

LICENSING AND SUPERVISION OF
THE BUSINESS OF CAPITAL GOODS FINANCE COMPANIES

Minimum Paid Up Capital Requirement Directives No.
CGFB/01/2013

Whereas, there is a need to ensure the smooth and sustainable operation of capital goods finance companies in a manner that best supports the activities of Micro and Small Enterprises;

Whereas, capital goods finance business by nature is capital intensive business;

Whereas, promoting strong and viable capital goods finance business in the country is essential for supporting investment in all businesses;

Now therefore, pursuant to the authorities vested in it under articles 4 (4/c) and 18 (4) of Capital Goods Leasing Business (Amendment) Proclamation No. 807/2013, the National Bank of Ethiopia has issued these directives.

1. Short Title

These directives may be cited as “Minimum Paid up Capital Requirements Directives No. CGFB/01/2013”.

2. Scope of Application

The provisions of these directives shall be applicable to capital goods finance companies.

3. Minimum Paid-up Capital

The minimum initial paid up capital required to obtain a capital goods finance business license shall be Birr 200,000,000 (Birr Two Hundred Million), which shall be fully paid in cash and deposited in a bank in the name and to the account of the capital goods finance company under formation.

4. Effective Date

These directives shall be effective as of the 1st day of October 2013.