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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 addition, the 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:

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- 15 days before the date of the meeting of the ordinary general meeting of shareholders of the credit institution or corporate body *eri lieu*;
- 15 June of the year following the one for which the audit is conducted in terms of the detailed report,

*Article 23:*

The Directorate for Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo can enter the auditors to request clarifications and explanations on the findings and views expressed in their reports and, if necessary, to put his available working documents on which they formulated these conclusions and opinions.

Of the Financial Intermediaries Supervision Department (DSIF) of the Central Bank of Congo is also for this purpose *travaïi* hold meetings with the auditors.

*Article 24:*

Credit institutions are required to make available to the Auditors all documents and information that they deem necessary to accomplish their mission.

*Article 25:*

Credit institutions shall inform the Directorate

Supervision of Financial Intermediaries (DSIF) of the Central Bank of Congo, at his request and within the deadline set by *eile*, actions taken and those they intend to implement to address the shortcomings, mistakes and shortcomings identified by the Commissioners Auditors.

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*Article 26:*

In case of non compliance

of this Instruction by

credit institutions and

Auditors, the Central Bank of Congo in particular can inflict on them the penalties provided for in Article 77 of the *lô*; No. () O3 / 2002 of 02 Févrie; 2 {} {} 2 on the activity and supervision of credit institutions or an administrative fine set by the Institute of Issue.

*Article 27:*

The Auditors based in credit institutions at the date of signature of this Instruction will be subject to these provisions until the expiry of their current mandate ..

However, credit institutions shall communicate to the Directorate for Supervision of Financial Intermediaries (DSIF) of the Central Bank within one month from the entry into force of this Instruction, the names of Statutory Auditors year and the expiry of their mandate.

Statutory financial statements referred to in the preceding paragraph will file with

the Department of Financial Intermediaries Supervision (DSIF) of the Central Bank a complete dossier within the meaning of Articles 7 and 8 of this instruction.

*Article 28:*

The provisions of this Directive come into force on the date of signature.

Done at Kinshasa, is AD MASANGAJ mujj {Ongo Governor

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INSTRUCTION No 21

## ON THE CORPORATE GOVERNANCE IN CREDIT INSTITUTIONS

### **The Central Bank of Congo**

Considering Law 005 / 2002 of 7 May 2002 on the establishment, organization and functioning of the Central Bank of Congo, in particular Article 6,

Pursuant to Law No. 3/2002 of 02 February 2002 concerning the activities and supervision of Credit Institutions, in particular Articles 12, 14, 25, 29, 36, 51 and 52,

Establishes good practices

corporate governance in credit institutions.

### TITLE | GENERAL PRINCIPLES AND DEFINITIONS

*Article 1 ":*

Institutions subject to this investigation are:

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

*Article 2:*

Corporate governance refers to relations between shareholders, board of directors, senior management and other stakeholders. Corporate governance provides the structure through which defined the objectives of a company, as well as the means to achieve them and ensure monitoring of results.

financial

Good corporate governance should encourage the board and company management to pursue objectives to corporate interests and shareholders and facilitate effective monitoring of results, encouraging efficient use of resources to business.

*Article 3:*

For the purposes of this Instruction, there is meant by:

General Assembly meetings and decision-making body of the holders or owners of a fraction of the taxable capital of the institution or social endowment or element of the company's assets in lieu.

(i)

(ii) the Board: a body on behalf of shareholders, monitoring the situation and management of the reporting institution.

(iii) or Branch Management Committee: a body responsible for the ongoing management of the reporting institution that corresponds to the Banking Act

Congolese in the management committee.

Executive or Active Administrator: a member of the Board of Directors simultaneously performing functions within the executive body of l'établissement subject.

(iv)

Non-Executive Director or Passive 1: 1 member of the Board who do not hold office in the executive body of the reporting institution.

(v)

Independent director [] member of the Board has no relationship of any kind whatsoever with

(vi)

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the reporting institution or the group to which this institution that could compromise its judgment. It may only be a non-executive director or Passive

(vii) politically exposed person: a person exercising significant public or political functions as Head of State or Government, political figures, officials of the administration of justice or military, responsible for public companies or political parties.

Title II:

## ROLES OF BODIES

*Article 4:*

Institutions subject to

ensure their sustainability, should acquire the deliberative organs of administration or management and control.

CHAPTER; :

## GENERAL ASSEMBLY

*Article 5:*

The General Assembly is the meeting of providers of capital, shareholders or members entitled to take part, convened and held in accordance with the statutory provisions.

Shareholders or members are natural or legal persons who hold a share of the capital. They should be regularly and adequately informed of the activity, financial position and management of the institution through regular and detailed reports. They must meet periodically in general meeting to make decisions on the life of the company,

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*Article 6:*

The Central Bank of Congo may refuse entry of a significant shareholder in the shareholder if it considers that it does not have the qualities required in view of the need to ensure the sound and prudent management of the institution.

CHAPTER II ;

## BOARD OF DIRECTORS

*Article 7:*

The Board of Directors is the collegial body that represents

all providers of capital and which imposes an obligation to act in all  
 j'intérêt circumstances of the reporting institution.

The directors appointed by  
 the general assembly are collectively responsible to the meeting.

The Board of Directors must be composed of directors with different types of expertise  
 in domain I

banking and finance and in the corporate governance.

Every taxable institution must

establish a formal and transparent procedure for selection and appointment of directors.

The appointment of directors is subject to the assessment and prior approval of the  
 Central Bank of Congo,

as provided by regulations.

*Article 8:*

The board works together but also independently from the management of the reporting  
 institution,

Administrators must have the capacity but also the will to ask questions and  
 demand accountability in the management of the reporting institution.

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*Article 9:*

The composition and organization of work of the Board shall be appropriate to the  
 shareholder structure, and the size and nature of the activities of the reporting institution.

To ensure the independence of the Board, its composition should include executive  
 and non-executive, at least two (2) independent directors in the latter category.

*Article f {}:*

The independent directors

must not belong to conseil:

Administration for too long

periods of time, and in any event, not more than two (2) terms of three (3) years each.

To prevent conflicts of interest, the independent directors must not:

be employees or agents of the reporting institution or a company group to which the  
 reporting institution; be officers of a company in which the reporting institution holds a  
 directorship; be customers or suppliers the reporting institution; have a relationship with a  
 corporate officer of the reporting institution; have been auditors or auditors of the institution  
 subject over the past five years.

*Article ! ! :*

The board of directors shall not participate in the daily management of the reporting  
 institution. However, it should

of

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receive enough information to judge the quality of management.

*Item # 2:*

The Board's mission is to:

- Define the business strategy

credit ;

- Approving corporate values, codes of conduct and ethical values communicated by all of the credit institution;

propose to the General Meeting the appointment of competent independent directors; appoint officers; select and evaluate members of senior management or the management committee and ensure that this body exercises appropriate oversight in Complying with the policy defined; control the management and ensure the quality of information provided to shareholders and the market; set and enforce clear lines of accountability at all levels of the reporting institution; ensure the independence of risk management functions, compliance, ethics and internal audit; Oversee the evaluation of the risk management, internal controls, financial reporting, compliance and ethics; ensure that the external auditors comply with applicable professional codes of practice and standards; act through specialized committees such as the audit committee or risk management committee; approve compensation for members of senior management and key personnel, in accordance with

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corporate culture, objectives and long-term strategy and ia

SEITICHITE control of the reporting institution; - Monitor compliance with the regulatory, ethics, rules of conduct and codes of ethics.

*Article 13:*

The Board of Directors shall:

- Have a charter approved by all

Administrators in full;

- Meet regularly Selor a predefined schedule and a predetermined agenda or whenever bank's interest requires it;

- Produce-written accounts of

meetings;

- Have 莺意S reports formally reviewed, approved and kept in the permanent records of the reporting institution.

*Article 14:*

The board must ensure quality of information on the shareholding structure and objectives cie the reporting institution.

The board must ensure the prevention of conflicts of interest and setting up procedures for managing conflicts of interest.

The board should ensure the establishment of a code of ethics and good business conduct and monitoring.

The board should ensure the establishment of mechanisms for staff to alert the legislative and executive branches of anomalies or slippages.

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*Article # 5:*

When the reporting institution has established a Management Committee, the Board

Chairman of the functions of Directors and the Management Committee shall be assigned to different persons, namely passive and active administrator administrator to ensure a separation of proper functions of these two organs.

CHAPTER II ;

## SPECIALIZED COMMITTEES

### *Article M6:*

The Board is assisted in its oversight role by specialized committees.

The specialized committees of the Board are:

- Have a charter approved by the

full board;

- Meet regularly in a predefined schedule and a predetermined agenda or whenever the interest of society requires;

- Produce written accounts

Committee meetings:

- Have ← ē \$ reports formally reviewed, approved and kept in the permanent records of the reporting institution,

The delegation by the Board

administration of certain responsibilities to a specialized committee can not lead in any way to limit its

or responsibilities of ceiles

administrators.

### *Article I 7:*

Without prejudice

regulations adopted by the Central Bank of Congo in internal control, the Board is assisted in conseil

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its function contr  ie by specialized committees, including the audit committee,

### *Article 18:*

The Audit Committee shall include:

- Understand only the directors with no executive responsibility (not Executive or liabilities) in the bank or financial institution: - understand the directors with the most skills and knowledge in finance and banking (expertise in accounting er and financial management); ensure the adequacy of the internal control system to the bank's activities; - Monitor and control the function

Internal control: examining the activity reports of the internal audit; ensure full coverage of the institution's activities secured by the internal and external audits,

- Oversee the review and approval of financial statements made public by the reporting institution.

The audit comit   has its prerogatives in the power to recommend to the Board the hiring or dismissal of external auditors and oversee the relationship between external auditors and the reporting institution.

To ensure its independence with regard to the management of the reporting institution, the head of internal audit should report directly to the board or audit committee.

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## CHAPTER IV:

### MANAGEMENT COMMITTEE AND EXECUTIVE MANAGEMENT

#### *Article 9:*

The division of responsibilities between the board and the management committee or the general direction of the reporting institution should be clearly defined to ensure the balance of power and avoid the concentration of power of decision,

The Board defines the division of powers between the President and the Directorate-General or the reporting institution management committee.

The management committee or senior management, is responsible for the ongoing management of the bank or the reporting institution and adequate information of the administration conseil.

The management committee or senior management, is responsible for the supervision of officials of different business lines of the bank or the reporting institution.

The Management Committee or senior management must consist of at least two (2) persons in a position that allows them to exercise a reciprocal control effective

The members of the Management Committee or senior management must have the skills to manage the activities under their responsibility and must exercise proper control over key personnel in the business lines under their responsibility,

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TjTRE iH;

### AND PREVENTION OF CONFLICTS OF INTEREST GESTION

#### *Article 2 }*

The reporting institution shall take appropriate measures to prevent conflicts of interest and set up procedures for managing conflicts of interest.

The reporting institution must define a policy and put in place procedures to identify and prevent conflicts of interest,

The reporting institution shall inform stakeholders and the market in general and candied sources of leads that may appear in its activities and the policy for the identification, prevention and management of conflicts of interest ,

#### *Article 2]*

In case of stage situations of conflicts of interest appear in the relations of the reporting institution and its shareholders, directors, staff, customers, the reporting institution shall manage in a manner that is not detrimental either other stakeholders or to himself, and document information using appropriate how were managed conflicts of interest.

## TITLE V:

### DIMENSION GROUP

#### *Article 22:*

In | the exercise of their

responsibilities, administrative bodies and the parent undertaking management establish general policies at the group level as well as the governance structure



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to provide it with an integrated and harmonized control device,

To this end, their duties must not exclude or limit those of the administrative and management Congolese subsidiaries.

Therefore, the administration and management bodies of Congolese subsidiaries must fully retain their responsibilities including those relating to the preservation of the financial strength of their institutions, strategic choices that contribute to protecting the interests of depositors, risk management and compliance with legal and regulatory requirements.

Furthermore, the presence of control and audit functions at group level does not exempt from responsibility those operating in Congolese subsidiaries.

TITLE V:

MISCELLANEOUS

*Article 23:*

The decisions of the Central Bank of Congo adopted pursuant to this instruction is notified to the supervised institutions concerned.

*Article 24:*

Reporting institutions must notify the Central Bank of Congo, from the implementation of this, a memorandum of governance model that annex and any significant changes that will occur during the life of the company,

*Article 25:*

Reporting institutions are required to ensure strict observance of the provisions of this Instruction by their shareholders and directors,

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including asking all Article 26:

- ... - Tiles. r - The useful justifications p re feel Instruction comes into

Failure by the force institutions to 31 July 2010 subject to the provisions of this Instruction exposes offenders to the penalties prescribed by the provisions Done at Kinshasa, 25 January 2010 law and regulations on the matter. JC. MASANGU Mulong ()

**Governor**

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2)

3)

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ANNEX: INSTRUCTION No. 21

MEMORANDUM OF GOVERNANCE MODEL

Shareholding structure.

Group structure if applicable (legal and fonctionneile structure chart). Policy on the composition and operation of the management bodies (possibly a description of the impact

of the group):

a)

Number, term of office, rotation, age, followed ....

b)

c)

Selection criteria

Proposed procedure (new mandates / renewal) & resignation t / non-renewal;

d)

e)

Independent directors;

Remuneration policy:

i. li effective leaders. Non-executive directors.

Management structure and organization chart (possibly a description of the impact of the group):

a) Body legally responsible for the administration (in this case, the Board of Directors) i.

composition ii. operation (Regulation

internal order) specialized committees

• composition s operation

iii.

b) Effective direction (in this case,

the management committee) i. composition ii. operation (Regulation

internal order)

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iii, people with quality senior manager, but not the administrator iv, internal division of labor

of senior managers c) other committees.

Key functions (éventuellernent with a description of the impact of the group):

a) supervisory function b) control functions

independent: i. internal audit ii. compliance or conformity iii risk management,

(with

Organizational structure a description, if the impact of the group):

a) operational structure, business lines, matrix management and allocation of powers and responsibilities Subcontracting range of products and services geographic scope of activity:

i. freedom to provide services ii. iii branches, subsidiaries, joint ventures, ..... e) use of offshore centers.

b) c) d)

Integrity policy (possibly a description of the impact of the group):

a) strategic objectives and values

corporate internal codes and regulations, prevention policy .... Policy interest denunciation procedure conflicts

b)

c)

d)

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e) Complaints Processing

customers.

. Policy Advertising

principles applied. Status of governance memorandum and date:

a) establishment

b) adaptation latest c) last assessment d) approval by management.

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INSTRUCTION No. 22

TO CREDIT INSTITUTIONS ON RISK MANAGEMENT

The Central Bank of Congo,

Pursuant to Law No. 5/2 {} {} {} 2 of 7 May 2002 on the establishment, organization and functioning of the Central Bank of Congo, in particular Article 6,

Pursuant to Law n ° {} () 3/2002 of () 2 February 2002 on the activities and supervision of credit institutions, including his third title,

Stop the prudential rules for risk management for credit établissements.

Title I:

GENERAL PRINCIPLES

*Article 1:*

Institutions subject to this Instruction are:

the banks ; specialized financial institutions; financial corporations; Savings,

*Article 2:*

Reporting institutions shall implement risk management systems to identify, analyze, measure, monitor, and control the risks of different natures which expose their activities.

These systems must be adapted to the nature, scale and complexity of the activities and operations of the institution and adjusted regularly depending on their risk profile and market developments.

Reporting institutions must implement the evaluation process  
of the overall adequacy of regulatory capital against these risks.

*Article 3:*

The strategies, policies, procedures and risk management limits must be clearly defined and approved by the relevant statutory bodies of credit institutions, adapted to the management of each significant risk and should be clearly explained, magazines, updates and communicated within institutions and respected in practice,

*Article 4:*

For the purposes of this Instruction, the chain of decisions and powers of the principal statutory bodies is as follows:

(i) deliberative body (board of directors, conseil: monitoring ULL instance ÍOutë equivalent) approves and regularly reviews the each significant risk management strategy and policies and procedures to identify, measure, monitor and control risks.

executive body (Management Board, Executive Management, Management or equivalent body) is implementing the strategy of each significant risk, approved by the legislative body and develops policies and related procedures. It takes the necessary measures to monitor and control all significant risks, in accordance with the strategies adopted.

(ii)

Also, the term:

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(i) Credit risk: the risk arising from counterparty défaillance which is no longer able to honor its commitments {respect of the institution;

(ii) Market risk: the risk of losses from changes in market prices. They understand :

- The risk of losses on positions in instrumerats finaraciers balance sheet and off-balance sheet due to adverse changes in market prices; - l exchange risk is the result of an adverse evolution of the price of foreign exchange converted into domestic currency due to an open position, or cash or futures in foreign currencies; liquidity risk: the risk to the institution not be able to fulfill its commitments at their maturities or not being able to close out a position because of the market situation; Operational risk: the risk of loss resulting from inadequate :: 1 l, failures attributable to procedures, staff all, 纽蕙 internal systems or external events. Operational risk includes legal risk, but excludes strategic les and reputational risks; Legal risk: the risk of any dispute with a counterparty resulting from inaccuracy, omission or failure may be due to the establishment in respect of its operations! interest rate risk: the risk due to adverse changes in interest rates on all balance sheet transactions and off-balance sheet of the institution, except for transactions that are

{iii)

(iv)

(v)

(vi)

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covered by the monitoring system of market risk; (vii) settlement risk: the risk

incurred during the period between when the payment instruction or delivery of a financial instrument sold can not be canceled unilaterally and final acceptance of the instrument

bought financial or corresponding species; (viii) intermediation risk: the risk

défaillance of a prime contractor

or counterparty in connection with a transaction in financial instruments in which the reporting institution brings its

performance guarantee.

{ix} intraday; during the day or

during the day. (X) overnight; in the immediate or day leniemain (xi) Stop-Losses: the deficit

or

stop the deficit.

*Article 5:*

The management of each significant risk comprises the following steps:

- Identification; - Analysis; -- measurement ;
- Monitoring and; - mastery.

TITLE || ;

MANAGEMENT OF CREDIT RISK

*Article 6:*

Reporting institutions must establish an appropriate environment for the management of credit risk, with the governing body approving the strategy, the executive body implementing the strategy and developing policies, procedures and services of the bank,

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able to identify and manage the credit risk inherent in its activities.

*Article 7:*

Reporting institutions must have a credit risk selection procedure and a system for measuring risks enabling them:

- Identify centralize their risk of balance sheet and off balance sheet in respect of a counterparty or counterparties considered as a beneficiary;
- To understand the different categories of risk levels from qualitative and quantitative information;
- To understand and control concentration risk through documented procedures;
- To understand and control the

of

residual risk through documented procedures; - Check the suitability of the

Diversification of credit commitments to their policy.

*Article 8:*

The measuring device, monitoring and credit risk control should help to ensure that the risks facing the institution, due to the failure of the counterparties are adequately assessed and regularly monitored in accordance with the strategies, policies, procedures and limits defined by it,

*Section 1: From the selection device*

*operations.*

*Article 9:*

Reporting institutions must ensure that the credit process is organized with internal procedures and written instructions specifying the credit risk assessment criteria and ia determining the responsibilities of persons

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and organs competent to commit the institution. These criteria should be tailored features 3 the establishment, in particular its size, nature and complexity of its activities.

The credit granting procedures must cover the various aspects of lending activities

(credit, demand analysis, approval of the record, disbursement, monitoring and recovery) as well as administrative operations that result.

Reporting institutions must set up approval procedures, extension, renewal and restructuring of loans.

*Article # 1:*

The credit decisions should reflect the overall profitability of transactions with the customer and, through predictive analysis of income and expenses related thereto (operational costs and financing related expense risk of possible défaillance the consideration and return on equity).

*Article 1 :*

Decision-making procedures of loans or commitments, particularly where they involve delegation, must be clearly formalized and adapted to the characteristics of the establishment, especially its size, its organization, its nature and activity.

Where the nature and size of

transactions so require, subject institutions shall ensure, within the framework of compliance with procedures

Delegation defined as decisions of loans or commitments are taken by at least two people and that credit files were also the subject of a

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analysis by a specialized unit independent operating entities,

When granting loans or

commitments to executives or major shareholders, subject institutions examine the nature of operations and the conditions of them assotties under the prudential regulations.

*Article 12:*

Credit applications result in the creation of files with the most recent accounting documents as well as the quantitative and qualitative allowing the assessment of credit risk by taking into account elements on the recipient's financial position, especially its ability to refund and, where appropriate, guarantees received.

Credit files are

regularly updated.

*Section 2: Analysis of the device*

*credit risk*

*Article 13:*

The credit risk analysis must take into consideration the nature of the activities of the applicant credit, financial position, ia heritage area of major shareholders or associates, his repayment capacity and the guarantees and collateral that he proposed,

For risks of a company must also take into account the analysis of the economic environment, the characteristics of the partners or shareholders and managers, and entities with which it constitutes an interest group,

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*Article J4:*

Reporting institutions must proceed, at least quarterly, to analyze the evolution of the quality of their

ergagements. This examination includes consideration for the operations 1 importance t: S t significant reclassifications necessary within internal categories of assessment of the level of credit risk and, as necessary, the assignments in the accounting items of bad loans and the appropriate levels of provisioning.

*Article 15:*

Determining the appropriate level of provisions include collateral for which institutions ensure effective opportunities for their achievement and the existence of a recent evaluation on a prudent basis.

To do so, subject institutions must put in place a collateral management system and collateral held by counterparties of credit and proceed to periodically re-evaluation.

*Article 16:*

The executive body must, at least semi-annually in a post hoc analysis of the profitability of credit operations.

*Article 17:*

Reporting institutions attribute to their counterparts for evaluation risk credits, a note referring to a rating scale.

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*Section 3: The measuring device*

*credit risk*

*L8:*

measurement systems for credit risk implemented should enable to identify, measure and aggregate risk resulting from all on- and off-balance sheet for which the institution incurs a risk of failure counterparty,

To measure credit risk generated by instruments traded contracts by agreement or contracts related to organized markets, subject institutions whose activity is significant, must retain an evaluation method to the market price which takes into account future risk factor.

*Article 18:*

Subject institutions that use statistical systems for selecting and measuring their credit risks regularly check their relevance to the payment incidents recorded in the recent past and taking into account changes to economic and legal environment.

*Article 19:*

Institutions should implement specific procedures contests management which, under the regulations, are considered irregular receivables or overdue. These events must be recorded in the appropriate accounts of supervised institutions and lead to the creation of provisions required.

*Article 20:*

Institutions must develop the measurement, control and concentration of credit risk monitoring.

*35:*

The concentration of credit risk monitoring devices should consider the risk concentration on one individual counterparty or interest group, as well as concentrations by type of credit, by economic sector, by region, by country, and by type of guarantee or security.

*Article 22:*

Credit risks incurred on counterparties with significant competition, must be approved by

the executive, subject to special supervision, both individually as consolidated, and periodic information to the legislative body.

Credit risks incurred on counterparties contest too

Important must be approved by

the deliberative body.

*Article 23:*

Reporting institutions are

required to implement credit risk mitigation mechanisms.

*Section 4: surveillance device and credit risk control**Article 24:*

Reporting institutions shall establish adequate mechanisms enabling them to:

- Ensure compliance of the application within them strategies, policies and credit risk management procedures in place;
- Ensuring the quality of these strategies, policies and procedures for any updates;

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- Ensure compliance with limits on exposures to the same counterparties and relatives; - Ensure the application of credit risk identification process; - Ensure the implementation of the process of analysis and credit risk assessment; - Ensure the application of the measurement process and credit risk management monitoring; - Ensure compliance of the interaction between the legislative body and the executive body on risk management

credit; - Ensure the adequacy of their regulatory capital in terms of their credit risk profile; - Ensure the implementation of mechanisms to mitigate credit risk for prudent management.

*Article 25:*

Reporting institutions must establish specific procedures for early identification of deteriorating credit quality in terms of the regulations.

*Article 26:*

Reporting institutions must conduct regular stress tests to assess the vulnerability of their credit portfolio in the event of economic downturn or deterioration in the quality of counterparties,

*Article 27:*

Reporting institutions shall conduct periodic stress tests of their main forms of credit risk concentration and examine their impact on the results and regulatory capital,

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TRE ili:

THE RISK MANAGEMENT

MARKET

*Article 28:*



Reporting institutions must establish an appropriate environment for the management of market risks, with the governing body approving the strategy, the executive body peuvre setting strategy and developing policies, procedures and services of the bank, able to identify and manage the market risks inherent in its operations.

*Article 29:*

Reporting institutions must set up a device for measuring, monitoring and controlling market risks that enables to ensure that the risks facing the institution, due to price changes, are properly assessed and regularly monitored in accordance with the strategies, policies, procedures and limits for this purpose by the institution.

*Section 1: From identification device market risks*

*Article 3 {}*

Reporting institutions have a market risk management process to:

- Centrally identify their risk of balance sheet and off balance sheet and those resulting from external factors with respect to price changes;
- Understand the different categories of market risks to which they are exposed from qualitative and quantitative information;
- Identify and separate positions under the trading portfolio of those assigned to

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banking book. This separation is also applicable to instruments

hedge trading activities undertaken with external counterparties or resulting from internal transactions

Institution:

establish a clear process, separation of these two portfolios by operations allocation criteria at the time of transaction conclusion,

*Section 2: The analyzer*

*market risks*

*Article 3 1:*

Reporting institutions shall ensure regularly assess the risks they incur when high variations in the parameters of a market or market segment.

*Article 32:*

Analytical internal models used to value the positions included in the trading book should be regularly revised to appreciate âEUR validity and relevance to i'évolutior, activity, environment markets and analysis techniques.

*Article 33:*

Reporting institutions assess the vulnerability of market operations in case of strong variation in market prices through stress tests. They set up, if necessary, emergency programs and regularly review their strategies and measurement, control and monitoring of market risks,

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*Section 3: The measuring device*

*market risks.*

*Article 34:*

Reporting institutions must establish systems for monitoring of practices for their own account for daily way of recording foreign exchange transactions and transactions involving the trading book, calculate their results, and determine the positions.

*Article 35:*

Reporting institutions must put in place systems to measure daily, the risks arising from trading book positions and reconcile the results of management and comptables results.

*Article 36:*

To measure market risks, reporting institutions shall ensure apprehend fully and accurately the various components of risk positions different from their activities and portfolios on an individual and consolidated basis.

*Article 37:*

When they 乳 拉 总 significant activity, subject institutions complement these analyzes a comprehensive risk measure based on the concept of maximum potential loss.

*Article 38:*

Reporting institutions must periodically conduct a review of the validity and consistency of the parameters and assumptions used for assessing market risks.

The results of these measurements are provided to the executive body shall inform the governing body to assess

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the risks of the institution including in relation to its equity and results.

*Article 39:*

Reporting institutions must have appropriate control systems that allow them to generate reliable and conservative estimates of the trading book items.

*Section 4: EE monitor risk management of market*

*Article 40:*

Reporting institutions must have documented procedures and policies that:

- la surveillance Strategy

negotiation;

- the definition

登 班 responsibilities regarding identification, measurement, monitoring and control market risks;

- Classification of positions in the trading book;

- Adjuster the assessments by reference to an internal model to reduce the uncertainty inherent in the latter.

roles and

These policies and procedures must be adequate surveillance by legislative and executive organs

*Article 4 H:*

Reporting institutions must put in place, for their different activities and portfolios, market risk limits in systems

These limits systems must specify the level of risk incurred by limits, separating the overall limits in terms of regulatory capital and operational limitations, by activity and

354.

product. Furthermore, these limitations systems shall provide intraday and overnight limits, as well as of limits stoplosses.

Reporting institutions must put in place procedures for monitoring compliance with these limits and the procedures for any overruns, their authorization and the measures taken to regularize,

*Article 42:*

Reporting institutions put in place adequate mechanisms enabling them to:

- Ensure compliance within their strategies, policies and market risk management procedures in place; ensure the quality of these strategies, policies and procedures for any updates;

- Ensure the application of the identification process of market risk;

- Ensure the implementation of

analysis and assessment of market risk process; ensure compliance with the limits

the fair market risks;

- Ensure the adequacy of their regulatory capital in terms of their market risk profile;

ensure compliance of the interaction between the various bodies within them on the management of market risks.

*Article 43:*

Reporting institutions must conduct regular stress tests to assess the vulnerability of their trading,

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TITLE [V:

## MANAGEMENT OF INTEREST RATE RISK

*Article 44:*

Reporting institutions must establish an appropriate environment for the risk management of interest rates, with the governing body approving the strategy, the executive body implementing the strategy and developing policies, procedures and services the bank, able to identify and manage the risk of interest rate inherent in all its activities.

*Article 45:*

Reporting institutions must develop effective systems for

identify, measure, monitor and control interest rate risk in their portfolios in accordance with the strategies, policies, procedures and limits defined for this purpose by the institution. These systems must be adapted to the size and complexity of this risk,

*Section 1: From device*

*Identification of the risk of interest rates*

*Article 46:*

Reporting institutions have an overall risk management process and interest rate enabling them to:

- Identify the overall risk factors

from macroeconomic conditions and market conditions diu;

- Understand the different levels of risk from qualitative and quantitative information:

- Understand the differences resulting from different rates (lending and deposit) used in transactions:

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- Understand the positions and flows, certain or predictable result of all on- and off-balance sheet;

- Understand the different risk factors of global interest rates at which these transactions expose them.

### *Section 2: Analysis of the device*

*interest rate risk*

*overall.*

*Article 47:*

Reporting institutions must analyze the various transactions generating a risk of interest rate and make the connections between lending rates and deposit rates in order to assess the magnitude of differences that result.

They must consider crisis scenarios including extreme changes in interest rate sensitive positions and interest rate and measure their impact on results and regulatory capital,

*Article 48:*

Reporting institutions shall ensure evaluate on a regular basis, the risks they face in case of wide fluctuations in market parameters or breakdowns in the assumptions used in simulation.

### *Section 3: The measurement process risk, interest rate*

*Article 49:*

Reporting institutions must determine measuring devices, control and monitoring of interest rate risk in their portfolios global which should enable to:

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- Cover the main sources of

risk;

- Evaluate the effects of changes in interest rates on results and regulatory capital.

*Article 50:*

Reporting institutions may choose to evade the scope of measuring risk of overall interest rate transactions for lesquelles they proceed to the measurement of market risks as stipulé in Title 3 of this instruction,

*Article 5 f:*

Periodic monitoring should be exercised on the validity and consistency of the parameters and assumptions used for the risk assessment of overall interest rate.

*Article 52:*

The results of interest rate risk measurement are communicated to the executive body which shall inform the governing body to assess the risks of the institution including in relation to its regulatory capital and results.

Reporting institutions must be able to communicate to the Central Bank the impact on regulatory capital of a sudden change in interest rates with respect to their activities other than trading the markets.

*Section 4: surveillance device and control the risk of interest rates,**Article 53:*

Reporting institutions put

in place adequate mechanisms enabling them to:

- Ensure compliance of the application within their strategies, policies and procedures for risk management of interest rates; - Ensuring the quality of these strategies, policies and procedures for any updates; - Ensure compliance with the limits laid down risk exposures in interest rates; - Ensure the implementation of interest rate risk identification process; - Ensure the implementation of the process of analysis and assessment of interest rate risk; - Ensure the adequacy of their regulatory capital in terms of their interest rate risk profile; - Ensure compliance of the interaction between the different bodies within their management of the risk of interest rates.

## TITLE V:

## MANAGEMENT OF LIQUIDITY RISK

*Article 54:*

Reporting institutions must establish an appropriate environment for the management of liquidity risk, with the governing body approving a strategy, the executive body implementing the strategy and developing policies and procedures, and the services of institution able to identify and manage the liquidity risk arising from its activities.

*Article 55:*

Reporting institutions must develop a liquidity risk management strategy tailored to their risk profile and prudent policies and procedures to identify, measure, monitor and control the

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liquidity risk on an ongoing and forward-looking basis. They must also have contingency plans to deal with liquidity problems.

*Section 1: From the liquidity risk identification process**Article 56:*

Reporting institutions have a liquidity risk management process which enables them to:

- Identify his various sources of liquidity risk to which they are exposed, their impact on their risk profile and liquidity position; not overlook any potential source of liquidity risk, either in their structure Bitan, their off-balance sheet activities, exposure to other risks and market conditions; identify the impact of correlation with other risks that can be the basis of liquidity risk including credit, market, interest rate, operational, strategic and reputation; identify and understand the effects arising from macroeconomic and market conditions on their liquidity risk; - Identify the types, qualities and quantities of liquid assets to be held to respond adequately to their liquidity needs. Section 2: The analysis process

*liquidity risk*

of

*Article 57:*

Reporting institutions analyze their liquidity risk based on different scenarios.

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*Article 58:*

Reporting institutions assess their exposure to liquidity risk by conducting simulations of crises based on the use of scenarios that differ in terms of probability, severity and duration.

*Article 59:*

Reporting institutions should prevent liquidity risks by analyzing and evaluating the following:

- Regular exceedances

internal; - The deterioration of the quality of

assets; - A high concentration in certain assets or funding sources (resources); - Lower revenues and margins

interest; - The increase in financing costs and

collateral requirements; - Difficulties or disabilities to

financing on the market; - The deterioration of cash flow positions due to larger payments of maturities, especially in the short term; - The drop in rating from

credit rating agencies; - Changes in market conditions.

*Section 3: The measurement process*

*liquidity risk*

*Article 60:*

Reporting institutions must put in place a liquidity risk measurement process based on a consistent and robust methodology based on their risk profile, their size, nature and complexity of their activities.

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*Article 61:*

Liquidity risk involves estimating the liquidity needs of an institution and its ability to meet its commitments as and when they fall due.

*Article 62:*

Reporting institutions must have a forecast model liquidity requirements that reflects trends (short term, medium and long term) and cycles (weekly, monthly and yearly) affecting the liquidity they related to their own activities or market conditions,

*Article 63:*

Reporting institutions must have an estimate of future cash flow process across different maturities to calculate their net liquidity position at today! The day, on a fixed maturities Series. They must also calculate the cumulative net position in the short term and that over longer periods.

*Section 4: monitor and control liquidity risk*

*Article 64:*

Liquidity monitoring process must allow rigorous monitoring of all indicators that can announce a possible liquidity crisis. For this, credit institutions must:

- Specify the roles and responsibilities of various stakeholders;
- Identify the information and

data needed for decision making and ensure their timely availability and on a

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continues as in normal times in crisis situations; determine stock series to be undertaken on a specified time horizon:

establishing compensation procedures liquidité deficits in normale situation and crisis, including the circumstances in which each action will be taken; identify the different sources of liquidity, availability, terms of use, reliability and priority that they should be used;

- Evaluating strategies costs

financing alternatives; - Determine the possible impact of

actions to be taken in relation to the perception of the market, the reputation of the institution and its solvency; determine actions to be taken vis-à-vis customers, stakeholders in the financial market and correspondents.

#### *Article 65:*

Reporting institutions must develop a liquidity risk management strategy and implement policies and processes that translate operationally,

The approaches should help manage the liquidity position of the institution continuously and on a prospective basis based on different scenarios that must be simulated,

#### *Article 66:*

Reporting institutions must

implement liquidity risk mitigation techniques, and in particular hold an adequate level

liquid assets and diversify their sources of resources.

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#### *Article 67:*

Reporting institutions must put in place an emergency plan which should cover all situations of anticipated crisis. This contingency plan should allow appropriate management of a liquidity crisis regardless of its duration and severity.

Title VI:

### MANAGEMENT OF OPERATIONAL RISK

#### *Article 68:*

Subject institutions must establish an appropriate environment for the management of operational risk, with the governing body approving the strategy, the executive body implementing the strategy and developing policies, procedures and services of the bank, capable identify and manage operational risk resulting from its operations.

#### *Article 69:*

Reporting institutions should have policies and opérationne risk management procedures: to identify, analyze, measure, monitor and control or mitigate operational risk. These policies and procedures must be adapted to the size and complexity of the institution.

*Section 1: From device**Operational risk identification**Article 7*

Reporting institutions must put in place mechanisms for identifying operational risk factors, including:

- Internal and external fraud;

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- Inappropriate practices in employment and safety in the workplace; -

- Inappropriate practices concerning customers, products and business activity;

- The damage

physical;

- Business interruption and outages

systems;

property

- The execution of operations,

- deliveries and processes; - Failures to problems

Legal and Judicial.

*Section 2: Analysis of the device**operational risk**Article 71:*

Institutions subject to review, analyze and periodically evaluate the various deficiencies in their

activities at the operational risk.

*Article 72:*

To assess the risk opérationnei, subject institutions may use the self-assessment techniques based

the examination of a set of points

potentially at risk

operational.

exposed

This process should be based on an inspection of ersemble internally and for identifying the strengths and weaknesses of the operational environment.

*Section 3: The measuring device**operational risk**Article 73:*

Reporting institutions shall have in measurement, control and operational risk monitoring that provide at least the following:

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- The definition, objectives and operational risk management principles;



- The acceptable level and procedures

control those risks;

- Responsibilities and reporting systems at all levels of management;
- Information on significant events and losses from operational risks;
- The conditions in which these risks can be transferred to an external entity.

*A # Article 74:*

it is imperative that institutions implement advanced warning indicators that allow them to identify potential operational risk *ŠØHřČÉS*. These indicators generally have thresholds above which the implementation of preventive actions.

*Article 75:*

The operational risk monitoring should be part of the activity of the institution. The frequency of this monitoring is adapted to the identified risk level and the frequency and nature of changes in the operational environment.

*Section 4: EE surveillance device frastrise operational risk*

*Article 76:*

Reporting institutions shall establish adequate mechanisms enabling them to:

- Ensure compliance of the application within them strategies opérationteí risk management policies and procedures in place;
- Ensuring the quality of these strategies, policies and procedures for any updates;
- Ensure the implementation of the operational risk identification process;
- Ensure the implementation of analytical and operational risk assessment process;
- Ensure compliance of the interaction between the various bodies within them on the operational risk management.

*Africle 77:*

Reporting institutions put in place mechanisms to their governing bodies to ensure any *défaiiances* could affect control of operational risk,

They also put in place mechanisms to their governing bodies to examine the quality and completeness of the recovery plans of activities and the establishment of emergency yaws.

TITLE VI:

MISCELLANEOUS

*Article 78:*

At the end of each financial year, subject institutions are required to forward to the Central Bank, the Financial Intermediaries Supervision Department, a report on risk management after approval by the legislative body.

*Article 79:*

Failure by the reporting institutions to the provisions of this Instruction exposes offenders to the penalties provided by law or regulation in the matter.

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Article {} &: Done at Kinshasa, on 25 January 2010

This Instruction comes into JC MASANGU Mulong ()

### **Governor**

force on 31 July 2010

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INSTRUCTION No. 23

## **TO CREDIT INSTITUTIONS ON THE EXERCISE OF DISCIPLINARY POWER OF THE CENTRAL BANK OF CONGO**

The Central Bank of Congo;

Wt Oi No. ÜÖ5.2002 dü 7 May 2002 on the establishment, organization and functioning of the Central Bank of Congo, especially in Article 6;

Pursuant to Law No. 3/2002 {} {} of {} 2 February 2002 concerning the activities and supervision of Credit Institutions, especially in Articles 36, 39, 77 and 78;

Adopted the following provisions regarding the exercise of disciplinary power of the Central Bank of Congo

### **\*\* Article:**

Credit établissements must scrupulously respect IES laws and regulations governing their activities.

Failure to comply with these provisions exposes the penalties prescribed by the laws and regulations on the matter.

### **Article 2:**

The Bank Centraie of Congo, under Articles 77 and 78 of the Banking Act, may impose one of the penalties when an establishment subject to credit:

- Has not complied with a

injunction

- Did not take account of implementation

Centrafe custody of the Bank;

- Has violated a law or

regulatory;

- Has not fulfilled commitments twisted his approval or obtaining a license;

These disciplinary sanctions are:

- Warning;

- the blame ;

- The prohibition of certain

operations or activities,

- Suspension or resignation of Office responsible leaders;

- Revocation of or

auditors;

- The approval withdrawal.

In addition, the Central Bank may pronounce, either instead of or in addition to these

penalties, a financial penalty *télie* than expected in the matrix of penalties in Schedule which forms part of the instruction.

*Article 3:*

Financial penalties, the reasons for them and the time under which they are levied or assessed shall be notified to the institution by mail,

*Article 4:*

The application described *cihaut* Sanctions can go through the procedure prescribed by Articles 39, 77 and 78 of the Banking Act.

In case of breaches or offenses involving an officer, director, auditor or an external auditor, the same procedure is applied.

The leader of the reporting institution must send its comments to the Central Bank within a period fixed by the

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abovementioned letter, less than five working days,

*Article 5:*

Where specific emergency circumstances,  
Central Bank may impose the measures under Articles 40, 41, 77 and 78 without adversarial procedure.

*Article 6:*

intervenes  
when a decision  
application of Articles 39, 77 and 78, the Central Bank may decide that  
This period may not be

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sanctions imposed under this instruction will be published at the expense of the person *moraie* sanctioned.

*Article 7:*

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

Done at Kinshasa, on 31 January 201 1

Jean C  laude MASANGU MULONGO

Governor

Matrix sanctions for credit institutions.

Appendix to instruction No. 23

| Sanctions failures relating Texts

     X reference conditions of approval {i .. Non respect of capital || -Law \*  
Warning and time

minimum and / or non-compliance with the total liberation of untie

11       3/2002 (j   2 February 2002, s.29;

-Instruction No. 14 of the BCC, s.2, 3 and 5

3 months to adjust; \* Administrative fine

1% of the inadequate

minimum capital requirements with a minimum USD 0,000 {; \* Prohibition to distribute or limiting the distribution of dividends to shareholders or payment of Units Sociétaires; \* Incase of non-adjustment

in time: withdrawal. accreditation. I.2 ||

Amendment of articles without! -Law No. 03/2002 | \* Cancel

prior authorization. February 2 | changes:

2002 s.29 -Instruction No. 18 of the BCC, art. 15 and

16

\* Penalties 0.20% of the minimum capital

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G (EEC (C

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I.3 || Any assignment of all! -Law \* Cancellation

or, within the limits in ° 003/2002 of the | the operation; the regulations, | 2 February 2002, i \* penalty of 0.20% of a portion of its assets | s.29; minimum capital requirements, customer or activity | -Instruction Without prior agreement of the | No. 14 of the Central Bank BCC. art.1 i.4 || Any merger! -Law 李 Cancellation

absorption without authorization | No. 003/2002 of the | the operation; Bank prior || 2 February 2002, | \* Penalty for 0.20% of Central section 29, the minimum capital required. I.5 || Any acquisition of i -f\_oi no | \* Cancellation

interests in a || 003/2002 of 2 | the operation; foreign company without | February 2002 | \* Penalty of 0.20% of the prior approval of the Bank | Article 29 required minimum capital. Central I.6 || Any opening or transfer; -Law No. | \* Cancellation

closure of a branch or || 003/2002 of 2: the operation; agency in the country | February 2002 | \* Penalty of 0.20% of oil abroad without i Article 29 required minimum capital. authorization of the Central Bank. f. 7. || Any investment transaction || Act No. | \* Cancellation

on securities issued or || 003/2002 of 2 | the operation; guarantee by a foreign State | February 2002 | \* Penalty of 0.20% of an international body or! Article 29 required minimum capital. a foreign company without authorization from the Central Bank Failures II Texts relating Sanctions

the transmission reference information. II. | | Transmission of tardiye | --Instruction \* Fined CH DF

No information%) bis | 5,000.00

Amendment No. 3 of 30 Avril -Directive 2003 EED # 1 of 21 March | II.2 2002: Transmission of information | -Instruction # 9 | \* Fines (CDF. On the incorrect 5,000.00

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[I.3 | Transmission error -Instruction no9 | "Fines CDF

relating to 10,000,000 (G {EC (C [. Violations related texts Sanctions

3 | HX Hae

accounting obligations III.1 reference || No publication of accounts || -Law \* Fined (CDF

the annual and officiated Journal | no003 / 2002 | 5, 000,000 CDF. () In at least one of || February 2, 2002; the main newspapers | Article 33 and 35

III.3 || Non-respect of accounting || -Law \* Fine of CDF

specific institutions | no003 / 2002 | 5,000,000 Credit February 2, 2002;

Article 33 III.4 || Non-compliance || no9 -Instruction | #a \* Cancellation on the mandate | relative to | appointment of the auditors. {{G CEC Commissioner 3.11x

accounts ; \* Fine of (CH) F 5. () {} {} \_ {} {} {} | Δ Breaches related to die Sanctions Texts

[0] {\$ Reference

### **Prudential management**

(Prudential ratios) IV. prudential ratios -Instruction penalty of 5% of ratio 14 of the inadequacy or

overflow: \* minimum: (CDF maximum 5000.000 \*: CDF 0.5% of the minimum capital required and IV.2 Classification | -Instruction penalty of 5% of the amount provisioning risks || No. 6 of the inadequacy or

overflow:

\* Minimum: maximum CDF 5000.000 \*: CDF 0.5% of the minimum capital required.

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### **Violations are other**

Prudential standards V.1 || Non-compliance with the obligation | -Instruction No | Penalty (CDF implementation of a procedure | 17 5,000,000 to 0.5% capital required minimum of internal control

V.2 || Non-compliance by || -Instruction Penalty CDF report with good | No. 21 5,000,000 to 0.5% of the minimum capital required governance V.3 | Non-compliance by || -Instruction Penalty CDF report with management; No. 22 5,000,000 to 0.5% of the minimum capital required risk V.4 || Non compliance of | -Instruction Penalty CDF fight against money | No. 15 5,000,000 to 0.5% of

capital

minimum capital requirement

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INSTRUCTION No. 24

ON THE ELECTRONIC CURRENCY ISSUE AND CURRENCY ELECTRONIC  
ETABLISSEMENTS

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 -

Given the H\_ {3i No. } } Ü2 3/2002 of February 2002 concerning the activities and supervision of Credit Institutions;

Given the Instruction No 14 banks as amended to date;

Given the Instructions No. 15 † 7, 8, 19, 21, 22 and 23 to credits Institutions;

Adopted the following provisions regarding the issuance of electronic money institutions and

electronic money.

## TITLE I:

L}} SP {} {provisions GENERAL

## CHAPÈTRE I: DEFINITIONS

Article "I:

For the purposes of this Instruction, the term:

Í, Acceptor: merchant or service provider under contract with i'émetteur electronic money in order to receive payments by electronic money issued by it. Agents people hired by a transmitter or distributor of electronic money in order to establish a distribution network and, within the limits of the contract between them, perform the currency distribution operations Electronics;

. Establishment

Central Bank: Central Bank of Congo: prudential requirements: the set of rules defined within the framework of prudential supervision of legal entities authorized to issue electronic money as a regular occupation; Establishment of electronic money: legal person under the category of financial company series of Articles 2 and 3 of Law No. 3/2 {} {} {} {2} 2 February 2 {} {} 2 on the activity and control of Credit institutions which obtained in accordance with this Instruction, granted authorization to issue payment in the form of electronic money and debtor of the debt incorporated in the electronic payment instrument, its activities are limited to:

The electronic transmission; The making available of electronic money public; Ła electronic management; electronic money issuer institution: the institutions referred to in Article 3 entitled to exercise the electronic money issuing activities and debtor of the debt incorporated in the electronic payment instrument;

electronic money dispenser, corporation offering pursuant to an agreement with an institution

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## CHAPTER

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electronic money issuer loading, reloading or electronic money receipt; Electronic money: any monetary value representing the claim on the issuer which is:

responsible Šlji "electronic, magnetic, issued against the remittance whose value is equal to the monetary value issued; accepted as payment by a natural or legal person other than the issuer Rembot # rsement electronic: conversion. electronic money fiduciary or bank money at par, followed by its return to the bearer's request;

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Support included

mionnaie

. Carrier means the person who, under

conciu a Contrat with an issuer, holds electronic money for its own account.

II; SUBJECT {} "- {CHAM; P

**On APPH \_ {{cation**

*Article 2:*

This instruction sets the conditions

access and exercise of the issuing activity

electronic money by reporting institutions as listed in the following Article 3.

*Article 3:*

This Instruction applies to:

- Approved Credit institutions referred under Articles 2 and 3 of Law No. 3/2002 {} {} {} of 2 February 2002 concerning the activities and supervision of Credit Institutions, organizations referred to in Article 4 of the above Act and the Micro Finance Institutions authorized by the Bank

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*Article 4:*

Central to issue electronic money;

electronic money institutions within the meaning of Article! item 5 of this Instruction,

The present Instruction does not apply:

the monetary value stored on specific pre-paid instruments, designed to satisfy specific needs and whose use is limited because either the electronic money holder to purchase goods or services only in the premises of the "issuer or within a network of providers of services by a CONfrat 8 11 professional issuer, or because they can only be used to acquire a limited range of goods or services. The exemption of this provision should cease if such a narrow scope of instrument is a general instrument;

the monetary value used for the purchase of goods or digital services when, because of the nature of the good or service, the operator adds value, provided that the good or service in question can only be used with a digital camera and provided that the operator of the digital computer or telecommunications system does not act only as an intermediary between IOM i'utilisateur of payment services and the supplier of goods and services,

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**IHI TITLE:**

CONDITIONS OF ACCESS AND \* D \* EXER | E ACTIVITY :) "EMISSION

MONEY POWER

**CHAPTER I: CONDITIONS "SIGN**

*Article 3:*

Before exercising the trionnaie activities

electronic,

money institutions

e as defined by this statement must be approved by the Central Bank.

To this end, they must provide, in three (3) copies of the following documents, necessary for the assessment of their application:

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a written and signed by the institution's representative, duly authorized to that effect addressed to the Governor of the Central Bank; documents establishing the qualities and powers of the legal representatives; a fact sheet on the main shareholders, officers and partners whose institution model in the Annex; Decision of the Board of Administration: or majority shareholder stewardship allowing electronic currency activity; the statutes of the applicant institution and evidence that the facility has an initial capital under Article 6; the identity of persons directly or indirectly holding shares in the capital, the size of their participation, proof of their quality and the annual financial statements of the three (3) years for legal persons, certified by an Auditor approved, shareholders or associates; the identity of directors and persons responsible for the management of the transmission and distribution of electronic money activities; a detailed presentation of the electronic money business through a business plan containing notably:

business forecasts, implementation and organization;

3.71

details of technical resources, material and financial whose implementation is planned for the realization of this activity;

projected financial statements and compliance with prudential norms on at least three (3) Aras;

Copies of contracts and protocotes concluded with technical or financial partners for the issuance of electronic money; copies of various project agreements to be concluded with the various parties especially with electronic cash dispensers, electronic cash acceptors and holders or subscribers; a presentation of the product indicating it {} tăTIMITRĂFIË:

the target audience and the scope of the provision and use of the product; the characteristics of each type of selected electronic instrument;

the electronic instrument loading mode;

the loading of the electronic instrument of the ceiling;

the transaction ceiling among acceptors;

the validity of the electronic instrument of duration;

the transaction cost and the pricing method;

a presentation of the technical architecture stating:

and the software architecture

Hardware provided:

a note on the internal control system in place;

network and security architecture;

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Är a summary of the proceedings:

- To ensure la availability and system security;
- Management and administration of relationships with distributors and carriers;



- Incident Management of  
payment;  
- Of media loss management  
electronic money.

The Central Bank may also require additional information  
it deems necessary for the instruction of the application for approval.

*Article 6:*

Electronic money institutions must have capital  
Social minimum paid in cash equivalent in Congolese francs (CDF) to USD 2,500,000 (two million five hundred US dollars Milié).

*Article 7:*

The current management of an electronic money institution should be entrusted to two individuals at least, proof of good repute, expertise and experience required for the performance of this function.

*Article 8:*

Without prejudice to the legal provisions relating to commercial companies, no one can directly or indirectly:

\* Offer the public the creation of a  
electronic money institution;

• administer, direct or manage a établissement electronic money.

1 if he was convicted of an offense under this Act or the regulatory changes; if it has been declared bankrupt and has not been discharged, even when the failiite opened gifts a foreign country:

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3. if he has been convicted in the Republic of Congo Démocratique or abroad as author, accomplice or

attempt any of the following offenses:

at. counterfeiting; b. forgery or falsification of

bank notes, treasury bills, shares, bonds, interest coupons; c. counterfeiting or falsifying seals, stamps, dies and trademarks; forgery and use of forgery; public or misappropriation of official corruption; theft, extorsign, embezzlement or breach of trust, fraud or concealment; bankruptcy, outstanding commercial paper; issuance of bad check; i. money laundering and financing of terrorism;

fictis'e

4, if he was convicted of political crimes and offenses assimilated by law to one of those listed above;

5. if he took part in the administration,

management or the ongoing management of a credit institution whose forced dissolution was ordered or (make bankruptcy was declared,

When decision whose result one of the prohibitions referred to in this article is revoked or invalidated ultérieurement ultimately ban ceases automatically.

*Article 9:*

The authorization shall be notified by decision of the Central Bank within a period of ninety (90) days from the date of receipt of the complete file by consensus or, if necessary, additional information.

Accreditation is recognized by the inclusion of the institution in the list of electronic hedge mori institutions held by the Central Bank,

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*Article 11:*

No institution not approved by the Central Bank may exercise the issuance of electronic money activities.

Nui can practice as a regular business activity of issuing electronic money SCIS the name of ELMI cu in any other same or similar name in another language, ii does not fulfill the conditions set by the provisions of title II, chapter on the conditions of access.

*Article 12:*

The provisions mentioned above in Chapter 1 of the access conditions only apply to electronic money institutions as defined by the article i point 5 of this Instruction,

*Article 13:*

The exercise of electronic money issuance activity by establishments referred to in Article 3 paragraph 1 of this Instruction is subject to the prior approval of the Central Bank,

Electronic money établissements distributeurs are not subject to the approval procedure but to your information Your procedure in accordance with the criteria set by the Central Bank.

Persons subject to this Instruction shall meet at any time the conditions of approval and prior authorization.

*Article 14:*

The withdrawal of accreditation of electronic money institutions is carried out in accordance with Articles 22, 23 and 77 of Law No. 003/2002 February 02 on the activities and supervision of Credit Institutions.

## **CHAPTER II: REGHYIE PRUDENTHEL H [i]] itabi \$, \$\$ # I 'M {ğ, NT \$.**

DE # M # {} NNAIE: ELECTRIC

*Article 15:*

The business activities of

electronic money institutions are limitées to ia provision of related services

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the issuance, management and the provision of electronic money and the storage of electronic data on behalf of other legal persons,

*H Article 5:*

Electronic money institutions shall notify in advance the Central Bank of any significant change in measures taken to protect the funds that have been received in exchange for electronic money issued,

*Item # 6:*

The own funds of electronic money institutions must remain equal or superiors to the higher of the following three amounts:

s daily íHRKHf1t3.fl1 financial commitments corresponding 盎 [X representing

outstanding electronic money issue;

o ia arithmetic average of daily amounts of six (6)

months preceding the totai

corresponding financial commitments 祖 jX representing outstanding electronic money; \* The minimum capital

iibéré.

*Article || 7:*

The electronic money value

incorporated into an instrument issued by the issuer of electronic money institutions may not exceed at any time the equivalent of USD 3,000 (three thousand dollars US), unless specifically authorized by the Central Bank.

The payment limit per day may not exceed \$ 500 (five hundred US dollars) and the ceiling on monthly payments can not exceed USD 2,500 (two thousand five hundred US dollars).

*Article 18:*

g e m of the institutions are not allowed to receive deposits from the public within the meaning of Article 6 of the Banking Act.

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Islands funds received by electronic mannaie of issuers do not constitute deposits cu rembourabies other funds within the meaning of Article 6 of the Banking Act if they are immediately exchanged against electronic money.

They can not be the object of interest for granting and other benefits during the period in which the holder holds electronic money.

The funds received in exchange of electronic money issuance are the exclusive guarantee of perteurs. Jis are subject to the rules of the trust and can, wherever they are, be subject receivership, seizure or any other means of execution to the pledge Subtract said.

*Article 1 9:*

The établissements electronic money issuers are not allowed to grant credits on the basis of funds received had held for the issuance or distribution of electronic money.

*Article 2 {}*

The financial commitments of electronic money institutions related to outstanding electronic money must be fully covered by liquid assets.

CHAPTER IH: PMT SABIL.HTE Hoe

ELECTRONIC MONEY

*Article # 2:*

Electronic money institutions issue electronic money at par against FEMISE funds. Electronic mennaie holder may, during the period of validity of the electronic payment instrument, require the issuer to redeem it, as provided by the contract between them, the nominal value of electronic money .

The contract between the issuer and the bearer shall clearly state the conditions of redemption of electronic money not used, including any related costs, the bearer of electronic money is

informed before he is bound by any contract or offer.

*Article 22:*

Within a maximum of three (3) months from the notification of the withdrawal of approval issued by the Central Bank in cases specified by the Banking Law, the electronic money issuer institution must reimburse without charge, any bearer of electronic money, the unused electronic currency held by it. It provides information relating to withdraw its authorization from the holders by means appropriate to the nature of his clientèle.

At the expiry of that period, the issuer institution is required to transfer its unclaimed balance, received in exchange for electronic money, for non-reimbursed carriers and communicated by the issuing institution to the Central Bank.

*Article 23:*

Scheduled repayments are made in cash, by check or by transfer to an account, according to the wishes of the wearer.

*Article 24:*

Repayment shall not give rise to levy fees only if the contract provided in accordance with Article 21 and provided that at least one of the following conditions applies:

- Reimbursement is requested before termination of the contract;
- Reimbursement is requested plus six (6) months after the contract termination date;
- The electronic money holder terminated the contract before the expiration date.
- The fee shall be proportionate and commensurate with actual costs incurred by the electronic money issuer.

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**CHAPTER [V: INTERNAL CONTROL:**

LU'R "te {AGAINST 8] í, NA {C} # í ] [ENT} {ES CAPITAL AND FINANCING LE pl] TERRORISM,

*Article 25:*

Electronic money can be embedded in an instrument that allows the identification of the wearer.

*Article 20:*

The electronic money institution provides traceability for ten (10) years of shipments and receipts of electronic money and at the disposal of the Central Bank in case of need. It shall ensure that the ECD means to ensure, in case of a security breach of some or all of its information system, the traceability of transactions.

When the electronic medium include at least two (2) applications (including those of the bank type for mobile phone charging for Internet payment or for money transfer) and allows the electronic money holder to perform transactions

distinct, the transmitter is Tenti to ensure the traceability of all transactions completed.

Distributors institutions provide the assistance necessary for the issuing institution to ensure this traceability.

*Article 27:*

Electronic money issuers should put in place an automated system for monitoring unusual transactions having as support electronic money. The issuing institution must take

steps to ensure that distributors institutions and other agents apply the standards of safety and vigilance defined,

**Article 28:**

Electronic money institutions must be managed to sheath and prudent. To this end, they must in particular have accounting procedures manuals,

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administrative and financial procedures and adequate internal contrôle.

that of

Management and procedures Work should help to assess and monitor the financial and non-financial risks to which they are exposed, including technical risks and those related to the procedures and risks associated with doing business in cooperation with any company completing operational or other ancillary functions related to their activities.

Procedures manuals provide the steps to be taken when detected anomalies may be of interest with regard to the prevention of money laundering and terrorist financing, given the knowledge that each institution has its customer! E.

anomalies found them under the preceding paragraph, are reported to the National Financial Intelligence Unit (CENAREF) under Articles 17 and following of the Law on the fight against money laundering and terrorist financing.

**CHAPTER V: OBLIGATIONS**

**D \* PERIODIC INFORMATION**

**Article 29:**

Electronic money issuers provide monthly to the Central Bank a report on their activities. This report is signed by two (2) people at least have the power to hire validly # "institution.

**Article 3 s):**

The periodic report including the following elements:

information

- The monthly ceiling of innites

determined by the BCC;

- The total amount of monthly financial obligations related to electronic money issued and their distribution by location and distributors:

- The number of exceedances

recorded during the three;

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- Possible measures of suspension of the issue or currency distribution

e that the institution has taken on exceeding the abovementioned limites;

- Provisions on the making available of contract customers for the issuance or distribution of electronic money as well as those taken for ensuring compliance with the terms and conditions provided for redeemable;

- I number of requests for refunds received and the total value of repayments during the month;

- The amount of the limits of maximum storage capacity of the electronic medium and the

measures taken by the establishment to ensure compliance with these limits;

- Sufficiently detailed information on the results of the above measures:

- The number of claims made

by customers.

#### *Article 3 H:*

As part of the prevention of money laundering and terrorist financing, the periodic report must include the following:

- The actions taken by the institution to comply with legal and regulatory framework in this area;

- A structured overview of the nature, number and amount of identified suspicious transactions;

- The reasons for their transmission to the head of the money laundering prevention and

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financing of terrorism; the actions undertaken, particularly in the form of a transmission to the National Financial Intelligence (CENAREF).

#### *Article 32:*

The Issuers of electronic money institutions are permitted to distribute or redeem electronic money through natural or moral persons. They can use the services of one or more agents to carry out on their behalf and within the scope of their approval and authorization of electronic money activities if the relevant conditions laid down by the Bank of Romania are met.

#### **TITLE III:**

#### **ARRANGEMENTS FOR THE EMISSION, DISTRIBUTION AND REDEMPTION OF ELECTRONIC MONEY**

#### *Article 33:*

Contracts between electronic money issuers and other parties should notably indicate the list of entities belonging to the network as well as allowing the identification and recognition of distributors or agents whose brand, logo, window stickers and the name or style.

The electronic money issuer establishment shall update the list of entities within its network. This list is updated monthly and communicated to the Central Bank.

#### *Article 34:*

Electronic money issuers communicate to the Central Bank information on the Agents to which they are entrusted.

An agent can receive mandates from several issuers of electronic money.

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#### *Article 3:*

The principal issuers of electronic money institutions remain fully responsible vis-à-vis third parties of any agent they have mandated for actions related to the provision of financial services in the country of origin of the agent / Dealer and Agent.

Electronic money issuers should ensure that their agents comply with the internal

control system including the fight against money laundering and the fight against terrorist financing,

PART IV:

### **Sancti} {NS**

*Article 36:*

Any breach of the devices of the present Instruction entails the application of the penalties provided for in Articles 77 and following of the Act No. {} {} 3, 2002 U2 February 2002 concerning Control and Credit Institutions,

### **TITLE V:**

### **F # NAL PROVISIONS**

*Article 37:*

This Instruction shall enter into force on the date signature,

Done at Kinshasa, I | November 20 | |

Jean (Claude Masang MULONGO

**Governor**