



***Bank of Botswana***

24 November 2025

## **PRESS RELEASE**

### **LICENSING OF BANKS AND DEPOSIT-TAKING INSTITUTIONS IN BOTSWANA**

The Bank of Botswana (Bank) wishes to inform the public about the licensing requirements for banks and deposit-taking institutions in Botswana as provided for in the Banking Act, 2023 (Banking Act), along with supportive regulations, Banking Regulations, 2025; Deposit-Taking Institutions Regulations, 2025; and Banking (Appeals Tribunal) Regulations, 2025; which came into effect on 15 August 2025. The Banking Act, among others, introduced deposit-taking institutions (DTIs) and categorisation of banks into two tiers differentiated by the amount of the initial capital requirement. Thus, the lower amount required for Tier 2 banks is intended to support licensing of smaller and medium-sized banks, encourage entry of citizens into the banking industry, and promote beneficial competition.

According to the Banking Act, a person wishing to conduct banking business or to engage in deposit-taking should apply to the Bank for a relevant licence. An application for a banking licence or a deposit-taking licence is evaluated by the Bank in accordance with the requirements of the Banking Act and regulations, licensing policy and international standards, including best practices. As provided for in the Banking Act, only a company incorporated under the Companies Act (Cap. 42:01) and limited by shares may apply for a licence and carry on the business of a bank or a DTI.

The Bank's licence-application process involves the following steps:

1. A pre-application meeting between the Bank and the prospective applicant to discuss the applicant's business idea and banking or DTI licence-application requirements.
2. To apply, a person should submit two hard copies of an application, together with relevant information and supporting documents to the Bank. Once the Bank is satisfied that all the relevant documents have been submitted, it will write an acknowledgement letter to the applicant.
3. Within 30 days of receipt of an application for a licence, the Bank is required to inform the Minister of Finance of such an application and publish notification of the application in the Government Gazette, on the Bank's website and in at least two newspapers circulating in Botswana.
4. The turnaround for an application is six months from the date of the acknowledgement letter. In processing an application, the Bank may request additional/supplementary information, and where an applicant fails to submit such information within six months from the date of the acknowledgement letter, the Bank will consider the application abandoned and the application fee forfeited.
5. In cases where a licence is not granted and the applicant is aggrieved by the decision, as provided for at section 92 of the Banking Act, such applicant may lodge an appeal at the Appeals Tribunal within six weeks after receiving a rejection of the application.
6. The initial minimum capital requirement, annual licence fee and a non-refundable application fee for different classes of banks, and for DTIs are as shown in Table 1. The capital should be without any restriction or encumbrance, which could render it not freely available; unencumbered capital is crucial in that it should be readily available. Further, the applicant should provide an undertaking to provide back-up capital needed in stressful banking circumstances to reduce the probability of a bank run (when all at once, depositors withdraw their money from a bank for fear of its collapse).

**Table 1: Capital and Fee Requirements for Licence Applications**

| Category                                   | Commercial Banks                                                                                               |                                                                                                               | Investment Banks                                                                                               | Discount Houses                                                                                                | DTIs       |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------|
|                                            | Tier 1 Banks                                                                                                   | Tier 2 Banks                                                                                                  |                                                                                                                |                                                                                                                |            |
| <b>Initial minimum capital requirement</b> | Greater of P20 000 000 or 12.5 percent of the risk-weighted assets and other risk-weighted exposures of a bank | Greater of P5 000 000 or 12.5 percent of the risk-weighted assets and other risk-weighted exposures of a bank | Greater of P20 000 000 or 12.5 percent of the risk-weighted assets and other risk-weighted exposures of a bank | Greater of P20 000 000 or 12.5 percent of the risk-weighted assets and other risk-weighted exposures of a bank | P2 500 000 |
| <b>Application fee</b>                     | P15 000                                                                                                        | P15 000                                                                                                       | P15 000                                                                                                        | P15 000                                                                                                        | P5 000     |
| <b>Annual licence fee</b>                  | P50 000                                                                                                        | P50 000                                                                                                       | P50 000                                                                                                        | P50 000                                                                                                        | P10 000    |

7. The application information pack, with a checklist of required documents and information, can be accessed on the Bank's website at [www.bankofbotswana.bw](http://www.bankofbotswana.bw) or requested from the Bank, in particular, the Prudential Authority and Payments Oversight Department.

The Bank encourages any applicant, including citizens, to apply for a banking or a DTI licence and is available to guide applicants through the licence-application process. The Bank remains committed to ensuring a safe and sound banking system that supports transformative and financial-inclusion objectives of government.

**For further information, please contact, Dr. Seamogano Mosanako, Head of Communications and Information Services, at [mosanakos@bob.bw](mailto:mosanakos@bob.bw), +267 360 6083, 360 6382 and 360 6315 or visit the Bank website at [www.bankofbotswana.bw](http://www.bankofbotswana.bw).**