

BANK OF GHANA

26 March 2026

### Key contacts



**Sarpong Odame**  
Partner,  
Banking & Finance  
[sarpong.odame@templars-law.com](mailto:sarpong.odame@templars-law.com)



**Aasiya Sarku Nettey**  
Senior Associate,  
Banking & Finance  
[aasiya.nettey@templars-law.com](mailto:aasiya.nettey@templars-law.com)



**Eyram Homenya**  
Associate,  
Banking & Finance  
[eyram.homenya@templars-law.com](mailto:eyram.homenya@templars-law.com)

### Client Alert

## Bank of Ghana Introduces New Framework for Microfinance Institutions

The Bank of Ghana (**BoG**) has introduced new guidelines that fundamentally restructure Ghana's microfinance sector. The guidelines replace the *2011 Operating Rules and Guidelines for Microfinance Institutions* and apply to all microfinance institutions, the ARB Apex Bank, and all microfinance associations.

The reform represents a significant regulatory shift aimed at strengthening the resilience, governance, and stability of Ghana's microfinance sector following years of structural weaknesses, including undercapitalisation, fragmented regulation, and governance challenges.

The new regime replaces the previous four-tier, activity-based framework with a revised structure comprising four institutional categories defined primarily by institutional form, capital thresholds, ownership and governance requirements. Detailed governance and operational directives are yet to be issued by the BoG. All existing institutions are required to transition into one of the new categories by **31 December 2026**.

### The Previous Framework

Under the 2011 framework, microfinance institutions were classified into four tiers based on the nature of activities undertaken, rather than their size, capital adequacy, governance standards or risk profile:

- a) Tier 1 - Rural and Community Banks (RCBs), Finance Houses, and Savings & Loans Companies.
- b) Tier 2 - Susu companies and deposit-taking Financial NGOs (FNGOs).
- c) Tier 3 - Money lenders and non-deposit taking FNGOs.
- d) Tier 4 - Individual Susu collectors and money lending enterprises operating within defined local areas.

## The New Framework

The revised framework introduces four institutional categories:

- a) Microfinance Banks (MFBs)
- b) Community Banks (CBs)
- c) Credit Unions (CUs)
- d) Last-Mile Providers (LMPs)

In parallel, the Apex Bank will be repositioned as a central sector infrastructure and policy institution providing shared services and implementation support across the ecosystem.

Collectively, these reforms are intended to modernise the microfinance ecosystem, strengthen regulatory oversight, and improve integration between microfinance institutions and Ghana's broader financial system.

### Microfinance Banks (MFBs)

MFBs will be licensed deposit-taking institutions primarily serving small businesses, informal groups, and individual clients. Both Ghanaians and foreigners may own shares in an MFB, subject to BoG approval. The minimum capital requirement has been significantly increased to GHS50 million for existing institutions transitioning into this category, and GHS100 million for new entrants.

Shareholding limits are as follows:

- individuals may hold up to 40%;
- family or related groups up to 50%;
- registered groups up to 70%; and
- corporate body up to 100%.

Further, existing Savings and Loans Companies, Finance Houses, Deposit-taking Microfinance Companies, and Micro-Credit Companies may transition into MFBs if they meet the BoG requirements.

### Community Banks (CBs)

CBs will replace rural banks and operate as community-focused deposit-taking institutions serving both rural and urban communities. The framework emphasises community ownership and governance of CBs while encouraging the reinvestment of profits to support local economic development. At least, thirty percent (30%) of shares must be owned by community members who are Ghanaian citizens or residents.

This requirement reflects the BoG's intention to ensure that CBs remain locally anchored institutions that promote financial inclusion and economic development within their communities.

The minimum capital requirement is:

- GHS5 million for existing community and rural banks, and
- GHS10 million for new urban community banks.

Shareholding limits are lower than for MFBs, reflecting the community ownership model:

- individuals: up to 25%;
- family or related groups up to 35%;
- registered groups up to 40%; and
- corporate bodies up to 50%.

## Credit Unions (CUs)

CUs with assets of GHS60 million or more, maintained for a continuous period of at least one year, may be licensed upon the recommendation of the Credit Unions Association of Ghana (CUA) or the Apex Bank.

Matters relating to membership, shareholding and governance will continue to be governed by the Co-operative Societies Act, 1968 (N.L.C.D. 252).

CUs that fall below the GHS60 million threshold will not be directly supervised by the BoG and will instead be classified as Last-Mile Providers, operating under delegated supervision by the CUA.

## Last-Mile Providers (LMPs)

LMPs are grassroots financial service providers whose primary function is to extend financial access to informal, underserved, and hard-to-reach populations that fall outside the reach of conventional banking.

The introduction of the LMP category reflects a light-touch regulatory approach, recognising the important role played by informal and cooperative structures in supporting financial inclusion. LMPs are authorised to provide micro-credit and micro-savings mobilisation (including susu collection).

The following persons are classified under the LMP category:

- i. Financial Non-Governmental Organisations (FNGOs)
- ii. Credit Unions, not supervised by the Bank of Ghana
- iii. Micro-Credit Enterprises
- iv. Cooperative Susu Collectors
- v. Rotating Savings and Credit Associations (ROSCAs)
- vi. Village Savings and Loans Associations (VSLAs)

The BoG is expected to issue a Handbook on Delegated and Self-Supervision to govern this category.

## Expanded Role of the Apex Bank

The Apex Bank will be restructured from its traditional role supporting rural and community banks into a broader sector infrastructure and regulatory support institution for the microfinance ecosystem.

It will provide shared banking and payment infrastructure, liquidity support mechanisms, sector supervision support, compliance monitoring and training and capacity building for microfinance institutions.

This expanded mandate positions the Apex Bank as a central operational and policy transmission institution within the microfinance sector, helping to strengthen coordination and operational resilience across institutions.

## Transitional Framework

All existing institutions must transition into the new framework by **31 December 2026**.

Institutions may align through the following pathways:

- **Standalone Compliance: Meeting capital requirements independently.**

- **Consolidation: Mergers or acquisitions with other institutions.**
- **Voluntary exit: Winding up under the BoG Voluntary Winding-Up Directive.**
- **Asset & Liability Transfer: Transferring deposits and performing assets to qualified institutions.**

These transition pathways suggest that the BoG anticipates a period of sector restructuring and consolidation, particularly among institutions that may face challenges meeting the new capital requirements.

### Key Compliance Timelines

- **31 March 2026:** Existing Rural Banks must convert to Community Banks.
- **30 June 2026:** Institutions must notify BoG of their transition pathway.
- **Q2 2026:** BoG shall begin licensing of qualifying Credit Unions.
- **30 September 2026:** Progress updates and signed merger/acquisition agreements due to BoG.
- **31 December 2026:** Final sector-wide transition deadline.

### Templars View: Market Impact and Strategic Considerations

This reform represents one of the most consequential restructurings of Ghana's microfinance sector in over a decade.

From a market perspective, the most immediate impact will be capital pressure and consolidation. The revised capital thresholds, particularly for Microfinance Banks, are likely to be beyond the reach of a significant number of existing operators. As a result, the sector should expect increased merger activity, strategic partnerships and orderly exits over the transition period.

The introduction of a clearer institutional framework also reflects the BoG's broader regulatory direction: a shift toward prudential supervision aligned with systemic risk, rather than fragmented oversight based on activity types. This is consistent with global regulatory trends and will likely result in fewer, stronger and better-governed institutions.

For investors, the reforms may create entry opportunities, particularly in recapitalisation, acquisitions and platform consolidation strategies. For existing institutions, however, the focus must be on early strategic positioning. Delays in determining a transition pathway may materially limit available options as the deadline approaches.

Finally, the expanded role of the Apex Bank signals a move toward centralised infrastructure and coordinated sector development, which, if effectively implemented, could materially improve operational resilience and standardisation across the industry.

### Next Steps

**Map your transition pathway early:** Microfinance institutions should determine which of the four institutional categories they fall into and notify the BoG of their selected transition pathway before the 30 June 2026 deadline.

**Shore up your capital position:** Boards should assess their capital adequacy against the new regulatory requirements and explore recapitalisation options where necessary.

**Review governance and risk management framework:** The BoG is expected to issue new corporate governance and operational directives for each institutional category. Boards and management

should begin reviewing existing governance structures, internal controls, and risk management practices in anticipation of regulatory expectations.

**Review shareholding structure:** Institutions should assess whether their ownership structures comply with the new shareholding caps. The reform introduces new caps on individual, family, groups, and corporate shareholding across MFBs and CBs.

**Engage advisors early:** Institutions may benefit from engaging legal, regulatory and financial advisors early to assess restructuring, recapitalisation, and compliance strategies.

**Monitor forthcoming regulatory directives:** Additional regulatory instruments are expected, including corporate governance directives, the LMP supervision handbook, and revised Apex Bank regulations.

*If you require any further clarification, do not hesitate to contact us.*