

## ACT

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### ARRANGEMENT OF SECTIONS

#### THE BANK OF SIERRALEONE ACT, 2019

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SIGNED this 17th day of June, 2019.

DR. JULIUS MAADA BIO,  
*President.*



No. 5



2019

Sierra Leone

**The Bank of Sierra Leone Act, 2019**

**Being an Act to continue in existence the Bank of Sierra Leone to act as banker, adviser and fiscal agent and to support the general economic policy of the Government of Sierra Leone, to provide for the maintenance of price stability and stable financial system, to provide for the formulation and implementation of monetary policy, financial regulations and prudent standards and to provide for other related matters.** Short title.

[ ] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

## PART I – PRELIMINARY

Interpretation.

1. In this Act, unless the context otherwise requires–

"agent means any legal entity to whom the bank has issued a written authorisation to carry out specific functions on behalf of the bank;

"Bank" means the Bank of Sierra Leone;

"Board" means the Board of Directors of the Bank referred to by section 7;

"Deputy Governor" means the Deputy Governor of the Bank;

"financial institution" means an institution licensed and subject to regulation and supervision by the Bank under this Act or any other enactment;

"Government" means the Government of Sierra Leone;

"Governor" means the Governor of the Bank;

"Minister "means the Minister responsible for finance;

"monetary liabilities" means currency in circulation and financial claims against the Bank except the Bank's liabilities to the Government and international financial organizations.

Application.

2. (1) This Act shall apply to the operations of the offices, agents and financial institutions of the Bank Sierra Leone.

(2) Where there is a conflict or inconsistency between this Act and any other Act relating to banking, this Act shall prevail.

## PART II- CONTINUATION, OBJECTIVE AND FUNCTIONS OF THE BANK

Continuation of Bank of Sierra Leone.

3. (1) There shall continue in existence a body known as the Bank of Sierra Leone.

(2) The Bank shall be a body corporate having perpetual succession and capable of acquiring, holding and disposing of property, whether movable or immovable, of entering into contracts and of suing and being sued in its corporate name and, subject to this Act, of performing all such acts as bodies corporate may by law perform.

4. (1) The Bank shall be autonomous and accountable in the performance of its functions under this Act. Autonomy of Bank.

(2) In the exercise of their functions under this Act, members of the Board and staff members shall not take instructions from any person or body.

5. (1) The objective of the Bank shall be to- Objective and functions.

- (a) issue and manage the currency of Sierra Leone.
- (b) achieve and maintain price stability.
- (c) contribute to fostering and maintaining a stable financial system; and
- (d) support the general economic policy of the Government.

(2) In the exercise of its functions under this Act, the Bank shall -

- (a) formulate and implement monetary policy financial regulations and prudent standards;
- (b) act as banker , adviser and fiscal agent of the Government;
- (c) formulate and implement the foreign exchange policy of Sierra Leone;
- (d) conduct foreign exchange operations;
- (e) own, hold and maintain the official international reserves including the gold reserves;
- (f) establish , promote, license and oversee sound and efficient payment and securities settlement systems and clearing systems;
- (g) license, register, regulate and supervise financial institutions as specified in this Act or any other law;
- (h) adopt and implement macro-prudential policy measures by regulations or guidelines;

- (i) resolve financial institutions in accordance with the Banking Act, 2019;
- (j) act as a depository for funds from international organisations;
- (k) collect and produce statistics;
- (l) cooperate with and participate in international fora; and
- (m) carry out any ancillary activities incidental to the exercise of its functions.

Place of business.

**6.** (1) The Bank shall have its principal place of business in Freetown.

(2) The Bank may in accordance with the decision of the Board-

- (a) establish branches within Sierra Leone;
- (b) appoint agents in Sierra Leone and agents and correspondents outside Sierra Leone;
- (c) establish offices outside Sierra Leone.

#### PART III- ADMINISTRATION

Continuation of Board.

**7.** (1) There shall continue in existence a Board of Directors which shall consist of the following members-

- (a) the Governor who shall be Chairman;
- (b) the first Deputy Governor and a second Deputy Governor; and
- (c) 6 non-executive directors,

all of whom shall be appointed by the President subject to the approval of Parliament.

(2) The Governor and Deputy Governors shall each be appointed for a term of 5 years and shall be eligible for reappointment for another term of 5 years only.

(3) The 6 non-executive members shall hold office for a term of 3 years and shall be eligible for reappointment for another term of 3 years only.

(4) Members of the Board shall be persons -

- (a) of proven integrity; and
- (b) having qualification and considerable experience in economics, finance, banking, accounting or law.

(5) Where the office of the Governor, a Deputy Governor or a non-executive director is vacant, the President shall appoint another qualified person to complete the term of the outgoing Governor, Deputy Governor or non-executive director.

**8.** A person shall not be eligible to be appointed as Governor Deputy Governor or non-executive director while that person is -

Ineligibility to serve on Board.

- (a) a Member of Parliament;
- (b) an officer or employee of a financial institution operating in Sierra Leone or any other institution whose activities are regulated by the Bank;
- (c) a functioning member of a political party;
- (d) a public officer.

**9.** (1) The Governor, a Deputy Governor or a non-executive director shall be removed from office if -

Removal from office.

- (a) he is unable to perform the functions of his office by reason of infirmity of mind or body;
- (b) he is bankrupt, suspends payment or compounds with his creditors;
- (c) he is convicted of an offence which carries a sentence of imprisonment with or without the option of a fine;