

MONITORING INTERMEDIATE FINANCIAL

Journal Officielle- Special- number 20 January 2013

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INSTRUCTION No 14

BANKS ON

PRUDENTIAL STANDARDS OF MANAGEMENT

(Amendment No. 5)

The Central Bank of Congo,

Given Law n ° 005/2002 of 7 May 2002 on the establishment, organization and functioning of the Central Bank of Congo, including some Article 6

Pursuant to Law No. () 03/2002 02 February 2002 relating to the activity and supervision of credit institutions, in particular Articles | 1, 24, 25, 26, 27,

Adopt prudential norms for banks under their management.

Article 1:

Banks are required to comply permanently prudential management standards set by the Central Bank of Congo.

TITLE I er:

The minimum capital

Article 2:

Banks must have at any time a paid up share capital equal to the CDF equivalent of a minimum amount of USD 10 million. This amount represents a floor and the issuing institution reserves the right, at the time of approval of a bank, requiring more based on activity forecasts submitted. Banks are required at the beginning of their activities in full the regulatory minimum capital in cash.

Every bank must prove at any time that its assets actually exceed an amount at least equal to the minimum capital liabilities which it owes to third parties,

Article 3:

Compliance with the minimum capital standard of representation is enjoyed from the core capital as defined in section 5 below.

Title II ;

CAPITAL

REGLEMENTAIRE

Article 4:

The banks regulatory capital consist of the sum of:

- Basic capital (core

Hard) as defined in Article 5;

- Supplementary capital defined in articles 6 and 8;

The amount which is deducted subordinated debt, commitments to related parties and interests respectively referred to in Articles 9, 10, 35 and 36 of this Instruction.

Banks' core capital may at any time fall below the amount of the minimum regulatory capital,

Article 5;

The core capital consist of the elements listed in paragraph (a), net of the items listed in (b).

a) Includes:

- the capital ; - The issuance and merger premiums;

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- The provision for replenishment

capital; - Legal reserves, statutory,

and other optional; - The credit balance carried; - Funds (contributions of shareholders) in the instance of incorporation capital

- The positive results of the last financial year, pending his assignment, certified by the auditors and net of dividend distribution to predict;

- The positive results of the current year provided the one hand, it is calculated after deducting all charges, depreciation and amortization accounts, provisions and value adjustments relating to the period and predictable taxes , interim

dividends or forecast dividends and secondly, to have been certified by the Statutory accounts.

b) shall be deducted:

- The unpaid portion of the share capital; - Treasury shares held for their

carrying amount ; - Retained earnings debtor; - Financial intangible assets in this case detainees holdings in other credit institutions; - Goodwill (goodwill); - The negative result of the last financial year, pending approval, certified by the auditors; - The negative result of the exercise

CKylli S. However, in connection with the preservation of their capital, banks are allowed to account for foreign currency elements of the core below:

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- The provision for replenishment

capital;

carryovers to positive or negative again; legal reserves, statutory, voluntary and others; the positive result of the last financial year, awaiting assignment, certified by the auditors and net of dividend distribution to predict; the negative results of the last financial year certified by the auditors: funds constituting the contributions of shareholders for capital increase pending presidential approval for incorporation audit capital.

Also, provisions for receivables in equity

Further they are recorded in the currency of the facility granted.

Article 6:

Supplementary capital

include:

- Reserves and revaluation

resulting from revaluation operations in accordance with legislative and regulatory provisions; subordinated debt in accordance with Articles 7 and 8 of this Instruction; general provisions or provisions not covering a specific risk as coverage of future losses not yet identified, provided they are not assigned to a devaluation recognized specific assets or known liabilities, individually or in group ;

- Unrestricted grants,

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Article 7:

Funds from the issuance of securities or borrowing perpetual subordinated may be included in supplementary capital when they meet the following conditions:

be approved by the Central Bank of Congo, which reserves the right to consult the home country supervisory authority of the donor; funds may not be repaid on the initiative of the borrower and with the prior approval of the Central Bank of Congo; the contract of issue of securities or borrowing gives the opportunity to the bank secured the faculty to defer the payment of interest; the lender's claims on the subject bank are subordinated to those of all other creditors; the interest rate is a preferential rate compared to that prevailing on the Congolese financial center; the contract of issue of securities or loan provides that the non-repayment of debt and non-payment of interest can absorb the losses that the bank subject to be able to continue operations.

Funds from the issuance of securities or subordinated loans that are not of indefinite duration may be included in additional own funds if the following conditions:

- The contract provides for a fixed term, the initial period must be at least 5 years; - When no deadline has been set, the debt can not be repayable only subject to five years or when the agreement of the Central Bank of Congo

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specifically required for early repayment, provided that the bank's solvency is not affected; when there is a term to maturity of less than 5 years, an annual reduction of 20% of the remainder is carried to reflect the contribution of less and less sensitive to the solvency of the bank.

Article 8:

The additional own funds may be included in regulatory capital than in limite of core capital.

Subordinated debt referred to in Articles 6 and 7 of this Instruction can not be included in the supplementary capital within the limit of 50% of core capital.

Article 9:

Subordinated claims meet the definitions of this Instruction, held in other credit institutions are deducted from own funds réglesmeritaires.

Article 3 }

Banks may not grant loans or guarantees to related parties for a total amount not exceeding 20% of their regulatory capital.

The share of lending and guarantees to these related parties exceeding 20% of regulatory capital is derived from these.

I for application of provisions, are considered related parties:

- Shareholders, directors, officers and staff of a bank; - Corporations which the bank holds interests;

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- Legal persons belonging to one of the people mentioned in the first indent; - Legal persons where one of the persons mentioned in the first indent has special interests; - Natural or legal persons non-bank related to the bank by contracts cross guarantees or business contract in i'occurrence ia subcontracting or the franchise agreement,

Banks are required to report to the Central Bank / Branch of the supervision of financial intermediaries, loans or guarantees granted to related parties.

Article! ! :

The Central Bank of Congo may oppose the inciusion in the calculation of regulatory capital elements if it considers that it would be inappropriate or misleading the point of view of prudential supervision,

TITLE || ;

BEYOND SO.WAEHLTE

Item # 2:

Obligated banks are obliged, under the conditions specified by this Instruction, to maintain a core capital ratio, the ratio between the amount of regulatory capital and that of the overall risk-weighted banking risks, at least 10 %.

In addition, subject banks must meet a basic solvency ratio, the ratio between the amount of their own basic Fords (hard core) and that of the overall risk-weighted banking risks, at least 7%.

The Central Bank of Congo may impose on a bank solvency ratio

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minimal than those listed above, depending on the risk profile or the specific activities of the institution.

Article 13:

The ratio of the numerator consists of equity calculated in accordance with Title II of this Instruction.

Article # #:

The denominator of the ratio includes all asset and horsbilan, except:

- Items deducted from regulatory capital, in accordance with Article 4 of this Instruction; - Financial contracts traded on

an organized market, in calculating the solvency ratio, the assets and off-balance those assigned to 0% weights, 20%, 50% and 100% as set out in Articles 15 and 16

of this Instruction.

Article 75:

The off-balance sheet items are classified in four categories and their amount is taken into account according to the risk they pose, which determines the conversion factor, the horsbilan elements are then assigned the corresponding weighting rates for elements corresponding asset.

The elements at high risk are taken into account for their total:

- Guarantees provided for loans issued by another credit institution; - Acceptances commercial;
- receivables

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- Backing the bills not bearing the signature of a credit institution; - Irrevocable credit or surety bonds constituting a credit substitute; - The unpaid portion of capital subscribed to another facility. The items at average risk are accounted for 50% of their total:
- Commitments to pay resulting from documentary credits issued or confirmed, without the goods used as security; - Guarantees on public procurement, performance guarantees, tax or customs obligations; - Irrevocable credit lines or guarantees not having a credit substitute;
- The facilities, overdrafts, credit and undrawn commitments of original maturity of over one year. Elements of moderate risk are accounted for 20% of their total:
- The granted or confirmed documentary credits when goods are used as collateral, Elements with low risk are not taken into account:
- The facilities, overdrafts, "t credit commitments unused original maturity of one year or which may be canceled unconditionally at any time without notice.

Article 16:

The assets and weighted horsbilan elements 0% include:

- The cash and equivalent items; - The assets and claims on the Bank Central Congo.

The adjusted assets and off-balance poridérés 20% include:

- Collect the bills and checks and bills for collection; - Balances with foreign correspondents based on their ratings; - IES investments and receivables

credit institutions and similar; - The funding and guarantees commitments given to credit institutions and similar.

Assets and horsbilan elements weighted 50% include:

- Accruals that could not be linked to a specific counterparty; - Claims on the State and the central governments; - Claims on government local,

The adjusted assets and off-balance sheet risk-weighted at 100% include:

- Loans to customers: - capital; - Contentious claims on correspondents; - TES various receivables excluding financial messaging (inflows); - Financing commitments or guarantees given to customers.

Article F 7:

Obligated banks are allowed to mitigate risks related to claims on the clientèle, assets and receivables from correspondents, State receivables and financing or guarantee commitments given to customers based on quality guarantees and of the guarantor. This deduction also applies to the division of risk.

Risk deduction eligible collateral are:

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- The mantis deposits with the institution concerned in the

same currency as the facilities they guarantee, benefit from a deduction of 100%; pledge certificates of deposit or similar securities issued by the institution itself and filed with the establishment concerned, enjoys a deduction to 10 (%); the mantis deposits with the institution in a currency other than that they guarantee facilities, benefit from a deduction of 80% against the bank guarantees issued by credit institutions rated by international agencies from AAA to AA-, benefit from a deduction of 80%; the against bank guarantees issued by credit institutions rated by international agencies from a + to BBB-, benefit from a deduction of 50%;

claims secured by a mortgage on a residential building that will be occupied or let by the borrower benefit from a deduction of 50%:

claims secured by a mortgage on a commercial property for fully productive activities, benefit from a deduction of 25%; against the bank guarantees received from credit établissements lower-rated or unrated and are not allowed deduction risk,

Article 18:

To be acceptable deduction risk, collateral must fulfill the following conditions:

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{i} of

regarding bank:

guarantees

- The duration of the guarantee must be at least equivalent to that risk;
- Against his guarantees must be enforceable at first request;

- The inclusion of guarantees is limited to the actual stock of hedged commitments

(li) in respect of the mortgage:

- The parties must enter into an explicit agreement duly legalized with the registrar of land titles allowing easy realization of the mortgage without resorting to judicial proceedings;

- The contract value shall be

an independent and qualified expertise.

Article # 9:

Banks are subject

submit, at the request of the Department of Supervision of Financial Intermediaries of the Central Bank of Congo, act guarantees coming in risk reduction for the verification of their eligibility,

Obligated banks must justify to the Directorate of Financial Intermediaries Supervision of the Central Bank of Congo all guarantees appreciation of elements from risk reduction, including the ratings of parent companies and other issuing banks against the collateral.

Article 2 {}

The provisions made are also eligible for the deductibility of their risks based on:

- Criteria defined under [I] of Instruction No. 16 on the prudential rules for classification and provisioning for receivables from customers and commitments

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financing or guarantees given to the c hile # ELE!;

- Levels of coverage or provisioning for doubtful debts or suffering

third party accounts and regularization, and disputed debts or delinquent on correspondents and various debtors.

These allowances for doubtful accounts are recorded in the currency of the granting of the facility.

Title [V]:

DIVISION RISK

Article 21:

Obligated banks are required to comply at all times:

- A maximum ratio of 25% among all weighted net risks on the same beneficiary, including the assets or receivables from a foreign correspondent, and the amount of their regulatory capital; a maximum ratio of 800% from the total amount of large exposures and the amount of regulatory capital. For risk, the overall risk means incurred on beneficiaries whose weighted net risks exceed for each 10% of funds regulatory capital | establishment.

Article 22:

Obligated banks are required to submit with their statement to the Directorate of Financial Intermediaries Supervision of the Central Bank of Congo a detailed statement of net risks poridérés than for the same beneficiary or the same set of counterparties 10% of regulatory capital the establishment concerned,

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Obligated banks are also required to provide the Directorate of Monitoring Agents Financiers of the Central Bank of Congo a detailed statement of assets corresponding to each as stipulated in Article 21 of this Instruction.

Article 23:

For the purposes of these provisions, the definition of capital is that used for regulatory solvency ratios in Title II of this Instruction,

ES risks considered possibly reduced supplies, safeguards allowed as deductions, are the assets and off-balance sheet items listed in Title III of this Instruction,

Article 24:

For the purposes of these provisions are considered one | beneficiary:

- Natural or legal persons who have capital ties as one of them has on the other, directly or indirectly, exclusive control of power or spouse or significant influence, or which are subject to management cornintine fact; natural or legal persons related so that the financial difficulties} one or some of them necessarily entail serious financial difficulties in the other or all others. Such connections might exist between two or more natural or legal persons in one

of the following cases:

- People are related to first place; - People are subsidiaries of same parent company;

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- People are subject to a Executive common fact;
- People are local authorities or public institutions and financial dependencies between them;
- IES persons related by contracts cross guarantees or maintain them on compelling business relations, in particular linked by contracts or subcontracts franchise.

TITLE V:

SURVEILLANCE OF CURRENCY POSITIONS

Article 25:

Obligated banks must comply permanently:

- A maximum 5% ratio between the amount of their long or short position in each foreign currency and the amount of their regulatory capital. For the most used in their transactions the maximum ratio currency is increased to 15%: a maximum ratio of 15% between the value of their long or short position in all currencies and the amount of their regulatory capital.

Article 26:

The numerator of the ratio is the net foreign exchange position determined by the difference between assets and liabilities, minus the currency equivalent of the paid share capital:

- The assets and liabilities denominated in foreign currencies, excluding the items below: "operations whose risk

changes are supported by the state; structural positions that is to say capital

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Tangible and incorporeals the

shares in subsidiaries and participation as well as allocations to branches abroad.

- Off-balance sheet items denominated in foreign currencies, only the elements below:

"Account securities commitments; "Account of commitments

currency transactions; * Account commitments on financial futures.

Article 27:

The denominator of the ratio consists of regulatory capital calculated in accordance with Title II of this Instruction.

Title VI.

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Article 28:

To ensure liquidity, reporting banks are required to maintain a core liquidity ratio of 100% between their availability and resources in one month.

Banks must provide and respect this ratio in three forms:

- Calculated exclusively and currency national;
- Calculated exclusively in foreign currency Foreign;
- Calculated on the basis of any currency confused.

Article 29:

The numerator of the ratio comprises assets and off-balance sheet liquid elements to a months or those mobilized in less than one month listed below:

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- When the lender, the balance - the equity of subsidiaries and cash as defined in Article 3 of the i and the assets that this Instruction; the institution is not - the portion accruing in a free month of yield in the coming months.

Maximum loans and credits which

what their remaining durations Article 3 {}:-

run ; The denominator of the ratio is - outstanding private claims of having made payable liabilities to

maximum of one month to run less than a month listed below:

eligible for interventions - when borrower balance

Central bank ; 90% treasury bills or similar

o 70% of commercial paper and negotiable debt securities subscribed (plus having a month to run); 60% bonds and fixed income securities which are the subject of a listing on an organized market with liquidity guarantees (having more than one month to run); 50% equities and similar securities being quoted on an organized market with liquidity guarantees (having more than one month to run); the lender balance collection accounts (having more than one month to run); Products to receive in the coming months; the excess securities fivrer on securities receivable in the coming months;

cash as defined in Article 31 of this Instruction; 100% of deposits and term deposits and similar income with a maximum of one month to run; 75% of deposits; 30% savings fivrets; bonds and subordinated within a month; the borrower balance collection accounts; accruals in the coming months; the surplus of securities receivable on securities to be delivered in the coming months; the amount of refinancing agreements given to credit institutions on credit institutions received funding agreements.

Article 3:

The cash balance is equal to the

- The excess of difference agreements between debtors and outstanding

Refinancing received following payables outstanding institutions: credit of the agreements (iii) accounts receivable outstanding are: funding given to credit institutions,

Excluded are: - loans to customers with maturities

is not fixed; - Securities issued by

the institution, - the obligations that the institution has committed to hold to maturity;
 - Cash holdings; - Receivable balances with the Central Bank and with correspondents; -
 Today! Loans day; - Loans with a maximum of one month to run the central bank and credit
 institutions;

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- Treasury bills and negotiable debt securities subscribed (having less than a month to run);
 - les required reserves with the Central Bank up to 50%. (iv) credit outstanding are:
 - Accounts payable balances with the Central Bank and with correspondents; - les borrowing
 overnight; - Loans with more than one month running from the central bank and credit
 institutions; - The market securities

issued (having more than one month to run);

TITRE VII:

PROCESSING AND MEDIUM TERM

Article 32:

To control the processing, reporting banks are required to meet continually report,
 called coefficient of equity and permanent resources, at least 80% from their regulatory
 capital increased permanent resources and the carrying value of assets immobilized,

Regulatory capital should fully cover the fixed assets.

Article 33:

The numerator of the ratio is

consisting of regulatory capital calculated in accordance with Title II of this Instruction, and
 medium and long term resources and the stable deposits listed below:

- Bonds and other borrowings
 resources; - The market securities

issued by the institution;

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- Term deposits (medium and long
 term);

- The amount of loans from credit institutions on the nature of loans to credit institutions;

- 50% of term deposits within

12 months: - 25% of the annual average deposits

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Article 34:

The denominator of the ratio is

consisting of the following elements:

- Net capital corporelles depreciation and provisions; - Securities of subsidiaries and
 affiliates for their gross amounts in 1'exception C: U X. credit institutions; endowments
 branches and agencies abroad; Suspicious term receivables on a gross basis: la fraction
 having a duration restart to run beyond 12-month loans to customers;

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- The excess with a fraction résiduelle to run beyond 12-month loans to credit institutions on loans of the same type contracted with credit institutions.

TITLE V |||.

The limitation of PARTICIPATIONS

Article 35:

Banks are required to comply with one or more of the following limitations in the context of equity investments in the capital of a company:

- No participation may not exceed 15% of regulatory capital

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as defined in Title II of this Instruction; - All interests may not exceed 60% of regulatory capital of l'établissement concerned, the interests are considered at their net book value.

Article 36:

For the purposes of this Instruction, are considered investments, securities that carry at least 10% of capital or voting rights in a company or which allow to exercise, directly or indirectly, a tangible influence on management and financial policy from a company,

This is a stakes credit institution holds through the portfolio companies or investment,

Are limited to 30% regulatory capital:

- The holdings in

subject to credit institutions; - Holdings in companies whose business is an extension of the activities of the holding bank or consist of either

funds

possession of assets allocated to the operation of the establishment, either; in the provision of services necessary for the operation of the bank.

Are not subject to

any limit, securities held on behalf of third parties under a formal agreement and subject to an irrevocable commitment to purchase from a third person to the extent of funds received from third parties by the bank concerned in coverage the operation.

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TITLE X:

FINAL PROVISIONS

Article 37:

Obligated banks are required to report to the Directorate of Financial Intermediaries Supervision of the Central Bank of Congo elements relating to the requirements of compliance with prudential standards in the manner and at the intervals specified by the Central Bank,

Also, are they required to forward to the Central Bank of Surveillance Financial Intermediaries Department, the related list and if applicable, the date.

, *Article 38:*

Obligated banks that do not meet prudential standards so determined for a period of three months must submit to the Central Bank of Congo, surveillance Financial Intermediaries Department, corrective measures to bring them to comply with regulations.

In addition, they are liable to a pecuniary or disciplinary sanction applied in

accordance with the laws and regulations on the matter.

Article 39:

This Instruction shall enter into force on the date of signing and cancel all previous provisions are inconsistent with it.

Done at Kinshasa, JC, Masangu Mulongo

Governor

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INSTRUCTION No 16 TO BANKS

Amendments No. 1, coming into force July 29, 2003

Concerns: Prudential rules for classification and provisioning of loans.

The Central Bank of Congo, in accordance with the third title of the Act No. 003/2002 of the 2 February 2002 concerning the activity and supervision of credit institutions adopt the following provisions relating to the classification and provisioning of credits.

1ST TITLE:

DEFINITION AND CLASSIFICATION OF CREDITS

Article 1:

The concept of debt or credit covers the accrued capital, capital outstanding and accrued interest recorded,

Article 2:

For the purposes of this Instruction, credits are classified as follows:

- Appropriations normal (healthy); - Credits to potential risk (extended); - Disputed credits (compromise).

Article 3:

Normal loans are loans which, no unpaid, are sufficiently covered by easily achievable financial guarantees and the generating capacity of fund recipients to face constant repayments according to the contractual terms,

Article 4:

The extended loans are loans whose repayment terms were modified in accordance with

provisions of Instruction No. 9 to

banks,

Article 5:

Contentious loans are loans where recovery can not be achieved in accordance with the contract terms due to some failure of the beneficiaries, even with guarantees.

Litigious credits include: - unpaid loans; - Doubtful loans;

- Litigation credits; - Unrecoverable loans.

Article 6:

The credits are deemed overdue when:

- Deadlines have remained unpaid for more than two months and have not been subject to extension or renewal term;

- Off-balance sheet commitments accrued and not paid by the customer for up to two months resulted in a payment at maturity by the bank.

Article 7:

Are deemed doubtful credits:

- Overdue loans for more than

two to six months;

- The overdrafts without credit movement for more than three months or without significant credit transactions for over cumulative amount over

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six months. Are considered credit transactions whose receivables due over this period and relating solely ordinary account concerned; - Accrued credits or not, with some risk of non partiet or total recovery.

Article 8:

When the contest to a natural or legal person become impaired, they entail ipso facto the transfer of all the commitments of that person healthy outstanding topics to the headings doubtful. It is the same people and companies linked to ciient classified as doubtful,

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Article 9:

Are deemed to litigation, problem loans whose records are the subject of a judicial investigation.

Article I ():

Unrecoverable loans are bad loans after exhausting all remedies or over 12 months of arrears.

They are recognized in loss within a year and tracked off-balance.

TITLE II ;

THE FUNDING CREDITS

Article H 1:

Banks are required to make provisions on loans within a maximum period of 12 months at the rates listed in the tables below:

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Table 1: Loans covered by guarantees

class | Types of credit provisioning rates by guarantees

financial guarantees or i Collateral | Warranty achievable at any time fame.

} Normal or healthy | March 1}

2 Potential | I 5 7

(Extended)

1. Unpaid 3 15 20

4 1 35 50 Doufeux

I 50 70 5 Litigation

6 frécupérables {} | ({}) f {} {}

Table 2: overdrafts or not covered by guarantees

Unpaid credit / no credit movement Provisioning rate 3-3 months 30 50 6-9 months 9-12 months 8 (> 12 months! {} {}

TITLE || ; PART IV:

TREATMENT OF INTEREST ON FINAL PROVISIONS

DOUBTFUL DEBTS

Article 13; Article 12:

The unpaid interest on overdue loans are recorded in accounting or accounting calculated extra way.

When they are credited to the income statement, they are mandatory due provisioned Ç {} [] {GA | [[f] {} {That,

If it is made a global provision covering the principal, accrued interest and accrued interest, it must be at least equal to the interest included in account results.

Banks are required in addition to the notes to the statements of credits transferred to its Central Bank to communicate to the Directorate for Supervision of Financial Intermediaries, pursuant to Instruction No. 9a of the Issuing Institution, the table in annex containing the statement of the credits,

Article 14:

Banks that do not comply and determined funding levels are liable to a penalty equal to 1% of the inadequacy between the required level and the level recorded at the end of each month,

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Article # 5:

This qui statement takes effect from 31 December 2003 repeals all previous provisions are inconsistent with it.

Done at Kinshasa, July 29, 2003 Jean (Claude MASANGU MIJLÖNG () Governor

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INSTRUCTION No. 17

THE INSTITUTIONS

CREDIT ON THE RULES

PRUDENTIAL IN THE FIELD OF INTERNAL CONTROL AND CONFORMITY**(Amendment No. 1)**

The Central Bank of Congo, Noting the Law () 5/2002 of 7 May 2 2 on the establishment, organization and functioning of the Central Bank of Congo, in particular Article 6;

Pursuant to Law No. 003/2002 of 2 February 2002 on the activities and supervision of Credit Institutions, including his third title;

Stop prudential governed in internal control and compliance applicable to credit institutions,

PART f:

PRUDENTIAL RULES IN INTERNAL CONTROL *Matera*

TITLE I: General principles

Article 1:

Es Æ Credit Institutions subject to this statement are:

- the banks ; - the institutions
- specialized; - Financial companies; - The savings banks.

Article 2:

The subject Establishments must establish an adequate internal control system by adapting all devices covered by this Instruction to ja nature and volume of their activities, the size of their settlements and risks of different natures which they are exposed.

financial

Article 3:

For the purposes of this Instruction, the term:

(I) deliberative body (Board of Directors, surveillance Council or equivalent body} that which ensures the orientation of the strategic establishment and effective management oversight activities on behalf of shareholders.

Executive (Management Committee, General Management, Management ... or - equivalent body) responsible for the ongoing management of workforce établisseerient and monitors all activities of the process

(Ii) body

achieving the strategic objectives set by the legislative body.

(lii) the audit committee, an offshoot of the deliberative body created to assist in the performance of its tasks will include assessing the quality of internal control and assessing the consistency of identification systems, measuring, surveillance and risk control.

(Iv) compliance function, an independent function responsible for managing the risk of non-compliance defined as the risk of exposure to a

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establishing a reputation risk, financial losses or sanctions due to non-compliance with legal provisions and réglementaires, standards and practices applicable to its activities or codes of conduct.

plan business continuity, a written action plan outlining detailed, in case of major operational disruption, y including an external shock, procedures and systems to maintain or restore in LLL? predetermined time critical operations and functions of an organization in order to limit the consequences of this disruption for this? organization and the financial system as a whole.

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Article 4:

The internal control system consists of all the provisions decided by the legislative body and implemented by the will of exécutifafin body ensure that the organization's activities are controlled at all levels.

The internal control system is at least consisting of a permanent first level control in the operational units and a final level of control carried out by the internal audit,

Article 5:

Internal control includes HOtatnrthent:

at. a control system for operations and internal procedures; b, an accounting procedures and treatment

i'information;

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c, measurement systems, control and monitor risks and results;

d. a documentation system 3 t information.

I Title | : DESIGN, SETTING (œuvre AND MONITORING OF ACTIVITIES OF INTERNAL CONTROL

Article 6:

The internal control system is designed by the executive body approved by the legislative body.

It includes provisions for 3.SSurer.

- The verification of transactions and internal procedures; measurement, ia control and risk monitoring
- The reliability of collection conditions, processing, dissemination and conservation of accounting and financial data;
- The effectiveness of internal circulation channels of documentation and information and dissemination to third parties.

Chapter TER: THE ROLE OF THE GOVERNING BODY

deliberative

Article 7:

The deliberative body ensures the implementation and monitoring by the executive body of the internal control system.

To this end, it shall, at least once a year, review the business and results of internal control based on the information addressed to it by the executive body in the manner provided by this Instruction .

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Article 8:

The legislative body is within the framework of internal control, assisted by an audit committee with the particular functions of:

- Monitor and control the function

internal control ; - Approve the internal audit charter referred to in this statement as well as the annual program of internal control; - Ensure full coverage of the bank's activities by internal controls and external audits; - Ensure the adequacy of the internal control system to the bank's activities; - Assess the adequacy of human and material resources allocated to the internal audit function; - Ensure that internal auditors

possess his skills ... and possibly propose measures to be taken at this level:

- Make an assessment of the quality of the internal control system, including the consistency of measurement, monitoring and risk management and propose, if necessary, further action in this respect; - Define the minimum risk areas that internal controllers and auditors must cover; - Verify the reliability and accuracy of financial information to the governing body and third parties and assessing the relevance of accounting methods adopted for the development of individual and consolidated accounts; - Assess the adequacy of corrective measures taken or proposed to address shortcomings or lacunae

identified in the internal control system;

- Recommend the selection of auditors and external auditors of the bank, and supervise their relationship with the bank;

- Reviewing the progress reports and recommendations of the internal audit function, the auditors, external auditors and the supervisory authority as well as corrective actions taken.

Article 9:

The audit committee should be chaired by a member of the governing body and, moreover exclusively of people with no management responsibilities in the facility. They must have experience and skills in finance and accounting as well as in the activities of the audit.

The committee reports directly to the governing body that determines the operating modalities and to whom he reports. Its role can not in any case if the substitute for internal audit.

Article 10:

The Audit Committee holds at least two meetings per year, it may associate with its work of others including the head of internal control and commissioners 31 | X. accounts of the institution,

Article 11:

The deliberative body responsibility clear, members of the executive body and defines the modalities of delegation of powers.

Item # 2:

Members of the governing body and the executive body shall ensure

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promote within their institution, a strong control culture that places particular emphasis on the need for each officer, to assume his duties in compliance with legal and regulatory requirements and internal policies and procedures.

They adopt to this end, a policy of training and information that highlights the objectives of the institution and explicit ways of their realization.

Article 13:

The legislative body approves the overall policy of risk management and the strategic direction of management of each risk individually.

CHAPÈTRE 2: THE ROLE OF BODY

EXECUTIVE

Article 14:

The design and implementation of the internal control system the responsibility of the executive body for this purpose:

- Establishes the appropriate organizational structure and provides the human and matérieis necessary for the implementation of the internal control system; - Identify all sources

internal and external risks; - Define the appropriate procedures

internal control.

Article # 5:

The executive body ensures, permanently, the overall functioning of the internal control system and takes the necessary steps to remedy in a timely manner, to any deficiency or insufficiency raised.

I Article 6:

The executive body shall develop internal control manual, detailing in particular:

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- Your constituent elements of each device and the means of their implementation (procedures, internal control tools, ..); - Rules that ensure independence vis-à-vis control devices operating units; - Different levels

responsibility for control. This manual approved by the legislative body subject to periodic review to adapt its provisions to legal and regulatory requirements and changes in the activity of the institution, the environment for economic and financial and analytical techniques.

TITLE || : CONTROL SYSTEM OF OPERATIONS AND INTERNAL PROCEDURES

CHAPTER 1:

GENERAL

of

Article! 7:

The operations and internal procedures control system should enable reporting institutions to ensure optimal conditions of safety, reliability and completeness including:

- Compliance of the operations, organization and internal procedures with legal and regulatory requirements as well as standards and practices

professional and ethical, and internal instructions of the executive body taken under guidance of the governing body; - Strict compliance with the decisions and risk-taking procedures and management standards and limits set by the executive body - the quality of accounting and financial information for the organ

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legislative or executive body to be sent to the Central Bank or to be published;

- The conditions of assessment, recording, preservation and availability of this information, particularly the existence of an audit trail;

- Quality of information systems

and communication.

Article 18:

Reporting institutions must, in a manner appropriate to their size and the nature of their activities, have agents

performing permanent or periodic inspections.

The permanent control of the

compliance, security and validation of completed transactions and compliance with other procedures related to risk monitoring is provided by dedicated employees

this function or other agents of operational activities. - Periodic checks on the

compliance of operations, the level of risk, compliance with procedures and the effectiveness and appropriateness of monitoring and risk management processes is assured means of surveys conducted by the internal audit.

Article 19:

Each service {J} operational unit must have a manual that records the operational implementation procedures that is responsible for conducting, These manuals are defined by the executive and approved by the legislative body .

These procedures determine in particular the conditions of appointment, registration, operations and reporting process and the corresponding accounting schemes.

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Article 2 {J}

The responsibility and levels of operational response are defined and delimited,

A strict separation must be made between the charged units, each in its part of the initiation, execution, validation, accounting and control of operations.

The areas that present potential conflicts of interest or risk of overlapping jurisdiction or responsibility should be identified and subjected to surveillance continue and be regularly assessed for the removal of these conflicts.

Article 21:

The terms of execution

daily operations performed by

operational entities must include

authority and that the areas

different units be clearly

appropriate controls procedures

permanent to ensure the regularity, reliability and safety of such operations and compliance with other procedures related to the monitoring of risks associated with them.

CHAPTER 2: THE AUDIT DEVICE

INTERNE

Article 22:

Établissements taxpayers are required to develop a charter for internal audit, which defines:

- The position, powers and objectives of the internal audit function;
- The responsibilities of this function and the nature of its work;
- The communication of the result of its monitoring tasks,

*Journal Officiel- Special- number 20 January 2013**Article 23:*

The internal audit function provides an exhaustive monitoring of the internal control system and ensures consistency across the different assessment and control levels of the institution. It reports directly to the legislative body which appoints the head.

Article 24:

The internal audit is required to conduct periodic inspections. To this end, it:

- Is based on a methodology for identifying significant risks established by the establishment;
- Prepare a multi-year audit plan approved by the Audit Committee and distributes it accordingly;
- Has sufficient resources and personnel with appropriate training and with experience

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required to understand and assess

activities to be audited;

- Access for the purposes of its mission, archives, records and data.

Article 25:

Internal audit is responsible for assessing, periodically, the effectiveness of risk management processes and governance, procedures and internal policies as well as proper

how different levels of control. It also assesses:

- The financial reporting process and examines the reliability and 1 ° accuracy of information provided to third parties;
- Internal measurement models and risk monitoring;
- Evaluation of internal procedures to capital adequacy of the institution;
- The comprehensive approach to managing business continuity within l'établissement;
- The checks carried out by the function conformity.

Article 26:

The head of internal audit reports on the performance of its mission to Executive organs and monitors the implementation of corrective measures under its recommendations. He informed the audit committee of the weaknesses identified, recommendations to strengthen internal control and risk management and their implementation by the executive body and operational services. It also informs the head of the compliance function, under this Instruction for any shortcomings related to the risk management of non-compliance.

Title [V:

ORGANIZATION AND ACCOUNTING TREATMENT OF INFORMATION

CHAPTER 1: THE DEVICE

ACCOUNTING CONTROL

Article 27:

The control device of the

3HX records must enable reporting institutions to ensure the reliability and completeness of their accounting and financial data, and ensure the availability of information at the appropriate time.

Article 28:

The procedure for registration of transactions in the balance sheet and results should provide a set of procedures called audit trail, which allows:

- Reconstitute the operations in a chronological order ;

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- Justify any information with an original piece from which it must be possible to trace a inigterrompu path to the summary document and vice versa;
- Explain the evolution of sales of an order to another by conservation movements affecting accounting items.

Article 29:

The information in the accounting statements and those required for the calculation of management standards and prudential ratios and periodic and prudential statements to the Central Bank of Congo must meet at least IES provisions of the three indents of Article 28 of the this Instruction,

Article 3 ():

The securities and other securities of the same nature held or managed on behalf of third parties. . must be followed - through - stock accounts which traces the inputs, outputs and existing and undergo periodic inventories.

A distinction must be made between the values received free filing and serving those guarantees for the institution itself or third parties.

Article 3 f:

Reporting institutions must ensure the completeness, quality and reliability of information and methods of evaluation and recognition by notarossln. .

- Ill periodic review of the adequacy of the methods and parameters used for the evaluation of operations;
- Regular assessments of the accounting information system and information processing to the overall objectives of caution and safety, and compliance

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accounting schemes from the rules in force; for transactions that involve market risk, a reconciliation, at least at the closing date of end of the month, between the results calculated by the operating units and the accounting results on the basis of valuation rules force. The observed significant deviations must be substantiated and brought to the attention of the executive body

Article 32:

Institutions subject to determine the level of computer security deemed necessary with regard to the requirements of their business. They shall ensure that this level of security and that their information systems are appropriate.

Control systems

Information must in particular ensure that: _

- The level of security of computer systems is periodically assessed and, if necessary, corrective actions are taken; - Computer backup procedures are available to ensure the continuity of operations in case of serious difficulties in the operation of computer systems, control of information systems extends to the preservation of information and documentation for analysis, programming and execution of treatments.

Article 33:

Taxpayers must Etablissements

- Have continuity plans

the activity ;

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- Ensure that their organization and the availability of human resources, real estate, financial and technical subject to regular assessment under

risks related to business continuity; - Ensure the consistency and

the effectiveness of the business continuity plans as part of an overall plan that integrates the objectives defined by the executive body and, where appropriate, approved by the legislative body.

TITLE V:

SYSTEM FOR MEASUREMENT, CONTROL AND MONITORING OF RISKS

CHAPTER; ; PROVISIONS

GENERAL

Article 34:

March 12

Companies need to

site analysis, measurement, overall risk monitoring of various kinds which expose their activities and in particular ensure that:

- The risks of credit, market, operational, interest rate, liquidity, settlement as well as the risks associated with outsourced activities are properly assessed and controlled; - The process of evaluating the overall adequacy of regulatory capital against these risks are in place.

Article 35:

The analysis, measuring, monitoring and controlling risks and overall adequacy of internal capital must be tailored to the nature, scale and complexity of the institution's activities,

Article 36:

Schools have strategies defining their objectives in terms of regulatory capital that must be in line with their risk profile.

They put in place systems and process reliable, comprehensive and forward-

looking to assess and maintain permanently the levels and categories of capital and their allocation in light of the nature and level of risks they are or might be exposed .

Article 37:

Systems and processes covered by this Instruction must be documented and reviewed regularly. They must help to ensure a periodic reporting to the legislative and executive bodies on the capital adequacy of the risk profile and the differences that may arise.

Article 38:

--- - - The evaluation process of the capital adequacy

regulations must produce reasonable results concerning capital requirements and assess their adequacy with the risk profile of the institution.

Institutions come and explain the similarities and differences between their own assessments # églementaires funds and regulatory capital requirements.

Article 39:

The credit, market, operational, global interest rates, liquidity and settlement must be maintained within the overall limits established by regulations and / or fixed by the executive and approved by the deliberative organ.

However, internally, is institution can set its boundaries by the executive and approved by the legislative body while

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complying with regulatory limits.

The operating entities can benefit from specific limits must be established consistent with the various global limits. These limits are reviewed, as necessary and at least once a year, taking into account in particular, the level of own funds of the institution.

Article 40:

monitoring compliance with the limits under this Instruction is conducted regularly and unannounced and leads to the establishment of a report to the attention of the executive and legislative bodies.

This report includes an explanation of overruns and the measures taken to remedy and, if applicable, proposals and recommendations for amendments to existing boundaries,

Article 41 :

"Reporting institutions must conduct a regular review of risk measurement systems and determining the limits in order to verify the relevance to the development of the activity, environmental markets and techniques analysis.

Article 42:

The executive body of the subject institutions must constitute committees to monitor certain categories of specific risks, including committees of credit risk, market risk, operational risk management and actifpassif

Article 43:

Institutions must set up a measuring device, control and monitoring of risks associated with new. products and activities. This system aims in particular:

March 13

- To approval by the governing body or by a committee established for this purpose, any new product or any new activity involving a significant risk level that deviates from the

previously established risk strategy and the implementation Establishment of risk identification procedures; defining requirements for the design of a new product or starting a Houvelle activity, particularly its description, analysis of the impact of the resulting risks on the activities of the institution} identification of T: TC SSNU E: human and technical S necessary, identification of authorized counterparties and the procedures to be used for the management and assessment of associated risks.

CHAPTER 2: IMPLEMENTATION - Gestion SYSTEMS AND MONITORING OF RISK

Article 44:

The measuring device, control and monitoring of each risk should help ensure that the risks can

expose the reporting institution are adequately assessed and monitored regularly.

Article 45:

Pursuant to the provisions of this Instruction and the Instruction of the Central Bank of Congo on management and risk monitoring, reporting institutions must implement for each significant risk a system of identification, analysis, measurement, monitoring, mitigation and

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control

HO'fafriff) It thick;

- The definition of the policy of the institution with regard to each risk, formulated by the executive and approved by the legislative body; - Organizing activities generating this risk with the terms specified procedures; - Operational management conditions generating activities that risk; - Procedures for measuring risk - surveillance of procedures

risk; - The permanent control procedures

and periodic risk; - The risk information provided to legislative and executive bodies and the Central Bank of Congo; - The risk mitigation procedures

implemented by the establishment,

CHAPTER 3: CONTINUITY PLAN

The ACTjVITE

risks including

Article 46:

Pursuant to Instruction of the Central Bank of Congo on the business continuity plan, institutions must have business continuity plans implemented to ensure continuous operation of their core tasks and activities to limit losses in case of major operational disruptions due to external events or related to operational risks,

An official with the business continuity plan must be appointed by the governing body to ensure the implementation of measures related to this plan,

The effectiveness of the latter is to be assessed by testing the frequency, depth and detail are based on the importance of risks associated with tested components.

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CHAPTER 4: CONDITIONS

SPECIFIC APPLICABLE MATHERE OUTSOURCING

Article 47:

Outsourced activities are those for which the reporting institution entrusts a third party, sustainable and habitually way, the realization of essential services by subcontracting.

Article 48:

Reporting institutions shall ensure that any service which substantively contributes to a decision committing the établissement vis-à-vis its customer to enter into an outsourced operation is only to persons authorized or entitled to the required standard to carry out such activities.

Article 49:

Reporting institutions outsource activities must:

ensure that the control system includes outsourced activities; - To acquire control devices their outsourced activities.

Article 5 s):

Reporting institutions that outsource essential services to their activity must retain full control of their business. They must especially respect the following provisions:

who

- their

their

(I) the business outsourcing must:

- Give rise to a written contract between the external service provider and the reporting institution;

- Register through a formalized control policy

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external service providers defined

the reporting institution.

by

(li) taxable Institutions must

ensure, in their relationships with external service providers, the latter:

- Agree on a level of quality corresponding to normal operation of the service and, in case of incident, leading to resort to emergency mechanisms; implement emergency mechanisms in case of serious difficulties affecting the continuity of service or their own continuity plan takes into account the impossibility for the external service provider to ensure his performance; can not impose a substantial change of the benefit they provide without prior agreement - l'établissement subject; ".

comply with the procedures set by the institution liable for the organization and implementation of control of the services they provide; allow them, whenever necessary, access, if necessary on the spot, any information on the services available to them, in

regulatory compliance

on communication

information: - report to them so

regular how the outsourced activity is exercised and their financial situation.

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TITLE VI:

SYSTEM DOCUMENTATION AND ENFORMATION

Article 51:

Reporting institutions must develop and maintain operations manuals relating to their various activities. These documents must describe the procedures for recording, processing and retrieval of information, accounting procedures and operations commitment procedures.

Reporting institutions shall establish, under the same conditions, a documentation specifying the means to ensure the proper functioning of internal control, including:

e the different levels of

responsibility;

s devolved powers and. .

resources allocated 3 U

operation of internal controls;

- rules that ensure independence: \$ e devices in accordance with Article 20 of this Instruction; procedures relating to computer security and communication and die business continuity plans; * A description of the measurement systems, limiting, monitoring and managing risks; * The mode of organization of the compliance control system; The material is organized so that it can be made available at

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their request, the legislative body, the executive body of the audit committee, the auditors and the Central Bank of Congo.

Article 52:

The reports drawn up following the checks carried out under the arrangements referred to in Article 24 of this Instruction shall be communicated to the executive body and, on request, to the legislative body and, if necessary, the committee audit.

These reports are available to the auditors and the Directorate for Supervision of Financial Intermediaries of the Central Bank of Congo.

Article 53:

At least twice a year, the governing body must conduct a review of the activity and results of the internal control on the basis of the information --transmits him for this purpose by the executive body and

where applicable, by the Audit Committee.

When there is an audit committee, the review can only take place once a year.

Article 54:

The executive body shall inform regularly, at least once a year, the governing body and, where appropriate, the audit committee:

essential elements and main lessons that can be drawn from the surveillance risk of non-compliance and risk measures which the reporting institution is exposed; measures taken to ensure the

business continuity and scope i'appréciation SIlf efficiency devices

square ;

June 3

- measures taken to ensure the control of outsourced activities and any resulting risks for the reporting institution. When the legislative body is not involved in setting limits; the executive informed and, where appropriate, the audit committee, the decisions taken in the matter. In addition he regularly informed, at least once a year, conditions in lesquelles the limits are respected,

A copy of this report should be directed to the Department of Supervision of Financial Intermediaries of the Central Bank of Congo, 31 March following the end of the year.

Article 55:

At least once a year, subject institutions are required to prepare a report on the conditions in which internal control is conducted. This

report includes:

"An inventory of surveys highlighting key lessons and, in particular, the main shortcomings identified and follow-up corrective measures: a description of the significant changes made in the area of internal control during the review period in particular to take into account the evolution of the activity and risks; a description of the conditions

Application of Imises procedures in place for new activities;

ia presentation of the main initiatives planned in the field of internal control,

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A copy of this report should be directed to the Department of Supervision of Financial Intermediaries of the Central Bank of Congo, 31 March following the end of the year,

Article 56:

The head of the business continuity plan must establish, at least once a year, a report on the continuity plan of activity that addresses the executive. Will forward the report to the governing body or the audit committee.

A copy of this report should be directed to the Department of Supervision of Financial Intermediaries of the Central Bank of Congo, by 3 {March following the end of the year.

PARTE | f;

COMPLIANCE FUNCTION

CHAPTER TER: OBJECT AND

DEFINITION OF

COMPLIANCE FUNCTION

Article 57:

Reporting institutions are required to have a function "compliance". A function is "Compliance", the independent function responsible for managing the risk of non-compliance, which is defined as the risk of exposure from one institution to reputational risk, financial losses or sanctions due to non-compliance with laws and regulations, standards and practices applicable to its activities or codes of conduct, hereinafter "applicable standards".

CHAPTER 2: THE ROLE AND EXECUTIVE BODIES deliberating

Article 58:

The délibératt body's role is to:

- Determine the basic principles of the compliance policy to which the institution must adhere in the exercise of its activities; - Ensure the implementation by the executive body, function, compliance and promote a positive attitude towards compliance; - Approve the policy and the charter of "compliance" adopted by the management; - Annually assess the risk management of non-compliance by the institution and, on the basis of specific reports drawn up by the executive. This task may, however, be delegated to the audit committee or an ad hoc committee attached to the governing body.

Article 59:

The executive body include:

- Establish a compliance function and appoint the head; - Develop policy and compliance charter and ensure their implementation

artwork ; - Continuously ensure the adequacy of the policy of "compliance" relative to the tailte of the institution and the nature, volume and complexity of its activities. It also checks the implementation and compliance with this policy and take without delay the necessary corrective measures to rectify the shortcomings identified

Its missions

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by "compliance" function or the internal audit;

- Keep the governing body informed about the risks of non-compliance incurred;
- Establish at least ar a report to the attention of the governing body or audit committee or an ad hoc committee on the objectives of the compliance function, human and material resources used for this purpose, the main work of this function, any weaknesses identified, corrective measures decided and monitoring.

CHAPTER 3: THE ORGANIZATION

COMPLIANCE FUNCTION

Article O {}

The organization of the compliance function meets the following conditions

- Compliance function is an independent operating entities and reports directly to the executive body; It ensures the coordination of risk management of non-conforinité in 'établissement.ent;

The compliance function should be exclusive to the exercise of any other function within the institution to avoid any conflict of interest

potential;

- Certain tasks related AL] X responsibilities of the compliance function may be delegated to services, cells {} ll departments. In this case

compliance function plays a coordinating role between the entities responsible for the tasks arising from its responsibilities;

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Article 6 ³.

- When the taiile establishment warrants, the executive body may himself take responsibility for the "compliance"; the outsourcing of the "compliance" to a third party is not allowed. However, if business can use the expertise or technical means of third. It may establish, as appropriate, a functional link with the "conformity" of the group il succession; those in charge of the compliance function must have a high level of competence in the field of banking and

finance and a thorough knowledge of the rules and standards.

CHAPTER 4: POLICY

CONFORMITY

Compliance policy should identify its fundamental aspects of the risk of non-compliance, explain the principles set by deliberating organs, define the role and objectives of the "compliance" and establish a continuing education program.

This policy should also include the development of a charter of "compliance" that:

- Sets out the objectives of the compliance function, establishes the independence and defines the responsibilities and competencies;
- Describes the relations with other functions in charge of management and risk control as well as that of the internal audit;
- Clearly specify the reporting relationships and reporting lines between IES various entities involved

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in the management and control of the risk of non-compliance by specifying in particular that responsibility for delegated tasks return to the "compliance" - grants to the "compliance" the right of access to all information necessary for the performance its tasks; - Confer on the "conformity" the

right to conduct investigations; establishes the right to contact the executive body and, if necessary, the governing body or members of the audit committee or an ad hoc committee; - Defines the terms and conditions under which the function can use, if needed, external experts.

CHAPTER 5: responsibilities

FUNCTION "CONFORMITY"

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Article 62:

The compliance function ESE responsible for the following: (i) identification of applicable standards of "compliance" function must identify the various "current standards" governing the exercise of the activities of the institution. These standards must be communicated to all staff concerned.

(ii) identification and assessment of the risk of non-compliance The "compliance" must identify the various risks of non-compliance 3: hC () L II U the S by the institution and evaluates them for 3pJ determine the importance and the consequences. To this end, it establishes procedures:

- Control of the "compliance" of transactions from the rules and standards;
- Identification and measurement of risk of non-compliance inherent to any new type of activity, product, customer or major conversion on existing products;
- Permanent changes or changes that followed intervene in the texts governing the operations of the institution.

{lii} procedures and instructions for the implementation of the policy of "compliance"

The "compliance" to ensure that the institution has standards for the practice of the daily operations of all its activities. These standards must be part of the instructions, procedures and internal controls to areas directly under the "compliance". For activities that are not directly of the "compliance", the "compliance" is involved and consulted in the preparation and implementation of operational procedures and internal control.

{Jv verification of compliance with the policy

"compliance"

"Compliance" function should regularly conduct an audit of compliance with the policy, in terms of procedures and instructions of "compliance".

It also establishes procedures and indicators to analyze and monitor the detected problems and recommend IMI 3SU r 3S

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Corrective that should be taken to remedy them.

{V} centralize information on

problems of 'compliance'

Ila "compliance" function must have centralisation procedures of all

information on the problems and

dysfunctions readings compared to "Applicable Standards" If the property belongs to a group of interest these procedures should cover the clearing-house arrangements from that establishment.

(Vi) awareness and training

staff

The institution must educate

its entire staff on the importance of "compliance" function and provide training on the control procedures "compliance" related to its transactions.

(Vii) documentation and internal reporting

"Compliance" function shall document the work performed in accordance with responsibilities

assigned, including to track interventions and deductions observations. She reports to the executive body and, if applicable, the deliberative body or an audit committee or an ad hoc committee, problems and malfunctions observed in procedures or even at the policy of "compliance" and the measures taken in this regard, it must also periodically communicate these problems to the internal audit,

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CHAPTER 6: CONTROL

FUNCTION "CONFORMITEx PAR Internal Audit

Article 63:

The activities of the function

"Compliance" should be included in the scope of work of internal audit. It must assess the operation and! Effectiveness of this function.

Internal audit must communicate to the head of the "compliance" malfunctions relating to the risk of non-compliance identified in its supervisory duties.

CHAPTER 7: A MPLANTATIONS

ABROAD

Article 64:

Institutions must ensure that their branches and subsidiaries abroad set up a control system of the risk of non-compliance of their operations. This device provides the Compliance Procedures "Applicable standards" of the host country and the application of

this Instruction.

CHAPTER 8: INFORMATION SYSTEM

Article 65:

The responsible compliance shall establish, at least once a year a report on its activities that address to the executive body. Will forward the report to the governing body or the audit committee.

A copy of this report should be directed to the Department of Supervision of Financial Intermediaries of the Central Bank of Congo, 31 March following the end of the year.

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TITLE VII TRANSTORES PROVISIONS AND FINALS

Article 66:

Any breach of this Instruction in devices entails the application of sanctions under the laws and regulations in force.

Article 67:

This Instruction comes into force on 1st January 2010 and supersedes all previous provisions are inconsistent with it.

Done at Kinshasa, July 8, 2009 AD. MASANGU MULONGO

Governor

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INSTRUCTION No. 18 BANKS

Approval requirements of banks and their leaders as well as changing their statutory situations,

concerns:

The Central Bank of Congo;

CONSIDERING the GJ 005/2002 of 7th March 2002 on the constitution, organization and operation of the Central Bank of Congo, especially in Article 6;

Pursuant to Law n° 001/2002 of 3rd February 2002 concerning the activities and supervision of Credit Institutions, especially in Articles 10, 11, 12, 13, 14, 15, 16, 22, 23, 29 and 36;

Stop the following rules for the authorization of banks and their leaders or in case of change of which contributed to the issuance of the certificate:

Article 7th:

This instruction is to clarify the procedure and documents required during the accreditation of banks and their leaders, the conditions for consideration of changes in the capital structure and other elements of accreditation conditions a bank or its management.

TITLE I: PROCEDURE FOR THE APPROVAL OF BANKS

Article 2:

In support of their demand approval, applicants must submit a complete dossier including:

- An approval application letter written in French and addressed to the Governor of the Central Bank of Congo, - the resolution of the constituent general assembly of the new company and that of the extraordinary general meeting of associates

legal persons shareholders allowing them to take part in the capital of the bank;

the national identification number and the commercial register of the applicant company; the original notarized statutes of the applicant company; the minimum capital release of evidence by the shareholders by a certificate of deposit in a renowned bank in the amount of that capital to the constitution of the bank; the list of shareholders and management; the elements for assessing the good reputation and experience of directors and shareholders (curriculum vitae and criminal record of individuals, certified financial statements for the last three financial years of legal entities); for foreign natural and legal persons, a statement from the banking supervisory authority of the country they are eligible to be licensed in that country; a program of activities indicating the contribution to the satisfaction of a local or general economic need, describing the type and volume of business envisaged and including forecasts supported by balance sheets and operating accounts over a period of five years demonstrating the project profitability; a detailed organigramme indicating clearly the organization and lines

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responsibilities in the future bank; - Description of the technical facilities

financial and it plans to

implemented in support of its program

activities,

The period mentioned in Article 16 of the Banking Act begins to run from the grant by the Department of Financial Intermediaries Supervision (DSIF) of the Central Bank of Congo a filing certificate Compét file

Article 3:

The Central Bank of Congo appreciates the ability of the applicant company to achieve its development objectives under conditions compatible with the proper functioning of the banking system and ensure the adequate security for customers.

Article 4:

To enable the Bank

Centraie of Congo to assess the quality of capital providers and, if applicable, their guarantors, the applicant company must provide in support of its application for approval:

(I) financial information on each of which holds at least 5% of its capital or who provided their guarantee.

In addition to documents mentioned in Article 2 of this instruction, the above financial information for each shareholder or guarantor include:

o to a legal person

public offering - all documents it is required to bring to public knowledge; o for a corporation not doing

no public offering:

- The distribution of shareholdings and the identity of its major shareholders;

- Social accounting documents, if any consolidated certified the last financial year and the related notes:

- Any other information relating to facts that could significantly affect its financial position;

• a natural person:

- Any pertinent information relating to its

financial situation.

(li) the identity of their partners or shareholders who said they hold a proportion of voting rights of less than 5% but greater than 0.5%.

Article 5:

When, in the actionariat of the applicant undertaking, no shareholder has more than 50% of voting rights, the approval may be granted if one of the qualified shareholders of shareholder s' formally committed vis-à-vis the Central Bank of Congo to:

- Participate in the actual determination of the applicant business organization as well as the direction and effective monitoring of its management;

- Provide operational support and

financial to the requesting company;

- Bring its opérationnei and financial support to the applicant undertaking, including, where appropriate, by covering any net liability position, leaving it to him to turn against the other shareholders.

The shareholder is required to provide to the Central Bank of Congo all elements enabling it to ensure the quality of its financial structure and its own shareholders.

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It must necessarily be a bank or financial group not industriei or commercial,

Article 6:

The provisions of Article 5 above shall also apply to banks in operation. They have a period of six months to entry into force of this Instruction for:

- Or bring to the Central Bank of Congo relevant factors within the meaning of Article 4 above, their shareholder who holds more than 50% of voting rights:

Or - provide the Central Bank of Congo formal commitment of a shareholder referred to in Article 5.

Article 7:

The Central Bank of Congo may attach conditions to the authorization granted to the exercise of certain operations defined by the objects of the applicant company,

Article 8:

The Central Bank of Congo may make the authorization granted special conditions to preserve the balance of the financial structure of the credit institution and the proper functioning of the banking system and, if necessary, make the granting of the approval in respect of commitments made by the applicant company,

Article 9:

The Central Bank of Congo may refuse authorization if the exercise of the applicant company monitoring mission is likely to be hampered either by the existence of links of capital or control, direct or indirect, between company and other natural or legal persons, or by the existence of laws or regulations

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a State governing one or more persons.

Title II ; MAKING CONDITIONS OR PARTICIPATION OF EXTENSION IN THE CAPITAL OF A BANK

Article 1

Any person or group of persons acting together, must get permission from the Central Bank of Congo prior to the completion of any decision, extension, or disposal of participation, direct or indirect, in a bank, when this operation has the effect of enabling that person or these people acting together to:

- Acquire or to lose effective power of control over the direction and management of the bank;
- Acquire or lose the third, fifth or tenth rights Vote.

Notwithstanding the foregoing, are only brought immediately to the knowledge of the Central Bank of Congo, transactions between companies which are directly or indirectly, capital ties, under the effective control of the enterprise, except if these transactions have the effect of transferring the effective power of control or ownership of all or part of the aforementioned rights to one or more persons not under the law of the Democratic Republic of Congo,

In addition, any transaction that results allow a person or several people together to acquire the twentieth of the voting rights must be submitted prior to its implementation, the authorization of the Central Bank of Congo,

When, by law or statutory provisions, the number or

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distribution of voting rights is limited to the number or repair of shares or to which they are attached, the percentages provided in this chapter and the provisions described in Article 1 below are, respectively, calculated and implemented in terms shares or shares.

Article 1 f:

When a repurchase transaction,

extension or indirect equity transfer referred to in Article 10 of this Instruction is carried out in the Democratic Republic of Congo between people under foreign law, the latter are held only to an immediate declaration the Central Bank of Congo.

The Central Bank of Congo then has three months to let the (x) registrant (s) that, given the need to ensure sound and prudent management under the same conditions as during the approval, this operation is likely to involve a review of the situation of the bank,

Article 12:

Banks are required to inform the Central Bank of Congo, within a month of their realization of significant movement affecting the distribution of voting rights held by their partners or shareholders subject to the provisions of Article 10 of this Instruction.

The Central Bank of Congo may also require banks to identify their shareholders who said they hold a proportion of voting rights of less than 5% but greater than 0.5%.

Article 13:

Banks are required to pass each year and no later than 31 March of the following year, to the Bank

Central Congo, Financial Intermediaries Supervision Directorate financial information on each of the persons who hold at least 10% of their capital.

The above financial information for each shareholder include: (i) for a corporation using

Public Offering:

- All documents it is required to bring to the attention of the public.

(li) a legal person making

no public offering:

- Social accounting documents, if any, consolidated and certified the last financial year and the related notes:

- Any other information relating to facts that could significantly affect its financial position.

(lii) a natural person:

- Any pertinent information relating to its financial situation.

Article 14:

The Central Bank of Congo can

demander any bank it

communicate all information

financial assistance in carrying out its mission on ten shareholders each holding less than 10% of the capital but more than 0.5%.

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PART III: CHANGES OTHER ELEMENTS TAKEN INTO ACCOUNT IN THE issue license

Article 15:

Any modification of the conditions to which was subject the approval of a bank must be a préalable authorization of the Central Bank of Congo.

Banks are required to submit to the Central Bank of Congo for prior authorization the changes required to their situation regarding:

- the legal form ; - The name or social reason; - The name or trade name; - The type of banking operations for

Eiles which have been approved; - The composition of the shareholding; - The identity of the shareholders,

Article 16:

Banks are required to report to

the Central Bank of Congo within a month:

(I) changes:

- The amount of capital; - The rules for calculating rights

vote: - the composition

administration; - The address of the registered office;

the Council

any amendment to the provisions of statuts.la conclusion or modification of any agreement

between shareholders on the items referred to in Articles 5 to 11 of this Instruction.

(ii)

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TITRE IV. APPOINTMENT AND TERMINATION OF OPERATIONS ORIGEANT

Article # 7:

The designation

! Prior authorization of the

hear any person involved

director, member of management or executive committee in

bank.

The licensing application with all the information needed to assess the good repute and professional experience in banking and finance, is the person concerned and in particular Article 15 of the Banking Act.

For individuals

Foreign, a certificate from the banking supervisory authority of the country of origin stating that they are eligible to be licensed in their country of origin

is required.

The Central Bank of Congo has months from the date of the application receipt date to give a period of three

his opinion.

³ & *Articie*:

Termination in a bank of the functions referred to in Article 17 of this Instruction must be immediately reported to the Central Bank of Congo, Intermediates Division

Supervision of

financial,

Article # 9:

The introduction or removal in the statutes of a bank of a provision on the organization of the powers of

any new person (leader) required to ensure the effective determination of the orientation of the activity of a bank should be subject to Central Bank of Congo, As leader you must

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management and control, entrusted to a Management Committee or Board of Directors shall be immediately reported to the Central Bank of Congo.

This declaration, if necessary, accompanied by the information provided for in Article 16 of this Instruction.

TITLE V: GENERAL PROVISIONS

Article 2f):

Corporations that are headquartered in the Democratic Republic of Congo and who directly or indirectly hold effective power of control over one or more banks are subject to the provisions of Part i of this Instruction, in the same way as banks.

They must also report immediately to the Central Bank of Congo changes in their

situation on:

- The name;
- The composition of the College of partners in a collectif by name;
- The identity of the partner

in a limited partnership; - The rules for calculating rights

vote; - Agreements between partners or shareholders related to the factors referred to in Article 5 of this Instruction: - the address of the head office.

Article 21:

For the purposes of this Instruction, are treated as voting rights held by a person to the obligations mentioned above:

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(I) voting rights held by other persons on behalf of that person:

(li) the voting rights held by companies under the effective control of that person; (lii) the voting rights held by a third party

with whom that person is;

(lv) the voting rights of that person or any of the persons mentioned in (i), (ii) and (iii) above is entitled to acquire on its own initiative under an agreement.

Are considered to be acting together people who have concluded an agreement to acquire or dispose of the voting rights or in order to exercise rights to implement a common policy vis-à-vis a bank.

Such an agreement is presumed to exist:

- Between a company, the Chairman of its Board of Directors and Managing Directors or the members of its Executive or Managing Directors:

- Between a company and the companies whose it holds directly () or indirectly exercises effective control;

- Between companies under the effective control of the same or the same persons,

Article 22:

Authorization applications and statements provided for in this instruction must include all relevant elements specific to inform the Central Bank of Congo on the causes, objectives and implications of the changes to be made -

Article 23:

The decisions of the Central Bank of Congo adopted pursuant to the

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This Instruction shall be notified to the applicants and to the banks.

Article 24:

Banks are required to ensure the strict observance of the provisions of this Instruction by shareholders including asking them any necessary evidence.

Failure by the applicants or the bank of the provisions of this Instruction exposes offenders to

sanctions under the légaes and regulatory provisions on the subject,

Article 25:

This Instruction shall enter into force on the date of signature.

Done at Kinshasa, 1 December 4, 2007 BC. MASANGU MULONGO Governor

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INSTRUCTION No 19

Concerns: Provisions
relating to accounts of
credit institutions,

The Central Bank of Congo;

Pursuant to Law No. 005 / 2 2 May 07 2 2 on the establishment, organization and functioning of the Centraie Bank of Congo, in particular Articles 6 and 31;

Pursuant to Law No. 003/2 2 from 02 February 2002 relating to the activity and supervision of credit institutions, in particular Articles 49 to 55;

Stop the following provisions
on statutory audit of credit institutions.

TITLE I:

SCOPE

Article! :

This Instruction applies to credit institutions and to clarify the rules for the application of the above legal provisions relatives auditors.

Title | :

APPOINTMENT OF AUDITORS BY CREDIT FACILITY

Article 2:

The exercise of the functions of Commissioner Auditors in a credit institution is subject to préalable authorization of the Central Bank of Congo.

Article 3:

Credit institutions must appoint as auditor or two individuals, or a corporation among those approved by the Central Bank of Congo.

An application for approval must be accompanied by a certificate in the model in Annex I, duly dated and signed by the head of the credit institution in which the credit institution certifies that the selection of the auditor was conducted accordance with the provisions of this Instruction,

Article 4:

The rrlandat of Auditors is three years renewable.

Before making a decision FERL Huvellement of office of an auditor, the credit institution shall inform the préalable the Directorate for Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo,

Except in cases of resignation, it can be terminated the mandate of an auditor by order or authorization of the Central Bank of Congo for reasons of incompetence or immorality,

TITLE IH:

PROCEDURE FOR THE APPROVAL OF AUDITORS

Article 5:

The approval by the Central Bank of the auditor is subject to the following conditions:

(I) for natural persons:

- Have Congolese nationality;

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be resident in the Democratic Republic of Congo; have an adequate organization of the exercise of the statutory auditors functions; - Exercise independent professional activity in the field of accounting control; - Be affiliated with an organization

professionnelle recognized; - Have practiced for at least five years relevant professional activity performed to acquire sufficient experience in auditing; - have gained experience by participating in audits in credit institutions;

(li) for legal persons:

- Be under Congolese law and capital

held by the majority of the Congolese; - Be incorporated under Congolese law SL :: commercial companies; - Be managed by

Congolese nationals; - Exercise independent professional activity in the field of accounting control; - Be affiliated with an organization

recognized professional; - Have practiced for at least five years relevant professional activity used to acquire a sufficiently extensive experience in auditing; - Have gained experience through participation in audit engagements of credit institutions;

Article 6:

Accreditation requests should be addressed to the Directorate of Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo.

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Article 7:

The applications relating

auditors practicing in

title

independent (individuals)

must be accompanied by files including the following:

a certificate of registration of the auditor in professionnelle corporate accountants and the effective exercise of the function of public accountant; curriculum vitae, dated and signed, the auditor and each of its employees may take part in the monitoring work; a sworn statement in the form attached in Annex II dated and signed by the auditor by which the signatory attests, including that it does not fall under the disqualifications prescribed by Articles 5 and i 53 of the Act banking and this Instruction.

The 覯 总 host highlighting the experience of the auditor with a list where customers are exercised the functions of auditors or external auditors and references of audit and consulting services and advice previously conducted with credit institutions. a note describing so

documented the organizational, technical and human resources available to the

auditor and, fe if necessary, the support it could get from other qualified partners, domestic or

foreign ..

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Article 8:

Applications for approval for auditors practicing as a public accounting companies (legal persons) must include, in addition to the information referred to in Article 5 the following documents:

an information document conforming to the model in Annex IIB, duly signed by the statutory representative of the company; e certified copy of the articles of association updated; o curriculum vitae of each partner required to participate in missions of credit institutions; e a description of the organization

firm seeking authorization; "A sworn statement in the form attached in Annex II dated and signed by each of the partners invited to participate in missions to credit institutions by which the signatory attests, including that it does not fall within the scope of the planned incompatibilities Articles 15 and 53 of the Banking Law and this Instruction. * L₁ laughed 3 t: t U making 3 out the professional experience of the company with a list of customers where

are exercised the functions of auditors or external auditors and

references of audit and consulting and advisory services previously performed with credit institutions. "A note describing how documented organizational Moyers, technical and human resources available to the Company and,

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where appropriate, the support it

could benefit from other qualified partners, domestic or foreign

Article 9:

In case the auditor uses as part of its mission, the experts are not part of its workforce to perform occasional work, he must ensure that these people do not violate provisions on incompatibilities referred to in Title III of this statement.

Article 1s):

The Central Bank of Congo may require communication of any other information it considers necessary for the processing of applications for approval.

Article 1 i:

The decision to grant the approval or applicable refusal of approval is notified to the concerned établissement of credit, maximum 30 days from the date of receipt of the complete application for approval by the Directorate of Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo.

The Central Bank of Congo publishes the list of registered auditors.

PART IV:

MISSION OF AUDITORS

Item # 2:

The mission of the auditors is to:

- certify the regularity and fairness of the financial statements confirming that the year-end financial statements give a true picture of the operations of the financial year,

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the financial position and the real heritage of the credit institution; ensure compliance with accounting principles; : Establish a detailed report in leque are recorded:

- His appraisal of the organization

Institution Credit and identification, measuring, monitoring or

control and risk reduction; its assessment of the adequacy and j'efficiencie the internal control system of the credit institution, given its size, the nature of the activities and encQllius risks; comments on the anomalies identified during its investigations in various areas including:

* Internal control system;

* Compliance with the prudential management standards; * Accounting and prudential principles - reserves or refusal

certification.

Article 13:

In their work, the auditors appreciate the adequacy of the arrangements in place for:

- Prevent fraud, manipulation and errors that may engage the responsibility of the Credit institution or undermine the integrity of its assets or those of customers;

prevent the establishment is involved unwittingly in financial transactions related to illegal activities or likely to

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its reputation or undermine the reputation of the profession.

Article 14:

In their work, the auditors appreciate the reliability and integrity of accounting i'information processing and management system by performing such evaluation:

- The system safety device

of information ;

- The reliability of the audit trail;

- Accounting procedures and

Information control.

TITLE V:

OF INCOMPATIBJLITES

Article 1.5:

The auditors shall have neither directly or

indirectly, any subordination or no interest of any nature whatsoever with the credit institution or a family relationship or affinity with its leaders.

Article 16:

The auditors may exercise within credit institutions for which they have been approved, no mission other than that referred to in Articles 12, 13 and 14 of this Instruction. It is especially forbidden them any consulting activity not forming part of the exercise of the mission and circumscribed,

Article 17:

In addition to the incompatibilities and prohibitions in sections 15, 53 and 54 of the Banking Act are incompatible with the exercise of the auditors in a credit institution, activities

which constitute interference in management or are likely to impair

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the independence required to express an opinion on the regularity and sincerity of the summary financial statements that are to present fairly the results of operations for the year and the financial position and assets of the institution at the end exercise.

TITLE V i:

} S 08 || - | tions of COMM | SSAIRES AUDITORS

Article # 8:

The auditors are required to promptly alert the Directorate of Financial Intermediaries Supervision (DSMF) of the Central Bank of Congo as soon as they observe during the exercise of their mission:

any matter likely to significantly influence the situation of the credit institution on the map

financial in terms of its administrative and accounting organization and its internal control;

any events that may constitute a violation of time and nature of instructions to question seriously the responsibility of the institution or its officers; any fact which is likely to lead to rejection or serious reservations regarding certification of accounts; any act which is likely to jeopardize the continued exploitation of the Credit institution.

In the case of CaS, the DSIF correspondence and other documents relating to this procedure are disclosed to the Department of Financial Intermediaries Supervision (DSIF) of the Central Bank of Congo.

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Article}}

Significant gaps in the different internal control devices must be worn upon their finding to the knowledge of the management body or the credit institution audit committee.

The detailed report of these significant shortcomings must be worn and reported regularly to the attention of bodies to which the property he is subject to appropriate remedial action. It can also make recommendations state that could overcome the weaknesses and shortcomings.

Article {2}:

The auditors communicate to the Directorate Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo any report addressed to the executive or deliberative organs of the credit institution which they ensure the certification of accounts.

Title VI:

MISCELLANEOUS AND TRANSITIONAL

Article 21:

Professional secrecy is not

enforceable against the Central Bank of Congo. The responsibility of the auditors shall be liable for the information and disclosures made pursuant to Articles 18, 19 and 20 of this Instruction,

Article 22:

The reports referred to in Article 10 ABOVE duly signed and dated by the statutory

auditors should be sent by them to the Department of Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo at the latest: