

Your Business and Sierra Leone's New Foreign Currency Regulations

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If you live in Sierra Leone, do business or have ties with Sierra Leone you may have heard that the country has recently passed new legislation and regulations which affect foreign currency transactions.

The New Legal & Policy Framework

The Banking of Sierra Leone Act 2019 makes it a criminal offence to flout the restrictions imposed in respect of certain foreign currency transactions. The restrictions include quoting prices in foreign currency, contracting in foreign currency for local services and financial reporting in foreign currency.

The Bank of Sierra Leone also issued policy statements providing as follows:

- That individuals and businesses should not make or receive payments for transactions undertaken in Sierra Leone in foreign currency.
- That individuals and businesses should not hold more than USD\$10,000 or its equivalent in any foreign currency outside of the banking system.
- That individuals and businesses should not travel out of Sierra Leone with foreign currency in excess of USD\$10,000.
- That when travelling into Sierra Leone, individuals and businesses carrying foreign currency in excess of USD\$10,000 must declare the excess amount at Customs.
- That NGOs operating in Sierra Leone should not engage in offshore financial transactions. All remittances to NGOs are to be channelled directly to their accounts held in local banks.

The new restrictions are aimed at tackling money laundering, the black market trade in currency, and the hoarding of foreign currency cash by individuals.

The penalties for breaching the provisions of The Bank of Sierra Leone Act 2019 and related Statutory Instruments are either a fine of one hundred million Leones (approximately \$10, 740.00) or a minimum of three years imprisonment or both.

How does this affect you?

If you live, work or conduct business in Sierra Leone, agreements which were executed before the 20th August are not affected as the legislation does not operate retrospectively. However, all contract prices, invoices and receipts negotiated after 20th August must be expressed in Leones. All financial reporting to the National Revenue Authority and other regulators should also be expressed in Leones. The daily Bank of Sierra Leone exchange rates for the Leone may be found here: http://www.bsl.gov.sl/WAMZ_Exchange_Rates.html. Competitive rates can be obtained from licenced foreign exchange bureaux.

If you are currently in Sierra Leone and in possession of cash exceeding USD\$10,000 or its equivalent in any foreign currency you must deposit the excess amount into a

local bank account. If you are planning to travel out of Sierra Leone you must not attempt to leave the country with more than \$10,000 or its equivalent. Amounts in excess of \$10,000.00 may be remitted to foreign bank accounts via the SWIFT banking system. If you intend to travel into Sierra Leone with hard currency in excess of USD\$10,000 or its equivalent in any other foreign currency, you should declare it at Customs.