
The Governor

INSTRUCTION N° 004 /GR/2022

*Relating to the opening and operation of foreign currency accounts of Credit
Institutions in the books of BEAC*

The Governor,

Having regard to the Statutes of BEAC in force;

Having regard to Regulation No. 02/18/CEMAC/UMAC/CM of 21 December 2018 on
the regulation of foreign exchange in CEMAC;

Pursuant to Article 43 of the said Regulation,

HEREBY ISSUES THE FOLLOWING INSTRUCTION:

Section 1: General provisions

Article 1. - This Instruction defines the conditions and modalities for opening and operating, in the Central Bank's books, foreign currency accounts of CEMAC Credit Institutions.

Article 2. - Credit Institutions are authorised to hold foreign currency accounts with the Central Bank in the context of their operations with the Central Bank and their relations with customers.

For the purposes of this Instruction, a foreign currency account opened in the books of the Central Bank is an account denominated in a currency other than the CFA Franc (XAF), issued by the Bank of Central African States (BEAC).

Article 3. - Credit Institutions shall open in the books of the Central Bank one account per currency, formalised by an opening and operating agreement signed by both parties.

Article 4. - The foreign currency accounts of Credit Institutions domiciled in the books of the Central Bank are intended to cover:



- the foreign exchange risk generated by the foreign currency deposits of customers of Credit Institutions;
- the foreign currency requirements of Credit Institutions necessary to carry out ordinary operations with the outside world of customers authorised to hold foreign currency accounts in CEMAC.

Article 5 - Credit Institutions shall send electronically to the Central Services of the Central Bank in Yaoundé, Republic of Cameroon, their applications to open foreign currency accounts.

The application to open an account(s), signed by the duly authorised person(s) of the requesting Credit Institution, shall specify the desired currency(ies). It is accompanied by a summary file containing information on all foreign currency accounts held in the books of the Credit Institution, in particular the holder(s), the date of opening and the balance of the account, with a copy of the associated supporting documents.

Section 2: Hedging of foreign exchange risk

Article 6. - Credit Institutions shall cover the foreign exchange risk in the context of the operation of foreign currency accounts opened by customers in their books, duly authorised by the Central Bank.

Article 7. - To cover the foreign exchange risk provided for in Article 6 of this Instruction, Credit Institutions shall deposit, for each currency covered by an account in their books in the name of their customers, the equivalent in the said currency of the relevant balance in the corresponding account opened in the books of the Central Bank.

For each currency, the sum of the balances of all customer accounts must at all times be equal to the balance of the Credit Institution's account in the corresponding currency with the Central Bank.

Article 8. - Accounts denominated in Euro and in any other currency of the Franc Zone are not subject to foreign exchange risk coverage by Credit Institutions. However, sums received in these accounts are transferred to the accounts opened in these currencies at the Central Bank, with the exception of the CFA Franc issued by the Central Bank of West Africa (XOF).

Article 9. - The balances of accounts denominated in all other currencies having a floating rate with the CFA Franc must have, at all times, an equivalent counterpart in the accounts of the Credit Institution opened in the same currencies with the Central Bank.



Section 3: Covering the currency needs of Credit Institutions for the benefit of customers

Article 10. - Economic agents authorised to hold foreign currency accounts with Credit Institutions may order the execution of outward transactions from the said accounts.

Article 11. - Transfer or payment orders from holders of foreign currency accounts shall be deposited with the Credit Institutions which centralise them.

Each Credit Institution shall transmit to the Central Bank its foreign exchange requirements according to a procedure specified in a Circular Letter from the Governor. The letter transmitting the Credit Institution's expression of foreign exchange requirements shall be accompanied by details of individual customer orders, a summary table of orders and the total amount of orders.

Article 12. - The requesting Credit Institution shall ensure, as far as possible, that documents are produced that can establish a priori the conformity of the transaction.

Article 13. - Executed operations may be justified, a posteriori, provided that the Central Bank is first provided with explanations on the non-availability of these elements at the time of execution of the operations.

In all cases, the operations carried out must be discharged within the time limits and in the form laid down by the provisions in force.

Article 14. - A Circular Letter of the Governor of the Central Bank specifies the conditions and modalities of transmission and processing of orders of Credit Institutions in its books.

Section 4. - Operation of foreign currency accounts at the Central Bank

Article 15. - The foreign currency accounts of Credit Institutions opened with the Central Bank are mirror accounts of those opened by Economic Agents in their books, in accordance with the relevant provisions of the exchange regulations in force.

Article 16. - Mirror accounts shall be credited with the counterparts of supplies to foreign currency accounts held by customers of Credit Institutions and transfers from other duly authorised foreign currency accounts.

These accounts are debited with payment and settlement orders from Credit Institutions, subsequent to those received from their customers holding foreign currency accounts, executed in accordance with the provisions of the relevant Central Bank Authorisation Decisions.



Article 17. - The foreign currency accounts of Credit Institutions opened in the books of the Central Bank may not show a debit balance.

Article 18. - Credit Institutions holding foreign currency accounts with the Central Bank are not subject to the payment of account maintenance fees in force.

Article 19. - The balance of each foreign currency account must at all times correspond to the sum of the balances of the individual accounts held by the Credit Institution concerned, in the corresponding currency, in favour of its resident and authorised non-resident customers.

Section 5. - Miscellaneous and final provisions

Article 20. - Credit Institutions shall transmit to the Central Bank, according to the forms, modalities and periodicity defined by a Circular Letter of the Governor of the Central Bank, information of any kind relating to the foreign currency accounts opened in their books, in particular the operations carried out and the holders of these accounts.

Article 21. - The Central Bank shall carry out documentary and on-site controls on Credit Institutions to ensure the conformity of operations carried out from foreign currency accounts opened in their books.

Article 22. - Any breach of this Instruction shall be recorded and sanctioned in accordance with the provisions of the foreign exchange regulations in force.

The findings of infringements expose the offender to the penalties provided for by the exchange regulations in force. In particular, they may result in restrictions on the use of foreign currency accounts or in the provision of foreign currency requested from the Central Bank, without prejudice to the obligation to return unduly used funds or to close the accounts definitively.

Article 23. - This Instruction may be amended by the Central Bank. It may be specified in a Circular Letter from the Governor of the Central Bank.

Article 24. - This Instruction cancels and replaces Instruction n°005/GR/2021 of 13 December 2021 relating to the opening and operation of foreign currency accounts of Credit Institutions in the books of BEAC. It enters into force on the date of signature.



ABBAS MAHAMAT TOLLI