

Agreement
on a Framework for Cooperation on Central Banking
Issues
between
The Republic of the Sudan
and
The Republic of South Sudan

Addis Ababa, 27 September 2012

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Preamble

Mindful of the need to maintain an environment that will be mutually beneficial for the economies of the Republic of Sudan and the Republic of South Sudan;

Recognizing the need for co-operation in the management of monetary and fiscal policy, with the goal of maintaining confidence, controlling inflation and avoiding destabilizing exchange-rate fluctuations; and

In pursuance of the commitment to adhere to international finance and banking standards;

The Parties agree as follows:

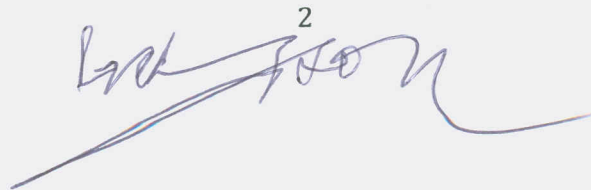
1. Establishment of the Joint Central Banks Committee

1.1 Within thirty (30) days of the ratification of this Agreement, the Parties shall establish a Joint Central Banks Committee (JCBC). The JCBC shall be composed of ten (10) members, with each Party nominating five (5) members to represent the Bank of South Sudan (BSS) and the Central Bank of Sudan (CBOS), respectively. The JCBC shall be co-chaired by a member representing each State and shall be overseen by the Governors, respectively, of the BSS and the CBOS.

1.2 The first meeting of the JCBC shall take place within forty-five (45) days of the ratification of this Agreement, and thereafter, the JCBC shall meet periodically at times and locations it may determine.

1.3 The JCBC shall adopt rules of procedure for regulating its business, including: its reporting procedures, its workplans and associated budgets and any other procedures required for the effective and efficient carrying out of its business.



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1.4 The costs of operation of the JCBC shall be shared equally between the BSS and the CBOS.

2. Purpose of the Joint Central Banks Committee

2.1 The JCBC shall have the principal purpose of supporting financial stability and sound banking policies in the two States in order to enhance cooperation and to promote trade and the mutual economic viability of the two States. The terms of reference of the JCBC shall include *inter alia* the following:

- (a) developing appropriate procedures and systems for enhancing cooperation in the areas of central banking, monetary policy, exchange rate policy, banking supervision and the preservation of the value of the respective currencies of the two States, the opening of correspondent accounts in each State, and the licensing of commercial banks' branches in the other State;
- (b) establishing systems to facilitate smooth payment system transfer operations and clearing of financial transactions between the two States;
- (c) developing systems to promote the exchange of information between the BSS and the CBOS, and provision of technical assistance, as appropriate; and,
- (d) establishing a continuous forum for discussion of central banking issues as may be identified from time to time.

2.2 The JCBC may request, with the express written consent of the Governors of the BSS and the CBOS, support and technical assistance as appropriate from the International Monetary Fund and other international financial institutions.

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2.3 The JCBC may establish sub-committees for the carrying out of its mandate.

3. Protection of the Rights of Commercial Banks and Enforcement of their Duties and Obligations

3.1 The BSS and the CBOS shall promote cooperation between commercial banks operating within the Republic of South Sudan and the Republic of the Sudan in various banking areas, including: incorporating and licensing as branches of foreign banks, opening correspondence accounts, and pursuing technical cooperation.

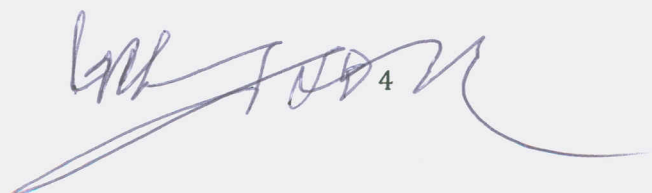
3.2 The Republic of South Sudan and the Republic of the Sudan shall each guarantee the rights of commercial banks headquartered in the other State to continue to operate within their respective territories as branches of foreign banks.

3.3 Foreign commercial banks operating within the territory of either of the two States shall be required to comply with the relevant national laws and regulations of the host State, and the host State shall enforce those laws and regulations without discrimination.

3.4 The claims of commercial banks and other financial institutions against citizens or legal entities of the other State shall be pursued through established, legal and judicial processes of each State. Each State shall guarantee due process and fair access to its judicial and other adjudicative institutions.

3.5 The BSS and the CBOS will facilitate the reconciliation of the inter-bank accounts.

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Done in Addis Ababa, this 27 Day of September, 2012:



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H.E. Idriss Abdel Gadir
On behalf of:
The Republic of the Sudan



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H.E. Pagan Amum Okiech
On behalf of:
The Republic of South Sudan

Witnessed by:



H.E. Thabo Mvuyelwa Mbeki
Chairperson, African Union High Level Implementation Panel
On behalf of the AUHIP