



**GUIDELINE No 1, 2018  
ON VOLUNTARY LIQUIDATION**

**SUPERVISION DEPARTMENT  
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# **GUIDELINE No 1, 2018 ON VOLUNTARY LIQUIDATION**

## **CONTENTS**

### **CHAPTER I Preliminary**

|     |                    |   |
|-----|--------------------|---|
| 1.1 | Title -----        | 3 |
| 1.2 | Authorization----- | 3 |
| 1.3 | Application-----   | 3 |
| 1.4 | Definitions-----   | 3 |

### **CHAPTER II Statement of Policy**

|      |                     |   |
|------|---------------------|---|
| 2.1. | Purpose-----        | 3 |
| 2.2. | Scope-----          | 3 |
| 2.3. | Responsibility----- | 3 |

### **CHAPTER III Specific Requirements**

|      |  |   |
|------|--|---|
| 3.1. | Application and Approval procedures----- | 3 |
| 3.2. | Information Required-----                | 5 |

### **CHAPTER IV Remedial Measures-----6**

### **CHAPTER V Effective Date-----7**

## CHAPTER I PRELIMINARY

- 1.1 **Title** – Guideline on Voluntary Liquidations
- 1.2 **Authorization**- This Guideline is issued under section 154 of the Banking Act, 2012 which empowers the Bank of South Sudan to issue guidelines to be adhered to by financial institutions in order to maintain a stable and efficient banking and financial system.
- 1.3 **Application**– This Guideline applies to all financial institutions licensed under the Banking Act, 2012
- 1.4 **Definitions** – Terms used in this Guideline are as defined in the Banking Act, 2012.

**“Solvency** “means the ability of an institution to have enough assets to cover its liabilities and obligations.

## CHAPTER II STATEMENT OF POLICY

- 2.1 **Purpose** - This Guideline has been prepared pursuant to section 22 (1) of the Banking Act, 2012 to assist institutions intending to voluntarily liquidate.
- 2.2 **Scope** - This Guideline provides clear regulatory requirements that should be fulfilled prior to an institution being granted an approval to carry out voluntary liquidation.
- 2.3 **Responsibility** - It is the responsibility of the shareholders and the directors to ensure that the provisions of this guideline are adhered to by the financial institutions intending to voluntarily liquidation.

## CHAPTER III SPECIFIC REQUIREMENTS

### 3.1 Application and Approval Procedures

- a) Every financial institution seeking to voluntarily liquidation shall prior to commencing the voluntary winding up process apply and obtain the prior written approval of the Bank of South Sudan. Financial Institutions should submit their application using the Form No 1.Attached under this Guideline.



- b) All applications duly completed together with the necessary attachments specified in section 3.2 of this Guideline should be submitted to: The Director General, Bank Supervision Department, Bank of South Sudan, P.O. Box 136- Juba at least 21 days prior to the date appointed to commence voluntary winding up.
- c) Upon receipt of the application for voluntary winding up together with the attachments thereto, Bank of South Sudan will appraise the application.
- d) The Bank of South Sudan will only approve an application submitted under this section if it satisfied as to the solvency of the financial institution. The financial institution's board of directors will have to submit to the Bank of South Sudan a declaration to the effect that they have made a full inquiry into the affairs of the financial institution, and that, having done so, they have formed the opinion that the financial institution will be able to pay its debts in full within such period not exceeding twelve months from the commencement of the winding up as may be specified in the declaration. Such declaration must embody a statement of the financial institution's assets and liabilities as at the latest practicable date before the making of the declaration and must be signed by all members of the board.
- e) An institution granted approval by the Bank of South Sudan to liquidate voluntarily shall have its license surrendered. From the date of receiving the approval of the Bank of South Sudan, an institution is to cease all its operations except such activities as are incidental to the orderly realization, conservation and preservation of its assets and settlement of its obligations.
- f) Upon receipt of Bank of South Sudan approval to voluntarily wind up operations, the financial institution is required to send a notice of voluntary liquidation, by registered mail, or publish in new paper to all its depositors, creditors and any persons otherwise entitled to the funds or property held by the institution as a trustee, lessor of a safe deposit box.
- g) The notice should also be posted conspicuously on the premises of each office and branch of the financial institution and in addition thereto, the institution should publish the notice in at least two daily newspapers with national circulation.

A green handwritten signature or mark, possibly a stylized 'P' or a similar character, located at the bottom center of the page.

