LICENSING AND SUPERVISION OF
THE BUSINESS OF CAPITAL GOODS FINANCE COMPANIES

Minimum Paid Up Capital Requirement Directives No.
CGFB /01/ 2013

Whereas, there is a need to ensure the smooth and sustainable operation of capital goods finance companies in a manner that best supports the activities of Micro and Small Enterprises;

Whereas, capital goods finance business by nature is capital intensive business;

Whereas, promoting strong and viable capital goods finance business in the country is essential for supporting investment in all businesses;

Now therefore, pursuant to the authorities vested in it under articles 4 (4/c) and 18 (4) of Capital Goods Leasing Business (Amendment) Proclamation No. 807/2013, the National Bank of Ethiopia has issued these directives.

1. **Short Title**
   These directives may be cited as “Minimum Paid up Capital Requirements Directives No. CGFB/01/2013”.

2. **Scope of Application**
   The provisions of these directives shall be applicable to capital goods finance companies.

3. **Minimum Paid-up Capital**
   The minimum initial paid up capital required to obtain a capital goods finance business license shall be Birr 200,000,000 (Birr Two Hundred Million), which shall be fully paid in cash and deposited in a bank in the name and to the account of the capital goods finance company under formation.
4. **Effective Date**

These directives shall be effective as of the 1\textsuperscript{st} day of October 2013.