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**NATIONAL BANK OF ETHIOPIA**  
ADDIS ABABA

**LICENSING AND SUPERVISION OF INSURANCE BUSINESS**

**Statutory Deposit Directive No. SIB/50/2020**

Whereas, protecting policyholders interest is among the main regulatory and supervisory concerns and responsibilities of the National Bank of Ethiopia;

Whereas, establishing a fund necessary for the purposes stated and maintaining it with the National Bank of Ethiopia is necessary;

Now, therefore, the National Bank of Ethiopia has issued this directive pursuant to the authority vested in it by Article 20 of Insurance Business Proclamation No. 746/2012 and Article 64(2) of the Insurance Business Proclamation No. 746/2012 as amended by the Insurance Business (Amendment) Proclamation No.1163/2019.

**1. Short Title**

This directive may be cited as “Statutory Deposit Directive No. SIB/50/2020”.

**2. Definitions**

For the purpose of this directive, unless the context provides otherwise:

**2.1 “main class of insurance business”** means either general insurance business or long term insurance business as the case may be;

**2.2 “National Bank”** means the National Bank of Ethiopia; and

**2.3 “statutory deposit”** means deposit to be maintained, in cash or government securities by an insurance company with the National Bank.

**3. Scope of Application**

This directive shall apply to all insurance and reinsurance companies.

**4. Requirement**

An insurer or a reinsurer shall, in respect of each main class of insurance business it carries on, deposit and keep deposited with the National Bank an amount equal to 15% of its paid-up capital in cash or government securities.

**5. Effective Date**

This directive shall enter into force as of the 4<sup>th</sup> day of August 2020.

  
**Yinager Dessie (PhD)**  
Governor



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