

Central Bank of Libya

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Resolution of Governor of Central Bank of Libya N°. (96) of the year 2015 for laying down rules for regulating the use of foreign exchange for the purpose of opening documentary letters of credit and Collection against Documents and the conditions for opening letters of credits for importation from abroad

Governor of Central Bank of Libya

After perusal of:

- ✦ Declaration of the Constitutional Charter promulgated by the National Transitional Council on 03rd Ramadan 1432, corresponding to 03/08/2011 and its amendments.
- ✦ Law N°. (1) of the year 2005 regarding banks and amendments thereof.
- ✦ The organization charter of the Central Bank of Libya.
- ✦ Law N°. (1) of the year 2005 regarding banks and amendments thereof.
- ✦ Resolution of Board of Directors of Central Bank of Libya N°. (17) of the year 2014 regarding certain formalities and rules for performing processes of "Collection against Documents".
- ✦ Resolution of the Governor of Central Bank of Libya N°. (1) of the year 2013 in respect of regulating use of foreign exchange and specifying powers for executing foreign drafts for the different purposes.
- ✦ Resolution of the Governor of Central Bank of Libya N°. (32) of the year 2015 for canceling an article in the Governor's resolution N°. (1) of the year 2013 and adding a provision.
- ✦ Proposals submitted by the Economic Consulting Committee in the Bank and the Committee entrusted to study methods for answering the claims of Banks in foreign exchange.
- ✦ For the requirements of public interest.

Do hereby decide:

Article (1)

Payment by way of collection against documents (CAD) for goods import purposes to public and private sectors via all commercial banks operating in Libya, is and hereby **temporarily stopped**. All processes of goods and services importation from abroad shall be financed by documentary letters of credit to be opened for this purpose, under the rules currently effective.

Article (2)

Payment by (Transferable Letter of Credit) in all commercial banks shall be stopped and all banks shall have to add in this condition within the conditions of opening letters of credit for importation from abroad.

Article (3)

The Central Bank of Libya shall cover the financial obligations of commercial banks in foreign currency with the correspondent banks abroad, against the permitted documentary L/C and foreign drafts opened by them, within thirty days from the date of filing the application for coverage, provided all documents should be satisfied and complying with all conditions and rules applicable in this respect.

Article (4)

All commercial banks operating in the field of opening documentary L/Cs for the purpose of importing goods from abroad shall observe and abide by adding a clause of presenting a certificate issued by an international inspection company on the goods to be imported, within the conditions of opening documentary credits.

Article (5)

All commercial banks operating in the Country should require the importers by documentary credits, to present customs declarations evidencing entry of good to the Libyan boarder entry ports and seaports provided such customs declarations should be presented to the banks within two months from the date of receiving documents. All banks shall inform the Department of Control on Banks and Foreign Exchange about the cases of failure to submit the required customs declarations on due date, in order to take the necessary actions in this respect.

Article (6)

The rules of using foreign exchange in force shall continue to be observed and applied as long as they are consistent with the provisions of this resolution.

Article (7)

This resolution shall come into force as from the date of its issue; the Department of Control on Banks and the Accounting Department of Central bank of Libya shall take the actions necessary for putting this resolution into effect.

(Signed & stamped)
El-Sedig Omar El-Kabir
The Governor

Issued on 30/04/2015.