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NATIONAL BANK OF ETHIOPIA
አዲስ አበባ / ADDIS ABABA

FIS/MFISD/428/2022

October 5, 2022

**All Microfinance Institution S.C.
Addis Ababa**

Subject: -Directive No. MFI/34/2022

Enclosed herewith, please find "Licensing, Credit Information and Examination Fees of Microfinance Institutions Directive No. MFI/34/2022" for your information and strict implementation.

Sincerely yours,

Merga Wakweya

Director, Microfinance Institutions Supervision Directorate



CC:

- H.E The Governor
- Vice Governors
- Senior Advisor
- Advisors
- All Directorates
- **National Bank of Ethiopia**
- Association of Ethiopian Microfinance Institutions
Addis Ababa



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NATIONAL BANK OF ETHIOPIA
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LICENSING AND SUPERVISION OF MICROFINANCE BUSINESS

Licensing, Credit Information and Examination Fees of Microfinance Institutions
Directive No. MFI/34/2022

Whereas, it is essential that the National Bank has to improve its service quality with a view to satisfy its customers;

Whereas, it is found necessary to revise existing fees as well as introduce some new ones on National Bank services provided to microfinance institutions;

Now, therefore, pursuant to the power vested in it under Article 5 (1b), 6(2), 34 (2) and 35 (1) of Micro financing Business Proclamation No. 626/2009 as amended by Microfinance Business (Amendment) Proclamation No. 1164/2019 and in accordance with Article 51 of the Banking Business Proclamation No. 592/2008 as amended by Banking Business (Amended) Proclamation No. 1159/2019, the National Bank of Ethiopia has issued this Directive.

1. Short Title

This Directive may be cited as “**Licensing, Credit Information and Examination Fees of Microfinance Institutions Directive No. MFI/34/2022.**”

2. Definition

For the purpose of this Directive, unless the context provides otherwise:

- 2.1 “**aggregate loans and advance**” mean the sum of all types of loans and advances being approved and disbursed to a borrower at one time, or simultaneously;
- 2.2 “**big, medium or small microfinance institutions**” mean category based on asset size to which a microfinance institution belongs as assigned by the National Bank from time to time (accordingly, the institutions are categorized in line with **Annex-1**);
- 2.3 “**microfinance institution**” means a company licensed by National Bank to undertake microfinance business;
- 2.4 “**National Bank**” means National Bank of Ethiopia;



2.5 “**examination fee**” means financial charge for National Bank services provided to microfinance institutions including on-site examination and off-site surveillance;

3. Scope of the Directive

The provisions of this Directive shall be applicable to all microfinance institutions operating in Ethiopia.

4. Fees

4.1 A microfinance institution applying to obtain new microfinance business license shall pay:

4.1.1 investigation/application fee of Birr 20,000 (twenty thousand Birr), and

4.1.2 licensing fee of Birr 30,000 (thirty thousand Birr).

4.2 A microfinance institution applying for a renewal or replacement of its business license shall pay renewal/replacement fee of Birr 30,000 (thirty thousand Birr);

4.3 A microfinance institution shall renew its business license every year between August 1 and October 31.

4.4 A microfinance institution applying for a new branch license or a replacement thereof, shall pay fee of Birr 3,000 (three thousand Birr) per branch;

4.5 A microfinance institution shall **annually** pay examination fee of:

i) Birr 50,000 (fifty thousand Birr) if it is big in size,

ii) Birr 37,500 (thirty seven thousand five hundred Birr) if it is medium in size, and

iii) Birr 25,000 (twenty five thousand Birr) if it is small in size.

4.6 A microfinance institution applying to obtain credit information shall pay:

i) no fee for aggregate loans and advances less or equal to Birr 100, 000 (one hundred thousand Birr) requested;

ii) Birr 1,000 (one thousand Birr) for aggregate loans and advances more than Birr 100,000 (one hundred thousand Birr) and less or equal to Birr 1,000,000 (one million Birr) requested; and

iii) Birr 2,000 (two thousand Birr) for aggregate loans and advances more than Birr 1,000,000 (one million Birr) requested.

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5. Repeal

- 5.1) Article 9 of NBE Directive No.MFI/23/2013 is hereby repealed.
5.2) Sub-article 10.1 of Directive No.CRB/02/2019 is hereby repealed.

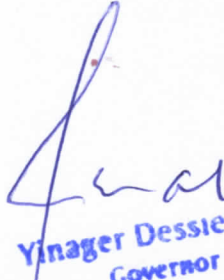
6. Effective Date

This Directive shall enter into effect as of **5th day of October 2022.**

Annex-1

Categorization of Microfinance Institutions

No	Category	Total Assets Size As of June 30:	Expected Annual Examination Fee
1	Big	Greater or equal to Birr 5 billion	Birr 50, 000.00
2	Medium	Less than Birr 5 billion, but greater or equal to Birr 0.5 billion	Birr 37, 500.00
3	Small	Less than Birr 0.5 billion	Birr 25, 000.00


Yinager Dessie (PhD)
Governor

