

# THE FINANCIAL INCLUSION ADVOCACY CENTRE

*"Pacesetters in Microfinance Trainings"*

## REGULATIONS, SUPERVISIONS & CORPORATE GOVERNANCE FOR MICROFINANCE MANAGERS

The one-week inter-active executive training is designed to improve the participants Basic Knowledge to Advanced Practical Knowledge on Provision of Financial Services with particular emphasis on Regulations, Supervisions and Corporate Governance

**September 16th - 20th, 2019**

London, UK



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The Financial Inclusion Advocacy Centre is an international action-oriented microfinance think-tank geared toward an exhaustive financial inclusion.

The Financial Inclusion Advocacy Centre's mission is to build the institutional strength and outreach of the microfinance sector, by providing a full range of high-quality, best-practice technical inputs and support to all industry stakeholders, in a sustainable and demand-driven manner. As an independent support centre, FIAC is committed to promoting innovations, transparency, and improved outreach to the poor and ever-improving performance in the microfinance industry the world over.

### Course Objective:

Over the last five decades Financial Services have aspired to reach the excluded and in so doing, have formed Credit Organisations which have continued to evolve as Financial Service Providers (FSPs) in the form of MicroCredit Entities, or Credit Unions or licensed MFIs or Fin-Techs or other variations. The emergence of the assorted FSPs, many of which have continued to transform, have to comply with changing Regulations and Supervisions (external requirements) AND adopt Sound Governance within their own Organisations (internal mechanisms). To be effective, the FSPs should have proper structures at various levels that enable them to remain Robust and attain their goals.

This one week training course will benefit those who aspire to understand the importance of Regulations and Supervisions and Corporate Governance. The target participants: Microfinance and Microcredit Practitioners, Regulatory Officers, Potential Financial/Social Investors, Senior Managers in MFIs, Senior Managers in NGO's, Senior Managers in Socially Responsible Investment Firms, Independent Practitioners, Consulting Firms, Central Bank Officials, Donor Agencies, Academics.

### Session 1: Principles and Evolution of Microfinance and Financial Inclusion

Increasingly, the Sustainable Developmental Goals recognise that Provision of Financial Services to the Unbanked can help Development. The introductory session recaps the development of Financial Service Providers since the pioneering initiatives by Professor Mohamed Yunus in the 70s. It examines the various the principles and approaches taken by commercial banks, non-governmental organisations, credit unions, governments and microfinance institutions to provide financial services to the Excluded. It defines the concept of microfinance and financial inclusion; the key principles applied by the FSPs; the changes made to the institutional legal form, operations, products, delivery channels etc. so as to attain increased outreach and sustainability.

### Session 2: Importance of Ratios and KPIs for Risk Assessment

Almost from the inception of microfinance it was recognised that portfolio quality was absolutely important and that the FSP should regularly measure portfolio at risk (PAR). CGAP (the World Bank affiliate) developed the Mix Market Platform for posting not only PAR but also numerous ratios and data. The session debates and discusses the relevance of such data for Regulatory & Supervisory Boards as well as its usefulness for the institutions governance and performance.

### Session 3: Expanding Range of Products and Consideration of Institutional Transformation

In order to be client-centric, the FSPs began to expand the product range, which inevitably entailed Change in the Organisation's legal form as well as in its operations and strategies. The session highlights the implications in adopting additional products by the FSPs; the changes and challenges posed to the institution and the requirements likely to be imposed by the Regulatory bodies.

### Session 4: Governmental Rules and Regulation

Typically regulation involves overseeing the financial soundness of the regulated institutions; however the regulator should also encourage formation of new MFIs and/or improve performance of existing

institutions. This inevitably entails separate consideration of wide range of Prudential and Non-prudential regulatory issues. The Prudential Regulation considers which type of FSPs should be licensed; its regular reporting requirements; the manner in which it is to be supervised and implications of non-compliance. The Non-Prudential issues include enabling the formation and operation of microlending institutions; protecting consumers; preventing fraud; interest rates policies; plus a variety of cross-cutting aspects surrounding institutional transformations. The session discusses in detail numerous features, terminology, preliminary issues and outlines areas of regulatory concerns applicable to FSPs.

### **Session 5: Regulations and Supervision (continued).**

Decades of experience around the world with many forms of “alternative” FSPs such as NGOs, financial cooperatives, mutual societies, rural banks, village banks, and MFIs demonstrate that it is challenging to supervise the assorted FSPs in a way that will keep them reasonably safe and stable. When the stakeholders start discussing legal frameworks for MF in a country, comparatively it is easy and interesting to craft regulations, but harder and less practical to plan an effective supervision system because numerous issues need to be considered such as Capital Adequacy; Unsecured Lending Limits; Loan-Loss Provisions; Loan Documentation; Reserves against Deposits; Ownership etc. Even upon listing the issues, the Regulator has to consider the manner in which they ought to be supervised.

Internally as and when the FSPs begin to adopt new products it becomes necessary to develop processes for FSP managers to identify vulnerabilities; to design and implement controls, and to monitor the effectiveness of those controls. The respective Boards of FSPs have to apply due consideration of various risks and suggest manner in which they could be identified, measured and managed. In dealing with systems and controls invariably the Boards have to consider aspects of Management and Governance, such that there is comprehensive oversight of the FSP, compliance with the continuous amendments to Regulations and appropriate responses to External Supervisions.

The session also considers additional rules that are possibly applied by Regulatory and Supervisory Boards with the advent of technologies and newcomers such as Mobile Network Operators, Alternate Delivery Channels, and Fintechs etc.

### **Session 6: Effective Management, Governance and Internal Controls**

Effective management is critical for a MFI to achieve long-term financial success and its social mission. MFIs must manage change and make difficult decisions with clarity and consistency of vision and mission. Governance is the system of people and processes through which an organisation maintains its focus and ensures institutional success. It includes the checks and balances needed to have an effective management team which can uphold the MFIs goals and mission and at the same time deal with risks and comply with Regulations & Supervisions. The session considers a variety of structures, terms and conditions required for effective management and good governance.

### **Session 7: Case Study**

Microfinance and financial inclusion manifest themselves in different ways in different contexts, be they in Asia, Africa, Latin America, USA or Europe. This session investigates a case study from a specific country, taking into account the environment, culture and socio-economic background and numerous challenges. The depth of this practical case study highlights the regulatory and governance issues that need to be considered for a Growing MFI.

### **Session 8: Trends and Overview**

Technological advances including Digital Financial Services (DFS) are rapidly expanding the outreach of MFIs and other FSPs. However applications, connectivity and alliances require consideration of new types of approaches. This session considers trends and developments in the provision of financial services – whether traditional or technological – and challenges that arise for regulation, supervision, compliance, and governance.



## Target Audience

Microfinance and Microcredit Practitioners, Regulatory Officers, Potential Social Investors, Senior Managers in MFIs, Senior Managers in NGO's, Senior Managers in Socially Responsible Investment Firms, Independent Practitioners, Consulting Firms, Central Bank Officials, Donor Agencies, Change Management Consulting Organizations, Private Equity Firms, Academicians

## Fees & Expenses

- We are pleased to inform you as a donor entity is part funding the course, we will give you special concession whereby the fee will be reduced from **\$3,000.00** to **\$2,500.00** per delegate provided you register before 30th of July ,2019. This fee is inclusive of accommodation with Satellite, Internet Connectivity, Feeding, Course Material and Airport pick-up, Certificate of Participation and Networking Opportunities.
- To attend, full payment need to be received by the August 30th, 2019.
- Book early in order not to be disappointed.

## Course Tutors



**Mr. Godfrey Lord Crentsil MSC;  
MPM; BA; DipEd**

- Microfinance expert with over 15 years' experience in microfinance development and supervision. Trained in most African and European countries as well as the MENA region.



**Mr Sadrudin Akbarali  
FCA; CTA**

- Formerly Senior Programme Manager for Aga Khan Agency for Microfinance with over 30 years' experience in developing, supervising and advising enterprise development, microfinance and other financial institutions

**Venue** : London, UK

## Registration

Please fill the attached registration form and send to [info@financialinclusionadvocacy.org](mailto:info@financialinclusionadvocacy.org)

## Deadline

- All registration forms should be submitted by August 30th, 2019. Late applications will be considered subject to availability.
- *Delegates that need an entry visa into the United Kingdom are advised to allow about 3-4 weeks processing time by the authorities.*

## Cancellation Policy

You may make a substitution, without charge, at any time before the start of the course but all cancellations must be confirmed in writing. Cancellations received more than four weeks prior to the start of the course are not subject to any penalty. Cancellation received after that time incurs the following penalties: two to four weeks 50% of the course fee; less than two weeks 100% of the course fee. If written notification is not received and you do not attend, the full course fee will be retained as a cancellation charge.



**Registration Form**  
**REGULATIONS, SUPERVISIONS & CORPORATE GOVERNANCE**  
**FOR MICROFINANCE MANAGERS**  
**September 16th - 20th 2019. London, UK**

TITLE:	
FIRST NAME:	
LAST NAME:	
ORGANISATION:	
ADDRESS:	
TELEPHONE	
EMAIL ADDRESS:	
ACADEMIC QUALIFICATION	
EMPLOYMENT STATUS FOR THE LAST FIVE YEARS	
CAREER OBJECTIVE AFTER COMPLETION OF COURSE	
DATE OF ARRIVAL	
PAYMENT MUST BE MADE BY BANK TRANSFERS. BANK DETAILS ARE PROVIDED AFTER SUCCESSFUL REGISTRATION AND INVOICE ISSUED	