

SPECIAL FOREIGN EXCHANGE AUCTION GUIDELINES

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NATIONAL BANK
OF ETHIOPIA



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I. Introduction

The National Bank of Ethiopia (NBE), under the authority of Article 40 of Proclamation No. 1359/2025, conducts foreign exchange (FX) auctions to intervene in the forex market. These auctions involve buying and selling foreign exchange with authorized banks.

II. Objectives

The FX auctions are designed to achieve the following goals:

- Address temporary disorderly conditions in the foreign exchange market.
- Promote transparency and market-driven pricing to prevent distortions and speculation.
- Strengthen NBE's foreign exchange reserves.

III. Eligible Counterparties

Participation in these FX auctions is limited to authorized banks, which may bid solely for their own accounts.

IV. Authorized Personnel

Banks are required to submit to NBE the names, positions, and signature specimens of personnel authorized to participate in FX auctions.

V. Auction Currency

All FX auctions are conducted using US dollars (USD) and Ethiopian Birr (ETB).

A handwritten signature in blue ink, likely of an authorized official of the National Bank of Ethiopia.

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VI. FX Allotment

1.1 Allotment at the auction is determined solely on the basis of the bid prices submitted by participants to buy or sell FX. The auction shall apply at multiple rates of all successful bidders. The multiple rates shall be determined from the highest to the lowest rate that exhaust the total offered amount in the FX sales auction and the lowest to the highest rate that exhaust the total offered amount in the FX purchased auction. In cases of tied bids (identical rates), forex allotments are distributed equally among the tied bidders.

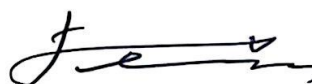
- Successful bids are allotted at the rates specified by the bidders.
- Banks receive notification via email within 20 min of the auction's closure.

VII. FX Auction Announcement

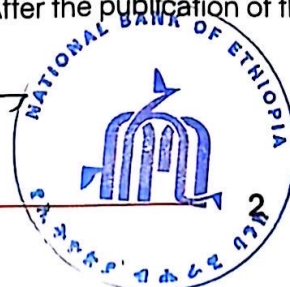
- Auction announcements are published on NBE's web portal or sent via email if the portal is unavailable.
- Announcements include:
 - a) Auction reference number.
 - b) Auction type (buying or selling).
 - c) Amount of foreign exchange offered.
 - d) Auction date and bidding window times.
 - e) Settlement date (T+2, or two business days after the auction).

VIII. FX Auction Bidding

- Bids are submitted through NBE's web portal or via email or hand delivery if the portal is down.
- Each bank may present up to three bids.
- Authorized Banks are required to complete a bid submission from including solely: (i) the amount of foreign exchange; and (ii) the exchange rate at which they intend to buy or sell forex.
- The form will be submitted by an authorized personnel along with an official stamp, and an authorized signature.
- Banks have 30 minutes to transmit their bids. After the publication of the auction announcement.



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- Only complete bids submitted within the bidding window are accepted, and all submissions are binding.
- The frequency of the FX auction shall be determined and announced by the NBE depending on the market conditions.

IX. FX results publication

- FX Auction results will be published in the NBE's website with one hour of the auction bidding period closure and shall include:
 - a) The allotted amount;
 - b) The total bid amount;
 - c) The marginal rate (also call cut-off rate);
 - d) The weighted average rate of successful bids;
 - e) Bid highest and lower rate;
 - f) Number of participants.

X. Settlement

Settlement for all successful bids shall be finalized on T+ 2, two business days following the auction date.

XI. Penalties

Failure to comply with any section of these guidelines results in a bank's suspension from participating in the next two FX auctions.

Eyob Tekalign (PHD)
Governor

