

## THE A – Z OF LICENSING A CREDIT REFERENCE BUREAU

- a. Apply to the Central Bank for approval of the name.
- b. Incorporate a limited liability company with the Registrar of Companies
- c. Submit a duly completed application form for a Credit Reference Bureau licence to the Central Bank of Kenya (CBK). The prescribed application form is under the First Schedule to the Banking (Credit Reference Bureau) Regulations, 2013, which can be downloaded from the CBK website: [www.centralbank.go.ke](http://www.centralbank.go.ke).
- d. The following supporting documents and information should accompany the duly completed application form:
  - i. Certified copies of the applicant's certificate of incorporation and its Memorandum and Articles of Association.
  - ii. Feasibility study by the applicant, showing the nature of the planned business, organizational structure, internal control systems and monitoring procedures of the company.
  - iii. Duly completed "Fit and Proper" forms for proposed directors, senior officers and significant shareholders. The forms can be downloaded from the CBK website: [www.centralbank.go.ke](http://www.centralbank.go.ke).
  - iv. Sworn declarations of proposed directors, officers and significant shareholders in the forms set out in the Second Schedule to the Banking (Credit Reference Bureau) Regulations, 2013;
  - v. Management processes including the software required for operation, characteristics of products and services to be provided to subscribers, service policies and procedures manuals, as well as the proposed security and control measures aimed at preventing misuse or improper management of information.
  - vi. Overview of operations including the description of systems and the design of the data collection including the unique identification system for individuals and enterprises that is adequate to ease the collection of data and handling of the database.
  - vii. A description of the applicant's proposed premises and their suitability for customer service and the description of the security measures to be adopted.
  - viii. The proposed fees and cost structure of products and services.
  - ix. Audited financial statements for the last three years where applicable;
  - x. A prototype of the final product that demonstrates the principal features and functions of the system.
  - xi. A banker's cheque of Kshs 10,000 payable to Central Bank of Kenya, being a non-refundable application processing fee.

Upon meeting all the above requirements, the Central Bank will grant the applicant a letter of intent (approval in principle). The approval in principle indicates the Central Bank's intention to license the applicant upon meeting the pending pre-licensing requirements.

- e. With the approval in principle, the applicant may proceed to obtain premises, Information Technology Systems and recruit staff for the proposed CRB.

- f. Once the applicant is ready with the premises and Information Technology systems, they should commission a security audit by an independent registered audit firm, with approval of CBK, and submit the security audit report to CBK. The security audit report should give an expert opinion on the suitability of the premises, adequacy of the management information systems, and any other relevant aspects.
- g. Once the security audit report is forwarded to the CBK, the applicant should invite CBK to conduct an inspection to determine the adequacy of the applicant's safety and security system.
- h. If the inspection is satisfactory, the CBK shall notify the applicant to submit to the Central Bank:
  - i a bankers cheque for one hundred thousand Kenya shillings (Kshs 100,000) payable to the Central Bank of Kenya being the annual licence fee, and
  - ii a statutory declaration in the prescribed form sworn under oath by the Chief Executive Officer of the applicant, confirming that the applicant will adhere to the provisions of the CRB Regulations, 2013 and, in particular, that the applicant will not disclose to any person any information obtained pursuant to the applicant's obligations except as provided therein.
- i. Upon satisfactory fulfillment of the above requirements by the applicant, the CBK will then issue a licence to the applicant and place a notice in the Kenya Gazette to formally license the credit reference bureau.
- j. The newly licensed credit reference bureau may then open its doors to subscribers.
- k. Within thirty days of being granted the licence, the newly licensed credit reference bureau is required to submit to the Central Bank an irrevocable bank guarantee for one million shillings (Kshs 1,000,000) in a format acceptable to the Central Bank.