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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

LICENSING AND SUPERVISION OF
THE BUSINESS OF CAPITAL GOODS FINANCE COMPANIES

**“Capital Goods Finance Operational Modality (Amendment) Directive
No. CGFB/11/2021”**

Whereas, it is found necessary to amend capital goods finance operational modality Directives No. CGFB/09/2019;

Now, therefore, in accordance with the powers vested in it under Article 18 (4) of Capital Goods Leasing Business Proclamation No. 103/1998 as amended by article 6 of the Capital Goods Leasing Business (Amendment) Proclamation No. 807/2013, the National Bank of Ethiopia has issued this Directive.

1. Short Title

This Directive may be cited as "Capital Goods Finance Operational Modality (Amendment) Directive No. CGFB/11/2021".

2. Amendments

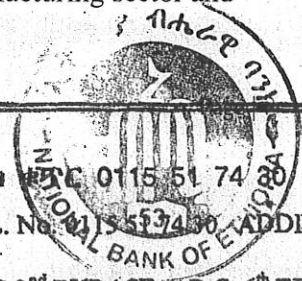
Capital Goods Finance Operational Modality Directives No. CGFB/10/2019 is hereby amended as follows:

- 1) A new article 3.5 is added following article 3.4 of the Directive:

“3.5. In a lease agreement between the lessee and the company, the periodic lease installment payment shall be set in writing with detail schedule of payments during the lease term in Ethiopian Birr”.

- 2) Article 4.1 and 4.2 of the Directive are deleted and replaced by the following new article 4.1:

“4.1. A company shall clearly put in place in its internal policy and procedure on how to address/serve the capital goods financing need of manufacturing sector and



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National Bank of Ethiopia

Small and Medium Enterprises including allocation of a certain percentages of its portfolio”.

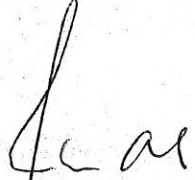
3) Article 6.2 is deleted and replaced by the following new article 6.2:

“6.2. Notwithstanding sub-article 6.1 of the Directive, a foreign company can borrow from foreign sources in accordance with External Loan and Supplier’s Credit Directives No. FXD/47/2017 and its subsequent amendments thereof”.

3. Effective Date

This Directive shall enter into force as of the 15th day of June 2021.




Yinager Dessie (PhD)
Governor