

MINISTRY OF FINANCE**NOTICE TO BANKS****GIVEN UNDER THE
FOREIGN EXCHANGE (MISCELLANEOUS PROVISIONS) ACT, NO. 8 OF 1996****FOREIGN CURRENCY RETENTION ACCOUNTS****Introduction**

1. This NOTICE sets out the arrangements governing the establishment of foreign currency retention accounts. Applications for foreign currency retention accounts are determined on their merit but are generally granted to:
 - (a) bona fide exporters who require imported inputs for productions, or with external loan obligations;
 - (b) certain service providers, including travel agents, hotels, shipping agents, and airlines;
 - (c) large importers of essential goods and services.

Banks must submit applications on behalf of their customers to the Minister, and copy these to the Bank of Guyana.

Currency

2. The accounts may be maintained in one of the following convertible currencies:
 - (a) United States Dollars,
 - (b) Pounds Sterling,
 - (c) Canadian Dollars, or
 - (d) Euros.

**Crediting
Accounts**

- 3.(a) The accounts may be credited only through deposits of convertible foreign currencies received through the banking system. Such deposits shall be in respect of:
 - 1) all or a portion of export proceeds retained;
 - 2) proceeds of foreign currency loans or credits approved by the Minister of Finance;
 - 3) un-utilized balance of amounts previously withdrawn from the accounts; and
 - 4) interest accruing on any balance in the accounts.Deposits of cash and other negotiable instruments may be allowed, if justified, with the approval of the Minister. Such approval may be for a specific transaction or a class of transactions.

- (b) All deposits must be supported by documentary evidence.

**Debiting
Accounts**

- 4.(a) The accounts may be debited to meet any payments for the account holder only at the discretion of the account holder, provided it does not contravene Section 20 of the Bank of Guyana Act or the applicable provisions of the Anti-Money Laundering and Countering the Financing of Terrorism Act 2009.
- (b) Payments for imports must be fully supported by documentary evidence which should be retained by authorized dealers for a period of seven years for inspection by the Bank of Guyana.
- (c) An account holder must utilize his credit balance in his foreign currency retention account before requesting purchases of foreign currency from a bank cambio.

Report

- 5. Authorised dealers are required to report monthly to the Bank of Guyana, on the aggregate movements on the respective foreign currency accounts. A copy of the monthly bank statement including particulars of debits and credits must be submitted to the Bank no later than 14 days after the end of the month to which the statement relates by all authorized dealers. The Bank of Guyana reserves the right to request bank statements on these accounts. Credits to the accounts other than those identified at 3(a) (1) should be aggregated and reflected separately in the reports. Such reports should be submitted on Form X6 within seven (7) days of the end of the reporting period.

Group transactions

- 6. (a) An account holder that is part of a group of companies may not use its foreign currency holdings to execute transactions on behalf of other members of the group.

**Reserve and other
Prudential
Requirements**


- 7. (a) Authorised dealers shall be required to observe reserve and other prudential requirements stipulated from time to time by the Bank of Guyana.
- (b) The account should not be overdrawn without the permission of the Bank of Guyana.
- (c) Authorised dealers are required to abide by the “know your customer” principle and exercise all due diligence and care to ensure that the provisions of the Foreign Exchange (Miscellaneous) Provisions Act, the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2009, this Notice and any Notices, Guidelines or directions subsequently issued are not contravened in any way.

Revocation

- 8. If the requirements for the operation of the foreign currency retention accounts are not complied with, the permission may be revoked, in which event the credit balance shall be offered for sale to an authorized dealer.
The Bank of Guyana reserves the right to impose a limit on any account and to inspect the records and documents relating to the operation of the accounts of the authorized dealer at anytime.

**Cancellation of
ECN 20**

9. Exchange Control Notice (ECN) 20 issued in 1994 under the Exchange Control Act Cap. 86:01 is hereby cancelled.



Winston Jordan
Minister of Finance

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