BANK OF SOUTH SUDAN (BoSS)
Office of the Governor

September 18, 2026

CIRCULAR NO.2 BoSS/OoG/9/2026

CIRCULAR ON THE PROHIBITION OF FOREIGN EXCHANGE TRANSACTIONS WITH UNAUTHORISED PERSONS AND ENTITIES

TO:

All Licensed Telecommunications and Mobile Network Operators
All Electricity Generation, Transmission and Distribution Companies
All Petroleum Companies, including Upstream Operators, Importers, Refiners, Distributors and Fuel Marketing Companies
All Banks and other financial institutions

The Bank of South Sudan (the "Bank"), in exercise of its statutory mandate under Section 12 of the Bank of South Sudan Act, 2011 as amended 2023, Section 154 of the Banking Act, 2012 as amended 2023 and Section 6 of Foreign Exchange Business Act, hereby issues this Circular to all entities operating in the Telecommunications, Electricity, Petroleum sectors, Banks and other Financial Institutions.

1. PROHIBITION OF UNAUTHORISED FOREIGN EXCHANGE BUSINESS

Section 7 of the Foreign Exchange Business Act, 2012 prohibits any person, other than a bank licensed under the Banking Act or a legal person licensed as a foreign exchange bureau under the Act, from engaging in foreign exchange business or international money-transfer business.

Accordingly, all entities covered by this Circular are hereby directed to ensure that no foreign exchange transaction is undertaken, directly or indirectly, with any person or entity that is not duly authorised and licensed by the Bank to conduct the relevant foreign exchange business.

No contractual arrangement, commercial practice, settlement mechanism or other transaction structure shall be used for the purpose of circumventing this requirement.

2. AUTHORISED FOREIGN EXCHANGE CHANNELS

Foreign exchange requirements shall be sourced and settled only through institutions duly authorised by the Bank, including:

a) licensed commercial banks authorised to conduct foreign exchange business;
b) licensed foreign exchange bureaus operating within the scope of their licences; and
c) any other institution expressly authorised by the Bank to undertake the relevant foreign exchange or money-transfer activity.

Plot No.4, Williang Ambassadorial Area 1st Class, P.O. Box 136 I www.boss.gov.ss I Tel: +211 928 611 117

All entities covered by this Circular shall exercise appropriate due diligence and verify the licence status of their foreign exchange counterparties before entering into any transaction.

3. TRANSACTIONS OF PARTICULAR CONCERN

The Bank has noted with concern that certain entities may be accessing foreign currency through unauthorised dealers or other persons operating outside the licensed foreign exchange market.

Of particular concern are arrangements under which:

a) substantial amounts of South Sudan Pounds are collected or paid in cash outside the banking system;
b) United States Dollars or other foreign currency are subsequently provided to corporate entities in settlement of goods or services;
c) the foreign-currency component is settled through offshore accounts or other channels while the South Sudan Pound component is settled domestically in cash; or
d) any other arrangement is employed that has the effect of facilitating foreign exchange business outside the regulated market.

Where such arrangements constitute foreign exchange business conducted without the requisite licence or authorisation, they are prohibited under applicable law.

4. REGULATORY AND FINANCIAL STABILITY CONCERNS

Transactions conducted outside the regulated foreign exchange market undermine the integrity and transparency of the market and may:

a) divert legitimate foreign exchange demand and supply away from authorised market participants;
b) distort exchange-rate formation and contribute to parallel-market premiums;
c) undermine the effectiveness of monetary and foreign exchange policy;
d) reduce the availability and reliability of foreign exchange market information and transaction data;
e) facilitate the movement of funds outside the formal financial system; and
f) increase exposure to money laundering, terrorist financing and other financial-crime risks.
g) The Bank therefore considers strict adherence to the licensed foreign exchange framework essential to maintaining an orderly, transparent and stable foreign exchange market.

5. INVESTIGATION AND REPORTING

The Bank, through the relevant supervisory and enforcement authorities and, where appropriate, in coordination with the Financial Intelligence Unit and law-enforcement agencies, shall investigate suspected violations of the applicable foreign exchange laws and regulations.

Accordingly, the Bank may require entities covered by this Circular to provide contracts, invoices, payment records, bank statements, foreign exchange records, correspondence, counterparty information and any other documents relevant to suspected foreign exchange transactions.

All entities shall cooperate fully with any lawful request made by the Bank or another competent authority.

6. MANDATORY REQUIRMENTS FOR REGULATED ENTITIES

With immediate effect, all entities covered by this Circular shall:

6.1 Cease all foreign exchange transactions with unauthorised persons or entities.

6.2 Conduct all foreign exchange purchases and settlements through duly authorised dealers and in accordance with applicable laws, regulations and Bank directives.

6.3 Ensure that all foreign exchange transactions are supported by genuine and verifiable underlying commercial or financial documentation.

6.4 Ensure that domestic collections and payments are appropriately routed through accounts maintained with licensed commercial banks, except where cash transactions are expressly permitted by law or Bank directive.

6.5 Verify the licence status and scope of authorisation of every foreign exchange counterparty before entering a transaction.

6.6 Maintain complete records of all foreign exchange transactions, including the counterparty, amount, currency, purpose, supporting documents and settlement channel.

6.7 Within thirty (30) days of the date of this Circular, submit to the Department of Banking Supervision a declaration, duly signed by the Chief Executive Officer and Chief Finance Officer, containing:

a) all foreign exchange transactions undertaken during the preceding twelve (12) months;
b) the identity of each foreign exchange counterparty;
c) the licence status of each counterparty;
d) the amount and currency involved;
e) the purpose of each transaction; and
f) the settlement channel used, including any offshore settlement arrangement.

6.8 Designate a senior executive as the entity's official compliance focal point for engagement with the Bank and submit the name and contact details of that officer within fourteen (14) days.

7. RESPONSIBILITY OF BOARDS AND SENIOR MANAGEMENT

The Board of Directors and senior management of each entity covered by this Circular shall ensure that appropriate internal controls, compliance procedures and approval mechanisms are established to prevent foreign exchange transactions with unauthorised persons.

Failure to establish or maintain adequate controls shall not relieve the entity or responsible officers of their obligations under applicable laws.

8. CONSEQUENCES OF NON-COMPLIANCE

Any entity, director, officer, employee, agent or other person found to have engaged in, authorised, facilitated or knowingly permitted prohibited foreign exchange transactions may be subject to the applicable sanctions, penalties and enforcement measures provided under the Foreign Exchange

Business Act, 2012, the Banking Act, 2012 as amended 2023 the Anti-Money Laundering and Counter-Terrorist Financing Act, 2012 as amended 2024, and other applicable laws and regulations.

Such measures may include, where legally applicable:

a) criminal prosecution;
b) seizure, confiscation or forfeiture of funds, foreign currency or other instruments;
c) administrative sanctions and monetary penalties;
d) restrictions on access to foreign exchange facilities;
e) referral to the Financial Intelligence Unit and competent law-enforcement authorities;
f) referral to the relevant sector regulator; and
g) any other enforcement or regulatory action authorised by law.

Nothing in this Circular shall limit or prejudice any investigation, prosecution or other lawful action that may be undertaken by a competent authority.

9. COMPLIANCE AND EFFECTIVE DATE

This Circular shall take effect immediately upon issuance and shall remain in force until amended, replaced or withdrawn by the Bank.

All entities covered by this Circular are required to review their existing foreign exchange arrangements and immediately discontinue any arrangement that is inconsistent with this Circular or applicable law.

Where an entity is uncertain as to whether a particular transaction, contractual arrangement or settlement mechanism constitutes foreign exchange business requiring authorisation, it shall seek written clarification from the Bank before entering into or continuing such arrangement.

The Bank expects the full cooperation of all concerned entities in safeguarding the integrity of the foreign exchange market and ensuring compliance with the laws of the Republic of South Sudan.

Issued under the authority of the Governor on this day 18th Month Sept 2026

GOVERNOR
BANK OF SOUTH SUDAN
BoSS
BANK OF SOUTH SUDAN

Dr. Addis Ababa Othow
Governor,
Bank of South Sudan

COPIED TO:
Hon. Minister of Finance and Planning
Hon. Minister of Petroleum
Hon. Minister of Energy and Dams
National Communication Authority
Financial Intelligence Unit
Inspector General of Police