



**ADMINISTRATIVE REGULATION
NO. PFMA-01/MOF/R/02 2010**

OPENING OF TRANSITORY ACCOUNTS

The Ministry of Finance (MOF) in consultation with the Central Bank of Liberia (CBL) consistent with Section 34.4 of the Public Finance Management Act of 2009, hereby prescribes issues and sets forth the following regulation pursuant to its authority under Section 33.3 of the said Public Finance Management Act of 2009:

1. TRANSITORY REVENUE ACCOUNT OPENING

- A. Transitory Revenue Account(s) shall be established by the MOF in the name of the CBL in the commercial banks. The commercial banks may open collection windows at various institutions or places of collection outside of their banking premises. However, all such collection windows must be directly linked electronically to the transitory accounts for timely and accurate recording of all revenues collected.
- B. Separate Transitory Revenue Account(s) shall be opened by the MOF in the name of the CBL for revenue generating instruments (e.g., such as passports, vehicle license plates and work permits) and related collection governed by MoUs, as well as for general tax revenue collection purposes.

All openings of transitory accounts by the MOF shall be notified by the MOF to the CBL at the time of account opening.

2. PURPOSE OF TRANSITORY ACCOUNT

The Transitory Revenue Account(s) shall be utilized for collection of fees from activities under statutory mandates of the various ministries and agencies and which shall be covered under appropriate Memorandum of Understanding from the Ministry of Finance, and for the payment of Inland taxes and Customs duties. The Transitory Account(s) shall serve only as temporary holding accounts for the payment of Government revenue.

3. SWEEP REQUIREMENT AND PROCEDURES

- A. All funds collected through the Transitory Revenue Accounts(s) on a certain business day shall be swept into the General Revenue Account at the CBL by the Commercial Bank on the "Next Clearing Day" by check, debit instruction or electronic payments. The sweep shall cover deposits made for the certain business day(s) until the "Next Clearing Day". The Commercial Bank may also credit the offshore account of the CBL in settlement of the amounts due provided that all current account balances at the CBL are insufficient to settle the amounts due. The SWIFT acknowledgement of the transfer on the

stipulated sweep days shall be required. For electronic transfers, all transfer related charges shall be on account of the Commercial Bank

- B. The CBL shall automatically debit the Commercial Bank's current account by close of day on the stipulated sweep days of the week for any amount not swept to the General Revenue Account.

4. MOF OPTION FOR EARLIER SWEEPS

Should there be a need for earlier sweeps the Ministry of Finance shall authorize the sweep to the Consolidated General Account.

5. PENALTY FOR INSUFFICIENT BALANCE

If the balances in the Commercial Bank's current account(s) at CBL are insufficient to cover any amount due the Government on the stipulated sweep days of each week, the Central Bank shall automatically debit the current account for the full revenues payable by close of day. The Commercial Bank shall be subject to all penalties governing the rules of the Clearing House.

6. ACCOUNT OPERATING RESTRICTIONS

No check shall be written against the Transitory Revenue Account(s) or any withdrawal made there from except for duly authorized internal debits on account of service fees by the Commercial Bank and contractual pre-financing cost as specified and expressly authorized in an appropriate Memorandum of Understanding entered between and among the MOF, the Commercial Banks and the coordinating Ministry or Agency, and attested to by the CBL.

7. OTHER RESTRICTIONS

No Commercial Bank shall open any account for the collection of fees from the sale of Government of Liberia revenue generating instruments without an expressed Memorandum of Understanding duly signed by the Minister of Finance and attested to by the Central Bank of Liberia. Furthermore, no Commercial Bank shall open any account for the collection of general tax revenues without ensuring that the account is in the name of the CBL, and also notifying the CBL in writing of such account opening.

8. REPORTING

7. The Commercial Banks shall, in their "Next Day Sweep" advice to the Central Bank and the MOF provide a statement print of the Transitory Account(s). Notwithstanding, on the first clearing day of each succeeding month the Commercial Bank shall provide a detailed report in an agreed format covering the total collection and remittance for the week period of Monday to Saturday. They shall also provide to the CBL, MOF and the other parties to the MOU, bank statements and internet access to the Transitory Revenue Account(s) to facilitate monitoring of the Transitory Revenue Account

transactions, and for the relevant parties to prepare their consolidated statements as applicable.

8. The Commercial Banks shall collaborate with the MOF in the monthly reconciliation of the Transitory Account(s).

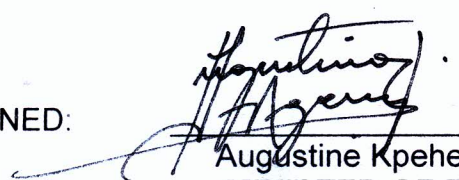
9. PENALTY FOR FAILURE TO REPORT

If any Commercial Bank fails to submit the agreed report on the first clearing day of the week, and that failure continues for forty eight hours after the report due date, the defaulting Commercial Bank shall pay a penalty of L\$50,000 for each day of default starting from the original due date. Such amount shall be debited to the Commercial Bank's current account by the CBL upon written notification by the MOF and shall be credited to the General Revenue Account

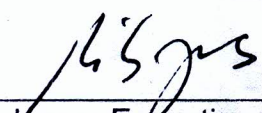
10. ENFORCEMENT

This Regulation shall come into full force upon signing and publication and shall remain in force until otherwise revoked by the Minister of Finance.

SIGNED:


Augustine Kpehe Ngafuan
MINISTER OF FINANCE

ATTESTED:


J. Mills Jones, Executive Governor
CENTRAL BANK OF LIBERIA