



The Governor

**DIRECTIVE NO 2500 /2018 - 09[613] OF 27/12/2018 ON LENDING IN
FOREIGN CURRENCY**

Pursuant to Law No 48/2017 of 23/09/2017 governing the National Bank of Rwanda, especially in its Articles 6, 8, 10 and 42;

Pursuant to the regulation No 004/2015 of 18/8/2015 modifying and complementing the regulation No 05/2013 of 21/10/2013 governing foreign exchange operations, especially in article 1;

Having reviewed the Directive No 04/2016 of 22/03/2016 on lending in foreign currency;

The National Bank of Rwanda hereafter referred to as “Central Bank” decrees:

Article One: Purpose of the Directive

This Directive aims at establishing conditions that resident banks shall meet when lending in foreign currency.

Article 2: Conditions on granting loans in foreign currency

Resident banks are authorized to grant loans in foreign currency to both residents and non-residents subject to the following conditions:

- 1) the eligible borrower is a legal entity with a turnover of over RWF 50 million or its equivalent in foreign currency;
- 2) the borrower's income stream in foreign currency is derived from businesses permitted to generate foreign currency;
- 3) income stream generated by the business in foreign currency is not less than 150% of the annual or total installments;
- 4) repayment will be in the currency being borrowed until the maturity of the loan;
- 5) the foreign exchange risk is mitigated;
- 6) the collaterals pledged by non-residents is valued at 150% of the total amount of the loan;
- 7) they comply with other prudential rules on related parties' transactions, credit concentration and large exposure limits.

Article 3: Reporting to Central Bank

Banks are required to report regularly to the Central Bank loans granted in foreign currency as per the format provided and in accordance with the regulation on reporting requirements.

Article 4: Sanctions

Any violation of the provisions of this directive shall be punished in accordance with the appropriate regulations.

Article 5: Repealing provisions

The Directive N° 04/2016 of 22/03/2016 on lending in foreign currency and any prior provision contrary to this Directive is hereby repealed

Article 6: Commencement

This Directive shall come in to force on the date of its signature:

Date at Kigali, on 27/12/2018

RWANGOMBWA John
Governor

