

**IN THE SECOND SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE
COMMITTEE ON EDUCATION
AND THE LEADERSHIP OF THE
COMMITTEE ON FINANCE**

ON THE

**CHARTERED INSTITUTE OF BANKERS
(GHANA) BILL, 2018**

REPORT OF THE COMMITTEE ON EDUCATION AND THE LEADERSHIP OF THE COMMITTEE ON FINANCE ON THE CHARTERED INSTITUTE OF BANKERS (GHANA) BILL, 2018

1.0 INTRODUCTION

1.1 The Chartered Institute of Bankers (Ghana) Bill, 2018 was presented to the House and read the first time on Tuesday, 3rd July, 2018.

Pursuant to Article 106 (4) and (5) of the 1992 Constitution of the Republic of Ghana and Orders 169 and 186 of the Standing Orders of the House, the Rt. Hon Speaker referred the Bill to the Committee on Education and the Leadership of the Committee on Finance for consideration and report.

1.2 The Committee on Education, together with the Leadership of the Committee on Finance, subsequently met and discussed the Bill. The Hon. Minister for Education, Dr. Matthew Opoku Prempeh, officials from the Ministry of Education, the Attorney-General's Department, and representatives of the Chartered Institute of Bankers were present to assist the Committee in its deliberations.

1.3 The Committee expresses its appreciation to the Hon. Minister for Education, officials from the Ministry of Education, the Attorney-General's Department, and representatives of the Chartered Institute of Bankers for attending upon the Committee.

2.0 REFERENCE DOCUMENTS

The Committee made reference to the following documents during its deliberations:

- i. The 1992 Constitution of Ghana.
- ii. The Standing Orders of the Parliament of Ghana.

- iii. The Chartered Institute of Taxation Act, 2016 (Act 916).
- iv. The Professional Bodies Registration Act, 1973 (N.R.C.D. 143).
- v. The Non-Bank Financial Institutions Act, 2008 (Act 774).
- vi. The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
- vii. The Public Financial Management Act, 2016 (Act 921).
- viii. The State Lands Act, 1962 (Act 125).
- ix. The Chartered Institute of Bankers of Nigeria Act, 2007 (No.5).

3.0 BACKGROUND

The Chartered Institute of Bankers (Ghana) is a professional body registered in 1978 under the Professional Bodies Registration Act, 1973 (N.R.C.D. 143). The Institute serves as a professional body for banks and financial institutions with the aim to provide impetus for the development of competent and more qualified human resources that will enable banks in the country, offer efficient and competitive services to meet the demands of the banking industry.

The Institute offers courses that seek to develop fully, the professional competence of persons engaged in the practice of banking and financial services by enhancing their knowledge and skills through education and training. Persons that achieve the required standards are recognised with the appropriate qualifications.

The banking profession and international banking practice have over the years, witnessed a myriad of changes which require legislation to implement. Unfortunately, the Institute has not been properly set up by an Act of Parliament to give it the legal mandate to regulate the training

and practice of the banking profession in Ghana. Hence, the urgent need for a regulatory framework to give the Chartered Institute of Bankers (Ghana), the mandate to regulate the banking industry.

4.0 OBJECT OF THE BILL

The Bill seeks to establish the Chartered Institute of Bankers (Ghana) to promote the advancement of banking and regulate the practice of the banking profession in the country.

5.0 CONTENT OF THE BILL

The Bill is made up of forty-three clauses and divided into six groups as follows:

a. Establishment of the Chartered Institute of Bankers (Ghana)

Clauses 1 to 3 deal with the establishment of the Chartered Institute of Bankers (Ghana). Clause 1 establishes the Institute as a corporate body and provides for the acquisition of property by the State on behalf of the Institute, where there is a hindrance to the acquisition. Clause 2 deals with the object of the Institute, while Clause 3 spells out the functions of the Institute.

b. Governance of the Institute

Clauses 4 to 13 provide for the governance of the Institute. Clause 4 makes provision for the governing body of the Institute. Clauses 5, 6, 7 and 8 cover the tenure of office of members of the Council, meetings of the Council, disclosure of interest and establishment of committees of the Council. Clauses 9 and 10 deal with the establishment of a Disciplinary Committee and an Executive Committee respectively.

The allowances of members of the Council are provided for in clause 11. Clause 12 empowers the Institute to hold meetings with its members while Clause 13 provides for Ministerial directives.

c. Membership and Qualification

Clauses 14 to 16 set out the membership of the Institute and qualification. Clause 14 indicates the categories of membership of the Institute. The requirements for enrolment in respect of the categories of membership are specified in Clause 15. Clause 16 restricts the use of the title “Chartered Banker” to a person recognised under the Act as a chartered banker.

d. Registration

Clauses 17 to 26 deal with the registration of bankers and members of the Institute. Clauses 17 and 18 provide for the qualification for registration as a chartered banker and a member of the Institute. Clause 19 sets out the application process for registering as a chartered banker or a member of the Institute, while Clause 20 requires the Institute to issue a certificate of registration indicating the class of membership of a person who has registered with the Institute.

The conditions under which a member’s registration may be suspended are provided for under Clause 21. Clause 22 stipulates the grounds on which the Council may cancel the registration of a member, and Clause 23 requires the Institute to establish, keep and maintain a register of members.

The procedure for striking off the name of a person from the register of the Institute is provided for in Clause 24. Clause 25 requires the Council to give thirty days notice in writing, of the intention of the

Council to suspend or cancel the membership of a member and to further communicate that intention in writing within twenty-one days of taking the decision. The Clause also gives the member the right to be heard and a right of appeal to the High Court. Clause 26 deals with the restoration of a member.

e. Administrative and Financial Provisions

Clauses 27 to 35 deal with administrative and financial provisions and provide for the appointment and functions of the Chief Executive Officer of the Institute, appointment of other staff, sources of funds, Bank account and borrowing powers of the Institute, standard provisions on accounts and audit, and annual report and other reports of the Institute.

f. Miscellaneous Provisions

Clauses 36 to 43 encompass miscellaneous provisions. Clause 36 requires a person who seeks to provide tuition for professional examinations in banking to register with the Institute. Clause 37 provides for the custody and use of the common seal of the Institute. Clause 38 deals with offences, while Clause 39 provides the enabling power for the Minister responsible for Education to make Regulations.

Clauses 40, 41, 42, and 43 provide for fees, interpretation, transitional provisions, and dissolution and savings respectively

6.0 **OBSERVATIONS**

6.1 Non-existence of a Regulatory Framework

The Committee noted that although the Chartered Institute of Bankers (Ghana) has been registered as a professional body since 1978, it has been operating without any legal backing. The absence of a legal

framework over the years, has rendered it difficult for the Institute to control and regulate the activities of banking professionals in the country. In Nigeria for instance, the Chartered Institute of Bankers of Nigeria Act, 2007 (No.5) makes the Chartered Institute of Bankers of Nigeria, the only institution with the authority to regulate membership and practice of banking professionals in Nigeria.

The Committee is therefore of the view that the introduction of a Bill to accord the Chartered Institute of Bankers (Ghana) a similar mandate is a step in the right direction. The passage of the Bill will strengthen the Institute to control the practice of banking in Ghana, and enforce high level of ethical and professional standards by banking professionals.

6.2 Policy Rationale

In explaining the rationale behind the Bill, the Hon. Minister for Education informed the Committee that providing the Chartered Institute of Bankers (Ghana) with a legal backing to operate, forms part of government policy to give recognition to professional bodies to enable them regulate practices within their respective areas. He stressed the need for the country to take measures to ensure that persons who hold themselves as experts in various fields are accredited by legally recognised bodies.

The Committee expresses the view that the need for a legally recognised professional body to regulate activities in the banking industry, is long overdue. This is particularly so in view of the increase and expansion of financial institutions, and the recent difficulties that have bedevilled the banking industry. The existence of a legally recognised body, would ensure adherence to strict corporate governance principles in the banking

industry, and promote confidence in the banking sector and the financial system as a whole.

6.3 Observance of Standards

The Committee observed that proper banking practices require adherence to and compliance with a number of local and globally accepted standards. To achieve this, there is the need to develop fully, the professional potential of persons engaged in the practice of banking and financial services by enhancing their knowledge and skills through education and training.

The Committee is happy to note that Clause 3 of the Bill provides for the standard of knowledge and skills required for a person who intends to practise banking, a window for the Institute to set standards and ensure the observance of the standards, and the conduct of professional examinations for the registration of bankers, among others.

The Committee noted that streamlining the practice of banking in the country is indeed important, given the current situation where activities and operations of some professionals within the banking industry have become a matter of grave concern.

6.4 Qualification for Enrolment

Clause 15 outlines the qualification for enrolment as an ordinary member, student member, associate member, and a fellow. The Committee however noted that corporate bodies such as banking institutions and companies licensed by the Bank of Ghana under the Non-Bank Financial Institutions Act, 2008 (Act 774) have been excluded from enrolling as members of the Institute in the Bill.

The Committee therefore proposes a new clause to provide a window for corporate bodies to enrol as members of the Institute.

6.5 Suspension of Registration

Clause 21 of the Bill provides for the suspension of the registration of a member of the Institute by the Council in the following circumstances:

- a. allegations of misconduct against a member.
- b. where an offence in relation to a member is being investigated.
- c. where false declaration was made in an application for registration as a member, among others.

The Committee however observed that the Bill was silent on the suspension of registration where a member is not in good standing and where a member fails to pay the prescribed fees for a period.

To ensure consistency, the Committee is of the view that provisions under section 23 of the Chartered Institute of Taxation Act, 2016 (Act 916) should be replicated under section 21 of the Bill to take care of the suspension of registration of members who are not in good standing, and members who fail to pay the Institute's prescribed fees for a period.

7.0 **PROPOSED AMENDMENTS**

The Committee, taking cognisance of the observations made during its deliberations, proposes the amendments in the attached Appendix for consideration and adoption by the House.

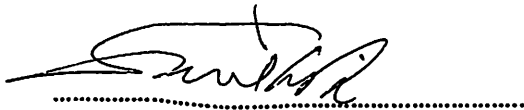
8.0 **CONCLUSION AND RECOMMENDATION**

The banking industry undoubtedly, plays a significant role in the socio-economic development of the country. In the face of rapid technological

and occupational changes in the world, it has become necessary to give a legal backing to the Chartered Institute of Bankers to make it as regulatory body mandated to promote the advancement of banking and regulate the practice of the banking profession in the country.

The Committee therefore recommends to the House to adopt its report and pass the Chartered Institute of Bankers (Ghana) Bill, 2018 into law.

Respectfully submitted.



STEVENS SLAKA (HON.)
(CHAIRMAN, COMMITTEE ON
EDUCATION)



ABIGAIL ABA ANSO
(CLERK TO THE COMMITTEE)

NOVEMBER 2018

APPENDIX

PROPOSED AMENDMENTS

- i. **Clause 1** - **Amendment proposed** - Sub-clause (3), lines 1 and 2, *delete* “immovable”.
- ii. **Clause 3** - **Amendment proposed** - *Delete* paragraph (a) and *insert* the following:

“determine the standard of knowledge and skills to be attained by persons seeking to practice banking in the country”.
- iii. **Clause 3** - **Amendment proposed** - *Delete* paragraph (d) and *insert* the following:

(d) “set standards and ensure the observance of the standards”.

(e) “maintain professional conduct among members of the banking profession in the country”.
- iv. **Clause 3** - **Amendment proposed** - *Delete* paragraph (e) and *insert* the following:

“evaluate and approve the curricula and certificates of other professional organisations considered by the Institute to be of equivalent status with the Institute”.
- v. **Clause 3** - **Amendment proposed** - *Insert* a new paragraph as follows:

“organise continuing professional development courses for members of the Institute as a condition precedent for the renewal of the practising certificate of members of the Institute”.
- vi. **Clause 4** - **Amendment proposed** - Sub-clause (1), paragraph (a), line 1, *delete* all the words after “Institute”.

- vii. **Clause 4** - **Amendment proposed** - Sub-clause (1), paragraph (b), line 1, *delete* all the words after "Institute".
- viii. **Clause 4** - **Amendment proposed** - Sub-clause (1), paragraph (c), *delete* and *insert* the following:
 "one representative of the Bank of Ghana not below the rank of a Director".
- ix. **Clause 4** - **Amendment proposed**- Sub-clause (1), paragraph (d), *delete* entire paragraph.
- x. **Clause 4** - **Amendment proposed**- Sub-clause (1), paragraph (g), *delete* "an" and *insert* "the".
- xi. **Clause 4** - **Amendment proposed**- Sub-clause (1), paragraph (h), *delete* entire paragraph.
- xii. **Clause 4** - **Amendment proposed**- Sub-clause (1), paragraph (j), line 2, after "Institute", *insert* "at least two of whom are women".
- xiii. **Clause 4** - **Amendment proposed**- Sub-clause (3), *delete* and *insert* the following:
 "The Council shall
 (a) exercise general oversight responsibility for the strategic direction of the Institute;
 (b) consider proposals submitted by the Chief Executive Officer for review of the terms and condition of service of staff of the Institute; and
 (c) ensure the proper and effective performance of the functions of the Institute"
- xiv. **Clause 5** - **Amendment proposed** - Sub-clause (7), closing

sentence, line 2, *delete* all the words after “appoint” and *insert* “another person for the unexpired term in accordance with this Act”.

- xv. **Clause 6** - **Amendment proposed** - Sub-clause (3), *delete* “seven” and *insert* “six”.
- xvi. **Clause 8** - **Amendment proposed** - Sub-clause (1), line 2, *delete* “and” and *insert* “or”.
- xvii. **Clause 8** - **Amendment proposed** - Sub-clause (1), line 2, *insert* “or both” after “non-members”.
- xviii. **Clause 9** - **Amendment proposed** - Sub-clause (2), *delete* and *insert* the following:

“The composition of, procedures for the conduct of inquiries by and the powers of the Disciplinary Committee shall be set out in the First Schedule”.
- xix. **Clause 10** - **Amendment proposed** - *Delete* entire clause.
- xx. **Clause 15** - **Amendment proposed**- Sub-clause (1), paragraph (b), line 2, *delete* “determine” and *insert* “prescribe”.
- xxi. **Clause 15** - **Amendment proposed**- Add a new paragraph as follows:

“A body corporate is qualified to be enrolled as a Corporate member of the Institute if that body Corporate is the Central Bank or a financial Institution recognised under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)”.
- xxii. **Clause 18** - **Amendment proposed** - Sub-clause (1), line 2, after “is”, *insert* “qualified to be registered as”.
- xxiii. **Clause 18** - **Amendment proposed** - Sub-clause (1), *delete*

paragraph (a)

- xxiv. **Clause 18** - **Amendment proposed** - Sub-clause (1), paragraph (a), sub-paragraph (v), *delete* "honary" and insert "honorary".
- xxv. **Clause 20** - **Amendment proposed** - *Delete* Sub-clause (2).
- xxvi. **Clause 21** - **Amendment proposed** - *Insert* new paragraphs as follows:
- i. "the member is not in good standing for a period exceeding three years".
 - ii. "the member fails to pay the prescribed fees for a period not exceeding three years"
- xxvii. **Clause 22** - **Amendment proposed** - *Delete* Sub-clause (2).
- xxviii. **Clause 22** - **Amendment proposed** - *Delete* Sub-clause (3).
- xxix. **Clause 22** - **Amendment proposed** - *Delete* Sub-clause (5).
- xxx. **Clause 23** - **Amendment proposed** - Sub-clause (1), line 1, *delete* "keep".
- xxxi. **Clause 23** - **Amendment proposed** - Sub-clause (7), line 2, *delete* "two" and insert "one" and at end, add "and on the website of the Institute".
- xxxii. **Clause 24** - **Amendment proposed** - Sub-clause (1), line 1, *delete* "may" and *insert* "shall".
- xxxiii. **Clause 24** - **Amendment proposed** - Sub-clause (1), *delete* paragraph (a) and *insert* the following:
- "has been found guilty of professional misconduct as specified in the Fourth Schedule".

- xxxiv. **Clause 24** - **Amendment proposed** - Sub-clause (1), paragraph (b), line 1, *delete* all the words after “for” and *insert* “a consecutive period of five years”.
- xxxv. **Clause 25** - **Amendment proposed** - Sub-clause (2), line 2, *delete* “twenty-one” and *insert* “fourteen”.
- xxxvi. **Clause 27** - **Amendment proposed** - Sub-clause (2), line 1, *delete* “person” and *insert* “chartered banker”.
- xxxvii. **Clause 28** - **Amendment proposed** - *Delete* sub-clause (2) and *insert* the following:
- “The Chief Executive Officer shall review and make Appropriate recommendations to the Council in Respect of the annual business plan and budget for the Institute”.
- xxxviii. **New Clause** - **Amendment proposed** - *Add* the following new clause.
- Secretary to the Council**
The Council shall designate a serving officer of the Institute as Secretary to the Council”.
- xxxix. **Clause 30** - **Amendment proposed** - Sub-clause (5), line 3, *delete* “Minister” and *insert* “Chief Executive Officer”.
- xl. **Clause 36** - **Amendment proposed** - Headnote, *insert* “and related banking services” after “tuition”.
- xli. **Clause 36** - **Amendment proposed** - line 2, *insert* “or related banking services” after “banking”.
- xlii. **Clause 39** - **Amendment proposed** - line 1, *delete* “may” and *insert* “shall, within twelve months of the coming into force of this Act”.

- xliv. **Clause 39** - **Amendment proposed** - Paragraph (d), *delete* sub-paragraph (ii).
- xliv. **Clause 39** - **Amendment proposed** - Paragraph (d), sub-paragraph (iii), line 1, *delete* "Third Schedule" and *insert* "Second Schedule".
- xlv. **Clause 39** - **Amendment proposed** - Paragraph (d), sub-paragraph (iv), line 1, *delete* "Fourth Schedule" and *insert* "Third Schedule".
- xlvi. **Clause 40** - **Amendment proposed** - Line 1, *delete* all words after "be" and *insert* "as prescribed by Regulations".
- xlvii. **Clause 41** - **Amendment proposed** - *Delete* definition for "corporate member" and insert the following new definition:
- "corporate member" means a banking institution or company licensed by the Bank of Ghana under the Non-Bank Financial Institutions Act, 2008 (Act 774) or a financial services company recognised by the Council".
- xlviii. **Clause 41** - **Amendment proposed** - *Add* the following new definition:
- "related banking service" includes a service provided by
- (a) financial administrators and managers;
 - (b) receiver managers and debt management consultants;
 - (c) consultants in banking and finance;
 - (d) trainers in banking and finance;
 - (e) arbitrators, mediators and conciliators in banking and finance matters;
 - (f) agency bankers;
 - (g) financial investigators;
 - (h) trustees;
 - (i) financial advisors;
 - (j) credit management analysts; and

(k) financial industry analysts.”

- xlix. **Clause 42** - **Amendment proposed** - Sub-clause (1), line 1, *delete* “accrued”.
- l. **Clause 43** - **Amendment proposed** - Sub-clause (3), line 4, *delete* “kept” and *insert* “kept” after “prepared”.
- li. **First Schedule** - **Amendment proposed** - Paragraph (4), sub-paragraph (1), line 4, *delete* “require” and *insert* “summon”.
- lii. **First Schedule** - **Amendment proposed** - Paragraph (4), *delete* sub-paragraph (2).
- liii. **First Schedule** - **Amendment proposed** - *Delete* paragraph (6).
- liv. **Second Schedule** - **Amendment proposed** - *Delete* the entire Second Schedule.
- lv. **Third Schedule** - **Amendment proposed** - Paragraph (1), sub-paragraph (2), sub-subparagraph (a), *delete* all the words after “Vice President” and *insert* “and four other members of the Council at least two of whom are women”.
- lvi. **Third Schedule** - **Amendment proposed** - Paragraph (2), Headnote, *delete* “Extraordinary meetings” and *insert* “Extraordinary General Meetings”.
- lvii. **Third Schedule** - **Amendment proposed** - Paragraph (3), sub-paragraph (1), line 3, *insert* “Extraordinary General Meetings”.
- lviii. **Third Schedule** - **Amendment proposed** - Paragraph (3), sub-paragraph (3), *insert* “on the instructions of the Council” after “shall”.

- lix. **Fourth Schedule** - **Amendment proposed** - Cross reference, delete and insert "(sections 18(2)(d) and 24(1)(a)).
- lx. **Fourth Schedule** - **Amendment proposed** - *Delete* paragraph (a).
- lxi. **Fourth Schedule** - **Amendment proposed** - Paragraph (e), *insert* "of that member" after "certificates".
- lxii. **Short Title** - **Amendment proposed** - *delete* "(Ghana)" and *insert* "Ghana".
- lxiii. **Long Title** - **Amendment proposed** - line 1, after "for" *delete* "(Ghana)" and *insert* "Ghana".

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