



BANK OF SOUTH SUDAN (BSS)

REGULATION NO. 15, 2012

MAXIMUM EXPOSURE TO ONE PERSON OR GROUP OF RELATED PERSONS

In accordance with the provisions of section 12 of the Bank of South Sudan Act, 2011, and section 71 of the Banking Act 2012 (the Banking Act), I hereby issue the following Regulation that establishes conditions relative to limitations on exposures to one person or a group of related persons for banks operating in South Sudan.

This regulation shall apply to all banks licensed in South Sudan, including their branches in foreign countries, and subsidiaries of such banks on a consolidated basis. It also applies to branches of foreign banks operating in South Sudan; in such cases, the reference to "core capital" in this regulation shall refer to the capital equivalency deposit maintained by such banks relative to such branches.

This Regulation shall be cited as Maximum Exposure to One Person or Group of Related Persons, 2012, and shall come into effect as from the date of its signature.

I. General Provisions and Definitions

1. In addition to the terms defined in BSS Regulation No. 8, 2012 on Definitions, the following definitions are used in this regulation:

"Person" includes a natural person; sole proprietorship, partnership, joint venture, association, trust, estate, corporation, limited liability company, not-for-profit corporation, sovereign government or agency, instrumentality, or political subdivision thereof; or any similar entity or organisation.

"Exposure" to a person or group of related persons includes:

- (a) all loans, factoring, financial leasing, accrued interest receivable, correspondent accounts, debt securities, term deposits, and accounts receivable issued to such person or group;
- (b) equity investments in the securities of such person or group;
- (c) the sum of off-balance sheet liabilities (guarantees, letters of credit, and commitments to lend) issued to this person or group;
- (d) any exposure to a third party that has been unconditionally guaranteed by this person or group.

This sum may be reduced by the amount of specific reserves, by the amount of any of the included exposures that are deducted in the calculation of the bank's regulatory capital, and by the exemptions listed in Section III of this regulation.

"Large exposure" means an exposure to one person, or a group of related persons, exceeding 10 percent of a bank's core capital, as defined by the BSS.

A **"group of related persons"** consists of two or more persons whose mutual relationships are such that, if one of these persons were to encounter financial difficulties, this could also lead to

