



Diaspora Digest



May 2024 | Issue 1

Information and opportunities from home

A publication of Equity Group

Equity pioneered diaspora banking



Director of Liaison and Partnership at the State Department of Foreign Affairs, Ambassador Anne Wanjohi (Centre) with Ministry staff for Diaspora Affairs and Equity International Banking & Cross Border Payments team led by Andrew Kabeke GM, International Banking and Cross Border Payments, Equity Group during a forum held on the sidelines of the Diaspora Investment Conference 2023 at KICC.

Equity is credited for enhancing the bond between Kenyans in the diaspora and at home through products and service offerings that enhance their lives.

Speaking at the Diaspora Investment Conference held at the Kenyatta International Convention Centre, KICC in Nairobi, the Director of Liaison and Partnership at the State Department of Foreign Affairs, Ambassador Anne Wanjohi said Equity Bank has been a long-time partner with the Government and the bond is getting stronger for the benefit of Kenyans living abroad.

"We have come a long way with Equity. We used to hear of Equity as a bank for mama mboga and we too are delighted to be associated with the bank. Thank you for creating better opportunities for Kenyans. The future is bright, and we are going far by forging the partnership to continually enhance opportunities for the diaspora. When someone invites you to a meal it is to build bonds," she said during a breakfast meeting hosted by Equity for delegates attending the Diaspora conference in Nairobi under the theme: *Tujenge Kenya; Bridging Borders, Building Futures*

Former Director in the State Department for Diaspora Affairs, Ambassador Washington Oloo said Equity was the first bank to pioneer diaspora banking and has made significant progress in engaging with diaspora investors.

2014 The year Equity established Diaspora Banking

"We credit Equity for encouraging the diaspora to buy land and property and hope this engagement will continue bearing fruit," he said adding that since 2014 when Equity established the Diaspora banking, it has liaised with the Government to facilitate travel to missions to South Africa, the US and other countries around the world.

Andrew Kabeke GM, International Banking and Cross Border Payments, Equity Group, encouraged the delegates to send money as they can easily access their accounts from anywhere across the globe

"Equity has products and services that facilitate money transfers, investment, insurance, mortgage and other financing in fulfilment of the vision to be the champion of socio-economic prosperity for the people of Africa," he said.

Connecting Worlds, Bridging Borders

Welcome to Our Inaugural Diaspora Banking E-Newsletter



Andrew Kabeke
General Manager, International Banking and Cross Border Payments, Equity Group.

Dear Member,

It is with great pleasure that I extend a warm welcome to each of you as we launch the inaugural edition of our Diaspora Banking E-Newsletter – The Diaspora Digest. On behalf of the entire International Banking and Cross Border Payments Team, I am excited about this quarterly newsletter that aims to foster a closer bond between us and our esteemed diaspora members and community.

Equity understands the unique financial needs and aspirations that define the global diaspora in line with our purpose of transforming lives, giving dignity and expanding opportunities for wealth creation.

This newsletter is a testament to our commitment to staying connected with you. In this newsletter, you will find a curated blend of insightful articles, financial tips, and updates on the latest innovations from Equity International Banking. Our goal is to not only keep you informed about the diverse range of services and solutions we offer but also provide valuable insights that empower you to make informed financial decisions.

As we embark on this exciting journey together, we encourage you to actively engage with us. Share your thoughts, experiences, and suggestions, for it is through this dialogue that we can continually enhance our offerings to better serve your evolving financial needs.

Unlocking Financial Success

The Art Of Nurturing Your Relationship With Your Loan Officer



Keeping your financial records and documents organized is a necessity.

application process and also conveys responsibility and reliability, making it easy to hold the bank accountable on agreed actions.

Positive Attitude in the Face of Challenges

While securing a loan can sometimes be a process, maintaining a positive attitude can alleviate stress and contribute to a better borrower-lender relationship. Planning early can address delays, however, when you encounter challenges approach them with optimism and be willing to collaborate and work with your loan officer to find solutions.

Post-Approval Engagement

Your relationship with your loan officer and bank doesn't end once the loan is approved and funds are disbursed. Stay in touch to ensure that your loan continues to align with your financial goals. Consider periodic check-ins to discuss refinancing options or adjustments to your loan terms as your circumstances evolve.

In conclusion, nurturing a robust and positive relationship with your loan officer and advisor is pivotal to a successful financial venture. Trust, communication, and mutual respect are the pillars of this relationship. By embodying these principles, you enhance your prospects of securing the ideal loan and also set the stage for a harmonious and progressive financial journey. Remember, your loan officer is not just a financial facilitator; they can be a valuable partner in your pursuit of financial prosperity.

Remember that your loan relationship officer is there to assist you, so do not hesitate to ask questions or seek clarifications

Understanding Loan Options

A proactive borrower is an empowered borrower. Engage your loan officer about the various loan options, interest rates, and repayment terms before approaching your loan officer. Being well-informed not only showcases your commitment but also positions you to make informed decisions and more importantly ask questions.

Time Management

Be punctual for meetings, promptly provide requested documents, and adhere to timelines. Showing respect for your time and that of the bank demonstrates your commitment. This should also be reciprocated by the loan officer.

Documentation

Keeping your financial records and documents organized is a necessity. Well-organized records or documents streamlines the loan

In the realm of financial endeavors, the connection between borrowers and loan officers plays a pivotal role in the realization of dreams and ambitions. Whether it's buying your dream home, launching a startup, or furthering your education, a good relationship with your loan relationship officer can make a significant impact. In this article, we delve into the ways to cultivate the best possible relationship with your loan officer.

Trust: The Cornerstone of Success

Trust is the bedrock upon which any fruitful relationship is built. Have faith in your loan officer's expertise, and reciprocally, expect them to have confidence in your financial undertakings. Honesty and transparency in your financial dealings will go a long way in fostering this trust.

Open Lines of Communication

The heart of any thriving relationship is open and effective communication. Regularly engage with your loan officer to discuss loan terms, requirements, and any concerns that may arise.

Managing Loan Payments Across Borders

Financial Resilience and Currency Fluctuations

The global diaspora has long served as a cornerstone of economic resilience, channeling vital remittances and contributing to the prosperity of both their adopted and home countries. However, in the aftermath of the COVID-19 pandemic, diaspora clients find themselves grappling with unique challenges concerning loan payments and the dynamic landscape of foreign exchange rates.

The Impact of Forex Exchange Rates

Foreign exchange (forex) rates have perennially been pivotal in shaping the financial decisions of diaspora clients. In today's post-pandemic world, these rates have taken on heightened importance due to their increased volatility, affecting the value of remittances and the cost of loan repayments.

It is advisable for diaspora clients to maintain vigilance in monitoring exchange rate fluctuations. Sudden shifts can impact the amounts they remit to their home countries or the cost of servicing loans.

Loan Payments and Currency Fluctuations

Diaspora clients who have loans face the challenge of servicing their debts in a different currency. Currency depreciation can increase the cost of loan repayments, making it important for borrowers to adopt a proactive approach to managing these fluctuations.

Additionally, it is crucial for borrowers with loans in foreign currencies to monitor exchange rates and, when possible, consider hedging strategies to minimize the impact on loan payments.

Digital Tools for Forex Management

Technology is emerging as a crucial tool for diaspora clients looking to navigate forex exchange rates. Digital platforms offer real-time access to forex data, empowering clients

with the knowledge needed to make informed decisions regarding remittances and loan commitments. Today, smartphone applications and online banking services are invaluable tools—offering diaspora clients the capacity to track exchange rate movements, establish timely alerts, and automate financial transactions, thereby elevating their financial acumen.

Strategies for Financial Resilience

In this ever-evolving financial landscape, diaspora clients are embracing strategic measures designed to foster financial resilience. These measures include diversifying their investment portfolios, exploring local currency loan options, and seeking expert counsel to inform their decisions.

Our communities are resilient and are adapting to prevailing challenges. We encourage diaspora clients to remain informed of market dynamics, seek guidance, and explore financial solutions that align with their goals.

Collaboration and Support

In a world where borders are no longer barriers to financial transactions, the challenges posed by forex exchange rates can be met with preparation, technology, and the collective determination of diaspora communities. Banks and financial institutions are seamlessly aligning themselves with the evolving needs of diaspora clients by offering tailored solutions, advisory services, and currency risk management options. Such a collaborative spirit facilitates financial empowerment and nurtures resilience.

We reassure our diaspora clients of our commitment as they support their families and home countries. Together, they steadfastly navigate these challenges, uncovering opportunities for prosperity and a better future.





Customer Support For You

+254 763 026 481

We are excited to introduce our newly enhanced Support Centre Services to improve customer experience and take our customer engagements to the next level with a dedicated 24-Hour Contact Centre team.

What sets our support centre apart?

Enhanced customer experience - Personalized interactions with our agents who provide tailored support and efficient service while delivering an exceptional experience.

24/7 Support - We understand the importance of round the clock availability for our Diaspora Customers due to time differences and to ensure our customers can reach us anytime, anywhere.

Proactive Customer Support- We reach out to our diaspora members with relevant information or offers to help build stronger customer relationships and increase satisfaction.

Compliance and Security - We have a strong commitment to data privacy and compliance enhancing trust and confidence in our customers.

Multichannel Support - We offer support on multiple communication channels. You can reach us via Email on info@equitybank.co.ke, through live chat on our website and on social media using the Facebook and X handles below.

Thika Greens Phase 2



Looking for a property in a gated community? Consider Thika Greens Phase 2, which offers up to 90% financing to a maximum of 10 years. This is a premier golf course estate located along the Thika Superhighway.

Thika Greens Golf Resort is part of a 1700-acre Golf Estate, where residents are developing spectacular homes. The Resort boasts an 18-hole par 72 championship golf course on 306 acres of a well-manicured landscape.

This magnificent golf course was designed by one of the leading golf architects in South Africa, the DDV Group, and has been in operation since 2014. The resort is 45 minutes from the capital city Nairobi and one hour's drive from the Jomo Kenyatta International Airport.

You can access Thika Greens Phase 2 through the Thika Superhighway, off the Northern Corridor gateway to the Mount Kenya Region. Thika Greens Golf Resort, a home away from Home!! For more information, kindly reach us on +254 763 026 481 or info@equitybank.co.ke



Features

- The plots are available on 1/8 size of an acre
- Access financing of up to **90%** of the value of the plot from Equity Bank
- Plots are in a gated community with a perimeter wall
- Security is provided 24/7
- Tarmacked and well-maintained feeder roads
- Water & Electricity on site
- An 18-hole championship golf course
- 5-star villas for accommodation
- Modern clubhouse and restaurant
- Scenic grounds
- Conference facilities

FATCA Regulations

What is FATCA?

FATCA is an acronym for "Foreign Account Tax Compliance Act". It is a law introduced by the United States (US) Department of Treasury and Internal Revenue Service (IRS) in July 2014.

What is the intention of FATCA?

FATCA is intended to encourage better tax compliance by preventing US persons from using foreign non US banks and other financial institutions to avoid or evade US taxation.

FATCA requires all Foreign Financial Institutions (FFIs), i.e., financial institutions incorporated outside of the US, to identify and report to the IRS information about financial accounts held by US taxpayers, or by foreign entities in which US taxpayers hold substantial ownership interest.

FATCA affects personal and corporate customers who are 'US persons' for US tax purposes. FATCA also affects businesses with 'US persons'.

Annually, FFIs are required to report information on financial accounts (e.g. current accounts, savings accounts, deposit accounts, custodial accounts, certain insurance policies and interests in investment funds) held directly or indirectly by US persons.

Equity Group has made a commitment to fully comply with the FATCA regulations in all countries where we operate. We will therefore continually review our existing customer base and new customers to confirm our customers' FATCA status and where necessary contact our customers for further information/documentation.

Who is a US Person?

A US person is determined by the following indicators:

1. US citizenship – including an individual born in the US but resident in another country and a dual citizen of the US and another country
2. US residence – a person residing in the US, including US Green Card holders
3. US presence – a person who spends a significant number of days (183 days) in the US each year
4. US incorporation/registration – a US corporation, partnerships, estate and trust
5. US address – a person with a US address – either residential, correspondence (i.e. US Postal address), in care of or holds mail address or both
6. US telephone – a person with US telephone number
7. Standing/repeat payment instructions to a US address or an account in the US
8. Current Power of Attorney or signatory authority granted to a person with a US address
9. A business entity with shareholding of 10% or more controlled by one or more US persons.

Note: Having any of the above indicators doesn't mean that the account is owned by a US customer. It only means

that further due diligence is necessary, which calls for information/documentation.

Is Equity Bank the only bank affected by FATCA?

No. All FFIs (banks and other financial institutions outside USA) are affected by FATCA.

What is Equity Group required to do to comply with FATCA?

1. Review new and existing customers to identify those that are reportable under FATCA.
2. Request for documentation and declaration forms from US persons identified in our customer base. The documentation includes various forms depending on the status of the US person, identification documents, TIN/SSN, residential address among others.
3. Report to IRS all accounts held directly or indirectly by US persons. In addition, FFIs are required to provide information of customers who do not provide required information/documentation.
4. In certain circumstances and where customers fail to provide required documentation/information or when doing business with noncompliant entities, FFIs are required to apply 30% US withholding tax on certain US sourced income paid to such customers or noncompliant entities.

Is FATCA applicable to Personal or Business customers?

FATCA applies to US Persons who are Personal and Business customers holding bank accounts.

What does FATCA mean for me if I am not a US person?

FATCA will have no impact on you if you are not a US person. However, Equity Group subsidiaries will get in touch with you should we note a change in circumstance to clarify your status and update your information with us.

What happens if a joint account is held by a US person and a non-US person?

A joint account with a US person makes the entire account subject to FATCA.

What does FATCA mean for me if I am a US person?

If a customer is a US person, they will be requested to supply Equity Group with additional information/documentation.

Further, the Bank is required to report information on the customer and their account(s) to the IRS annually.

If a customer doesn't provide the required information, the existing account will be closed and the funds in the account will be transferred to an account provided by the customer.

No new US person account will be opened before proper documentation is provided.

If I'm a US person, how frequently will I have to provide information for FATCA purposes?

The client is to keep Equity Bank updated on any changes of the FATCA status. However, W 8BEN forms are to be filled every three years.

What to consider when buying land in Kenya

The process of buying land follows the basic principles of law of contract. The seller is required to disclose any defects on the title, for example if it's being used as security against a bank loan. Land purchase requires that all legal and contractual procedures are followed to prevent conflicts.

We recommend prospective land buyers to follow the steps below while also ensuring that you consult with a lawyer.

Search at Ministry of Lands

Search at Ministry of Lands at district or county headquarters to ascertain the true owner of the land you are looking to buy to establish whether the title has been charged or has a caveat. For instance, was it used to secure a loan, or is there a court order barring any transaction on the land. A valid search should not be more than six months old.

Land rates

Visit the Local Council (municipal or county) to confirm any unpaid land rates which you will need to factor in when deciding the purchase price. If there are prevailing unpaid land rates you would need to agree with the seller on who will settle them as the land cannot be sold (transferred) with outstanding land rates.

Land Map

Visit the local surveyor and purchase maps of the land, normally two, one drawn to scale (informally known as tracing or mutation) and another showing the neighbouring farms. These can be bought at the Lands Ministry, but working with a surveyor is often better and faster.

Ground Verification

Armed with the map, the surveyor and the seller visit the land with measuring tape to confirm the dimension from the map drawn to scale. Make sure the beacons are visible and replace the lost ones. It is advisable that the bordering neighbours agree with the boundaries.

Agreement

The law requires that all land transactions be in writing and it is advisable to work with a lawyer. According to the tariff provided by Law Society of Kenya the lawyer should charge Ksh3,000 if the land cost is Ksh. 1 Million and below and Ksh8,000 if the land value is above a million. A lawyer's cost is normally shared equally between buyer and seller. To avoid future disputes, ensure that the seller's spouse is present at this point, or that the spouse is informed of and agrees to the transaction.

Post Agreement Transaction

According to the agreement, you may pay in cash or installments. Ensure by the time you make the initial payment the title deed and other legal documents are in the



custody of the lawyers. This is because the seller still owns the piece of land and may engage in other transactions using the title deed, which may prove detrimental to you financially.

Land Control Board

Book the Land Control Board (LCB) meeting. The LCB is a forum made of the Assistant County Commissioners (Previously known as DOs) and the local village elders which meets once a month. They are the ones who give the final authorization for the land to be sold. Their role is to protect the seller from self-destruction, for example, where an individual is selling land without the spouse's knowledge, and both don't have an alternative home or in situations where the land being sold belongs to a clan or community. LCB costs Ksh1,000 or so. There is also a Special Land Control Bond (SLCB), which involves only the Assistant County Commissioner and the two transacting parties, that serves as an alternative instead of waiting for the main LCB that meets once a month. SLCB costs Ksh5,000 or so and may take up to two hours depending on availability of the Assistant County Commissioner.

Land Transfer

After all payments, the seller signs Land Transfer Forms which together with Consent from LCB, land search, clearance from the County/Municipal Council, passport photos, KRA PIN, agreement and the old title deed are taken to the Ministry of Lands to change ownership. It costs Ksh5,000 or so to process a new title which should be ready within two weeks. The new title will have some costs attached to it.. Kindly consult with the Ministry for the latest charges.

Stamp Duty and Transfer Fees

You will need to pay stamp duty based on the value of land. Currently, it is 4% for municipalities and 2% for reserve. Consult with the relevant authorities for the latest charges, normally a percentage of the land cost.

Post Purchase Activity

It is advisable that the buyer should do another search at the Ministry of Lands to confirm that the land reads his/her details post-purchase.

We value your feedback:

Enjoy Borderless Banking Across the Region

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Use Equity Mobile App, Equity Online or visit any branch or ATM across the countries today.

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