

NATIOANL BANK OF ETHIOPIA

DIRECTIVE

For Foreigners Salary Remittances

Directive No. FXD/10/1998

Issuing Authority

These directives are issued by the National Bank of Ethiopia (hereinafter the "NBE") pursuant to the authority vested in it by Article 39(2) of the Monetary and Banking Proclamation No. 83/1994.

Short Title

These Directives may be cited as "Foreigners Salary Remittances Directive No. FXD/10/1998".

Salary Remittances by Foreign Employees

Commercial Banks shall allow foreign exchange to a foreign employee for payment of salary remittance upon submission of the following documents.

Commercial Banks shall allow to avail foreign exchange for salary remittances to a foreign employee during the terms of his/her service. The amount of salary remittance upon such departure shall not exceed his/her net earnings. However, the value of free accommodation, gratuity and accumulated leave pay and the like shall not be included for remittance purpose.

Submission of Returns and Inspection

Commercial Banks shall submit to the NBE reports in a prescribed forms as follows:-

Two copies of foreigner's salary remittances application together with a copy of bank advices every working day not later than 10:00 A.M.

Inspectors of the NBE are authorized to demand from Commercial Banks documents or any other required information.

The NBE may undertake an inspection of any Commercial Bank at any time to verify compliance with these Directives and to sanction any bank and/or its customer that infringes these Directives.

Validity of Permit

The permit is valid for payment during the month of issue only and may extend for good cause for 10 days.

Penalties

Any authorized Commercial Bank who:-

remits funds abroad without filling out the prescribed application form by the applicant; or

avails foreign exchange for whose name appears in the black list; or

violates any of the provisions of these directives shall be subjected to the penalties provided in Proclamation No. 83/1994.

If a Commercial Bank refuses to give receipts to the applicant for payment of salary transfers in foreign exchange or fails to submit regular returns in time, the NBE shall impose penalty in accordance with the provision of Proclamation No. 83/1994.

Exemptions

Foreign Employees of foreign Embassies, Legations, Consulates, E.C.A, O.A.U., U.N., etc., whose salaries are fully paid in foreign exchange from sources outside Ethiopia can take out and/or transfer their net earnings to extent of the balance in their Non-Resident foreign Currency Account, Non-Resident Transferable Birr account and/or Non-Transferable Birr Account.

Repeal

The Amendment Notice No. 24/1997 issued on the 17 day of February, 1997 is hereby repealed and replaced by these Directives.

Effective Date

These Directives shall enter into force as of 31st day of August, 1998.

TEKELEWOLD ATNAFU
GOVERNOR
NATIONAL BANK OF ETHIOPIA