



**GHANA ASSOCIATION OF MICROFINANCE COMPANIES**

*Integrity, Accountability, Commitment*

# AMENDED CONSTITUTION

October 2023

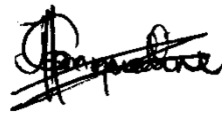
**THE AMENDED CONSTITUTION OF THE GHANA ASSOCIATION OF  
MICROFINANCE COMPANIES**

This document, the Amended Constitution of the Ghana Association of Microfinance Companies, is hereby duly authenticated by the appending of our signatures in the presence of the General Assembly at the Extraordinary General Meeting held on 16th October 2023.

Signed by:



**Josephine Mawuse Adzo Sackey**  
**Board Vice Chairperson**



**Jacqueline Commodore**  
**P.P. Executive Secretary**

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

AGM	Annual General Meeting
APR	Annual Percentage Rate
BoG	Bank of Ghana
CCC	Code of Conduct Council
GAMC	Ghana Association of Microfinance Companies
GHAMFIN	Ghana Microfinance Institutions Network
GRA	Ghana Revenue Authority
IHD	Incidents of High (Loans) Default
M&E	Monitoring & Evaluation
MFCs	Microfinance Companies
MIS	Management Information Systems
RGD	Registrar General's Department
SDIs	Specialized Deposit-Taking Institutions
SSNIT	Social Security and National Insurance Trust

**PREAMBLE**

We, the members of the Ghana Association of Microfinance Companies (hereinafter referred to as “the Association”), recognizing the vital role of microfinance institutions in fostering financial inclusion, poverty reduction, and sustainable economic growth within the Republic of Ghana, do hereby establish this Constitution.

With a commitment to promoting a robust microfinance sector that operates with integrity, transparency, and professionalism, this Constitution shall serve as the guiding framework for the Association’s activities, principles, and governance.

In witness whereof, we hereby adopt and enact this constitution to guide the Ghana Association of Microfinance Companies, binding ourselves and our successors to its principles and objectives.

## **ARTICLE I**

### **GHANA ASSOCIATION OF MICROFINANCE COMPANIES**

#### **SECTION 1 NAME:**

**1.1** The Association shall be known and called GHANA ASSOCIATION OF MICROFINANCE COMPANIES (hereinafter called “the ASSOCIATION”) and generally be referred to as “GAMC”.

#### **SECTION 2 RECOGNITION:**

**2.1** The Association is a direct member of the Ghana Microfinance Institutions Network (GHAMFIN) and registered with the Registrar General's Department (RGD) as a company limited by guarantee. It shall operate as a non-profit organization, remaining non-sectarian, non-political, and non-religious in its nature and activities.

#### **SECTION 3 REGISTERED OFFICE**

The Registered Office of the Association shall be The National Secretariat of the “Ghana Association of Microfinance Companies, Accra” with offices in administrative sectors of the Association in Ghana.

#### **SECTION 4 SUPREMACY OF CONSTITUTION:**

**4.1** The supreme power of GAMC resides in its Members, and the Officers of the Association shall act in their name and for their welfare.

**4.2** This Constitution shall be the Supreme law of GAMC, subject to the laws of Ghana.

**4.3** Any other law, rule, regulation, or practices of GAMC that are inconsistent with any provision of this Constitution shall be null and void to the extent of the inconsistency.

**4.4** Bank of Ghana’s laws, rules, regulations, directives, orders, or notices regarding the operation of microfinance in Ghana shall be binding on GAMC and its members.

**4.5** The constitution serves as the highest authority within GAMC, ensuring adherence to its principles and guidelines.

**4.6** All members, officers, and stakeholders of GAMC must comply with the provisions outlined in the Constitution, which governs all aspects of the Association’s operations.

**4.7** Any amendments to the Constitution must follow the prescribed procedures as stated in the Constitution itself to maintain its integrity and supremacy.

**4.8** The Constitution guarantees the protection of members' rights and interests and provides a framework for fair and transparent decision-making within the Association.

**4.9** GAMC's activities, policies, and decisions must align with the Constitution to uphold its supremacy and maintain the Association's purpose and values.

#### **SECTION 5 DEFENSE OF THE CONSTITUTION:**

**5.1** **Constitutional Rights and Duties:**



The Constitution grants all members of GAMC the explicit right and duty to defend its provisions, ensuring that the organization operates in accordance with its guiding principles.

**5.2 Rule of Law:**

All members must enforce the Constitution's provisions. GAMC will ensure that all decisions and actions within the association are governed by the rule of law, promoting fairness and consistency.

**SECTION 6 THE ASSOCIATION:**

**6.1** GAMC is an association of microfinance companies (MFCs) duly licensed or interested in acquiring a license by the Bank of Ghana (BoG) to operate as tier 2 Specialized Deposit-taking Institutions (SDIs) in Ghana.

**SECTION 7 VISION AND MISSION:**

**7.1 Vision:**

To become “A reputable and relevant microfinance association to stakeholders while championing financial inclusion.”

**7.2 Mission:**

To become sustainable through advocacy, capacity building, and creation of stakeholder value and satisfaction.

**SECTION 8 OBJECTS:**

**8.1** The object of the Association is to concern itself in all matters of microfinance practices in Ghana and worldwide and for that purpose serve as a forum for members and take such actions as it considers expedient and necessary.

**8.2** Without prejudice to sub-clause (1) of this clause, the Association shall concern itself :

- a. to promote and strengthen relationships among its members to achieve the objectives of the microfinance sector.
- b. to establish an APEX body to build the capacity of members to operate under acceptable microfinance principles.
- c. to develop systems that will ensure contribution to the development of micro-businesses in the areas of agriculture, commerce, and the general well-being of the people.
- d. to regulate its members and ensure that they operate within the legal framework of the Central Bank.
- e. to safeguard public funds collected by its members.
- f. to place the services of the Association at the disposal of the Bank of Ghana (BOG) and other organizations both inside and outside Ghana in pursuance of matters relating to microfinance operations.
- g. to support and facilitate the licensing process with Government Agencies.

- h. to help members with the mobilization of funds to mop up excess liquidity from the system.
- i. to undertake advocacy on behalf of members.

**SECTION 9 FUNCTIONS:**

**9.1** Foster the exchange of ideas and experience in microfinance operations mainly through lectures, seminars, conferences, workshops, courses, and meetings. Establish or encourage the establishment of libraries and the publication of books and papers on microfinance operations in Ghana.

**9.2** To do all such things as are incidental or conducive to the attainment of the objects of the Association.

**SECTION 10 MOTTO:**

**10.1** The motto of the Association shall be, *Integrity, Accountability, and Commitment.*

**SECTION 11 COLOURS:**

**11.1** The colours of the Association shall be:

- a. BLUE – shall denote SECURITY and TRUST;
- b. BROWN -shall denote RELIABILITY;
- c. WHITE – shall denote EMPOWERMENT.

**SECTION 12 LOGO:**

**12.1** The logo of the Association shall have the following significant features:

- a. Two hexagonal shapes, with one hexagon embedded within the other, creating a layered effect.
- b. Four arrow icons are positioned symmetrically around the center of the inner hexagon, all pointing towards its center.
- c. The usage of the logo shall only be permissible upon obtaining written approval from the Governing Board as outlined in the constitution.

**12.2 Representation:**

- a. The two hexagonal shapes symbolize unity and cohesion within the Association and reflect a harmonious relationship between various organs and member companies.
- b. The four arrows pointing towards the center of the inner hexagon convey a sense of direction, and progress and strive for improvement and growth.
- c. The convergence of the arrows at the center of the inner hexagon signifies a central purpose and focus towards achieving the vision and mission of the Association.
- d. The combination of hexagons and arrows proves a dynamic and forward-thinking nature, implying that the Association embraces change and adapts to new challenges.

**SECTION 13 AFFILIATIONS:**

- 13.1** The Association may affiliate with any national or international organization that has similar aims and objects with the approval of the Board.
- 13.2** The affiliations so entered shall be presented to members in the subsequent Annual General Meeting for ratification.

## ARTICLE II

### MEMBERSHIP OF ASSOCIATION

#### SECTION 14 MEMBERSHIP ELIGIBILITY:

##### 14.1 Membership:

All limited liability Tier 2 Companies licensed or pending to be licensed by the Bank of Ghana (BoG) shall apply to be a member of the Association and shall upon becoming a member, pay to the Association such registration fee as may be determined by the Board.

##### 14.2 Membership Application Procedures:

- a. Prospective Members shall fill out the appropriate application forms.
- b. The following documents must be attached to membership application forms:
  - i. Certificate of Incorporation.
  - ii. Business Registration Forms 3-4.
  - iii. Business Plan/Feasibility Studies.
  - iv. Audited Accounts for existing companies or Statements of Affairs for new companies.
  - v. All other requirements of the Bank of Ghana to acquire a license as an MFC.
  - vi. Receipt of payment of approved fees.
- c. The application forms and supporting documents shall be vetted by the Membership Sub-Committee, comprising representatives from the Board, Secretariat, and General Membership.
- d. The Membership Sub-Committee's recommendations shall be submitted to the Board for final approval.
- e. The Board's decision on an applicant shall be final and the Board shall be obliged to provide reasons for its decisions.
- f. The Board's decision shall be communicated to the applicant by the Executive Secretary within 14 days of the decision.
- g. A record of all membership applications shall be kept at the National Secretariat.

##### 14.3 Member Classification:

GAMC shall operate two categories of membership: Full member and Provisional member.

- a. **Full Member:** A full member is a Microfinance Company (MFC) that has been licensed by the Bank of Ghana (BoG) has fulfilled all requirements of GAMC and remains in good standing.
- b. **Provisional Member:** Provisional membership shall be recognized under three (3) categories:

**Category 1:**

A provisional member is an MFC who has paid a non-refundable application fee to join GAMC pending licensing by the Bank of Ghana. Such a member will remain on the provisional list for a maximum period of six (6) months unless the Bank of Ghana confirms in writing to the GAMC National Secretariat that the application of the provisional member is still under consideration and for a specified period, without which GAMC will automatically delist such a provisional member.

**Category 2:**

When a full member is placed under supervisory sanction (moratorium) within a time frame by the Bank of Ghana and with notification to the GAMC National Secretariat, such a member will be moved to the provisional list. The member will remain in the provisional member category until it is reinstated by the Bank of Ghana and with notification to the GAMC National Secretariat.

**Category 3 (Transitional):**

All current GAMC members who are yet to regularize their operations with the Bank of Ghana to be issued with the operational license will be moved to the provisional member category and shall have six (6) months to regularize their business with the Bank of Ghana. Existing members who do not meet this requirement will thereafter cease to be members of GAMC unless they produce evidence from the Bank of Ghana indicating the period for the issue of the license.

**14.4 Membership Criteria:**

Based on the following criteria, membership shall be renewed and will be deemed the member is in good standing to the Association when;

- a. members attend at least two (2) events organized by the association.
- b. members attend at least two (2) training programs organized by the association.
- c. full payment of membership dues has been made and
- d. members submit their quarterly reports to the Secretariat.

**14.5 Designation of Member Company Representative:**

A member company shall be represented by its CEO/Managing Director or Accredited Board member. The name, contact details, and profile of the designated representative and alternate representative shall be formally communicated to the National Secretariat.

**14.6 Membership Certificate:**

Member companies shall be issued with a membership certificate under the common seal of the Association upon payment of dues and other applicable fees.

**14.7** All members in good standing shall be re-issued with membership certificates annually.

**14.8 Duties and Responsibilities of Members:**

Members of GAMC shall have the following duties and responsibilities:

- a. Uphold and defend the Association's constitution, code of conduct, various forms of rules, and other lawfully issued guidelines;

- b. To pay subscriptions when due and in line with procedures that may be instituted from time to time;
- c. Submit relevant data as may be required by the Secretariat from time to time;
- d. Participate in all Programmes of the Association and hold the image of GAMC;
- e. Members shall also be expected to comply with the provisions of the code of ethics and conduct in Section Seven (7) issued by the Association as well as provisions of the Banks & Specialized Deposit-Taking Institutions Act, 2016 (Act 930), Bank of Ghana Business Rules & Sanctions for Microfinance Institutions, and other applicable laws;
- f. Comply with regulations and directives issued by the Bank of Ghana.
- g. Comply with all laws and other requirements of statutory bodies such as the Ghana Revenue Authority (GRA), Social Security and National Insurance Trust (SSNIT), and the Registrar General's Department (RGD).

**14.9**

**Rights of Members:**

GAMC members in good standing shall enjoy the following rights:

- a. Participate in all activities of the Association;
- b. Benefit from advocacy undertaken by the Association;
- c. Seek the support of the Secretariat to resolve issues with other members, regulators, and other stakeholders;
- d. Request references from the Secretariat in pursuit of business enhancement activities;
- e. Receive information initiated at the instance of the Association and disseminated to members;
- f. Receive direct support from the Secretariat as part of member services;
- g. Participate in meetings, conferences, workshops, forums, sector and national summits, or other functions organized and sponsored by the Association.
- h. Attend a general meeting of the Association and speak and vote on a resolution before the meeting.

**14.10**

**Member Benefits:**

Members shall get the opportunity to:

- a. Collaborate and network with various local and international microfinance players;
- b. Advertise through the GAMC website, newsletters, forums, and through GAMC international partners and networks;

- c. Participate in capacity building and skills training organized by GAMC Training Centre;
- d. Benefit from both national and international technical support from GAMC technical partners;
- e. Participate in national and international events through GAMC support;
- f. Be assisted in raising resources through GAMC channels.

**14.11**

**Member in Good Standing and Publication of Members in Good Standing:**

- a. A member in good standing is a member company in compliance with the duties and responsibilities of members as listed in **Article II, Section 14(8)**. Such a member who fully complies with the duties and responsibilities as enshrined in this Constitution shall also be a member who is assessed to be always in compliance with the licensing conditions/requirements and the operational standards/norms of the Bank of Ghana as well as compliance with requirements of other regulatory authorities.”
- b. The Association shall publish in an appropriate national media at least once every year, the names of member companies in good standing with the Association.

**14.12**

**New Member Orientation:**

A new member shall be required to go through a mandatory orientation program as may be determined by the Secretariat.

**14.13**

**Cessation of Membership:**

- a. A member may resign upon the expiration of one (1) month’s notice in writing to the GAMC Executive Secretary. Any subscriptions, charges, or fees which shall have fallen due before such time shall remain owed and payable and may be demanded as debt.
- b. A member shall be liable for expulsion from the Association if that member’s conduct is not conducive to the welfare and dignity or respect of the Association or if by any act or deed, it undermines the attainment of any of the objects and functions of the Association.
- c. No member shall be expelled or dismissed until that member has been allowed to be heard before the Disciplinary Sub-committee or any other body appointed by the Board under this Constitution.
- d. Any member so expelled may within thirty (30) days appeal against the expulsion to the Board of the Association, who shall deliberate on the issue and upon their advice submit the case to the Annual General Meeting of the Association whose decision by majority vote shall be final.
- e. The expulsion shall be effective until the appeal is upheld when the member shall be reinstated on payment of all fees and subscriptions due.

- f. A member shall ipso facto cease to be a member of the Association if the Ghana Association of Microfinance Companies ceases to operate or exist.
- g. A member shall cease to be a member of the Association if that member neglects to pay approved subscriptions six (6) months after it has fallen due, or persistently neglects or refuses to pay any other levies, fees, and/or charges which may be due to the Association.
- h. Any member of the Association who misbehaves or acts to the detriment of the Association may be expelled or removed from the membership of the Association upon information or complaint signed by four (4) members of the Association in a Sector. Such misconduct has to be confirmed through the disciplinary process of the Association.
- i. The conduct of a director or member representative at the Association level that requires disciplinary action at the Association level may also be reported to the Bank of Ghana to take action at the institutional level.



## ARTICLE III

### GOVERNANCE OF ASSOCIATION

#### SECTION 15 GOVERNING BODY:

##### 15.1 **Composition:**

The governing body of the Association shall be the Board and it shall consist of the following officers:

- i. The Board Chairperson;
  - ii. The Vice-Board Chairperson;
  - iii. Two (2) Elected Members;
  - iv. Two (2) Co-opted Members;
  - v. The Executive Secretary who shall be the Secretary to the Board.
- a. The two (2) Elected Members shall come from each of the sectors as defined by **Article IV, Section 23**. The members will be elected by vote with nominees with the highest vote cast from each sector recognized as elected members.
  - b. In the event that there is no elected representative from a sector, the sector shall by consensus appoint a representative on its behalf or the Board shall appoint a member from the sector to represent the elected member.
  - c. At least one of the Co-opted Members shall have a legal background to serve as the Legal Representative on the Board.
  - d. The Co-opted Members shall not have voting rights on the Board.

##### 15.2 **Board Tenure:**

- a. The Officers of the Association shall hold office for three (3) years and shall be eligible for re-election. However, no officer shall hold the same office for more than two consecutive terms.
- b. Officers may stand for re-election after a minimum waiting period of three (3) years has elapsed from the completion of term of service.

##### 15.3 **Qualification/Eligibility of Board Members:**

Members interested in serving on the GAMC Board must meet the following requirements:

- a. Eligibility to GAMC Board shall be limited to directors of full member companies;
- b. All interested persons shall be sponsored by their member companies and must have been board members of a sponsoring MFC for at least 12 months;
- c. Member companies that sponsor directors must be in good standing as provided for under 6.10a at the time of filing application, during the election, and through board tenure;

- d. Directors would have to meet the requirements of the Bank of Ghana for directors of MFCs to be eligible.
- e. Co-opted board members shall be required to have equivalent qualifications of a director in their line of work/business activities.

**15.4 Disqualification of Board Members/Board Vacancy:**

GAMC Board members shall be disqualified and lose their positions on the Board where;

- a. any of the eligibility criteria is found to be false or is no longer in force for a board member;
- b. supervisory action is taken against the MFC that sponsored the Board Member;
- c. the board member is Dead;
- d. the board member is incapacitated through illness, injury, or any other cause that prevents the member from carrying out his/her duties for twelve (12) months continuously;
- e. the license of the sponsoring company is withdrawn or the sponsoring company is blacklisted
- f. misbehaviour of the Director is in line with the Association's Code of Conduct;
- g. the Director loses his/her Directorship in the sponsoring Company;
- h. where Directorship discontinues in the event of MFC acquisition, merger, or buyouts, in the new company.

**15.5 Co-option to the Board and Board Committees:**

The Board shall have the power to co-opt other people to the Board. Two types of cooption are permitted under the constitution:

**a. Co-option of non-GAMC members**

Non-GAMC members could be co-opted in matters of specialist expertise or technical knowledge. Such an individual shall not be a permanent member. His/her role shall be specified in a term of reference.

**b. Co-option of GAMC Members**

If the Board considers a particular need such as gender, welfare, or special knowledge to be required, that can be sourced from a GAMC member through co-option, such a person can be invited, provided the person is associated with a company that is at the time of appointment a full member of GAMC.

**SECTION 16 FUNCTIONS OF THE BOARD:**

**16.1** The Board shall be responsible for the implementation and enforcement of the constitutional mandate of the Association and with particular attention to the following:

- a. Set policy and provide strategic direction to the Association and ensure consistency and harmony between the Association's strategic direction and the Secretariat's operations.
  - b. Exercise oversight for the administration and management of the affairs of the Association.
  - c. Secure the well-being of all registered member companies.
- 16.2** Propose amendments to the constitution to be approved by a two-thirds majority of the Board and ratified by a simple majority of members.
- 16.3** Appoint an Executive Secretary who shall be responsible for the running of the Secretariat and who shall not be an employee, Director, or Shareholder of any member company.
- 16.4** The remuneration of paid appointees shall be at the discretion of the Board.

## **SECTION 17 BOARD MEMBERS AND THEIR FUNCTIONS:**

### **17.1 Board Chairperson**

The Board Chairperson shall undertake the following:

- a. Chair meetings of the Board and the General Assembly.
- b. Lead the Board to provide visionary leadership for the Association, mobilize and lobby for significant financial, intellectual, and material resources for the development of the Association.
- c. On behalf of the Board, authorize the use of the funds of the Association according to the budget approved by the Board.
- d. With the authority of the Board, supervise and coordinate activities of the Secretariat of the Association.
- e. With the approval of the Board shall have powers between Board meetings to appoint Committees and representatives of the Association on joint committees and/or delegate specific powers and duties to other members.

### **17.2 Vice Board Chairperson**

The Vice Board Chairperson shall have the under-listed functions:

- a. Ensure the Secretariat carries out the registration and renewals of member companies.
- b. Have responsibility for membership drive.
- c. Chair the membership assessment and monitoring committee.

- d. Serve as Moderator during Annual General and Special General Meetings to ensure order and decorum during such meetings.
- e. In the absence of the Board Chairperson, to perform functions of the Chairperson.

**17.3 Secretary to the Board**

The Secretary to the Board shall undertake the following functions:

- a. Serve as the Secretary at meetings of the Board.
- b. Take minutes during the meeting of the General Assembly.
- c. Serve as custodian of all the meeting records of the Association.
- d. Monitor the fulfillment of activities of the Association and prompt various officers accordingly.
- e. Publish dates of AGMs to members in consultation with the Board.
- f. Publish in consultation with the Board any vacant position to be filled by the Board.
- g. Receive views of members to be considered at AGM.
- h. Any other responsibilities to be assigned by the Board.

**17.4 Other Board Members**

Other Elected and Co-opted Board Members shall undertake the following functions:

- a. Attend all board meetings.
- b. May chair or serve on Standing Committees assigned by the Board.
- c. Perform any legitimate function assigned by the Board.

**SECTION 18 MEETINGS OF THE BOARD AND STANDING COMMITTEES OF THE BOARD:**

**18.1** Majority of members present shall constitute a quorum for all meetings except meetings to appoint officers which shall be at least a two-thirds majority.

**18.2** The Board shall appoint standing committees to which non-board and non-GAMC members may be co-opted. The committees are as follows:

- a. Governance Committee (focuses on recruitment, staff issues, remuneration, subscription, and other administrative issues);
- b. Finance and Audit Committee (focuses on budgeting, financial management, accountability, assurance of the secretariat's operations, audit, monitoring and compliance);

- c. Technical Committee (focuses on education, training, research, member services, etc.);
- d. Welfare Committee;
- e. Marketing and Promotion Committee;
- f. Advocacy Committee.

**18.3** Members shall be co-opted in accordance with the provisions of the constitution.

**18.4** Co-opted members of the committees shall not have voting rights.

**18.5** Each committee shall elect one of its members as Chair.

## **SECTION 19 FUNCTIONS OF THE STANDING/ ADHOC COMMITTEE**

### **19.1 Governance Committee:**

The Governance Committee shall undertake the following functions:

- a. Develop and update the association's governance policies and guidelines.
- b. Ensure compliance with relevant laws, regulations, and industry standards.
- c. Oversee board member selection and conduct board performance evaluations.
- d. Review and approve the association's strategic plans and major decisions.
- e. Monitor and manage potential conflicts of interest within the association.
- f. Assess and mitigate risks associated with the association's operations.
- g. Ensure transparency and accountability in the association's activities.
- h. Engage with stakeholders and represent the association's interests externally.

### **19.2 Finance and Audit Committee:**

The Finance and Audit Committee shall undertake the following functions:

- a. Review and approve the association's annual budgets and financial plans.
- b. Oversee financial reports, and audits, and ensure financial transparency.
- c. Monitor the association's financial performance and key financial indicators.
- d. Evaluate and approve major financial transactions and investments.
- e. Assess and ensure the integrity of the association's internal controls.
- f. Review and manage the association's loan portfolio and credit risk.
- g. Ensure compliance with financial regulations and reporting requirements.
- h. Collaborate with auditors and regulators to meet financial standards.

**19.3**

**Technical Committee:**

The Technical Committee shall undertake the following functions:

- a. Identify and implement technology solutions to enhance association operations.
- b. Oversee the maintenance and security of the association's IT infrastructure.
- c. Develop and update software systems to support member services and data management.
- d. Research emerging technologies and trends in the microfinance sector.
- e. Provide technical training and support to association members and staff.

**19.4**

**Welfare Committee:**

The Welfare Committee shall undertake the following functions:

- a. Develop and implement welfare programs for association employees and members.
- b. Address member and employee grievances and foster a positive work environment.
- c. Promote diversity and inclusion within the association's workforce.
- d. Ensure compliance with labour laws and ethical employment practices.
- e. Collaborate with partners to offer welfare support to microfinance clients.

**19.5**

**Marketing Committee:**

The Marketing Committee shall undertake the following functions:

- a. Develop marketing strategies to promote the association.
- b. Create and manage the association's branding and visual identity.
- c. Implementing marketing campaigns to attract new members and clients.
- d. Organize events and outreach programs to engage with potential members and stakeholders.
- e. Collaborate with other committees to ensure consistent messaging and branding.

**19.6**

**Advocacy Committee:**

The Advocacy Committee shall undertake the following functions:

- a. Identify and advocate for policies that support the microfinance industry in Ghana.
- b. Engage with relevant government agencies and policymakers on key issues.
- c. Represent the association's interests in industry forums and meetings.
- d. Collaborating with other stakeholders to drive financial inclusion initiatives.
- e. Monitor and analyze regulatory developments affecting microfinance in Ghana.

- f. Provide input on draft policies and regulations related to the microfinance sector.
- g. Building partnerships with international organizations to support advocacy efforts.

**19.7**

**Adhoc Advisory Committee:**

The Ad hoc Advisory Committee shall be made up of five (5) selected outgoing board members and shall undertake the following functions:

- a. Provide expert advice and guidance to the board based on the committee members' specialized knowledge and experience.
- b. Offer solutions and recommendations for specific challenges or issues faced by the Association.
- c. Assist in shaping the GAMC's long-term strategic direction and goals.
- d. Contribute to the formulation and review of policies, ensuring alignment with the Association's mission and objects.
- e. Identify potential risks and help the association make informed decisions to mitigate them.

**SECTION 20 CASUAL VACANCIES ON THE BOARD:**

**20.1**

A casual vacancy shall be deemed to arise if a Board member resigns, becomes incapacitated, is disqualified, or is otherwise unable to fulfill their duties before the term of their office expires. The following procedure shall be undertaken:

- a. The Secretary to the board shall promptly notify all Board members and members of the association regarding the vacant position and the need for its replacement.
- b. The Board shall be filled by a majority vote of the remaining Board members. A majority vote means more than half of the eligible Board members present and voting.
- c. Any active member of the Association in good standing and who meets the eligibility criteria in **Article II, Section 15(3)** can be nominated.
- d. The election to fill the casual vacancy shall be conducted in accordance with **Article VI, Section 32** outlined in the constitution.
- e. A casual vacancy of the Board chairperson shall be filled before an Annual General Meeting is due.
- f. The newly elected Board member shall serve the remainder of the term of the vacated position and shall be eligible for re-election at the next Annual General Meeting.
- g. A quorum of Board members shall be required to conduct the election to fill the casual vacancy. If a quorum is not achieved, the election shall be postponed until a valid quorum can be established.

- h. The appointment of the successful candidate shall be rectified at the subsequent General Meeting to begin Board duties immediately.

## **SECTION 21 THE NATIONAL SECRETARIAT:**

### **21.1**

#### **Functions:**

There shall be a National Secretariat that shall have responsibility for the day-to-day administration of the Association. The Secretariat shall have Sector Offices for various sectors. The Secretariat shall among other things be responsible for the following:

- a. Shall keep a register of all members and shall enter in the register: Company name, Company representative, address, telephone, date of membership, and date the company ceased to be a member.
- b. Coordinate the activities of the Association in general.
- c. Ensure the execution of all decisions of the General Assembly, the Board, and the Sector Chapter.
- d. Be responsible for organizing all meetings of the Association.
- e. Ensure the safety and proper upkeep of all properties of the Association.
- f. Ensure the receipt and disbursement of the Association's funds in a sound financial manner and in line with financial policies and procedures approved by the Board.
- g. Conduct the affairs of the Association in such a manner as will enhance the image of the Association.
- h. Act with the authority of the Board and General Assembly.

### **21.2**

#### **Executive Secretary**

There shall be an Executive Secretary of the Association appointed by the Board of the Association who shall be the head of the Secretariat and who shall in the performance function be responsible to the Board. The Executive Secretary shall undertake the following functions:

- a. Actively work with the Board chairperson to achieve objectives by championing the vision and mission of the Association.
- b. Act as a secretary to the Board of GAMC and assist in coordinating activities of its sub-committees.
- c. Oversee preparation of annual work plans and budgets.
- d. Understand and utilize economic, financial, and industry data to accurately diagnose Business strengths and weaknesses.
- e. Regularly inspect and review business financials and manage the productivity of resources, cost, and revenue.



- f. Regular updating and sharing of information among departments to ensure effective communication with all members and stakeholders.
- g. Represent the Association at all gatherings.
- h. Ensure the smooth entry and exit of new and old staff as well as board members.
- i. Manage and Maintain team leadership, team bonding, and corporate performance.
- j. Oversee organization of training activities, forums, and AGMs among others.
- k. Delegating staff to accomplish tasks and ensuring reward and sanction needed.
- l. Enforce delivery of high-quality services that meet Association and Industry needs, improving the Association's visibility.
- m. Ensure sound and prudent business management in accordance with statutory, regulatory, and group as well as the country's governance requirements.

### 21.3

#### **Staffing:**

The National Secretariat shall be adequately staffed in response to the size of membership, functions, workload of the Secretariat, and financial ability of the Association. The key positions include:

- a. Executive Secretary
- b. Member Relations Officer
- c. Finance Officer
- d. Training Officer
- e. Monitoring & Evaluation (M&E)/Management Information Systems (MIS) Officer

## **SECTION 22 THE ASSOCIATION'S ROLE IN THE SUPERVISORY PROCESS:**

### 22.1

#### **Objective:**

In order to achieve the core objectives of the Association which include building the capacity of members to operate under acceptable microfinance principles, regulate its members, and ensure that they operate within the legal framework of the Central Bank, the Association shall:

- a. Develop and adopt policy measures to guide its members particularly the Directors and key Management staff to improve the management, financial soundness, or business methods of the companies.
- b. Establish the appropriate structures and departments within the Association to facilitate the supervisory roles of its members, especially in ensuring that the members develop the capacities to comply with all Bank of Ghana notices, circulars, directives, and regulations aimed at maintaining sanity within the microfinance sector and the financial industry as a whole.
- c. Ensure that it engages and trains a core of officials with the skills and knowledge to be able to perform any supervisory roles assigned to it by the Central Bank.

**22.2 Member Supervision – Establishment of the Assurance Committee:**

- a. For purposes of the Association’s role in member supervision and in line with the principles of objectivity, independence, and the avoidance of potential conflict of interest, there shall be established under this constitution, a committee to be known as the GAMC Assurance Committee.
- b. The Assurance Committee shall have responsibility for the internal review of member operational and financial information as well as supervision of member MFCs mainly through off-site mechanisms, working in close collaboration with the National Secretariat.

**22.3 Functions of the Committee:**

**a. The Committee shall:**

- i. Issue general rules and guidelines as regards the implementation of policies and enforcement of procedures by GAMC member companies;
- ii. Monitor compliance with directives, regulations, and policies that are issued by the Bank of Ghana for Tier 2 Companies;
- iii. Support the Bank of Ghana in the monitoring of the financial condition of member companies and provide information to the Bank of Ghana through the National Secretariat to take action where the situation warrants a corrective measure in the operation of the MFCs to protect the interest of the members of GAMC.

**b. In furtherance of the performance of its functions, the Committee shall:**

- i. Submit periodic/quarterly reports to the appropriate Board Sub-Committee as well as annual reports to the Board and members of GAMC at Annual General Meetings;
- ii. Apply rules and enactments issued by the Bank of Ghana;
- iii. Collaborate, where necessary with the Bank of Ghana in the monitoring and offsite supervision of GAMC member companies;
- iv. Undertake any other functions incidental to the performance of its functions.

**22.4 Composition of the Assurance Committee:**

**a. The Committee shall consist of:**

- i. A chairperson appointed by the Board to be approved by members in the Annual General Meeting;
- ii. Two other members also nominated by the GAMC board and approved by members in the Annual General Meeting.

**22.5 Qualification for Membership of the Committee:**

- a. A person qualifies to be nominated to the Committee where there is a vacancy on the committee if that person:

- i. Has not borrowed or owes a payment to an MFC;
- ii. Has not been convicted of an offense involving fraud or dishonesty;
- iii. Is not disqualified or suspended from practising a profession by an order of a competent authority;
- iv. Has no financial interest and does not serve on the board of any MFC.

**22.6 Tenure of Office of Assurance Committee Members:**

- a. A member of the Committee shall hold office for a period of not more than two years and is eligible for re-appointment but a member shall not be appointed for more than two terms;
- b. A member of the Committee may, at any time, resign from the committee in writing addressed to the GAMC Board and citing the reason(s) for resignation;
- c. A member of the Committee who is absent from three consecutive meetings of the Committee without sufficient cause ceases to be a member of the Committee;
- d. The Board may, by a letter addressed to a member, revoke the appointment of that member for stated reasons;
- e. Where there is a vacancy on the Committee, the GAMC Board shall appoint a person to fill the vacancy. Appointments shall be ratified at the next Annual General Meeting.

**22.7 Meetings of the Assurance Committee:**

- a. The Committee shall meet at least once every three months for the dispatch of business at the GAMC National Secretariat;
- b. The Committee may co-opt a person to attend a meeting of the Committee but that person shall not vote on a matter for decision at the meeting.

**22.8 Disclosure of Interest:**

- a. A member of the Committee, who has an interest in a matter for consideration or in any MFC:
  - i. Shall disclose the nature of the interest and the disclosure shall form part of the record of the consideration of the matter; and
  - ii. Shall not be present or participate in the deliberations of the Committee in respect of the matter or MFC;
- b. A member who fails to disclose an interest ceases to be a member of the Committee.

**22.9 Allowances:**

Members of the Assurance Committee shall be paid allowances as determined by the Board.

## ARTICLE IV

### SECTORS

#### SECTION 23 SECTORS:

For the purposes of administration, the Association shall have the following sectors: Southern Sector and Northern Sector.

##### 23.1 Southern Sector:

The Southern Sector shall comprise the following regions:

- a. Greater Accra
- b. Western
- c. Western North
- d. Central
- e. Eastern
- f. Volta

##### 23.2 Northern Sector:

The Northern Sector shall comprise the following:

- a. Ashanti
- b. Ahafo
- c. Oti
- d. Brong Ahafo
- e. Bono East
- f. Northern
- g. Savannah
- h. Upper East
- i. North East
- j. Upper West

#### SECTION 24 SECTOR OFFICE:

24.1 The Association may have offices for the Southern and Northern sectors to serve as the central administrative hub for each sector. The sector offices shall be administered by the National Secretariat to carry out essential duties to ensure the smooth functioning and effectiveness of the Association's object and functions within the sectors outlined in this section.

24.2 All GAMC member companies located in a designated sector shall belong to the Sector Chapter.

24.3 The procedure and conduct of meetings of a Sector Chapter shall be as provided by the Association.

24.4 Each Sector Chapter shall submit an annual report to the National Secretariat.

## ARTICLE V

### MEETING OF ASSOCIATION

#### SECTION 25 ANNUAL GENERAL MEETINGS (AGM):

- 25.1** The Association shall hold an Annual General Meeting every year presided over by the Board Chairperson and in his/her absence the Vice-Board Chairperson on the last Wednesday of May each year.
- 25.2** The business to be transacted at the Annual General Meeting shall be as follows:
- a. To receive and discuss the report of the Board for the previous year;
  - b. To receive and discuss the audited accounts for the previous year;
  - c. To elect members of the Board (in an election year);
  - d. To appoint Auditors;
  - e. To discuss and consider any other business of which not less than 28 days' notice has been given to the Secretary by any member.
- 25.3** Notice of Annual General Meeting shall be circulated and/or published at least thirty (30) days before the meeting date.
- 25.4** Further notice of the Annual General Meeting and the business to be transacted shall be circulated and or published at least 14 days before the meeting date.

#### SECTION 26 EXTRAORDINARY GENERAL MEETINGS (EGM):

- 26.1** Upon a requisition signed by not less than one-third (1/3) of full members of the Association drawn from not less than sixty percent (60%) of Sector Chapters, the Board shall within ten (10) days of filing of such requisition with the National Secretariat summon an Extraordinary General Meeting of the Association by giving each member fifteen (15) days notice in writing or by any means considered expedient in the circumstance.
- 26.2** Every requisition shall specify the nature of the business for which the meeting is required to be called.
- 26.3** The Board may convene an extraordinary general meeting within four (4) weeks upon the notice given in the manner stated in subsection (1) of this Section.
- 26.4** The Board may organize an Extra-Ordinary General Meeting where this is deemed necessary.

#### SECTION 27 MOTIONS:

- 27.1** Except as otherwise provided, a notice of intention to table a motion at Annual General Meetings and Extraordinary General Meetings of the Association shall be given by a proposer for at least 21 clear days, but the Board may accept a notice that is sent outside the time provided.

**27.2** All motions shall be in writing, signed by the proposer and seconded by one member, and shall be lodged with the National Secretariat.

**SECTION 28 QUORUMS:**

**28.1** At any Annual General Meeting the quorum shall be one-third (1/3) of membership in good standing and at any Extraordinary General Meeting, the quorum shall be qualified members present and voting.

**28.2** If no quorum is available at the expiration of three (3) hours from the time appointed for the commencement of any Annual General Meeting, the meeting shall be adjourned by the Board Chairperson and a new date fixed.

**28.3** At any sector or forum meeting, the quorum shall be one-third (1/3) of the membership in the region.

**SECTION 29 VOTING:**

**29.1** Voting at Annual General Meetings and any Extra Ordinary General Meeting shall be by secret ballot unless otherwise decided by the Association. Each member in good standing shall be entitled to only one vote in respect of every business on which voting is to be exercised.

**29.2** Except as otherwise provided for by this Constitution, all issues at a meeting shall be decided by a simple majority of votes of members present and entitled to vote.

**29.3** All Registered member companies in good standing and on the Association's member in good standing list shall be entitled to one vote.

**29.4** Any member who is in arrears with its subscription with the Association or the sector chapter at the time of any meeting shall not be entitled to vote.

**29.5** Suspended or sanctioned members may lose their voting rights until reinstated.

**29.6** In the event of a tie vote, the Chairperson may vote to break the tie.

**SECTION 30 MINUTES:**

**31.1** Minutes of the Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) shall be recorded and appropriately filed and must bear the signatures of the Chairperson and the Board Secretary, both of whom must be present during the session.

## ARTICLE VI

### ELECTIONS, VOTING AND HANDOVER

#### SECTION 31 ELECTIONS:

- 31.1** Election of Officers shall take place at the Annual General Meeting.
- 31.2** Except otherwise provided, any person who desires to be elected to the Board must be nominated by a member in good standing and be qualified in line with **Article II, Section 15(3)** as well as receive the endorsement of 10 members.
- 31.3** All members present at the AGM will cast secret ballots to elect Executives/ Officers. Each member institution will be entitled to one vote.
- 31.4** Election of officers shall follow the ensuing order:  
a. The Sector Elections;  
b. The Board Elections.
- 31.5** The Board and Sector elections shall be supervised by the Electoral Commission of Ghana or GHAMFIN, and the GAMC Secretariat respectively.
- 31.6** The Board and Sector elections shall occur at the same time.
- 31.7** **Proxy Voting:**  
A member in good standing who is entitled to vote in the election of officers may be allowed to vote by proxy in line with directives in the Election Guidelines.
- 31.8** **Handing Over:**  
All outgoing officers shall hand over their office no later than one month after elections have been duly held at an AGM.

## ARTICLE VII

### FINANCIAL PROVISIONS

#### SECTION 32 FINANCE:

- 32.1** The Board shall submit for approval at least three (3) years' Strategic Plan by members in the Annual General Meeting.
- 32.2** Annual budgets comprising income and expenditure statements shall be submitted for approval by the Board.
- 32.3** The Association will be financed by registration fees, annual subscriptions, and dues as may be determined from time to time by the Board. The schedule of fees shall be ratified by members in the Annual General Meeting.
- 32.4** At the direction of the Board, the Association shall establish and maintain bank accounts into which all monies are received and from which all expenses and liabilities incurred by the Association and the Board shall be paid.
- 32.5** The Board will have the power to explore other sources of revenue for the running of the Association.
- 32.6** The Board may cause the funds of the Association to be invested in any short/long term securities operated by the Government or other investment banks.
- 32.7** The Board may from time to time approve borrowing money to conduct the business of the Association. Decisions made in clauses 33.4 to 33.6 must be by the majority of Board members.
- 32.8** The Association shall operate banking accounts which shall include the main account and operational account. Signatories to the Operational account shall be the Executive Secretary of the Association and another staff of the Secretariat other than finance. The Operational account shall only be reimbursed from the Main account. The signatories to the Main account shall be the Board Chairperson and three other Board members.
- 32.9** The financial year of the Association shall commence on the 1st of January each year and end on the 31st day of December of the same year.
- 32.10** The annual accounts shall be audited by professionally qualified Auditors appointed by the Board and approved at each Annual General Meeting and such Auditors shall be eligible for re-appointment.
- 32.11** The remuneration of the Auditors shall be determined by the Board and approved by the members at the AGM.
- 32.12** Any casual vacancy in the office of Auditors may be filled by the Board and subsequently ratified by the AGM.



## ARTICLE VIII

### CODE OF CONDUCTS

#### SECTION 33 INTEGRITY & ETHICAL BEHAVIOR:

- 33.1** GAMC members shall design appropriate policies and operating guidelines to treat clients, employees, and competitors with fairness and dignity.
- 33.2** GAMC members shall conduct their business by means of fair competition and not seek competitive advantages through illegal or unethical practices.
- 33.3** GAMC members shall ensure that all advertising and promotional materials are fair and reasonable, do not contain misleading information, and comply with all relevant legislation, codes, and rules.

#### SECTION 34 TRANSPARENCY:

- 34.1** Members shall disclose all terms and conditions to clients/potential clients for all services offered. Disclosure shall be made prior to signing any contract for the purchase of any product /service.
- 34.2** Members shall display/communicate the terms and conditions of products/services clearly in a language understandable by the clients.
- 34.3** When the client cannot read the terms of the products, MFCs must explain orally in a language the client understands the terms and conditions to the client or in the presence of the client's witness who can read and write.
- 34.4** **Transparency for Credit Products:**  
Members shall disclose the following (to loan clients) in a prescribed pre-agreement form to be signed by the client:
- a. Rate of interest on loans expressed in Annual Percentage Rate (APR).
  - b. Information on variation, if any, on the interest rate during the loan service period.
  - c. Loan Repayment Schedule with break-up details – principal, interest, and other fees.
  - d. Loan period.
  - e. Processing fee.
  - f. Security or any other deposit.
  - g. Other direct or indirect charges/fees.
  - h. Applicable fees in the event of voluntary foreclosure of loan by client and advance repayment.
  - i. Terms of compulsory foreclosure of a loan in the event of default.

- j. Default interest rate (penalty charges).
- k. Loan recovery procedure in the event of default by the borrower.
- l. Fees recovered for insurance coverage and risks covered.
- m. Cooling off period rate.
- n. Early payment rate.
- o. Guarantor details.

**34.5 Transparency for Deposit Products:**

Members shall disclose the following concerning savings products:

- a. Interest rate per annum and frequency of interest calculation (i.e. daily/weekly/monthly/quarterly/half yearly/annually).
- b. Maturity amount.
- c. Charges, if any.
- d. Depositor recourse in the event that the member company defaults to promptly repay the deposit.

**34.6** Members shall give signed receipts/acknowledgments for all remittances/repayments made by clients.

**34.7** Fee on non-credit products/services will be collected only with a prior declaration to and consent by clients.

**34.8** Members shall ensure that once the terms of a transaction have been concluded with a client, it must not be canceled, varied, or amended without mutual agreement between them and the clients.

**SECTION 35 CLIENT PROTECTION:**

**35.1** Members and their agents deployed by them for whatever service shall ensure that they show mutual trust and respect in their dealings with clients.

**35.2** Members and their agents shall not behave in a manner that is prejudiced, discriminatory, or harassing. They must institute policies against harassment to address issues of abusive, harassing, or offensive conduct towards clients.

**35.3** Members shall provide services to clients irrespective of gender, tribe, physical disability, political affiliation, or religion.

**35.4** Members shall conduct proper due diligence as per their internal credit policy to assess the need and repayment capacity of clients before making a loan and must only make the loan amount commensurate with the client's ability to repay.

- 35.5** MFCs that employ debt collection agencies to collect overdue amounts should have detailed guidelines for these agencies. Guidelines should include clauses pertaining to the following:
- a. Confidentiality of client information.
  - b. Acceptable debt collection tactics that may not be construed as harassment by clients.
  - c. Proper identification to ensure that the customer is adequately informed of the nature of the relationship between the collection agency and the microfinance company.
- 35.6** Members should remain accountable to clients for any complaints arising out of debt collection by third-party agencies and should not disclaim responsibility for misconduct on the part of the debt collection agencies.
- 35.7** Members shall ensure that all client information is treated as confidential and adequately protected from unauthorized disclosure or misuse.
- 35.8** Compulsory bundling of products (making essential products, as perceived by clients, available for clients only under the condition that the other nonessential product is also bought by clients along with the essential product) to other products and services shall be avoided. Clients shall have a free choice to decide whether to buy such non-essential products from Microfinance Company or any other provider in the market.

**SECTION 36 GOVERNANCE:**

- 36.1** GAMC members shall incorporate a formal governance system that is transparent and professional, and adopt best practices of corporate governance, ensuring fairness, integrity, and transparency in board decisions.
- 36.2** The Board of GAMC shall actively involve themselves in all policy formulations and other important decisions. The Board shall supervise the performance of the management and monitor financial and client protection performance regularly.
- 36.3** GAMC members shall document policy decisions of the board and institute operational guidelines, training, and monitoring systems for putting policies into practice.
- 36.5** GAMC members shall institute capacity development Programmes for all their board members to make them gain working capacity for the tasks required of directors.
- 36.6** The Board shall ensure that the executive management submits a summary of the report on compliance with the Code of Conduct, specifically indicating any deviations and reasons thereof, at the end of every financial year.
- 36.7** GAMC members shall have robust monitoring, internal management, and training systems for financial sustainability and risk management to offer continued uninterrupted services to clients ethically and professionally.

- 36.8 GAMC members are encouraged to have experienced corporate communication and public relations teams/mechanisms to communicate with political, regulatory, and government establishments on social missions and responsible finance practices of the Microfinance Companies and the microfinance sector.
- 36.9 GAMC members must ensure regular checks on client awareness and understanding of the key terms and conditions of the products/services offered/availed (as part of internal audit systems or through some other regular monitoring system).

**SECTION 37 CLIENT EDUCATION AND FINANCIAL LITERACY:**

- 37.1 GAMC members shall have a dedicated process to raise customers' awareness of the product options available in the market and rights and responsibilities concerning financial transactions.
- 37.2 New clients shall be informed of the member institutions' policies and procedures to help them understand their rights and responsibilities.

**SECTION 38 DATA PROTECTION /SHARING:**

- 38.1 GAMC members shall agree to participate in sector and national forums organized by GAMC to share quantitative and qualitative information as may be requested by the association.
- 38.2 Whenever a GAMC member comes across Incidents of High (Loans) Default (IHD) among their clients they shall inform fellow Microfinance Companies through the association to caution other members to be wary of further lending to clients in the affected geographical area/clients affected by such incidents.
- 38.3 GAMC members shall institute an MIS system to share accurately, transparently, and consistently the operational, financial, and other key data and reports with the regulator, GAMC, and other major stakeholders.
- 38.4 GAMC members shall inform clients explicitly in written format and signed by the client when their data is shared and viewed by third parties.
- 38.5 Data to be shared with GAMC will be treated with high confidentiality.

**SECTION 39 FEEDBACK /GRIEVANCE/REDRESS/ RECOURSE MECHANISM:**

- 39.1 GAMC members shall provide their clients with access to an independent feedback mechanism through which they can resolve disputes with the members or their agents as a means of improving service delivery.
- 39.2 GAMC members shall set up phone numbers, email addresses, and prescribed complaint forms and policies to enable the clients to report their grievance(s) both at the offices from where they deliver the service and at the Head Office or their branches.
- 39.3 GAMC members shall communicate with their customers through all promotional materials, product documents, passbooks, contract documents shared with clients, etc., the existence of, access (as clause 40.2 above) to the grievance/ recourse mechanism.

- 39.4 GAMC members shall ensure that their staff are well trained to handle client complaints at field, branch, and head office levels as applicable.
- 39.5 GAMC members shall provide customers who are not satisfied with the outcome of the suggested resolution to their complaint, alternative, third-party solutions that could resolve to clients' satisfaction.

**SECTION 40 FAIR PRACTICES TOWARDS EMPLOYEES:**

- 40.1 GAMC members shall make employment decisions based on business requirements and merit, and in compliance with applicable employment law, including labour law.
- 40.2 GAMC members shall maintain a safer workplace for their employees. Appropriate logistics should be provided for undertaking collections in the field.
- 40.3 GAMC members shall ensure that all employees are paid at least the national minimum wage and that they fulfil their obligations as employers to the Ghana Revenue Authority (GRA) and the Social Security and National Insurance Trust (SSNIT).
- 40.4 GAMC members should ensure a transparent remuneration system that is conducive to implementing client protection best practices such as avoiding over-indebtedness. For instance, staff incentives should not be exclusively linked to loan origination and volume of transactions, but also to portfolio quality/Client satisfaction.
- 40.5 GAMC members should desist from 'poaching' staff from other members/fellow MFCs. The recruitment shall follow a proper selection process, including advertisement and interview, seeking reference check, relieving order, no objection certificate, etc.

**SECTION 41 WHISTLEBLOWING:**

- 41.1 Any person or GAMC member is entitled to report an incident of improper conduct by a member company.
- 41.2 The GAMC Board shall appoint the Code of Conduct Council (CCC) to be headed by a Chairperson (CCC) to investigate such instances within 30 calendar days of receiving such a report.

**SECTION 42 ENFORCEMENT MECHANISM:**

- 42.1 If the CCC finds the charge prima facie correct, it shall give notice to both parties for a written representation of the charge within 15 days.
- 42.2 If the CCC finds that the contravening Member admits to the contravention and undertakes **not to** repeat the same then the CCC may drop further proceedings.
- 42.3 However if the Member does not admit to the contravention or does not undertake to stop further contraventions, the CCC shall hold a hearing with both parties present within a further period of 10 days.
- 42.4 If the action of the member is found to be in contravention of the Code of Conduct, the following actions would be taken, with a gap of 15 days at each stage, in case no corrective action has been taken.

- a. Communication with the errant member's representative.
- b. Communication with the Chief Executive of the respective MFC.
- c. Communication with the Chairperson of the Board of Directors of the errant MFC.
- d. Communication with each member of the Board of Directors of the errant MFC.
- e. Communication with GAMC about the errant MFC
- f. The errant MFC as well as the complainant can appeal to the Board of GAMC against the decision of the CCC within 15 days. The appeal will be adjudicated by the Board of the GAMC in its next meeting.
- g. The escalation mechanism will be kept on hold till such time an appeal is adjudicated upon.

**42.5** In case no corrective action is taken by the errant member, within 1 month of the final escalation, the Board of GAMC is entitled to suspend the errant MFC from the membership of GAMC for a period or expel the member from GAMC. While suspension can be approved by the Board with a two-thirds majority, the decision for expulsion would require a two-thirds majority in the Board favouring it and further approval by the General Body with a two-thirds majority either present or voting in person or through any written form including e-mail.

**42.6** This action under 'g' would then be communicated to all important stakeholders, along with the reasons.

### **SECTION 43 CONFLICT RESOLUTION:**

**43.1** GAMC Board will appoint one or two individuals of high professional reputation and integrity, as Ombudspersons, in each of the 16 regions to provide an independent mechanism for members to file complaint to resolve dispute or grievance that may arise between a member(s) of the association and the Association itself. The parties will be given adequate secretarial support by GAMC.

**43.2** Any member desiring to complain against an MFC Member shall write a letter to the Ombudsperson.

**43.3** The Ombudsperson, on receipt of the complaint will send copies to the Chairperson of the CCC and the Chairperson of the GAMC Board. The Ombudsperson can cause an initial enquiry to be conducted to determine prima facie if there exists a case for investigation.

**43.4** If the Ombudsperson does not feel that there exists a case for further investigation, he or she may accordingly write back to the complaining member with copies marked to the Chairperson of the GAMC board and the Chairperson of the CCC (unless the matter pertains to the Chairperson in which case it shall be marked to the Vice Chairperson)

- 43.5 If the Ombudsperson feels that there exists a prima facie case for investigation, then he or she shall cause an investigation to be made using the services of the Secretariat of GAMC.
- 43.6 The Ombudsperson may also require the presence of parties to the dispute in which case, such meetings shall normally be held at the office of the Ombudsmen unless the disputing parties mutually agree to any other place for such meetings.
- 43.7 If after reasonable notice, any party to the dispute fails to be present for such meetings or fails to provide written responses to the queries of the Ombudsperson, then the Ombudsperson shall proceed to take a decision based on the materials available.
- 43.8 The Ombudsperson will have the power to ask the errant MFC to make good any damages incurred by the other party, and in addition impose a fine on the errant MFC, commensurate with the seriousness of the complaint. After investigation and such inter-party meetings as the Ombudsperson determines, the Ombudsperson shall deliver the decision taken on the dispute and such decision shall be communicated in writing to all the parties to the dispute as well as to the Chairperson of the CCC and the Chairperson of GAMC Board. Such decisions of the Ombudsperson shall be final and binding on all the parties involved.
- However, if any of the parties to the dispute desire to contest the decision of the Ombudsperson, then they may give the same in writing to the Chairperson of GAMC who shall place it before the next General Body of the members and two-thirds of the Members may take the final decision on the dispute either by voting in person or through other written forms including e-mails and fax.
- 43.9 In extreme cases, the Ombudsperson may also recommend suspension or expulsion from membership of the errant MFC to the GAMC Board. This will then follow the same process as specified in the clause above.

**SECTION 44 AMENDMENTS TO THIS CODE OF CONDUCT:**

- 44.1 Any amendments to this Code of Conduct will be adopted through the due process of first, a Board majority approval and thereafter ratification by a majority of the General Body.

## ARTICLE IX

### CONTROL

#### SECTION 45 COMMON SEAL:

45.1 The Association shall have a Common Seal which shall not be affixed to any instrument except by the authority of a resolution of the Board and shall be so affixed in the presence of the Board Chairperson or Vice-Board Chairperson, together with the Executive Secretary or such other person as the Board shall nominate in its resolution and every document to which the seal is so affixed shall be signed by the said person.

#### SECTION 46 PROPERTY OF THE ASSOCIATION:

46.1 The officers of the Association shall be custodians of all records, movable, and immovable property of the Association and hold them in trust for the Association to ensure proper administration.

46.2 Whenever an officer or Committee member's term ends, they must conduct an inventory of all Association property and transfer it to their successor or incoming committee members.

46.3 It is strictly prohibited for any officer or Committee member, either individually or collectively, to forcibly take, confiscate, or withhold any property belonging to the Association or engage in unauthorized disposal of such property.

46.4 The Association's property shall be utilized solely for the benefit of the Association's objectives, and any misuse or diversion of the property for personal gain shall be considered a breach of trust and subject to appropriate disciplinary action.

46.5 The Association shall maintain a comprehensive and up-to-date inventory of all its movable and immovable property, ensuring transparency and accountability in property management.

46.6 In the event of the dissolution of the Association, all its property, after settling outstanding debts and liabilities, shall be transferred to a charitable organization with similar objectives, as determined by the General Assembly.

46.7 All members of the Association shall respect and protect the property of the Association, and any damage or unauthorized use of the property shall be reported and addressed promptly.

46.8 The Association may acquire, sell, or lease property as required for the fulfilment of its objectives, subject to the approval of the General Assembly and adherence to applicable laws and regulations.

46.9 The Association's property shall be subject to periodic audits to ensure compliance with relevant legal requirements and effective property management practices.



**SECTION 47 AMENDMENTS:**

- 47.1** Notice of any proposal for the amendment or repeal of this constitution or for waiving compliance with any of its provisions shall be submitted to the members at an Annual General Meeting or an Extraordinary General Meeting called for the purpose.
- 47.2** The terms of the amendment or repeal shall be circulated to members together with the notice convening the meeting.
- 47.3** A two-thirds (2/3) majority vote of members present shall be required for the adoption of the proposed amendment or repeal.
- 47.4** An Extraordinary General Meeting called to amend or repeal a provision of this constitution may be held on the same day and at the same place as the Annual General Meeting.

## ARTICLE X

### FINAL PROVISIONS

#### SECTION 48 DISSOLUTION:

- 48.1** The Association may be wound up or dissolved following the provisions of the Companies Act, 2019 (Act 992) or any amendment or statutory re-enactment thereof for the time being in force.
- 48.2** Subject to clause 49.1 above the following rules shall apply in the event of the dissolution of the association:
- a. Only an Extraordinary General Meeting, specially convened for the purpose, shall have the power to dissolve the Association.
  - b. For this purpose, at least two-thirds (2/3) of the votes at the meeting shall be in favour of the dissolution.
  - c. The Extraordinary General Meeting shall thereupon appoint a liquidator, fix their power and remuneration, and give directions for the disposal of funds, assets, liabilities, and documents.
- 48.3** Each member of the Association undertakes to contribute to the assets of the Association in the event of its being dissolved while it is a member or within one year after it ceases to be a member for the payment of the debts and liabilities of the Association and of the costs of dissolution such amount as may be determined by the Board.
- 48.4** If upon winding up or dissolution of the Association there remains after the discharge of its debts and liabilities any property of the Association, the same shall not be distributed among the members but the same shall be transferred to some other association having objects similar to the objects of the Association or such other association to be determined by the ordinary resolution of the members in the general meeting before the dissolution of the Association.

#### SECTION 49 ARBITRATION:

- 49.1** Any differences in the interpretation of this Constitution or anything herein contained and of any rules or regulations made thereafter shall be decided by the Board of the Association whose ruling on any matter affecting the Association as a whole and not provided for by this Constitution or by the rules or regulation made thereunder shall be final and binding on the members.

#### SECTION 50 INTERPRETATIONS:

- 50.1** In this Constitution unless the context otherwise requires “members” means Companies which have been duly incorporated under the Companies Act, 2019 (Act 992) and duly registered as members of the Association and such subsequent amendment or re-enactment thereof.
- 50.2** In this Constitution, an Office holder shall be the,
- a. The Board Chairperson;

- b. The Vice-Board Chairperson;
- c. Two (2) Elected Members;
- d. Two (2) Co-opted Members;
- e. The Executive Secretary who shall be the Secretary to the Board;
- f. Member Relations Officer
- g. Finance Officer
- h. Training Officer
- i. Monitoring & Evaluation (M&E)/Management Information Systems (MIS) officer.

All Officers shall at all material times be directors of their companies and their companies shall remain full members in good standing.

**50.3**

In this constitution the reference to a member refers to the microfinance company and member company's representative on the Association's register.

**APPENDIX**

**OATH OF OFFICE**

For Elected Officers of the Ghana Association of Microfinance Companies (GAMC).

I....., having been elected to the office of ..... in the Ghana Association of Microfinance Companies, do in the name of the almighty God swear that, I will be faithful and true to the Ghana Association of Microfinance Companies; that I will at all times preserve, protect, and defend the constitution of GAMC and that I dedicate myself to the service and well-being of all members of GAMC and do right to all manner of persons.

I further solemnly swear that should I at any time break this oath of office, I shall submit myself to the Constitution of the Ghana Association of Microfinance Companies and the laws of Ghana and suffer the penalty for it.

So, help me, God.

To be administered by the outgoing Chairperson of the Board or their representative.

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