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NATIONAL BANK OF ETHIOPIA
አዲስ አበባ / ADDIS ABABA

External Loan and Supplier's Credit

(As Amended)

Directives No. FXD /76 /2021

Whereas, the National Bank of Ethiopia is vested by its establishment proclamation no. 591/2008 and Investment Proclamation no. 1180/2020 to regulate foreign exchange and having determined the procedures of registration to external loan is essentially set to be a criterion of regulating foreign exchange;

Whereas, an investor who acquires an external loan shall have also obliged to register such a loan with the National Bank of Ethiopia in accordance with the directives of the National Bank of Ethiopia;

Now, therefore, in accordance with Articles 20 and 27(2) of the National Bank of Ethiopia Establishment (as amended) proclamation No. 591/2008 and article 21(1 and 2) of Investment Proclamation no. 1180/2020, these directives are hereby issued as follows:

Article 1
Short Title

These directives may be cited as “External Loan and Supplier’s Credit (as Amended) Directives No. FXD/76/2021.”

Article 2
Definition

In these Directives, unless the context requires otherwise:

- 2.1 “**All-in-cost ceiling**” means rate of interest, other fees and expenses in foreign currency excluding commitment fee and pre-payment fee.
- 2.2 “**Bank**” means a company licensed by the National Bank of Ethiopia to undertake banking business or a bank owned by the Government;




- 2.3 “**Exporter**” A person that sells goods or services that generate foreign currency;
- 2.4 “**External loan**” means a loan acquired from an eligible recognized lender and approved and registered by the National Bank of Ethiopia;
- 2.5 “**Foreign capital**” means paid up capital obtained from foreign sources, and includes the re-invested profits and dividends of a foreign investor and registered by pertinent government body;
- 2.6 “**Foreign Investors**” means a foreigner or an enterprise wholly foreign nationals, having invested foreign capital in Ethiopia or a foreigner or an Ethiopian incorporated enterprise owned by foreign nationals jointly investing with domestic investor, and includes an Ethiopian permanently residing abroad and preferring treatment as a foreign investor;
- 2.7 “**Guarantee**” means any signed undertaking, however named or described, providing for payment on presentation of a complying demand;
- 2.8 “**Investor**” means a domestic or a foreign investor having invested in Ethiopia;
- 2.9 “**Manufacturing Sector**” means sectors that consist of Ethiopian investors who produce goods for domestic market for consumption and/or as inputs for manufacturing, agriculture and other economic activities.
- 2.10 “**Supplier’s credit**” means an interim short term financing provided by a third party supplier;
- 2.11 “**Usance Letter of credit**” means a deferred payment letter of credit payable at a determined future date after presentation of conforming documents;
- 2.12 “**Person**” means any natural or juridical person;

Article 3

General

- 3.1 External loan guaranteed by Federal Government of Ethiopia shall be registered by the National Bank of Ethiopia by presenting the agreement and the guarantee issued there to.
- 3.2 An eligible borrower except stated under article 3.1 shall first get approval from the National Bank of Ethiopia before entering to external loan and supplier’s credit agreement with the lender/supplier.
- 3.3 An eligible borrower shall register the foreign loan remitted in cash or in kind by producing the necessary documents.



