

Legal Tender Protection (Amendment) (Directive No. 786/2021)



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National Bank of Ethiopia

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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

"Legal Tender Protection (Amendment) Directive No. 786/2021"

Whereas, it is found necessary to further reduce hoarding limit of banknotes to discourage illegal activities;

Now, therefore, the National Bank has issued this Directive in accordance with the power vested on it by article 27(2) of the National Bank of Ethiopia Establishment (as Amended) Proclamation No. 591/2008 to protect the country's legal tender.

1. Short Title

This Directive may be cited as "Legal Tender Protection (Amendment) Directive No. 786/2021".

2. Amendment

Legal Tender Protection Directive No. CMD/1/2020 is hereby amended as follows:

1. Article 3.7 of the Directive is deleted and replaced by the following new article 3.7:

"3.7 Notwithstanding sub-article 3.6 of this Article, a natural person, at one time, may hold banknotes up to Birr 100,000 (one hundred thousand Birr) and a juridical person up to Birr 200,000 (two hundred thousand Birr)."

2. A new article 4.5 is added following article 4.4 of the Directive:

"4.5 Any excessive hoarding of banknotes in violation of Article 3.7 hereinabove shall be confiscated in accordance with sub-article 26(1)(d) of Proclamation No. 591/2008."

3. A new Article 5 is added following article 4 of the Directive and existing Article 5 is renumbered as Article 6:

"5. Transitional Provision

Any excessive hoarding of banknotes shall be reduced to the limits stipulated in 3.7 above within 3 (three) calendar days from effective date of this Directive."

3. Effective Date

This Directive shall enter into force as of the 10th day of March 2021.