

# BANK OF CENTRAL AFRICAN STATES

*The Governor*

*Yaoundé, October 5, 2020*

For the attention of General Managers of  
Credit Institutions and other Economic  
Agents

## ***CIRCULAR LETTER N° 014 /GR/2020***

*Specifying the supporting documents to be provided by Economic Agents in the context of direct and portfolio investment transactions with foreign countries*

In accordance with the relevant provisions of the Foreign Exchange Regulations in force in CEMAC, operations relating to direct and portfolio investments with foreign countries are subject to prior authorisation by the Bank of Central African States or to prior declaration to the latter before the execution of any related transfer by Credit Institutions.

As a reminder, the operations relating to direct and portfolio investments subject to prior declaration to BEAC are the following:

- *foreign direct investment in CEMAC;*
- *transfer of the proceeds from the liquidation of foreign direct investments in CEMAC;*
- *transfer of proceeds from the sale of foreign direct investment in the CEMAC;*
- *foreign portfolio investment in CEMAC;*
- *transfer of the proceeds of the sale of a foreign portfolio investment in CEMAC in the form of an equity investment when the amount to be transferred exceeds CFAF 100 million;*
- *transfer by a non-resident of the proceeds of the sale of CEMAC securities in an amount exceeding 100 million CFA francs.*



The operations relating to direct and portfolio investments subject to prior authorisation by BEAC are as follows:

- *direct investment abroad other than in real estate for individuals;*
- *direct investments abroad other than in real estate for legal persons;*
- *acquisitions outside CEMAC of real estate by residents, both natural and legal persons;*
- *outgoing portfolio investments of more than 20 million CFA francs.*

Thus, this Circular Letter defines the elements of the files to be submitted to BEAC by Economic Agents wishing to carry out direct and portfolio investment operations with foreign countries.

Nature of the operation	Supporting documents required
<p>✓ <b>declaration of Foreign Direct Investment in CEMAC</b></p>	<ul style="list-style-type: none"> <li>• the official document certifying the legal existence of the investor;</li> <li>• the investor's updated statutes, if any;</li> <li>• The minutes of the corporate bodies relating to the decision to invest, where applicable;</li> <li>• the justification of the origin of the funds;</li> <li>• the location of the investor;</li> <li>• the nature of the contributions in kind or in cash</li> <li>• the minutes of the opening of the investment firm's capital;</li> <li>• the official document confirming the legal existence of the investment firm;</li> <li>• updated articles of association of the investment firm.</li> </ul>
<p>✓ <b>declaration of the transfer of the proceeds of the liquidation of foreign direct investments in CEMAC</b></p>	<ul style="list-style-type: none"> <li>• prior declaration of the operation to BEAC and the Ministry in charge of money and credit;</li> <li>• proof of entry into CEMAC of contributions in cash or in kind;</li> <li>• the list of names of the holdings in the capital of the direct investment firm;</li> <li>• the winding-up document, if applicable;</li> <li>• balance sheets, profit and loss accounts and auditors' reports for the last three years, if applicable;</li> <li>• proof of payment of duties and taxes due in connection with the transaction, if applicable;</li> </ul>



	<ul style="list-style-type: none"> <li>• the closing balance sheet drawn up by the liquidator or any authorised person, justifying the net amount to be transferred.</li> <li>•</li> </ul>
<p>✓ <b>declaration of the transfer of the proceeds of the sale of foreign direct investments in CEMAC</b></p>	<ul style="list-style-type: none"> <li>• the prior declaration to BEAC and the Ministry in charge of money and credit relating to the operation;</li> <li>• the Articles of Association or the company's memorandum of association or a recent extract from the Trade and Personal Property Credit Register dated less than three months ago;</li> <li>• the transfer contract or any document attesting to the transfer;</li> <li>• proof of entry into CEMAC of contributions in cash or in kind;</li> <li>• proof of payment of duties and taxes due in connection with the transaction, if applicable</li> </ul>
<p>✓ <b>declaration of foreign portfolio investments in CEMAC</b></p>	<ul style="list-style-type: none"> <li>• the official document certifying the legal existence of the investor;</li> <li>• the investor's updated statutes, if any;</li> <li>• The minutes of the corporate bodies relating to the decision to invest, where applicable;</li> <li>• the justification of the origin of the funds;</li> <li>• the nature of the contributions in kind or in cash</li> <li>• the list of names and the percentage of holdings in the capital of the investment firm;</li> <li>• the location of the investor;</li> <li>• the minutes of the opening of the investment firm's capital;</li> <li>• the official document confirming the legal existence of the investment firm;</li> <li>• updated articles of association of the investment firm</li> </ul>
<p>✓ <b>declaration of transfer of foreign portfolio investment in CEMAC in the form of an equity investment when the amount to be</b></p>	<ul style="list-style-type: none"> <li>• the assignment contract or any document attesting to it;</li> <li>• proof of payment of duties and taxes related to the reported transaction, if any;</li> <li>• proof of entry of contributions in cash and in kind.</li> </ul>



<p><b>transferred exceeds CFAF 100 million</b></p>	
<p>✓ <b>declaration of transfer by a non-resident of the proceeds of the sale of CEMAC securities in an amount exceeding 100 million CFA francs.</b></p>	<ul style="list-style-type: none"> <li>• the ownership of the security;</li> <li>• the amount to be transferred.</li> </ul>
<p>✓ <b>application for authorisation of direct investment abroad other than in real estate for natural persons</b></p>	<ul style="list-style-type: none"> <li>• the origin of the funds;</li> <li>• the tax identifier;</li> <li>• proof of identity and address of the investor;</li> <li>• description of the investment project;</li> <li>• the list of names of the principal holders of the securities;</li> <li>• the minutes of the deliberations of the competent bodies relating to the establishment or increase of the capital of the direct investment enterprise;</li> <li>• balance sheets, profit and loss accounts and auditors' reports for the last three years of the direct investment firm, where applicable;</li> <li>• projected accounts, for start-up companies;</li> <li>• duties and taxes due or proof of payment of taxes related to the operation, if applicable;</li> <li>• the economic justification for the investment showing the future gains for CEMAC;</li> <li>• a five-year forecast of expected revenues from the investment to be repatriated to CEMAC;</li> <li>• any other information relating to the planned operation.</li> </ul>
<p>✓ <b>application for authorisation of direct investment abroad other than in real estate for legal persons</b></p>	<ul style="list-style-type: none"> <li>• an extract dated less than three months from the investor's registration in the trade register or any document in lieu thereof;</li> <li>• the investor's statutes, if any;</li> <li>• The minutes of the corporate bodies relating to the decision to invest, where applicable;</li> <li>• the origin of the funds;</li> </ul>



	<ul style="list-style-type: none"> <li>• the record of the opening of the capital of the investment firm;</li> <li>• description of the investment project;</li> <li>• the list of names of the principal holders of the securities;</li> <li>• the current statutes of the investment firm, if any;</li> <li>• the minutes of the deliberations of the competent bodies relating to the establishment or increase of the capital of the direct investment enterprise;</li> <li>• balance sheets, profit and loss accounts and auditors' reports for the last three years of the direct investment firm, where applicable;</li> <li>• projected accounts, for start-up companies;</li> <li>• duties and taxes due or proof of payment of taxes related to the transaction;</li> <li>• balance sheets, profit and loss accounts and auditors' reports for the last three years of the investor-company, if applicable;</li> <li>• a five-year forecast of expected revenues from the investment to be repatriated to CEMAC;</li> <li>• any other information relating to the planned operation.</li> </ul>
<p>✓ request for authorisation of non-CEMAC acquisitions of real estate by residents</p>	<ul style="list-style-type: none"> <li>• an extract from the purchaser's trade register dated less than three months or any document in lieu thereof, if the purchaser is a legal person;</li> <li>• the purchaser's current articles of association, if applicable;</li> <li>• proof of the origin of the funds;</li> <li>• proof of the identity and address of the purchaser, for natural persons;</li> <li>• proof of the availability of funds for an amount at least equal to that of the property to be acquired;</li> <li>• the reason for the investment and the intended use of the property;</li> <li>• the economic justification of the real estate investment, in particular its purpose to generate foreign currency inflows and to avoid foreign currency outflows during the holding period;</li> <li>• detailed information on the property to be acquired, identification of the seller, his address and proof of his full capacity to sell it;</li> <li>• the seller's title deed, if any, or a document in lieu thereof;</li> </ul>



	<ul style="list-style-type: none"> <li>• the promise of sale or the notarised pre-contract or any official document in lieu thereof;</li> <li>• the authorisations required by the authorities of the country in which the property is located, if any;</li> <li>• the domiciliation of the planned transaction in a CEMAC Credit Institution.</li> <li>• The promise to provide the final deed of acquisition of the property within a period not exceeding one year.</li> </ul>
<p>✓ <b>Application for authorisation to make outward portfolio investments in excess of CFA francs 20 million</b></p>	<ul style="list-style-type: none"> <li>• the official document certifying the legal existence of the investment firm, if applicable;</li> <li>• the investor's updated statutes, if any;</li> <li>• The minutes of the corporate bodies relating to the decision to invest, where applicable;</li> <li>• the justification of the origin of the funds;</li> <li>• proof of identity and address of the investor, for natural persons;</li> <li>• the record of the opening of the capital of the investment firm, if applicable;</li> <li>• proof of the sale of the securities or shares, if applicable;</li> <li>• the economic justification for the transaction, in particular the proof of the economic profitability of the transaction for the purchaser;</li> <li>• the domiciliation of the planned operation in a CEMAC bank;</li> <li>• the promise to provide the final deed of purchase within a period not exceeding one year.</li> </ul>

This Circular Letter takes effect from the date of its signature.-/



**ABBAS MAHAMAT TOLLI**