
BANK OF BOTSWANA INTRODUCTORY MEETING WITH SAVINGS AND CREDIT COOPERATIVE SOCIETIES.

BANK OF BOTSWANA HEADQUARTERS

Date: 27 October 2025

Venue: Bank of Botswana Headquarters

SESIGO DELEGATES: Sametsi G. Shumba & Peter Loeto

1. Opening Remarks

DIRECTOR OF PRUDENTIAL AUTHORITY BOB ; Godfrey Ngidi

- Welcomed all attendees and commended them for their service to their communities.
- Praised the Department for Cooperative Development (DCD) for its continued efforts in nurturing cooperatives.
- Clarified that the Central Bank's involvement will be limited to prudential supervision.
- Defined prudential regulation as providing oversight of financial institutions to ensure that they are financially sound, well-managed, and operate safely and stably.
- Announced that licensing applications to the Bank of Botswana will commence once the regulatory framework is completed.
- Emphasized that supervision by the Central Bank will enhance cooperative operations, add credibility, and protect against economic crimes.
- Explained that this regulatory change stems from a recommendation by the International Monetary Fund (IMF) following its assessment of the Central Bank's compliance with international standards.
- Noted that while some regulatory requirements may seem stringent, they are designed to strengthen the sector.
- Confirmed that consultations are ongoing between cooperatives, apex bodies, and the DCD to ensure the best outcomes for the cooperative movement.
- Highlighted that all relevant Bank of Botswana departments engaging with cooperatives were represented at the meeting.
- Stressed that there will be continuous communication between the Central Bank and cooperatives moving forward.

2. Remarks by the Director for Cooperative Development — Mrs. Nkwane

- Thanked all cooperative representatives for attending.
- Noted that multiple stakeholders, including the African Confederation of Cooperative Savings and Credit Associations (ACOSCCA), contributed to the design of the prudential supervision framework.
- Clarified that the new arrangement focuses on prudential supervision, not regulation — the DCD will retain responsibility for registration and regulation of cooperatives.

3. Remarks by the Head of Communications and Information Services, Corporate Management Services Department — Dr. Seamogano Mosanako

- Welcomed cooperatives to the Bank of Botswana (BoB) family.
- Outlined other entities under BoB supervision.
- Informed attendees that cooperatives will receive invitations to future BoB events and that BoB staff will be available to support cooperative events. The bank will also provide free financial literacy education to our members
- Encouraged cooperatives to stay updated through BoB communication platforms and publications.

4. Presentation by the Deputy Director, Prudential Authority and Payments Oversight Department — Ms. Omponye Mosenene

- Explained the rationale and process for the Bank's supervision of cooperatives.
- Encouraged participants to familiarize themselves with the Banking Act, 2023 (Section 2).
- Reiterated that DCD will remain the regulator, while BoB assumes a supervisory role.
- Highlighted that prudential supervision and oversight aims to ensure that cooperatives are financially sound, well managed and operate safely through the development of strategic plans and putting in place risk mitigation plans.
- Identified key supervisory focus areas:
 - Governance
 - Liquidity risk management

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- Financial reporting and transparency
 - Capital management
 - Credit risk management
 - Noted that implementation will follow a phased approach based on BOB prudential standards, with training sessions conducted to explain reporting requirements and timelines.
 - Templates and guidance customised at the level of the SACCOS to be provided. BOB's expectations from saccos include meeting prudential standards and reporting requirements, strengthening governance and management capacity, and maintaining transparent operations that protect members interests and build confidence in the SACCO sector.
 - Stressed that full implementation will take time, with BoB maintaining regular engagement and updates to cooperatives.

5. Remarks by the Deputy Director, Business Conduct and Regulatory Compliance — Ms. Evelyn Sennanyane

- Welcomed attendees.
- Noted that the current operational status will remain unchanged until further notice.
- Informed cooperatives that their products will undergo review by BoB — as is standard for all deposit-taking institutions — before implementation.
- Urged cooperatives to adhere strictly to their by-laws and governing policies.
- Mentioned that site visits will be conducted by BoB to ensure compliance.

6. Remarks by Prudential Authority and Payments Oversight — Dr. Lechedzani Kgari

- The role of BOB's prudential authority and payments oversight department is to promote fair, transparent, and responsive business conduct across financial institutions.
- The department approves products, charges, and fees charged before implementation. Before introducing new product (s), Management should ensure adequate policies and procedures are in place to manage risks (i.e., a comprehensive description of the proposed

product and service, highlighting key services and benefits, as well as risks associated with products and mitigants, is required).

- Development of a complaint management policy accessible to all members with resolution timelines is required.
- Highlighted that BoB will require data submissions from cooperatives and encouraged information sharing through apex bodies and the regulator.
- Stated that prudential supervision is intended to protect member savings, enhance financial stability, and promote sustainable growth.
- Confirmed that the supervisory framework is being finalized and will be presented to internal structures upon completion.
- Estimated that cooperatives may review the draft framework by the third quarter of 2026, though timelines remain flexible.

7. BOB NEXT STEPS

- Development of the supervisory framework that includes guidelines, directives, and regulations
- Begin Phased transition
 - Phase 1: focus on SACCOS readiness and data collection
 - Phase 2: conduct market consultation and release the draft of the supervisory framework for stakeholder input by the 2nd Quarter of 2026. Receipt of market feedback and finalisation of the framework by the 3rd quarter of 2026.
 - Phase 3: gradually increase compliance, issuing supervisory guidelines to the market and begin alignment with guidelines

8. WHAT DO SACCOSS NEED TO DO TO PREPARE FOR BOB OVERSIGHT?

- Prepare compliance and reporting
- System upgrades to align and prepare for reporting

9. Closing Remarks by the Director of Business Conduct — Mr. J. Selwe

- Thanked all participants for attending.
- Urged all stakeholders to cooperate fully to ensure a smooth transition during the supervisory implementation process.

Meeting Adjourned

Prepared by:
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27 October 2025

