

Da Afghanistan Bank



Fit and Proper Regulation

Financial Supervision Department

2015

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CHAPTER ONE

General Provisions

Basis

Article One:

This Regulation is issued by the Da Afghanistan Bank pursuant to Article 177 of the Banking Law of Afghanistan.

Purpose

Article Two:

- 1) Da Afghanistan Bank aims to ensure that a regulated entity is well managed and that persons owning, controlling or participating, directly or indirectly, in the establishment, management or operation or business of the regulated entity must have the degree of probity and competence commensurate with their responsibilities. These key positions include members of the board of supervisors and management.
- 2) In addition, Da Afghanistan Bank also aims to ensure that those persons who have, or seek to have: qualifying holdings; 20% participation or 30% participation; or control of a regulated entity are fit and proper persons and to ensure that acquisition would not result in, or increase the risk of a bank's involvement in criminal activities, money laundering or terrorist financing..

Scope

Article Three:

- 1) This Regulation applies to financial institutions as defined by the Anti-Money Laundering & Proceeds of Crimes Law that are licensed, regulated or supervised by the Da Afghanistan Bank, hereinafter referred to as "regulated entity".
- 2) Da Afghanistan bank shall apply the fit and proper requirements in this Regulation to beneficial owners, persons exercising control, those owning a qualifying holding, 20% participation or 30% participation or otherwise controlling or participating, directly or indirectly, in the establishment, management or operation or business of the regulated entity as set out in this Regulation when:
 1. Registering or licensing a regulated entity under the Law of Banking and DAB law.
 2. Approving any subsequent changes in the beneficial owners, persons exercising control, those owning a qualifying holding, 20% participation or 30% participation or otherwise controlling or

- participating, directly or indirectly in the establishment, management or operation or business;
3. Approving the management of a regulated entity;
 4. On a regular basis.
- 3) Da Afghanistan Bank may consult other regulators and supervisory agencies (domestic and overseas) regarding the suitability of personnel, including management and members of the board of supervisors and controllers of the regulated entity and those owning or seeking to own a qualifying holding, 20% participation or 30% participation or otherwise controlling or participating, directly or indirectly, in the management or operation or business of the regulated entity.
- 4) The requirements of this Regulation are applicable to subsidiaries of regulated entities, whether established in Afghanistan or abroad.
- 5) The requirements of this Regulation shall apply to bank holding companies authorized by Da Afghanistan Bank. .

Definitions

Article Four:

- 1) Unless the subject or context otherwise requires, in this Regulation:
 1. “Associated enterprise” means a legal person in which another legal person holds a 20% participation.
 2. “Beneficial owner for purposes of this Regulation” means the natural person who ultimately owns or controls a regulated entity or a qualifying holding through:
 - direct ownership;
 - indirect ownership, through one or more controlled enterprises; or
 - the ability in fact to realize the benefits of share ownership in an enterprise, through any contract, agreement or understanding with another person, whether written or unwritten, formal or informal, with or without formal legal ownership of such shares, (including where shares are held by one or more trustees, legal representatives, agents, nominees, or other similar persons).
 3. “Close links” means a situation in which two or more persons are linked through 20% participation or control relationship.
 4. “Control” means any situation in which, a person alone or acting in concert with one or more other persons:

- holds beneficial ownership of at least 50% of any category of voting shares or capital of a regulated entity;
 - has the power to elect a majority of the board of supervisors, management or any similar governing body, of a regulated entity; or
 - has the ability to exert a dominant influence over the management or policies of a regulated entity; or
 - has the power to issue, based on a custom or formal or informal arrangement, instructions or directions to a majority of the members of the board of supervisors of a regulated entity, or shareholders beneficially owning at least 50% of any category of voting shares or capital of the regulated entity, are accustomed or under an obligation, with regard to the conducting the affairs of the regulated entity.
5. “Fit and proper” has the meaning as defined in Chapter 1, Article 2 (16) of Banking Law of Afghanistan.
 6. “Management” comprises persons employed by a regulated entity who exercise senior management responsibilities. Senior management responsibilities includes having primary responsibility for one or more of the following:
 - High level decision making;
 - Implementing strategies and policies approved by the Board;
 - Developing processes that identify manage and monitor risks incurred by the institution; and
 - Monitoring the appropriateness, adequacy and effectiveness of the risk management system.
 7. “Qualifying holding” means having, alone or acting in concert with one or more other persons, the beneficial ownership of at least 5% of any category of voting shares or capital of an enterprise; or the ability to exert a significant influence over the management or policies of an enterprise.
 8. “20% participation” means beneficial ownership, alone or acting in concert with one or more other persons, of 20% or more of any category of voting shares or capital of an enterprise.
 9. “20% participant” means any person having a 20% participation in an enterprise.

10. “30% participation” means beneficial ownership, alone or acting in concert with one or more other persons, of 30% or more of any category of voting shares or capital of an enterprise.
11. “30% participant” means any person having a 30% participation in an enterprise.
12. “Person” means both a natural and legal person
13. “Regulated entity” has the meaning as defined in Article 3(2) of this Regulation.
14. “Subsidiary” means any legal person that is controlled by another legal person.
15. “Bank holding company” means an enterprise that controls a bank.

CHAPTER TWO

Fit and Proper Criteria, Control, Management and Ownership on the Regulated Entities

Fit and Proper Criteria

Article 5:

- 1) The criteria for fitness and propriety which Da Afghanistan Bank will apply to those exercising control, beneficial owners, those persons with a qualifying holding, 20% participation, 30% participation (including beneficial owners of such holdings), members of the board of supervisors and management board and other governing body, including but not limited to:
 1. Whether the person has been convicted by an authorized court of any criminal offence. For the purposes of determining if a person is fit and proper, offences of dishonesty, fraud, money laundering or other financial crime or crimes against any other legislation relating to banking and other financial services will be considered as serious offences;
 2. Whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;
 3. Whether the person has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;

4. Whether the person has ever been disqualified from acting as a director or disqualified from acting in any managerial position;
5. Whether, in the past, the person has been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of Da Afghanistan Bank and with other legal, regulatory and professional requirements and standards;
6. Whether the person has contravened any of the requirements and standards of Da Afghanistan Bank or equivalent standards or requirements of other regulatory authorities, professional bodies, or government bodies or agencies;
7. Whether the person has actual or potential conflicts of interest that are likely to influence their ability to carry out their role and functions with appropriate probity and competence;
8. Whether the person has adequate experience and demonstrated competence and integrity in the conduct of business duties. In this regard:
 - Persons appointed to the management board or management positions should have:
 - a) The Chief Executive Officer of a bank must have a degree of higher education and at least five years practical experience in the financial field in management capacity.
 - b) Other members of management board of a bank must have:
 1. a degree of higher education, and professional qualifications and experience suitable for the position to be held;
 2. at least three years of experience in the banking field in positions comparable to that for which they are proposed, or
 3. At least six years of comparable experience in other financial institutions, or other comparable professional activities.
 - c) Other requirements for senior positions of commercial banks shall be provided through circulars of Da Afghanistan Bank.
 - Persons appointed to the board of supervisors should have:

- d) suitable professional background via previous work in business, accounting, law, academia or supervision of financial institutions; and
 - e) Expertise in banking, accounting, or financial management.
9. Whether the person is of bad repute within the financial and business community.
- 2) A legal person shall be considered to be a fit and proper person if in the judgment, based on an assessment of information provided as required by this Regulation, of Da Afghanistan Bank all members of its board of supervisors and management board, or similar governing body, and persons with qualifying holdings in such regulated entity meet the requirements in paragraph 1 and 3 of this Article.
- 3) A legal person shall not be considered a fit and proper person if the legal person has been convicted by an authorized court of any serious offence and has been fined or otherwise sanctioned accordingly. For the purposes of determining if a person is fit and proper, offences of dishonesty, fraud, money laundering or other financial crime or crimes against any other legislation relating to banking and other financial services will be considered as serious offences.
- 4) All legal persons that have a qualifying holding, 20% participation, 30% participation or control of a regulated entity are required to submit information on all members of its board of supervisors or management board, or similar governing body, and persons with qualifying holdings in such regulated entity as specified under Article 12 of this Regulation.

Who is not fit and proper

Article 6:

- 1) Da Afghanistan Bank shall consider persons meeting the criteria set out in paragraph 3 of Article 5 of this Regulation and those set out in paragraph (2) of this article as not being a fit or proper person (including Beneficial Owners) for the purposes of:
- 1. having a qualifying holding;
 - 2. having a 20% participation;
 - 3. having a 30% participation;
 - 4. having control; or
 - 5. being appointed as a member of the board of supervisors or management board or other similar governing body
 - 6. being a person in a management position:
- 2) The following persons shall also be considered as not fit and proper:

1. a person who has been convicted by an authorized court of an offense for which he/she was sentenced to imprisonment unless such sentence was motivated by his religious or political views or activities; or
2. a person who has been declared bankrupt by an authorized court of law; or
3. a person, who on grounds of personal or professional misconduct, has been disqualified or suspended by a competent authority from practicing a profession.

These requirements also apply to a person who is an associate or a representative of a person or a Beneficial Owner.

Control and ownership of regulated entities

Article 7:

- 1) When approving applications for registration or licensing, Da Afghanistan Bank shall review all information provided by a person (including the beneficial owner) with a qualifying holding, 20% participation, 30% participation or control of the regulated entity as required by this Regulation. Should Da Afghanistan Bank determine that the person or beneficial owner is not a fit and proper person within the meaning of this Regulation, it will decline the application.
- 2) Da Afghanistan Bank shall on regular basis review information on persons (including beneficial owners) that have qualifying holdings, 20% participation, 30% participation or control of regulated entities. If, as provided for under Article 4.5, and Article 6 of this Regulation, Da Afghanistan Bank determines that persons (including beneficial owners) that have qualifying holdings, 20% participation, 30% participation or control of regulated entities are no longer fit and proper persons, Da Afghanistan Bank shall require that person to dispose of the interest or holding in the regulated entity.
- 3) A regulated entity shall provide information to Da Afghanistan Bank in relation to any person who wants to acquire the permission of qualifying holding from Da Afghanistan Bank, 20% participation, 30% participation or control of the regulated entity without the prior authorization of Da Afghanistan Bank. Such information should be provided within three days of the regulated entity becoming / of the acquisition and include information as set out in Annex 1 and Annex 2 of this Regulation.
- 4) Da Afghanistan Bank determines that persons (including beneficial owners) that have qualifying holdings, 20% participation, 30% participation, 50 percent participation or control of regulated entities, after approval of Da Afghanistan Bank and may require those persons to provide information as set out in Annex 1 and Annex 2 of this regulation.

- 5) If Da Afghanistan Bank determines that persons (including beneficial owners) that have qualifying holdings, 20% participation, 30% participation or control of regulated entities without authorization are not fit and proper persons, Da Afghanistan Bank shall require that person to dispose of the interest or holding in the regulated entity. In addition, Da Afghanistan Bank may issue an order prohibiting that person from influencing, or attempting to influence in any manner the management or policies of the bank.
- 6) Persons seeking to have qualifying holdings, 20% participation, 30% participation or control of regulated entities are required to provide Da Afghanistan Bank with information on the source of funds to be utilized to acquire the interest in a regulated entity. Where such information is not provided, Da Afghanistan Bank shall decline the application. Da Afghanistan Bank may also decline the application if it is not satisfied, or has concerns regarding the legitimacy in relation to the source of funds. In addition, Da Afghanistan Bank may also decline the application if it determines that the acquisition would result in, or increase the risk of, the bank's involvement in criminal activities, money laundering or terrorist financing.
- 7) Every regulated entity shall, within one month before the close of its financial year, inform Da Afghanistan Bank in writing of the persons having qualifying holdings or control and the sizes of such holdings.

Management of regulated entities

Article 8:

A regulated entity shall submit to Da Afghanistan Bank information pertaining to the professional experience and qualifications and the fit and proper requirements of all persons proposed for management positions, the board of supervisors and the board of management within 14 days of the appointment. The information required to be supplied is set out in Article 12 of this Regulation and should confirm that all persons are fit and proper persons. Da Afghanistan Bank will review this information and may take action as provided for in this Regulation if it determines that the person is not fit and proper.

When a person who is a member of the board of supervisors or management board, or similar governing body is not fit and proper

Article 9:

Da Afghanistan Bank may, by an order in writing, require the removal of a person from their position on the board of supervisors, management board, or similar governing body of a regulated entity, if Da Afghanistan Bank determines, against the criteria of this Regulation, that the person is not suitable to hold that position.

When a person in a management person is not fit and proper

Article 10:

- 1) Where a regulated entity has assessed that a person is not fit and proper, as defined by this Regulation, the regulated entity must take all steps it reasonably can to ensure that the person:
 1. is not appointed to a management position; and
 2. if already appointed, does not continue to hold such a position.
- 2) Da Afghanistan Bank may, by an order in writing, require the removal of a person from their management position, if Da Afghanistan Bank determines, against the criteria of this Regulation, that the person is not fit and proper to hold that position.

CHAPTER THREE

Requirements for Foreign Banks and Internal Control

Requirements for foreign banks

Article 11:

- 1) Da Afghanistan Bank shall apply the fit and proper requirements to management of foreign banks approved to operate in Afghanistan as either branches or subsidiaries.
- 2) At the time of nominating a senior officer from outside Afghanistan to manage the operations of the foreign bank in Afghanistan, foreign financial institutions must provide Da Afghanistan Bank with details of that person, including their name and curriculum vitae. These details must be resubmitted to Da Afghanistan Bank within 14 days when there is any change in the senior officer from outside Afghanistan. The foreign bank must ensure that the designated senior officer meets the standards of fitness and propriety set out in this Regulation:

Information Requirements

Article 12:

- 1) Da Afghanistan Bank shall gather sufficient and comprehensive information about persons (including beneficial owners) expected to have qualifying holdings, 20% participation, 30% participation in a regulated entity, or control of regulated entity, board of supervisors, management board, or similar governing body and management of a regulated entity. The information to be supplied to Da Afghanistan Bank includes, but limited to:
 1. Financial and taxation information;
 2. Personal background, including information on experience and qualifications held;
 3. Professional background; and
 4. A police clearance.

- 2) In the case of legal persons, all members of its board of supervisors and management board, or similar governing body, and persons with qualifying holdings shall supply the information outlined in paragraph (1) of this Article. The legal person shall also provide information in relation to any fines, penalties, sanctions or regulatory actions imposed in relation to financial crimes including offences relating to money laundering and/or terrorist financing.
- 3) Persons seeking to have qualifying holdings, 20% participation, 30% participation or control in a regulated entity are required to provide information on the source of funds for the proposed investment or acquisition. The information provided shall be accompanied by a certificate from an auditor or regulated entity confirming the origin/source of funds.
- 4) In addition to the requirements of Paragraph 1, 2 and 3 of this Article, persons seeking to have qualifying holdings, 20% participation, 30% participation or control of regulated entities or be appointed to the board of supervisors or management board or such other governing body of a regulated entity, are required to submit information as required in Annex 1 (for persons) and Annex 2 (for legal persons).

Internal Controls

Article 13:

Consistent with Chapter 5 of Banking Law, at a minimum, each regulated entity should:

1. Have policies and procedures in place to address the criteria for fitness and propriety contained in this Regulation.
2. Assess the fitness and propriety of a person occupying a management position prior to initial appointment and then re-assessed annually.
3. Take all steps to ensure that a person is not appointed to, or does not continue to hold, a management position for which they are not fit and proper.

Penalty and Actions

Article 14:

Any regulated entity breaching this Regulation is liable to the sanctions as provided in the Banking Law of Afghanistan, AML Law, DAB law and any other relevant Laws of Afghanistan.

Annex 1

Personal Questionnaire for Members of the Supervisory Board, Managers, and Controllers

1.	Name of the institution in connection with which this questionnaire is being completed.	
2.	Surname Forename(s) Any previous name(s) by which you have been known. Gender (Male/Female)	
3.	Are you completing this questionnaire as a member of the supervisory board, Shareholder, Manager, Officer or Controller?	
4.	Private address	
5.	Previous private addresses during the last ten years (with relevant dates)	
6.	Date of Birth Place of birth (including town, province and country)	
7.	Nationality, and how it was acquired (e.g. birth, naturalization, marriage)	
8.	Identification number (Passport #, Tax Identification # or specify other type)	
9.	Present occupation or employment and occupations and employment during the last ten years, including the name of the employer, the nature of business, the position held and relevant dates, leaving no period unaccounted for, and including for each employment; - the title of your position, - the dates of employment, - the name and address of your employer, and - the name, position and telephone number of a reference.	
10.	Of what bodies corporate – 1. are you now a director or controller? 2. have you been a director or controller at any time during the last ten years? (specify the country of incorporation in each case & nature of business)	

<p>3. Details of shareholding interest in financial institutions (current and last ten years)</p> <ul style="list-style-type: none"> - name of company - country of incorporation - percentage holding - nature of business 	
<p>4. Professional qualifications and year in which they were obtained.</p> <ul style="list-style-type: none"> - Academic qualifications 	
<p>5. Have you at any time been involved with an application for regulatory approval in any other jurisdiction where that application has been refused or withdrawn?</p>	
<p>6. Have you at any time been charged or convicted of any offence (other than (a) an offence committed when you were under the age of 18 years unless the same was committed within the last ten years, or (b) an offence in connection with the use or ownership of a motor vehicle which was tried in a court of summary jurisdiction) by any court, whether civil or military, in any jurisdiction? If so, give full particulars of the charge and if convicted, the date of conviction, the offence and the penalty imposed.</p>	
<p>7. Have you ever, at any time, been the subject of an investigation in relation to a financial institution? If so, give full particulars.</p>	
<p>8. Have you, anywhere, been censured, disciplined or criticised by any professional body to which you belong or have belonged, or have you ever held a practising certificate subject to conditions? If so, give full particulars.</p>	
<p>9. Have you ever been required to give evidence in any trial or proceedings involving fraud, dishonesty or similar matters, other than as an expert witness? If so, give full particulars.</p>	
<p>10. Have you, or anybody corporate, partnership or unincorporated institution with which you are, or have been associated as a director, shareholder, manager, officer or controller, been the subject of an investigation, anywhere, by a governmental, professional or other regulatory body? If so, give full particulars.</p>	
<p>11. Have you, anywhere, been dismissed from any office or employment or barred from entry to any profession or occupation? If so, give full particulars</p>	
<p>12. Have you been adjudicated bankrupt by a court in any jurisdiction? If so, give full particulars.</p>	
<p>13. Have you failed to satisfy any debt adjudged due</p>	

and payable by you as a judgement-debtor under an order of a court in any jurisdiction? If so, give full particulars.	
14. Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give full particulars.	
15. Has anybody corporate, partnership or unincorporated institution with which you were associated as a director, shareholder, manager, officer or controller, anywhere, been compulsorily wound up or made any compromise or arrangement with its' creditors or ceased trading in circumstances where its' creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.	
16. Has anybody corporate, partnership or unincorporated institution with which you were associated as a director, shareholder, manager, officer or controller, anywhere, had its authorization revoked?	
17. In carrying out your duties will you be acting on the directions or instructions of any other person? If so, give full particulars	

I CERTIFY that the above information is complete and correct to the best of my knowledge and belief and I undertake that, as long as I continue to be a director, shareholder, manager, officer or controller of an institution authorized under the above laws, I will notify Da Afghanistan Bank of any material changes affecting the completeness of the answers to questions 11-25 above within a period of twenty-one days.

Date: _____ Signed: _____

NOTE

CONTROLLERS

A Controller includes:

- (1) any person who is entitled to exercise control of 10% or more of the voting power over the institution or over another company of which it is a subsidiary:
- (2) any person, whether a shareholder or not, in accordance with those directions or instructions the directors of the institution, or of another company of which it is a subsidiary, are accustomed to act.

Where a controller is a body corporate Da Afghanistan Bank will look through that body to the ultimate controller from whom the above information will be sought.

Annex 2

QUESTIONNAIRE FOR BENEFICIAL OWNERS (BEING A BODY CORPORATE)

The questionnaire should be completed by each beneficial owner (the “controller”) of the applicant independently and without assistance by the applicant. If insufficient space is available then separate sheets should be attached.

1. Name of the institution (“the institution”) to which this questionnaire relates.	
2. Please state the name of the controller (“the controller”) including the corporate name and any business name(s) used for the purposes of or in connection with any business carried on by it.	
3. The reason why the controller qualifies as such with respect to the institution (for example a 10% shareholding)	
4. Description of the controller’s business.	
5. Any former name(s) under which the controller has been registered or has traded.	
6. Country and date of incorporation or formation of the controller.	
7. (a) Registered address of the Head Office of the controller, and (b) Principal place of business in (including address).	
8. Name(s) and address(es) of the controller’s principal bankers.	
9. Names and positions of all directors of the controller.	
10. Names of all controllers of the controller, indicating in what sense they are controllers.	
11. Names of all institutions authorized under the Law of Banking other than the applicant institution, of which the controller is also a controller or a significant shareholder, indicating the sense in which it qualifies as such with respect to each.	

<p>12. Does the controller hold, or has it ever held, any authority from a supervisory body to carry on any banking business in Afghanistan or elsewhere? If so, give particulars. If any such authority was revoked, give particulars.</p>	
<p>13. Has the controller ever applied for any authority from a supervisory body to carry on banking business in Afghanistan or elsewhere other than an authority already mentioned in answer to Question 12? If so, give particulars. If any such application was, for any reason, refused or withdrawn after it was made, give particulars.</p>	
<p>14. Has the controller within the last 10 years failed to satisfy a judgment debt under a court order in Afghanistan or elsewhere within a year of the making of the order? If so, give particulars.</p>	
<p>15. Has the controller made any compromise or arrangement with its creditors within the last 10 years or otherwise failed to satisfy creditors in full? If so, give particulars.</p>	
<p>16. Has a receiver or an administrative receiver of any property of the controller been appointed in Afghanistan, or has the substantial similar of any such person been appointed in any other jurisdiction, in the last 10 years? If so, give particulars, including whether the receiver or equivalent is still acting under the appointment.</p>	
<p>17. Has a petition been serviced in Afghanistan for an administration order in relation to the institution, or has the substantial equivalent of such a petition been served in any other jurisdiction, in the last 10 years? If so, give particulars.</p>	
<p>18. Has a notice of resolution for the voluntary liquidation of the controller been given in Afghanistan, or has the substantial equivalent of such a notice been given in any other jurisdiction, in the last 10 years? If so, give particulars.</p>	
<p>19. Has a petition been served in Afghanistan or elsewhere for the compulsory liquidation of the controller, or has the substantial equivalent of such a petition been served in any other jurisdiction, in the last 10 years? If so, give particulars.</p>	

<p>20. Is an inspector or other authorized officer of any government department or agency, professional association or other regulatory body appointed under any Afghanistan or overseas enactment investigating, or has such an investigation ever previously taken place into, the affairs of the controller? If so, give particulars.</p>	
<p>21. Has the controller ever been censured, prosecuted, warned as to future conduct, disciplined or publicly criticized by, or made the subject of a court order at the instigation of, any regulatory authority in Afghanistan or elsewhere? If so, give particulars.</p>	
<p>22. Has the controller ever been refused entry, in Afghanistan or elsewhere, to any professional body or trade association concerned with banking or financial activities or decided not to apply for entry after making an approach? If so, give particulars.</p>	
<p>23. Is the controller engaged, or does it expect to be engaged, in Afghanistan or elsewhere in any litigation which may have material effect on the resources of the controller or the institution? If so, give particulars.</p>	
<p>24. Is the controller engaged, or does it expect to be engaged, in any transaction or arrangements (excluding receipt of dividends) with the institution? If so, give particulars.</p>	
<p>25. Is any business of the controller guaranteed or otherwise underwritten or secured, or expected to be guaranteed or underwritten or secured, by the institution, for example, by the giving of security to a bank in respect of lending to the controller/group company? If so, give particulars.</p>	
<p>26. How many shares in the institution are registered in the name of the controller or an associate? Give name(s) in which registered and class of shares.</p>	
<p>27. In how many shares in the institution (not being registered in the name of the controller or an associate) is the controller or any company in the same group or any related party beneficially interested?</p>	

28. Does the controller or its associates hold any shares in the institution as trustee or nominee? If so, give particulars.	
29. Are any of the shares in the institution mentioned in answer to Questions 26, 27 and 28 equitably or legally charged or pledged to any part? If so, give particulars.	
30. What proportion of the voting power at any general meeting of the institution (or of another institution of which the institution is a subsidiary) is the controller and any associate entitled to exercise or control the exercise of?	
31. If the exercise of part of the voting power at any general meeting of the institution or of another institution of which it is a subsidiary is or may be controlled by one or more associates, give the proportion of the voting power so controlled in each case and the identity of each associate.	
32. Please provide audited accounts for the controller (and, where appropriate, audited group accounts for the controller's group) for the last three financial years (if available). If the most recent audited accounts are more than six months out of date, they should be accompanied by management accounts (which need not be audited) showing the current financial position and the current results of the controller. In addition, please provide copies of the constitutional documents of the controller.	
33. If this questionnaire is submitted in connection with an application for authorization, please provide any other information, which may assist Da Afghanistan Bank in reaching a decision on the application.	

DECLARATION

I/We declare that to the best of my knowledge and belief the above information is true and accurate.

I/We undertake to inform Da Afghanistan Bank of any changes material to this declaration which may arise.

Date:

DIRECTOR: _____

DIRECTOR: _____

SPECIFY NAME OF INSTITUTION OR FIRM: _____

NOTE

CONTROLLERS

A Controller includes:

- (1) any person who is entitled to exercise control of 10% or more of the voting power over the institution or over another company of which it is a subsidiary:
- (2) any person, whether a shareholder or not, in accordance with those directions or instructions the directors of the institution, or of another company of which it is a subsidiary, are accustomed to act.

Where a controller is a body corporate Da Afghanistan Bank will look through that body to the ultimate controller from whom the above information will be sought.

Annex 3

List of Financial Institutions regulated by Da Afghanistan Bank:

Name of financial institution	Activity undertaken
Banks	
Money Service Providers	
Foreign Exchange Dealers	
Electronic Money Institutions	
Depository Micro Finance Institutions	
Brokers	
Prepaid card issuing companies	