



ASSOCIATESHIP EXAMINATION
LEVEL IV
CORPORATE BANKING – LAW AND PRACTICE
[OLD SYLLABUS]
APRIL 2025

N.B.

1. Read carefully the instructions on the cover of the answer booklet.
2. The total number of questions in this paper is **SIX**.
3. **SECTION A** contains **THREE 30-mark** questions from which candidates should answer **TWO**. **SECTION B** contains **THREE 20-mark** questions from which candidates should answer **TWO**. Candidates should answer a total of **FOUR** questions.
4. No aids such as calculators, books, dictionaries, papers, or mathematical sets are permitted in this examination.
5. Time allowed: **THREE HOURS**
6. An additional **15 minutes of reading time** is allowed at the beginning of the examination when candidates may write on this paper but **NOT** in the answer booklet.
7. Candidates must ensure that they answer questions in the appropriate answer booklet and **NOT** on loose sheets which may be used only as supplementary sheets. Such answers will be cancelled.
8. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOKLET.**
9. **DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE INSTRUCTED TO DO SO.**

SECTION A – ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION 1

- a. Explain the concept of “*private international law*” in International Banking transactions. (5 Marks)
- b. List five (5) factors you would consider when choosing a system of law to be the proper law. (5 Marks)
- c. Explain the doctrine of “*forum non conveniens*”. (5 Marks)
- d. Explain the concept of “*tax avoidance*”. (5 Marks)
- e. What is the difference between “*enforcement*” and “*recognition*” of foreign judgments? (10 Marks)

[TOTAL = 30 MARKS]

QUESTION 2

- a. State and explain *five* (5) principal clauses found in Loan Agreements. (20 Marks)
- b. What is a Negative Pledge Clause? (5 Marks)
- c. What is its purpose as a covenant in a Credit Agreement? (5 Marks)

[TOTAL = 30 MARKS]

QUESTION 3

- a. Mention and explain four (4) types of Contract Bonds. (16 Marks)
- b. Explain the concept of “withholding tax” in the Law of Taxation. (4 Marks)
- c. Distinguish between a Fixed Charge and Floating Charge. (10 Marks)

[TOTAL = 30 Marks]

SECTION B - ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION 4

- a. The Directors of Hakuna Matata Company Plc, your corporate clients, informed you that the company intends to raise GHC 1.0 million in Debt Capital by issuing some Corporate Bonds. They seek your advice to understand some of the risks associated with the issuance of Corporate Bonds.
State and briefly explain to the Directors **five (5)** risks associated with the issuance of Bonds and Notes. **(10 Marks)**
- b. What is a “facility letter”? **(4 Marks)**
- c. Briefly explain three (3) points, indicating its importance in Credit Administration. **(6 Marks)**

[TOTAL = 20 MARKS]

QUESTION 5

You are a Senior Relationship Manager in the Corporate Banking Department of XYZ Bank Plc. Your Bank has recently employed a young and inexperienced Corporate Service Officer (CSO), whom you were expected to induct into office. Today, she informs you that a Relationship Manager has asked her to prepare a “pre-agreement disclosure statement” for a borrowing customer. She said she has been told by the Relationship Manager that a lender shall not conclude a Credit Agreement with a prospective borrower unless the lender provides the prospective borrower with a “pre-agreement disclosure statement”. She wants your assistance. Prepare notes on the following to assist the inductee.

- a. What is a *pre-agreement disclosure statement*? **(5 Marks)**
- b. What information should a *pre-agreement disclosure statement* contain? **(10 Marks)**
- c. What happens when a bank charges fees that have not been disclosed in a *pre-agreement disclosure statement*? **(5 Marks)**

[TOTAL = 20 MARKS]

QUESTION 6

“*Mareva injunctions*” are alien to the Ghanaian jurisdiction. Discuss.

[TOTAL = 20 MARKS]