

Yaounde, the 10 JUN 2019

Instruction N° 03/GR/2019

On the return of foreign exchange to the BEAC by credit institutions

THE GOVERNOR,

Mindful of the Statutes of the Bank of Central African States in force;

Mindful of Regulation No. 02/18/CEMAC/UMAC/CM of 21 December 2018 on exchange rate regulation in CEMAC;

Pursuant to articles 38 and 40 of the said Regulations,

HEREBY GIVES THE FOLLOWING INSTRUCTIONS

Article 1 - This Instruction defines the terms and conditions for the return of foreign currency collected by credit institutions and for the transfer of their unjustified assets held in the accounts of correspondents at the Central Bank.

Article 2 - Retrocession, is the operation by which a CEMAC credit institution transfers the currencies collected to the Central Bank against the CFA Franc.

Article 3 - The currencies to be repatriated are those relating in particular to export earnings from goods and services, loans, advances on current account, income, donations, direct or portfolio investments and transfers without counterpart.

Article 4 - Credit institutions shall retrocede to the Central Bank, through their foreign correspondents, at least 70% of the foreign currency received in the context of the operations referred to in Article 3 of this Instruction.

Article 5 - The proportion of the remaining currencies is intended to cover only the current needs of credit institutions as defined by the Central Bank, without prejudice to

the application of the provisions relating to foreign exchange positions laid down by the banking regulations in force.

Currencies held by credit institutions in excess of their current needs are unjustified external assets and are immediately returned to the Central Bank.

Article 6 - Credit institutions shall on-lend the currencies referred to in Article 3 of this Instruction, within 3 working days of receipt of the latter in their external correspondent accounts, by transfer to the accounts opened by the Central Bank with its correspondents outside CEMAC.

The accounts of the Central Bank's correspondents are communicated to credit institutions by circular letter.

Article 7 - For currencies other than the euro, the equivalent in CFA Franc of the retroceded amount shall be calculated on the basis of the rates determined by the Central Bank at the time the funds received are available

The Central Bank is not bound by the rates applied by credit institutions to their customers in connection with the repatriation of foreign currency referred to in Article 3 of this Instruction.

Article 8 - At the end of each business day, credit institutions shall send to the Central Bank transfer orders on D-1 attesting to their currency retrocessions and statements of their accounts, in all currencies combined, to external correspondents.

Article 9 - Any failure to comply with the provisions of this Instruction exposes the offender to the penalties provided for by the regulations in force.

Article 10.- This instruction may be amended by the central bank It can be specified by means of its Circular Letter.

Article 11 - This Instruction, which repeals any previous provision relating to the same subject matter, shall enter into force on the date of its signature. It shall be notified to credit institutions and their professional associations./-

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