



# LOCKED-UP INVESTMENT HOLDERS FORUM

*"Working to protect our investments"*

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26<sup>th</sup> June 2024

RT. HON. ALBAN KINGSFORD SUMANA BAGBIN  
SPEAKER OF PARLIAMENT  
PARLIAMENT HOUSE  
ACCRA

Dear Rt. Hon. Alban Bagbin,

**PETITION FOR PARLIAMENT'S INTERVENTION TO GET THE MINISTRY OF FINANCE TO MAKE FINANCIAL PROVISION TO SUPPORT THE REVOCATION OF LICENCES OF INSOLVENT FINANCE HOUSES AND SAVINGS & LOANS COMPANIES BY THE BANK OF GHANA FOR DEPOSITORS TO BE PAID THEIR LOCKED-UP FUNDS**

## WHO WE ARE

1. Locked-up Investment Holders Forum is a forum set up for the protection of investments of persons who have funds invested with Finance Houses and Savings & Loans Companies (FHSLs) licensed by the Bank of Ghana (BOG) and who cannot access their investments. The forum serves as the mouthpiece of the thousands of individuals and institutions who have their investments locked up in FHSLs.
2. Some FHSLs licensed by the BOG, namely NDK Financial Services, SDC Financial Services, Bond Savings & Loans, and SIC Life Savings & Loans have been unable to meet the interest and principal payment demands of their customers for some time now, and in most cases for about four (4) years. These institutions, according to the BOG have become insolvent.
3. Majority of our members are pensioners and the sick who have no regular sources of income and have, before the financial sector clean-up exercise, been relying on the interest on their investments to support themselves in terms of buying regular medications, feeding, paying for utilities, and meeting other critical expenses.

## THE PETITION

We humbly appeal to you, as the Speaker of Parliament, to use your good offices to impress on the Ministry of Finance to make financial provision in the Government's upcoming Mid-Year Review Budget for the payment of locked-up funds of investors in the four (4) insolvent FHSLs to enable the BOG to revoke their licences and pay depositors, in line with the Government's commitment to protect depositors' funds.

## BACKGROUND

We wrote to the Bank of Ghana (BOG) on 2<sup>nd</sup> May 2023, drawing the attention of BOG to the inability of some Finance Houses and Savings & Loans Companies (FHSLs) to meet the interest and principal payment demands of their investors, in some cases for over three (3) years at the time, as a result of liquidity and other challenges faced by these institutions. We petitioned the BOG to provide liquidity support to the distressed FHSLs to enable them to meet the withdrawal demands of their customers, many of whom are pensioners and sick persons in dire need of their funds to take care of themselves. We sent copies of the petition to the President, Parliament, Minister for Finance, and key governance institutions in the country, namely: Council of State, National House of Chiefs, Christian Council of Ghana, Catholic Bishops' Conference, Pentecostal & Charismatic Council, Muslim Council, and National Peace Council to seek their support and intervention for our cause.

Having waited for over seven (7) months without hearing anything positive from the BOG on our petition, we sent a proposal to BOG on 16<sup>th</sup> November, 2023, copied the Ministry of Finance, and captioned **“Proposal to Resolve the Current Challenges Facing Distressed Finance Houses and Savings & Loans Companies to Pay their Depositors”** for the consideration of BOG. We published the proposal in the 27<sup>th</sup> November 2023 edition of the Daily Graphic. Our proposed approach was based on our belief that one of the following will be adopted for the resolution of the challenges of the distressed FHSLs.

- i. Provision of liquidity support to the distressed FHSLs and restructuring them.
- ii. Revoking the licenses of the distressed FHSLs and paying investors their deposits.

After over five (5) months of sending our proposal to the BOG and receiving no response, we staged a public protest on Wednesday 27<sup>th</sup> March, 2024 with a match to the BOG and the Ministry of Finance. We had a meeting with BOG, but unfortunately, we could not have a meeting with the Ministry as there were no officials available to meet us, even though we had informed the Ministry on 22<sup>nd</sup> March 2024 of our plan to meet the Minister.

At our meeting with the BOG, the Governor indicated to us that the provision of liquidity support to the distressed FHSLs was not an appropriate option, as liquidity support is given for a very short period of time. The Governor informed us that BOG intends to revoke the licences of the distressed FHSLs as they have become insolvent, and will do so when the Ministry of Finance makes financial provision for the payment of the locked-up funds of investors as was done in the case of the revocation of the licences of some Specialised Deposit-taking Institutions in 2017/18.

Based on the information the BOG gave us, to wit, it was waiting for the Ministry of Finance to make financial provision for the payment of the locked-up funds of investors to enable BOG to revoke the licences of the affected FHSLs and pay us our deposits, we petitioned the Ministry of Finance on 28<sup>th</sup> March 2024 to make the necessary financial provision. After waiting for three (3) weeks without receiving any response from the Ministry, we sent a reminder to the Ministry on 18<sup>th</sup> April 2024.

## CURRENT SITUATION

Having waited for almost a month after sending a reminder on the petition to the Ministry, and receiving no response from the Ministry, we began a protest of picketing the Ministry of Finance to further press home our demand on 15<sup>th</sup> May 2024. On the first day of picketing, the Deputy Minister for Finance, Dr. Stephen Amoah promised to pick up our petition and give us a response as soon as practicable, and in any case before 22<sup>nd</sup> May 2024, our next planned picketing date. In the afternoon of 21<sup>st</sup> May 2024, the Deputy Minister called to inform us that he was planning to have a meeting with us within the week to discuss our petition, but as a result of a pending travel he had, he will only be able to have the meeting with us after returning from his trip on 27<sup>th</sup> May 2024. Due to this, we suspended our picketing for 22<sup>nd</sup> May 2024 and 29<sup>th</sup> May 2024 to await the return of the Deputy Minister for us to have the meeting.

Regrettably, after returning from his trip the Deputy Minister did not arrange to have the meeting with us, prompting us to resume our picketing from 5<sup>th</sup> June 2024 and picketing every Wednesday. We note sadly that the Ministry of Finance is refusing or failing to give our petition the necessary attention, as to date, the Ministry has not given us any response to our petition, and the situation is getting worse with each passing day with our members in their old ages and the sick unable to access essential drugs for their medical care among other needs. Simply put, majority of our members are pensioners and the sick persons who are in dire need of their funds for their medication and sustenance.

## CONCLUSION

We wish to advise the Government to use part of the savings made or expected from the restructuring of the country's foreign debts to provide the required financing. We advise also that the Government should discuss with the World Bank, the IMF, and other Development Partners to be allowed to use part of the Ghana Financial Stability Fund and the IMF bailout funds to provide the required financing. The Ministry of Finance should make financial provision for the payment of locked-up funds of investors in the four (4) insolvent FHSLs to enable BOG to revoke their licences and pay depositors, bearing in mind that there cannot be financial market stability when investors funds are locked up in the financial market.

We hope our petition will be considered most favourably to enable us work to build back investor confidence in our financial market and ensure financial market stability.

Yours sincerely,



DR. ADU A. ANTWI, FCA, ESQ.  
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