



The Governor

**DIRECTIVE N°0520/2023-00041[613.1.4] OF 22/02/2023 ON
TRANSACTIONS IN FOREIGN CURRENCIES BY NON-LICENSED PERSONS**

Pursuant to the Law N° 48/2017 of 23/09/2017 governing the National Bank of Rwanda as amended to date, especially in Articles 6*bis*, 8, 9, 10, 35, 37 and 42;

Pursuant to the Law N° 47/2017 of 23/09/2017 governing the organization of banking activities, especially in Articles 4 and 117;

Pursuant to the Law N° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction as amended to date, especially in its Article 7;

Pursuant to the Regulation N° 42/2022 of 13/04/2022 governing foreign exchange operations, especially in Articles 4 and 32;

The National Bank of Rwanda hereinafter referred to as «**The Central Bank**», decrees:

Article One: Purpose of this Directive

This Directive establishes conditions for a non-licensed person to get authorization to transact in foreign currencies.

Article 2: Application for Authorization

- (1) A non-licensed person requesting authorization to transact in foreign currencies submits, in writing, an application to the Central Bank;
- (2) Non-licensed persons receiving foreign currencies by nature of their businesses or activities when dealing with non-resident do so without authorization from the Central Bank. These are:
 - (a) hotels and restaurants;
 - (b) casinos;
 - (c) travel and/or tourism industry;
 - (d) international schools.
- (3) As per Article 4, paragraph 3 of the Regulation N° 42/2022 of 13/04/2022 governing foreign exchange operations, non-licensed persons receiving foreign currency must:
 - (a) credit it onto a dedicated foreign currency account;
 - (b) sell it to a licensed intermediary;
 - (c) use it to settle external obligations through authorized financial institutions.

Article 3: Requirements for Authorization

A non-licensed person applying for authorization to transact in foreign currencies proves that–

- (a) the nature of the business necessitates dominantly to transact in foreign currencies;
- (b) cash inflows and outflows are made in foreign currency;
- (c) the business has foreign currencies bank accounts in authorized intermediaries;
- (d) the business deals mainly with non-residents especially suppliers, clients or other stakeholders;
- (e) the financial reporting has connection with the foreign currency transaction.

Article 4: Required Documents

The application is accompanied by at least the following documents or information:

- (a) a copy of the board of directors or shareholders' resolution authorizing a non-licensed person to prepare and submit to the Central Bank the application for authorization to transact in foreign currencies;
- (b) a certified copy of the certificate of business incorporation;
- (c) a certified copy of the memorandum and articles of association;
- (d) a description of the business model together with the main reasons a business should transact in foreign currencies;
- (e) a proof that all requirements mentioned in article 3 are fulfilled;
- (f) An agreement with any government institution to conduct the business in Rwanda in foreign currency, if any;
- (g) a copy of previous authorization to transact in foreign currencies, if any;
- (h) any other information or document as it can be requested by the Central Bank.

Article 5: Grant of Authorization

Upon assessment of all documents and where the Central Bank is satisfied that a non-licensed person applying for authorization to transact in foreign currencies has met all requirements and submitted a complete file, an authorization to transact in foreign currencies is granted within a period of one (1) month from the date of receiving a complete application file.

Article 6: Incomplete application file

- (1) If the required documents or information are incomplete, the Central Bank informs a non-licensed person applying for authorization to transact in foreign currencies about the missing documents or information within seven (7) working days from the date of reception of the application.
- (2) If the application does not fulfil the requirements, the Central Bank may reject the application for authorization specifying the reasons for rejection and the communication is made to non-licensed person applying for authorization to transact in foreign currencies within a period of one (1) month from the date of receiving a complete application file.

- (3) The Central Bank may approve an application which has previously been rejected if a non-licensed has fulfilled all requirements.

Article 7: Revocation of the Authorization

The Central Bank may revoke the authorization in case it finds that the business is no longer dealing with non-residents or if the conditions for authorization are no longer met.

Article 8: Verification by the Central Bank

- (1) The Central Bank has the authority to inspect the business in line with verification on whether the requirements for the granted authorization are still met.
- (2) The Central Bank may also request any documents or report in line with verification that the business is still meeting the conditions for authorization.

Article 9: Validity of the Authorization

- (1) The authorization for transacting in foreign currencies remains valid unless revoked in accordance with provisions of the existing regulatory frameworks.
- (2) The authorization to transact in foreign currencies cannot be transferred to another person or be pledged.

Article 10: Record keeping

The authorized non-licensed person is required to maintain records on all transactions for a period of ten (10) years.

Article 11: Transitional Period

A non-licensed person who, at the entry into force of this Directive, is transacting in foreign currencies is granted a six (6) months' period from the date of entry into force to comply with the requirements of this Directive.

Article 12: Entry into force

This Directive comes into force on the date of its signature.

Done at Kigali, on February 22, 2023.

**RWANGOMBWA John
Governor**