

Directive to Amend
"The Operation of Foreign Exchange
Bureau "Directive No. FXD/09/1998"
Directive NO. FXD/17/2001

Issuing Authority

These Directives are issued by the National Bank of Ethiopia (herein after "NBE") pursuant to the Authority vested in it by Article 39(1) and (2) of the Monetary and Banking Proclamation No. 83/1994.

Short Title

These Directives may be cited as "The Operation of Foreign Exchange Bureaux Directive No. FXD/17/2001".

Amendments

This amendment and addition is made to "The Operation of Foreign Exchange Bureaux Directives No. FXD/09/1998 issued on 31st August 1998".

Holiday Travel Forex Sales

A Forex Bureau may sell foreign exchange for a holiday travel outside Ethiopia to and individual Ethiopian national or a foreign resident upon presentation of passport, valid exit visa and air ticket. The limit previously set in amount is waived. Payments will be made in acceptable instruments such as, travelers cheques, drafts, cash notes, etc. But the cash note payment shall not exceed USD 400 and the amount sold shall be endorsed at the back of the passport and on the air ticket with the required stamp. The Travelers Check sold should strictly be signed by the purchaser over the Forex Bureau Counter. Refund of an air ticket is subject to the approval of the issuing Forex Bureau against refund of foreign exchange approved.

Business Travel Allowance

A Forex Bureau may sell foreign exchange for a bona-fide business travel to representatives of business organization upon presentation of valid licenses together with passport, valid exit visa and air ticket.

A Froex Bureau may also sell foreign exchange for a bona-fide business travel to business associations, welfare institutions, religious associations, organizers of trade exhibitions, tourism, cultural show and sports.

In all cases, applicants shall present their passports with valid exit visa, air tickets and submit copies of licenses or letters of support from the pertinent bodies that have relevance to their functions. The amount to be approved in cash form shall not exceed USD400 or its equivalent while the rest can be sold in Travelers Cheques, Drafts, etc. The T/cks sold are strictly subject for signing by the purchaser upfront the counter. The Forex Bureau shall endorse the cash amount sold to the applicant at the back of the passport and on the air ticket with the required stamp. Refund of an air ticket is subject to the approval of the issuing Forex Bureau.

Medical Expenses

A Forex Bureau may sell foreign exchange for a bone-fide medication abroad upon presentation of Medical Board Certificate, passport, valid exit visa and air ticket. A Forex Bureau may approve upto USD 400 in cash notes and the balance in T/cheques, Drafts, etc. The purchaser must sign travelers checks sold over the coutner. However, the Forex Bureau shall approve exceptionally and sell to an applicant, who is disabled and/or blind all in cash notes, as the case may be. The cash amount sold shall be endorsed at the back of the passport and on the air ticket with the required stamp. Refund of an air ticket is subject to the approval of the issuing Forex Bureau. The applicant will sign a letter of undertaking to produce a bona-fide medical bills after the completion of his/her medical treatment.

Additional foreign exchange may be approved to a patient being treated abroad provided his application is supported by a bona-fide medical bills or hospital accounts showing how the foreign exchange initially sold was expended. The application should be reviewed based on the medical certificate issued and signed by the attending foreign specialist or medial center, giving estimate of the medication fee that is needed in the immediate future.

Educational Expenses

A Forex Bureau may sell foreign exchange for a bona-fide tuition fee, subsistence allowance and other associated educational expenses to a student, including a foreign resident student subject to the presentation of the following documents.

Admission letter from learning institutions abroad evidencing that the student has been enrolled for the period claimed;

In the case of a continuing student, evidence that the student is still enrolled and attending the institution and;

The relevant statement and letters from the educational institutions signed by the principal or the appropriate officer of the educational institution concerned, that shows details of the various costs needed for a given academic period.

Sales of forex to a student may be given upto USD 400 or equivalent in cash or T/cheques. T/cks sold at a Forex Bureau should be signed by the purchases over the counter. However, tuition fee, subsistence allowance and other associated educational expenses will be paid by bank transfer or Draft through a local bank directly to the educational institution abroad to which the student is enrolled or admitted to pursue his/her education.

Distance Education Expenses

A Forex Bureau may sell foreign exchange for a bona-fide distance education. The payment shall be effected in the name of the concerned foreign institutions through a licensed commercial banks operating in Ethiopia by direct transfer subject to the presentation of the following documents.

Admission letter from learning institution evidencing that the student has been enrolled for the period claimed.

In the case of a continuing student, evidence that the student is still enrolled and pursuing his studies through correspondence.

The relevant statement and letter from the educational institutions signed by the principal or top executive of the education institution concerned showing details of various costs involved, for a given academic period.

Seminar, Workshop, Symposium, Conference and Training Fees

A Forex Bureau may sell foreign exchange for a bona-fide seminar, workshop, symposium, conference, and training fees. Placement of same shall be made to institutions abroad through commercial banks.

Other Expenses

A Forex Bureau may sell foreign exchange for purchase of publications, periodicals, journals, books, membership fee, advertisement, examination fee,

registration fee, admission fee, etc. However, payment of same shall be made to institutions abroad through commercial banks.

Reconversion of Foreign Currency

A Forex Bureau may reconvert to non-resident foreigners and tourists:

Upto USD 150.- without evidence,

In excess of USD 150.- with the presentation of authenticated bank advice indicating that equivalent amount of foreign exchange is lawfully converted into local currency.

The Forex Bureau shall approve the above amounts upon presentation of passport, valid exit visa and air ticket.

Submission of Returns and Inspections

Every Forex Bureau shall submit to the NBE reports in prescribed forms giving details of their purchases and sell of foreign exchange transactions and dealing rates on the following working day not later than 10:00 a.m.

Debit tickets for sales of foreign currencies of cash notes and t/cks,

Credit tickets for purchases of foreign currencies of cash notes and t/cks,

Bank advices for foreign exchange transfers and bank drafts issued,

Two copies of applications forms for holiday, business, medical

Allowances as well as transfers for education fee, correspondence fee,

Seminar, symposium, workshop, conference and training,

Inspectors of the NBE are authorized to demand from commercial banks documents or any other required information,

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

Penalties

The NBE may serve the Forex Bureau of a commercial bank with a written warning if irregularities of the following natures are observed.

Buying/selling foreign exchange other than the rate displayed,
Discriminating between customer.

The NBE may revoke the concerned Forex Bureaux license for severe violations of the following sort.

selling foreign currency without the use of forms set for this purpose;
issuing receipts other than to cover actual purchase of sale of foreign
currency;

transferring money to anywhere outside Ethiopia;

engaging parallel market activities;

refusing to give receipts to buyers and sellers of foreign currency, and

misreporting the amount of foreign exchange bought or sold;

violating any of the provisions of these Directives.

Repeal

The operation of foreign exchange bureaux amended Directives No. FXD/09/1998 is hereby repealed and replaced by these Directives.

Effective Date

These Directives shall enter into force as of 30th March 2001.

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GOVERNOR
NATIONAL BANK OF ETHIOPIA