by this Act.
2. The Central Bank shall be the sole authority for registration, supervision, regulation and resolution of financial holding companies and shall have all the functions and powers conferred and duties imposed on it by this Act.
3. The Central Bank shall be responsible for promoting the safety and soundness of bank-financial institutions and the banking system and protecting the interests of depositors.

3.0 Definition

In this Act, unless the context otherwise requires -

“*Administrative Sanction*” includes any one or more of the following:

- (i) fines stipulated under this Act payable to the Central Bank the value of which and where appropriate payable with interest, shall be determined by the Central Bank as prescribed in this Act, by a regulation or by a directive;

- (ii) the removal from office of any director, officer or employee by the Central Bank; or
- (iii) withdrawal of any privilege normally accorded bank-financial institutions or financial holding companies by the Central Bank, including but not limited to revocation of operating license.
- (iv) Withdrawal of a 'fit and proper' person's status previously accorded by the Central Bank.
- (v) such other sanctions as the Central Bank may by regulation or directive prescribe.
- (vi) The Central Bank may impose administrative sanctions for each day that a violation or unsafe or unsound condition continues.

"Affiliate" means:

- (i) a body corporate of which a bank-financial institution or financial holding company is a subsidiary;
- (ii) a subsidiary of a bank-financial institution or financial holding company; or
- (iii) a body corporate which is controlled by the same entity which controls a bank-financial institution or a financial holding company.

"Agent" means any person that is engaged by a bank-financial institution or a financial holding company to provide specific financial services on its behalf or any person that is engaged by the Central Bank to provide specific services.

"Associate" means a body corporate over which a bank-financial institution or financial holding company has the power to participate in its financial or operating decisions, but does not control or jointly control its governance.

"Bank-financial institution" means any person doing banking business: Provided, that for the purpose of the Act, unless the context otherwise requires, all offices and branches of a financial institution in Liberia shall be deemed to be one financial-institution;

"Banking business" or the business of banking " means,

- (i) the business of receiving funds from the public or from members thereof through the acceptance of voluntary money deposits payable upon demand or after a fixed period or after notice; or any similar operation through the frequent sale or placement of bonds, certificates, notes, or other securities from the Government of Liberia or from any foreign or international financial institution and the use of such funds either in whole or in part for loans or investments for the account and at the risk of the person doing such business; and

- (ii) any other activity recognized by the Central Bank as customary banking practice which a financial institution is engaged in other than the activities described in sub-paragraph (b)(i), which it may additionally be authorized to do.

"Beneficial owner" means a person or body corporate that enjoys the benefit of ownership even though the title of the property owned is in another name.

"Branch" means an office of a bank-financial institution or a financial holding company that is not separately incorporated through which a bank-financial institution or financial holding company may be permitted to operate.

"Bridge Bank" is a bank-financial institution established by the government for a temporary period for the purpose of resolving a bank-financial institution in provisional administrator or to an asset management vehicle established by the government for the purpose of acquiring, managing and disposing of problem assets of a bank-financial institution as part of the resolution of the bank-financial institution.

"Body corporate" for the purposes of this Act means an incorporated company under the Liberian law.

"Capital Adequacy Ratio" means the ratio expressed as a percentage of the adjusted capital base to the risk weighted assets of a bank-financial institution.

"Capital" shall be such amount denominated in Liberian Dollar determined by the Central Bank which shall be met by a bank-financial institutions and bank-holding company, including the fully paid-up shares issued, stock surplus, retained earnings, other comprehensive income, qualifying minority interest and regulatory adjustments.

"Central Bank" means the Central Bank of Liberia established under the Central Bank of Liberia Act.

"Chief Executive Officer" for the purpose of this Act means a person, by whatever name called, who is responsible for the conduct and management of the day-to-day business of the body corporate.

"Close relative" means spouse, son, daughter, stepson, stepdaughter, brother, sister, father, mother, cousin, nephew, niece, aunt, uncle, stepsister, stepbrother, grandparent or grandchild.

"Consolidated group" means a banking group includes all its affiliates (parent, subsidiaries, branches, and other network involved with risk taking or whose activities pose risk to the capital of the group).

"Consolidated Supervision" means the supervision of the parent company and its subsidiaries, which allows the Central Bank to understand the banking structure, activities, resources, and risks, as well as to address financial, managerial, operational, or other deficiencies before they pose a danger to the financial holding companies.

"Control" means a relationship where a person or a group of persons acting in concert, directly or indirectly:

- (i) owns twenty-five percent (25%) or more of the voting shares of a body corporate;

- (ii) has the power to appoint or remove the majority of the board of directors of the body corporate;
- (iii) has the ability to exert a significant influence on the management or policies of the body corporate; or
- (iv) has the ability to direct the activities of the body corporate as to affect the financial returns on any investment made with such body corporate.

"Controlling shares or shareholding" means any person who directly or indirectly or acting in concert with one or more persons or institutions, or together with members of his or her immediate family, owns, controls, or holds with power to vote twenty-five percent (25%) or more of the voting stock of a bank-financial institution or financial holding or controls in any manner by the election or appointment of a majority of the company's board of directors.

"Court" means a judicial body in Liberia having jurisdiction over matters arising from the enforcement of the provisions of this Act.

"Credit Exposure" means the amount at risk from a claim or transaction of a bank-financial institution, whether on or off-balance sheet, and whether contingent or actual, including extensions of credit facilities, credit openings, letters of credit, credit commitments, advances, guarantees, acceptances, debt securities, as well as investments by a bank-financial institution.

"Critical functions/services" means activities performed by a bank-financial institution for third parties, where failure would lead to disruptions of services critical to the functioning of the real economy and for preserving financial stability.

"Currency" means banknotes and coins issued and or authorized by the Central Bank to circulate as medium of exchange.

"Deposit" means a sum of money paid to a financial institution on terms under which it will be repaid with or without interest or a premium, and on demand or after a fixed period, or in circumstances agreed by or on behalf of the person making the deposit and the person receiving it; and which are not referable to the given of security, or provision of property or rendering of services or to statutory or regulatory reserve requirement.

"Deposit Protection Fund" means a deposit protection fund set up to provide for the accumulation of financial contributions from bank-financial institutions for eventual compensation of deposits held in bank-financial institutions.

"Directives" are specific instructions that are issued to a licensed bank-financial institution or financial holding company by the Central Bank as it considers appropriate.

"Domestic bank- financial institution" means a bank-financial institution which is not a national of a foreign country, organized under the law of Liberia to do banking business in Liberia.

"Employee" means staff of a bank-financial institution or financial holding company.

"Extension of credit" means any transaction in which a financial institution delivers or assumes a contingent liability to deliver financial assets in exchange for a claim against the party to or for whom the assets are transferred or are to be transferred. Extension of credit include, but are not limited to, loans, discounts of financial instruments, lines of credit, payments, repurchase agreement, letters of credit, guarantees, and the exposures to loss in covering foreign exchange positions.

"Financial holding company" means a body corporate that controls a bank-financial institution. For purpose of this Act, only non-operative financial holding company shall be licensed by the Central Bank. This means that a financial holding company shall only provide the needed corporate, managerial, operational, financial and technical support to a licensed bank-financial institution.

"Financial company" means a body corporate that provides financial services other than banking business.

"Financial group" means a bank-financial institution, financial holding company, financial company and its subsidiaries, affiliates and associates, as the case may be.

"Financial institution" means any person doing financial transactions consisting in the business of banking, credit, loan making, lending or rendering non-banking financial services; provided that, for the purpose of this Act, and unless the context otherwise requires, all officers and branches of a financial institution in Liberia shall be deemed to be one financial institution.

"Financial stability" - means a financial system that is able to provide valuable credit, risk-management, and liquidity services to businesses and households in the face of economic and financial shocks.

"Fit and proper person" means a person who is suitable to hold the particular position which that person holds or is to hold as regards:

- (i) the probity, competence and soundness of judgment of the person for purposes of fulfilling the responsibilities of that position;
- (ii) the diligence with which that person fulfils or is likely to fulfil those responsibilities;
- (iii) whether the interest of depositors or potential depositors of the entity are threatened, or likely to be, in any way by the person holding or expected to hold that position; and
- (iv) that the integrity of the person is established and the qualifications and experience of the person are appropriate for the position in the light of the business and activities of the entity which the person serves, or is likely to serve, taking into account the size, nature and complexity of the institution.

"Foreign financial institution" means a financial institution, organized abroad and doing business in Liberia, whether such business be banking or other financial business.

"Foreign financial holding company" means a financial holding company as defined in this Act registered or authorized in another country.

"Formation Documents" means articles of incorporation and by-laws for corporations, certificate of formation and company agreement for limited liability company.

"Financial services" means any service, excluding banking business, prescribed as such by the Central Bank.

"Guidelines" are detailed information or advice with respect to this Act or any regulations issued by the CBL, that are geared towards ensuring harmonization of practices, methodologies, standards and consistency of supervisory outcomes

"Government" means the Government of the Republic of Liberia.

"Home supervisory authority" means the supervisory authority in the country in which a bank-financial institution or financial holding company is licensed or registered.

"Independent director" means a director who is free of management's and shareholders' influence and whose judgment will be exercised for the sole benefit of a bank-financial institution or a financial holding company and who has no perceived or actual conflict of interest arising from relationships with a bank-financial institution, a financial holding company and with a bank-financial institution and a financial holding company-related parties whether in the present, past or future.

"Insider" means a director, an executive director, key management personnel, significant shareholder or employees of a bank-financial institution or financial holding company.

"Insolvent bank-financial institution" means a bank-financial institution or financial holding company that is unable to meet its obligations as they fall due, or the value of its liabilities exceeds the value of its assets. It also means a decrease in the size of a bank-financial institution's capital to an amount equal to or less than 0.25 of the regulatory capital requirements.

"Insolvency" is the state in which a bank-financial institution or financial holding company is unable to satisfy legal claims of creditors when it becomes due or the assets are less than the amount of the bank-financial institution or financial holding company's liabilities, taking into account its contingent and prospective liabilities.

"Key management personnel" includes the chief executive, deputy chief executive, chief operating officer, chief finance officer, board secretary, treasurer, chief internal auditor, the chief risk officer, the head of compliance, the head of anti-money laundering functions, the head of internal control functions, chief legal officer, manager of a significant business unit of a bank-financial institution, or financial holding company or any person with similar responsibilities.

"License" means an authorization granted by the Central Bank to a body corporate for the purpose of carrying out the business of banking.

"Liquidation" means the winding-up of the business affairs and operations of a failed bank-financial institution through the orderly disposition of its assets after it has been placed in a receivership or insolvency proceeding.

"Liquidator" unless otherwise provided, means the Central Bank of Liberia appointed by a court to carry out the winding up of a bank-financial institution in liquidation.

"Liquid asset" means an asset that is easily converted into cash without any loss in its value to meet pressing liquidity obligations.

"Member of the board of directors or board member" means any person by whatever name he/she may be called, carrying out or empowered to carry out substantially the same functions in relation to the direction of the financial institution as those carried out by a member of the board of directors of a corporation organized under the Associations Law of Liberia, Title 5 of the Liberian Code of Laws Revised.

"Minimum capital" means the amount of capital required to open a bank financial - Institution or financial-holding company and shall be maintained at all times during its operations.

"Money" means any generally accepted medium of financial exchange, which can be used as a currency for the repayment of debt; a store of value; a standard of value and a unit of accounting measure.

"Non-Executive Director" means a director who is not involved in the day-to-day management of a financial institution and is not an employee of a financial institution or of its subsidiaries; but may represent the interest of the shareholder (s).

"Non-performing asset" means a credit exposure or loan classified as substandard, doubtful or loss loans by the Central Bank.

"Non-preferential" means equal or arms-length treatment in transacting with a related person on the same terms as available to members of the general public, rather than on familiar, friendly or preferential terms, so that there is no conflict.

"Off balance sheet transactions" includes contingent assets or contingent liabilities in the form of letters of credit, guarantees, bids, bonds and indemnities.

"Offshore banking" means banking business denominated in foreign currencies and transacted between foreign financial institutions.

"Parent Bank" means a bank-financial institution which exercises a significant influence over the direction and management of a bank-financial institution, or which has a controlling interest in the bank-financial institution;

"Provisional Administrator" means a person appointed by the Central Bank to carry out provisional administration of a bank-financial institution or financial holding company as prescribed under this Act.

"Person" means a natural or legal person, including an individual, a body corporate or association of body of persons whether or not incorporated.

"Place of business" means any branch or office of a bank-financial institution in Liberia, whether physical structure or mobile facility open to the public.

"Receivership" means the process of revocation of the license of a failing bank-financial institution and appointing a receiver to proceed with the winding up process of a failed bank-financial institution.

"Receiver" means a person appointed by the Central Bank to take possession and control of a bank-financial institution or bank-financial holding company's assets and liabilities.

"Regulations" means a legally binding instrument issued by the Central Bank to all bank-financial institutions or financial holding companies in the implementation of this Act; unlike other regulatory instruments, regulations are gazetted and often include penalties for violations.

"Regulatory capital" means high-quality capital, predominantly in the form of shares and retained earnings amounting to ten percent (10%) of total risk-weighted assets and shall not be less than the minimum paid up capital at any given time.

"Related person" means a bank-financial institution or financial holding company's subsidiaries, affiliates and any party including their subsidiaries, affiliates and special purpose entities that the bank or financial holding company exerts control over or that exerts control over a bank-financial institution or a financial holding company. Related persons shall include but not be limited to the bank-financial institution or financial holding company's controlling shareholders, board members, senior management and key staff and their direct or related interests and their close relatives as well as corresponding persons in affiliated companies.

"Representative office" in relation to a bank-financial institution incorporated overseas means offices from which the banking business or other financial activity of the overseas bank-financial institution is conducted.

"Registration" means an authorization granted by the Central Bank to a financial holding company pursuant to this Act.

"Resident Supervisor" means a person appointed by a written order from the Central Bank to advise the chief executive of a bank-financial institution or financial holding company.

"Significant shareholding" means a direct or indirect holding in a bank-financial institution or financial holding company which represents five percent (5%) or more of the regulatory capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the bank-financial institution or financial holding company in which a holding subsists.

"Significant shareholder" means any shareholder of a bank-financial institution who has direct or indirect holding in a bank-financial institution or financial holding company which represents five percent (5%) or more of the regulatory capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the bank-financial institution or financial holding company in which a holding subsists.

"Significantly undercapitalized" means a bank-financial institution whose capital falls between 0.25 - 0.75 of the regulatory capital.

"Significantly illiquid" means a bank-financial institution whose liquidity ratio falls between 0.25 - 0.75 of the minimum liquidity ratio.

"Subsidiary" means a body corporate over which another body corporate has control.

"Systemically Important Bank-financial institutions" are bank-financial institutions whose distress or disorderly failure, because of their size, complexity and systemic interconnectedness, would cause significant disruption to the wider financial system and economic activity.

"Undercapitalized" means any capital or capital adequacy ratio below the regulatory capital or capital adequacy ratio requirement prescribed by the Central Bank of Liberia pursuant to this Act.

"Unsecured" in relation to advances or credit facilities means advances or credit facilities granted without security, or in the case of advances and credit facilities granted against facilities which at any given time exceed the market value of the assets comprising those approved by the Central Bank whenever it deems that no ascertainable market value exists for the said assets.

"Ultimate Beneficial Owner" is the natural person(s) that is the ultimate beneficiary of at least twenty-five percent (25%) of the capital of the bank-financial institution or bank-financial holding company and also have control over at least twenty-five percent (25%) of the bank-financial institution or bank-financial holding company shares and capital. It also applies in the context of a legal arrangement meaning the natural person (s) at the end of the chain who ultimately, controls the legal arrangement and exercises ultimate effective control over the legal arrangement.

PART II — LICENSING

4.0 Power of the Central Bank to Grant Banking License

1. Licensing Procedures

- (i) Pursuant to Part II, Section 6 (h) of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia of 1999, the Central Bank shall have sole power and authority to license, regulate, monitor, supervise and resolve all bank-financial institutions operating in Liberia.
- (ii) No person shall carry out banking business in Liberia, whether as a principal or agent, without a license from the Central Bank of Liberia. No domestic bank-financial institution shall do banking business in Liberia or abroad nor shall a foreign financial institution do banking business in Liberia without being licensed by the Central Bank.
- (iii) A foreign bank-financial institution may establish a subsidiary in Liberia. A foreign bank-financial institution or holding company shall not be allowed to operate in Liberia through branch.

5.0 Eligibility Criteria

1. No person other than a body corporate incorporated as a corporation or limited liability company under the laws of Liberia shall carry out banking business in Liberia. A bank-financial institution which has been incorporated and is already operating upon coming into force of this Act shall not be required to be incorporated pursuant to this section for the purpose of obtaining a license to do banking business.
2. At minimum, an applicant for a banking license shall satisfy the following criteria:
 - (i) must demonstrate strong financial capability to meet the minimum capital requirements of the Central Bank and to support the operations of the bank-financial institution on a going basis;
 - (ii) the significant and controlling shareholders, beneficial and ultimate beneficial owners, directors, key management personnel or proposed directors must be fit and proper persons;
 - (iii) must present credible strategic and operating plans, which at a minimum must demonstrate its ability and capability to effectively manage a bank-financial institution;
 - (iv) must present a strong and credible internal controls and risk management frameworks; and
 - (v) the legal, operational, managerial and ownership structure and its financial group should allow for effective supervision.
3. The criteria in subsection (2) above shall at all times be met by the applicant both at the stage of licensing and on an ongoing basis.
4. Bank-financial institutions operating on the existing requirements wishing to establish or transform into a financial holding company shall be required to comply with the requirements prescribed in Sections (9.0 & 10.0) of this Act.

6.0 Licensing Procedures

1. A person shall apply for a license to operate as a bank-financial institution in Liberia, having met the eligibility criteria set forth in Section 5.0, by transmitting a formal application to the Executive Governor of the Central Bank along with the required application documents set in Section 6.0 (3).
2. In the case of an applicant who is a foreign financial institution, a written approval of the relevant Home Supervisory Authority in that country or territory must be obtained and a confirmation that it exercises consolidated supervision over the financial group.
3. An application for a license shall be accompanied by the following information and documents:
 - (i) a certified true copy of all formation documents and board resolution in respect of its application;

- (ii) evidence of the capital resources, including original sources, and capital structure of the proposed bank-financial institution;
 - (iii) the names, addresses, occupations, business and professional history, certified financial positions, and corporate affiliations of the significant or controlling shareholders, beneficial owners, directors and key management personnel of the proposed financial holding company, performance of the business concerns under their control or management and the respective values of the shareholdings;
 - (iv) organizational and managerial structures, including a complete diagram of the group of companies controlled by the proposed financial holding company, identifying all direct and indirect affiliates and associates and the nature of their relationship to the financial holding company;
 - (v) the feasibility reports, including a business plan and financial projections for the first five (5) years and areas of intended activities;
 - (vi) audited financial statements for the past three (3) years, if applicable, or for such lesser period as the entity has been in existence if shorter than three (3) years;
 - (vii) the measures and structures the company intends to adopt to ensure that its business is conducted in accordance with sound corporate governance principles;
 - (viii) the sources and legitimacy of the applicant's minimum capital;
 - (ix) any other information or documentation that the Central Bank may require; and
 - (x) Evidence of payment of the non-refundable application fees.
4. The application and every document submitted in accordance with Section 6.0 (1 - 3) shall be signed by a principal or agent legally authorized to do so and must be accompanied by a resolution of the Board of Directors of the applicant.
5. In considering an applicant for license, the Central Bank shall, without limiting the generality of the requirements prescribed in here, conduct such due diligence as may be deemed necessary to ascertain: -
- (i) the validity of the documents submitted under Sections 5.0 & 6.0 (1, 2 & 3);
 - (ii) the adequacy of its capital structure and the sources and legitimacy of the capital;
 - (iii) the extent to which the legal, operational, managerial and ownership structure of an applicant and its financial group may hinder effective supervision under this Act or would be likely to prejudice the interests of depositors and other customers of the bank-financial institution;
 - (iv) whether the interest of depositors will, as far as can reasonably be ascertained, be detrimentally affected by the manner of the applicant's business plan, corporate governance arrangements including accounting, risk management, internal control systems and general business practice; and
 - (v) take into account the information on whether the person or persons controlling the proposed financial holding company are suitable, or may be such as to

prejudice the interests of depositors and other customers of the bank-financial institution;

7.0 Withdrawal of Application and Modification of Information

1. An application may be withdrawn by notice in writing by the applicant at any time before the granting of final license. Application so withdrawn shall be considered nullified in which case, the applicant shall be required to re-apply in keeping with the requirements herein stated.
2. An application may be modified by notice in writing by the applicant before the granting of final license. In this case, the applicant shall submit to the Central Bank a modified application within a period not exceeding two (2) weeks following the request to modify the application, failing which said application shall be considered null and void and subject to re-application.

8.0 Granting or Refusal of License

1. The Board of Governors of the Central Bank shall have the sole power to grant or refuse to grant a license to an applicant to carry on banking business.
2. Within ninety (90) days from the date of receipt of the completed information, or, where further information has been required, after the receipt of such information, the Central Bank may grant a license or shall give written notice to the applicant that it has refused to grant a license and may state the grounds upon which such refusal is based.
3. An applicant shall not be granted a license under this Section unless it fulfills the requirements specified in Sections 5.0, 6.0, and other rules, regulations or guidelines that may be issued by the Central Bank for the licensing of bank-financial institutions.
4. An applicant whose application is rejected, may have the opportunity to seek further clarification/explanation from the CBL within ten (10) days of receipt of said notification. In this case, the CBL may provide such clarity depending on the facts and circumstances relative to said application.
5. In granting a license, the Central Bank may impose additional conditions to be satisfied by the applicant in respect of the conditions set forth in Section 6.0.
6. Where the applicant is a subsidiary of a foreign financial institution, without limiting the generality of the foregoing, the Central Bank shall require as a condition precedent for the commencement of operations that the applicant file with the Central Bank statements from the home supervisor: -
 - (i) indicating a 'no objection' to the establishment of a subsidiary in Liberia by the foreign -financial institution; and
 - (ii) that it is satisfied with the prudential and overall financial management of the parent foreign-financial institution.
7. The Central Bank shall also satisfy itself that: -

- (i) supervision of a foreign -financial institution that has a subsidiary in Liberia or by the supervisory authorities in its home country is effective and adequate;
 - (ii) the foreign financial institution is supervised by the home supervisory authority on a consolidated and global basis; and
 - (iii) there are no obstacles to the receipt by the Central Bank of information regarding such parent foreign -financial institution from the home supervisory authority.
8. A bank-financial institution prior to issuance of the license and its commencement of operation, shall pay a license fee as prescribed in the regulation regarding licensing of bank-financial institutions. The license fee is separate and distinct from the non-refundable application fee stated in Section 6.0 (3) (x).
 9. Any license granted under this Act shall be subject to such terms and conditions as stated in the license. The Central Bank shall have the right and authority to change the terms and conditions of a license which shall be stated in a regulation or directive issued by the Bank.
 10. The Central Bank shall publish annually list of all licensed bank-financial institutions and bank-financial holding companies and their branches in an official gazette and/or a regulation issued by the Central Bank.

9.0 Licensing Requirements for Financial Holding Companies

1. No person shall function as a financial holding company in Liberia except as provided in accordance with Sections 9.0 (2), 10.0 and 11.0 of this Act.
2. The proposed financial holding company shall apply in writing to the Central Bank expressing interest to operate as a financial holding company. The application shall be submitted alongside with a certified copy of the applicant's documents of formation and board resolution in respect of its application;
 - (i) the capital resources, including original sources, and capital structure of the proposed financial holding company, names, addresses, occupations, business and professional history, certified financial positions, and corporate affiliations of persons who will hold or ultimately benefit from significant shareholdings, directly or indirectly, in the proposed financial holding company, and the respective values of the shareholdings;
 - (ii) organizational and managerial structures, including a complete diagram of the group of companies controlled by the proposed financial holding company, identifying all direct and indirect affiliates and associates and the nature of their relationship to the proposed financial holding company;
 - (iii) the particulars of the significant or controlling shareholders, beneficial owners, Board Members and Key Management Personnel of the proposed financial holding company, including their qualifications and experience, business and professional history, certified financial position, business interests and performance of the business concerns under their control or management;

- (iv) the feasibility reports, including a business plan and financial projections for the first five (5) years in areas of intended activities;
- (v) audited financial statements for the past three (3) years, if applicable, or for such lesser period as the entity has been in existence if shorter than three (3) years;
- (vi) the measures and structures the company intends to adopt to ensure that its business is conducted in accordance with sound corporate governance principles;
- (vii) for each Board Member, Key Management Personnel or significant shareholder of the proposed financial holding company, an affidavit disclosing convictions, if any, for offences by a court of competent jurisdiction, personal bankruptcy filings, disqualifications from practicing a profession, or past or present involvement in a managerial function of a body corporate or other undertaking subject to insolvency proceedings, if any;
- (viii) particulars of any change in the information provided to Supervisory Authority under this Act as soon as the applicant becomes aware of such change;
- (ix) the sources and legitimacy of the applicant's minimum capital; and
- (x) any other information or documentation that the Central Bank may require.

3. The Central Bank may:-

- (i) exempt a foreign bank-financial institution or financial holding company subject to regulation and supervision in another jurisdiction from licensing or permission to operate as a financial holding company in Liberia if the activities do not pose risk to the financial sector; or
- (ii) exempt such bank-financial institution or financial holding company from the applicability of one or more provisions of this Act applicable to financial holding companies, where such bank-financial institution or financial holding company is subject to supervision and regulation that is satisfactory to the bank-financial institution, including supervision on a consolidated basis, in its home jurisdiction or another jurisdiction in which it has substantial operations.

4. The Central Bank may authorize exemptions under Section 9.0 (3) subject to an assessment conducted on the request made by the prospective financial holding company. The exemption so granted shall stipulate the terms and conditions as the Central Bank may consider appropriate consistent with the objectives of consolidated supervision or any other specialized supervision as the case may be.

10.0 Application for License to Operate

- 1. A person shall not take an action that causes a company to become a financial holding company unless the company is granted a license to operate as a financial holding company by the Central Bank.
- 2. An application for a license to operate as a financial holding company shall be made in writing to the Central Bank along with a non-refundable application fee, as may be

specified by the Central Bank, and shall be accompanied by the following information and documents:

- (i) a certified true copy of the applicant's documents of formation and board resolution in respect of its application;
 - (ii) the capital resources, including original sources, and capital structure of the proposed financial holding company;
 - (iii) the names, addresses, occupations, business and professional history, certified financial positions, and corporate affiliations of the significant or controlling shareholders, beneficial owners, directors and key management personnel of the proposed financial holding company; performance of the business concerns under their control or management and the respective values of the shareholdings;
 - (iv) organizational and managerial structures, including a complete diagram of the group of companies controlled by the proposed financial holding company, identifying all direct and indirect affiliates and associates and the nature of their relationship to the financial holding company;
 - (v) the feasibility reports, including a business plan and financial projections for the first five (5) years and areas of intended activities;
 - (vi) audited financial statements for the past three (3) years, if applicable, or for such lesser period as the entity has been in existence if shorter than three (3) years;
 - (vii) the measures and structures the company intends to adopt to ensure that its business is conducted in accordance with sound corporate governance principles;
 - (viii) particulars of any changes in the information provided to Central Bank under this Act as soon as the applicant becomes aware of such change(s);
 - (ix) the sources and legitimacy of the applicant's minimum capital; and
 - (x) any other information or documentation that the Central Bank may require.
3. In determining whether to register an applicant as a financial holding company the Central Bank shall:
- (i) take into account the information referred to in Section 10.0 (2), and in particular whether the person or persons controlling the proposed financial holding company are suitable, or may be such as to prejudice the interests of depositors and other customers of the bank-financial institution; and
 - (ii) determine whether the legal, operational and managerial structure of the applicant and the ownership of shares by the person or persons controlling the proposed financial holding company, will hinder effective supervision under this Act or would be likely to prejudice the interests of depositors and other customers of the bank-financial institution.
4. A license shall not be granted by the Central Bank, unless it is satisfied that:

- (i) the significant or controlling shareholders, beneficial owners, directors and key management personnel are fit and proper persons as defined under this Act and the ownership and managerial structure of the proposed financial holding company will not hinder effective supervision, including supervision on a consolidated basis;
 - (ii) the capital of the applicant is adequate, and the original sources of capital are acceptable and do not include borrowed funds;
 - (iii) the applicant's arrangements for corporate governance, including but not limited to accounting risk management, and internal control systems and records, are adequate;
 - (iv) the feasibility report is based on sound analysis under reasonable assumptions; and
 - (v) the applicant is a body corporate that controls a bank-financial institution.
5. The Central Bank may attach conditions to the license of a financial holding company and may, at any time vary, remove or add further conditions to the licensing requirements as the Central Bank may consider consistent with this Act.
 6. Where the Central Bank proposes to vary or add further conditions pursuant to Section 10.0 (5), the Central Bank shall give due notice to the financial holding company and the financial holding company shall within thirty (30) days make representation to the Central Bank.
 7. The Central Bank shall make a decision on an application within six (6) months after receipt of complete information.
 8. Where the Central Bank rejects an application, it may provide reasons in writing to the applicant.
 9. Where a person is dissatisfied or aggrieved with a decision of the Central Bank in respect of this Section the person may petition the Central Bank in writing within ten (10) days of receipt of the decision for a review.
 10. The Central Bank shall publish a list of all licensed financial holding companies and the subsidiaries.
 11. The power to grant or refuse to grant a license to an applicant to operate as a financial holding company shall be determined by the Board of Governors of the Central Bank.
 12. License under this Act shall be subject to such terms and conditions as the Central Bank may specify from time to time.

11.0 Permissible Activities and Restrictions on Activities of Financial Holding Companies

1. The activities of the financial holding company shall be restricted to the holding of equities in its subsidiaries.

2. However, the financial holding company shall provide broad policy direction in the following areas:
 - (i) General operations;
 - (ii) Technical capacity;
 - (iii) Human Resources;
 - (iv) Risk Management;
 - (v) Internal Control;
 - (vi) Compliance;
 - (vii) Any other services as may be issued in a regulation or directive by the CBL from time to time.
3. A financial holding company or any of its subsidiaries may, with the prior written approval of the Central Bank, provide shared services to the group in respect of:
 - (i) Information and Communication Technology;
 - (ii) Facilities (Office Accommodation including Electricity, Security and Cleaning Services in that accommodation);
 - (iii) Legal services; and
 - (iv) Any other services as may be approved by the Central Bank from time to time.
4. Shared services shall be provided at arms-length. Transactions in respect of such services shall require the consent of the Board of Directors of the subsidiary and furnished to the Central Bank for its review and feedback prior to signing of the service agreement by the Parties.
5. A financial holding company with the written approval of the Central Bank may invest in a bank-financial institution and any other financial institutions as may be determined by the Central Bank.
6. For the purpose of Section 10.0 (3), the Central Bank may prescribe standards relating to:
 - (i) The maximum percentage of shares of a class or the maximum value of ownership interests that may be acquired or held; and
 - (ii) The maximum aggregate value of the shares and ownership interest referred to in Section 10.0 (4) (i) in respect of the activities permissible for financial holding companies;
7. A financial holding company is prohibited from:-

- (i) establishing, divesting and closing of subsidiaries without the prior written approval of the Central Bank.
- (ii) Deriving or receiving income from sources other than as listed herein:
 - a. Dividend Income from its subsidiaries/associates;
 - b. Income from shared services, where applicable;
 - c. Interest earned from idle funds invested in government securities or placement with bank-financial institutions/discount houses;
 - d. Profit on divestment from subsidiaries/associates; and
 - e. other sources as may be approved by the CBL.

8. All Financial Holding Companies shall be non-operative.

12.0 Withdrawal of License by the Central Bank

1. The Central Bank may withdraw a license of a financial holding company where any one or more of the following situations exist:
 - (i) the financial holding company has failed to comply with any obligation imposed on it by or under this Act;
 - (ii) the financial holding company fails to comply with the conditions of its license;
 - (iii) the financial holding company ceases to meet the requirements for a license as a financial holding company;
 - (iv) the Central Bank determines that the license was granted based on false, fraudulent, or misinformation;
 - (v) the Central Bank determines that the financial holding company is or is likely to be insolvent; or
 - (vi) the parent company of the financial holding company loses its authorization to carry out banking business in its home jurisdiction or proceedings for bankruptcy, insolvency or an arrangement with creditors is initiated.
2. Where the Central Bank proposes to withdraw the license of a financial holding company pursuant to this Section, the Central Bank shall give notice to the financial holding company and the financial holding company may within thirty (30) days make representations to the Central Bank.
3. Whenever the withdrawal of license occurs, the Central Bank shall as appropriate: -
 - (i) require divestiture of any bank-financial institution controlled by that financial holding company in the country and restrict transactions between any bank-financial institution in the country and the financial holding company, its affiliates and associates; or

- (ii) take the necessary actions consistent with the resolution regime prescribed in this Act.
4. In the event the license of a financial holding company is withdrawn, the Central Bank shall inform the general public by publishing details of its action on its website or any other media that the Central Bank deems appropriate for public information.

13.0 Minimum Capital

1. The minimum capital for bank-financial institutions shall be (L\$2,000,000,000.00) Two Billion Liberian Dollars. An applicant shall be required to deposit in an Escrow Account in favor of the proposed bank-financial institution in a domestic bank-financial institution prior to the granting of the final license.
2. The minimum capital for financial holding companies shall be (L\$3,000,000,000.00) Three Billion Liberian Dollar. An applicant shall be required to deposit in an Escrow Account in favor of the proposed bank-financial institution in a domestic bank-financial institution prior to the granting of a final license.
3. Every licensed bank-financial institution or financial holding company shall at all times maintain the minimum capital as prescribed by the Central Bank.
4. The Central Bank reserves the right to increase the minimum capital as and when necessary, based on key macroeconomic indicators, including but not limited to growth rate, inflation rate, exchange rate, and risk profile in the banking system.
5. A bank-financial institution or financial holding company which fails to comply with this requirement shall be subjected to the necessary administrative sanction as prescribed in the Act.

14.0 Permissible Activities for Bank-Financial Institution

1. A bank-financial institution is allowed to carry out all traditional banking services, including but not limited to the following: -
 - (i) acceptance of deposits and other repayable funds from the public;
 - (ii) granting of loans, advances and other forms of credits;
 - (iii) financial leasing;
 - (iv) investment in financial securities excluding capital instruments for their own account;
 - (v) money remittance services;
 - (vi) payment services;
 - (vii) guarantees and commitments;
 - (viii) Trading on own account or for account of customers in: -
 - a. money market instruments

- b. foreign exchange
 - c. transferable securities
 - (ix) participation in securities issues and provisions of services related to such activities;
 - (x) advisory services with regard to investment opportunities and portfolio management services;
 - (xi) safe custody services;
 - (xii) Digital/electronic financial services; and
 - (xiii) such other activities as may be prescribed by the Central Bank as eligible banking business from time to time published in a regulation.
2. A bank-financial institution shall not engage in any activity outside of the permissible activities stated herein without the approval of the Central Bank.
 3. The Central Bank may by notification restrict the permissible activities of bank-financial institutions in general or any individual bank-financial institution or remove the restriction so imposed as it may deem necessary and appropriate.
 4. A bank-financial institution shall seek prior written approval of the Central Bank to introduce products that are derived from the permissible activities specified under Section 14.0 (1).
 5. A bank-financial institution which fails to comply with this Section shall be liable to Administrative Penalty and/or other supervisory sanction as may be determined by the Central Bank.

15.0 Restricted Activities

1. Without the approval of the Central Bank, no bank-financial institution or financial holding company which is licensed under this Act shall:
 - (i) transfer the whole or any substantial part of its assets or liabilities in Liberia;
 - (ii) effect a reduction of its assigned capital in Liberia;
 - (iii) alter its name as set out in its license or its' logo; and
 - (iv) undertake any financial operations other than the operations it is authorized to do in its license.

16.0 Representative Office

1. Where a bank-financial institution or financial holding company incorporated outside the country, intends to set up a representative office, it shall apply to the Central Bank seeking prior approval before setting up of its representative office. In this case, the applicant shall submit such information and documents as the Central Bank may require, including permission from its home country supervisor.

2. A representative office shall not transact banking business. A representative office of a bank-financial institution or bank financial holding company shall be allowed to only represent business interest of its parent company, including administrative services on behalf of its parent company.
3. Any person who contravenes the provisions of this Section shall be held to answer to charges under the relevant provisions of the Penal Law of Liberia

17.0 Use of the Word "Bank" or "Bank-Financial Institution"

1. No person other than a licensed bank-financial institution operating as a bank-financial institution shall, without the consent of the Central Bank, use the word "bank", "bank-financial institution," any of its derivatives in any language, or any banking nomenclature in any language, or any other word or words indicating the transaction of banking business, in the name, description or title under which such person or entity concerned is doing business in Liberia, or make or continue to make any representation to such effect in any billboard, letter-headed paper, notice, advertisement or in any other manner whatsoever for the purpose of doing business in Liberia.
2. Nothing in Section 17.0 (1) shall prevent a person from using the word "bank", "bank-financial institution" in a proposal, or any of its derivatives in any language, when it is for the sole purpose of organizing a company to the end of applying for a license under the provisions of this Act. In this case, the applicant shall use the adjective proposed (or In-formation or In-organization).

18.0 Restriction on Names of Institutions and Requirements to Display License

1. No bank-financial institution or financial holding company shall be granted or continue to hold a license under a name which so closely resembles the name of an existing institution as would be likely, in the opinion of the Central Bank, to mislead the public. During the application review process, the Central Bank has the authority to propose amendment or changes to the name of the applicant if such is considered to be in conflict or possesses stark resemblance to another bank-financial institution or financial holding company already licensed and operating in Liberia.
2. Any license issued under this Act shall be displayed and kept displayed in a conspicuous public place or places in the head office, other offices and branches, and any other place of business of a bank-financial institution in Liberia.

19.0 Opening, Relocation, Closure of Branches or Outlets

1. Upon receipt of a license, and six(6) months after having commenced banking business or at an earlier date with the approval of the Central Bank, a bank-financial institution may open new places of business in such locations as it may choose after approval by the Central Bank.
2. No bank-financial institution shall open, close, relocate a branch or its Head Office which carries out banking business without prior written approval of the Central Bank.
3. Prior to the closure or change of location of a place of business of a bank-financial institution, sufficient notice shall be given to depositors and the banking public.

4. A financial holding company shall not close or relocate its Head Office without prior written approval of the Central Bank.
5. A licensed bank-financial institution may, with prior written approval of the Central Bank, engage in banking business internationally only through a separately capitalised subsidiary company.
6. Any bank-financial institution or financial holding company found in violation of these provisions under this Section, has committed an offence and is liable to a fine in an amount not exceeding L\$300,000.00, for each day, which the offense continues. In addition to the fines stipulated, the premises opened in violation of this section, shall be closed; or where the premises is closed in violation of this section it shall be re-opened.

20.0 Approval Required for Board Members and Key Management Personnel

1. A person shall not be appointed board member or key management personnel without prior approval of the Central Bank.
2. All key management personnel of a bank-financial institution or financial holding company, shall after their appointments reside in Liberia.
3. A bank-financial institution or financial holding company shall promptly notify the Central Bank of any change in the appointment of its key management personnel.

21.0 Disqualification of Board Member and Key Management Personnel

1. A person shall not be appointed or nominated, or accept appointment or nomination, or remain in office as a board member or key management personnel of a bank-financial institution or financial holding company if the person:
 - (i) is certified by a medical practitioner to be a person of unsound mind;
 - (ii) is adjudged bankrupt, has suspended payments or defaulted in the repayment of his financial exposure or has compounded with his creditors;
 - (iii) is convicted of an offence involving fraud or dishonesty or other capital offenses as defined by the Penal Code of Liberia;
 - (iv) has been director or key management personnel of any institution that has been liquidated otherwise than for voluntary reasons or has had its licence revoked;
 - (v) is a director or board member of another bank-financial institution or financial holding company;
 - (vi) is determined not to be a fit and proper person by the Central Bank as defined in this Act and regulations issued by the CBL from time to time;
 - (vii) has been removed from office by the Central Bank; or
 - (viii) has been banned by the professional body to which the person belongs.

2. A bank-financial institution or financial holding company that becomes aware of circumstances that may disqualify a director, chief executive, deputy chief executive, executive director, board member or key management personnel concerned in the management of that bank-financial institution or financial holding company must promptly notify the Central Bank.
3. Where a person is subject to disqualification under this Section, he/she shall immediately cease to hold office or act as such, and the bank-financial institution or financial holding company concerned shall immediately terminate his/her appointment.
4. A person who, at any time during the preceding twelve (12) months, has served in a management position with the Central Bank shall not serve as a director or executive officer of a bank-financial institution or financial holding company, without obtaining the prior approval of the Central Bank.
5. A governor, deputy governor or director of the Central Bank shall not serve as a director or executive officer of a bank-financial institution or financial holding company, during the one (1) year period immediately following the date on which the person ceased to occupy the position with the central bank.
6. A person who has been a director or has been directly or indirectly concerned in the management of a bank-financial institution or financial holding company who has had its license revoked in accordance with this Act shall not serve as a director of another bank-financial institution or financial holding company without the express approval of the Central Bank.
7. Except with the consent of the Central Bank, no bank-financial institution or financial holding company incorporated in Liberia shall have as a director of another bank-financial institution or financial holding company.
8. A person who on the date of the coming into operation of this Act is an executive officer or director of a bank or financial holding company shall not, within thirty (30) days after the coming into operation of this Act remain an executive officer or director of that bank-financial institution or financial holding company unless the person satisfies the conditions specified in this section.
9. A bank-financial institution or financial holding company shall immediately notify the Central Bank on becoming aware of circumstances that indicate that a director or executive officer may not satisfy the requirements of subsections (1) to (7).

22.0 Revocation of License

1. Cancellation/ Surrendering of license

- (i) The licensee may request to surrender the license setting out in full the reasons for the request and how the business is to be wound up ;
- (ii) The Central Bank may refuse to cancel a license in terms of subsection 22.0 (1) (i), if the revocation—
 - a. would undermine financial stability;

- b. would not be in the best interests of bank-financial customers and depositors;
or
 - c. would frustrate the objectives of the CBL ACT and New FIA laws applicable to the license.
- (iii) Without prejudice to the rights of the owners of the institution, the Central Bank shall work with the shareholders to ensure a smooth transition of the ownership.

2. Discretionary Revocation

- (i) The Central Bank may revoke the license of a licensee if the licensee:
- a. fails to commence operations within a period of six (6) months following the granting of the license unless such period has been extended by written advice of the Central Bank;
 - b. fails to comply with the conditions of its license or the measure required by the Central Bank in accordance with this Act;
 - c. has provided inaccurate information by or on behalf of the bank-financial institution in connection with an application for a license, by or on behalf of a shareholder, a person who is or is to be a director or other officer of the applicant;
 - d. is in breach of the provisions of this Act;
 - e. employs or otherwise engages the services of a person affected under Section 21.0 or fails to comply with a directive of the Central Bank to remove or dismiss such person.

3. Mandatory Revocation

- (i) The Central Bank shall revoke the license of a licensee if:
- a. the bank-financial institution has become insolvent and failed to meet the minimum regulatory capital to the levels necessary to rectify its undercapitalisation or the financial position of the bank-financial institution continues to deteriorate;
 - b. the bank-financial institution is convicted of money laundering and terrorist financing activities or any other financial crimes;
 - c. has provided false, misleading information by or on behalf of the bank-financial institution in connection with an application for a licence, by or on behalf of a shareholder, a person who is or is to be a director or other officer of the applicant, which is sufficiently material to justify license revocation;
 - d. the interests of its depositors or potential depositors are in any way threatened, whether by the manner in which the bank-financial institution is conducting or proposes to conduct its affairs;

- (ii) Before revoking any license, the Central Bank shall give the concerned bank-financial institution notice of its intention to do so, and the licensee shall within thirty (30) days show cause, if any, why the license should not be revoked. If, in its opinion, the cause is valid, the Central Bank may not revoke the license.
- (iii) When a license has been revoked, the Central Bank shall, as soon as possible, publish notice of the revocation in an Official Gazette and in a newspaper of general circulation in the area in which is located the main office of the licensee in Liberia and on its website or any other media that the Central Bank deems appropriate.
- (iv) A notice of revocation shall be issued to the licensee with condition to carry out specified licensed activity to the extent, and for the period indicated in the notice, to ensure that depositors or customers of the licensee are treated fairly.
- (v) The revocation of a license shall be a ground for liquidation. The Central Bank may order liquidation upon determination and express submission by the Central Bank within sixty (60) days following the date of revocation of the license.
- (vi) No appeals or proceedings commenced in court seeking a review of any action taken by the Central Bank pursuant to the provision of this Part shall restrain the doing or nullify any action, insofar as it is inconsistent with the provisions of this Act. The action shall continue to have force and effect as though it were done under or in pursuance of the provisions of this Act. However, where the courts determine that the decision taken by the Central Bank were not legally appropriate, compensation to the injured party shall be monetary in nature.

23.0 Penalty for Doing Banking Business without a License

1. Whenever the Central Bank finds or has reason to believe that a person or entity without a valid license is doing banking business, it may call for and examine the books, accounts and records of such person or entity in order to ascertain whether such is the case.
2. Any person doing banking business without a license, or who refuses to make available for examination the books, accounts and records after having been duly required by the Central Bank to do so, shall be shut down and turn over to the appropriate authority for investigation in keeping with law.

24.0 Repayment of monies by unauthorized persons

1. If the Central Bank has evidence that a person has taken deposits in contravention of Section 4.0 (2), the Central Bank shall, direct the person to repay all the deposits obtained by that person and all profits accruing to that person or assets acquired as a result of the illegally obtained monies or deposits, including any interest or other amounts which may be owed by that person in respect of those deposits or monies:
 - (i) to the respective persons from whom deposits have been obtained;
 - (ii) in the manner and in accordance with the instruction of the Central Bank; and
 - (iii) within the period of time imposed by the Central Bank.

2. A person holding funds which he has obtained by doing banking business without being in possession of a license granted under this Act, shall repay such funds in accordance with the directives of the Central Bank.

PART III— CORPORATE GOVERNANCE

25.0 Corporate Governance Standards

1. The Central Bank shall prescribe the minimum standards and requirements for corporate governance for bank-financial institutions or financial holding companies. These standards and requirements shall cover:
 - (i) the scope and nature of the duties of directors of the bank-financial institution or financial holding company;
 - (ii) the requirements for an audit, credit, assets and liability and risk management committees and other specific committees of a board of directors of a bank-financial institution or a financial holding company, where applicable;
 - (iii) the responsibilities of key management personnel and their relationship with and duties to the board of directors;
 - (iv) risk management principles;
 - (v) internal and external audit engagements; and
 - (vi) internal controls and compliance rules and regulations.
2. Every bank-financial institution shall at a minimum have an audit, credit, assets and liability and risk management committee of its board. These committees shall be responsible for ensuring that the policies of the bank-financial institution relating to audit, credit, assets and liability and risk management are implemented correctly and legally and for calling the attention of the full board to any such matter that requires its full attention.
3. Without prejudice to the minimum standards or requirements set by the Central Bank in this Act, each licensed bank-financial institution shall have in place an adequate corporate governance framework commensurate with its operations and risk profile.

26.0 Amendments to Bylaws/Constitution

1. Every licensed bank-financial institution or financial holding company shall, within twenty-eight (28) days of the date of approval by its shareholders or board of directors of any amendment to its formation documents, including its by-laws or constitution, submit the particulars of the amendment to the Central Bank for its consent.
2. Consent for the amendment shall not be granted by the Central Bank unless it is satisfied that the proposed amendment is not detrimental to the existence or interests of the bank-financial institution or financial holding company.
3. Notwithstanding anything contained in any legislation relating to companies or in any other enactment, no application for confirmation of an amendment in the formation

documents or any other document representing the constitution of a bank-financial institution or financial holding company shall become effective without the written consent of the Central Bank.

4. A bank-financial institution or financial holding company which fails to comply with the requirements of this section shall be liable to an Administrative Penalty.

27.0 Composition of Board of Directors

1. The Board of Directors of a bank-financial institution or financial holding company shall comprise of members with high moral and ethical standing and diversified backgrounds, whose overall competencies and experiences will provide proper oversight.
2. In order to promote effective and independent board oversight, not more than two (2) Senior Officers, including the Chief Executive Officer (CEO) or an equivalent position in a bank-financial institution or financial holding company, shall serve on the board, subject to approval by the Central Bank;
3. The Board is required to examine its size with a view to determining the impact of its number upon effectiveness and discharge of its oversight responsibilities. It shall consider the scope and nature of the operations of the bank-financial institution or financial holding company and facilitate effective decision-making;
4. Without prejudice to subsection (3) above, the minimum size of a bank-financial institution's board shall be seven (7) members and a maximum size of fifteen (15) members, whilst the minimum size of a financial holding company's board shall be five (5) members and a maximum size of seven (7) members. The board shall at all times have an odd number of members to break ties to ensure effective decision-making;
5. The board shall be chaired by a non-executive director;
6. All members of the Board of Directors shall possess demonstrable expertise and experience relevant to the functions of a banking institution;
7. Consistent with Section 27.0 (2) above, the remaining members of the board shall be non-executive board members, not less than one-third of whom shall be independent board members who are appointed based on merit and do not represent any particular shareholder's interest or hold special business interest in the financial institution; and
8. Directors shall be fit and proper persons as defined in this Act and the fit and proper guidelines/regulations issued by the CBL from time to time.
9. No director shall simultaneously serve as a board member or in an executive capacity of more than one bank-financial institution or financial holding company, a subsidiary or an affiliate of a financial institution in Liberia

28.0 Duties of Board of Directors

1. The board of directors must be strong, independent, and actively involved in performing its oversight function of the bank-financial institution or financial holding company. The Board is ultimately responsible for the conduct of the affairs of the bank-

financial institution or financial holding company, with distinct duties, responsibilities, and liabilities. The Board shall have the responsibility to:

- (i) understand their oversight role and their "duty of loyalty" to the bank-financial institution or financial holding company and its shareholders;
 - (ii) serve as a "checks and balances" function vis-à-vis the day-to-day management of the bank-financial institution or financial holding company;
 - (iii) set suitable risk appetite levels to define the level of risk the bank-financial institution or financial holding company is willing to assume;
 - (iv) ensure that the business of the bank-financial institution or financial holding company is carried on in compliance with all applicable laws and standard industry practices;
 - (v) establish such committees necessary to implement its duties;
 - (vi) approve all policies and decisions affecting the bank-financial institution or financial holding company.
 - (vii) approve all major investment decisions and criteria for selection of key management personnel; and
 - (viii) put in place a mechanism for assessment of individual Board member's performance on the Board.
- (2) The board of directors of a bank-financial institution or financial holding company shall not delegate its responsibility to the management or a third party. However, they may hire or seek guidance from a third party as regard their oversight function and responsibility.

29.0 Duties of Directors to Report

1. The board of directors of a bank-financial institution or financial holding company as a group or individually shall immediately report in writing to the Central Bank if they have reason to believe that:
 - (i) they may not be able to properly conduct the business of a bank-financial institution or financial holding company as a going concern;
 - (ii) it appears to be or is likely that the bank-financial institution in the near future will be unable to meet all, or any of its financial or regulatory obligations under this Act;
 - (iii) that the bank-financial institution or financial holding company does not, or may not be able to meet its capital requirements as prescribed under this Act;
 - (iv) the bank-financial institution is engaged, exposed or involved in an activity which is likely to have a material adverse impact on the bank-financial institution or the financial holding company, where applicable; or
 - (v) violates a law or regulation.

2. Any individual director who acts in accordance with this Section shall make his or her intention known to the full board in writing prior to reporting to the Central Bank.
3. Where the board of directors or a director fails, omits or neglects to report to the Central Bank any matter required to be reported under this Section, the Central Bank may remove such director or directors from the Board or be liable to an Administrative penalty consistent with law.

30.0 Appointment of Internal Auditor

1. A bank-financial institution or financial holding company shall have an internal auditor, appointed by its board of directors who shall perform his/her duties independently of the Management and report to the Board Audit Committee.
2. The internal auditor shall be a certified professional with certification or qualifications in accountancy, auditing, forensic investigation, fraud, and related areas.
3. The internal auditor shall have access to management to discuss matters relevant to its functions and shall have unhindered access to any and all information or documents he /she may require to carry out his/her function.
4. The internal auditor shall, at a minimum be responsible for:
 - (i) monitoring the bank-financial institution or financial holding company's systems of internal controls, applicable policies and procedures;
 - (ii) reporting non-compliance with policies, procedures or applicable laws or other irregularities to the Audit Committee at least quarterly, and more frequently when necessary;
 - (iii) assisting and cooperating with the external auditor, in the performance of its duties; and
 - (iv) performing such other duties as may be assigned to the internal auditor by the Board of Directors or its Audit Committee.

31.0 Risk/Compliance Function

1. Every bank-financial institution or financial holding company shall have a separate, independent compliance function to ensure that the risk management system or process adopted is in compliance with the relevant statutory provisions and regulatory requirements prescribed by the Central Bank.
2. A bank-financial institution or financial holding company shall have a Risk/Compliance Officer whose appointment should be approved by its board of directors and who shall have a direct functional reporting line to the board of directors and administratively to the Chief Executive Officer.
3. The Risk/Compliance Officer who shall be responsible for and held accountable to the execution of the Risk Management Policy and development of risk management strategies at the bank-financial institution, shall at a minimum: -
 - (i) Ensure the accuracy, completeness and currency of the Risk Register;

- (ii) Ensure adequate and feasible risk control measures are in place;
- (iii) Ensure risks are effectively monitored, updated, controlled and reported in accordance with the limits and parameters set by the board;
- (iv) Coordinate the running of the executive-level risk committees; and
- (v) Advise the board, the committee and management on technical matters related to risk management.

32.0 Corporate Secretary

1. A bank-financial institution or financial holding company shall have a corporate secretary, appointed by its board of directors, who shall be accountable to the board of directors.
2. The corporate secretary shall be an executive officer suitably qualified. In this regard, the Board of Directors shall define the qualification requirements and terms of reference of the corporate secretary.
3. The corporate secretary shall be responsible for advising and guiding the board of directors on compliance and good corporate governance and ensuring that adequate records of the board are kept.

PART IV— CAPITAL AND RESERVES

33.0 Capital Adequacy

1. A bank-financial institution shall at all times maintain a minimum capital adequacy ratio of ten percent (10%) total qualifying regulatory capital of the total risk weighted assets in addition to the minimum capital requirement referred to in Section 13.0.
2. The capital adequacy ratio shall be measured as a ratio of the qualifying capital of the bank-financial institutions to its risk-weighted assets.
3. The Central Bank shall define the eligible capital, categories of risk assets and appropriate adjustments and additions to risk weights for the purpose of calculating the capital adequacy ratio both on a solo and consolidated basis.
4. In determining the percentage for the minimum capital adequacy ratio, the Central Bank shall consider:
 - (i) the nature, scale and risks of the banking sector and other available financial resources, including but not limited to credit, market and operational risks; and
 - (ii) the amount and nature of capital of the banking sector required to protect the interests of depositors

5. The Central Bank may impose additional capital or higher loss absorbency requirement for bank-financial institutions depending on the nature and risk profile of the individual bank-financial institution.
6. Without prejudice to the capital adequacy ratio prescribed in this Act, each bank-financial institution or financial holding company shall be required to have in place an internal capital assessment framework, taking into account the minimum requirement as prescribed in this Act and regulations, to determine both its current and future capital needs. Each bank-financial institution shall be required to adopt a forward-looking approach to capital management.
7. Bank-financial institutions or financial holding company shall at all times maintain overall financial resources, including own funds, which are adequate both as to amount and quality, to ensure there is no significant risk that its liabilities cannot be met as they fall due.
8. The Central Bank shall set the minimum standards for stress-testing for bank-financial institutions and financial holding companies which shall include but not limited to capital adequacy and liquidity as shall be set out in a detailed framework.
9. The Central Bank may require a bank-financial institution to conduct, on a regular basis, appropriate liquidity and capital stress tests.
10. A bank-financial institution which fails to meet the minimum capital adequacy ratio prescribed by the Central Bank may be prohibited from:
 - (i) advertising for or accepting new deposits;
 - (ii) granting credit and making investment;
 - (iii) expanding or opening new branches and windows; or
 - (iv) paying dividends and bonuses.
11. The bank-financial institution shall be required to draw up within a specified time a recapitalization plan acceptable to the Central Bank as stated in Section 75.0 (1) (v).
12. Failure to comply with any of the provisions of this Section may constitute a ground for the Central Bank to take action under Sections 74.0 - 77.0 of this Act.

34.0 Additional Capital in respect of Risks

1. The Central Bank shall require a bank-financial institution to maintain additional capital as it considers appropriate in respect of risks which have not been adequately transferred or mitigated through transactions entered into by the bank-financial institution or financial holding company.
2. Without prejudice to Section 34.0 (1) above, the Central Bank may require additional capital for a particular bank-financial institution subject to its risk profile, nature of core business and internal risk management system.

35.0 Restrictions on Declaration and Payment of Dividend, Executive Bonuses and Other Payments to Shareholder/ Related Entities

1. No bank-financial institution shall declare, credit or pay any dividends or make any other transfer whenever such payment or transfer would result in impairment of the capital.
2. No bank-financial institution shall declare, credit or pay any dividends on its shares until it has:
 - (i) completely written-off all its capitalised expenditures;
 - (ii) made the required and adequate provisions for non-performing loans and other assets subject to deterioration in values, and
 - (iii) satisfied the **minimum** capital adequacy ratio and any other capital requirements specified by the Central Bank.
3. For the purposes of Section 35.0 (2) (i), "capitalised expenditure" includes preliminary expenses, share selling commission, brokerage losses incurred by the bank-financial institution and any other expenditure items not represented by tangible assets.
4. Where the payment of any dividend would result in withdrawal of any part of the general reserves due to inadequacy of the profit for the year or where the statutory report of the auditors on the annual accounts of the bank-financial institution is not satisfactory, the bank-financial institution shall obtain prior written approval of the Central Bank before it declares any dividend on its shares.
5. No payments/transfers shall be made to shareholders, parent companies or other related entities for services rendered, except backed by a formal agreement duly approved by the board of directors and submitted to the Central Bank for no objection. All fee-based services provided by related institutions shall be subjected to thorough verification during each audit year to establish value for money.
6. There shall be no payments/transfers made to executive management, except Section 35.0 (2) above is fully complied with.
7. Where a bank-financial institution declares, pays any dividends or makes any payments to related institutions in contravention of this Section, the Central Bank shall impose an Administrative Sanction consistent with law on such bank-financial institution, and/or the directors and senior managers responsible for such violation.

PART V— LIQUIDITY REQUIREMENTS

36.0 Maintenance of Liquid Assets

1. Every licensed bank-financial institution or financial holding company shall maintain a minimum liquidity ratio of fifteen percent (15%) at all times, comply with, and maintain the minimum liquidity requirements as may from time to time be prescribed by the Central Bank.

2. The definition and amount of the liquid assets and qualifying liabilities shall be prescribed by the Central Bank. The prudential liquidity ratio shall be determined as a percentage of the aggregate deposits and other liabilities of each bank-financial institution as may be specified for this purpose by the Central Bank.
3. The prudential liquidity ratio must be met at all times on both individual and aggregate currency basis.
4. For the purpose of this Section, advances granted to a bank-financial institution by any other financial institution or by a parent bank-financial institution may be excluded for the computation of that institution's demand and time deposits, placements and other liabilities by the guidelines, directive or regulations of the Central Bank.
5. The liquid assets of every bank- financial institution or financial holding company shall not be less in value than an amount representing such ratio in respect of its average demand, savings and time deposits and other liabilities specified by the Central Bank, payable in Liberia as prescribed by regulation of the Central Bank from time to time. The average demand and time deposit liabilities shall be determined at a frequency prescribed by the Central Bank in a regulation.
6. The Central Bank may during a period of liquidity deficiency direct that the bank-financial institution or financial holding company discontinue or limit in a manner specified in a directive, the granting of credit, making of investments or capital expenditure, and shall not distribute dividends to its shareholders.
7. A bank-financial institution or financial holding company which, without the prior written approval of the Central Bank, makes, during the existence of any deficiency in the amount of its specified liquid assets, any fresh investment or capital expenditure to any person is liable to an administrative sanction.
8. Each bank-financial institution shall be required to adopt a forward-looking approach to liquidity management both on a solo and consolidated basis.
9. A bank-financial institution must, at all times, maintain liquidity resources which are adequate, both as to amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due.
10. A bank-financial institution or financial holding company shall be held to be in violation of this Section if:
 - (i) it fails to furnish any information required by the Central Bank to satisfy itself that the bank-financial institution or financial holding company is observing the requirements of this Section; or
 - (ii) it allows its holding of liquid assets to be less than the amount prescribed by the Central Bank; or
 - (iii) during the period of any such deficiency of liquid assets, the bank-financial institution grants or permits increases in its outstanding advances, whether by loans or overdrafts, or investment portfolio.

11. The Central Bank shall require a bank-financial institution or financial holding company to furnish by a specified date such information and in such form as it may deem necessary to ensure compliance with the requirements of this Section.
12. A bank-financial institution or financial holding company which fails to furnish the information required under this Section shall be liable to an Administrative sanction consistent with law, for each day and if the default continues.
13. Any bank-financial institution which allows its holding of liquid assets to be less than the amount which is from time to time prescribed by the Central Bank under this Section may be ordered by the Central Bank to pay a charge at an annual rate not exceeding ten percentage points above the highest rate fixed at the time by the Central Bank, for any of its operations on the amount of the deficiency for so long as the failure continues. Such charge shall be payable to the Central Bank upon notice to the bank-financial institution or financial holding company, on such date as may be prescribed by the Central Bank and may be recovered by deduction from any balance of the bank-financial institution's operating account with the Central Bank.
14. Each licensed bank-financial institution shall be required to develop a liquidity plan consistent with the liquidity risk profile and risk appetite.

37.0 Additional Liquidity in respect of Risks

The Central Bank shall require a bank-financial institution to maintain additional liquidity as it considers appropriate in respect of risks which have not been adequately transferred or mitigated through transactions entered into by the bank-financial institution.

PART VI— OWNERSHIP AND CONTROL

38.0 Reporting of Group Structures

1. A bank-financial institution or financial holding company that is a member of a financial group shall provide to the Central Bank, biannually or at such other times as the Central Bank may require a complete organisational structure including:
 - (i) all direct and indirect affiliates of the financial group;
 - (ii) the nature of the relationship of the other members of the financial group to the bank-financial institution or financial holding company; and
 - (iii) any other information the Central Bank may require.
2. A bank-financial institution or financial holding company shall report any changes to the organisational structure of the financial group to the Central Bank, within a reasonable timeframe but not exceeding ten (10) working days as of the date of approval of such changes by the Group.

39.0 Acquisition, Sale, Disposal, Amalgamation or Merger

1. A person directly or indirectly alone or in concert with one or more persons shall not acquire a significant shareholding in relation to a bank-financial institution or financial holding company without the prior written approval of the Central Bank.
2. A person directly or indirectly alone or acting in concert with one or more persons having significant shareholding or intending to increase its ownership interest in a bank-financial institution or financial holding company by five percent (5%) or more each time shall seek a prior written approval of the Central Bank.
3. A person directly or indirectly alone or acting in concert with one or more persons who has a significant shareholding in a bank-financial institution or financial holding company shall not sell or dispose of any shares in the bank-financial institution or financial holding company to any other person without the prior written approval of the Central Bank.
4. A bank-financial institution or financial holding company shall submit a written application to the Central Bank for approval of any arrangement or agreement which it proposes to enter into which would result in a change in controlling interest of the bank-financial institution or financial holding company, or for the sale or disposal by amalgamation or merger or otherwise of its business of banking or any proposal for restructuring.
5. A bank-financial institution or financial holding company shall obtain a prior written approval from the Central Bank for the establishment or acquisition of significant shares of another institution.
6. Upon receipt of a written application for approval or notification of any of the matters referred to in this Section, the Central Bank in determining whether or not to grant the application shall consider -
 - (i) whether there is a Board Resolution approving such arrangement or agreement along with a statement of the reason(s) and/or objective(s) of the change.
 - (ii) whether the transaction is compliant with relevant provisions in this Act or any other national laws;
 - (iii) if the public interest would be served;
 - (iv) the financial and managerial resources required for the transaction and its future prospects on the sound and prudent management of the institution concerned;
 - (v) the fitness and propriety of all prospective shareholders, directors, chief executive owners, beneficial owners and other key personnel; and
 - (vi) the impact of the transaction on the functioning and stability of the overall financial system and the conduct of effective supervision.
7. The Central Bank shall notify the applicant in writing of its decision within sixty (60) working days after receipt of complete information.

8. Where additional information is required by the Central Bank, the time for notification of decision to the application may be extended by twenty-one (21) working days.
9. An approval may be subject to such conditions as the Central Bank may deem fit and if the application is refused, the Central Bank shall inform the applicant about the reasons for its decision where necessary.
10. Where a bank-financial institution or financial holding company has acted in contravention of the provisions of this Section, the Central Bank reserves the right to revoke the license of the merged institution, reverse the transfer, sale, disposal by amalgamation or restructuring of the bank-financial institution or financial holding company.
11. In addition to sub-section (10) above, the Central Bank may suspend voting rights, suspend the distribution of dividends or suspend the exercise of pre-emptive rights

PART VII— RESTRICTIONS ON LENDING AND INVESTMENTS

40.0 Limits on exposures to single person, group or sector

1. A bank-financial institution shall not directly or indirectly, except with the approval of the Central Bank on such terms and conditions as the Central Bank may prescribe:-
 - (i) grant to any one person or group of connected persons any advances or secure credit facilities, debentures, shares, other debt instruments and/or make any guarantee or off-balance sheet commitments so that the total value of the advances, credit facilities debentures, shares, other debt instruments or guarantees or off-balance sheet commitments in respect of such a person or group of connected persons is at any time more than twenty percent (20%) of the aggregate amount of the bank-financial institution's regulatory capital provided, however that the limitation imposed herein shall not apply to transactions pertaining to the following subject to Section 40.0 (2):
 - a. discounts or payments of drafts secured by readily marketable goods in transit in which the depository institution retains a security interest in and control over the goods;
 - b. loans secured by readily marketable goods remaining under the control of the depository institution and in which the depository institution retains a security interest;
 - c. loans secured by deposits in the depository institution with a value of at least one hundred and twenty-five percent (125%) of the loan;
 - d. repurchase agreements covering readily marketable government securities;
and
 - e. government-guaranteed securities.
 - (ii) grant to any one sector of the economy an aggregate credit more than fifty percent (50%) of its total credit exposure.

2. On a consolidated basis, no bank-financial institution shall directly or indirectly, except with the approval of the Central Bank on such terms and conditions as the Central Bank may prescribe grant to any one person or group of connected persons any advances or secure credit facilities and/or make any guarantee or off-balance sheet commitments so that the total value of the advances, credit facilities or guarantees or off-balance sheet commitments in respect of such a person or group of connected persons is at any time more than thirty percent (30%) of the aggregate amount of the bank-financial institution's regulatory capital, as stated in exemptions 40.0 (1) (i).
3. Without prejudice to Section 40.0 (1) and (2), facilities granted under the exemptions above shall not exceed a period of one (1) year and shall be adequately collateralized.
4. For the purpose of this Section, two (2) or more persons constitute a group of connected persons if:
 - (i) a direct or indirect control relationship exists among them; and
 - (ii) as a result of the structure of their relationship the other person is ultimately responsible for or benefits from the credit exposure outstanding.
5. For the purpose of this section, extensions of credit to more than one borrower in the following categories or borrowers shall be combined and subject to the credit limit to one borrower:
 - (i) a corporation and its majority-owned or controlled subsidiaries and sub-subsidiaries;
 - (ii) a partnership and its members;
 - (iii) a common enterprise and participants in the enterprise who borrow for that enterprise;
 - (iv) government entities, unless:
 - a. the borrower has its own revenue sources to service debt; and
 - b. the credit extension is for the borrower's own activities; and enterprises where one is economically dependent on the other to a substantial degree.
6. For the purpose of this Section, the Central Bank:
 - (i) may determine for bank-financial institutions whether there exists a relationship among a group of connected persons; and
 - (ii) shall where it is uncertain that a relationship exists, determine if a relationship exists on an individual basis based on the facts and circumstances of a group of persons.
 - (iii) In the case of transactions between bank-financial institutions, the aggregate of credit exposures and other financial guarantees or indemnities to any single bank-financial institution shall not, without the written approval of the Central Bank, exceed thirty percent (30%) of the net-own funds of the bank-financial institution undertaking such credit exposures or thirty percent (30%) of the net own funds of

the bank to or in respect of which such facilities are extended, whichever of the two amounts is lesser.

7. A credit exposure shall not be considered as secured unless it is adequately secured by collateral having a market value that exceeds the outstanding amount of the credit exposure throughout the tenor of the facility.
8. In computing credit exposure to a single borrower or group of connected persons the following assets which may be held as collateral shall be deducted:
 - (i) cash deposit;
 - (ii) lien on term deposit with the bank-financial institution or financial holding company;
 - (iii) market value of treasury bills, government securities, bank securities; and
 - (iv) any other security as approved by the Central Bank
9. For the purpose of Section 40.0 (6), credits extended to the subsidiaries of the recipient bank-financial institution shall be taken into account in the calculation of the exposure limit.
10. A bank-financial institution or financial holding company whose capital adequacy ratio is less than the ratio prescribed by the Central Bank shall not receive any loan from any bank-financial institution or financial holding company except with the approval of the Central Bank.
11. Where a bank-financial institution contravenes the provisions of this Section, the bank-financial institution and every director of its board shall be liable to an Administrative Penalty.
12. A director or chief executive of a bank-financial institution shall not be liable to pay the penalty referred to in Section 40.0 (11) if he proves that the contravention was committed without his/her consent or connivance or that he/her exercised all due diligence to prevent the commission of the contravention having regard to all the circumstances.

41.0 Restrictions on Transactions with an Affiliate, Subsidiary or Parent

1. A bank-financial institution shall not grant or permit to be outstanding a credit exposure, indirect exposures including guarantees, shares or other debt instruments in respect of an affiliate of that bank-financial institution except on terms which are non-preferential in all respects including credit worthiness, term, interest rate and the value of the collateral.
2. A bank-financial institution shall not take a credit in respect of an affiliate if the aggregate of the credit exposures to the affiliates of the bank-financial institution exceeds ten percent (10%) of its regulatory capital.
3. A bank-financial institution shall not transfer more than five percent (5%) of its assets or liabilities with an affiliate, a subsidiary or a parent bank, without the prior knowledge and consent of the Central Bank.

4. A bank-financial institution shall not maintain a placement with or invest in instruments issued by a related person (i.e., an affiliate, a parent company or bank-financial institution, or a subsidiary); unless the related person is an internationally rated first-class bank-financial institution, with no less than a rating of B or BB.
5. Without prejudice to Sections 41.0 (1) and (2), the Central Bank may by order set a specific limit on credit exposure, indirect exposures including guarantees, shares or other debt instruments to an affiliate on an individual basis having regard to the circumstances of the bank-financial institution.
6. A bank-financial institution which contravenes a provision of this section is liable to an Administrative Penalty.
7. A director or key management personnel of the bank-financial institution who contravenes a provision of this Section is personally liable to an Administrative Penalty.

42.0 Restriction on purchase of certain assets from related parties

1. A bank-financial institution or financial holding company shall not purchase a non-performing or low-quality asset from any of its affiliates and associates, directors, key management personnel, shareholders or from any of their related persons or group of related persons or their related interests without the written approval of the Central Bank.
2. A bank-financial institution or financial holding company which contravenes the provisions of this Section is liable to an Administrative Penalty.

43.0 Limits on financial exposures to related parties on a consolidated basis

The limit on a financial exposure to a related party and the related interest of that party under section 42.0 shall be applied on a consolidated basis to a bank-financial institution or financial holding company and a subsidiary of that bank-financial institution or financial holding company.

44.0 Restrictions on Lending to Shareholders and Board Members

1. There should be no lending on preferential terms to shareholders and members of the board of a bank-financial institution.
2. No bank-financial institution shall, directly or indirectly, grant or permit to be outstanding unsecured advances to any shareholder and members of its board.
3. No bank-financial institution shall grant or permit to be outstanding secured advances or credit to shareholders and the members of its board; provided that the aggregate amount of such advances and credit made to all members of the board shall at no time exceed five percent (5%) of the regulatory capital of the financial institution.
4. A bank-financial institution which grants advances or credit facilities in contravention of this section shall be liable to an Administrative Penalty.

45.0 Restrictions on lending to officers and employees

1. Any lending on preferential terms to employees of a bank-financial institution must be part of a formally approved employment package or employee benefits plan.
2. A bank-financial institution shall not grant or permit to be outstanding to its officers and employees any unsecured advances or credit facilities, which in aggregate amount for any one officer employee exceed the annual remuneration of such officer or employee.
3. The aggregate amount of all loans on preferential terms, both secured and unsecured, by a bank-financial institution to employees may not exceed twenty percent (20%) of the bank-financial institution's regulatory capital.
4. A bank-financial institution which grants advances or credit facilities in contravention of this section shall be liable to an administrative sanction.

46.0 Restrictions on inter-institutional placements

1. A bank-financial institution whose capital adequacy ratio is below the minimum requirement prescribed by the Central Bank shall not take any placement or receive any deposit from any bank-financial institutions or financial holding company except with the written approval of the Central Bank of Liberia.
2. Placements between bank-financial institutions which are members of a financial group shall be subject to all the provisions of this Section 46.0 of this Act.
3. A bank-financial institution which contravenes the provisions of this Section shall be liable to an administrative sanction consistent with law.

47.0 Restrictions on exposures to related interests of insiders

1. A bank-financial institution shall not grant or permit to be outstanding a credit exposure to any insider related interests except on terms which are non-preferential in all respects including creditworthiness, interest rate and the value of the collateral.
2. A bank-financial institution shall not grant a credit exposure in respect of an insider's related interests if the aggregate of all credit exposures to the insider and the related interests would exceed ten percent (10%) of the regulatory capital of the bank-financial institution.
3. There should be no lending on preferential terms and unsecured lending to insider's related interest.
4. The board of directors of the bank-financial institution shall be the only authority to approve or sanction any credit exposures of the bank-financial institution to any insider related interests.
5. A bank-financial institution or financial holding company which contravenes any provision of this Section shall be liable to an administrative sanction, consistent with law.

48.0 Limits on exposures to insiders on a consolidated basis

1. The limits on credit exposures to insiders and their related interests shall be applied on a consolidated basis to a bank-financial institution and its subsidiaries.
2. The management of a bank-financial institution shall report to the board of directors and to the Central Bank each credit facility to a connected party, insider or their related interests and each credit facility shall be classified in accordance with the regulations or guidelines issued by the Central Bank from time to time.
3. A bank-financial institution which contravenes the provisions of this Section shall be liable to an administrative sanction consistent with law.

49.0 Restriction on establishment of subsidiary company

1. A bank-financial institution or financial holding company shall not establish a subsidiary company without the prior written approval of the Central Bank.
2. The Central Bank shall by regulations, guidelines set up the permissible activities of authorized subsidiary company.
3. A bank-financial institution or financial holding company which establishes a subsidiary company contrary to Section 49.0 (1) is liable to an administrative sanction.
4. Notwithstanding Section 49.0 (3), a bank-financial institution or financial holding company which establishes a subsidiary company in contravention of Section 49.0 (1) shall be directed by the Central Bank to divest the subsidiary within a specified period, failure of which the license of the bank-financial may be revoked.

50.0 Limits on investment in respect of subsidiary companies

1. The equity capital invested by a bank-financial institution or financial holding company in its subsidiary shall not exceed fifteen percent (15%) of the bank-financial institution or financial holding company's regulatory capital.
2. Where the bank-financial institution or financial holding company has more than one (1) subsidiary company, the aggregate of equity capital invested in all the subsidiary companies by the bank-financial institution or financial holding company shall not exceed twenty-five percent (25%) of its regulatory capital.
3. The aggregate amount of credit exposures including the credit facilities which a bank-financial institution or financial holding company may take in respect of its subsidiaries, shall not exceed:
 - (i) twenty-five percent (25%) of the bank-financial institution or financial holding company regulatory capital where the bank-financial institution has only one subsidiary company, or
 - (ii) thirty-five percent (35%) of the bank-financial institution or financial holding company's regulatory capital where the bank-financial institution or financial holding company has more than one subsidiary company.

4. A bank-financial institution or financial holding company which contravenes a provision of this Section is liable to an Administrative sanction consistent with law.

51.0 Restrictions on Exposure and Investments

1. A bank-financial institution shall not secure/any advances, loans or credit facilities including guarantees against;
 - (i) the security of its own shares;
 - (ii) the shares of any of its subsidiaries or the shares of any of the subsidiaries of its financial holding company; or
2. A bank-financial institution shall not issue shares that are paid for by funds borrowed from that bank-financial institution.
3. A director of a bank-financial institution who contravenes Section 51.0 (1) and 51.0 (2) shall be liable to an Administrative Penalty.
4. A bank-financial institution may acquire or hold part of the share capital of any financial company the aggregate value of which shall not exceed a fifteen percent (15%) of the bank-financial institution's regulatory capital. A bank-financial institution wishing to acquire or hold part of the share capital of any financial company in excess of the fifteen percent (15%) stated, shall seek the Central Bank approval.
5. A bank-financial institution shall only purchase, acquire or lease real estate for the purpose of furthering its own business or providing amenities for staff the value of which shall not at any time exceed twenty-five percent (25%) of the bank-financial institutions capital. A bank-financial institution wishing to purchase, acquire or lease real estate in excess of the twenty-five percent (25%) shall seek the approval of the Central Bank.
6. Section 51.0 (5) shall not apply in respect of a shareholding in any corporation set up for the purpose of insuring bank-financial institution deposits or of promoting the development of a money market or securities market or of development of financial companies.
7. Notwithstanding Section 51.0 (5) a bank-financial institution shall not be excluded from the purchase and sale of shares or stock upon the order and for the account of a customer.
8. Notwithstanding Section 51.0 (5), a bank-financial institution may secure a debt on any transferable real or other property and in default of repayment may acquire such property for resale by the bank-financial institution within a specific timeline as prescribed in regulations or guidelines issued by the Central Bank.
9. In the application of the limitation of Section 51.0 (5), if the Central Bank determines that the interests of a group, constituting more than one individual, partnership, private company, or other association of persons corporate or unincorporated, are so interrelated that they should be considered as a unit, the total indebtedness of that group shall be combined and deemed to be in respect of a single person.

10. A bank-financial institution shall not be deemed to have contravened Section 51.0 (1) solely by reason of the fact that the combined indebtedness exceeds the limitation at the time of the determination, but the bank-financial institution shall dispose of the indebtedness of the group in the amount in excess of the limitation within a specific time as prescribed by the Central Bank.
11. A bank-financial institution which before the commencement of this Act entered into any transaction incompatible with the provisions of Section 51.0 (1) shall as soon as the commencement of this Act, submit a statement to the Central Bank and shall, within one (1) year from that date, finally liquidate all such transactions, or subject to conditions as may be prescribed by the CBL.

52.0 Asset classification, provisioning, rescheduling and write-offs

1. The Central Bank shall issue regulations or guidelines on non-performing assets, provisioning, rescheduling and loan write-offs.
2. Each bank-financial institution shall maintain and implement a policy on non-accrual of interest on non-performing loans and provisioning for bad debts and other exposures.
3. Indebtedness of and to, and owed by or to, a bank-financial institution in the course of its business may be renegotiated to grant permissive delay of repayment for reasons of existing general debt repayment and servicing difficulties.
4. The Central Bank shall for supervisory purposes, set out by regulations, a framework within which appropriate levels of risk exposure may be assessed. The stages of the process for deciding appropriate levels of provisioning may include:
 - (i) identification of debtors with current or potential repayment difficulties;
 - (ii) identification of the nature of those difficulties, and extent to which they affect the debtor;
 - (iii) determination of the proportion of the exposure that is unlikely to be paid in full;
 - (iv) consideration of factors which may: -
 - a. evidence a borrower's inability to meet his/her obligation at the due date, due to extraneous circumstances;
 - b. evidence a borrower's current difficulties in meeting his/her obligations; and
 - c. evidence the likelihood of persistence in repayment.
5. An asset or financial exposure of a bank-financial institution shall not be written off or waived fully or partially, without the approval of the board of directors and the prior written approval of the Central Bank.
6. Notwithstanding subsection (5), the Central Bank may prescribe a minimum threshold that permits write-offs of an asset or exposure below a certain size which only requires the approval of the board of directors.

7. A bank-financial institution which fails to comply with this Section liable to an administrative sanction, consistent with law.

PART VIII— ACCOUNTS AND AUDIT

53.0 Maintenance of Accounting Records

1. Every bank-financial institution or financial holding company shall keep its business records and books in accordance with internationally accepted accounting principles and practices as well as the requirements and standards of accounting practice in Liberia, and in a manner that promotes effective internal control and other prudential objectives.
2. A bank-financial institution or financial holding company shall cause to be kept accounting records with respect to all transactions of the bank-financial institution or financial holding company in a manner that gives an accurate and reliable account of its transactions and the accounts prepared from the records shall give a true and fair view of its state of affairs, including its financial condition results for the accounting period.
3. A bank-financial institution or financial holding company shall keep its accounting records for a minimum period of seven (7) years.
4. Where the accounting records kept by a bank-financial institution or financial holding company with respect to its transactions, are prepared and kept in such a manner that, in the opinion of the Central Bank, have not been properly prepared and kept, or where a bank-financial institution or financial holding company renders returns in accordance with the provisions of this section, which in the opinion of the Central Bank are inaccurate, the Central Bank may appoint a certified accounting firm to prepare proper accounting records or render accurate returns, as the case may be, for the bank-financial institution or financial holding company and the cost of preparing the accounts and rendering the returns shall be borne by that bank-financial institution or financial holding company.
5. Failure to keep proper books and records in accordance with this Section shall cause the directors and officers responsible therefor to be fined up to (L\$250,000.00) Two Hundred and Fifty Thousand Liberian Dollars and or removed from office or both. Failure to keep proper books and records with intent to conceal, deceive or defraud shall be considered an offense, and the directors or officers responsible therefor shall be jointly or severally liable and may be fined up to (L\$500,000.00) Five Hundred Thousand Liberian Dollars or be imprisoned for a term in keeping with the Penal Law.

54.0 Financial Statements

1. A bank-financial institution or financial holding company shall prepare audited financial statements on a solo and consolidated basis in such form and detail in accordance with internationally accepted accounting standards and guidelines as may be prescribed by the Central Bank at the expiration of each financial year.
2. The financial statements shall be approved by the board of directors of the bank-financial institution or and signed by the chairman of the board and another director.

3. A bank-financial institution or financial holding company which fails to prepare a financial statement in accordance with this section is liable to an Administrative Penalty consistent with law consistent with law and or subject to payment of a fine of not more than (L\$200,000.00) Two Hundred Thousand Liberian Dollars, for each day for which the default continues.

55.0 Guidelines on Accounting Standards

The Central Bank shall prescribe the guidelines which shall be followed by bank-financial institutions or financial holding company in respect of accounting policies, practices, presentation of annual accounts, financial statements and disclosure of information in the annual accounts.

56.0 Appointment of External Auditors

1. Every bank-financial institution or financial holding company shall appoint at its annual general meeting an external auditor who shall be a professionally certified accounting firm satisfactory to the Central Bank to serve for a period of time as may be determined by the Central Bank.
2. The duties of the external auditor shall include but not limited to:
 - (i) making reports to the shareholders of the bank-financial institution or financial holding company on the annual balance sheet, and income statement. In every such report the auditor shall state whether, in his opinion, the balance sheet and income statement are properly drawn up and represent a true and fair view of the state of affairs of the business of the bank-financial institution or financial holding company, and whether or not the auditor was given satisfactory explanations or information from the officers or agents of the institution.
 - (ii) reviewing the adequacy of internal audit, control, practices and procedures in order to make recommendations for remedy and to inform the Central Bank immediately about any fraudulent acts by any employee, director or subsidiary of the bank-financial institution or financial holding company, or any irregularity, or deficiency in its administration or operation, or any breach of any provision of this Act.
3. For the purpose of this Section, the external auditor shall be an auditor who is -
 - (i) a registered member of the local professional accountancy body and licensed by that body or a recognized foreign firm accredited by the local professional accountancy body;
 - (ii) approved by the Central Bank;
 - (iii) resident in Liberia or have a resident local office or partnership with a local auditing firm; and
 - (iv) not disqualified by law from being appointed as an auditor for a body corporate.

4. No person having an interest in any bank-financial institution or financial holding company otherwise than as a depositor, of a bank-financial institution shall be eligible for appointment as external auditor for such institution.
5. A person shall not be eligible for appointment as an external auditor, or retain his appointment as an external auditor, unless that person discloses his interest in the bank-financial institution or financial holding company or with its significant shareholders or directors, whichever is applicable, to the Central Bank and the Central Bank shall determine upon such disclosure whether such interest will compromise the external auditor's independence with regard to his/her relationship with or services to the bank-financial institution or financial holding company.
6. Any person appointed as external auditor who shall, after such appointment, acquire any interest or become a director, officer, employee or agent of such institution shall forthwith cease to be an auditor of said bank-financial institution or financial holding company.
7. Notwithstanding Section 56.0 (4) of the Central Bank shall not approve an external auditor's appointment, if a director or significant shareholder has an interest in any business or activity of the external auditor which is likely to compromise the auditor's independence as an auditor of the bank-financial institution or financial holding company.
8. If a bank-financial institution or financial holding company fails to appoint an external auditor satisfactory to the Central Bank or fails to fill the vacancy for such external auditor after a period of six (6) months, the Central Bank shall have the power to appoint an external auditor for the external audit of such bank-financial institution or financial holding company. The remuneration of such external auditor shall be paid by the bank-financial institution or financial holding company, in accordance with the prevailing rates for such external audit services in Liberia.
9. An external auditor of a bank-financial institution or financial holding company shall have a right of access at all times to the accounting records including computerised and manual files, vouchers, reports and other documents such as minutes book, files and other relevant documentary evidence, cash and securities of a bank-financial institution or financial holding company shall be entitled to require from directors, managers and officers of the bank-financial institution or financial holding company such information and explanation as he thinks necessary for the performance of his duties.
10. The report of the external auditor shall also be read together with the report of the board of directors of the bank-financial institution or financial holding company at the annual general meeting of shareholders of bank-financial institution or financial holding company and shall be transmitted to the head office of each foreign financial institution. A copy of the audit report shall be sent to the Central Bank not later than three (3) months from the end of the financial year or not later than March 31st of the bank-financial institution or financial holding company and thereafter an abridged financial statement shall be published in a form to be determined by the Central Bank not later than four (4) months from the end of the financial year. Such published report shall disclose penalties imposed on the bank-financial institution or financial holding company by the Central Bank.

11. Prior to each of the publications required under Section 56.0 (10) a financial institution shall submit draft copy of the financial statements to the Central Bank for its review for the purpose of ensuring the status of regulatory compliance of the bank-financial institution and approval for publication.
12. An external auditor appointed under this Section, in the course of his duties as an external auditor of a bank-financial institution or financial holding company, shall directly report to the Central Bank within a reasonable timeframe, but not exceeding five (5) days, where it is established that -
 - (i) there has been a contravention of this Act or regulation or directive or prudential standard or that an offence under any other law has been committed by the bank-financial institution or financial holding company or any other person; or
 - (ii) the bank-financial institution or financial holding company is insolvent or there is a significant risk that losses have been incurred by the bank-financial institution or financial holding company which materially reduce its capital funds; or
 - (iii) material weakness exists that threatens the safety and soundness of the bank-financial institution or financial holding company; or
 - (iv) any irregularity which jeopardises the interest of depositors or creditors of the bank-financial institution or the operations of the financial holding company, or any other irregularity that has occurred.
13. An external auditor who acts in contravention of or fails deliberately or negligently to comply with any of the provisions of this Section commits an offence and is liable on conviction to fine or revocation of appointment.
14. A bank-financial institution or financial holding company which fails to comply with this Section shall be liable to an administrative sanction consistent with law.

57.0 Commission of Special Audit

The Central Bank may commission a special audit, either by the bank-financial institution or financial holding company's existing auditing firm or by a duly registered and certified auditing firm at the expense of the bank-financial institution or financial holding company, where it deems necessary.

58.0 External Auditor's Report

1. An external auditor of a bank-financial institution or financial holding company shall submit to that bank-financial institution's or financial holding company's management at least once in every financial year, a statutory audit report and a management letter. The external auditor shall, accordingly, directly submit to the Central Bank copies of both the audited financial accounts and the management letter.
2. The external auditor shall state in the statutory audit report whether or not:-
 - (i) the accounts give a true and fair view of the state of affairs of the bank-financial institution or financial holding company and its results for the period under review;

- (ii) the external auditor was able to obtain all the information and explanation required for the efficient performance of the external auditor's duties;
- (iii) the bank-financial institution or financial holding company's transactions are within the powers of the bank-financial institution or financial holding company;
- (iv) the bank-financial institution has complied with the provisions of this Act and any other relevant legislation; and
- (v) The abridged version of the external audit report shall be published by the bank-financial institution or financial holding company on its website and in at least three widely-circulated and read newspaper for a minimum of five (5) working days.

59.0 Meetings with External Auditor

1. The Central Bank shall, at least once in every financial year, arrange meetings between the Central Bank, the bank-financial institution or financial holding company and its external auditor to discuss matters of supervisory concerns which arose during the course of the audit period; and
2. The Central Bank may, if it considers necessary, arrange from time to time meetings with the external auditors of a bank-financial institution or financial holding company to discuss pertinent issues related to a bank-financial institution or financial holding company.

60.0 Termination of external auditor's appointment

1. An external auditor of a bank-financial institution or financial holding company shall cease to act as an external auditor if:
 - (i) the Central Bank in writing requests the bank-financial institution or financial holding company to revoke the appointment of the external auditor;
 - (ii) the external auditor or a member of the external auditor's firm or establishment becomes a director of that bank-financial institution or financial holding company;
 - (iii) the external auditor resigns by notice in writing to the bank-financial institution or financial holding company;
 - (iv) the external auditor is otherwise removed by a decision taken at an annual general meeting of that bank-financial institution or financial holding company; or
 - (v) the external auditor has served the maximum period prescribed by the Central Bank for external auditors.
2. A bank-financial institution or financial holding company shall notify the Central Bank of the termination of the appointment of its external auditor.
3. An external auditor who does not comply with provisions of this Section commits an offence and is liable on summary conviction to a fine or to a term of imprisonment of not more than one (1) year or to both.

PART IX— POWERS OF SUPERVISION AND CONTROL

61.0 Power of Central Bank to Issue Regulations, Directives, Guidelines

1. The Central Bank shall have the power to issue policies, regulations, guidelines and directives and institute measures as may be required from time to time with regard to any provisions of this Act and other prudential requirements for the purpose of advancing its safety and soundness objective as prescribed in this Act.
2. The Central Bank shall periodically review its supervisory tools and regulations in response to innovations and alternative supervisory approaches and amend where necessary.

62.0 Information and Periodic Returns

1. Every bank-financial institution and financial holding company shall submit to the Central Bank, a schedule or regular reports at such intervals and in such form as may be prescribed by the Central Bank from time to time.
2. The Central Bank may enquire and request for clarification of any information submitted or return inaccurate reports submitted to it by a bank-financial institution or financial holding company..
3. A bank-financial institution or financial holding company shall report to the Central Bank immediately when it becomes aware of any material information or developments concerning changes in the activities, structure and overall condition of the bank-financial institution particularly where there is an existing or likely failure to meet requirements of this Act and other prudential requirements issued by the CBL.
4. A bank-financial institution or financial holding company shall report to the Central Bank immediately when it becomes aware of any material information concerning the suitability of a significant shareholder or a party that has a controlling interest or any development that may affect compliance by directors and key management personnel with the fit and proper requirements in accordance with this Act.
5. The Central Bank may require a bank-financial institution or financial holding company to carry out corrective actions within a specified time to address any negative effect of the information contained in the report submitted to it by a bank-financial institution under this Section.
6. If any return or regular report required pursuant to Section 62.0 (1) is not forwarded to the Central Bank within the time limit specified by the Central Bank the defaulting institution or affiliate or both shall be liable to a fine of not less than (L\$200,000.00) Two Hundred Thousand Liberian Dollars in respect of every day during which the default continues. If any information supplied or item produced is false or intentionally misleading in any material particular, the institution or affiliate or both shall be in violation of law and shall pay a fine of a minimum of (L\$400,000.00) Four Hundred Thousand Liberian Dollars in respect of every day the violation continues. The Central Bank may close down and revoke the license of the institution and/or the affiliate, if it refuses to correct the default and/or fails to pay the fine.

63.0 Power to Investigate

The Central Bank shall have the power to carry out an investigation or inquiry into any specific matter relating to the operations of a bank-financial institution and financial holding company. Such investigation may be conducted by the Central Bank itself or may be outsourced as the Central Bank deems fit.

64.0 Power to Inspect Books and Records

1. The Central Bank may, from time to time, call for any information which it may require, for the purposes of this Act, from any bank-financial institution or financial holding company about the operations of the bank-financial institution or financial holding company and those of its affiliates, subsidiaries or parent company in Liberia, or abroad.
2. The Central Bank may authorise its staff or qualified auditors to verify the accuracy of the books, records, returns, information and data furnished to it by a bank-financial institution or financial holding company. It shall be the duty of the bank-financial institution or financial holding company concerned to provide access and facilities to the authorised staff or auditors to carry out his task.
3. At the request of a bank-financial institution or financial holding company, the Central Bank may, in its discretion, extend from time to time any period within which such bank-financial institution or financial holding company is, in accordance with the provisions of this Act, obliged to furnish any document or information.
4. Nothing in this Act shall authorize an inquiry to be made into the affairs of any individual customer of a bank-financial institution except by an order of a court of competent jurisdiction within Liberia.
5. Without prejudice to 64.0 (4), the Central Bank shall have full access to any document or information it may request, require or order in respect of any customer or the activities of the bank-financial institution in the performance of its supervisory duty and responsibility.
6. The Central Bank shall not, unless lawfully required to do so by law or a court of law, reveal to any person any information as to the affairs of any individual customer of a bank-financial institution obtained in the exercise of its regulatory jurisdiction;
7. Notwithstanding, Section 64.0 (6), the Central Bank may provide information to the public regarding any person information/affairs with any bank-financial institution where such disclosure is in the best public interest and the protection of financial stability.
8. The Central Bank may publish in whole or in part at such time as it may determine any information or data furnished under this Act, provided, that no information or data shall be published which might disclose the individual affairs of a customer of a bank-financial institution unless as required in Section 64.0 (7) of this Act.

65.0 Examination of Bank-Financial Institutions & Financial Holding Companies

1. The Central Bank shall conduct onsite examinations and off-site reviews at intervals consistent with the risk profile of each bank-financial or financial holding company institution. The Central Bank shall conduct risk assessment at least annually to among other things determine the scope and frequency of onsite examinations.
2. The Central Bank, from time to time, shall cause an examination or special inspection or other inspection to be made of each bank-financial institution or financial holding company whenever in its judgment such examination is necessary or expedient in order to determine whether a bank-financial institution or financial holding company is in a sound financial condition and whether the requirements of law have been complied within the conduct of its business.
3. For the purpose of determining the condition of a bank-financial institution or financial holding company and its compliance with this Act, the Central Bank may at any time undertake an examination to be made of any of its affiliates in Liberia to the same extent that an examination may be made of the institution.
4. The Central Bank shall conduct consolidated supervision on a financial holding company licensed by the Central Bank including its affiliates.
5. For the purpose of Section 65.0 (2), (3) and 4, the Central Bank may appoint one or more qualified persons other than staff of the Central Bank to conduct such examination or other special inspections or investigation.
6. A person authorised by the Central Bank for the purpose of examination or investigation or similar exercise, shall have right of access to a bank-financial institution or financial holding company's books and records including documents, minutes book, customer files, personnel files, cash and securities and information in an electronic form, and it shall be the duty of the bank-financial institution to cooperate and assist the person authorised to carry out such task.
7. A person authorised by the Central Bank for the purpose of examination or investigation or any other purpose shall have a right to call upon any director, key management personnel or any other employee of the bank-financial institution or financial holding company to provide him/her with such information and explanation as s/he may consider necessary and it shall be the duty of the concerned official to comply.
8. Expenses and all related costs for an examination may be paid by the Central Bank; provided however that the Central Bank may require the inspected bank-financial institution or financial holding company to bear a portion of the costs as determined by the Central Bank pertaining to any special inspection or other inspection caused by the failure of the bank-financial institution or financial holding company in question to abide by prudential regulations.
9. A person who fails to comply with the provisions under this Section or obstructs an authorized official from performing his duty, commits an offence under this Act and is liable to a fine of (L\$300,000.00) Three Hundred Thousand Liberian Dollars or suspension or dismissal or both.

66.0 Follow-up Action

1. The Central Bank may after examining a bank-financial institution or financial holding company require the bank-financial institution or financial holding company to take remedial action as the Central Bank may specify.
2. Where a bank-financial institution or financial holding company fails to take remedial action as specified by the Central Bank, then every director of the board of the bank-financial institution or financial holding company shall be liable to an administrative sanction.
3. A director shall not be liable to pay the penalty if he proves that the contravention was committed without his consent or connivance or that he exercised all due diligence to prevent the contravention having regard to all the circumstances.

67.0 Power to Intervene

1. If in the opinion of the Central Bank, an examination authorized under Section 65.0 reveals, or based on information at its disposal, that a bank-financial institution or bank financial holding company:
 - (i) has failed to comply with any provision of this Act or of regulations, directives or guidelines issued under this Act;
 - (ii) is conducting its business in any unlawful or unsound manner or in a manner that is detrimental to the interests of its depositors and creditors; or the general public
 - (iii) no longer possesses sufficient capital to meet its obligations to its depositors and creditors;
 - (iv) fails to maintain the prescribed minimum capital adequacy ratio;
 - (v) has violated any condition or restriction attached to the license granted by the Central Bank;
 - (vi) has compromised safety and soundness due to excessive risk-taking or poor management of those risks;
 - (vii) has failed to comply with the provisions pertaining to liquidity;
 - (viii) is unable to reliably perform its activities, due to significant and/sustained losses;
 - (ix) has assets that have deteriorated in such a manner as to weaken its financial structure;
 - (x) has not established its internal audit, internal control and risk management systems or cannot operate these systems efficiently;
 - (xi) is not being adequately supervised by other supervisors relative to the risks attached to its activities; or

- (xii) has hindered effective supervision on a consolidated basis.
2. The Central Bank may take one or more of the following where it determines that any one or more of the situations in Section 67.0 (1) exist:
- (i) issue a written warning to the bank-financial institution or bank financial holding company, its chief executive, directors or key management personnel;
 - (ii) conclude a written agreement with the board of directors of the bank-financial institution or bank financial holding company providing for a program of remedial action;
 - (iii) impose administrative penalties consistent with law on the bank-financial institution or bank financial holding company, its directors, key management personnel and employees for each day that the violation or unsafe or unsound conditions continue;
 - (iv) require the restructuring of the range of activities that a consolidated group may engage in;
 - (v) prohibit the bank-financial institution from further lending or taking further credit exposures, including investments, or capital expenditure;
 - (vi) require the bank-financial institution or bank financial holding company, or any of its subsidiaries, to suspend for a specified period of time, alter, reduce, or terminate any activity that the Central Bank may deem has caused material losses to the bank-financial institution;
 - (vii) restrict or prohibit transactions with affiliates, subsidiaries or parent;
 - (viii) require that the bank-financial institution or bank-financial holding company divests itself of or liquidate any subsidiary;
 - (ix) restrict payment of bonuses or compensation to any director or key management personnel;
 - (x) prohibit the bank-financial institution or bank-financial holding company from paying dividend on its equity capital or rights issue or bonus shares to shareholders or to any person claiming under their authority;
 - (xi) suspend or remove from office the chief executive of the bank-financial institution or restrict the chief executive's powers;
 - (xii) suspend or remove any or all of the directors, key management personnel of the bank-financial institution or restrict their powers;
 - (xiii) suspend or remove any significant shareholder or restrict their powers where their suitability requirements have been breached;

- (xiv) appoint and assign to the bank-financial institution a Resident Supervisor;
- (xv) facilitate a restructuring of the financial institution as a means to achieve continuity of essential functions;
- (xvi) appoint a provisional administrator;
- (xvii) prohibit the bank-financial institution from receiving new depositors or renewing the existing deposits;
- (xviii) revoke the licence of the bank-financial and appoint a receiver;
- (xix) require the bank-financial institution to take such remedial action as the Central Bank may specify.

68.0 Appointment of Resident Supervisor

1. The Central Bank may appoint a resident supervisor to a bank-financial institution or financial holding company pursuant to section 76.0. The Resident Supervisor shall be a staff of the Central Bank and he/she may be assisted by a team of Central Bank staff.
2. The objective of the resident supervisor regime shall be to ensure a timely correction of weaknesses in a bank-financial institution or bank holding company.
3. The written communication appointing the Resident Supervisor shall set out detailed terms of reference and timelines for the discharge of the Resident Supervisor's duties.
4. A bank-financial institution which has been served with an order under this Section shall comply with said order and extend full cooperation to the appointed Resident Supervisor in discharging his/her responsibilities.
5. A Resident Supervisor appointed under this Section shall be entitled to attend the meetings of the board of directors of a bank-financial institution, its committees, participate in their deliberations and get his/her views recorded in the minutes of the meetings, but s/he shall not have any right to vote on any resolution.
6. A Resident Supervisor shall hold office for such period as may be specified by the Central Bank and his tenure may be extended or curtailed at the discretion of the Central Bank.
7. If the situation of the bank-financial institution does not improve for the period of the resident supervision, the Central Bank may escalate the supervision of the bank-financial institution to a more stringent supervisory regime, including but not limited to appointment of a Provisional Administrator.
8. A Resident Supervisor appointed shall furnish the Central Bank with a status report on the concerned bank-financial institution or financial holding company as stated in his/her its terms of reference.

69.0 Confidentiality

1. Except otherwise allowed under this Act: -

- (i) all statements and other information furnished by key management personnel and employees of a bank-financial institution's parent company, subsidiaries, affiliates and associates past and present to the Central Bank, under this Act shall be regarded as private and confidential.
- (ii) all statements and other information furnished by other supervisory authorities, institutions or authorities, their officers and agents (past and present) to the Central Bank, under this Act shall be regarded as private and confidential.
- (iii) Such information shall be divulged only upon a court order or following expiration of the statutory legal period.

70.0 Cooperation and Sharing of Information

1. The Central Bank may in the exercise of its regulatory powers and on obtaining assurances of confidential treatment: -
 - (i) give to and receive from another supervisory/regulatory authority (domestic and international); and
 - (ii) enter into agreements with other supervisory authorities (domestic and international), other financial sector regulators and stakeholders for the exchange of confidential information for the promotion of mutual cooperation with the aim of safeguarding the financial system and protecting the interests of depositors and the public at large.

71.0 Sanctions for Malpractice and Irregularities

1. Any member of the board, key management personnel, other employees, or significant shareholders of a bank-financial institution or bank financial holding company who:
 - (i) with intent to deceive:
 - a. makes any false or misleading statement or entry;
 - b. omits any statement or entry that should be made in any book, account, report, or statement of the financial institution; or
 - (ii) Obstructs or intend to obstruct:
 - a. the proper performance by an auditor or authorized person by the CBL of his/her duties in accordance with the provisions of this Act; or
 - b. a lawful examination of the bank-financial institution or bank financial holding company by a duly authorized examiner appointed by the Central Bank shall be liable to pay a fine of not less than (LS300,000.00) Three Hundred Thousand Liberian Dollars.
2. If the Central Bank determines that a chief executive, director, key management personnel or employee of a bank-financial institution or bank financial holding company-

- (i) willfully or repeatedly has caused any violation of a provision of this Act or regulations, directives or guidelines issued under this Act following an order from the Central Bank;
 - (ii) has engaged in an unsafe or unsound practice that has resulted in a material loss to the bank-financial institution or financial holding company or financial gain to such person; or
 - (iii) has conducted its affairs in a manner detrimental to the interests of its depositors and creditors.
3. In addition to the actions in Section 71.0 (1), the Central Bank may take any one or more of the following actions:
- (i) direct the dismissal of the person from his position in the bank-financial institution or financial holding company;
 - (ii) prohibit such person from serving in or engaging in a business which falls under the regulation and supervision of the Central Bank.
 - (iii) impose administrative penalties, as determined by the Central Bank, for each day that the infraction continues; and
 - (iv) require the person to dispose of all or any part of his direct or indirect ownership interest in the bank or financial holding company or cease to hold a significant interest in it.
4. The powers of the Central Bank to take action under this Section shall be in addition to any other specific powers or penalties that may be imposed by the Central Bank.
5. It shall be unlawful for any bank-financial institution to open new deposit/saving accounts while insolvent, or for a member of the board or other officer or employee who knows or, in the proper performance of his duty, should know of such insolvency, to receive or to authorize the acceptance of such deposit.
6. No insolvent bank-financial institution shall, without the approval of the Central Bank, advertise, or cause an advertisement to be made, with the intent or having the tendency or the purpose to induce deposit or payment of funds to it in whatsoever form or for whatever financial purposes such as:
- (i) repayment with or without interest;
 - (ii) giving of security or provision of property: or
 - (iii) rendering of financial services.

72.0 Powers of the Central Bank to Fix Business Days and Hours

1. The Central Bank may, by regulation or directive, declare days on which no bank-financial institution or financial holding company may be open for business with the public.

2. All bank-financial institutions or financial holding company shall remain open for business with the public during hours prescribed by the Central Bank on all days other than those referred to in Section 72.0 (1) and days declared by Government for other public reason(s).
3. Any private obligation which can only be fulfilled at a bank-financial institution and which would fall due on any day or at any particular hour on which such bank-financial institution is not open for business under Section 72.0 (1) or (2) shall be deemed to fall due on the next business day following the non-business day.

73.0 Court Powers to Hear and Determine Violations under this Act

1. The Central Bank shall have a duty to prevent and restrain violations under this Act. The commercial court shall have primary jurisdiction to hear all matters under this Act. The commercial court is vested with jurisdiction to determine violations of this Act. It shall be the duty of the Central Bank to institute proceedings where necessary to prevent and restrain such violations.
2. The Ministry of Justice, assisted by the Central Bank, shall have the duty to prosecute in the Circuit Court, pursuant to the penal law, offenses of fraud or crimes committed under this Act.
3. Before issuing any final judgment, the Court may at any time during the course of the proceedings, make such temporary restraining order or prohibition against the violating bank-financial institution or financial holding company and its officers, managers and employees as it shall deem necessary under the circumstances in order to protect the public interest.

74.0 Prompt corrective action for adequately capitalized bank-financial institutions, or Financial Holding Companies facing material losses.

1. Where a bank-financial institution or financial holding company which complies with the capital requirements prescribed in Part IV of this Act has incurred or is likely to incur material losses within any financial year, the Central Bank shall take the following actions:
 - (i) prohibit the bank-financial institution or financial holding company from declaring and distributing any dividends which are, in the opinion of the Central Bank, likely to cause it not to comply with the capital requirements prescribed in Part IV of this Act; and
 - (ii) undertake more frequent inspection of that bank-financial institution or financial holding company.
2. In addition to the actions prescribed in Section 74.0 (1), the Central Bank may require the directors or key management personnel of the bank-financial institution or financial holding company to provide a written explanation detailing the causes of the losses and the measures to be taken by the bank-financial institution or financial holding company to rectify the position and avert future losses. Such written explanation shall be subject to modification and/or approval of the Central Bank.

3. The Deposit Protection Fund shall be notified immediately the Central Bank initiates action under this Section.

75.0 Prompt corrective action for undercapitalized/illiquid bank-financial institutions or financial holding companies

1. Where a bank-financial institution or financial holding company is undercapitalised or illiquid, the Central Bank shall take the following mandatory supervisory actions:
 - (i) Instruct the Board/Senior management of the bank-financial institution to ensure the bank-financial institution is brought within regulatory compliance within a period not exceeding one hundred and twenty (120) days;
 - (ii) prohibit the bank-financial institution or financial holding company from declaring and distributing any dividends which are, in the opinion of the Central Bank, likely to cause it not to comply with the capital and liquidity requirements prescribed in this Act;
 - (iii) Restrict investment in fixed assets including branch expansion, except with the prior written approval of the CBL;
 - (iv) Restrict asset transfer and investment in subsidiaries;
 - (v) Require the bank-financial institution to submit a recapitalization/ liquidity restoration plan;
 - (vi) Sign a Supervisory Memorandum of Understanding with the Shareholders of the bank-financial institution.
 - (vii) undertake more frequent inspection of that bank-financial institution or financial holding company; and
 - (viii) prohibit the bank-financial institution or financial holding company from awarding any bonuses or increments in the salary, emoluments and other benefits to any director or key management personnel.
2. In addition to the actions prescribed in Section 75.0 (1), the Central Bank may require the directors or key management personnel of the bank-financial institution or financial holding company to provide a written explanation detailing the causes of those losses and the measures to be taken by the bank-financial or financial holding company to rectify the position and avert future losses.
3. Where a bank-financial institution or financial holding company has been ordered by the Central Bank to submit a capital restoration plan, and to inject more capital and it fails to comply and implement this order the Central Bank shall do one or more of the following:

- (i) prohibit the bank-financial institution or financial holding company from opening new branches;
 - (ii) restrict the bank-financial institution or financial holding company from engaging in new business
 - (iii) impose restrictions on growth of assets or liabilities of the bank-financial institution or financial holding company; or
 - (iv) restrict the rate of interest on all interest earning deposits payable by the bank-financial institution or financial holding company to the rates that the Central Bank shall determine.
4. The capital restoration plan shall at a minimum identify sources of capital, specific timeline, evidence of board resolution and written commitment from shareholders. The capital restoration shall be approved by the Central Bank before implementation and shall be closely monitored by the Central Bank.
5. In addition to the actions prescribed in Section 75.0 (3) the Central Bank may;
- (i) direct the removal of officers of the bank-financial institution or financial holding company responsible for non-compliance; and
 - (ii) require the bank-financial institution or financial holding company to take any other action that the Central Bank may deem necessary to rectify the capital inadequacy.
6. The Deposit Protection Fund shall be notified immediately when the Central Bank initiates action under this Section.

76.0 Prompt corrective action for significantly undercapitalized/illiquid bank-financial institutions or bank holding companies

1. Where a bank-financial institution or financial holding company is significantly undercapitalised/illiquid, the Central Bank shall in addition to measures in Section 75.0, take the following actions:
- (i) **Mandatory Supervisory Actions:**
 - a. immediately place the bank-financial institution under a Resident Supervision Regime;
 - b. enter into an agreement with the board of directors of the bank-financial institution or financial holding company to require it to rectify the significant undercapitalisation/illiquid within ninety (90) days, and to restore capital adequacy within one hundred and eighty (180) days or within a shorter period that the Central Bank shall require;

- c. prohibit the bank-financial institution or financial holding company from declaring and distributing any dividends which are, in the opinion of the Central Bank, likely to cause it not to comply with the capital requirements prescribed in Part IV of this Act;
 - d. undertake more frequent inspection of that bank-financial or financial holding company;
 - e. prohibit the bank-financial institution or financial holding company from awarding any bonuses or increments in the salary, emoluments and other benefits to all directors and key management personnel; and
 - f. prohibit the bank-financial institution, or financial holding company from engaging in new off-balance sheet transactions.
- (ii) **Discretionary Supervisory Actions:**
- a. restrict the bank-financial institution from accepting new depositors;
 - b. restrict the bank-financial institution from granting loans to new customers;
 - c. prohibit all insiders/connected lending;
 - d. streamline expenses; and
 - e. freeze insider/related party deposit account(s); and
 - f. closure of branches/outlets.
2. In addition to the actions prescribed in Section 76.0 (1), the Central Bank may require the directors or key management personnel of the bank-financial institution or financial holding company to provide a written explanation detailing the causes of those losses and the measures to be taken by the bank-financial institution or financial holding company to rectify the position and avert future losses.
3. If at any time,
- (i) before the end of the period specified in Section 76.0 (1) (i) the financial position of the bank-financial institution or financial holding company continues to deteriorate; or
 - (ii) after the period specified in Section 76.0 (1) (i), the bank-financial institution or financial holding company has failed to raise its capital to the levels necessary to rectify its significant undercapitalisation,
- the Central Bank may appoint a Provisional Administrator; or reduce its license to a deposit-taking institution or withdraw the registration of the financial holding company.

4. A "significantly undercapitalized, bank-financial institution or bank holding company means a bank-financial institution or a bank holding company which does not hold at least fifty percent (50%) of any of the capital requirements.
5. The Deposit Protection Fund shall be notified immediately when the Central Bank initiates action under this Section.

77.0 Prompt corrective action for critically undercapitalized/illiquid bank-financial institutions or bank holding companies

1. Where a bank-financial institution or financial holding company is critically undercapitalised or illiquid, the Central Bank where applicable, shall take the following mandatory supervisory actions:
 - (i) Stop the taking of new depositors; and
 - (ii) Stop the granting of new loans;
 - (iii) Remove the Board and/or Senior Management;
 - (iv) Invite a healthy bank-financial institution to acquire/ merge with the problem bank-financial institution;
 - (v) Invite new investors to take equity stake in the problem bank-financial institution;
 - (vi) Revoke license; and
 - (vii) Seize and take possession of the bank-financial institution.
2. A "critically under-capitalized bank-financial institution or bank holding company means a bank-financial institution or financial holding company which does not hold at least twenty-five percent (25%) of any of the capital requirements.

**PART X — RESOLUTION AND RECOVERY OF BANK-FINANCIAL INSTITUTIONS
AND FINANCIAL HOLDING COMPANIES**

78.0 Resolution Authority

1. Notwithstanding the Associations Law and the Insolvency Law of Liberia, the reorganization and resolution provisions stated in this Act shall take prominence with regard to bank-financial institutions and financial holding companies.
2. Pursuant to the Section 6 (h), of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia 1999, the Central Bank shall have the sole authority to resolve bank-financial institutions and financial holding companies.
3. In making such determination, the Central Bank shall be guided by the obligations to:
 - (i) minimize the use of public funds;

- (ii) protect insured depositors;
 - (iii) ensure the continuity of critical financial services or functions as determined by the Central Bank;
 - (iv) ensure that ordinary insolvency proceedings would not achieve these objectives to the same extent as through resolution; and
 - (v) more broadly ensure that resolution actions are taken to safeguard the integrity and public confidence in the Liberian financial system.
4. When discharging the powers of resolution, the Central Bank shall have unhindered access to bank-financial institution and financial holding company's information and premises for the purpose of exercising such powers and shall be protected against any liability for action taken or omission made in good faith.
 5. The Central Bank shall have the power and authority to manage and control the affairs of a bank-financial institution or financial holding company and to exercise any of the powers of the board of directors and the shareholders of the bank-financial institution or financial holding company or any of the powers and functions set out in Sections 83.0 (2 & 3) for a provisional administrator appointed by the Central Bank.
 6. The Central Bank shall have the power to determine compulsory reorganization, bail-in, merger and acquisition, purchase & assumption, establishment of bridge bank-financial institution and liquidation of bank-financial institutions and financial holding companies, consistent with the provisions of this Act.
 7. The Central Bank shall from time to time provide detailed regulations and guidelines on re-organization, resolution and liquidation of bank-financial institutions.
 8. The Board of Governors of the Central Bank shall have the sole authority to grant the approval for the resolution of a bank-financial institution or a financial holding company.

79.0 Re-organization, Recovery and Resolution Planning

1. When the Central Bank determines that a bank-financial institution is undercapitalized/illiquid, the Central Bank shall prepare a reorganization plan and inform, by a notice in a newspaper of general circulation, all interested parties of its decision to reorganize the bank-financial institution.
2. The reorganization of a bank-financial institution under the provisions of this Act shall be subject to the following conditions:
 - (i) the reorganization plan shall be equitable to all classes of depositors, other creditors and stockholders; and
 - (ii) the reorganization plan shall provide for bringing in new funds so as to establish adequate capitalization in keeping with the minimum capital requirements and the capital adequacy ratio regulation.
3. The reorganization plan shall provide for the removal of any member of the board, officer, or employee responsible for the circumstances which led to the seizure of the

bank-financial institution. The findings of the Central Bank as to the responsibility of a director, officer, or employee for the circumstances that led to the seizure shall be for action against such person for being responsible for such circumstances that led to the seizure. Any such director, officer or employee deemed responsible, whether directly or indirectly, in whole or in part, for the circumstances which led to the seizure of the bank-financial institution, shall be turned over to the appropriate authority for further legal action.

4. When, in the course of reorganization, it appears that circumstances render the reorganization plan inequitable or its execution undesirable in view of the defined objectives, the Provisional Administrator shall recommend to the Central Bank either the modification of the reorganization plan or the liquidation of the bank-financial institution where it is clearly determined that the bank-financial institution cannot be resuscitated or rehabilitated.
5. Each bank-financial institution or financial holding company shall submit an updated recovery plan to the CBL not later than March 31st of each year. The CBL shall ensure that the recovery plan submitted by bank-financial institution / financial holding company is adequate to address threats of failure (i.e. liquidity crisis and solvency). The recovery plan of a bank-financial institution or financial holding company shall consider the timely injection of fresh capital and mobilization of liquidity to comply with prudential limits. Bank-financial institution shall be required to submit updated plans in the event of a material change to its business or ownership structure.
6. The Central Bank shall initiate resolution planning when it determines that a bank-financial institution or financial holding company is no longer viable or likely to be non-viable. The decision to initiate resolution regime shall be informed by a resolvability assessment conducted by the Central Bank or a designated person by the Central Bank, using non-compliance with prudential standards and/or other indicators of non-viability contained in the resolution framework. The Central Bank shall set out in regulations or guidelines the content of recovery and resolution planning.
7. The parent company of a non-viable bank-financial institution in resolution shall be required to provide all necessary services and support to a non-viable bank-financial institution. The same shall apply to all third parties that have been pre-paid, to continue to provide necessary services and support to a non-viable bank-financial institution.
8. Additionally, a bank-financial institution in receivership shall be required to continue to provide all necessary services and support to a bridge bank or other acquiring institution.

80.0 Cross Border Coordination & Supervision in Resolution

1. The Central Bank shall engage the home country supervisor of a foreign bank-financial institution to ensure smooth implementation of resolution plan involving foreign bank-financial institution subsidiary. In engaging the home authority, the Central Bank shall inform the home supervisor, on a timely basis, of its decision to execute resolution actions against a foreign bank-financial subsidiary.
2. Where the Central Bank receives a communication from a host country of one of its bank-financial institution subsidiaries, the CBL shall take the necessary actions to mitigate any threats to financial stability.

3. The Central Bank and the home supervisor shall embed, inter alia, information-sharing in crisis situations as well as in relation to recovery and resolution planning, roles and responsibilities of all parties and confidentiality clauses to protect depositors in a Memorandum of Understanding.
4. When exercising resolution actions, especially during cross border cooperation, the principle of "non-discriminatory treatment of creditors" shall apply. No creditor of the same class shall be treated with preference on the basis of their nationality, their residence, the location of their claim, or the jurisdiction where their claim is payable. In particular, under the applicable creditor hierarchy, claims of foreign creditors (that is, creditors that are foreign nationals or non-residents) of the entity under resolution must be entitled to the same treatment as the claims of local creditors of the same.
5. In the spirit of close collaboration, the Central Bank and the host supervisor may set up a joint resolution team to oversee and manage cross-border crisis or resolution of systemically-important bank-financial institution.

81.0 Grounds for Resolution

1. The Central Bank shall make an order in writing placing a bank-financial institution or financial holding company in resolution where it is determined that the bank financial institution or financial holding company is no longer viable or likely to be no longer viable (meaning, the regulatory capital or required liquidity has fallen below minimum specified levels or there is a significant deterioration in the value of the bank-financial institution's assets; or the bank financial institution or financial holding company depends on financial assistance to sustain operations or be dependent in the absence of resolution; or the bank is expected in the near future to be unable to pay liabilities as they fall due) and has no reasonable prospect of becoming so and has notify bank-financial institution or financial holding company accordingly.
2. An order made by the Central Bank under subsection (1) may be published in at least three (3) local dailies of general circulation, posted at each branch or office of the bank-financial institution, websites of both the CBL and the bank-financial institution or at least two radio stations with national coverage announcing such action pursuant to this Act. However, the Central Bank may delay publication until such time it considers appropriate, having regards to the objectives of resolution.
3. In making a decision to place a bank-financial institution or financial holding company in resolution under subsection (1) the Central Bank may consider one or more of the following factors: -
 - (i) The bank-financial institution or financial holding company has violated this Act or any regulation, rule, directive or guideline issue under this Act, or has engaged in any unsafe and unsound practices, in such a manner as to threaten the viability of the bank-financial institution or financial holding company and jeopardize depositors' interests;
 - (ii) The prompt corrective action stipulated in Sections 76 - 77 has failed;
 - (iii) The Central Bank determines that the bank-financial institution has become insolvent or that it may reasonably be expected to become insolvent;

- (iv) The Central Bank has reasonable cause to believe that the bank-financial institution or financial holding company its directors, key management personnel, or significant shareholders has engaged or is engaging in illegal activities in such a manner to jeopardise depositors' interests;
- (v) The Central Bank determines that the bank-financial institution or financial holding company is in an unsafe or unsound condition to transact business and the bank-financial institution or financial holding company or its directors or key management personnel are unable to promptly improve such condition;
- (vi) The bank-financial institution or financial holding company fails in any manner to cooperate with the Central Bank, or its examiners to enable the Central Bank performs its supervisory responsibilities, including through concealment or failure to submit for inspection any of the bank-financial institution or financial holding company books, papers or records;
- (vii) The bank-financial institution or financial holding company or its directors, key management personnel, employees, or significant shareholders fail to comply with an order of the Central Bank under Sections 76.0 and 77.0; and
- (viii) The bank-financial institution or financial holding company by resolution of its directors or shareholders, requests the appointment of a provisional administrator.

82.0 Seizure and possession of bank-financial institutions by Central Bank

When a bank-financial institution is seized, the Central Bank shall be vested with the full and exclusive power of management and control of that bank-financial institution, including the power to continue or discontinue its operations, to stop or limit the payment of its obligations, to employ any necessary staff to execute any instrument in the name of the bank-financial institution, to initiate, defend and conduct in its name any action or proceedings to which the bank-financial institution may be party, to terminate seizure by restoring the financial institution to its board of directors, to reorganize or liquidate the bank-financial institution, to establish bridge bank-financial institution, conduct purchase and assumption, mergers and acquisition, and other resolution options in accordance with the provisions of this Act.

83.0 Provisional Administration

1. Appointment of Provisional Administrator

- (i) Without prejudice to Section 82.0, the Central Bank may by notice in writing appoint a provisional administrator with specified powers and functions, who shall work under the supervision of and be responsible to the Central Bank, to take over the administration of a bank-financial institution.
- (ii) The decision by the Central Bank to appoint a provisional administrator shall specify the grounds for such decision. Such decision shall be promptly notified to the bank- financial institution.
- (iii) A bank-financial institution shall be placed under provisional administration for any of the following reasons: -

- a. keeping false accounts, eroding asset base, engaging in money laundering;
 - b. violating any provision of this Act or any regulation, rule, directive or guideline issued under this Act, or has engaged in any unsafe and unsound practices, in such a manner as to weaken the bank-financial institution's condition, seriously jeopardise depositors' interests;
 - c. where the bank-financial institution is significantly undercapitalized/illiquid;
 - d. where the bank-financial institution has become insolvent or that it may reasonably be expected to become insolvent within the next sixty (60) days;
 - e. where there is reasonable cause to believe that the bank-financial institution or its directors, key management personnel, or significant shareholders has engaged or is engaging in illegal activities in such a manner to jeopardise depositors' interests;
 - f. where it is determined that the bank-financial institution is in an unsafe or unsound condition to transact business and the bank-financial institution or its directors or key management personnel are unable to promptly improve such condition;
 - g. where the bank-financial institution or its directors, key management personnel, employees, or significant shareholders fail to comply with prompt corrective actions as directed by the Central Bank;
 - h. where the bank-financial institution fails in any manner to cooperate with
 - i. the Central Bank, or its examiners to enable the Central Bank perform its supervisory responsibilities, including through concealment or failure to submit for inspection any of the bank-financial institution's books, papers or records; and
 - j. where the bank-financial institution, by resolution of its directors or shareholders, requests the appointment of a provisional administrator.
- (iv) The provisional administrator shall meet the fit and proper person requirement as set out in this Act and has a qualification of a person of financial expertise and experience.
- (v) A bank-financial institution may remain in provisional administration for a period not exceeding one (1) year. The period of provisional administration may be extended by the Central Bank only in exceptional situation for a period not exceeding six (6) months. However, if in the opinion of the Central Bank, regulatory compliance has not been achieved after the periods specified, the Central Bank may take other enforcement measures provided in this Act.
- (vi) Notwithstanding Section 83.0 (1) (v), if the provisional administrator determines that the bank-financial institution cannot be brought into regulatory compliance or rehabilitated, he/she shall so inform the Central Bank, which, if it agrees, shall forthwith order that, the provisional administration be terminated.

- (vii) The Central Bank may remove the provisional administrator before the end of the period specified above for cause and appoint a qualified replacement. The Central Bank shall ensure that the bank-financial institution at all times, during provisional administration, remains under the control of a duly appointed Provisional Administrator.
- (viii) Directors, key management personnel and employees of a bank-financial institution shall cooperate fully with and assist the provisional administrator and shall make available to the provisional administrator all records and documentation pertaining to the bank-financial institution and any additional information or report requested by the provisional administrator.
- (ix) The rights of the directors to vote shall be suspended during the period of the provisional administration.
- (x) Section 106.0 on disclosure of interest shall apply to a provisional administrator except that any obligation to report to the board of directors shall represent an obligation to report to the Central Bank.
- (xi) Any transaction involving a bank-financial institution in provisional administration in which the provisional administrator has a material interest or relationship in the matter may be engaged in only with the prior written approval of the Central Bank.
- (xii) If a provisional administrator fails to disclose an interest or relationship as required, the contract may be set aside, and the Central Bank shall remove the provisional administrator.

2. General Powers of the Provisional Administrator

- (i) A provisional administrator under the supervision of the Central Bank:
 - a. shall have all the powers of the shareholders, board of directors and key management personnel of the bank-financial institution, unless the provisional administrator requests information from the shareholders or directors or key management personnel in carrying out his duties as provided under this Act.
 - b. shall take any action as necessary or appropriate to carry on the business of the bank-financial institution and preserve and safeguard its assets and property or to implement a plan of action with respect to the bank-financial institution that has been approved by the Central Bank.
 - c. shall have full and exclusive powers to manage and operate the bank-financial institution in accordance with regulations, directives, and guidelines of the Central Bank. The provisional administrator may take any action as necessary or appropriate to carry on the business of the bank-financial institution and preserve and safeguard its assets and property or to implement a plan of action with respect to the bank-financial institution that has been approved by the Central Bank;

- d. may request any information from the existing or previous directors, senior managers, shareholders of a bank-financial institution and its subsidiaries and affiliates or any third parties who hold information that may be necessary to carry out their functions; and
 - e. may employ, at the expense of the bank-financial institution in provisional administration, independent attorneys, accountants and consultants to assist the provisional administrator, on such terms as the Central Bank shall approve.
- (ii) The provisional administrator may delegate any of such powers or duties to other persons, in accordance with the instructions issued by the Central Bank and shall obtain the approval of the Central Bank.

3. Functions of Provisional Administrator

- (i) Whenever a provisional administrator is appointed, the Central Bank shall, within three (3) days of such appointment:
- a. post at each branch or office of the bank-financial institution a notice announcing such action pursuant to this Act, specifying the date and time at which possession by the provisional administrator took effect; and
 - b. publish a notice to the same effect in at least one newspaper of general circulation in the communities in which the bank-financial institution maintains offices or branches;
- (ii) The provisional administrator shall secure the properties, offices, assets, books and records of the bank-financial institution, and may take all necessary or appropriate steps aimed at such purpose.
- (iii) Immediately upon request of the provisional administrator, law enforcement officials shall, if necessary, by use of force, assist the provisional administrator to gain access to any premises of the bank-financial institution and to gain control over and to secure such properties, offices, assets, books and records.
- (iv) The provisional administrator shall have unrestricted access to, and control over, the properties, offices, assets and the books of account and other records of the bank-financial institution subject to provisional administration.
- (v) The provisional administrator shall immediately suspend the payment of any dividends or other form of capital distribution to shareholders, as well as any payment to directors other than for salaries or services provided to the bank-financial institution.

4. Central Bank oversight of Provisional Administrator

- (i) The provisional administrator shall act in accordance with instructions and guidance given by the Central Bank at any time in the course of the provisional administration and shall be accountable only to the Central Bank for the performance of duties and the exercise of powers as provisional administrator.

- (ii) The Central Bank may authorize that, notwithstanding any other provision of law, the rehabilitation or sale of a bank-financial institution may include the issuance, based on the determination of the provisional administrator, of new shares to existing shareholders of the bank-financial institution or to new shareholders prices and with rights determined by the provisional administrator to be fair.
- (iii) Funds provided by the Central Bank to the bank-financial institution during the provisional administration shall be repaid based on the priority of claims as stated in Section 89.0 (16)
- (iv) Upon approval of the final report of the provisional administrator by the Central Bank, the Central Bank and the provisional administrator shall be relieved of any further responsibility in connection with the provisional administration of a bank-financial institution.

5. Suspension of early contractual termination rights

- (i) The exercise of *any* resolution action or entry into resolution shall not trigger contractual termination or acceleration. To the extent that early termination rights under financial contracts are nevertheless exercisable, the CBL shall have the power to temporarily stay such rights.
- (ii) In addition, the power to issue a stay regarding financial contracts should be for not more than five (5) business days such as payment and delivery obligations and provision of collateral, continuing to be performed provided that the substantive obligations.
- (iii) Early termination rights should also be clearly defined to include contractual acceleration, termination, set-off and other close-out rights.
- (iv) No right or obligation of a third party under any contract to which the bank-financial institution in resolution is a party may be terminated, accelerated, or modified or modified solely because of the appointment of the provisional administrator or any action taken by the provisional administrator.
- (v) No right or obligation of a third party under any contract to which the bank-financial institution in provisional administration is a party may be terminated, accelerated, or modified solely because of the appointment of the provisional administrator or any action taken by the provisional administrator.
- (vi) In the event of a purchase & assumption, the transfer of assets and liabilities shall not constitute a default or termination event, or trigger set-off rights.
- (vii) Notwithstanding Section 83.0 (5) (i), performance of payment and delivery obligations under a recognised clearing, settlement, or payment system right or obligation of a third party under any contract to which the bank-financial institution in provisional administration is a party may be terminated, accelerated, or modified solely because of the appointment of the provisional administrator or any action taken by the provisional administrator for a reasonable period of time as may be deemed necessary in the opinion of the provisional administrator in consultation with the Central Bank.

6. Moratorium and effect of Provisional Administration on proceedings

- (i) The Central Bank may impose a moratorium suspending some or all payments by a bank-financial institution in provisional administration, including restrictions on all forms of lending and capital expenditure, except payments to central clearing counterparties and to payment, settlement and clearing systems.
- (ii) No legal action may be commenced against the bank-financial institution under a provisional administration without prior written approval of the Central Bank.
- (iii) The Central Bank may impose a stay on all legal actions against a bank-financial institution in provisional administration, including restrictions on all forms of lending and capital expenditure, except payments to central clearing counterparties and to payment, settlement and clearing systems based on a court order.
- (iv) The provisional administrator may, under the supervision of the Central Bank, bring an action in court to set aside a transaction based on a forged or fraudulent document that the bank-financial institution has executed to the detriment of creditors.
- (v) The provisional administrator, under the supervision of the Central Bank, may bring an action in Court to set aside actions affecting the assets of the bank-financial institution or to recover from third parties the transfers by the bank-financial institutions, as follows:
 - a. gratuitous transfers to, or to persons related to, officers, directors, and significant shareholders of the financial institution;
 - b. gratuitous transfers to third parties;
 - c. transactions in which the considerations given by the bank-financial institution considerably exceeds the received consideration;
 - d. any act done with the intention of the parties involved to withhold assets from the creditors of the bank-financial institution, or otherwise impair their rights.
- (vi) transfers of property of the financial institution to or for the benefit of a creditor on account of a prior debt made which has the effect of increasing the amount that the creditor would receive in a liquidation of the financial institution; provided, however, that payments of deposits in an amount not exceeding (LS 10,000.00) Ten Thousand Liberian Dollars per depositor shall not be subject to this Section.
- (vii) Transactions with persons related to the financial institution, if detrimental to the interest of depositors and other creditors, may be set aside and recovered from such persons.
- (viii) An action to set aside a transfer under Sections 83.0 (6) may be brought by the provisional administrator within one (1) year following the effective date of the administration.

- (ix) Notwithstanding the provisions of Section 83.0 (6) , the provisional administrator may not set aside a payment or transfer by the financial institution if such payment was made in the ordinary course of the financial institution's business, or if it was part of a contemporaneous exchange for reasonably equivalent value, or to the extent that following the transfer the recipient extended new unsecured credit to the financial institution which had not been satisfied by the financial institution as of the effective date of the provisional administration.
- (x) The recipient of a transfer set aside under Section 83.0 (6) shall return the property transferred to the provisional administration or, if the property no longer exists, the value of the property at the time of its transfer by the bank-financial institution; provided, however, that a recipient who has returned to the provisional administrator the value of the property transferred to the bank-financial institution shall have a claim against the bank-financial institution for that amount, if the recipient gave value to the financial institution and accepted the transfer in good faith and without an intention to hinder, delay, default or defraud the financial institution's depositors or other creditors.
- (xi) The provisional administrator shall recover property, or the value of the property transferred by the financial institution from a transferee of an initial transferee only if the second transferee did not give fair value for the property.
- (xii) The provisional administrator may order that notice of the filing of action to set aside a transfer be recorded in the public records for real estate ownership and any other rights in property and a person taking title to or acquiring lien or other interest in such property after the filing of such a notice shall take his title or interest subject to the rights of the financial institution to recover the property.
- (xiii) Actions on behalf of or for the account of the institution that occur without the prior approval of the provisional administrator after the date of publication of the notice described in Section 83.0 (3) (i) shall be null and void unless the provisional administrator otherwise decides.
- (xiv) Where a person is dissatisfied or disagreed with a decision of the provisional administrator in respect of this Section, the person may petition the Central Bank in writing within ten (10) days of the decision for a clarification and or review.

84.0 Inventory and Plan of Action to resolve the Bank-financial institution

1. Not later than thirty (30) days after his appointment, the provisional administrator shall prepare and deliver an inventory of the bank-financial institution's assets and liabilities to the Central Bank. Such report shall itemize the assets according to their different risk profiles and the classification of the non-performing loans.
2. Not later than sixty (60) days after the appointment, the provisional administrator shall prepare and deliver to the Central Bank a report on the financial condition and future prospects of the bank-financial institution subject to provisional administration. The provisional administrator shall include in the report an assessment of the amount of assets likely to be realised in a liquidation of the bank-financial institution.

3. In addition, the provisional administrator shall propose a plan of action which, as appropriate, shall recommend returning the bank-financial institution to compliance with the law by carrying out a plan of corrective actions that may include a capital increase; or, if the bank-financial institution cannot be rehabilitated, any other course of action designed to minimise disruption to depositors and preserve the stability of the financial system. The provisional administrator shall promptly provide any other additional report or information requested by the Central Bank.
4. Notwithstanding subsections (2) & (3) above, the Central Bank may initiate any action necessary to give effect to a bank-financial institution or financial holding company's resolution and recovery plan.
5. Without prejudice to Section (2) of this provision, the Central Bank may commission an independent valuation of a failing institution's assets and liabilities, which would provide the basis for resolution measures such as recapitalization, P&A and bail-in, subject to an ex-post definitive valuation.

85.0 Misconduct by Shareholders, Directors, key management personnel and others

If the provisional administrator has reasonable cause to believe that significant shareholders, directors, key management personnel, attorneys, accountants or other professionals have engaged or are engaging in illegal activities punishable by imprisonment or in fraudulent activities, it shall immediately recommend to the Central Bank that civil actions be instituted against such person seeking damages and restitution and the matter shall also be referred to the Ministry of Justice for determination on the question of criminal prosecution.

86.0 Compensation and Expenses of the Provisional Administrator

1. Compensation of the provisional administrator and his expenses shall be set by the Central Bank and paid by the bank-financial institution.
2. All costs and expenses incurred on account of the provisional administration shall be borne by and charged to the bank-financial institution.

87.0 Resolution Options

On the basis of the report produced under Section 84.0 (2), the provisional administrator shall recommend to the Central Bank various resolution options for the approval of the Central Bank. This provision does not however limit the power of the Central Bank to act when necessary in keeping with its resolution authority as stated in Section 78.0 of this Act.

1. Infusion of Capital by existing shareholders

- (i) The provisional administrator or an official designated by the Central Bank may take the following actions to increase the bank-financial institution's capital through the issuance of new shares:
 - a. Determine the extent of losses and prepare the bank-financial institution's financial statements showing the amount of such losses that need to be absorbed by the bank-financial institution's; and

- b. Notify existing shareholders of the amount of additional capital needed to bring the bank-financial institution's capital into compliance with the prescribed capital requirements and allow such shareholders to subscribe and purchase additional shares, by submitting binding commitments equal to the full amount of additional capital needed within five (5) working days of such notification.
- c. Without prejudice to (b) above, the existing shareholder shall ensure full recapitalization of a failing troubled financial institution within a period not exceeding ninety (90) days.
- d. Existing shareholders of a bank-financial institution in provisional administration shall have no pre-emptive or other rights to purchase additional shares issued except as provided in this Section.

2. Recapitalization by New Shareholders

- (i) The provisional administrator or an official designated by the Central Bank may take the following actions to increase the bank-financial institution's through the issuance of shares to new shareholders in the following circumstances:
- (ii) In the event that binding commitments are not submitted in an amount equal to the full amount of additional capital needed by existing shareholders; or
- (iii) Without offering shares to existing shareholders, if the Central Bank determines that:
 - a. an expedited resolution of a bank-financial institution to maintain financial stability is necessary, or
 - b. the existing shareholders are no longer suitable to maintain a significant capital position in the bank-financial institution; or
 - c. there has been a failure to comply timely with a remedial measure under this Act requiring an increase in the bank-financial institution's capital.
- (iv) To carry out a recapitalization by new shareholders, the provisional administrator shall:
 - a. determine the extent of insolvency or undercapitalization of the bank-financial;
 - b. if necessary, to reflect losses, reduce the par value of outstanding shares, notwithstanding any other provision of law;
 - c. determine the amount and type of funding needed to bring the bank-financial institution into compliance with all capital requirements; and
 - d. cause the bank-financial institution to issue additional shares in the amount necessary and carry out the sale of shares by the bank-financial institution and purchase of such shares by new investors.

3. Mandatory Restructuring of Liabilities

- (i) The provisional administrator, subject to the approval of the Central Bank, may restructure the liabilities of the bank-financial institution in accordance with this Section without the approval of creditors or shareholders.
- (ii) The Central Bank may approve mandatory debt restructuring if the Central Bank determines that the restructuring, either alone or combined with recapitalisation, will restore the bank-financial institution to viability.
- (iii) The Central Bank shall also consider the extent to which the restructuring will maximise the value of the bank-financial institution, minimize losses to creditors and other stakeholders, preserve its going-concern value for the benefit of creditors and other stakeholders, and avoid or mitigate any severe disruption in the stability of the financial system.
- (iv) The restructuring of liabilities shall follow the order of priorities applicable in a liquidation process as stated in Section 89.0 (16).
- (v) Mandatory restructuring shall not apply to secured debts.
- (vi) As part of the restructuring of liabilities, debt may be restructured directly or it may be converted to equity.
- (vii) New shareholders by virtue of debt equity conversion shall be subject to fit and proper persons as prescribed in this Act.
- (viii) The provisions of the securities and company law shall not apply in transactions relating to conversion of debt to equity.

4. Mergers and Acquisitions

- (i) The provisional administrator or an official designated by the Central Bank may carry out a merger of the bank-financial institution or a transfer, in whole or in part, of the bank-financial institution's assets and liabilities to another existing financial institution or new financial institution licensed by the Central Bank; and
- (ii) The Central Bank may approve or decline a request for merger of the bank-financial institution with another bank-financial institution. In the case of decline or rejection of a merger request, the Central Bank shall inform the bank-financial institution of its reasons for such non-approval depending on the nature of the disapproval.

5. Purchase and Assumptions, Sales and other Restructurings

- (i) The Central Bank may carry out the restructuring of a bank-financial institution through the sale of a bank-financial institution's assets and liabilities, without the approval of its creditors or shareholders.
- (ii) In accordance with the instructions given by the Central Bank, a provisional administrator or an official designated by the Central Bank shall arrange the purchase of assets and assumption of all or some of the liabilities of a bank-

financial institution to other financial institution or sell the financial institution to new shareholders.

- (iii) Alternatively, certain assets and liabilities of a failing bank-financial institution may be transferred to a bridge bank-financial institution or special asset management company without the consent of depositors and shareholders.
- (iv) The Central Bank shall approve or decline a sale of substantially all the bank-financial institution's assets to any one bank-financial institution and shall inform the bank-financial institution of its reasons for such non-approval.
- (v) The Central Bank shall set out the requirements and guidelines for purchase and assumption of bank-financial institutions.

6. Bridge Bank-financial Institution

- (i) The CBL may take possession of the bank-financial institution and license a new bank-financial institution (Bridge bank), which for the purposes of this Section shall be established by the government for a period not exceeding three (3) years, for the purpose of resolving a systemically important bank-financial institution.
- (ii) The bridge bank-financial institution shall be fully recapitalized by the Government and managed under the close supervision of the Central Bank until a satisfactory sale to a third party or liquidation.
- (iii) The Central Bank shall set out in regulations or guidelines the requirements for licensing bridge bank-financial institutions, its mandate, governance structure, lifespan, dissolution and termination, and the eligibility criteria for a systemically important bank that may qualify for a bridge bank resolution option.
- (iv) The Central Bank shall at a minimum assess the systemic importance of bank-financial institutions in a domestic context on the basis of its size, interconnectedness, suitability and complexity of the bank-financial institution. Bank-financial institutions shall also be assessed in terms of the potential impact of their failure on the financial system and real economy.
- (v) The CBL may exercise the right of reverse transfer of resources from the bridge bank or acquiring bank upon a successful sale of a bank-in-resolution.
- (vi) The CBL may grant temporary exemptions for non-disclosure of information about bank-in resolution under a bridge bank regime.

7. Establishment of Special Asset Management Companies

- (i) In the exercise of its functions the Central Bank may establish any one or more companies or other entities, to be known as "special asset management companies" for the purpose of restructuring or running-down of non-performing assets in order to facilitate the recovery of the failing bank-financial institution, or a bridge bank-financial institution.

- (ii) Upon completion of the mandate for which it was established in terms of subsection (a), a special asset management company shall be wound up and the necessary account shall be rendered to the Central Bank.
- (iii) The Central Bank shall set out the scope and mandate of the special assets management company, the criteria for valuation and terms of transfer of non-performing assets to, and the financing, ownership and governance of the special assets management company. AMCs. *Inter alia*, any consent rights of debtors or other interested parties that might arise in relation to the transfer of assets should be set aside. The AMC should have adequate powers to carry out its mandate, including where necessary powers to foreclose on collateral and to protect the AMC and subsequent purchasers from undisclosed claims.

88.0 Termination of Provisional Administration

1. The provisional administration shall be terminated at the expiry of the term specified in the directive appointing the provisional administrator or any extension of the term of such appointment.
2. A provisional administration shall be terminated prior to the expiration of the term in the directive appointing the provisional administrator if the Central Bank determines that:
 - (i) the grounds for appointment of the provisional administrator have been remedied; or
 - (ii) the bank-financial institution cannot be rehabilitated.
3. Where the provisional administration is terminated as stated in Section 88.0 (2) (ii) the Central Bank shall appoint a receiver to liquidate the bank-financial institution.
4. Within fourteen (14) working days of the termination of the appointment, the provisional administrator shall prepare and submit to the Central Bank a final report of the provisional administration.
5. The provisional administrator shall not acquire significant shares or accept appointment as a director, key management personnel or any other office or position in the bank-financial institution where s/he served as provisional administrator for a minimum period of two (2) years after the provisional administration.

89.0 Liquidation and Receivership

1. Appointment of Receiver

- (i) Where the licence of a bank-financial institution is revoked pursuant to Section 22.0 of this Act, the Central Bank shall appoint a receiver who shall take possession of the rights and privileges of the shareholders and directors and control the bank-financial institution, supervise and manage its assets and liabilities for the period of the receivership and shall be accountable to the Central Bank as the resolution authority.

- (ii) The engagement by the Central Bank of a receiver shall be by written contract setting forth the terms and conditions of the engagement. Notwithstanding any provision of the contract, the Central Bank shall reserve the right to terminate the contract of the receiver.
- (iii) The receiver shall be appointed for an initial period of one (1) year, renewable.
- (iv) The Central Bank shall notify the Deposit Protection Fund immediately a decision is taken pursuant to this Section.

2. Qualifications, Requirements and Compensation for Receiver

- (i) A receiver may be a legal person, a natural person, or an official of the Central Bank with professional experience and expertise in managing a financial institution.
- (ii) Compensation of the receiver and his expenses shall be set by the Central Bank and paid by the bank-financial institution.
- (iii) The compensation of the receiver and experts that he/she may need for the discharge of his/her duties and responsibilities, and reimbursement of their expenses shall be paid from the assets of the bank-financial institution.
- (iv) Any outstanding obligation to the receiver at the end of the term of the receivership shall be paid from the proceeds from the sales of the bank-financial institution's assets in accordance with the priority set out under Section 89.0 (16).
- (v) Section 112.0 on disclosure of interest shall apply to a receiver except that any obligation to report to the board of directors shall represent an obligation to report to the Central Bank.

3. Notice of Receivership

- (i) The decision of the Central Bank to appoint a receiver for a bank-financial institution shall take effect as of the date of the decision unless such decision provides otherwise.
- (ii) The Central Bank shall immediately post conspicuously in each place of business of the bank-financial institution a notice specifying the following:
 - a. The effective date and time of taking control by the receiver;
 - b. That persons who previously had authorisation to give instructions and enter into contracts on behalf of the bank-financial institution are no longer so authorised; and
 - c. The bank-financial institution licence has been revoked.
- (iii) The Central Bank shall publish the notice referred to in this Section specifying the actions taken in at least three (3) daily newspaper of national circulation and arrange for the publication of such notice each week for the next four (4) weeks and shall inform the competent authorities and shall transmit copies of such actions to the Central Bank within two (2) days of such action.

4. Central Bank oversight of the Receiver

- (i) The receiver shall act in accordance with the terms and conditions of the agreement issued by the Central Bank at any time in the course of the receivership and shall be accountable to the Central Bank for the performance of duties and the exercise of powers as receiver.
- (ii) The receiver shall develop a post-closing strategic plan for the bank-financial institution (in receivership) to manage the receivership within three (3) months following the revocation of the license.
- (iii) The receiver shall report to the Central Bank on the progress of the receivership in such form as may be prescribed by the Central Bank and provide any other information upon request of the Central Bank.

5. General Powers of the Receiver

- (i) Upon appointment, the receiver shall become the sole legal representative of the bank-financial institution and shall exercise all the rights and powers of the shareholders and of the directors and key management personnel of the bank.
- (ii) Notwithstanding Section 89.0 (5) (i), the shareholders, directors and key management personnel may be instructed by the receiver to exercise specified functions for the bank-financial institution.
- (iii) The rights and powers of the receiver shall include but not limited to:
 - a. holding control of title to the books, records, and assets of the bank-financial institution (in-receivership);
 - b. managing, operating and representing the bank-financial institution;
 - c. marshalling assets and claims;
 - d. transferring or disposing of assets;
 - e. suspending or limiting the payment of debts subject to the approval of the Central Bank;
 - f. hiring specialists, experts or professional consultants to assist him/her in the discharge of their responsibilities in consultation with the Central Bank;
 - g. administering the bank-financial institution's (in receivership) accounts;
 - h. collecting the debts due to the bank-financial institution (in receivership) and recovering goods owed by third parties;
 - i. initiating or defending the bank-financial institution (in receivership) in any legal proceeding and executing any relevant instrument in the name of the bank-financial institution; and

- j. taking any other action necessary for the efficient liquidation of the defunct bank-financial institution (in receivership) and to obtain the maximum amount from the sale of assets.
- (iv) A bank-financial institution under receivership shall not take any deposits.
- (v) Thirty (30) days from the date of appointment, the receiver may make payments to depositors or to other creditors of such amounts in consultation with the Central Bank; provided, however, those creditors who are similarly situated shall be treated in the same manner.
- (vi) The receiver may, upon the prior written approval of the Central Bank and according to its guidelines, pursue the following activities:
 - a. sell the assets of the bank-financial institution or arrange for the assumption of liabilities of the bank-financial institution on fair terms;
 - b. dispose of a bank-financial institution's assets and liabilities including deposit liabilities through a purchase and assumption transaction; or
 - c. The receiver may request any information from the existing or previous directors, senior managers, shareholders of a bank-financial institution, employees and its subsidiaries and affiliates, or any third parties who hold information that may be necessary to carry out their functions
 - d. Notwithstanding any provision in this Act, the receiver shall not make any payments whatsoever to any uninsured depositor defined under the Deposit Protection Fund unless and until the Deposit Protection Fund has completed pay-outs and any re-claims to insured depositors as the case may be.
 - e. Where the Deposit Protection fund makes payment to an insured depositor which falls short of the deposits made by the insured depositor the receiver may make payment in relation to the shortfall.

6. Effects of Receivership

- (i) When a receiver has taken possession of a bank-financial institution:
 - a. Any transfer of an asset of the financial institution made after or in contemplation of its insolvency or the seizure with intent to effect a preference shall be voided.
 - b. The calculation of interests and penalties against the bank-financial institution's or obligations shall be suspended and no other charge or liability shall accrue on the obligations of the bank-financial institution;
- (ii) All legal proceedings against the bank-financial institution are stayed and the exercise of any right on the bank-financial institution's assets shall be suspended. No right of a third party can be exerted over assets during the bank-financial institution's liquidation, and no creditor may attach, sell or take possession of any assets of the bank-financial institution as a means of enforcing his/her claim or initiate or continue any legal proceeding to recover the debt or perfect security interests in the bank-financial institution's assets.

7. Possession of Property

- (i) The receiver shall: -
- a. have unrestricted access to and control over the offices, books of account and other records, and other assets of the bank-financial institution and its subsidiaries and its financial holding company. At the request of the receiver, a law enforcement officer or officers shall assist the receiver to gain access to bank-financial institution premises or control over bank-financial institution's records.
 - b. secure the property, offices, books, records, and assets of the bank-financial institution to seek to prevent their dissipation by theft or other improper action.
 - c. take the necessary steps to terminate all fiduciary functions performed by the bank-financial institution, return all assets and property held by the bank-financial institution as a fiduciary to the owners thereof, and settle its fiduciary accounts.
 - d. cancel authorisations of persons to engage the financial responsibility of the bank-financial institution and issuing new authorisations, as appropriate, and notifying third parties;
 - e. inform correspondent bank-financial institutions, financial holding companies, registrars and transfer-agents of securities and external asset managers of the bank-financial institution's assets, that persons who previously had authorisation to give instructions on behalf of the bank-financial institution with respect to dealing in the bank-financial institution's assets or assets held in trust by the bank-financial institution are no longer so authorised and that only the receiver, and persons authorised by the receiver have such authority;
 - f. suspend the payment of capital distributions in general and payment of any kind to directors, key management personnel, and significant shareholders; provided, however, that base compensation may be paid to directors or key management personnel for services rendered in their capacity as directors or key management personnel of the bank-financial institution; and
 - g. Any other action that it considers necessary in furtherance of its functions.
- (ii) Any person who wilfully interferes with a receiver's access to or control over the offices, books of account and other records, and other assets of a bank-financial institution for which he/she has been appointed commits an offence and is liable to a fine of (L\$200,000.00) Two Hundred Thousand Liberian Dollars or to a term of imprisonment not less than one (1) year but not exceeding five (5) years.
- (iii) The receiver shall furnish the Deposit Protection Fund with such information and reports in the form and manner as may be determined by the Institution with the approval of the Central Bank.

8. Inventory of assets and new financial position

- (i) The receiver shall establish a new financial position for the bank-financial institution, based on a determination of liquidation values of the bank-financial institution's assets. Liabilities shall be deemed due and payable and interest shall cease to accrue as of the date of the appointment of the receiver. Unmatured liabilities shall be discounted to present value at the rate of interest determined by the Central Bank.
- (ii) Within thirty (30) days of taking control of a bank-financial institution, the receiver shall make an inventory of the assets and property of the bank-financial institution and transmit a copy thereof to the Central Bank.

9. Avoidance of Pre-receivership Transfers

- (i) The receiver may set aside the following transactions affecting the assets of the bank-financial institution and recover the assets from the transferee or other beneficiary of the transaction:
 - a. gratuitous transfers to, or to persons related to, affiliates, insiders or key management personnel of the bank-financial institution made within five (5) years prior to the effective date of the receivership;
 - b. transactions with affiliates, insiders or key management personnel of the bank-financial institution conducted within five (5) years prior to the effective date of the receivership, if detrimental to the interest of depositors and other creditors.
 - c. gratuitous transfers to third parties made within three (3) years prior to the effective date of the receivership;
 - d. transactions in which the consideration given by the bank-financial institution considerably exceeded the received consideration, made within three (3) years prior to the effective date of the receivership;
 - e. a transaction based on a forged or fraudulent document that the bank-financial institution has executed to the detriment of creditors;
 - f. any act done with the intention of all parties involved to withhold assets from bank-financial institution creditors, or otherwise impair their rights, within five (5) years prior to the effective date of the receivership;
 - g. Transfers of property of the bank-financial institution or financial holding company to, or for the benefit of, a creditor on account of a debt incurred within one (1) year prior to the effective date of the receivership which has the effect of increasing the amount that the creditor would receive in a liquidation of the bank-financial institution; provided, however, that payment of deposits in an amount equal to or less than an amount to be determined by the Central Bank, in the case of bank-financial institutions per depositor or for such amounts as may be determined in accordance with the Deposit Protection Fund shall not be subject to this provision; and

- h. Any attachment or security interest, except one existing six (6) months prior to the effective date of the receivership.
- (ii) Any action to set aside a transfer under this section shall be taken by the receiver within one (1) year following the effective date of the receivership.
- (iii) Notwithstanding the provisions of this section, the receiver may not set aside a payment or transfer by the bank-financial institution if it was made in the ordinary course of business, or if it was part of a contemporaneous exchange for reasonably equivalent value, or to the extent that following the transfer the recipient extended new unsecured credit to the bank-financial institution which had not been satisfied by the bank-financial institution as of the effective date of the receivership.
- (iv) Notwithstanding the provisions of this section, the receiver may not set aside a payment or transfer by the bank-financial institution made pursuant to any power of a provisional administrator under this Act.
- (v) The receiver may recover property, or the value of property transferred by the bank-financial institution from a transferee of an initial transferee only if the second transferee did not give fair value for the property and knew or reasonably should have known that the initial transfer could be set aside under this Act.
- (vi) The receiver may order that notice of an action to set aside a transfer be recorded in the public records for real estate ownership and any other rights in property and a person taking title to or acquiring any security interest or other interest in such property after the filing of such a notice takes his title or interest subject to the rights of the bank-financial institution to recover the property.

10. Repudiation of Contracts

- (i) Within sixty (60) days from the date of appointment, the receiver may repudiate any non-performed or partially performed contract, to the extent that the fulfilment of such contract is determined to be burdensome for the bank-financial institution and the repudiation would promote the orderly administration of the bank-financial institution's affairs and protect depositors' interest.
- (ii) Any liability arising from repudiation shall be determined as of the date of the repudiation and shall be limited to actual direct damages incurred and shall not include any damage for lost profits or opportunity or non-monetary damages.
- (iii) In case of repudiation of a lease contract of immovable and movable property, the owner shall be given thirty (30) days' notice.
- (iv) A lessor who shall have received notice that the receiver is exercising discretionary powers to terminate the lease shall have no claim for rent other than rent accrued up to the date of termination of the lease, nor for damage by reason of such termination, provided that the date of termination of said lease shall not be earlier than the date of vacation of the leased premises.

11. Obligations of Lessors of Bank-financial institution premises and utility providers

- (i) A parent company, subsidiary, affiliate or associate of a bank-financial institution that provides services to a bank-financial institution in receivership may not alter,

refuse or discontinue such services to a bank-financial institution in receivership, because of its receivership or because the bank-financial institution has failed to pay for services prior to its receivership.

- (ii) A lessor of a bank-financial institution in receivership's premises, provider of utility services including, without limitation, a company that supplies electricity, natural gas, water or telecommunication services, internet services, may not alter, refuse or discontinue such services to a bank-financial institution in receivership, because the debtor has failed to pay for services prior to its receivership.
- (iii) Upon request of a lessor of a bank-financial institution premises, service provider or a utility provider, the bank-financial institution shall place a security deposit in a bank-financial institution as a condition to the lessor's, service provider or utility company's duty to continue to provide services during the receivership, and any such deposit shall not be required in an amount greater than the cost of services provided to the bank-financial institution in receivership,

12. Protection of payment, clearing, and settlement systems

- (i) Irrevocable money and securities transfer orders entered by a bank-financial institution into a payment or securities settlement system recognised as such by the Central Bank shall be legally enforceable and binding on third parties, even upon a decision revoking the licence and appointing a receiver, but only if the transfer orders become irrevocable before such decision takes effect.
- (ii) Where a bank-in-receivership enters irrevocable money or securities transfer orders into a payment or securities settlement system after the decision revoking the licence and appointing a receiver takes effect and the transfer orders are carried out on the day of such decision, the transfer orders shall be legally enforceable and binding on third parties, unless the receiver proves that the system operator was aware of the decision before the transfer orders became irrevocable.
- (iii) No provision authorising the setting aside of contracts and transactions entered into before the appointment of a receiver takes effect shall be applied in such a way as to require the unwinding of netting by a payment or securities settlement system recognised as such by the Central Bank. However, the preservation of such netting shall not prevent the ability of the receiver to recover assets directly from the transferee or beneficiary.
- (iv) For the purposes of this section:
 - a. a transfer order entered into a money or securities settlement system becomes irrevocable at the time defined by the rules of that system; and
 - b. "netting" means the conversion into one net claim or one net obligation of claims and obligations resulting from transfer orders which a participant or participants in a settlement system either issue to, or receive from, one or more other participants in that system with the result that only a net claim or a net obligation remains.

- (v) Notwithstanding, the provisions on winding down and administration of participants in the Central Bank and designated systems as prescribed in the Act adopting the New Payment Systems Law of Liberia shall apply in this instance.

13. Determination of claims

- (i) The procedures for determination of the validity of claims and for liquidation of a bank-financial institution shall be prescribed by the Central Bank.
- (ii) Except as provided under this Section and subject also to section (iii) below, no set-off shall be allowed with respect to claims against a bank-financial institution after the appointment of a receiver takes effect or within three (3) months before such decision.
- (iii) Claims filed against the bank-financial institution arising from deposits shall be set-off against any sum due from a depositor to the bank-financial institution or financial holding company as of the date on which the licence is revoked and the receiver is appointed.

14. Claims relating to eligible financial contracts

- (i) In determining the rights and obligations between the bank-financial institution and its contractual counterparties, effect shall be given to the termination provisions of eligible financial contracts between them, except during the period of any temporary stay on the exercise of such right that the Central Bank may prescribe.
- (ii) The temporary stay of termination provisions shall be subject to such safeguards as the Central Bank shall prescribe to facilitate liquidation of the bank-financial institution while at the same time minimizing disruption to the markets for eligible financial contracts.
- (iii) The net termination value determined in accordance with an eligible financial contract between them shall be a claim of the bank-financial institution on the counterparty or shall be admitted after its validation as a claim of the counterparty on the bank-financial institution.
- (iv) For the purposes of this Section: -
 - a. the Central Bank shall prescribe the types of contracts that shall qualify as "eligible financial contracts" and which may include a master agreement covering more than one type of contract; and
 - b. "net termination value" means the net amount obtained after setting off the mutual obligations between the parties to an eligible financial contract in accordance with its provisions.

15. Filing of claims during liquidation

- (i) No later than sixty (60) days after the appointment of the receiver, the receiver shall cause to be sent by mail, at the address shown on the books of the financial institution, or through other electronic medium to all depositors, other creditors,

safe deposit box lessees, and the bailors of property held by the bank-financial institution, a statement of the nature and amount for which their claim is shown on the books of the bank-financial institution. The statement shall note that any objection must be filed with the receiver before a specified date not later than sixty (60) days thereafter and the receiver shall invite the safe deposit box lessees and bailors to withdraw their property in person.

- (ii) Any safe deposit boxes the contents of which have not been withdrawn before the date specified shall be opened in the manner prescribed by the Central Bank. Their contents and any unclaimed property held by the bank-financial institution as bailee, together with inventories pertaining thereto, shall be deposited by the receiver in the Central Bank and shall be kept by the Central Bank for ten (10) years, unless claimed by the owner before the expiration of that period. On the expiration of that time all funds and property not claimed shall be presumed to be abandoned property for purposes of Section 105.0.
- (iii) Within three (3) months after the last day specified in the notice for the filing of claims or such longer period as may be approved by the Central Bank, the receiver shall:
 - a. reject any claim if s/he doubts the validity thereof;
 - b. determine the amount, if any, owing to each known depositor or other creditor and the priority class of his claim under the provisions of this Act;
 - c. notify each person whose claim has not been allowed in full and publish once a week for three (3) consecutive weeks, in a newspaper of general circulation a notice of the date and place where the schedule of the steps it proposes to take will be available for inspection, and the date, not sooner than thirty (30) days counting from the date of the third publication in the newspaper, on which the schedule will be filed with the Court.
- (iv) Within thirty (30) days after the filing of the schedule referred to in Section 89.0 (15) (iii), any depositor, other creditor, or stockholder, and any other interested party may file an objection to any step proposed. Any objections so filed shall be considered by the Court within thirty (30) days, upon such notice to the receiver and any interested parties as the Court may prescribe. If an objection is sustained, the Court shall direct that an appropriate modification of the schedule made. After filing the schedule the receiver may, from time to time, make partial distribution to the holders of claims which are undisputed or which have been allowed by the Court, on condition that a proper reserve is established for the payment of disputed claims. As soon as possible after all objections have been decided upon, the liquidator shall make final distribution.

16. Priorities in payment of claims

- (i) In any liquidation of a bank-financial institution, the assets of the bank-financial institution in receivership, allowed secured claims shall be paid to the extent of the realization of the security or by delivering to the secured creditor the security held by the bank-financial institution;

- (ii) other allowed claims shall be paid in relation to all other debts, in the following order:
 - a. necessary and reasonable expenses incurred by the receiver and the Central Bank, including professional fees;
 - b. insured deposits to the extent of any amount guaranteed to be repaid under the deposit insurance scheme;
 - c. payments made by the Fund or when established, the Deposit Insurance Corporation, in compliance with the Deposit Insurance Act;
 - d. wages and salaries of employees of the bank-financial institution (in receivership) for the three (3) -month period preceding the seizure of the bank-financial institution; except for wages and salary earned by director or key management personnel;
 - e. credits extended to the bank-financial institution by the Central Bank until the appointment of the receiver;
 - f. statutory amounts owed to the Government or to a municipality, unless the Government or municipality consents otherwise;
 - g. credits extended to the bank-financial institution after the appointment of the receiver;
 - h. deposits not covered under Section 96.0 (1);
 - i. compensation of employees not covered under item (f);
 - j. credits extended to the bank-financial institution (in receivership) after the appointment of the receiver;
- (iii) If the amount available for payment for any class of claims is insufficient to provide payment in full, such claims of that class shall be reduced in equal proportions, provided that priorities of full payments shall be given to unsophisticated claimants in the lowest category.
- (iv) Any proceeds remaining after all claims of depositors and other creditors have been paid shall be distributed among the shareholders of the bank-financial institution in accordance with their rights.
- (v) After payment of all claims filed, the remaining allowable claims that were not filed within the time specified by receiver for filing, shall be paid.
- (vi) Unclaimed funds remaining after the final distribution not subject to other provisions under this Act shall be deposited by the receiver in the Central Bank and shall be kept by the Central Bank for ten (10) years, unless claimed by the owner before the expiration of that period. On the expiration of the period the funds remaining unclaimed shall be presumed to be abandoned property for purposes of Section 105.0.

- (vii) Notwithstanding the above provisions, creditors may be compensated where they are paid below the minimum of what they would receive in liquidation under the applicable insolvency regime.

17. Voluntary Liquidation

- (i) Any voluntary liquidation of a bank-financial institution shall be subject to prior authorization by the Central Bank following a comprehensive external audit report. This authorization shall be granted only if it appears to the Central Bank that:
 - a. the bank-financial institution is solvent and has sufficient liquid assets to repay its depositors and other creditors within three (3) months subsequent to CBL's authorization; and
 - b. the liquidation has been approved by two-thirds of the stockholders having the right to vote at a meeting called expressly for this purpose.
- (ii) When it has received the authorization of the Central Bank, the bank-financial institution shall:
 - a. immediately cease to do business, retaining only the powers to do the necessary business for the purpose of effecting an orderly voluntary liquidation;
 - b. repay its depositors and other creditors;
 - c. wind up all operations undertaken prior to the receipt of the authorization.
- (iii) Within thirty (30) days from the receipt of the authorization referred to in Section 89 (17) (i), a notice of voluntary liquidation, setting forth such information as the Central Bank may prescribe, shall be sent by mail to all depositors, other creditors, and persons otherwise entitled to the funds or property held by the bank-financial institution as a fiduciary, lessor of a safe deposit box, or bailee. The notice shall also be posted conspicuously on the premises of each office and branch of the bank-financial institution and shall be given such publication as the Central Bank may direct.
- (iv) The authorization to go into voluntary liquidation shall not prejudice the rights of a depositor or other creditor to payment in full of his claim nor the right of an owner of funds or other property held by the bank-financial institution to the return thereof. All lawful claims shall be paid promptly, and all funds and other property held by the bank-financial institution shall be returned to their rightful owners within such maximum period as the Central Bank may prescribe.
- (v) When in the judgment of the Central Bank the bank-financial institution has discharged all the obligations referred to in Section 89.0 (17) (ii), Section 89.0 (19) shall apply in this instance. No such distribution shall be made before:

- a. all claims of depositors and other creditors have been paid or in the case of a disputed claim, before a bank-financial institution has turned over to the Central Bank or to any other person proposed by the liquidating bank-financial institution and approved by the Central Bank sufficient funds to meet any liability that may be judicially determined;
 - b. any funds payable to a depositor or other creditor who has not claimed them have been turned over to the Central Bank or to any person proposed by the liquidating bank-financial institution and approved by the Central Bank;
 - c. any other funds and property held by the bank-financial institution that could not be returned to the rightful owners in accordance with the provisions of Section 89.0 (17) (v) (b) have been transferred to the Central Bank or to any other person proposed by the liquidating bank-financial institution and approved by the Central Bank, together with the inventories pertaining thereto. Any funds or property not claimed within a period of ten (10) years following the transfer thereto shall be presumed to be abandoned property as defined in Section 99.0.
- (vi) If the Central Bank finds that the assets of a bank-financial institution whose voluntary liquidation it has authorized will not be sufficient for the full discharge of all its obligations or that completion of the liquidation is unduly delayed, it may, if it deems fit, take possession of the bank-financial institution and undertake compulsory reorganization of it or commence proceedings leading to its liquidation.
- (vii) Notwithstanding, where the Central Bank, at any stage of the voluntary winding up considers the bank-financial institution unable to meet its obligations to depositors or creditors in full the Central Bank shall appoint a receiver to liquidate the affairs of that bank-financial institution in accordance with the provisions of this Act.

18. Termination of Receivership and Final Report

- (i) Once the proceeds from the sale of assets of a bank-financial institution have been distributed, the receiver shall provide a report to the Central Bank that includes a statement of income and expense and sources and uses of funds during the period of receivership. Upon approval by the Central Bank of the report, the receivership shall be terminated, and the Central Bank and the receiver shall be relieved of any further responsibility in connection with the receivership of a bank-financial institution.
- (ii) Any assets of the bank-financial institution of immaterial value that the receiver has been unable to sell or where the costs of sale would exceed the amount expected to be received in the sale may be abandoned by the receiver or given to a charitable institution that promotes public health or education.

19. Final Closure

Once all assets have been distributed in accordance with, the receiver shall tender an audited account to the Court. Upon approval of this account by the Court, the name of

the bank-financial institution shall be struck from the list of licensed bank-financial institutions, the Ministry of Commerce & Industry and other relevant government institutions shall be notified, and the receiver shall be relieved of any liability in connection with the liquidation. The liquidation shall then be declared closed by the Court and shall terminate the juridical existence in the territory of Liberia of the bank-financial institution concerned.

PART XI — DEPOSIT INSURANCE FUND

90.0 Deposit Protection Fund

1. Until the establishment of a Deposit Insurance Corporation, there shall be established a Deposit Protection Fund (DPF) referred to as the Fund.
2. The public policy objectives of the deposit protection system shall be to protect small depositors from loss in the case where a bank-financial institution license is revoked, as well as to support the Central Bank in meeting its objective to foster the soundness, solvency and efficient functioning of a stable, market-based financial system.
3. All contributions and payments in relation to the protection of depositors shall be paid into or out of the Fund as required by this Act.
4. That membership shall be compulsory for all bank-financial institutions licensed and operating in Liberia.
5. The Central Bank shall, from time to time, by regulation published in an official *Gazette*, prescribe the size of the Fund sufficient to protect the interests of depositors that shall be contributed to the DPF; and the scope and coverage of insured depositors.

91.0 Composition of Fund

1. The sources of funding of the DPF shall consist of—
 - (i) initial seed funding from Government;
 - (ii) initial seed funding contributed by the Central Bank;
 - (iii) initial contribution from bank-financial institutions;
 - (iv) premiums from bank-financial institutions;
 - (v) income from investments made by the Fund;
 - (vi) money received as subventions, grants or donations to the Fund; and
 - (vii) any other money that may vest in or accrue to it, whether in terms of this Act or otherwise.

2. The money constituting the DPF shall be placed in one or more accounts with the Central Bank to be invested based on sound investment policy as decided by the DPF Committee formed under Section 95.0.
3. The income of the DPF shall be exempted from tax.

92.0 Utilization of the Fund

1. The Fund shall be used to cover the cost of the operations of the DPF.
2. The Fund shall be used to reimburse insured depositors resulting from an insured event.
3. The use of DPF funds shall be prohibited from:
 - (i) Placements or deposits in member institutions;
 - (ii) Liquidity support to other bank-financial institution or any other institutions; and
 - (iii) Capital contributions to bank-financial institutions or any other financial institution.

93.0 Initial Contribution to the Fund

1. Every bank-financial institution shall be required to make an initial contribution to the DPF and shall pay into the DPF such annual amount, and at such times, as the Central Bank may determine.
2. The Central Bank shall serve on a bank-financial institution a notice specifying the amount and the period, which shall not be later than twenty-one (21) days after the date of service of the notice, within which the amount shall be paid to the DPF by the bank-financial institution.
3. A bank-financial institution which for any reason fails to pay its contribution to the DPF within the period specified in a notice issued under subsection (2) shall be liable to pay a penalty of three (3) percentage points above the CBL Standing Credit Facility on the unpaid amount for every day outside the notice period on which the amount remains unpaid.
4. The amount of initial contribution to the DPF under this section shall be determined by the DPF Committee as provided in Section 95.0. This shall be a percentage of the average of the bank-financial institution's total deposit liabilities during the period of twelve (12) months prior to the date of the notice served under section 93.0 (2).
5. Bank-financial institutions that are licensed to operate in Liberia after the effective date of this Law shall pay an initial one-time premium as shall be determined by the DPF Committee. This premium shall be treated as an expense of the bank-financial institution and shall be drawn from the insured institution's account at the Central Bank.

94.0 Premium Payment

1. Every bank-financial institution shall be required to make an annual contribution to the Fund for the ongoing premium. The pro rata annual share of the premium shall be paid on a quarterly basis for each accounting period. The rate of the premium shall consist of the base rate and differential rate which is set based on the Central Bank's ratings of member institutions from periodic onsite examinations reports.
2. The DPF Committee overseeing the DPF shall determine the level of premium paid by the bank-financial institution. The minimum annual amount of contribution to the Fund shall be determined by the DPF Committee.
3. The Central Bank will issue statutory instruments varying the percentage taken into consideration the risk level and profile of bank-financial institutions based on their composite CAMELS ratings.
4. This premium shall be treated as an expense of the bank-financial institution and shall be drawn from the bank-financial institution's account at the Central Bank.
5. In the event the ratio of the total capital of the Deposit Protection Fund to the total insured deposits exceeds five percent (5%), the Central Bank shall consider reducing the base rate of the premium assessed on the bank-financial institutions below the range which shall be specified by the Central Bank.

95.0 Deposit Protection Fund Committee

1. The DPF shall be overseen by a DPF Committee consisting of:
 - (i) The Executive Governor of the Central Bank or his authorized representative who shall serve as chairperson for the committee;
 - (ii) One (1) representative from the Ministry of Finance & Development Planning;
 - (iii) One (1) independent director, expert in deposit insurance appointed by the Central Bank of Liberia;
 - (iv) One (1) independent director appointed by the Central Bank of Liberia, not being public officer, with a minimum of ten (10) years' experience in matters relating to banking, finance, insurance, commerce law, accountancy or economics; and
 - (v) The Head of DPF within the Central Bank.
2. A dedicated unit within the Central Bank of Liberia will be established to administer and manage the DPF.
3. The Central Bank shall issue from time-to-time regulations or guidelines for the management and operations of the DPF.

96.0 Protection of Depositors

1. For the purpose of determining a protected deposit under this section, the amount being the aggregate credit balance of any accounts maintained by a depositor at a bank-

financial institution shall be a protected deposit to the extent determined by the Central Bank, from time to time.

2. Notwithstanding Subsection (1) of this section, where a depositor has obligations with a bank-financial institution, the following shall apply:
 - (i) Performing loans shall not be offset against insured deposits.
 - (ii) Non-performing loans shall automatically be offset against insured deposits.
 - (iii) Uninsured depositor claims shall be offset against performing loans.
3. The Fund shall cover deposits in Liberian and United States Dollars placed with a bank-financial institution prior to or on the day of the occurrence of the insured event and which payout is guaranteed under this Act.
4. The Central Bank shall have the authority, to pay insured depositors of United States Dollars in the Liberian Dollar equivalent, at the applicable exchange rate set by the Central Bank as of the date of the insured event.
5. The DPF, collaborating with the Regulation & Supervision, shall ensure that member institutions maintain depositor data that will allow DPF to promptly pay insured deposits.
6. The DPF working along with the Receiver of the closed bank-financial institution shall submit all documents necessary for the calculation and payout of insured deposits.
7. Upon timely presentation of evidence of ownership as would be defined in the regulations set up for the management and operations of the DPF, the process of reimbursement of insured depositors shall commence immediately and be completed within ninety (90) days of the insured event.
8. Insured depositors will lose their right to get reimbursed by the Fund if the amount of insured deposits is not collected within five (5) years from the insured event.
9. Where a claim is disputed, the Central Bank shall within one hundred and eighty (180) days settle the claims.
10. The Central Bank or its appointed liquidator may direct the DPF to withhold payment of such portion of the protected deposit of any customer in an institution in liquidation as may be required to satisfy, whether fully or in part, any liability of that customer to the institution in liquidation.
11. For the purposes of this section "customer" includes any person, natural or legal, entitled to a deposit held in a sole ownership, joint, as trustee or any other as approved by the Management Committee.
12. The DPF shall subrogate to the claim position of insured depositors as set forth by this Act.
13. The Central Bank shall issue regulations for the protection of depositors and execution of the reimbursement process of insured deposits.

97.0 Exclusions from Deposit Coverage

1. The following shall be excluded from the definition of insured deposit:
 - (i) portion of deposits above the limits that shall be described in accordance with Section 96.0 (1);
 - (ii) accounts for which the depositor has not been identified under Section 96.0 (8) of this law or accounts reported to the Central Bank for money laundering according to the Act on Money Laundering and Counter-Terrorist Financing;
 - (iii) accounts of those who have held a significant interest in the institution as defined in this Act and their relatives or third parties acting on their behalf;
 - (iv) deposits of banks, financial institutions, insurance and collective investment undertakings, pension and retirement funds, government and administrative authorities;
 - (v) branches of foreign banks-financial institutions in Liberia whose home country provides a deposit insurance scheme for the branches of similar or greater coverage as determined by the DPF Committee;
 - (vi) Letters of credit and Standby letters of creditor instruments of a similar nature;
 - (vii) Deposits from affiliates of member institutions;
 - (viii) Deposits of board of directors and senior managers as defined in the banking act, as well as their families and related parties or any depositor who is shown to have been a party to or profited from the circumstances given rise to a member institution's failure.
2. Persons in charge for performing the external audit of the member institutions financial statements over the past three (3) years before the initiation of the liquidation proceedings.

98.0 Emergency Funding

1. Funding shall be required in the event that the DPF does not have sufficient resources to pay insured depositors.
2. Pursuant to 98.0 (1), the Government through the Ministry of Finance and Development Planning (MFDP) shall provide emergency funding as a stop gap measure of insured depositors.
3. The Fund shall repay the MFDP without interest for all amounts advanced over a timeframe to be by the Central Bank and the Ministry.

99.0 Accountability of the Fund

1. The DPF shall be audited by an external auditor within four (4) months after each financial year, and the final audited report along with the annual report of its operations be submitted to the Executive Governor of the Central Bank and contributing bank-financial institutions.

2. The annual audited report and the link to the DPF's annual report shall be published in at least two (2) newspaper for at least three (3) consecutive days and the website of the Central Bank.
3. The financial year of the Fund shall be the same as the financial year prescribed for bank-financial institutions in this Act.

100.0 Effectiveness of Insurance of Depositors

One (1) year after the promulgation of this Law the DPF shall begin to insure depositors at all existing bank-financial institutions not otherwise excluded under Section 97.0 of this Act. This date for insuring depositors may be delayed if the DPF Committee is not fully constituted or if sufficient initial contributions are not solicited and if there are bank-financial institutions that are classified as problem institutions.

101.0 Requirements for Membership

Six (6) months prior to the effectiveness of the insurance of depositors as described in Section 100.0 of this Act, the Central Bank shall notify the DPF of any bank-financial institutions that are classified as problem institutions.

102.0 Statutory Review of Deposit Insurance Fund

1. For the purposes of this section, three (3) years after this Act comes into effect, the Government shall carry out a review as to whether the DPF should remain with the Central Bank of Liberia under the current arrangement or manage by a separate independent body as may be determined by the Central Bank of Liberia and the Ministry of Finance and Development Planning.
2. In undertaking the review, the Central Bank of Liberia shall consider the following:
 - (i) The stage of development of the Banking sector at the date of the review and its likely future developments;
 - (ii) The costs of establishing and operating a separate entity and how those costs should be funded, in the event that a separate entity is established;
 - (iii) take full account of international standards and best practice in relation to the mandate & powers as well as key design features of the scheme.
 - (iv) have regard to the necessity of ensuring that, as far as practicable given the stage of development of the banking sector the Fund achieves its key public policy objectives in an effective and efficient manner;
 - (v) the fund is achieving its goal of building and sustaining confidence in the banking system by ensuring protection and making prompt payment to the depositor.
3. The Central Bank shall set out the conclusions of its review in a report and publish the report on or before the termination of the review period.

4. If the Central Bank forms the view that a different entity, whether existing or to be established, should have control and supervise the Fund, The report shall, in particular:
 - (i) Specify options for funding the entity;
 - (ii) Set out the expected impact of the change on license holders and deposit holders;
 - (iii) Specify how international standards and best practice will be implemented; and
 - (iv) Specify appropriate transitional arrangements for transferring the function of unit designated to manage the Fund within the Central Bank of Liberia, including arrangements for the transfer of the Unit's staff at the Central Bank of Liberia to the entity.

PART XII — MISCELLANEOUS PROVISIONS

103.0 Consumer Protection

1. Bank-financial institutions shall act fairly and reasonably in all of its dealings with its customers and the general public.
2. A bank-financial institution shall ensure that all advertising and promotional materials are fair, accurate, clear, and not misleading.
3. A bank-financial institution shall display its schedule of lending rates, interest rates on deposits, all fees, commissions and other charges in places that are clearly visible and accessible to the banking public at its various places of business at all times.
4. A bank-financial institution shall provide a consumer with key terms and conditions prior to entering into any financial transaction with the consumer. The terms and conditions shall clearly set out in the disclosure requirements in order to give the consumer complete information of the total cost of a product or service, the method of computation of the cost, important features of the financial product or service being considered as well as the rights, obligations of, and risks to, the consumer. Such information shall be clearly stated in any contractual arrangements with the customers or the public.
5. A bank-financial institution shall notify a consumer at least thirty (30) days in advance before implementing any changes to the terms and conditions, fees or charges, and discontinuation of services; or immediately of any changes in case of unplanned service disruptions and/or cost of a product or service.
6. A bank-financial institution shall be required to implement programs aimed at providing basic information and awareness about its products or services.
7. A bank-financial institution shall have formal policy and procedures for complaint filing, handling and resolution, which must be approved by its board of directors.
8. The Central Bank shall issue regulations, or guidelines, setting minimum standards for bank-financial institutions in dealing with their customers and the public.]

104.0 Deposits and Withdrawals

1. Deposits made into an account shall be deemed to have been denominated in the currency of that account, and such deposits shall be withdrawn in the currency of that account, unless the bank-financial institution and the depositor agree otherwise, or as may be prescribed by the Central Bank.
2. In all transactions connected with the opening of, deposit into, or withdrawal from, any account, whenever the depositor is unable to sign, his thumb impression affixed in the presence of an officer of the bank-financial institution and a third party witness shall have the same legal effect as if it were the depositor's signature.

105.0 Abandoned Property

1. The following items held or owned by a bank-financial institution, unless subject to the conditions stated in Section 105.0 (2) shall be presumed to be abandoned:
 - (i) any general deposit (demand, savings or matured time deposit) made in Liberia with a bank-financial institution, together with any interest or dividend, excluding any lawful charges;
 - (ii) any funds paid in Liberia toward the purchase of shares or other interests in a bank-financial institution, together with any interest or dividend, excluding any lawful charges;
 - (iii) any sum payable on a check certified in Liberia or on written instruments issued in Liberia on which a bank-financial institution is directly liable;
 - (iv) any contents of a safe deposit box upon which the lease or rental period has expired and concerning which notice of the institution's intent to deliver said contents into the custody of the Central Bank has been sent by registered letter to the last known address of the lessee and to which the lessee has failed to respond within one (1) year.
2. The items enumerated in Section 105.0 (1) (i) through (iii) shall not be considered to be abandoned if the owner has, within ten (10) years of the date of the last deposit, payment of funds, or issuance of an instrument, as the case may be:
 - (i) increased or decreased the amount of the deposit or funds or presented the passbook or other record for the crediting of interest or dividends in respect of the items enumerated in Section 105.0 (1) (i) or (ii);
 - (ii) corresponded in writing with the bank-financial institution concerning said item(s);
 - (iii) otherwise indicated an interest in the items as evidenced by a memorandum written by the bank-financial institution, concerning said item (s).
3. Every bank-financial institution holding any of the items enumerated in this Section, annually shall report such holdings to the Central Bank, and thereafter pay or deliver to the Central Bank all abandoned properties listed in the report in accordance with regulations which the Central Bank shall prescribe. Upon paying or delivering

abandoned property into the custody of the Central Bank, a bank-financial institution shall be relieved of all liability to the extent of the value of the property for any claim in respect thereof.

4. The Central Bank shall follow the provisions of Law in respect of the disposal of all abandoned properties paid or delivered to it.
5. Any bank-financial institution which willfully fails to file the report or to pay or deliver property considered to be abandoned into the custody of the Central Bank in accordance with section 105.0 is guilty of an offense and any member of its board or officer responsible for such non-compliance shall be liable to a fine not less than (L\$400,000.00) Four Hundred Thousand Liberian Dollars or to imprisonment for a term not exceeding two (2) years or to both fine and imprisonment.

106.0 Anti-Money Laundering and Combating Financing of Terrorism (AML/CTF)

1. All bank-financial institutions and financial holding company shall adopt policies to ensure:
 - (i) Compliance with Anti-Money Laundering and Combating Financing of Terrorism (CTF) obligations under subsisting laws, regulations and regulatory directives; and
 - (ii) Implementation of internal control measures to prevent and transaction that facilitates criminal activities, money laundering or terrorism.
2. Notwithstanding anything to the contrary in this Act or any other enactment, the Central Bank shall issue regulations, guidelines and policies from time to time to protect bank-financial institutions against the risk of money laundering and the financing of terrorism in line with international best practices and standards.
3. Notwithstanding Section 106.0 (1) (2), the Central Bank shall work closely with other relevant authorities in safeguarding the financial system against money laundering and terrorist financing.

107.0 Cybersecurity

1. The Central Bank shall issue regulations or guidelines to bank-financial institutions and financial holding companies to address cybersecurity risks in the delivery of banking services.
2. All bank-financial institutions and financial holding company shall comply strictly with the cybersecurity regulations and guidelines issued by the Central Bank under subsection (1).

108.0 Power to Freeze accounts

1. Notwithstanding provisions in any other enactment, where the Central Bank has reason to believe that transactions undertaken in any account with a bank-financial institution are such as may involve the commission of any criminal offence under any law, the Central Bank may make an ex-parte application for an order of the Competent Court verifying on oath the reasons for the Central Bank's belief, and on obtaining such court order direct or cause a direction to be issued to the bank-financial institution where the account is situated or believed to be, or in the alternative to the head office of such bank-financial institution, to freeze the account.

2. The bank-financial institution in which a direction has been issued under subsection (1) shall on receipt of such direction, suspend all transactions related to such account for such period as may be specified in the direction.
3. Where an account has been frozen under this section, the Central Bank shall refer the matter to the relevant law enforcement authority provided that where the matter relates to the contravention of provisions of this Act or other enactments administered by the Bank, the Central Bank may cause such a matter to be investigated by the Bank.

109.0 Obligatory Withdrawal from Office and Penalty for Contravention

1. Any person who is a member of the board, key management personnel concerned with the management of a bank-financial institution shall cease to hold office:
 - (i) if he/she becomes bankrupt or ceases payments of his/her obligations;
 - (ii) if he/she is convicted in a court of law of a felony or any offense involving fraud or dishonest;
 - (iii) when removed by the Central Bank as provided under this Act and/or the Central Bank of Liberia Act.
2. No person who has been a member of the board or directly or indirectly concerned in the management of a bank-financial institution the license of which has been revoked shall without the approval of the Central Bank, act or continue to act as a member of the board of or be directly or indirectly concerned in the management of any bank-financial institution in Liberia.
3. Any person acting in contravention of Section 109.0(1) or (2) is in violation of the law and shall be liable to pay a fine of not less than (L\$500,000.00) Five Hundred Thousand Liberian Dollars, and specifically in regard to a contravention of Section 109.0 (1) (ii) shall make restitution of such funds the missing of which is wholly or in part, directly or indirectly, attributed to him, and/or be imprisoned for a term not less than two (2) years.

110.0 Prohibition of the Receipt of Commission by Officers of Financial Institutions

1. Any director, officer, employee or agent of a bank-financial institution who asks for, receives, consents or agrees to receive any gift, commission, employment, service, gratuity, money, property or item of value for his own personal benefit or advantage or for that of any of his relatives from any person:
 - (i) for procuring or attempting to procure for any person any advance, loans or credit facility from the financial institution, or
 - (ii) for the purpose of discounting any draft, note, check, bill of exchange or other obligations of the financial institution, or
 - (iii) for permitting any person to overdraw any account with the financial institution without proper authority shall be liable to a fine of (L\$200,000.00) Two Hundred Thousand Liberian Dollars and/or imprisonment for two (2) years or to both such fine and imprisonment, and in addition such gift, commission, gratuity, money, property or item of value for his own personal benefit or advantage or for that of

any of his relatives shall be forfeited to the Central Bank and treated as abandoned property.

111.0 Notification of Persons Dismissed, Terminated or Advised to Retire on Grounds of Fraud and Financial Malpractice

1. A bank-financial institution shall notify the Central Bank of any officer or employee of the bank-financial institution dismissed or advised to retire on grounds of fraud and financial malpractice.
2. Any bank-financial institution and officer of the financial institution who acts in contravention of Sections 111.0 (1) shall be liable to a fine of (L\$400,000.00) Four Hundred Thousand Liberian Dollars each.

112.0 Disclosure of Interest

1. A person shall on appointment as a chief executive, deputy chief executive, executive director, board member or key management personnel declare to the board of directors-
 - (i) any professional interests or the offices he holds as manager, director, trustee or by any other designation; and
 - (ii) his investment or business interests or that of his spouse or any close relative, in firms, companies and institutions as a significant shareholder, director, partner, proprietor or guarantor.
2. A chief executive, deputy chief executive, executive director, board member or officer shall declare to the bank-financial holding company or financial holding company any changes in his business interests or holding of offices as and when they occur.
3. The bank-financial institution or financial holding company shall promptly place before its board of directors all declarations made pursuant to Section 112.0 (2), for its information.
4. A chief executive, deputy chief executive, executive director, board member or key management personnel who has any direct or indirect interest in a proposed credit or other facility to be given to any person by that bank-financial institution or in a transaction that is proposed to be entered into with any other person, shall as soon as practicable declare the nature and extent of his interest in the proposal to the bank-financial institution's board of directors.
5. In deciding whether to grant a proposed credit facility referred to in Section 106.0 (4) the bank-financial institution shall take into consideration a declaration made under this Section.
6. A chief executive, deputy chief executive, executive director, board member shall not attend or participate in a board meeting where a proposal for a credit or other facility in which he has direct or indirect interests is being determined.
7. A proposal in which a chief executive, deputy chief executive, executive director, board member or key management personnel has interests, directly or indirectly, shall be considered and decided upon by the bank-financial institution's board of directors only and not by any delegated authority.

8. A chief executive, deputy chief executive, executive director, board member or key management personnel who contravenes these provisions shall be declared by the Central Bank not to be a fit and proper person as defined by this Act.

113.0 Maintenance of Secrecy

1. A person who has acquired knowledge in his capacity as director, manager, officer, employee or agent of a bank-financial institution or financial holding company, or as its auditor, inspector, receiver or liquidator, or other positions of trust shall not disclose to any person the identity, assets, liabilities, transactions or other information in respect of depositors and any other customer except -
 - (i) with written authorization of the depositors or customers or their heirs or legal representatives of such depositors or customers;
 - (ii) for the purpose of the performance of his duties within his scope of employment in conformity with the provisions of this Act;
 - (iii) when lawfully required to make the disclosure by a court of competent jurisdiction; or
 - (iv) under the provisions of this Act or any other law of general application to financial institutions in Liberia
2. Except in the performance of his/her duties under this Act or otherwise permitted under this Act, a director, manager, officer, employee or agent of a bank-financial or a bank holding company shall during or after his relationship with the bank-financial institution preserve and aid in preserving secrecy with regard to all matters relating to the affairs of the bank-financial institution or financial holding company and of any of its customers that may come to his knowledge in the performance of his duties.
3. The duty of confidentiality imposed under this section shall not apply where:
 - (i) a customer issued with a credit card or charge card by a bank-financial institution, has had the card suspended or cancelled by that bank-financial institution by reason of default in payment, and the bank-financial institution discloses information related to the name and identity of the customer, the amount of indebtedness and the date of suspension or cancellation of the credit card or charge card to another bank-financial institution or institution that is issuing credit cards or charge cards in the country;
 - (ii) the customer is declared bankrupt or in case of a company is insolvent and or being wound up; and
 - (iii) the customer has died, testate or intestate, and the information is required by the appointed personal representative of the deceased or the testamentary executor solely in connection with the succession to the estate.
4. A person who contravenes this section commits an offence and may be turned over to the appropriate authority for legal action.

114.0 Publication of data

Notwithstanding any other provisions of this Act, the Central Bank may publish information obtained by it from a bank-financial institution or financial holding company in a consolidated form for public information.

115.0 Immunities

1. An action or claim shall not be brought against the Central Bank, the Executive Governor, a Deputy Governor, a director, an employee of the Central Bank or an agent of the Central Bank, including a person previously holding such positions for acts or omissions performed in good faith in the implementation of this Act, unless it has been proven that such acts or omissions constitute intentional gross negligence, gross breach of duty, or malfeasance.
2. Section 115.0 (1) is not applicable where the action or claim arises out of the negligence or a wrongful act of the employee or agent of the Central Bank.

116.0 Indemnification

1. The Central Bank shall indemnify the Executive Governor, Deputy Governors, non-executive Governors, employees of the Central Bank or agents of the Central Bank against costs incurred in the defense of a legal action brought against such governor or officer or staff in connection with the discharge or intended discharge of official functions within the scope of their mandate or employment under this Act, during or after their tenure, provided that no such indemnification shall apply for acts of gross negligence, gross breach of duty, malfeasance, or if such person has been indicted for or convicted of a crime arising out of the activities that are covered by such legal action.
2. When discharging the powers of resolution, the Central Bank shall have unhindered access to bank-financial institution and financial holding company's information and premises for the purpose of exercising such powers and shall be protected against any liability for action taken and omission made in good faith.
3. The Central Bank shall seek reimbursement for any outlays in defending against claims where the court ultimately makes a finding that the Central Bank did not act in bad faith.

117.0 Judicial Review

1. In any court or arbitration proceeding against the Central Bank, the Executive Governor, a Deputy Governor, a non-executive Governor, an employee of the Central Bank, or an agent of the Central Bank in exercising their duties to the Central Bank the following shall apply:
 - (i) the court or arbitration panel in reaching its decision may examine whether the Bank acted unlawfully or in an arbitrary or capricious manner in light of the facts and the relevant laws and regulations;
 - (ii) the action in question shall continue without restriction during the period of an appeal and any further appeal or other judicial proceedings related to the appeal; and

- (iii) the court or arbitration panel shall be authorized, in appropriate cases, to award monetary damages to injured parties, but shall not enjoin, stay, suspend, or set aside the actions of the Central Bank.
2. No appeals or proceedings commenced in court seeking a review of any action taken by the Central Bank pursuant to its resolution authority shall restrain the doing or nullify any action, insofar as it is not inconsistent with the provisions of this Act. The action shall continue to have force and effect as though it were done under or in pursuance of the provisions of this Act. However, any decision that has the propensity to reverse the Central Bank action may be subjected to monetary damages.

118.0 Relevance of Other Laws

Except as otherwise provided herein, the provisions of the Associations Law, Title 5 of the Liberian Code of Laws Revised of 1973, as amended, shall be applicable, for the purpose and in the manner indicated in such Laws, to corporations, partnerships and cooperative societies which are financial institutions as the case may be: provided that no provision of the aforesaid laws shall be construed or applied to financial institutions in a manner contrary to or inconsistent with the provisions of this Act.

PART XIII— TRANSITION

119.0 Transitional Provision

1. All licenses granted to banks prior to coming into operation of this Act shall continue in force as if granted under this Act;
2. All regulations, rules, guidelines, orders, notices, directives and instruments prescribed or issued prior to the coming into operation of this Act shall, unless they are inconsistent with any specific provision of this Act or until they are expressly revoked, remain in force.
3. A bank-financial institution and financial holding company in existence before coming into force of this Act shall, upon the coming into force of this Act, have a grace period of six (6) months or any other period as the Central Bank may determine to ensure full compliance with the provisions of this Act.
4. Notwithstanding, all non-bank financial institutions licensed prior to the coming into force of this Act, shall continue to remain in force until otherwise order.

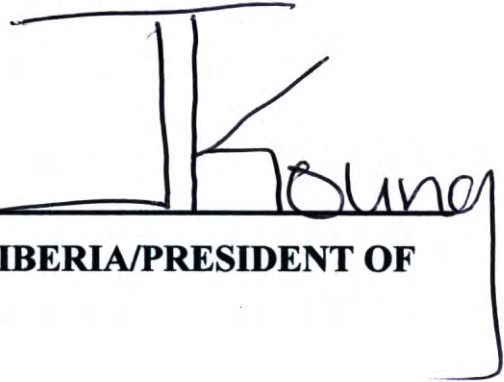
This Act shall take effect immediately upon publication into handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

-2026-

ATTESTATION

**“THE BANK-FINANCIAL INSTITUTIONS AND BANK-FINANCIAL
HOLDING COMPANIES ACT OF 2025”**

A handwritten signature in black ink, appearing to read "J. K. Koung". The signature is written in a cursive style with a large, stylized initial "J".

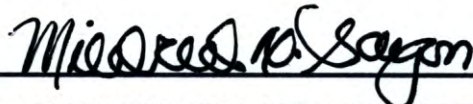
**VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/PRESIDENT OF
THE SENATE R.L.**

A handwritten signature in black ink, appearing to read "F. K. S. S. S.". The signature is written in a cursive style with a large, stylized initial "F".

THE SECRETARY, LIBERIA SENATE R.L.

A handwritten signature in black ink, appearing to read "D. M. S.". The signature is written in a cursive style with a large, stylized initial "D".

THE SPEAKER, HOUSE OF REPRESENTATIVE R.L.

A handwritten signature in black ink, appearing to read "M. O. S.". The signature is written in a cursive style with a large, stylized initial "M".

THE CHIEF CLERK, HOUSE OF REPRESENTATIVES R.L.



THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building
P.O. Box 9005
Monrovia, Liberia
Website: www.legislature.gov.lr



Office of the Chief Clerk

-2026-

**THIRD SESSION OF THE FIFTY-FIFTH LEGISLATURE OF THE
REPUBLIC OF LIBERIA**

SCHEDULE OF HOUSE'S ENROLLED BILL NO 10. ENTITLED:

**“THE BANK-FINANCIAL INSTITUTIONS AND BANK-FINANCIAL
HOLDING COMPANIES ACT OF 2025”**

**PRESENTED TO THE PRSIDENT OF THE REPUBLIC OF LIBERIA FOR
EXECUTIVE APPROVAL**

APPROVED: 30th DAY OF March A.D. 2026

AT THE HOUR OF 8:52 AM



THE PRESIDENT OF THE REPUBLIC OF LIBERIA