

## **Directive on the Introduction of Financial Products and Services for Commercial Banks**

In order to encourage the provision of quality financial services to the public, and, at the same time, adequately understand and monitor the risk associated with the provision of new financial products and services, the Central Bank of Liberia (CBL) hereby issues this directive for the regulation and supervision of non-traditional banking financial products and services. For the purpose of this directive, non-traditional banking product and services refer to those products and services not included in the definition of banking under Section 2 (1) of the New financial Institutions Act of 1999. Therefore, all other products and services not expressly mentioned by Section 2(1) of the New FIA are considered non-traditional banking products and services.

Each bank wishing to introduce any financial products or services must receive a prior written approval of the Central Bank of Liberia. In seeking the approval of the CBL, a bank shall submit the following minimum requirements for the review of the CBL:

- 1) Detailed operating procedures and/or policies regarding the new product or service;
- 2) Detailed information regarding the product or service, including target market, risks, and benefit to customers;
- 3) Information on human resource capacity or technical knowledge on the proposed product or service;
- 4) Information Technology program for the new product or service (where applicable);
- 5) Cost and price structure of the product or service;
- 6) Customer protection guidelines, including underlying agreements (terms and conditions with principals, if any);
- 7) Guidelines on anti-money laundering and anti-terrorist financing regarding the product or service (where applicable); and
- 8) Any other information as may be required by the CBL.

**Penalty for Non-compliance:** Any bank that fails to obtain the approval of the CBL before introducing a new financial product and/or service will be subjected to the appropriate supervisory sanctions, including but not limited to non-approval of such financial products and/or services.

This Directive takes effect from June 8, 2009.

Signed \_\_\_\_\_  
**CENTRAL BANK OF LIBERIA**