



PRESS RELEASE

Central Bank of Somalia Grants First Licences to Microfinance Institutions.

The Central Bank of Somalia (CBS) is pleased to announce that, on 9 November 2025, the Board of Directors approved the first licences for seven non-deposit-taking microfinance institutions (NDTMFIs), marking an important step in formalizing and deepening Somalia's financial sector. The following institutions were licensed:

1. KIMS Microfinance Institution
2. Bushra Microfinance Ltd
3. Maal Microfinance Ltd
4. Midnimo Microfinance
5. RAAS Microfinance
6. Asal Microfinance
7. Haldoor Microfinance

This decision follows the enactment of the Financial Institutions Law (FIL) 2025 and the issuance of the Licensing Regulation for Non-Deposit-Taking MFIs, which together provide legal and regulatory basis for microfinance businesses in Somalia. These reforms are part of CBS's broader agenda to strengthen financial sector governance, enhance consumer protection, and expand access to formal financial services.

Microfinance plays a catalytic role in Somalia's economy. A large share of Somali households, microenterprises, women-owned businesses, and youth-led start-ups operate outside the formal banking system, relying on informal finance, family networks, or short-term trade credit. By licensing MFIs, CBS is creating an enabling environment for these institutions to provide Sharia-compliant, small-ticket, and flexible financial products to segments of the society that are underserved by commercial banks. This will help stimulate self-employment, support small traders, strengthen resilience of low-income households, and ultimately contribute to poverty reduction and inclusive growth.

"The licensing of the first batch of MFIs is a landmark moment for Somalia's financial system," said Abdirahman M. Abdullahi, Governor of the Central Bank of Somalia. *"It reflects our commitment to building a robust, well-regulated, and inclusive financial sector that serves all Somalis. Microfinance is not just about credit, it is about giving low-income and vulnerable groups a formal, safe and affordable entry point into the financial system."*

The new regulatory framework requires licensed MFIs to meet standards on governance, transparency, reporting, and consumer protection. This will help build public confidence in microfinance providers and protect clients from predatory or unregulated practices. CBS will continue to monitor the sector, issue further supervisory guidance as needed, and work with development partners to build the capacity of licensed MFIs so they can scale sustainably.

NOTICE:

The Central Bank of Somalia (CBS) hereby notifies all Non-Deposit-Taking Microfinance Institutions (NDMFIs) operating in Somalia that have not yet applied for a license to submit their applications on or before **06 December 2025**. Any institution that fails to meet this deadline will be in breach of the Financial Institutions Law and will be subject to the appropriate legal and regulatory measures under the laws of the Federal Republic of Somalia.

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