

**GUIDELINES ON DUE DILIGENCE CONCERNING PROSPECTIVE AND EXISTING  
EMPLOYEE(S) OF FINANCIAL INSTITUTIONS**

**1. Introduction**

Pursuant to Section 39 of the New Financial Institutions Act of 1999 (the FIA), the CBL hereby issues the following guidelines, setting minimum requirements for the engagement or hiring of persons and/or the assessment of existing employees by licensed financial institutions operating in Liberia. These guidelines do not preclude financial institutions from taking other measures to ensure reasonable due diligence in the recruitment of new staff.

**2. Requirements**

Without prejudice to the right or need to require more information concerning person seeking employment with financial institutions operating in Liberia, each licensed financial institution shall be responsible to obtain, and/or maintain on their personnel files, the below-listed requirements on persons seeking employment with them and/or existing employees:

- (i) a character reference from each licensed bank-financial institution, non-bank financial institution and the Central Bank of Liberia;
- (ii) a character reference from the most recent former employer, a religious institution, a recognized educational institution, a recognized community-based organization or a recognized social organization;
- (iii) a clearance from the Liberia National Police; and
- (iv) a full bio-data of the applicant (including former places of work).

In the case of (i) above, the financial institution shall be responsible to directly seek this information while the applicants or staff shall be responsible to provide the requirements for (ii), (iii) and (iv).

For a non-resident applicant or a foreign national seeking employment with a licensed financial institutions in Liberia, the financial institution must receive all of the above-mentioned requirements from the applicant's country of residence, where applicable, a letter of resignation from his/her former place of work notarized in his/her country of residence. The applicant must also provide a notarized statement giving the reason (s) of his/her departure from the former place of work and a character clearance from the relevant security agencies of his/her country of residence. These requirements also apply to foreign nationals residing in Liberia.

In the case of secondment of a foreign staff from an affiliate, subsidiary, or parent company to work at a licensed financial institution in Liberia, such licensed financial institution must inform and furnish the CBL with the following requirements for its review and approval prior to the placement of such staff:

- approval letter from the Board of the parent company nominating the staff;
  - terms of reference of the staff and position to be occupied;
  - a letter of clearance from the home country banking or relevant supervisory authorities;
  - a full bio-data of the staff; and
  - any other information as may be required by the CBL.
3. A licensed financial institution from which a character reference is sought shall be required to provide its response within a period not exceeding ten working days.
4. Information provided by a licensed financial institution, whether character reference or employment information shall be treated with strict confidentiality and shall be disclosed to a third party other than the CBL only as may be required by law.

5. **Regulatory Forbearance**

Regarding existing employees, within 3 months of the coming into force of these guidelines, each licensed financial institution shall be required to update its personnel files to meet the above-mentioned requirements stated in Section (2) above.

6. **Maintenance of a Database of Dismissed, Terminated and/or Former Staff**

The CBL shall maintain a database of dismissed, terminated and/or former staff of commercial banks based on information provided by the banks. Such information shall be submitted in keeping with the requirement of CBL Return # MBR 700. Information on the database may be accessed by the banks only upon request, and shall contain a statement of facts as recorded in the database. Notwithstanding the monthly reporting requirement, each licensed financial institution is required to promptly inform the CBL of any immediate dismissal, termination and/or retirement of staff within a period not exceeding two days.

7. **Penalty for Non-compliance:**

Any financial institution that fails to comply with these minimum guidelines shall be subject to a civil money penalty of not less than L\$100,000 for each day of non-compliance and/or other supervisory sanctions as the CBL may deem necessary.

These guidelines shall take effect immediately upon publication in an Official Gazette, and shall remain in force until otherwise advised by the CBL.

Issued this 6th day of August, 2010 in the City of Monrovia, Republic of Liberia.

BY ORDER OF THE PRESIDENT

MINISTRY OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA  
AUGUST 6, 2010