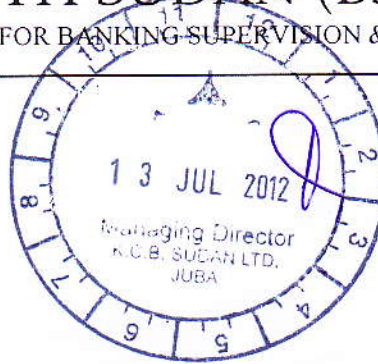




BANK OF SOUTH SUDAN (BSS)

OFFICE OF THE DIRECTOR GENERAL FOR BANKING SUPERVISION & RESEARCH



July 13, 2012

H.O.D.

**To: All Managing Directors,
Commercial Banks**

Circular No. 05/2012

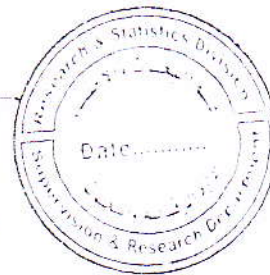
It has come to the attention of Bank of South Sudan that some commercial banks open local currency accounts on instructions from foreign correspondent banks. These foreign banks effect local payments as if they are licensed in South Sudan which is an act that contravenes with the Bank of South Sudan Act, 2011 and our regulations. In addition, these foreign banks retain the foreign currency abroad and collect SSP from local sources and sell the foreign currency in the parallel market. Such local funds are disbursed to different foreign bodies that have surrendered the foreign currency aboard with an inducement to give them a better exchange rate.

Therefore, the Bank of South issues the following directives, which should be strictly followed;

- 1- All commercial banks operating in South Sudan are prohibited from accepting SSP deposits from local sources on behave of foreign correspondent banks unless the transaction is supported by the foreign currency purchases;
- 2- Commercial banks can purchase foreign currency form their correspondent banks at official rate circulated by the Central Bank;
- 3- On receipt of this circular, banks that maintain SSP accounts for foreign banks are directed to report those account numbers and the balances to BSS.

Thank you

[Signature]
Daniel Kech Puoc
Director General.
Banking Supervision & Research



CC. the Governor
CC. Deputy Governor for Supervision & Research
C.C. File