



**ASSOCIATESHIP EXAMINATION
LAW AND FINANCIAL SERVICES REGULATION
LEVEL I
[NEW SYLLABUS]
APRIL 2025**

N.B:

1. Read carefully the instructions on the cover of the answer booklet.
2. Answer questions as follows:
SECTION A: THIRTY MULTIPLE CHOICE QUESTIONS
SECTION B: TWO ESSAY QUESTIONS
SECTION C: ONE CASE/SCENARIO BASED QUESTION
3. Section A carries 30 Marks, Section B carries 40 Marks (20 Marks for each question) and Section C carries 30 Marks. Marks allotted are shown in brackets after the questions.
4. In awarding marks, the examiner will look for answers which show:
 - a. An appreciation of the significance of the question.
 - b. A reasoned practical approach to the problem.
5. Answers in listed note form are acceptable, provided they are clearly and logically presented and the points made are adequately developed.
6. No aids such as calculators, books, dictionaries, papers or mathematical sets are permitted in this examination.
7. Time allowed: **THREE HOURS. An additional 15 minutes of reading time** is allowed at the beginning of the examination during which candidates may write on this paper but **NOT** in the answer booklet.
8. Candidates must ensure that they answer questions in the appropriate answer booklets and **NOT** on loose sheets which may be used only as supplementary sheets. Such answers will be cancelled.
9. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOKLET.**

10. DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED TO DO SO.

SECTION A: MULTIPLE CHOICE QUESTIONS

(ANSWER ALL QUESTIONS. EACH QUESTION CARRIES 1 MARK. TOTAL: 30 MARKS)

1. Which of the following is the primary purpose of financial services regulation in Ghana?
 - a) To maximize bank profitability
 - b) To ensure financial stability and protect consumers
 - c) To control foreign exchange rates
 - d) To eliminate financial competition

2. Which of the following institutions is NOT regulated under the Banks and Specialized Deposit-Taking Institutions Act 2016, (Act 930)?
 - a) Finance Companies
 - b) Savings and Loans Companies
 - c) Financial Leasing Companies
 - d) Rural and Community Banks

3. Which of the following is NOT a Regulator of Financial Institutions in Ghana?
 - a) Securities and Exchange Commission
 - b) Bank of Ghana
 - c) National Insurance Commission
 - d) Economic and Organized Crime Office

4. Which regulatory body in Ghana is responsible for overseeing Capital Market operations?
 - a) Securities and Exchange Commission (SEC)
 - b) Bank of Ghana
 - c) Ghana Stock Exchange
 - d) Financial Intelligence Centre

5. Which of the following departments is in charge of conducting an annual examination of banks in Ghana?
 - a) Bank Examination Department of Bank of Ghana
 - b) Financial Stability Department of Bank of Ghana
 - c) Bank Supervision Department of Bank of Ghana
 - d) Bank Evaluation Department of Bank of Ghana

6. What is the key means of identification of customers of banks in Ghana?
 - a) Ghana Card
 - b) Ghana Ecowas Passport

- c) Birth Certificate
 - d) Driver's license
7. What is the duration of the first term of office of a Managing Director under the Corporate Governance Directive?
- a) 4 years
 - b) 3 years
 - c) 6 years
 - d) 12 years
8. What is the duration of the first term of office of a Director Under the Corporate Governance Directive?
- a) 4 years
 - b) 3 years
 - c) 5 years
 - d) 9 years
9. What must a Director do before assuming office regarding potential Conflicts of Interest?
- a) Ignore potential conflicts
 - b) Declare any conflicts to the Board and Bank of Ghana
 - c) Resign from all other positions
 - d) Not participate in any Board Meetings
10. What is the main focus of the Fit and Proper Person Directive?
- a) Operations of artificial entities
 - b) Efficiency of financial holding companies and integrity of owners
 - c) Conduct regulation, ethics, and professionalism
 - d) Revenue generation of key management personnel
11. To whom does the Fit and Proper Person Directive apply?
- a) Only Significant Shareholders
 - b) Directors, key Management Personnel, and Significant Shareholders
 - c) Key Management Personnel and Employees of Financial Institutions
 - d) Government Regulators
12. Which Unit at Bank of Ghana has oversight in dealing with bank customer complaints?
- a) Financial Intelligence Center
 - b) Bank of Ghana Complaints Unit
 - c) Internal Audit Department
 - d) Financial Stability Department
13. What is the first step a customer should take when they have a complaint against a bank?
- a) Report directly to Bank of Ghana
 - b) File a lawsuit against the bank
 - c) Lodge the complaint with the bank

- d) Contact EOCO
14. What is the maximum period within which a bank must respond to a customer's complaint under Bank of Ghana's Consumer Recourse Mechanism Guidelines?
- a) 20 days
 - b) 10 days
 - c) 15 days
 - d) 3 days
15. What is the limit on Total Aggregate Advances to all bank staff as a percentage of Net Own Funds?
- a) 25%
 - b) 15%
 - c) 20%
 - d) 35%
16. A bank's obligation to prevent Money Laundering is primarily governed by.....
- a) Anti-Money Laundering Act, 2020 (Act 1044)
 - b) Bank of Ghana Act, 2002 (Act 612)
 - c) Companies Act, 2019 (Act 992)
 - d) Securities Industry Act, 2016 (Act 929)
17. Which organization was established to combat Money Laundering globally?
- a) World Bank
 - b) International Monetary Fund
 - c) Financial Action Task Force (FATF)
 - d) United Nations
18. Under Ghana's financial laws, a bank is required to report Suspicious Financial Transactions to.....
- a) The Ghana Revenue Authority
 - b) The Ministry of Finance
 - c) The Financial Intelligence Centre (FIC)
 - d) The Ghana Association of Bankers
19. Which of the following is NOT a primary participant in a Payment System?
- a) Payer
 - b) Beneficiary
 - c) Payment Agent

- d) Auditor
20. The Payment Systems and Services Act of Ghana (Act 987) was enacted in which year?
- a) 2005
 - b) 2019
 - c) 2016
 - d) 2021
21. Which of the following is a traditional method of payment before the modern payment systems?
- a) Cryptocurrency
 - b) Mobile Money
 - c) Barter System
 - d) ATM Cards
22. Which of the following is not a duty of a Data Controller under the Data Protection Act, 2012 (Act 843)?
- a) Registration with the Data Protection Commission
 - b) To enquire about the data subject's state of health
 - c) To allow data subject to review his data
 - d) To keep data for a limited period
23. The provision of the Data Protection Act relating to storage limitation requires Data Controllers to keep data for a limited period. Which of the following is NOT an exception to the rule?
- a) Where it is required by law
 - b) Where the Data Controller deems it appropriate
 - c) Where it is required for research
 - d) Where it required for historical purpose
24. Which of the following is one of the benefits of Deposit Insurance?
- a) Increase in bank loans
 - b) Contributes to financial stability
 - c) Elimination of financial regulations
 - d) Increase in government income
25. Which of the following organizations was created to enhance international financial stability through promoting best practices in Deposit Insurance in 2002?
- a) IADI
 - b) IMF
 - c) World Bank
 - d) ECB
26. Which Ghanaian institution oversees the country's Deposit Protection Scheme?
- a) Ministry of Finance
 - b) Bank of Ghana

- c) Ghana Deposit Protection Corporation
 - d) National Insurance Commission
27. Which of the following is NOT required in registration of security at the Collateral Registry?
- a) Amount Borrowed
 - b) Nature of Security
 - c) Value of Security
 - d) Health Status of Borrower
28. The Borrowers and Lenders Act, 2020 (Act 1052) requires the following of banks when asked to provide a statement of a borrower's credit.....
- a) Provide statement within 7 days of request
 - b) Provide statement within 5 days of request
 - c) Provide statement within 1 day of request
 - d) Provide statement within 10 days of request
29. Which of the following is NOT a duty of a Credit Reference Bureau (Credit Report Recipient)?
- a) Keep information confidential
 - b) Use the information only for purposes stated in the legislation governing Credit Reference Bureaus
 - c) Submit report of credit default to the Financial Intelligence Center
 - d) Use the information provided to provide credit reference
30. Which of the following is NOT one of the circumstances in which a bank may provide a report to a Credit Reference Bureau without the consent of a customer?
- a) Borrower involved in financial malpractice
 - b) Person engaged in issuance of dishonoured cheques owing to lack of funds
 - c) Loan overdue for 90 days or more, amount not in dispute and customer did not make any satisfactory proposals for repayment
 - d) Borrower is a first-time borrower

SECTION B ESSAY QUESTIONS

ANSWER TWO (2) QUESTIONS ONLY

QUESTION 1

Discuss five (5) functions of Bank of Ghana as provided under the Bank of Ghana Act, 2002 (Act 612) [20 Marks]

QUESTION 2

Explain five (5) circumstances under which Bank of Ghana may revoke a license issued to the institutions that are regulated by the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). [20 Marks]

QUESTION 3

Deposit Protection for bank depositors is yet to be tested in the courts of Ghana. Discuss Ghana's Deposit Protection Regime, highlighting five (5) key provisions. [20 Marks]

QUESTION 4

Outline five (5) key provisions of the Corporate Governance Directive (2018) issued by Bank of Ghana. [20 Marks]

SECTION C – CASE/SCENARIO BASED QUESTIONS

ANSWER ONLY ONE (1) QUESTION

QUESTION 1

Independent Bank PLC is one of the top banks in the country. However, it has experienced a general decline in its operations in recent times which has been attributable to its weak Compliance Systems. For example, credit facilities have been granted to companies connected with some members of the Board of Directors.

In recent times also the bank has been subjected to fines in respect of its weak Anti-Money Laundering Regime.

Due to these developments, the CEO of the bank was forced to resign and in addition, the Bank of Ghana has appointed an Advisor to turn around the operations of the bank. The bank has also seen a significant increase in fines from Bank of Ghana due to non-compliance with some of the provisions of the Anti-Money Laundering Act, 2020 (Act 1044).

- a) What are “conflicts of interest”? [3 Marks]
- b) List and explain three (3) disclosures Directors and Key Management staff are required to make to address issues of conflicts of interest as provided by the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and Bank of Ghana's Corporate Governance Directive, 2018. [12 Marks]
- c) State three (3) predicate crimes that form the basis of Money Laundering. [3 Marks]

- d) State and explain three (3) components of a robust Anti-Money Laundering system for a Financial Institution as provided by the Anti-Money Laundering Act 2020, (Act 1044).
[12 Marks]

[Total: 30 Marks]

QUESTION 2

The Compliance/Risk Manager for Bayflower Bank PLC tells you that your Managing Director has called a meeting for him to advise the Management Team of the following and needs you to assist him to prepare a quick write-up for his presentation:

Bank of Ghana has imposed a fine on your bank for failure to notify them of the appointment of a new General Manager of the Treasury Division.

Through the directions of the Compliance Manager's predecessor, the bank suspended the granting of staff loans on a concessionary basis. Staff are now clamoring for the scheme to be reinstated.

The bank has also been subject to a fine for breaching its Primary Reserve requirements.

Management is considering approving a deal which would raise the bank's single obligor limit to 30% of Net Own Funds.

- a) State and explain the two (2) modes Bank of Ghana employs in supervising the financial operations of institutions subject to its regulation. [8 Marks]
- b) Discuss three (3) advantages of any one of the two modes of Bank Supervision. [6 Marks]
- c) What are the regulatory provisions in respect of the situations outlined above? [8 Marks]
- d) What points do you suggest should be contained in your boss's report to Management? [8 Marks]

[Total: 30 Marks]