



BANK OF SOUTH SUDAN (BSS)

REGULATION NO. 17, 2012

SHARE REPURCHASES BY BANKS IN SOUTH SUDAN

In accordance with the provisions of section 12 of the Bank of South Sudan Act, 2011, and section 65(5) of the Banking Act 2012 (the Banking Act), I hereby issue the following Regulation that sets forth the procedures and criteria applicable to repurchase of their own shares by banks operating in South Sudan.

This Regulation shall be cited as Share Repurchase by Banks in South Sudan, 2012, and shall come into effect as from the date of its signature.

1. A bank may purchase its own shares only upon the affirmative vote of at least two-thirds of the bank's outstanding common shares, and with the prior written approval of the Bank of South Sudan (BSS). Such purchases must be for a legitimate business purpose, as determined by the BSS.
2. A bank wishing to purchase any of its own shares must submit an application to the BSS at least 60 days prior to the intended purchase. The application must include:
 - a) a certified copy of the resolution of the bank's shareholders' meeting, confirming that the shareholder approval requirement of section 1 has been met;
 - b) an explanation of the business purpose for the repurchase;
 - c) an explanation of why the share repurchase would be beneficial to the bank; and
 - d) any other information that may be requested by the BSS.
3. No purchase by a bank of its own shares will be permitted unless an independent external audit of the bank confirms that the bank:
 - a) meets all capital requirements under the Banking Act and BSS regulations, circulars and guidelines; and
 - b) has a positive earnings trend.
4. No purchase by a bank of its own shares will be permitted if in the opinion of the BSS, it would likely result in:
 - a) the bank's noncompliance with any capital requirement under the Banking Act or BSS regulations or circulars; or
 - b) a deterioration of the bank's financial condition.
5. Examples of share repurchases that may be considered to be legitimate business purposes include:
 - a) to have shares available for use in connection with employee stock option, bonus, purchase, or similar plans;

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- b) to have shares available to sell to a director for the purpose of acquiring qualifying shares;
 - c) to purchase a director's qualifying shares upon the cessation of the director's service in that capacity if there is no ready market for the shares; and
 - d) to reduce costs associated with shareholder communications and meetings.
6. It is not a legitimate business purpose for a bank to acquire its own shares on speculation about changes in its value, or to provide a benefit to the shareholder who proposes to sell his shares to the bank.
7. A bank may not grant credit secured by its own shares or shares of its parent bank holding company, or to purchase any such shares, or knowing that the proceeds of such credit will be used for such purposes.

Made under my hand on
This 15th day of SEPT. 2012



Kornelio Koryiom Mayik

Governor
Bank of South Sudan

