

2. Micro-Finance Bank Ordinance, 2000 (Ordinance XXXII of 2000)<sup>1</sup>

An Ordinance to provide for the establishment of the Micro-finance Bank for rendering Micro-finance services to poor persons for purposes of alleviation of poverty

No.F.2(1)/2000-Pub., dated 4-8-2000 – The following Ordinance made by the President is hereby published for general information:-

Whereas it is expedient to establish the Micro-finance Bank to mobilize funds and to provide sustainable Micro-finance services to poor persons, particularly poor women, in order to mitigate poverty and promote social welfare and economic justice through community building and social mobilization;

And whereas the National Assembly and the Senate stand suspended in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No.1 of 1999;

And whereas the President is satisfied that circumstances exist which render it necessary to take immediate action;

Now, therefore, in pursuance of the Proclamation of the Emergency of the fourteenth day of October, 1999, and Provisional Constitution Order No.1 of 1999, as well as Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:-

**PART I – GENERAL**

1. **Short title and commencement.**—(1) This Ordinance may be called the Micro-finance Bank Ordinance, 2000.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. **Definition.**—In this Ordinance, unless there is anything repugnant in the subject or context,-

(a) “Board” means the Board of Directors of the MfB;

(b) “Chairperson” means the Chairperson of the Board;

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<sup>1</sup> Micro-Finance Bank Ordinance, 2000, Gazette of Pakistan, Extraordinary, Part I, 4<sup>th</sup> August, 2000.

- (c) “customer” means any person or group of persons to whom Micro-finance services are extended by the MfB and includes any MfIs whose technical assistance and training are financed by the MfB;
- (d) “director” means a director of the MfB;
- (e) “member” means the shareholder who has subscribed to the capital of the MfB;
- (f) “MfB” means the Micro-finance Bank established under this Ordinance;
- (g) “MfIs” means the Micro-finance institutions established and/or operating in conformity with rules and regulations of the State Bank relating to MfIs;
- (h) “Micro-finance services” means the financial and other related services specified in section 5, the value of which does not exceed the amount determined by the State Bank;
- (i) “poor persons” means persons who have meager means of subsistence and whose total income or receipt during a year is less than the minimum taxable limit set for income-tax;
- (j) “prescribed” means prescribed by rules made under this Ordinance;
- (k) “President” means the President of the MfB appointed under section 20; and
- (l) “State Bank” means the State Bank of Pakistan established under the State Bank Act, 1956 (XXXIII of 1956).

## **PART II – ORGANIZATION**

3. **Establishment of Micro-finance Bank.**—(1) There is hereby established a bank to be called the Micro-finance Bank to provide Micro-finance services to poor persons, particularly poor women.

(2) The MfB shall be a body corporate with perpetual succession and a common seal, with powers, subject to the provisions of this Ordinance, to enter into contracts, acquire and hold both movable and immovable property, and shall by the said name sue and be sued.

4. **Offices, branches etc.**- The head office of the MfB shall be in Islamabad and the MfB may, with the approval of the State Bank, establish regional and other offices at such other place or places in Pakistan as it may think fit.

5. **Objectives, functions and powers of the MfB.**-(1) The MfB shall, in accordance with prudential regulations and subject to the terms and

conditions of the license issued by the State Bank, render assistance to MfIs and provide micro-finance services in a sustainable manner to poor persons, particularly poor women, with a view to alleviating poverty.

(2) Without prejudice to the generality of the foregoing the MfB shall have the following functions:-

- (a) to provide credit with or without collateral security, in cash or in kind, for such term and subject to such conditions as may be prescribed, to poor persons for all types of economic activities including housing, but excluding business in foreign exchange transactions;
- (b) to accept money deposits;
- (c) to accept pledges, mortgages, hypothecation or assignments to it of any kind of movable or immovable property for the purpose of securing loans and advances made by it;
- (d) to undertake the management, control and supervision of any organization, enterprise, scheme, trust Fund or endowment Fund for the benefit and advancement of poor persons;
- (e) to buy, sell and supply on credit to poor persons industrial and agricultural inputs, livestock, machinery, implements, equipment and industrial raw materials, and to act as agent for any organization for the sale of such goods or livestock;
- (f) to invest in shares of anybody corporate, the objective of which is to provide Micro-finance services to poor persons;
- (g) to provide storage and safe custody facilities;
- (h) to carry out survey and research, and to issue publication and maintain statistics relating to the improvement of economic condition of poor persons;
- (i) to provide professional advice to poor persons regarding investments in small business and such cottage industries as may be prescribed;
- (j) to encourage investments in such cottage industries and income generating projects for poor persons as may be prescribed;
- (k) to provide services and facilities to customers to hedge various risks relating to Micro-finance activities;

- (l) to render managerial, marketing, technical and administrative advice to customers and assisting them in obtaining services in such fields;
- (m) to borrow and raise money and open bank accounts;
- (n) to purchase, take on lease, or otherwise acquire, sell, exchange, surrender, lease, mortgage, dispose of and deal in any movable and immovable property and rights of all kinds for and on behalf of its customers for the purpose of promoting development opportunities, building of assets; resource allocation, promotion of markets, and adoption of better technology for economic growth and development;
- (o) to establish subsidiaries, whether wholly or partly owned, and to appoint agents in various locations for various activities which it may consider necessary for the proper discharge of its functions;
- (p) to pay, receive, collect and remit money and securities within the country;
- (q) to acquire, maintain and transfer all movable and immovable property, including residential premises, for carrying on its business;
- (r) to open accounts or make any agency arrangement with, and to act as agent or correspondent of, any bank or financial institution;
- (s) to invest its funds in Government and market securities;
- (t) to impose and receive fees, charges, profits or return for its services;
- (u) to mobilize and provide financial and technical assistance and training to MFIs;
- (v) to undertake mobile banking to expedite transactions and reduce costs;
- (w) to establish trust and endowment funds;
- (x) to receive grants from the Government and any other sources permitted by the State Bank; and
- (y) to generally do and perform all such acts, deeds and things as may be necessary, incidental or conducive to the fulfillment of its functions and the attainment of its objective.

6. **Prohibition and restrictions,** -- (1) The MfB shall not undertake or transact any kind of business other than that authorized by or under this Ordinance.

(2) In the performance of its functions under this Ordinance, the MfB shall have proper regard to the economic and commercial merits of any of the transactions or activities it undertakes.

7. **MfB not a banking company.**- The MfB shall not be deemed to be a banking company for the purposes of Banking Companies Ordinance, 1962 (LVII of 1962) or any other law for the time being in force relating to banking companies:

Provided that the Federal Government in consultation with the State Bank may, by notification in the official Gazette apply to the MfB, the provisions of the Banking Companies Ordinance, 1962 (LVII of 1962) or any other law for the time being in force relating to banking companies.

### **PART III – CAPITAL AND MEMBERSHIP**

8. **Authorized capital.** – (1) The authorized capital of the MfB shall be five billion rupees to be subscribed by such banking companies, financial and other institutions as the State Bank may, from time to time, determine.

(2) The authorized capital shall be divided into five thousand ordinary shares of one million rupees each.

(3) The MfB may increase its authorized capital with the prior approval of the State Bank.

9. **Subscription of shares.**- (1) The initial paid-up share capital of the MfB shall be determined by the State Bank and shall be subscribed in such ratio as the State Bank may permit.

(2) Amounts subscribed towards share capital of the MfB by the banking companies shall be deemed as liquid asset for the purpose of section 29 of the Banking Companies Ordinance, 1962 (LVII of 1962).

(3) The MfB may, with the approval of the State Bank, increase the paid-up share capital from time to time.

(4) the liability of the MfB shall be limited and no member shall, because of its membership, be liable for obligations of the MfB.

10. **Sale and transfer of shares.** – (1) A member who has subscribed to the capital of the MfB shall be free to sell and transfer its share to any other person on the expiry of a period of five years from the date of subscription,

provided that the intending buyer has taken prior written approval from the State Bank.

(2) The State Bank may grant such permission on such terms and conditions as I may deem fit or refuse to grant permission, in the interest of customers of the MfB or in the larger public interest, without assigning any reason.

11. **Share register.**—The MfB shall maintain at its principal office a register to be called the Share Register and shall enter therein such particulars as may be prescribed.

12. **Meetings of the members.**—(1) A general meeting of the members shall be held annually to review the operations and approve the audited accounts, rules, regulations and policies of the MfB and, as and when necessary, to appoint directors. The Chairperson shall preside over the meeting and, in his absence, the members present in the meeting may select a Chairperson for the meeting.

(2) The Chairperson shall determine the time and place of the annual general meeting in consultation with all the members. The Chairman shall, at the request of at least one-third of the members, call an extraordinary general meeting of the members at any other time.

(3) Members shall have reasonable notice of the time and place of the meeting and the matters on which a decision by the members shall be taken in such meeting.

(4) Each member shall have the number of votes equal to the number of shares held by it.

(5) The majority of the members, exercising not less than two-third of the total voting power, shall constitute the quorum for any meeting.

(6) The majority of members present at any meeting shall take decisions, and in case of a tie, the person presiding over the meeting shall have a casting vote.

(7) Decisions of the MfB shall be recorded in writing and signed by the Chairperson.

#### **PART IV – MANAGEMENT AND ADMINISTRATION**

13. **Direction and superintendence.**—(1) The general direction and superintendence of the affairs and business of the MfB shall vest in the Board of Directors to be constituted in accordance with the provisions of this

Ordinance and such Board may, subject to the provisions of this Ordinance, exercise all such powers and do all such acts and things that may be exercised or done by the MfB.

(2) The Board, in discharging its functions, shall act prudently and undertake business on economic and commercial considerations with due regard to the public interest.

(3) Until the first Board is constituted, the President shall exercise all powers and do all acts and things as may be exercised or done by the Board.

14. **Board of Directors.** – (1) The Board shall consist of a minimum of seven or such higher number of Directors, as may be determined by the State Bank, at least two of whom shall be women. The directors shall be elected by the members in the manner prescribed:

Provided that the directors shall, to the extent possible, be elected from amongst persons having knowledge and experience in the fields of banking, Micro-finance and poverty alleviation.

(2) The President shall be an ex-officio director of the Board.

15. **Disqualification of directors.** – (1) No person shall be, or shall continue to be, a director of the MfB who -

(a) is a minor;

(b) is of unsound mind;

(c) has applied to be adjudicated as an insolvent and his application is pending;

(d) is an undischarged insolvent;

(e) has been convicted by a Court of law for an offence involving moral turpitude;

(f) has been debarred from holding such an office under the Companies Ordinance, 1984 (XLVII of 1984) or Banking Companies Ordinance, 1962 (LVII of 1962); and

(g) has been declared to be lacking fiduciary behaviour by the Court under section 217 of the Companies Ordinance, 1984 (XLVII of 1984) at any time during the preceding five years.

(2) Notwithstanding the generality of the provisions of subsection (1), no person shall be eligible to become as director if he -

(a) is a defaulter of any bank or financial institution:

Provided in case of a difference of opinion as to whether such a person is a defaulter, a determination by State Bank declaring such a person as defaulter will be final.

(b) is a member of Majlis-e-Shoora (Parliament), a Provincial Assembly or any elected political body or holds membership in any political party;

(c) is a salaried official of the Government;

(d) is a person against whom action has been taken or any proceedings are pending under section 412 of the Companies Ordinance, 1984 (XLVII of 1984) or section 83 of Banking Companies Ordinance, 1962 (LVII of 1962); and

(e) absents himself from the consecutive meetings of the Board without leave of absence from the chairperson.

16. **Chairperson.**—(1) there shall be a Chairperson of the Board who shall be elected by the Board from amongst the directors.

(2) If a vacancy occurs in the office of the Chairperson or if the Chairperson is unable to discharge the functions of his office on account of absence, illness or any other cause, the Board may authorize any other director to discharge the functions of the Chairperson during the period for which he is so unable.

17. **Term of office of directors.** – (1) A director shall hold office for a term of three years and shall continue in office until his successor enters upon his office.

(2) A director shall not hold office for more than two consecutive terms:

Provided that the State Bank may, upon application of member, allow a director to hold office for more than two consecutive terms.

18. **Filling of casual vacancy.**—A casual vacancy in the office of an elected director shall be filled by election and the person elected to fill such vacancy shall hold office for the unexpired period of his predecessor:

Provided that it shall not be necessary to fill a vacancy for a period not exceeding three months.

19. **Vacancy not to invalidate proceedings.**—No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Board.



20. **President.** – (1) There shall be a President of the MfB who shall be appointed by the Board with the prior approval of the State Bank:

Provided that the President shall be appointed from amongst persons having knowledge and experience in the fields of banking, micro-finance, and poverty alleviation:

Provided further that the State Bank shall, upon commencement of this Ordinance, appoint the first President for such period and on such terms and conditions as it may determine.

(2) The President shall be the whole-time and the Chief Executive of the MfB and shall serve the MfB for a period of three years extendable for another three years by the State Bank on such terms and conditions as may be prescribed.

(3) If a vacancy occurs in the office of the President or if the President is unable to discharge the functions of his office on account of absence, illness or any other cause, such director as may be determined by the Board shall discharge the functions of the President until a new President appointed to fill such vacancy enters upon his office or until the President resumes the functions of his office as the case may be.

21. **Resignation.**—The Chairperson or President may resign his office by writing under his hand addressed to the Board and a director may resign his office by writing under his hand addressed to the Chairperson:

Provided that no resignation shall take effect until it has been accepted by the Board or, as the case may be, the Chairperson.

22. **Meeting of the Board.**—(1) The meetings of the Board shall be held at such times and at such places as may be determined by the Board:

Provided that the Chairperson may otherwise convene a meeting when he so deems fit.

(2) No business of the Board shall be transacted except at a meeting at which the required quorum is present.

(3) At a meeting of the Board, each director shall have one vote and in case of equality of votes, the person presiding shall have a casting or second vote.

(4) No director shall vote on any matter in which he is directly or indirectly interested.

(5) All meetings of the Board shall be presided over by the Chairperson and in his absence by a director nominated by the Chairperson or selected by the other directors for that purpose from amongst the directors present at the meeting.

23. **Delegation of functions and powers.**—(1) The Board may, for the purpose of ensuring efficient functioning of the MfB and facilitating transaction of its daily business and, subject to such conditions and limitations as it may deem fit to impose, delegate any of its functions or powers to the President except --

(a) the power to appoint auditors; and

(b) the power to approve the audited accounts.

(2) A delegation under this section shall not prevent the concurrent performance or exercise by the Board of the functions or powers so delegated.

24. **Committee.**—The Board may appoint a committee, or committees, to carry out such general or special functions as may be specified by the Board and may delegate to any such committee or committees such of its powers as the Board may deem necessary for the efficient discharge of its functions.

25. **Allowances.**—The MfB shall pay the directors, other than the President, such allowances, travel costs and other expenses for attending the meetings of the Board as may be prescribed.

## **PART V – RESERVES, EXEMPTIONS AND AUDIT**

26. **Reserve Fund.** – (1) The MfB shall create and maintain a reserve Fund to be called General Reserve Fund to which shall be credited an amount which is not less than twenty per cent out of its net annual profit. The MfB shall also create other reserves as required by the State Bank from time to time.

27. **Liquid assets and cash reserve.** – (1) The MfB shall at all times maintain liquid assets the amount of which shall be not less than the amount as the State Bank may, from time to time, determine:

(2) The MfB shall at all times maintain by way of cash reserve in a current account opened with the State Bank a sum equivalent to not less than five per cent of its time and demand liabilities as the State Bank may, from time to time, specify.

Explanation.—In this section, the term “liabilities” shall not include the paid-up capital, the reserves or any credit balance in the profit and loss account of the MfB.

28. **Depositors’ Fund or scheme.**—The MfB shall establish and maintain a depositors’ Fund or scheme for the purpose of providing security or guarantee to persons depositing money in the MfB, as required by the State Bank.

29. **Exemptions.**—Notwithstanding anything contained in the Income Tax Ordinance, 1979 (XXXI of 1979), or any other law in force relating to income tax or super-tax, the MfB shall not, for such period as the Federal Government may specify, be liable to pay any such taxes on its income, profits, or gains, provided that income due to such tax exemptions are appropriated towards capitalization.

30. **Accounts and balance sheet.**—(1) The MfB shall maintain proper accounts and prepare annual statement of accounts, including the profit and loss account and balance sheet and shall comply in respect of such accounts with such general directions as the State Bank may, from time to time, issue.

(2) At the expiration of each calendar year the MfB, in respect of all business transacted by it, shall prepare with reference to that year a balance sheet and profit and loss account as on the last working day of the year in the forms as the State Bank may, from time to time, prescribe.

(3) the Chairperson and at least three other directors, including the President, shall sign the balance sheet and profit and loss account.

31. **Audit.** – (1) The accounts of the MfB shall be audited by one or more auditors who are chartered accountants within the meaning of Chartered Accountants Ordinance, 1961 (X of 1961) and whose names are included in the panel of approved auditors maintained by the State Bank. The auditor or auditors shall be appointed by the Board for a term and on such remuneration, to be paid by the MfB, as the Board may fix:

Provided that the auditors once appointed shall not be removed before three years without the prior approval of the State Bank.

(2) Every auditor, appointed under subsection (1), shall be given a copy of the annual balance sheet and other accounts of the MfB and shall examine it, together with the accounts and vouchers relating thereto, and shall have a list delivered to him of all books kept by the MfB, and shall at all reasonable times have access to the books of accounts and documents of

the MfB, and may, in relation too such accounts examine any director or officer of the MfB.

(3) the auditors shall report to the Board upon the annual balance sheet and accounts, and in their report they shall state whether, in their opinion, the balance sheet contains all necessary particulars and is properly drawn up so as to exhibit a true and correct view of the state of affairs of the MfB and, in case they have called for any explanation or information from the MfB, whether it has been given and whether it is satisfactory.

32. **Returns.** – (1) The MfB shall furnish to the State Bank such returns, reports and statements as the State Bank may, from time to time, require.

(2) The MfB shall, within three months after the end of every financial year, furnish to the State Bank a statement of accounts audited by the auditors together with an annual report on the working of the MfB during the year.

33. **Inspection.** – (1) The State Bank may, at any time, inspect the MfB and its books and accounts.

(2) The inspection shall be carried out by such officer of the State Bank or by such other person as the State Bank may direct.

(3) The State Bank shall supply to the MfB a copy of its report on the inspection made under this section.

(4) It shall be the duty of every director or other employee of the MfB or any company or firm or person to produce to any officer making an inspection under this section, hereafter in this section called the inspecting officer, all such books, accounts and other documents in his custody or power and to furnish him with such statements and information relating to the affairs of the MfB or any company or firm or person within such time as the inspecting officer may require.

(5) The inspecting officer may examine on oath any director or other employee of the MfB in relation to its business and may administer an oath accordingly.

(6) The State Bank shall systematically monitor the performance of the MfB to ensure that it is complying with the applicable criteria and prudential rules and regulations:

Provided that if any employee fails to produce any book, account or other document or to furnish any statement or information which under subsection (4) it is his duty to produce or furnish or to answer correctly any

question relating to the business of the MfB which he is asked by any officer making an inspection under this section, such employee shall be liable to fine as the State Bank may determine to be recovered from salary of such employee and in the event such failure persists, the State Bank may order removal of such employee and the MfB shall comply with such order forthwith.

34. **Powers to give directions.** – (1) Where the State Bank is satisfied that --

(a) in the public interest, or

(b) to prevent the affairs of the MfB being conducted in a manner detrimental to the interest of the depositors or in a manner prejudicial to the interest of the MfB, or

(c) to secure the proper management of the MfB

it is necessary to issue directions to the MfB, it may from time to time issue such directions as it may deem fit and the MfB is bound to comply with such directions.

(2) The State Bank may, on representation made to it or on its own motion, modify or cancel any direction issued under subsection (1), and in so modifying or canceling any direction may impose such condition as it thinks fit, subject to which the modification or cancellation shall have effect.

35. **Disposal of Profit.**—(1) The profits, if any, and other income of the MfB shall not be used to pay any dividend to the members and shall be utilized to promote the objective of the MfB.

(2) After deducting the amount credited to reserve Fund as provided herein and making provisions for bad and doubtful debts, depreciation of assets and any other matters which are usually provided for by banks, the net annual profit of the MfB remaining thereafter shall, subject to the foregoing limitation, be utilized in such manner as the Board may determine.

## **PART VI – MISCELLANEOUS**

36. **Employment of officers and advisers.**—The MfB may employ or appoint such persons, including advisers and consultants, as it considers necessary for the efficient performance of its functions on such terms and conditions as may be prescribed.

37. **Declaration of fidelity and secrecy.**—(1) Every member, director, auditor and staff member of the MfB shall, before entering upon his duties,

make a declaration of fidelity and secrecy in the form set out in the Schedule to this Ordinance.

(2) Whoever contravenes his declaration of fidelity and secrecy shall be punishable with imprisonment for a term, which may extend to six months or with fine, which may extend to one hundred thousand rupees, or with both.

**38. Restrictions on removal of records and documents.** – The MfB shall not remove from Pakistan to a place outside Pakistan any of its record and documents relating to its business without the prior permission in writing of the State Bank.

Explanation.—In this section, the term “records” means ledgers, daybooks, cash-books, accounts-books and all other books, and other data in electronic form, used in the business of the MfB and the term “documents” means, vouchers, cheques, bills, pay orders, securities for advances and includes any other documents or electronic data supporting entries in the books of or claims by or against, the MfB.

**39. Non-disclosure of information etc.**—(1) No information or data provided by a person applying to the MfB in connection with any application for financial assistance or any other service shall be disclosed or used by any member, auditor or staff member of the MfB for any purpose other than the purpose for which it was intended.

(2) Whoever contravenes any of the provisions of subsection (1) shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one hundred thousand rupees, or with both.

**40. False information.** – (1) Whoever, in any application or in any other document submitted to the MfB for the purpose of obtaining loan, financial or other assistance, makes a false statement or knowingly permits any false statement to be made or use or permit to be used any financial facility for any purpose other than that for which it is granted by the MfB, shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one hundred thousand rupees, or with both.

(2) Whoever in any return, balance-sheet or other document or in any information required or furnished by or under or for the purpose of any provision of this Ordinance, willfully makes a statement which is a false in any material particular, knowing it to be false, or willfully omits to make a

material statement shall be punishable with imprisonment for a term of one year which may extend to three years.

(3) Whoever willfully withholds or fails to deliver any documents or information to the MfB, which he is required to deliver under this Ordinance, shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one hundred thousand rupees, or with both.

(4) whoever contravenes any provision of this Ordinance or does not comply with any requirement of this Ordinance or any order, rule or direction made or condition imposed thereunder, every director, liquidator and other officer of the MfB or any other person who is knowingly a party to the contravention or default shall be liable to fine as the State Bank may, from time to time, determine.

41. **Unauthorised use of the MfB's name.**—Whoever without the consent in writing of the MfB uses its name in any prospectus or advertisement shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one hundred thousand rupees, or with both.

42. **Indemnity.**—(1) Every director shall be indemnified against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own willful act or default.

(2) Every officer or agent for the time being of the MfB may be indemnified out of the assets of the MfB against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relations to the affairs of the MfB.

43. **Cognizance of offences.**—No Court shall take cognizance of any offence punishable under this Ordinance except on a complaint in writing signed by an officer of the MfB authorized in this behalf by the Board.

44. **Power to make rules.** – (1) The Board shall, with the approval of State Bank, make rules generally for carrying out the purposes and provisions of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing, the Board shall make rules --

- (a) for the registration and transfer of shares of the MfB and to matters relating to the rights and duties of the members;
- (b) for the election of directors;
- (c) regarding the conduct of business at the meetings of the Board and any of the committees formed by the Board;

- (d) for taking deposits;
- (e) for raising funds and borrowing money;
- (f) for the making of loans and investments;
- (g) for registering MfIs for the purpose of receiving assistance from the MfB;
- (h) for the establishment and regulation of subsidiaries or agents appointed by the MfB;
- (i) for controlling and regulating the purchase, use and sale of land for any purposes;
- (j) regarding the terms and conditions of service of the staff of the MfB; and
- (k) for the functional distribution and responsibilities among the various cadres of the MfB's employees.

45. **Power to make regulations.** – The Board may make regulations, not inconsistent with the provisions of this Ordinance and the rules, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Ordinance and efficient conduct of the affairs of MfB.

46. **Ordinance to override other laws.** – The provisions of this Ordinance shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force or in any agreement, contract, award, memorandum or articles of association or other instrument.

47. **Liquidation.** – No provision of law relating to the winding up of companies, including banking companies, shall apply to the MfB and the MfB shall not be wound up save by order of the State Bank and in such manner as it may direct.

## THE SCHEDULE

(Section 37)

### DECLARATION OF FIDELITY AND SECRECY

I, \_\_\_\_\_, hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a director/member/ auditor/employee (as the case may be) of the Micro-finance Bank and which properly relate to any office or position in the said Bank held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs and business of Micro-finance Bank nor will I allow



any such person to inspect or have access to any book or documents belonging to or in the possession of Micro-finance Bank and relating to the business of Micro-finance Bank.

Signature \_\_\_\_\_

Signed before me:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_