**SCHEDULE --- Form 1**

**APPLICATION TO BE LICENSED AS A MICRO LENDER/ CASH LOAN BUSINESS**

(Reg. 3(2))

Address of applicant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_20\_\_\_\_\_\_\_

To:

The Chief Executive Officer

Non-Bank Financial Institutions Regulatory Office

Private Bag 00314

Gaborone

Botswana

I/We, the undersigned, do hereby apply for a license in terms of section 43 of the Non-Bank Financial Institutions Regulatory Authority Act, 2006 (Cap 46:08) to operate a micro lending business in Botswana.

I/we have taken note of sections 92-95 of the Non-Bank Financial Institutions Regulatory Authority Act regarding the consequences of giving false or misleading statements to the Regulatory Authority or falsely holding out as being licensed.

**PART I- APPLICANT AND BUSINESS INFORMATION**

1. Name of applicant\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Trading name(s) of applicant\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Provide all the names if different\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Legal status of applicant (mark with x)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sole ownership/Individual** | **Private company (closed corporation)** | **Partnership** | **Public company** | **Other (specify)** |
|  |  |  |  |  |

**Note***: I/we take note that Regulatory Authority will not allow Micro Lenders to conduct additional activities parallel to those that the lender has been licensed for without prior notice and approval by the Regulatory Authority. Permission to conduct such activity (ies) is subject to the approval of the Regulatory Authority and the inspection (at the discretion of the Authority) of the applicant’s physical premises. No Micro Lender shall be authorized to operate solely on a mobile basis without an established physical office.*

4. **For closed corporations or public companies:**

Official registration number of the above legal status \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Note:** *Corporations should submit copies of all relevant documentation for the formation as a micro lending company, including the forms for:*

*a) Certificate of Incorporation,*

*b) Articles of Incorporation*

*c) Tax Registrations*

*d)* Licence/ Registration from the Registrar of Companies

5. Date of commencement of trading as a lender (dd/mm/yy) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. Financial year end (dd/mm/yy) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Income tax registration number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Note:** *Tax registration required from individual operators as well as corporate entities*

8. Vat registration number (if applicable) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. Contact details of the applicant (head office if applicable) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Physical address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Postal address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Landline telephone number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Fax number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Website \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Note****: Similar details to be provided for all branches with a different addresses. Provide on separate sheet of paper*.

10. Contact details of principal officer

Title\_\_\_\_\_

Full name(s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
ID number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone number (office) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Note****: The principal officer means the person responsible for the daily management of the principal office of the lender in Botswana. Applicants are to provide a short Curriculum Vitae detailing applicable professional experience as a lender and manager of debt instruments.*

11. Auditor/Accountant (external firm and or employee)

Name of firm/person\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Physical address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Postal address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of responsible person (if a firm) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fax number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Professional registration number/practice number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Professional body registered with\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12. Banker

Name of bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Branch name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of holder of main business account for lending business\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Account number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*I/we enclose an original or certified letter from my/our bank confirming the above.*

***Note****: If more than one account is used for the business, due to branches for instance, provide full account details for each account.*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PART II - CONTROLLER(S) OF THE LENDER**

***Note:*** *The definition of a controller is provided in section 4 of the Non-Bank Financial Institutions Regulatory Authority Act.*

13. Provide the following in respect of each of the above persons:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **First name(s)** | **Surname** | **Nationality of Origin** | **Legal Resident of:** | **ID number** | **Designation *(Owners, Directors,***  ***Management)*** | ***Percentage ownership*** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

***Note:*** *Attach Curriculum Vitae for each controller and indicate any tertiary qualifications, abbreviated employment history and specific credit experience and contribution to be made in respect to the lending business.*

# **PART III SALIENT FINANCIAL INFORMATION**

14. All applicants (individual and/or corporate) shall provide a copy of their internally prepared [or latest audited financial statements if applicable], Balance Sheet, Profit & Loss Statement and Cash Flow Statement, dated no earlier than 60 days prior to the date of licence application.

If applicant is a new start-up operation, licence application must include a business plan with a minimum 3-year financial projections (clearly disclosing the level of investment as well as the projected source of ongoing funding) are to be submitted.

Additionally, the following salient financial information is required from established micro lenders to complete the licence application:

|  |  |  |
| --- | --- | --- |
| **Description** | **At most recent financial year end (Pula)** | **At date of application**  **(Pula)** |
| (a) Aggregate value of principal amounts of outstanding loans still to be repaid |  |  |
| (b) Aggregate value of all future principal payments |  |  |
| (c) Projected interest income included |  |  |
| (d) Less: provisions relating to (b) above (refer note 1) |  |  |
| Net value of loan/debtors book [**b +c] - (d)** |  |  |
| Number of loan contracts |  |  |
| Number of borrowers |  |  |

***Note 1****: Provisions are those amounts that will with reasonable probability not be paid.*

***Note 2****: A copy of most recent financial statements must also be provided as described in 14. above*

# **Analysis and Aging of loan portfolio**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Loan Book Risk Analysis** | **Current**  **(<30 days)** | **30-60 days** | **60-120 days** | **>120 days** |
| Total Number of Loan Contracts Past Due |  |  |  |  |
| Total Loans Past Due\* |  |  |  |  |
| Total Overdue Payments\* |  |  |  |  |
| Overdue principal amount |  |  |  |  |
| Overdue interest accrued |  |  |  |  |

*\*in Pula*

***Note 3.*** *Micro Lender to define ‘past due’ in terms of its loan agreements. Payment means total of periodic loan payments and includes principal amount and accrued interest to date.*

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# **PART IV-FUNDING and SECURITY**

15. The existing and/or intended sources of funds to be utilised in the business are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Funding** | **Source of Funds** | **Amount as of date of application** | **Percentage of total funds**  **available for lending** |
| Own funds—provide details of  continuing source of funding |  |  |  |
| Borrowed funds—provide details of  lending source |  |  |  |
| Donor funds—Name of donor agency |  |  |  |
| Any other (describe in detail) |  |  |  |

***Note****: A Micro Lender is not allowed to solicit and/or accept funds (deposits) from the public. If members of the public wish to invest in a Micro Lender, they do so by acquiring a stake in the business either through an equity contribution or the lending of funds.*

***As of date of application:***

*Provide details of all loan programs that require a borrower to maintain a cash reserve as security*

|  |  |  |
| --- | --- | --- |
| ***Number of loans secured by cash or cash equivalents*** | ***Balance of loans secured by cash or cash equivalents*** | ***Percentage of loan portfolio secured by cash or cash equivalents*** |
|  |  |  |

**PART V-DESCRIPTION OF BUSINESS**

16. Applicant must provide a description of the business (existing and/or proposed business for next two years) describing the main loan product(s) offered and including a detailed description of the total monthly cost of credit rate associated with each product, established and projected marketing methods, client focus, geographical spread of business and branches, number of persons to be employed, methods to ensure compliance with statutory responsibilities, administrative procedures and control. (Submit on a separate piece of paper)

17. Describe briefly the system to be used to assess the creditworthiness and debt affordability of a borrower and policies to be employed regarding the refusal of an application for a loan.

18. Describe briefly the collection methods and systems to be used. Provide details of normal loan repayment systems to be employed as well as collection procedures for past due loans.

19. Do you, or an affiliated company, as the entity doing lending business, engage in any other activity than the lending business hereby applied for? Yes\_\_\_\_\_\_\_\_\_ No\_\_\_\_\_\_\_\_\_

If yes, please provide details.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

20. Which of the following ancillary products does the applicant or its holding company or subsidiary or associate sell, or intends to sell, in conjunction with the lending products applied herewith:

Life insurance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funeral cover \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Credit life insurance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Short term insurance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Other (specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Explain the relative importance and volumes of these products in relation to the lending business applied herewith \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Provide a schematic group structure and indicate whether the entity operates as a principal or intermediary for that specific product \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PART VI-DECLARATION OF NATURAL PERSONS**

T*his part must be completed and signed by each natural person mentioned in Part II (make additional copies if necessary)*

Declaration

I/We, the undersigned, declare that the above information are true and correct to the best of our knowledge and belief and undertake to provide any other information that may be required by the Regulatory Authority.

I/We, the undersigned, declare that none of us, except as indicated hereafter, are disqualified in terms of any of the disqualifications as mentioned in paragraph \_\_\_\_\_ of the Rules of Business Operations published in the Government Gazette No\_\_\_\_\_\_\_\_dated\_\_\_\_\_\_\_\_\_2009.

I/We, the undersigned, hereby give permission to the Botswana police criminal record center to furnish the Regulatory Authority or its authorized agents with my/our previous convictions or any relevant information in their possession, including any directions by the Court for my/our detention in a mental hospital or prison.

I/We hereby indemnify the Botswana police criminal center, its employees, the Regulatory Authority, its agents and its employees and hold them harmless against any claims by myself/ourselves or any other person that may arise out of or be connected with such disclosure as well as any legal costs, including attorney and client costs.

|  |  |  |  |
| --- | --- | --- | --- |
| **First name and surname** | **ID number** | **Signature** | **Date** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**ATTACHMENTS**

I/we enclose the following:

1. Non-refundable application fee of P5,000 (Five Thousand Pula)
2. All additional information as to be provided in Application form above;
3. Articles of Association or any document by which the applicant is constituted (if applicable);
4. Certificate of Incorporation and full corporate documentations from Registrar of Companies (Ministry of Trade and Industry) (if applicable);
5. Copy of a document showing income tax registration number;
6. A copy of any other registration or licensing certificate (if applicable);
7. Copy of latest financial statements of the business (if already conducting lending business).

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorised signature

**General Notes:**

1. Where an answer or documentation requested above is not known or available it is essential that this be brought to the attention of, and explained to, the Regulatory Authority. Any application not fully completed will be returned to the applicant.
2. Any controller and/or principal officer appointed after the approval of a license must within 30 days of such appointment complete and submit PART II and PART VI of this Form to the Regulatory Authority.
3. Prospective applicants are invited to hold informal discussions with the Regulatory Authority prior to formal application.
4. A prospective applicant needs to establish as a company in Botswana, if applicable, before formal application.