

**THE**



**LIBERIA** **OFFICIAL**

**GAZETTE**  
**PUBLISHED BY AUTHORITY**

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**VOL. XVI**

**MONDAY JUNE 12, 2017**

**NO. 36**

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**EXTRAORDINARY**

**The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the Central Bank of Liberia Act of 1999 and its authority under the Financial Institutions Act of 1999, and specifically consistent with Section 55 of the said Central Bank of Liberia Act of 1999 and Section 39 of the Financial Institutions Act of 1999, has issued its Regulations No. CBL/RSD/004/2017 revising Regulations No. CBL/RSD/006/2014 herein under:**

**CONCERNING REGULATIONS ON CONSUMER  
PROTECTION AND MARKET CONDUCT**

**BY ORDER OF THE PRESIDENT**

**MARJON KAMARA  
MINISTER OF FOREIGN AFFAIRS**

**MINISTER OF FOREIGN AFFAIRS  
MINISTRY OF FOREIGN AFFAIRS**

**Date: June 12, 2017**

## Part 1: Preliminary

### 1.1 Citation

These regulations shall be cited as ***Regulation No. CBL/RSD/004/2017 Concerning Consumer Protection and Market Conduct Regulations.***

### 1.2 Objectives

The objectives of these regulations are to:

- I. promote fair and equitable financial services by setting minimum standards for financial institutions in dealing with their customers and the public;
- II. promote financial education and awareness, and transparency and disclosure in the activities of financial institutions as a means of empowering consumers to make informed decisions;
- III. foster confidence in the financial services sector by ensuring that financial institutions provide quality services to their customers and other stakeholders based on efficiency and timely delivery of services suitable to the customers' needs; and
- IV. require financial institutions to establish and implement efficient and effective mechanisms for handling consumer complaints relating to the provision of financial products and services.

### 1.3 Application

These regulations shall apply to all licensed banking institutions.

### 1.4 Definitions

In these regulations, unless the context otherwise requires:

- I. "advertisement"* means any form of public notice in an attempt to invite or induce, directly or indirectly, a person to purchase or acquire an interest in a product or service;
- II. "ATM card"* means a card used to obtain cash and other services from an Automated Teller Machine;

- III. **“bank-financial institution”** means any person doing financial transactions consisting in the business of banking, credit, loan making, lending or rendering non-bank financial services as defined in the CBL Act of 1999 and the new FIA of 1999;
- IV. **“complaint”** means an oral or written expression of dissatisfaction or concern by a consumer about the provision of, or failure of a financial institution to provide, a financial product or service:
- i. which is made to financial institution by, or on behalf of, a consumer; and
  - ii. which alleges that, as a result of an act or omission by or on behalf of the financial institution, the consumer has suffered or may suffer financial loss, material inconvenience, or material distress.
- V. **“consumer”** means a natural or legal person which engages in financial transaction and/or contract with a financial institution or benefit from the services or products of financial service providers;
- VI. **“cooling-off period”** refers to a period of time after a transaction, when the consumer may choose to cancel the transaction and return to the financial institution whatever product or service that the consumer may have received from the financial institution.
- VII. **“fairness”** means the quality of a financial institution in rendering judgment and acting reasonably in its dealing with a consumer *means the quality of a financial institution in rendering judgment and acting reasonably in its dealing with a consumer.*
- VIII. **“guarantee”** means any document, notice or other written statement containing an undertaking, given by a person called the guarantor promising to fulfill the obligations or discharge of the liability of a third party if that third party fails to do so;
- IX. **“guarantor”** means a person who undertakes to fulfill the obligations, or discharge the liability of, a third party;

- X. **"key facts document"** means a document that highlights the key characteristics of a financial product or service, including price, benefits, and risks to the consumer;
- XI. **"Personal Identification Number (PIN)"** means a password or other code used by a cardholder on a strictly confidential basis to access financial services; and
- XII. **"reliability"** means ability of consumers to rely on, depend on and be trustworthy of the services provided by financial institutions.
- XIII. **"transparency"** means any information given to a consumer whether in writing, electronic or oral transactions is fair and clear.
- XIV. **"total cost of credit"** means the total cost which a borrower is required to pay for a loan. The total cost of credit is calculated by adding together all costs (interest payments, fees, charges, commissions, etc.) which the borrower is required to pay over the tenor of a loan.

## Part 2: Obligations of Bank-Financial Institutions

The relationship between a bank-financial institution and a consumer shall be guided by the principles of **fairness, reliability, and transparency.**

### 2.11 General Requirements

- I. A bank-financial institution shall act fairly and reasonably in all of its dealings with its customers and the public.
- II. A financial institution shall not:
  - i. engage in unfair, deceptive or aggressive practices such as threatening, intimidating, being violent, or exhibiting abusive behavior towards a consumer;
  - ii. offer bribes or other 'gifts' or inducements to a consumer;
  - iii. accept, or ask for bribes or other 'gifts' or inducements from a consumer. The exception to (ii) and (iii) above shall be promotional gifts or materials offered to all categories of consumers or a particular

- class or classes of consumers, such as the vulnerable and/or low-income consumers;
- iv. discriminate against any consumer on grounds of sex, race, color, ethnic origin, tribe, birth, creed or religion, social standing, political affiliation or persuasion, or disability;
  - v. enter into a financial transaction where the consumer does not fully understand the nature of the proposed transaction;
  - vi. include unfair or unconscionable terms in a contract with a consumer;
  - vii. exert undue influence or duress on a consumer to enter into any financial transaction;
  - viii. disguise, or conceal a material fact from a consumer or writing of the wordings of a contract or advertising materials in a font size that cannot be clearly read by the consumer; or
  - ix. deal unprofessionally with a consumer without taking steps to assess any of the following:
    - (a) the consumer's general understanding and appreciation of the risks and costs of the financial transaction, including the rights and obligations under the contract;
    - (b) the consumer's financial history (e.g. debt repayment history), existing financial means, prospective financial capacity, and obligations;
    - (c) whether there is a reasonable basis to conclude that the financial transaction would enable the consumer to achieve the purpose in entering into the financial transaction; or
    - (d) engage any act that is inconsistent with ethical practices.

## **2.12 Marketing and Promotions**

- I. A financial institution shall ensure that all advertising and promotional materials are fair, clear, not misleading and shall meet the following minimum requirements:
  - i. written in plain language, clear terms and in a legible font size of not less than 10 points;
  - ii. include the total cost of credit and state whether the interest rate is based on per annum or per month; and

- iii. be comprehensive and clearly explain the main features and conditions of a financial product or service.

### **2.13 Provision of Information and Advice to Consumers**

- I. During the pre-contractual stage, a financial institution shall:
  - i. explain clearly in plain language the key features of each financial product or service that the consumer is interested in so as to enable the consumer to make an informed decision about the product or service, including charges and fees which would be incurred;
  - ii. disclose any conflicts of interest, in particular the amount of commissions or sales incentives that the financial institution or individual employee will receive for selling a product; and
  - iii. request the consumer to provide all the relevant information needed to verify whether or not the consumer is eligible for a product or service in which the consumer is interested.
- II. Before a consumer enters into a financial transaction, a financial institution shall:
  - i. provide the consumer with a key fact document outlining all of the relevant information about a product or a service;
  - ii. give a copy of the draft terms and conditions of a financial contract for the consumer's review and/or comments; and a copy of the approved terms and conditions for the consumer's record; and
  - iii. inform the consumer of the applicable charges, fees or additional interest the consumer shall bear should the consumer decide on an early termination of a financial contract.

### **2.14 Suitability of Advice**

- I. Where a financial institution gives advice to a consumer, the financial institution shall ensure that:

- i. the advice is suitable, taking into account the circumstances and needs of the consumer;
  - ii. any product or service which a financial institution recommends to a consumer to buy is suitable for the consumer;
  - iii. there is no other product or service available to the institution that would be more suitable for the consumer; and
  - iv. it clearly informs the consumer of any actual or potential conflict of interest, including where a staff or agent of the institution dealing with the consumer would earn a fee or commission (such amount should be disclosed) if the consumer buys a product which has been recommended by that staff.
- II. For the purposes of these regulations, a financial institution is said that have given an advice to a consumer when its staff or agent or itself makes a personal recommendation to a consumer about its product or service. If the consumer is confused or unsure about a product or service provided by a bank-financial institution, the consumer shall exercise the right to obtain an independent advice from the bank-financial institution.
- III. In the instance where the consumer seeks an independent advisory service from a bank-financial institution, the said bank-financial institution shall inform the consumer of any actual or potential conflict of interest in such cases.

## **2.15 Conditional Transactions**

- I. A financial institution may not require a consumer who enters into a financial transaction with it to enter into another financial transaction with it or another financial institution.
- II. Paragraph 2.15 (I) above shall not preclude a financial institution from offering linked products (e.g. making it a condition for a salary loan that the consumer has a current account with that same financial service provider) where the financial service provider is itself providing each of such linked products.

## **2.16 Guarantor**

Prior to a person acting as a guarantor, a financial institution shall advise the person in writing of the following:

- i. the magnitude and nature of his or her potential liabilities; and
- ii. the option to seek independent legal advice before acting as a personal guarantor.

## **2.17 Cooling off period**

- I. A consumer within ten (10) working days after entering into a financial transaction with a financial institution may revoke or terminate the financial transaction by written notice to the institution;
- II. The revocation or termination of the transaction shall be effective if the consumer repays in full any amount that is due to the financial institution at the time of cancellation of the financial transaction, including any administrative fee or charge, and costs which have been reasonably incurred by the financial institution prior to the exercise of the cooling off right by the consumer;
- III. The ten (10) working day period provided under paragraph 2.17(I) above shall be calculated from the day the consumer signed the contract and shall exclude Saturdays, Sundays and public holidays.
- IV. The written notice provided for under paragraph 2.17(I) above shall have no effect unless it:
  - i. is signed by the consumer or his or her agent acting on his or her written authority or consent;
  - ii. refers specifically to the financial transaction that is being revoked or terminated; and
  - iii. is unconditional.
- V. For purposes of this section, a financial institution shall at the time the consumer enters into the financial transaction:



- i. explain to the consumer that he or she has the right to revoke or terminate the transaction within ten working days after she or he signs the contract;
  - ii. explain to the consumer how and when the consumer must exercise the cooling off right should she or he wish to do so;
  - iii. explain to the consumer that the contract will no longer have any legal effect upon expiration of 2.17 (II);
  - iv. advise the consumer of his or her liability to pay any administration fee or charge and costs which have been reasonably incurred by the financial institution prior to the exercise by the consumer of the cooling off right; and
  - v. state in the contract entered into with the consumer the date on which the consumer's cooling off right commences and expires.
- VI. For purposes of this section, a financial institution shall include in the contract with a consumer a clause on the right to cooling off.

## **2.18 Statements of Deposit and Loan Accounts**

- I. A financial institution shall provide a consumer who is an account holder with statements of the account showing activities on the account since the last statement of account, including balance changes, payments, disbursements and costs by the best feasible means (i.e. email, SMS, direct mail, etc.).
- II. For purpose of paragraph 2.18(I) above, the consumer and the financial institution shall agree on the frequency and the mode of communicating the account statement to the consumer.
- III. The financial institution shall determine the charge/fee for this service and accordingly, inform the consumer of such charge/fee prior to providing the service to the consumer, subject to the following requirements:
  - (a) a financial institution issuing at least one hard copy statement a month free of charge to the consumer;

- (b) a financial institution may charge a fee for more frequent requests/issuance of a statement;
- (c) a financial institution may charge a fee for the duplicate copy of statements; and
- (d) a consumer shall have the privilege to opt for electronic statements for free.

## **2.19 Notice of Changes to Terms and Conditions**

A financial institution shall notify a consumer:

- i. at least thirty (30) days in advance to consumers before implementing any changes to the terms and conditions, fees or charges, and discontinuation of services; or
- ii. immediately of any changes in case of unplanned service disruptions and/or cost of a product or service.

## **2.20 Debt Recovery Expenses**

- I. Where a consumer is unable to honour any financial transaction, a financial institution shall have the right to take steps to recover the amount owed to it by the consumer.
- II. In recovering the amount owed by a borrower, a financial institution:
  - i. shall not claim from the consumer unreasonable costs and expenses which it has incurred;
  - ii. shall provide the consumer with a detailed breakdown of the costs and expenses incurred by it;
  - iii. shall allow consumers to reschedule the payment of their obligations;
  - iv. may offset the outstanding amount owed with any credit balances in the consumer's other account or accounts with it, subject to the relevant national law. For the purposes of paragraph 2.20, debt recovery should be transparent and assets shall be sold off at their fair market value; and
  - v. in the case of chronically delinquent borrowers, the financial institution shall be required to comply with

the requirements of CBL Directive barring the provision of financial services to delinquent borrowers.

## **2.21 Closing of Accounts**

A financial institution shall not close an account of a consumer without giving the consumer 14-day notice from the date of receipt of such notice by the consumer, except:

- i. where there is evidence that the account is being used for criminal activity;
- ii. where the consumer has been threatening, intimidating or violent towards staff of the financial institution; or
- iii. In the case where an account remain zero balance and/or unfunded for a period of six (6) months and the customer cannot be reached by the financial institution, the financial institution shall have the option to close such accounts, in keeping the Regulations on Dormant Accounts and Abandoned Properties as well as other applicable law.

## **3.1 Reliability**

### **3.11 Updating Consumer's Address**

- I. In order to serve a consumer better and keep a consumer informed, a financial institution shall request a consumer to keep the institution informed of any change in his/her postal address, physical address, e-mail address or telephone number.
- II. A financial institution shall communicate with a consumer using the address that a consumer has most recently provided to the institution. For the purposes of this paragraph, "an address that the consumer has most recently provided" includes any recent amendments to the address which the consumer has notified to, and acknowledges receipt by, the institution.

### **3.12 Reliability and self-service banking channels**

- I. A financial institution shall ensure that its ATMs and self-service channels are available at all times to serve the public except when it is temporarily inaccessible:

- i. due to any emergency which is beyond the control of the institution; or
  - ii. during regular service and maintenance.
- II. For the purposes of paragraph 3.12(I)(ii), a financial institution shall duly inform its customers and the public through at least one widely-read local newspaper and at least one radio station in Monrovia and its environ and the available public media in other parts of the country for a period of one to three days, depending on the magnitude of the problem, and at the locations of its ATMs and self-service banking channels, when it will resume services and/or the alternative channels that could be used by the customers or the public during such times.

### **3.13 Safeguarding Consumer Information**

- I. A bank-financial institution shall exercise the maximum protection of customer's protection and shall not disclose any information about a consumer to a third party except where:
  - (a). the institution is required by law to disclose such information; or
  - (b) the disclosure is made with the expressed consent of the consumer.
- II. Each licensed bank-financial institution shall have in place information security guidelines or policies, a secure database, and procedures for handling of customer's information. The guidelines or polices shall cover the information technology (IT) risk management system with respect to customer's information protection.

### **3.14 Protecting a Customer's Account**

- I. A financial institution shall at the time of providing electronic banking services, including ATM services, phone-banking, internet banking, mobile banking services and wireless banking, to a consumer, advise the consumer to protect and secure his or her PIN as follows:

- i. not to allow anyone else to use his or her card, know his or her PIN or any other security information; or
  - ii. to memorize his or her PIN and other security information and destroy the notification immediately.
- II. A financial institution shall post security advice at its branches, websites and any other communication channels alerting consumers about scams and other fraudulent practices associated with services which it offers;
- III. A financial institution shall also assist consumers to avoid scams, by taking steps to block the flow of funds to dubious accounts and help consumer to trace and recover money paid into account of scammers;
- IV. A financial institution shall provide helpline (telephone and/or email address) to enable consumers to report a lost or stolen card, checkbook or passbook or a suspected scam or fraud.

## **4.1 Transparency/Disclosure**

### **4.11 General Requirements**

A financial institution shall:

- I. ensure that at the pre-contract stage, a consumer is informed verbally and advised in writing about whom to contact to submit complaints and inquiries and to settle disputes, and that such information is included in documents such as notices displayed in branch offices, price quotes for products and services, customer contracts and monthly account statements;
- II. provide the consumer with the location, phone number and email/website to send complaints;
- III. provide a plain language explanation of consumer rights and recourse options in all marketing and contractual materials, posted prominently in every branch and other media of public information, including its web-site;
- IV. ensure that any information about a consumer's rights and obligations, given to a consumer in writing is fair, clear,

transparent and relevant to the stage of engagement with the consumer;

- V. ensure that the information provided to the consumer or public is written in plain English and legible font size;
- VI. where a consumer is unable to understand English and/or a written information, the consumer shall have the option to bring along a close relative or trusted person for the purpose of obtaining a clear understanding of the information being provided by the financial institution;
- VII. ensure that where a verbal explanation in paragraph 4.11(VII) has been provided to the consumer, the consumer shall have the option to have a third party to countersign as evidence that a verbal explanation has been given to him/her;
- VIII. ensure that consumers have read and understood the Terms and Contract (T & C) and all the relevant information important for the consumers to make informed decisions;
- IX. pursuant to 4.11 (X) above, the bank-financial institution shall provide adequate time, not less than three (3) days, for the consumers to review all the information related to a product, ask questions and receive additional information regarding a product;
- X. ensure that staff assigned to deal directly with consumers or responsible for a particular product or service are fully knowledgeable of the product/service legal and regulatory requirements associated with such product/service; and
- XI. ensure that information on its products and services is updated and current and easily available at its branches, websites and any other communication channels which it uses.

#### **4.12 Key terms and conditions**

In addition to disclosing information on the cost of a financial product or service, a 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 of the

contract shall be 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.

#### **4.13 Stages of disclosure**

- I. **Pre-contract disclosure:** Any advertisements, brochures and pre-contract information shall include but not limited to the following requirements: (i) the total costs of service or product, including fees and charges, (ii) the benefits and risks associated with a product or service, (iii) the key distinguishing features of the product or service from similar product or service, (iv) contact person or address for more information and/or clarification regarding the product or service.
- II. **Contractual disclosure:** The contract must disclose all important features of a financial transaction, including the consumer's rights, obligations and risks under the contract, and other requirements as provided in this regulation.
- III. **Disclosure during the term of the contract:** The outstanding balance on any financial transaction shall be disclosed periodically, including any interest, fees or charges debited to the consumer's account.

#### **4.14 Disclosure of Interest Rates**

For interest-bearing financial transactions, a financial institution shall prior to the consumer enter into the contract:

- I. inform the consumer of the terms of the contract;
- II. inform the consumer of the fees and charges, if any, for, and as a consequence of, prematurely terminating a financial transaction;

- III. inform the consumer of whether the interest charged for the financial transaction is fixed or variable;
- IV. give a consumer information on the applicable interest rates for the contracted period and the basis and frequency on which interest payments or deductions are to be made;
- V. explain the method used to calculate interest rates;
- VI. disclose to the consumer the total amount of income the consumer shall receive on the fixed rate deposits of the consumer; and
- VII. disclose the total costs of any financial transaction to the consumers.

#### **4.15 Fees and Charges**

- I. In relation to any fees and charges that may be incurred by a consumer in any financial transaction with an institution, the financial institution shall:
  - i. provide the consumer with a schedule of fees and charges (including commissions payable) for the financial transaction that the consumer is considering;
  - ii. display prominently its standard fees and charges at all its branches, promotional materials and any other communication channels which it uses;
  - iii. inform the consumer, at the time the financial transaction is offered, the basis of charges for services rendered which are not subject to standard fees and charges; and
  - iv. inform the consumer of any additional charges or expenses that a consumer has to pay, including but is not limited to search fees to retrieve available past records of the consumer.
- II. A financial institution shall inform a consumer in advance of any fees and charges, which are not levied directly by the institution but by another institution, agent or party that provides a portion of the financial transaction initiated by the first party financial institution.



## 5.0 **Truth-in Lending Disclosure Requirements**

5.1 Financial Institutions engage in lending are to provide written disclosures to borrowers about important terms of their contracts with customers in order to enable their customers make informed decisions. These important terms at a minimum should include:

- Annual Percentage Rate: a combination of the amount of interest to be paid over the life of the loan, together with the prepaid finance charges computed as an annual rate;
- Finance Charge: the total dollar amount you will have to pay over the life of the loan- i.e., the cost of the loan to the borrower. It is a combination of the amount of interest paid over the life of the loan plus any/all bank fees and charges.
- Amount Financed: the loan amount applied for less the prepaid finance charges. This is the amount on which the Annual Percentage Rate is based.
- Total of Payments: the sum of all the payments that you will have made at the end of the loan (this includes repayment of the principal amount of the loan plus all of the finance charges)
- number of payments,
- the monthly payment,
- other fees and charges, etc.

## 5.2 **Disclosure Form**

5.21 All licensed financial institutions engage in lending, are required to adopt a Truth-in-lending Disclosure form (***Appendix 1***) with the details of each credit transaction and attached same to the borrowers credit file. These disclosures shall be provided as part of the loan contract and submitted to borrowers for their review and sign-off.

5.22 Both the lending institution and borrower(s) are to sign each completed form as validation of consent before the disbursement of any loan. Lending institution shall issue a signed copy of the form to the borrower.

## 5.3 **Amortization Schedule**

5.31 The loan amortization schedule (***Appendix 2***) provides a general framework that each licensed financial institution shall adopt and provide copy to the borrower.

## **6.1 Help and Redress**

### **6.11 Consumer Redress Mechanism**

- I. A financial institution shall establish a consumer help desk, unit or department, whichever is suitable to its size and operations.
- II. In addition to the standard reporting requirements, the Central Bank of Liberia may direct any institution to report to it any information on consumer complaints as it may determine from time to time.
- III. The Consumer Help Desk shall be responsible for handling all consumer complaints.
- IV. The Consumer Help Desk shall be headed by a senior officer with the appropriate experience, knowledge and expertise in dealing with consumer complaints. He/she shall have a direct reporting line to the Managing Director or Chief Executive Officer as the case may be.

### **6.12 Consumer Redress Policy**

- I. A financial institution shall have a formal policy and procedures for complaint filing, handling and resolution, which must be approved by its board of directors.
- II. No financial institution shall require fees or charges for complaint filing, handling or resolution.

### **6.13 Investigating and determining complaints**

Upon receipt of a complaint, a financial institution shall:

- I. investigate the complaint competently, promptly and impartially;
- II. assess fairly and promptly the subject matter of the complaint, the basis for the complaint, if any, and the appropriate redress or remedial action, or both;
- III. explain to the complainant, in a way that is fair, clear and not misleading, its assessment of the complaint, its decision on it, and

any offer of redress, or remedial action, or both taken on the complaint; and

- IV. promptly respond to any offer of redress, or remedial action, or both to the complainant.

In assessing the effectiveness and adequacy of the help and redress system of a financial institution, the Central Bank of Liberia will have regard to the quality and fairness of the financial institution's investigation and determination and to the clarity of its feedback to complainants.

#### **6.14 Keeping the complainant informed**

- I. Upon receipt of any complaint, a financial institution shall provide the complainant with a prompt written acknowledgement within three business days of receipt of the complaint.
- II. For the purposes of paragraph 5.16 (I) above, a complaint is considered resolved where the complainant has indicated acceptance of the financial institution's offer of redress, or remedial action, or both.

#### **6.15 Timeframe for resolving complaints**

- I. A financial institution shall be required to resolve complaints within a period not to exceed one (1) month from the date of receipt of such complaints.
- II. A financial institution shall advise the complainant on the outcome of its investigation of a complaint, the decision or action taken by it to resolve the complaint within the one-month timeframe. However, if the complainant takes more than a week to reply to a written request by the institution for further information, the one-month timeframe shall commence from the date of the financial institution's receipt of the additional information.
- III. If a consumer is not satisfied with the manner in which a financial institution has handled and/or adequately address his/her complaint, the financial institution shall inform the consumer to forward a formal complaint to the Consumer Protection Unit (CPU) of the Regulation and Supervision of the Central Bank of Liberia. The CPU shall respond to the complainant within one month of receipt of the consumer's complaint.

## **7.1: Reporting Requirements**

- 7.11 Each financial institution shall submit to the CBL monthly returns on all customer complaints received (whether resolved or not) in the format set out in the attached Appendix by the 10<sup>th</sup> day of each month immediately after the reporting period.
- 7.12 The returns shall be signed by the Managing Director or Chief Executive Officer, as the case may be, and addressed to the Director of Regulation and Supervision Department of the Central Bank of Liberia.
- 7.13 A financial institution shall record all complaints received in a register that should be made available to the Central Bank of Liberia upon inspection.

## **8.0 Financial Education and Awareness**

Each licensed bank-financial institution shall be required to implement programs aimed at providing basic information and awareness about its products or services, including jingles, radio drama and/or special features in local dailies.

## **9.0 Adoption of a Code of Conduct**

Notwithstanding the requirements of this regulation, licensed banking institutions, under the umbrella of the Liberian Bankers Association, shall be required to develop and adopt a code of ethical standards and conduct to promote acceptable practices in the banking sector and enhance confidence in the sector.

## **10.0 PENALTIES**

The Central Bank of Liberia shall impose any or all of the following administrative sanctions on any financial institution that fails to comply with any provision of these regulations:

- (a) payment of a fine of not less than one hundred thousand Liberian dollars for each violation or each day of violation, whichever applies; and
- (b) any other supervisory sanctions as may be deemed necessary by the Bank.

These regulations shall take effect upon publication in the Official Gazette, and shall remain in force until otherwise advised by the Central Bank of Liberia.

Issued this 12<sup>th</sup> day of June 2017 in the City of Monrovia.

**ORDER OF THE PRESIDENT**

**MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS**

**MONROVIA, LIBERIA**

# Truth in Lending Disclosure Statement

<b>1 ANNUAL PERCENTAGE RATE:</b> <input checked="" type="checkbox"/> <p>The APR is not the same as your interest rate. Because the APR includes items in addition to interest; it is higher than the note rate. It is a combination of the amount of interest to be paid over the life of the loan, together with the prepaid finance charges computed as an annual rate.</p>	Lender: _____ Borrower: _____ Address: _____ P.O. Box _____ 1000 Monrovia 10 _____	Loan amount (in LD/US\$) <input checked="" type="checkbox"/> Interest Rate <input checked="" type="checkbox"/> Other Charges and Fees <input checked="" type="checkbox"/> Loan Term (in months) _____ Loan Start Date <u>XX/XX/XXXX</u> Loan Maturity Date <u>XX/XX/XXXX</u>	<b>2 FINANCE CHARGE:</b> #VALUE! Represents the total dollar amount you will have to pay over the life of the loan- i.e., the cost of the loan to you. It is a combination of the amount of interest paid over the life of the loan plus any/all bank fees and charges (Provided there is no default)																
<b>4 TOTAL VALUE OF PAYMENTS:</b> #VALUE! The total \$ value of the sum of all payments.	[ <input checked="" type="checkbox"/> ] Initial disclosure at time of application [ ] Final disclosure based on contract terms		<b>3 AMOUNT FINANCED:</b> #VALUE! The amount financed is the loan amount applied for less the prepaid finance charges. The Amount Financed is the figure on which the Annual Percentage Rate is based.																
<b>5 NUMBER OF PAYMENTS:</b> <input checked="" type="checkbox"/> The total number of payments due to pay off the loan.	Your payment schedule will be as follows:		<b>7 PAYMENT FREQUENCY:</b> <input checked="" type="checkbox"/> The frequency at which the payments are due (e.g. weekly, monthly, quarterly).																
<b>6 PAYMENT AMOUNTS:</b> #VALUE! The amount due for each payment	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Annual Percentage Rate</th> <th>Finance Charge</th> <th>Amount Financed</th> <th>Total Value of Payments</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">#VALUE! 1</td> <td style="text-align: center;">#VALUE! 2</td> <td style="text-align: center;">#VALUE! 3</td> <td style="text-align: center;">#VALUE! 4</td> </tr> </tbody> </table>	Annual Percentage Rate	Finance Charge	Amount Financed	Total Value of Payments	#VALUE! 1	#VALUE! 2	#VALUE! 3	#VALUE! 4	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Number of Payments</th> <th>Payment Amounts</th> <th>Payment Frequency</th> <th>Loan Due/Maturity Date</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">X 5</td> <td style="text-align: center;">#VALUE! 6</td> <td style="text-align: center;">X 7</td> <td style="text-align: center;"><u>XX/XX/XXXX</u> (date) 8</td> </tr> </tbody> </table>	Number of Payments	Payment Amounts	Payment Frequency	Loan Due/Maturity Date	X 5	#VALUE! 6	X 7	<u>XX/XX/XXXX</u> (date) 8	<b>8 LOAN DUE/MATURITY DATE</b> <u>XX/XX/XXXX</u> The date on which any outstanding principal balance on the loan is due and should be repaid in full. It is also the termination /end date of the loan
Annual Percentage Rate	Finance Charge	Amount Financed	Total Value of Payments																
#VALUE! 1	#VALUE! 2	#VALUE! 3	#VALUE! 4																
Number of Payments	Payment Amounts	Payment Frequency	Loan Due/Maturity Date																
X 5	#VALUE! 6	X 7	<u>XX/XX/XXXX</u> (date) 8																
<b>9 DEMAND FEATURE:</b> A demand feature refers to the ability of a lender to declare a loan due and payable "on demand"	<b>9 DEMAND FEATURE :</b> [ ] This loan does not have a demand feature [ ] This loan has a demand feature		<b>10 REQUIRED DEPOSIT</b> [ ] The annual percentage rate does not take into account your required deposit																
<b>11 VARIABLE RATE</b> Interest rate that can be changed or adjusted periodically in accordance with prevailing market conditions	<b>11 VARIABLE RATE FEATURE</b> [ ] This loan has a variable rate feature Variable Rate disclosures have been provided to you earlier		<b>12 SECURITY INTEREST :</b> A legal claim on collateral that has been pledged, usually to obtain a loan. The borrower provides the lender with a security interest on certain securities/assets which can be repossessed in the event that timely obligation payments are not met. List the kinds of collateral the borrower has																
<b>13 PROCESSING/COMMISSION FEE</b> A fee charged to process an application for a loan, from a lender. Loan application fees are charged to cover some of the costs involved in processing the application including credit checks, property appraisals and basic administrative costs.	<b>12 SECURITY INTEREST</b> You are giving a security interest in [ ] The goods or property being financed [ ] Real property you/guarantor already owns		<b>14. LATE CHARGE</b> a penalty charge in addition to the regularly scheduled payment, as of a loan, if such payment has not been made when due.																
<b>15 OVERDUE LOAN</b> Loan obligation remaining unpaid past the due or maturity date.	<b>13 PROCESSING/ COMMISSION FEES</b> List the processing/commission fees that were applied to the loan:		<b>16 ASSUMPTIONS:</b> List any assumptions here for example is the loan assumable?																
<b>17 INSURANCE</b> An insurance is a contract or policy in which the borrower/business entity receives protection or reimbursement against losses from an insurance company	<b>14 LATE CHARGES</b> If your payment is more than [ ] days late, you will be charged a late fee of [ ]/[ ] % of the overdue payment.		<b>17. INSURANCE</b> [ ] This loan transaction does not require an insurance [ ] This loan transaction requires insurance and lender's policy regarding insurance has been explained to Customer																
<b>The Undersigned Bank Representative acknowledges and certify that all of the information contained in this disclosure form is true and accurate in accordance with the Financial Institution's credit procedures and the Regulations on Permissible Interest Rate as stipulated by the Central Bank of Liberia</b>																			

_____ Loan Officer	_____ Borrower _____ Supervisor
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# Loan Amortization Schedule

Enter values	
Loan amount	\$ 100,000.00
Annual interest rate	18.00 %
Loan period in years	2
Number of payments per year	12
Start date of loan	9/1/2012
Optional extra payments	\$ -

Lender name: Mango Bank

Loan summary	
Scheduled payment	\$ 4,992.41
Scheduled number of payments	24
Actual number of payments	24
Total early payments	\$ -
Total interest	\$ 19,817.84

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	10/1/2012	\$ 100,000.00	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,492.41	\$ 1,500.00	\$ 96,507.59	\$ 1,500.00
2	11/1/2012	\$ 96,507.59	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,544.80	\$ 1,447.61	\$ 92,962.79	\$ 2,947.61
3	12/1/2012	\$ 92,962.79	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,597.97	\$ 1,394.44	\$ 89,364.83	\$ 4,342.06
4	1/1/2013	\$ 89,364.83	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,651.94	\$ 1,340.47	\$ 85,712.89	\$ 5,682.53
5	2/1/2013	\$ 85,712.89	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,706.72	\$ 1,285.69	\$ 82,006.17	\$ 6,968.22
6	3/1/2013	\$ 82,006.17	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,762.32	\$ 1,230.09	\$ 78,243.85	\$ 8,198.31
7	4/1/2013	\$ 78,243.85	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,818.75	\$ 1,173.66	\$ 74,425.10	\$ 9,371.97
8	5/1/2013	\$ 74,425.10	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,876.03	\$ 1,116.38	\$ 70,549.07	\$ 10,488.35
9	6/1/2013	\$ 70,549.07	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,934.17	\$ 1,058.24	\$ 66,614.89	\$ 11,546.58
10	7/1/2013	\$ 66,614.89	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 3,993.19	\$ 999.22	\$ 62,621.71	\$ 12,545.81
11	8/1/2013	\$ 62,621.71	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,053.08	\$ 939.33	\$ 58,568.62	\$ 13,485.13
12	9/1/2013	\$ 58,568.62	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,113.88	\$ 878.53	\$ 54,454.74	\$ 14,363.66
13	10/1/2013	\$ 54,454.74	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,175.59	\$ 816.82	\$ 50,279.15	\$ 15,180.48
14	11/1/2013	\$ 50,279.15	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,238.22	\$ 754.19	\$ 46,040.93	\$ 15,934.67
15	12/1/2013	\$ 46,040.93	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,301.80	\$ 690.61	\$ 41,739.13	\$ 16,625.28
16	1/1/2014	\$ 41,739.13	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,366.32	\$ 626.09	\$ 37,372.81	\$ 17,251.37
17	2/1/2014	\$ 37,372.81	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,431.82	\$ 560.59	\$ 32,940.99	\$ 17,811.96
18	3/1/2014	\$ 32,940.99	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,498.30	\$ 494.11	\$ 28,442.70	\$ 18,306.08
19	4/1/2014	\$ 28,442.70	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,565.77	\$ 428.64	\$ 23,876.93	\$ 18,732.72
20	5/1/2014	\$ 23,876.93	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,634.26	\$ 358.15	\$ 19,242.67	\$ 19,090.87
21	6/1/2014	\$ 19,242.67	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,703.77	\$ 288.64	\$ 14,538.90	\$ 19,379.51
22	7/1/2014	\$ 14,538.90	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,774.33	\$ 218.08	\$ 9,764.57	\$ 19,597.60
23	8/1/2014	\$ 9,764.57	\$ 4,992.41	\$ -	\$ 4,992.41	\$ 4,845.94	\$ 146.47	\$ 4,918.63	\$ 19,744.07
24	9/1/2014	\$ 4,918.63	\$ 4,992.41	\$ -	\$ 4,918.63	\$ 4,844.85	\$ 73.78	\$ -	\$ 19,817.84









**Central Bank of Liberia  
Monthly Complaints Management Return**

Name of the Institution: \_\_\_\_\_

Month ended: \_\_\_\_\_

Nature of Complaints	Total Complaints Received						Total Complaints Outstanding	Total Complaints Settled				
	Total complaints with the Head office		Total Complaints reported with Branches		Complaints unresolved & escalated to Central Bank of Liberia			SETTLED WITHIN THE MONTH		CARRIED FORWARD FROM LAST MONTH		
	Number	Disputed Value	Number	Disputed Value	Number	Disputed Value	Number	Disputed Value	Number	Disputed Value	Number	Disputed Value
<b>A. Monetary</b>												
1. Fees and Charges												
2. Electronic												
3. Lending												
4. Deposit												
5. Treasury												
6. Fraud/ Misrepresentation / Error												
7. Others (please specify and list)												
<b>B. Non-Monetary</b>												
1. Customer												
2. Regulatory/												
3. Professional Conduct of												
4. Systems												
5. Others (please specify and list)												

<b>MODE OF REPORTING /CHANNEL</b>		
<b>CHANNELS</b>	<b>AMOUNT</b>	<b>AVERAGE</b>
Institution's Website		
Hotlines (mobile phone)		
Letters/Forms		
Print & Electronic Media		
Others		

Prepared by: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Name

Approved by: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Name

The completed return, and any queries regarding completion of this return should be addressed to:

**Director**  
**Regulation & Supervision Department**  
**Central Bank of Liberia**