

**No. 21781**

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**FRANCE  
and  
COMOROS**

**Monetary Co-operation Agreement (with Statutes of the Central Bank of the Comoros and Operations Account Convention). Signed at Paris and Moroni on 23 November 1979**

*Authentic text: French.*

*Registered by France on 30 March 1983.*

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**FRANCE  
et  
COMORES**

**Accord de coopération monétaire (avec Statuts de la Banque centrale des Comores et Convention de compte d'opérations). Signé à Paris et Moroni le 23 novembre 1979**

*Texte authentique : français.*

*Enregistré par la France le 30 mars 1983.*

[TRANSLATION — TRADUCTION]

MONETARY CO-OPERATION AGREEMENT<sup>1</sup> BETWEEN THE  
FRENCH REPUBLIC AND THE ISLAMIC FEDERAL REPUBLIC  
OF THE COMOROS

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Between

The Minister of Economic Affairs of the French Republic, acting on behalf of the French Government, on the one hand,

And the Minister of Finance, Economics and Planning of the Islamic Federal Republic of the Comoros, acting on behalf of the Comorian Government, on the other hand,

It has been agreed as follows:

*Article 1.* The Islamic Federal Republic of the Comoros and the French Republic hereby decide to establish a system of monetary co-operation within the organic framework defined below.

*Article 2.* This co-operation is based on the unlimited guarantee given by France to the currency issued by the Central Bank of the Comoros and on the deposit with the French Treasury of exchange reserves of the Comoros under the conditions laid down in the Operations Account Convention provided for in article 6 of this Agreement.

TITLE I. ORGANIC PROVISIONS

*Article 3.* The organ entrusted with the implementation of the monetary co-operation system is the Central Bank of the Comoros whose Statutes are annexed to this Agreement.

*Article 4.* The Central Bank of the Comoros is a Comorian public corporation in the management and control of which France participates, in exchange for the guarantee which it gives to the currency issued by this Bank.

The Central Bank of the Comoros assumes with regard to third persons the rights and obligations attached to the monetary issuance service previously assumed by the Currency Issuance Institute of the Comoros, which it replaces.

*Article 5.* The French Republic grants, free of charge, to the Islamic Federal Republic of the Comoros, an amount of 250 million CFA francs constituting the initial capital of the Currency Issuance Institute of the Comoros. This grant is allocated to the capital of the Central Bank of the Comoros.

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<sup>1</sup> Came into force on 28 September 1981, the date of the last of the notifications (effected on 24 July and 28 September 1981) by which the Parties informed each other of the completion of the required constitutional procedures, in accordance with article 12.

## TITLE II. CURRENCY PROVISIONS

*Article 6.* The currency issued by the Central Bank of the Comoros is the Comorian franc whose convertibility with the French franc is unlimited.

For this purpose, a Convention, annexed to this Agreement, relating to an operations account opened in the books of the French Treasury, shall be signed between the Minister of Economic Affairs of the French Republic and the Minister of Finance, Economics and Planning of the Islamic Federal Republic of the Comoros.

*Article 7.* Funds may be freely transferred between the two countries.

*Article 8.* The Comorian franc is defined in relationship to the French franc on the basis of 1 Comorian franc for 0.02 French franc. This definition and this parity may not be modified except by agreement of the Parties.

In so far as possible, any modification of the parity between the French franc and other currencies shall be subject, on the initiative of the French Government, to consultation between the French Republic and the Islamic Federal Republic of the Comoros.

The French Republic shall join with the Islamic Federal Republic of the Comoros in the preparation of negotiations which may lead to the modification of the international monetary system.

*Article 9.* The Government of the Islamic Federal Republic of the Comoros undertakes to harmonize its monetary, banking and exchange legislation and regulations with those of the French Republic.

This harmonization shall concern *inter alia*:

- The repression of the falsification of currency and of the use of false currency;
- Legislation concerning cheques and negotiable instruments;
- The exchange system;
- The exercise of the banking profession and its related activities;
- The organization of the distribution and control of credit.

*Article 10.* The two Governments shall adopt all useful measures to transfer the monetary issuance service of the Currency Issuance Institute of the Comoros to the Central Bank of the Comoros.

## TITLE III. MISCELLANEOUS PROVISIONS

*Article 11.* This Agreement is concluded for an indefinite period. However, it may be denounced by one or other of the two Governments, the denunciation taking effect from the date of its notification to the other Party.

The denunciation of the Agreement also involves, automatically and concurrently, the suspension of the Operations Account Convention provided for in article 6 above.

The negotiation of the necessary arrangements shall be undertaken immediately between the two Parties on the initiative of either one of them.

*Article 12.* Each of the two Parties shall notify the other of the completion of the formalities required in its territory for the entry into force of this Agreement.

The Agreement shall enter into force on the date of the last notification.  
DONE in Paris and Moroni on 23 November 1979, in two copies.

[Signed]

RENÉ MONORY  
Minister of Economic Affairs  
of the French Republic

[Signed]

SAID KAFE  
Minister of Finance, Economics and  
Planning of the Islamic Federal Re-  
public of the Comoros

## CENTRAL BANK OF THE COMOROS

### STATUTES

#### GENERAL PROVISIONS

*Article 1.* The Central Bank of the Comoros, hereinafter designated as "the Bank", is a public Comorian corporation endowed with legal personality and financial autonomy. Its operations, limitatively enumerated in these Statutes, relate to the territory of the Islamic Federal Republic of the Comoros, hereinafter designated as "the Republic". These operations shall be executed and accounted for in accordance with commercial and banking rules and practices.

*Article 2.* The headquarters of the Bank is established at Moroni. The Bank may establish subsidiary banks in the territory of the Republic. The Bank may have correspondents or representatives in the Republic and abroad.

*Article 3.* The Bank has at its disposal a grant which constitutes its capital; the amount of this grant is fixed at 300 million Comorian francs.

This capital may be increased after discussion by the Board of Directors.

*Article 4.* Within the framework of economic policy laid down by the Government of the Republic, the general task of the Bank is to formulate monetary and credit policy, to exercise supervision and control over banking activities and to monitor the application of the exchange regulations.

#### TITLE II. OPERATIONS

##### *Section 1.* ISSUANCE OF CURRENCY

*Article 5.* The Bank has the exclusive privilege of issuing currency in the form of notes and coins, being legal tender in the territory of the Republic.

*Article 6.* The Board of Directors shall decide on the manufacture and issuance of notes and coins and their withdrawal and cancellation. It shall determine the face value and type of notes and coins and the signatures which the notes must bear.

*Article 7.* The notes and coins shall serve as legal tender for the payment of any public or private debt in accordance with the laws in force.

*Article 8.* The falsification and reproduction of notes and coins issued by the Bank, the use, sale, hawking and distribution of falsified or reproduced notes and coins shall be punished in accordance with the penal provisions in force.

##### *Section 2.* CURRENCY OPERATIONS

*Article 9.* The Bank shall execute transfers of funds between the Republic and foreign countries in accordance with the agreements in force.

*Article 10.* The Bank may buy and sell gold and foreign currency.

*Article 11.* The Bank may discount or purchase on condition of re-sale (*prendre en pension*) from banks in the territory of the Republic negotiable instruments bearing at least two signatures of notably solvent persons, including the signature of a bank. The repayment of these instruments may not exceed six months.

The Bank may also discount under the same conditions documentary instruments from abroad accompanied by the usual verifications.

The Bank may subject the admission of negotiable instruments for discount or purchase to the provision of guarantees.

*Article 12.* The Bank may discount or purchase on condition of re-sale for a maximum period of six months and under the conditions laid down by the Board of Directors, negotiable instruments based on treasury credits which are presented to it by banks in the territory of the Republic.

*Article 13.* The Bank may grant to other banks advances guaranteed by securities accepted by the Bank or by deposits of gold or foreign currencies.

The borrower shall sign for the Bank an undertaking to reimburse, within a period which shall not exceed six months, the amount of the advances made to him and to pay to the Bank sums corresponding to the depreciation affecting the value of the guarantee whenever this value reaches 10 per cent. If the borrower fails to meet this undertaking, the amount of the advances shall be automatically repayable.

The Board of Directors shall establish a list of the securities, gold bullion or foreign exchange accepted as guarantees and the amount of advances to be made on each one of them.

*Article 14.* The Bank may grant to other banks advances on public securities issued or guaranteed by the Republic in the amount authorized by the Board of Directors and up to the limit of 10 per cent of their deposits.

*Article 15.* The Bank may discount drafts and obligations signed by order of the Treasury and having less than four months to run under conditions of solvency and a banking guarantee.

*Article 16.* The Bank may grant to the Republic, at a rate fixed by the Board of Directors, overdrafts in current account whose duration may not exceed 240 days, consecutive or not, during one calendar year.

However, following a request by the Republic accompanied by a statement of reasons, the use of overdrafts may be extended until the first working day of the following year, by decision of the Board of Directors.

*Article 17.* The total operations referred to in articles 14, 15 and 16 of these Statutes may not exceed 15 per cent of the annual average of the ordinary revenues of the Republic effectively recovered during the three preceding budgetary exercises.

*Article 18.* The Bank may discount for other banks instruments representing medium-term credits of a maximum duration of seven years. These instruments must be guaranteed by two or more signatures of notably solvent persons, including the signature of a Bank.

For liquidation by the Bank, medium-term credits must:

- Be designed for the development of means of production or the construction of housing;
- Have received prior agreement from the Bank, which may subject the credit to the provision of guarantees of which the Bank determines the nature.

The total amount of medium-term credits which may be admitted for rediscount shall be fixed by the Board of Directors.

*Article 19.* The Board of Directors shall authorize discount operations or advances and shall fix the rates applicable to them.

The Board of Directors may delegate certain of these functions to the Director-General.

*Article 20.* For the application of these Statutes, public, semi-public or private establishments authorized to conduct credit operations, as defined by the legislation and regulations of the banking profession, shall be considered as banks.

### *Section 3. OTHER OPERATIONS*

*Article 21.* The Bank may receive funds in current accounts from other banks, from the Treasury and from all public or semi-public bodies. It shall make payments on these accounts up to the amount of the available balances.

*Article 22.* The Bank may request the transfer to its account of external assets in French francs or other foreign currencies held by all public or private organizations belonging to the Republic.

*Article 23.* The Bank shall ensure the centralization of banking risks on the basis of declarations provided to it by the banks.

It shall also ensure the centralization and publication with the banks and public accountants of information relating to unpaid cheques and instruments.

*Article 24.* The Bank may establish clearing houses in places where it deems it necessary. It shall lay down the conditions for their operation.

*Article 25.* Subject to the prior agreement of the Board of Directors, the Bank is authorized to accept shares only of its own available funds and only of the capital of organizations or enterprises which present a character of general advantage for the Republic.

*Article 26.* The Bank shall be consulted about any draft law or regulations concerning currency and credit and, in particular:

- The exercise of the banking profession and the activities relating to it;
- The organization of the distribution and the control of credit;
- The settlement of cheques and other commercial instruments;
- The repression of the falsification of currency and of the use of falsified currency.

The Bank is responsible for the application of the provisions set forth in this title.

The Bank may give advice to the Government on any questions within its jurisdiction when it deems such advice appropriate. The Government in its turn may request the opinion of the Bank on any measure, situation or particular operation, on the currency and credit situation and on the general state of the economy in the Republic.

*Article 27.* As part of its monetary policy, the Bank may order other banks to maintain in their accounts on its books a credit balance corresponding to a percentage of the deposits received by them or credits which they have granted.

*Article 28.* The Bank may acquire, sell or exchange immovable property to meet the needs of its services. The corresponding expenditure may only be committed from its own funds and shall be subject to the authorization of the Board of Directors.

### *Section 4. ASSISTANCE BY THE GOVERNMENT*

*Article 29.* The Bank shall hold the Treasury account.

It shall, without charge:

- Collect the sums paid into this account;

- Recover local negotiable instruments and cheques drawn to the order of the Treasury;
- Cash cheques and drafts issued by the public accountants on the Treasury account.

The account opened for the Treasury may not show a debit balance, except in pursuance of the provisions of article 16 of these Statutes.

*Article 30.* At the request of the Government, the Bank shall without charge:

- Guard securities belonging to the Treasury;
- Issue or invest short-term bonds with organizations having an account on its books;
- Pay coupons and reimburse Treasury securities presented at its counters by these same organizations.

It shall lend its support for the execution, outside of the issuance zone, of financial operations by the Government.

*Article 31.* The Bank shall, on request, assist the Government in the management of the public debt, the negotiation of foreign loans and the study of conditions for the issuance and reimbursement of domestic loans.

*Article 32.* The Bank shall assist the Government, on request, in its relations with foreign or international financial institutions and in the negotiations which it undertakes with the view to the conclusion of financial agreements.

The Bank may be entrusted with the execution of these agreements under the conditions laid down by agreements to be approved by the Board of Directors.

In any case, the Bank shall be informed of the financial and commercial agreements concluded and of their execution.

*Article 33.* The Bank shall be informed of the estimates of the receipts and expenditures of the Republic in French francs and in other currencies. It may assist the Government in the preparation of these estimates.

The Bank shall draw up the balance of payments of the Republic. For this purpose, it is empowered to request from all public, semi-public and private organizations the documentation and statistical information which it needs.

### TITLE III. GENERAL ADMINISTRATION

*Article 34.* The Bank shall be administered by a Board of Directors composed of four members designated by the Government of the Republic and four members designated by the French Government.

The President of the Board of Directors shall be chosen by the Board from among its members, on a proposal of the Government of the Republic.

*Article 35.* The members of the Board of Directors must be in full possession of their civil and political rights and must not have suffered any penalty involving personal restraint or loss of rights.

They may not be chosen from among the administrators, directors or agents of the Bank likely to have recourse to the assistance of the Bank.

They shall be designated for a period of four years; their term of office is renewable. However, their term of office may end as a result of resignation or notification addressed to the Bank by the authority which has designated them.

Each of the members of the Board shall have an alternate designated under the same conditions as the Board member, who shall attend the Board in his absence.

The position of member of the Board is incompatible with any other legislative mandate and any governmental office.

The position of member of the Board is unpaid; however, the travel and subsistence costs incurred in the discharge of members duties shall be reimbursed to them under the conditions laid down by the Board of Directors.

*Article 36.* The Board of Directors shall meet twice a year and as often as necessary at the request of half of its members and when convened by its President; the draft agenda must be communicated to the Board of Directors at least ten days before each meeting.

*Article 37.* The Board of Directors is invested with the widest powers for the administration of the affairs of the Bank. One of its main tasks is to ensure that the ratio between the average amount of its external assets and the average amount of its bearer obligations is not less than 40 per cent. In the event that this ratio is lower than 40 per cent for 90 consecutive days, the President shall immediately convene the Board of Directors to examine the situation and to take all appropriate decisions; it shall consider *inter alia* the desirability of increasing the discount rate of the Bank and, if need be, reducing the ceilings for rediscounting, making advances and granting other facilities in application of these Statutes.

*Article 38.* The deliberations of the Board of Directors shall be valid when at least six of its members are present or represented.

Absent members may be represented in the deliberations of the Board by their alternate or, if the alternate is prevented from attending, by one of their colleagues. In no case may this facility give any of the members more than one vote in addition to his own.

The authority delegated by a member of the Board of Directors to one of his colleagues is valid only for a given meeting.

The minutes of the Board must be adopted by at least five of the members present or represented.

*Article 39.* The President of the Board prepares the agenda of its meetings, convenes the Board, presides over its deliberations and follows up the execution of its decisions.

The President monitors the application of agreements relating to the Bank and of its Statutes.

The President signs the drafts and the agreements approved by the Board of Directors.

*Article 40.* The Director-General is appointed by the Board of Directors on a proposal by the Government of the Republic.

*Article 41.* The Director-General attends the meetings of the Board, offers advice and brings before the Board the matters requiring its decision.

Under the control of the Board of Directors, the Director-General represents the Bank with regard to third persons; he exercises any necessary judicial action; and he takes all measures of execution or conservation which he deems useful.

The Director-General organizes and directs the services of the Bank, recruits, appoints and dismisses the staff in accordance with labour legislation.

The Director-General may delegate his powers.

*Article 42.* The Director-General is assisted by a Deputy Director-General appointed by the Board of Directors on the proposal of the French Government.

*Article 43.* The directors and agents of the Bank must be in full possession of their civil and political rights and must not have suffered any penalty involving personal restraint or loss of rights. They may not engage in any commerce or have interests in any enterprise; no instrument or obligation bearing their signature may be submitted for rediscounting. They are subject to the requirement of professional secrecy under penalty of the law.



## TITLE IV. MISCELLANEOUS PROVISIONS

*Article 44.* The Bank shall be exempt from all duties, deductions and miscellaneous taxes.

The Government of the Republic shall guarantee the security of the Bank's establishments and its transfers of funds or securities.

*Article 45.* The operations of the Bank shall be controlled by two auditors of which one is designated by the Government of the Republic and the other by the French Government. The auditors shall attend the meetings of the Board of Directors but shall have no vote. They shall present a report annually to the Board of Directors.

*Article 46.* Every month the Bank shall draw up a balance sheet which shall be submitted to the Government of the Republic and to the French Government and published in the *Official Gazette* of each State.

*Article 47.* The accounts of the Bank shall be drawn up and balanced on 31 December of each year and shall be submitted for the approval of the auditors before being presented for the approval of the Board of Directors.

*Article 48.* The net earnings, after deductions have been made for all charges, amortizations and payments, shall constitute the profits.

Out of these profits, an allocation of 50 per cent shall be paid into the General Reserve Fund so long as the amount of this Fund does not reach the amount of the capital.

When the amount of the General Reserve Fund reaches the amount of the capital, an allocation of 20 per cent only shall be paid into it out of the profits.

If a financial period should end in a loss, the loss shall be made good from the General Reserve Fund. If the balance of the Fund makes it impossible to make good the entire loss, the residue shall be taken over by the Republic.

*Article 49.* After all payments have been made and the general reserves, both optional or special, have been replenished, the balance of profits of the Bank, together with the equivalent value of missing notes and coins, shall be paid to the Republic.

*Article 50.* Within six months following the closure of the financial exercise, the Director-General shall present to the Board of Directors a progress report, which shall be sent subsequently to the Government of the Republic and to the French Government.

*Article 51.* The Board of Directors may propose amendments to the Statutes of the Bank. The amendments shall enter into force under the same conditions as those required for the entry into force of these Statutes.

## OPERATIONS ACCOUNT CONVENTION

Between,

On the one hand, the Minister of Economic Affairs of the French Republic, acting on behalf of the French Government,

On the other hand, the Minister of Finance, Economics and Planning of the Islamic Federal Republic of the Comoros, acting on behalf of the Comorian Government,

The Central Bank of the Comoros, represented by the President of the Board of Directors, being responsible for the execution of this Convention,

It has been agreed as follows:

*Article 1.* In conformity with article 6 of the Monetary Co-operation Agreement between the Islamic Federal Republic of the Comoros and the French Republic, of 23 November 1979, there shall be opened in the books of the Central Accounting Agency

of the French Treasury in Paris, on behalf of the Central Bank of the Comoros (hereinafter called "the Central Bank"), a current account entitled "operations account".

Upon expiry of this Convention:

- The debit balance of the operations account shall be payable only in the territory of the Islamic Federal Republic of the Comoros and shall be settled in Comorian francs;
- The credit balance shall be payable only in the territory of the French Republic and shall be settled in French francs.

*Article 2.* The operations account shall be debited or credited, as the case may be, from the amount of transfers resulting from the decreases or increases in the ordinary current account of the French Treasury opened in the books of the Central Bank and managed in conformity with the provisions of article 7 of this Convention.

*Article 3.* The Central Bank shall pay into the operations account the funds that it may obtain outside the issuance zone, with the exception of the sums necessary for its current treasury operations.

However, it may deduct from its funds the sums necessary for the execution of the obligations contracted by the Islamic Federal Republic of the Comoros to the International Monetary Fund, which it has assumed under the conditions laid down by the agreement concluded with the Islamic Federal Republic of the Comoros, following approval of the Board of Directors of the Central Bank.

The assets appearing in the balance sheet of the Central Bank in respect of the reserve tranche of the subscription quota to the International Monetary Fund shall earn interest. This interest shall be paid by the Islamic Federal Republic of the Comoros in proportion to the amount of interest which the Central Bank would have obtained if the corresponding sums had remained on deposit in the operations account.

*Article 4.* The Central Bank shall keep account of:

- The external assets of the Treasury and of the public establishments, enterprises and communities of the Islamic Federal Republic of the Comoros;
- The portion of external assets of the banks and credit establishments established in the Islamic Federal Republic of the Comoros corresponding to their activities in the Comoros.

If the funds in the operations account are exhausted, the Central Bank shall request transfer to that account, against Comorian francs, of the external assets in French francs or other foreign currencies, held by all public or private organizations belonging to the Islamic Federal Republic of the Comoros.

In proportion to the foreseeable needs, the Central Bank may limit this appeal to public bodies and banks.

*Article 5.* In case of lack of resources outside its issuance zone, the Central Bank is authorized to deduct from the operations account the sums necessary to cover transfers from the Islamic Federal Republic of the Comoros and to meet its expenses in France.

*Article 6.* When the balance of the operations account is in debit, the French Treasury shall charge interest on that balance at the following rates:

- On a debit balance of 0 to 5 million French francs (or 0 to 250 million Comorian francs): 1 per cent a year;
- On a debit balance of 5 to 10 million French francs (or 250 to 500 million Comorian francs): 2 per cent per year;
- Above 10 million French francs (or 500 million Comorian francs): a rate equal to that fixed in the last paragraph of this article.

The Islamic Federal Republic of the Comoros shall reimburse to the Central Bank the amount of interest which the Central Bank has to pay to the French Treasury.

When the balance is in credit, it shall remain on deposit in the French Treasury and shall earn interest every three months for the Central Bank of the Comoros at the rate agreed by the Bank of France on public negotiable instruments having the shortest term; this rate shall not be lower than 2.50 per cent per year.

*Article 7.* The Central Bank shall control the ordinary current account of the French Treasury in places where it has its own installations.

For this purpose, it shall without charge:

- Collect sums paid into this account;
- Recover local negotiable instruments and accept cheques issued or endorsed to the order of French public accountants;
- Cash cheques and drafts issued or endorsed by French public accountants through the current account of the French Treasury.

It shall ensure free of charge:

- The protection of cash securities belonging to the French Treasury;
- The issuance of French Treasury securities signed by persons or establishments having an account on its books;
- The payment of bearer coupons and the reimbursement of French Treasury securities which are presented at its counters by persons or establishments having an account on its books;
- All investments of funds requested by the French Treasury.

*Article 8.* The application of the provisions of this Convention shall be subject to the control of the Central Bank auditors.

Following a request addressed to the Central Bank, the auditors shall be notified of all registers, balances or documents which allow them to perform their task.

*Article 9.* This Convention is concluded for an indefinite period. However, it may be denounced by one or other of the two Governments, the denunciation taking effect from the date of its notification to the other Party.

The negotiation of the necessary arrangements shall be undertaken immediately between the two Parties, on the initiative of either one of them.

*Article 10.* Each of the two parties shall notify the other of the completion of the formalities required in its territory for the entry into force of this Convention. The Convention shall enter into force on the date of the last notification.

DONE in Paris and Moroni on 23 November 1979 in two copies.

[Signed]

RENÉ MONORY  
Minister of Economic Affairs  
of the French Republic

[Signed]

SAID KAFE  
Minister of Finance, Economics and Plan-  
ning of the Islamic Federal Republic of  
the Comoros

President of the Board of Directors  
of the Central Bank of the Comoros