

Rules for Conducting Business and Licensing of Representative Offices of Foreign Banks (2003)

In accordance with Section 59-(2) of the Banking Business Regulation Act (2003) and Section (11) of the same Act, the Governor of Bank of Sudan issues the following rules:

SECTION ONE **Preliminary**

Title and Commencement

1. This regulation is cited as the “Rules for Conducting Business and Licensing of Representative Offices of Foreign Banks, 2003” and shall be effective from the date of signing it.

Interpretation

2. In this regulation, and if not inconsistent with the context, the following expressions shall have the meanings hereinafter respectively assigned to them, that is to say :-

Bank: means Bank of Sudan

Governor: means the Governor of the Bank of Sudan

Foreign Bank: means any foreign bank or financial institution that wants to be licensed by the Bank to open a representative office in Sudan or that gets the license.

Representative Office: means the representative office of a foreign bank

SECTION TWO **Business and Activities of Representative Offices**

3. The business and activities of representative offices shall be confined to the following:
 - a) Representing banks in conducting business and communicating with the authorities in matters related to following their interests.
 - b) Conducting general studies and research in relation to investment opportunities in Sudan.

- c) Providing consulting services to its customers.
 - d) Any other related activities that are permissible by law.
4. Representative offices are prohibited from:
- a) Accepting deposits.
 - b) Carrying banking activities as defined in the Banking Business Regulation Act (2003).
 - c) Any activities other than those businesses or activities spelled out in Section (3) above that yield, directly or indirectly, profits of any kind.

SECTION THREE **Licensing Regulations**

The regulations governing representative offices are as follows:-

- 5. No representative office can commence business or activity in Sudan unless it has a written approval from the Bank and be registered at the Commercial Registrar.
- 6. Any foreign bank that applies to the Bank for getting a license to open a representative office in Sudan must present the following documents with the application:-
 - a) An undertaking from the head office of the foreign bank to bear and fulfill all the obligations pertaining to its representative office.
 - b) A certificate from the monetary authorities in its country of origin showing that the bank had been conducting banking business continuously for a period of not less than five years before the date of the application.
 - c) A written approval from the monetary authorities in its country of origin to open a representative office in Sudan.
 - d) An undertaking to the following:-
 - i- Adherence to and compliance with the laws and regulations adopted in Sudan.
 - ii- The documents and records of the representative office are subject to supervision and inspection by the Bank.
 - e) A copy of each of the following documents:
 - i- Articles and Memorandum of Association of the bank.
 - ii- Decision of the head office to establish a representative office.
 - iii- Audited financial statements for the last three years.
 - iv- Authorities of the representative officer and his C.V.

- v- Name and address of the person in charge of the representative office in the head office.

Accounts of the Representative Office

7. The representative office can open accounts in its name with the commercial banks operating in Sudan, provided that these accounts are used to pay for administrative expenses only which are being covered by the head office of the bank.

Fees

8. Fees are levied as follows:
- a) 1,000,000 (one million) Sudanese Dinars or equivalent in foreign currency non-refundable on applying for a license for a representative office.
 - b) 500,000 (five hundred thousand) Sudanese Dinars or equivalent annual fees for the representative office license.

Annulling the License

9. The Governor may annul the license granted to a representative office at any time in any of the following instances:-
- a) Not commencing business within a period of six months from the date of granting the license, unless this period is extended by a decision from the Governor.
 - b) Not conducting any business for three consecutive months.
 - c) Conducting any business or activities that are not permissible according to these rules.
 - d) Violating these rules or the laws and regulations pertaining to them or the conditions of licensing.
 - e) Bankruptcy of the head office of the bank or ceasing to exist.
 - f) At the request of the head office of the bank and in this case the license will be annulled after fulfilling all the obligations of the representative office in Sudan.

General Provisions

10. Representative offices must abide by the following:-
- a) Using the term “Representative Office” with the name of the bank it represents in a clear manner in the premises of the office and its headed paper and advertisements it makes.

- b) Informing the Bank with any change to the position of the office related to: the person in charge of the representative office in the head office, or its manager in Sudan or in the country of origin, or when ceasing to work completely or partially or any other matter related to work.
- c) Informing the Bank with any changes occurring to the position of the bank it represents or any legal or administrative changes or activities in the head office of the representative office, and providing a copy of the audited financial statements when published.
- d) Providing the Bank with a copy of the annual reports issued by the head office, and containing the report of the board of directors and balance sheet.

Signed by me on this *First* day of the month of *Ramadan* of the year *1424 Hijri*, corresponding to the *Twenty-six* day of the month of *October* of the year *2003 A.D.*

Dr. Sabir Mohammed Hassan
Governor of Bank of Sudan