

Yaounde, the 10 JUN 2019.

Instruction N° 12/GR/2019

On the issuance of foreign securities in the CEMAC

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

Section 1. General Principles

Article 1 - This Instruction specifies the terms and conditions for the issue, advertising, sale or transfer of foreign securities in the CEMAC as well as those relating to transfers outside the country of the proceeds from these operations.

Article 2 - Any operation to issue, advertise and offer for sale or transfer foreign securities in CEMAC for an amount of less than CFAF 50 million shall be declared to the Central Bank and the Central African Financial Market Regulator.

Article 3 - Any operation to issue, advertise and offer for sale or transfer foreign securities in CEMAC for an amount exceeding CFAF 50 million shall be subject to the prior authorisation of the Central Bank, which shall inform the Ministry in charge of currency and credit.

Article 4 - The transfer outside the proceeds of an issue of foreign securities issued in the CEMAC is subject to the authorisation of the Central Bank.

Section 2. Prior notification of the issue, advertisement and sale or transfer of foreign securities

Article 5 - Any operation to issue, advertise and offer for sale or transfer foreign securities in CEMAC for an amount of less than CFAF 50 million shall be declared to the Central Bank at least 15 days before the planned completion date of the project.

Article 6 - The declaration addressed to the Central Bank shall be accompanied by the following documents:

- the information note relating to the transaction in question in the forms defined by the Central African Financial Market Regulator;
- information relating to the settlement bank;
- information on the issuer;
- the prospectus;
- any other information relating to the proposed amendment.

Article 7 - The Central Bank shall acknowledge receipt of the declaration of the operation and may make its completion subject to prior compliance with exchange regulations and those relating to the fight against money laundering, terrorist financing and proliferation.

Section 3. Prior notification of the issue, advertisement and sale or transfer of foreign securities

Article 8 - Any operation to issue, advertise and offer for sale or transfer foreign securities in CEMAC for an amount exceeding CFAF 50 million shall be subject to the prior authorisation of the Central Bank.

To this end, the issuer or its agent shall send the Central Bank a request for prior authorisation relating to the proposed operation.

Article 9 - The following documents will accompany the application for approval:

- the information note relating to the transaction in question in the forms defined by the Central African Financial Market Regulator;
- the prospectus;
- information on the issuer;
- any contract relating to the operation;
- information relating to any transactions on derivatives, in particular foreign exchange or interest rate derivatives, envisaged as part of the resources mobilised;
- any other information relating to the proposed amendment.

Article 10 - The Central Bank has a period of 30 days from receipt of the complete file to decide on the request for prior authorization.

If the file is incomplete, the Central Bank shall inform the investor or his authorised representative in writing and invite him to provide the missing information or documents. Any request for additional information shall suspend the time limit for processing the file provided for in paragraph 1 of this Article until receipt of the requested information.

Article 11 – The Central Bank will notify its decisions to the issuer or its agent with a copy thereof, for information purposes, to the Ministry in charge of Money and Credit, and the Central Africa Financial Market Regulatory Authority.

In the absence of a decision by the Central Bank, granting of the Authorisation on the expiry of the period provided for in Article 10 of this Instruction will be possible.

Section 4. Prior authorization of the transfer out of the proceeds of an issue of foreign securities

Article 12 - The transfer outside the proceeds of an issue of foreign securities issued in the CEMAC is subject to the authorisation of the Central Bank.

To this end, the issuer or its agent shall send to the Central Bank a request for prior authorisation relating to the proposed operation.

Article 13 - The following documents will accompany the application for approval:

- a note indicating the reasons why the funds cannot be invested in CEMAC;
- a description of the operations planned outside CEMAC;
- information on the beneficiaries of the transfer;
- information on the beneficiaries of the transfer;
- any contract relating to the operation;
- Any other information relating to the proposed amendment.

Article 14 - The Central Bank has a period of 10 working days from the receipt of the complete file of the request for authorization to decide.

If the file is incomplete, the Central Bank shall inform the investor or his authorised representative in writing and invite him to provide the missing information or documents. Any request for additional information shall suspend the time limit for examining the file provided for in paragraph 1 of this Article until receipt of the requested information.

In the absence of a decision by the Central Bank, granting of the Authorisation on the expiry of the period provided for in Article 1 of this Instruction will be possible.

Article 15 - Central Bank will notify its decisions to the issuer or its agent with a copy thereof, for information purposes, to the Ministry in charge of Money and Credit.

Section 5. Miscellaneous and final provisions

Article 16 - In the context of the implementation of this Instruction, BEAC may when necessary, request for the communication of any relevant information.

Article 17 - The issuer or its authorised representative shall communicate to the Central Bank, at the latest one month after the effective closure of the operation, the results of the issue, the publicity of the offer for sale or the transfer. Giving details of the amounts of resources mobilised and the list of investors who have subscribed to them.

Article 18 - This Instruction may be amended by the Central Bank. It can be specified by means of its Circular Letter.

Article 19 - Any failure to comply with the provisions of this Instruction exposes the offender to the penalties provided for by the regulations in force.

Article 20 - 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./-

ABBAS MAHAMAT TOLLI