

The Governor,

***CIRCULAR LETTER N°009/GVR 2019***

*Concerning the regularization of foreign currency accounts opened in the books of CEMAC credit institutions.*

**Dear Madam/Mr. General Manager,**

I have the honour to inform you once again that since 1 March 2019 a new Foreign Exchange Regulation has come into force. This text specifies, among other things, the conditions for opening and operating foreign currency accounts for residents and non-residents.

I remind you that the opening of a foreign currency account in CEMAC for the benefit of a resident is not authorized, in accordance with article 43 of Regulation n°02/18/CEMAC/UMAC/CM regulating foreign exchange in CEMAC. However, the Central Bank may authorise a corporation to open a foreign currency account in the CEMAC. In order to do so, the credit institution for which you are responsible must send a reasoned request for authorisation to the BEAC prior to the opening of the said accounts.

As regards foreign currency accounts for the benefit of non-residents, they may be opened freely subject to the Central Bank being informed a posteriori and the provision of supporting documents. The loss of non-resident status shall entail the automatic closure of the account.

Moreover, the foreign currency account opened in CEMAC may not be credited with payments in CFA Franc or by debiting an account in CFA Franc. Similarly, these accounts cannot be in debit. Withdrawals of foreign currency from the accounts to cover local needs are prohibited.

Article 19 - In the context of their banking correspondence relations, CEMAC credit institutions may open nostro accounts with non-resident correspondents, subject to compliance with the regulatory requirements in force.

In view of the above, I invite you to review the entire portfolio of foreign currency accounts open to your institution's resident and non-resident customers, to ensure that these accounts comply with the new foreign exchange regulations and to request, if necessary, the required authorisations from the Central Bank.

For all useful purposes, I remind you that in accordance with Article 193 of Regulation n°02/18/CEMAC/UMAC/CM of 21 December 2018, "economic agents (...) shall have a period of six months from the date of entry into force of this Regulation to comply with its provisions."

Therefore, please ensure that the foreign currency accounts opened by your institution and declared at the latest at the time of the CERBER submission in June 2019 to file 1120 relating to foreign currency accounts opened for customers (class 3 of the PCEC) and correspondents (class 5 of the PCEC) will not include any transitory accounts, regularisation accounts or off-balance sheet accounts.

Finally, please note that a credit institution that contravenes the above-mentioned regulatory requirements and the foreign exchange regulations in general is liable to administrative penalties, both pecuniary and non-pecuniary, as provided for in Chapter 2 of Titre 5 of Regulation n°02/18/CEMAC/UMAC/CM regulating foreign exchange in CEMAC, particularly in its Articles 163, 164, 165, 169, 175 and 179. Similarly, failure to report information as well as reporting inaccurate or erroneous information shall be subject to sanctions.

Please accept, **Madam/Mr. General Manager**, the assurance of my highest consideration.

**ABBAS MAHAMAT TOLLI**

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