GOVERNMENT NOTICE NO. 31

FINANCIAL SERVICES ACT, 2010

(CAP.44:05)

FINANCIAL SERVICES (SUBMISSION OF INFORMATION BY BANKS) DIRECTIVE, 2018

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IN EXERCISE of the powers conferred by section 34 of the Financial Services Act, I, DR. DALITSO KABAMBE, Registrar of Financial Institutions make the following Directive—

PART I—PRELIMINARY

Citation

1. This Directive may be cited as the Financial Services (Submission of Information by Banks) Directive, 2018.

Interpretation

2. In this Directive unless the context otherwise requires—

Cap. 44:01

"bank" has the meaning ascribed to that term under the Banking Act;

Cap. 44:01

"banking business" has the meaning ascribed to that term under the Banking Act; and

"call report" means a complete set of returns as outlined in this Directive that all banks must compile and submit to the Registrar.

PART II—OBJECTIVES

Objectives

3. The objectives of this Directive are to ensure that banks submit to the Registrar on a timely basis—

(*a*) accurate electronic call reports and returns as prescribed by the Registrar from time to time; and

(*b*) any other information and data as directed by the Registrar.

Board and senior management responsibility

4.—(1) The board of directors and senior management of a bank shall be responsible for adherence and compliance with this Directive.

(2)The board of directors and senior management of a bank shall ensure that the bank has a robust management information system that timely and accurately generates reports.

(3) A Chief Executive Officer of a bank shall ensure the accuracy of the call reports, information or data submitted to the Registrar.

PART III—IMPLEMENTATION

Preparation of call reports

5. A bank shall compile call reports in accordance with the Instructions for Completion of Call Reports Manual.

Submission of call reports

6. A bank shall submit a complete set of call reports to the Registrar.

Deadline for submitting call reports

7.—(1) A bank shall submit monthly call reports to the Registrar within ten (10) days after the last day of every month.

(2) A bank shall submit foreign exposure returns to the Registrar on the first day of the preceding week.

(3) Where the Registrar determines that reports submitted have errors and that corrected reports are not resubmitted within the stipulated deadlines, the bank concerned shall be deemed to be in violation of this Directive.

Submission of other information or data

8.—(1) In addition to submission of call reports, a bank shall—

(*a*) provide any other information, reports or data within deadlines as directed by the Registrar; and

(*b*) submit information including any material changes on credit history of the bank's borrowers and customers to all licensed credit reference bureaus.

PART IV—ENFORCEMENT

Monetary penalties

9.—(1) The Registrar shall impose the following penalties for violations of this Directive—

(*a*) for banks up to fifty million Kwacha (K50, 000,000); and

(*b*) for natural persons who are members of the board of directors or senior management, up to ten million Kwacha (K10,000,000).

(2) With respect to banks, the Registrar shall—

(*a*) debit the penalty in subparagraph (1) (*a*) from the main account of the bank maintained at the Reserve Bank of Malawi; and

(*b*) notify the bank in writing prior to debiting the account.

(3) With respect to natural persons or where the bank does not maintain an account with the Reserve Bank of Malawi, the natural person or the bank shall pay the penalty through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within (10) ten working days after being notified by the Registrar.

Administrative penalties

10. In addition to the monetary penalty imposed in paragraph 9 (1) the Registrar may impose directions, administrative penalties and enforcement action as provided for under the Act.

Revocation of G. N. 29/2012

11. The Financial Services (Submission of Information by Banks) Directive, 2012 is hereby revoked.

Made this 3rd day of April, 2018.

D. KABAMBE, PhD
Registrar of Financial Institutions

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