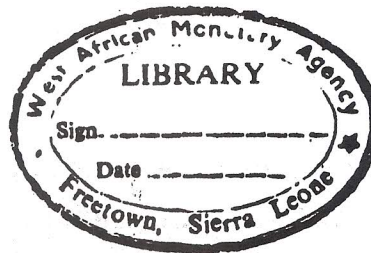


WEST AFRICAN MONETARY AGENCY
(WAMA)



ARTICLES OF AGREEMENT OF
THE WEST AFRICAN MONETARY AGENCY
(WAMA)



8TH MARCH 1996

P R E A M B L E

THE GOVERNORS OF CENTRAL BANKS OF MEMBER STATES OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

MINDFUL of Article 52 of the ECOWAS revised Treaty establishing the Committee of Governors of West African Central Banks;

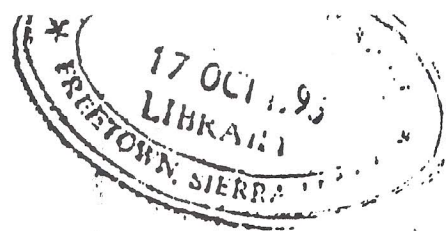
MINDFUL of Article 3 of the revised Treaty setting out the aims and objectives of the Community;

MINDFUL of the Agreement for the establishment of the West African Clearing House signed in Lagos on the 14th day of March 1975, as amended;

RECALLING Decision A/DEC 4/7/92 of the Authority of Heads of State and Government relating to the transformation of the West African Clearing House into an autonomous specialized agency of the Economic Community of West African States and its change of name to the West African Monetary Agency (WAMA);

RECOGNISING that the transformation and change of name are meant to strengthen WAMA and enable it assume responsibility for the implementation of monetary and multilateral payments related issues including the ECOWAS Monetary Cooperation Programme;

AWARE that the 1975 Agreement for the establishment of the West African Clearing House cannot serve the aims and purposes of this new institution;



AGREE AS FOLLOWS:

ARTICLE 1

DEFINITIONS

In this Agreement:

"Agency" means the West African Monetary Agency established by Decision A/DEC/4/7/92 of the Conference of Heads of State and Government;

"Authority" means the Authority of Heads of State and Government of the Community established under Article 7 of the revised Treaty;

"Conference" means the Conference of Heads of State and Government of the Community established under Article 7 of the revised Treaty;

"Agreement" means these Articles of Agreement of the West African Monetary Agency;

"Bank" means a Central Bank or any other Monetary Authority which is a Member of the Agency;

"Chairman" means the current Chairman of the Committee of Governors of Central Banks of member countries of ECOWAS;

"Commercial Bank" means a bank approved by the Central Bank or any other competent authority of a Member State of ECCWAS;

"Committee" means the Committee of Governors of Central Banks of ECOWAS Member States established under Article 52 of the Treaty;

"Community" means the Economic Community of West African States established under Article 1 of the Treaty;

"Community Court of Justice" means the Court of Justice of the Community established under Article 15 of the Treaty;

"Council" means the Council of Ministers of the Community established under Article 10 of the Treaty;

"Convertible Currencies mutually agreed upon" means convertible currencies mutually agreed upon in accordance with rules laid down by the Committee of Governors;

"Directorate" means the Directorate (Head Office) of the West African Monetary Agency;

"Director General" means the officer charged with the responsibility of managing the Secretariat of the Agency and appointed under Article VII of this Agreement;

"Executive Secretariat" means the Executive Secretariat of the Economic Community of West African States established under Article 17 paragraph 1 of the Treaty;

"Executive Secretary" means the Executive Secretary of the Community appointed under Article 18 paragraph 1 of the Treaty;

"Governor" means a Governor of a Central Bank of a Member State or Member States;

"Interim Period" means the intervening period between two settlement dates provided for under this Agreement;

"Member State" or "Member States" means a "Member State" or Member States of the Community;

"Payments and Clearing" means the Agency's payments and clearing operations unit;

"Region" means the geographical zone known as West Africa as defined in Resolution CM/RES.464(XXVI) of the OAU Council of Ministers;

"Treaty" means the revised Treaty of the Economic Community of West African States;

"West African Unit of Account" means the common unit of account to be used for the operations in WAMA referred to in Article VIII paragraph (1) of this Agreement.

ARTICLE II

SUCCESSION AND OBJECTIVES OF THE AGENCY

1. Upon the signing of this Agreement, the West African Monetary Agency shall replace the West African Clearing House. Consequently, this Agreement shall replace the 1975 Agreement for the establishment of the West African Clearing House, and all the assets and liabilities of the West African Clearing House shall be vested in the Agency.
2. The objectives of the Agency are:
 - (a) to promote the use of the currencies of Member States for regional trade and other transactions;
 - (b) to bring about savings in the use of the foreign reserves of Member States;
 - (c) to encourage and promote trade and exchange rate liberalization among Member States;
 - (d) to promote monetary cooperation and consultation among Member States;
 - (e) to assist Member States in the harmonization and coordination of their monetary and fiscal policies as well as their structural adjustment programmes;

- (f) to ensure the monitoring, coordination and implementation of the ECOWAS Monetary Cooperation Programme;
- (g) to encourage the implementation by Member States of macro-economic policies conducive to market-determined exchange and interest rates for intra-regional trade;
- (h) to initiate and promote policies and programmes aimed at achieving monetary integration within the region; and
- (i) to ensure the establishment of a single Monetary Zone by creating the necessary conditions leading up to the implementation of uniform monetary policy and the creation of a single currency.

ARTICLE III

FUNCTIONS OF THE AGENCY

For the purpose of achieving the objectives stated in Article II above, the Agency shall, inter alia, perform the following functions:

- (a) define policies and programmes to promote monetary and fiscal harmonisation and cooperation in the context of monetary and economic integration in the region;
- (b) ensure the management of the multilateral clearing and payments system;
- (c) operate the credit guarantee fund mechanism and the West African travellers' cheque scheme;
- (d) undertake studies on matters relating to monetary and fiscal cooperation, external debt settlement and any other international economic issues affecting the economies of member States;

- (e) prepare reports periodically on exchange rates, trade and exchange liberalization, fiscal and monetary harmonisation, balance of payments developments, and other related monetary cooperation issues.

ARTICLE IV

MEMBERSHIP OF THE AGENCY

The Agency shall comprise all Central Banks of ECOWAS Member States.

ARTICLE V

COMMITTEE OF GOVERNORS : COMPOSITION, FUNCTIONS AND POWERS

1. The Committee shall comprise all Governors of Central Banks of ECOWAS Member States or their representatives.
2. The Committee shall:
 - (a) determine the location of the Headquarters and other offices of the Agency;
 - (b) subject to the provisions of this Agreement, determine those transactions which may be excluded;
 - (c) amend, whenever necessary, the method for calculating the debit and credit lines and the amount of such debit and credit lines for each bank as provided for in paragraph 1 of Article IX of this Agreement;

- (d) determine the steps to be taken to achieve the objectives of the Agency as defined by this Agreement;
- (e) appoint and dismiss the Director-General of the Agency and determine his functions and conditions of service;
- (f) appoint the Operations and Administration Committee which shall meet at least twice a year and, subject to any directives of a general nature that the Committee of Governors may give, review the functioning of the Agency;
- (g) appoint the Economic and Monetary Affairs Committee which shall meet at least twice a year and, subject to any directives of a general nature that the Committee of Governors may give, review, monitor, coordinate and assess in particular the progress made in the implementation of the ECOWAS Monetary Cooperation Programme;
- (h) determine the interest rates to be charged on deferred payments in accordance with the terms of this Agreement;
- (i) adopt its own rules of procedure and define the modalities and procedures governing the operation of the payments and clearing mechanism;
- (j) examine and approve the budget and accounts of WAMA;
- (k) determine the par value of the West African Unit of Account;
- (l) fix the procedures governing payments provided for under this Agreement and draw up a list of convertible currencies mutually agreed upon.
- (m) advise, make recommendations and submit periodic reports to the Council and to the Authority on :

- monetary and economic integration issues of the region;
 - policy measures to be implemented for the achievement of the objectives of the ECOWAS Monetary Cooperation Programme particularly, the achievement of the convertibility of national currencies, the liberalisation of trade and the movement of capital, the promotion of cross border investments and the creation of a single monetary zone;
- (n) determine the modalities and procedures governing the functioning of the payments and clearing mechanism with particular regard to:
- (o) interpreting and amending the provisions of this Agreement;
- (p) undertaking, subject to the provisions of the Treaty, all such action as may be necessary or desirable for the achievement of the objectives of this Agreement.

ARTICLE VI

MEETINGS OF THE COMMITTEE

1. The Committee shall meet in ordinary sessions at least twice a year. It shall meet in extra-ordinary sessions at the request of at least three Central Banks.
2. All meetings of the Committee shall be convened by the Director General upon instruction from the current Chairman.

3. The Committee's decisions shall be taken by consensus with the exception of those mentioned in paragraph 4 below.
4. Decisions relating to matters under sub-paragraph (a), (c), (e), (f), (g), (h), (i), (k), (l), (n), (o), and (p) of paragraph 2 of Article V of this Agreement shall be taken unanimously.
5. The Committee shall elect, on a rotational basis and in accordance with the order that it shall determine, one of its members to assume the Chairmanship of the Committee. The Chairman shall hold office for a term of one year.
6. In case of the Chairman's absence, the Committee's deliberations shall be chaired by his representative.
7. If the term of office of the Chairman is due to expire at any time when a meeting of the Committee is being held, he shall continue in office until the conclusion of the meeting.
8. The Director-General shall, in consultation with the Chairman of the Committee, prepare the items on the agenda and other working papers of the meetings of the Committee and shall ensure that they reach the Members of the Committee at least two weeks before the meetings to which they relate.
9. The Director-General shall attend all meetings of the Committee but shall have no vote thereat.

ARTICLE VII

APPOINTMENT AND FUNCTIONS OF THE DIRECTOR-GENERAL OF THE AGENCY

1. The Director-General shall be appointed by the Committee of Governors for a term of four (4) years renewable once only.

2. The Director-General shall be the principal officer of the Directorate. He shall co-ordinate, supervise and control the activities and operations of the Directorate in accordance with the directives of the Committee. He shall be assisted by such Directors and staff as the Committee may determine.

ARTICLE VIII

UNIT OF ACCOUNT, PARITY AND GUARANTEES

1. All transactions carried out through the Agency shall be expressed in units of the West African Unit of Account, the par value of which shall be determined by the Committee; such par value shall determine the conversion rates of the national currencies.

2. The Committee shall establish appropriate procedures for the implementation of the provisions of paragraph 1 of this Article, including the notification of modifications in the exchange rate of national currencies to the Agency.

3. Each Bank shall guarantee to the other Banks the conversion of its currency into West African Units of Account at a date and at a fixed rate of exchange in accordance with the provisions of paragraphs 1 and 2 of this Article.

4. Each Bank shall guarantee to the other Banks the conversion of its currency into West African Units of Account, in accordance with the provisions of paragraphs 1 and 2 of this Article, for remittances in transit or other orders for collection at the date of their issue or of the conclusion of the relevant contract as the case may be.

ARTICLE IX

CREDITS, TRANSACTIONS AND EXCEPTIONS

1. (a) The net debit position of each Bank at any time during the interim period shall not exceed ten per cent of the sum of its total annual imports (c.i.f.) and exports (f.o.b.) with all other member Banks, provided that the net debit position of no member Bank shall at any time exceed 20 per cent of the total sum of its exports and imports from the region. The total of such exports and imports shall be calculated as a simple arithmetic average of the official foreign trade figures available for the three years immediately preceding the year of calculation.
 - (b) After a period of one year, the net debit and net credit lines shall be established in advance for the following year on the basis of cleared transactions during the preceding year. The net debit line for any bank at any time of the year shall not exceed 25 per cent of its cleared current account transactions in the preceding year or 500,000 West African Units of Account (whichever is higher), while its net credit line shall be twice the figure for the debit line.
 - (c) If the debit and credit lines arrived at on the basis of (b) above fall below those for the preceding year, the former shall be retained.
2. Notwithstanding the provisions of paragraph 1 of this Article, any Bank can, on its own initiative, increase the amount of the credit line referred to in this paragraph.
3. This Agreement shall apply to all current account transactions between the countries of the member banks, except:
 - (a) those otherwise specified by the Committee; and
 - (b) payments with respect to the export from the country of a bank into the country of another bank of finished products, originating from a country whose Central Bank or Monetary Authority is not a member of WAMA.

4. However, with respect to grants and inter-governmental loans, the contracting parties may, after consultations with their Central Banks, agree to channel these transactions through WAMA.
5. Payments for transactions between the Member States of the West African Monetary Union shall, so long as the currency issued by the Central Bank of West African States (BCEAO) remains the common currency, be exempt from the application of the provisions of this Article.
6. Advices of transactions carried out between banks in accordance with the provisions of this Agreement shall be communicated immediately to WAMA in accordance with the rules and regulations made by the Committee.
7. The Agency shall determine, at the end of every week, the net inter-bank position of each bank vis-a-vis the other banks under the provisions of this Agreement and notify all the other banks by the quickest means.
8. At the end of each month, WAMA shall advise by cablegram or telex, each bank of its position with the other banks and shall request each debtor bank to pay the amounts specified to its creditor bank or banks in any convertible currency mutually agreed upon.
9. A debtor bank shall make in full the payments referred to in paragraph 8 of this Article as advised by the Agency. Such payments shall be made by a debtor bank not later than the 15th day of the month following that to which the settlement relates and such debtor bank shall advise WAMA immediately after effecting settlement. The creditor bank shall also advise WAMA immediately of the receipt of a payment.
10. If at any time a bank exceeds its prescribed debit line, it shall be requested by WAMA to make immediate payment of the amount in excess of its prescribed debit line to the creditor bank or banks concerned in such convertible currency mutually agreed upon.

11. Notwithstanding the provisions of paragraph 10 of this Article, the debtor bank may, with the consent of a creditor bank, defer payment until the end of the settlement period when payment shall be made in full. In such a case, the debtor bank shall pay interest on the amount referred to in paragraph 10 of this Article and for the period of deferment, at a rate determined by the Committee.

ARTICLE X

PROVISIONS IN CASE OF DEFAULT

1. A debtor bank which at the end of the settlement period fails to make payments in accordance with the provisions of paragraph 9 of Article IX of this Agreement shall forthwith cease to be allowed any new credit facilities by the Agency or exercise any voting right in the Committee. It shall nevertheless continue to channel its export earnings and other transactions with the West African region through the Agency. Such debtor bank shall begin negotiations with the Committee as to when and how the amount due from it shall be paid. If, after a month of negotiations no agreement is reached and the amount due is still unpaid, the Committee shall request the bank to withdraw from the Agency and the Committee shall take appropriate steps to recover the amount still outstanding and unpaid.
2. A debtor bank which fails to comply with the provisions of paragraphs 10 and 11 of Article IX of this Agreement shall be subject to the sanctions applicable to a debtor bank as provided for under paragraph 1 of this Article.
3. Where a debtor bank fails to meet its obligations under paragraphs 10 and 11 of Article IX of this Agreement and where the Committee after taking appropriate action under paragraphs 1 and 2 of this Article fails to secure payment by the debtor bank of the amounts in question such debts shall be borne by the other banks in proportion to the value of their credit lines.

ARTICLE XI

BUDGET OF THE WEST AFRICAN MONETARY AGENCY

1. There shall be established, for each financial year, a budget for the Agency.
 2. The Operations and Administration Committee shall examine the draft budget prepared and submitted by the Director-General for each financial year and then submit it to the Committee of Governors for its review and approval.
 3. Resources of the budget shall be derived from the annual contributions of Central Banks of Member States and such other sources as may be approved by the Committee of Governors.
 4. The formula for contributions to the budget of the Agency shall be as follows:
 - 40% to be shared equally;
 - 60% on the basis of the ratios used by ECOWAS in fixing each Member State's contribution to the budget of the Community.
- This formula may be amended by the Committee of Governors as it deems necessary.
5. All investment expenditure and all unbudgeted expenditure authorized by the Chairman of the Committee of Governors shall be shared equally by Member Central Banks.
 6. The financial year of the Agency shall span the period from 1st January to 31st December of each year.

ARTICLE XII

AUDITORS

The Committee shall appoint Auditors who shall audit annually the transactions and accounts of the Agency and submit a report thereon to the Committee.

ARTICLE XIII

WITHDRAWAL

1. Any bank desirous of withdrawing from the Agency shall do so in writing to the other banks and the Agency.
2. Such withdrawal shall take effect thirty days after the date of receipt of the notification by the Agency. The latter shall in the meantime determine the net position of the withdrawing bank and advise it and the other banks accordingly.
3. The net position of a withdrawing bank shall be settled in accordance with the provisions of paragraphs 9, and 10 of Article IX and paragraph 3 of Article X of this Agreement.

ARTICLE XIV

DISSOLUTION OF THE AGENCY

In case of the dissolution of the Agency, the Committee shall determine the terms and conditions of such dissolution.

ARTICLE XV

EXCHANGE RESTRICTIONS

Banks in whose countries there exist exchange control and other restrictions shall use their best endeavours to facilitate the adoption of measures necessary for the proper operation of this Agreement. Such measures shall be notified to the Agency and other banks.

ARTICLE XVI

AMENDMENTS

Any amendment to the provisions of this Agreement shall be decided by a unanimous vote of all the members of the Committee of Governors.

ARTICLE XVII

STATUS OF THE WEST AFRICAN MONETARY AGENCY

1. The Agency, being an institution of the Community, shall be accorded the status, privileges and immunities as provided by the General Convention on Privileges and Immunities of the Economic Community of West African States dated 22 April 1978.
2. The Agency has full legal personality to acquire and dispose of moveable and immovable property, to enter into contracts and to sue and be sued. Its property and its assets, wherever located and by whomsoever held, shall enjoy immunity from every form of judicial process except to the extent that it expressly waives its immunity for the purpose of any legal proceedings in the context of the terms and conditions of a contract.

3. In the exercise of its legal personality, the Agency shall be represented by its Director-General.

4. The Director-General shall enter into an agreement with the Government of the Republic of Sierra Leone, where the Agency is located, on the privileges and immunities in connection with the Agency as provided under the General Convention on Privileges and Immunities of ECOWAS.

ARTICLE XVIII

DISPUTES

1. Any dispute arising out of the interpretation or application of the provisions of this Agreement shall be settled by the Committee of Governors whose decision shall be final and binding on all the banks.

2. Notwithstanding the provisions of sub-section 1, the Committee of Governors may refer the matter to the Community Court of Justice whose decision shall be final and binding.

ARTICLE XIX

TRANSITIONAL PROVISIONS

1. Upon the entry into force of this Agreement:

(a) parties to existing bilateral arrangements may agree to settle their payments under such arrangements through the Agency; and

(b) any existing bilateral trade / or payments agreements shall, upon their expiry, not be renewed and any outstanding balance thereunder shall be settled through the Agency.

2. The current Chairman of the Committee of Governors of ECOWAS Central Banks shall, in consultation with the Director-General of the Agency, take all the necessary steps for the implementation of this Agreement.

ARTICLE XX

FINAL PROVISIONS


1. This Agreement, both the English and French texts of which shall be equally authentic, shall be deposited with the Agency, which shall transmit certified true copies thereof to all member Central Banks and the Executive Secretariat of ECOWAS.

2. This Agreement shall enter into force upon its signature by all Central Banks of ECOWAS member States.

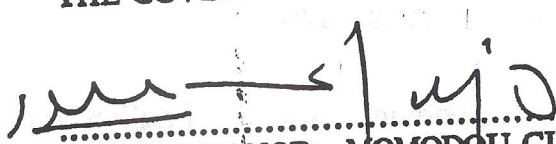
DONE AT BANJUL THIS 8TH DAY OF MARCH 1996

In WITNESS WHEREOF the undersigned, being duly authorised representatives of the respective Central Banks have signed this Agreement on the dates appearing under their signature.


CENTRAL BANK OF CAPE VERDE

 8/3/96
.....
THE GOVERNOR: CHARLES KONAN BANNY


CENTRAL BANK OF WEST AFRICAN STATES (BCEAO)

 8/3/96
.....
THE GOVERNOR: MOMODOU CLARKE BAJO

CENTRAL BANK OF THE GAMBIA

 8/3/96
.....
THE GOVERNOR: GODFREY K. AGAMA

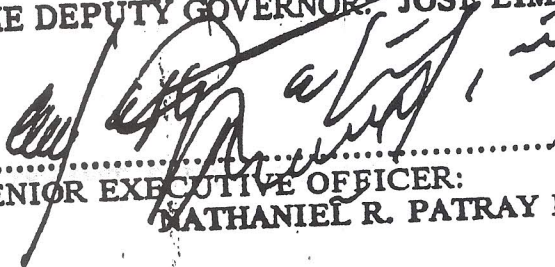
BANK OF GHANA

 8/3/96
.....
THE GOVERNOR: KERFALLA YANSANE

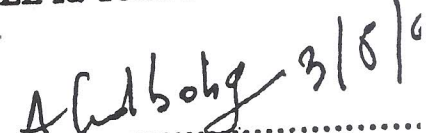
CENTRAL BANK OF THE REPUBLIC OF GUINEA

 8/3/96
.....
THE DEPUTY GOVERNOR: JOSÉ LIMA BARBER


CENTRAL BANK OF GUINEA BISSAU

 3/8/96
.....
SENIOR EXECUTIVE OFFICER: NATHANIEL R. PATRAY III

NATIONAL BANK OF LIBERIA

 3/8/96
.....
ADVISER TO THE GOVERNOR: AHMED OULD BOUCHEIBA

CENTRAL BANK OF MAURITANIA

 8/3/96
.....
THE DEPUTY GOVERNOR: MALLAM I. USMAN

CENTRAL BANK OF NIGERIA

 8/3/96
.....
THE DEPUTY GOVERNOR: YVONNE GIBRIL (M)

BANK OF SIERRA LEONE