

Yaounde, the 10 JUN 2019

Instruction N° 09/GR/2019

On the status of sub-delegated institution in the context of manual foreign exchange activity

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 Article 191 of the said Regulations,

HEREBY GIVES THE FOLLOWING INSTRUCTIONS

Article 1 - This Instruction defines the status of a sub-delegated institution and the functioning of the entities benefiting from it in the context of manual foreign exchange activity.

Article 2 - Entities in the tourism sector and those likely to receive regular payments in foreign currency from travellers are eligible for sub-delegated status These include, in particular:

- hotels;
- travel or car rental agencies;
- airport shops;
- casinos duly authorised by the competent authorities.

Article 3 - The acquisition of the status of sub-delegated institution is subject to the conclusion of a contract between the eligible entity and a duly authorised credit institution.

Article 4 - The sub-delegation contract shall include in particular:

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- the terms and conditions of foreign currency purchases by the sub-delegated agent from customers;
- the terms and conditions for the sub-delegate to return the currencies collected to the delegating credit institution;
- the reporting obligation by the sub-delegated institution to the delegating credit institution;
- the obligation to comply with the regulations in force to combat money laundering, terrorist financing and proliferation;
- the sub-delegate's obligation to inform the delegating credit institution without delay of any change that may affect their obligations in connection with foreign exchange purchases from customers.

The sub-delegated contract may only be concluded with one credit institution.

Article 5 - The loss of the status of sub-delegated institution shall be decided by the delegating credit institution in the following cases:

- non-compliance with contractual obligations;
- non-compliance with exchange regulations, in particular the sale of foreign currency and the non-rewarding of foreign currency to the delegating credit institution;
- the termination of the sub-delegation contract.

Loss of sub-delegated institution status shall entail the immediate transfer of the currencies held to the delegating credit institution.

Article 6 - Credit institutions shall inform the Central Bank within eight days of any sub-delegations granted or withdrawn from sub-delegated institutions. They also send it a semi-annual list of their sub-delegated institutions.

Article 7 - Sub-delegated institutions are authorized to receive foreign currency from foreign travellers in payment for a service or when purchasing goods. They may also, in the alternative, purchase foreign currencies against the CFA Franc.

The sale of foreign currencies to customers by sub-delegate's is prohibited, under penalty of termination of the sub-delegation contract, without prejudice to the application of the other penalties provided for by foreign exchange regulations.

Article 8 - Sub-delegated institutions shall display to the public and update daily the exchange rates applied.

Article 9 - Credit institutions shall provide their sub delegated institutions with three-leaf, self-copying and numbered, continuous series of currency purchase notebooks for the purchase of foreign currency from customers.

Article 10 - For each foreign exchange transaction, the sub-delegated institutions shall issue the client with the original of the currency purchase slip and keep the third sheet. The second sheet is given to the credit institution at the time of the periodic transfer of the currency.

The currency purchase slip indicates the identity of the customer, the nature of the transaction, the currency (ies) concerned, the amounts exchanged and the rates applied.

The information contained on the currency purchase slips shall be transcribed, by the end of the day at the latest, into a currency purchase register, kept in paper or dematerialised form.

The procedure described in this Article may be replaced by any computer system guaranteeing the same level of traceability of the operations carried out by the sub-delegated authority.

Article 11 - Copies of currency purchase slips issued to customers as well as any other document relating to the exercise of the sub-delegation activity are kept within the legal period provided for by the regulations in force.

Article 12 - Sub-delegated institutions shall transfer, at least once every 15 days, the currencies collected to the delegating credit institutions, under penalty of penalties provided for by the exchange regulations in force.

The sub-delegated institution's weekly cash in foreign currency may not exceed the equivalent of CFAF 5,000,000,000.

Article 13 - Credit institutions shall ensure that their sub-delegates comply with the provisions relating to manual foreign exchange activity in the CEMAC. To this end, they shall carry out checks at least once a year on sub-delegated institutions. The reports resulting from these controls are kept at the disposal of the Central Bank.

Article 14 - Sub-delegated institutions shall take the necessary measures to ensure compliance with the regulations in force in CEMAC relating to the fight against money laundering and the financing of terrorism and proliferation. They shall inform the competent authorities of any suspicious transactions detected in the course of their activities.

Article 15 - Any failure to comply with the provisions of this Instruction exposes the offender to the penalties provided for by the regulations in force.

Article 16- This instruction may be amended by the central bank It can be specified by means of its Circular Letter.

Article 17 - 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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