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vdalegalpartners@vdalegalpartners.com

CEMAC

BEAC EXTENDS DEADLINE FOR COMPANIES OPERATING IN THE MINING AND HYDROCARBONS SECTORS TO COMPLY WITH CEMAC 2018 FOREIGN EXCHANGE REGULATION

Regulation No. 02/18/CEMAC/UMAC/CM on the foreign exchange rules applicable in the Economic and Monetary Community of Central African States (“CEMAC”) was enacted on 21 December 2018 (“2018 FX Regulation”) and entered into force on 1 March 2019. However, BEAC’s Governor Decision No. 071/GR/2019, of 22 November 2019, granted CEMAC resident entities operating in the mining and hydrocarbons sectors a larger deadline – i.e. until 31 December 2020 – to comply with the 2018 FX Regulation.

Considering the ongoing COVID-19 pandemic resulting in difficulties in the organization of the working sessions initially planned with them, BEAC’s Governor has now decided to postpone for one year the deadline granted to CEMAC resident entities operating in the mining and hydrocarbons sectors to comply with the 2018 FX Regulation. Pursuant to BEAC’s Governor Decision No. 119/GR/2020, of 5 November 2020, the deadline for compliance set for 31 December 2020 in Decision no. 071/GR/2019 of 22 November 2019 is extended until **31 December 2021**.

CEMAC resident companies operating in the mining and hydrocarbon sectors also have until 30 April 2021 to provide the BEAC with:

- the list of onshore and offshore accounts opened to date (including the accounts holding the site rehabilitation funds, known as RES funds);
- for each account, the information on the domiciliary bank, the account number and name, the account currency, the date of opening, the purpose of the account (loan-backed account, RES funds account, suppliers and subcontractors payment account, revenue collection account, etc.);
- the most recent statement for each account for one (01) month;
- the agreements for the respective accounts;
- the loan, borrowing and investment agreements signed with banks and/or other financial institutions outside CEMAC;
- the oil and mining agreements.

Failure to comply with the deadline for the communication of information shall entail the loss of the benefit of the extension until 31 December 2021 and, consequently, the immediate application of all the provisions of the 2018 FX Regulation, in particular the sanctions provided for therein.

We will be happy to answer any questions you may have on this topic.