



## **PUBLIC NOTICE**

### **OFFSHORE TRADING OF FOREIGN CURRENCIES FOR THE LEONE**

19 September 2023

1. In consultation with the Ministry of Finance and the Ministry of Planning and Economic Development, the Bank of Sierra Leone notes with concern the current practice of Brokerage Firms who are engaged in offshore trading of funds provided by development partners in foreign currency for the implementation of projects by Non-Government Organisations (NGOs) in Sierra Leone.
2. These brokerage firms usually bid at a higher rate of exchange of the Leone to international currencies, thereby generating unwarranted speculation and excess volatility of the exchange rate, with pass-through effect to domestic prices. The consequent higher inflationary pressures fueled by the excess volatility of the exchange rate is adversely affecting the prices of essential commodities.
3. Whilst the Bank of Sierra Leone appreciates the efforts of partners in supporting development projects in Sierra Leone, the activities of foreign exchange brokerage firms should not be seen to undermine the aspirations of our partners to reduce poverty and enhance the well-being of citizens.

4. To address this situation and associated adverse implications, pursuant to section 48 of the Bank of Sierra Leone Act, 2019, section 1 of the Other Financial Services Act, 2001 and the Bank of Sierra Leone (Amendment) Act, 2023, the Bank of Sierra Leone hereby directs that all development project funds meant for Sierra Leone that are channeled through foreign exchange brokerage firms (international and local) shall be traded at the Reference or Average Market Rate (mid-rate) published daily by the Bank of Sierra Leone.
  
5. Persons or financial institutions who fail to comply with this Directive shall be liable to pay such fine or penalty as may be determined by the Bank of Sierra Leone.

**END**