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NATIONAL BANK OF ETHIOPIA

AMENDMENT TO FOREIGN EXCHANGE DIRECTIVE NO. FXD/01/2024 DIRECTIVE NO. FXD/05/2026

Whereas, to relax foreign exchange (FX) administration for ease of doing business and to enhance the business community's confidence in the FX reform;

Whereas, allowing commercial banks to approve various trade related modalities and shipments will further decentralize FX administration and improve operational efficiency for importers;

Whereas, delegating authority to banks for the approval of letters of credit and cash against documents will streamline import processes and support international trade;

Now, therefore, in accordance with the authority vested in it by Article 6 (2) and (17) and Article 39 of the National Bank of Ethiopia Establishment (Amended) Proclamation No. 1359/2025, the National Bank of Ethiopia (hereinafter the "NBE") has issued this directive.

1. Short Title

This Directive may be cited as the **"Foreign Exchange Directive No. FXD/05/2026."**

2. Definitions

- 2.1 **"Bank"** means a company licensed by the National Bank to undertake banking business, or a bank owned by the Government;
- 2.2 **"Cash Against Documents (CAD) on acceptance"** is a payment arrangement where an exporter instructs their bank to release the shipping documents to the importer only after the importer has formally "accepted" a time draft or bill of exchange.
- 2.3 **"Foreign currency"** means any currency other than Ethiopian legal tender which is legal tender in any country outside Ethiopia and which the National Bank of Ethiopia has declared to be acceptable for payment in Ethiopia;
- 2.4 **"Forex Retention Accounts"**, also expressed as "Retention Accounts," means foreign currency accounts maintained by eligible exporters of goods and services in accordance with the provisions of this Directive;
- 2.5 **"Letter of Credit on acceptance"** means a deferred payment letter of credit payable at a determined future date after presentation of conforming documents;
- 2.6 **"National Bank of Ethiopia (NBE)"** means the National Bank of Ethiopia, which is the central bank of the country.



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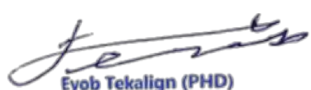
3. Amendments

The articles of Foreign Exchange Directive No. FXD/01/2024 are hereby amended as follows:

- 3.1. Annex 2, sub-article 1.3.2 of Foreign Exchange Directive No. FXD/01/2024 is hereby amended by: "Banks are authorized to approve letter of credit on acceptance for any institutions holding foreign currency account, and holders of retention accounts without prior approval of NBE".
- 3.2. Annex 2, sub-article 1.3.4 of Foreign Exchange Directive No. FXD/01/2024 is hereby amended by: "Banks are authorized to approve cash against document on acceptance for any institutions holding foreign currency account including holders of retention accounts without prior approval of NBE".
- 3.3. Annex 2, sub-article 1.4.2(iii) of Foreign Exchange Directive No. FXD/01/2024 is hereby amended by: "Institutions holding foreign currency accounts, including holders of retention accounts, can order or initiate goods for shipment prior to bank approval, and the payment processing shall be subject to submission and verification of the required documents."
- 3.4. Annex 6, sub-article 1.2.1 of Foreign Exchange Directive No. FXD/01/2024 is hereby amended as: "Institutions holding foreign currency accounts, including holders of retention accounts, can order or initiate goods for shipment prior to bank approval, and the payment processing shall be subject to submission and verification of required documents."

4. Effective Date

This Directive shall enter into force as of the **25th day of May 2026**.



Eyob Tekalign (PHD)
Governor

