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NATIONAL BANK OF ETHIOPIA
 ADDIS ABABA

FIS/BSD/753/16
 June 17, 2016

All Private Banks
Addis Ababa

Dear Sirs/Madam;

Subject: **Circular No. BSD/14/2016**

We have come to recognize the challenges related to identifying citizenship of and paying dividends to corporate shareholders in private banks with quite large number of members. Accordingly, the National Bank has hereby:

- 1) exempted banks from checking and ascertaining Ethiopian citizenship of each and every member of 'edirs' as well as religious, aid or developmental organizations incorporated in Ethiopia to accept as shareholders and pay dividends; and
- 2) allowed banks to accept Ethiopian corporate business entities as shareholders of the banks and pay dividends without checking and ascertaining Ethiopian citizenship of each member of the corporate business entity provided that the chief executive officer of the business entity in question gives written confirmation stating that at least 99% of the members/shareholders of the entity are Ethiopian citizens.

Sincerely yours,



Solomon Desta
 Director, Banking Supervision Directorate

- cc.
- H.E. The Governor
 - The V/Governor, Financial Institutions Supervision
 - Legal Service Directorate
- National Bank of Ethiopia**