

CENTRAL BANK OF LIBERIA

DIRECTIVE ON COMMERCIAL BANKS' SUBMISSION  
OF REGULATORY RETURNS TO THE CENTRAL BANK  
OF LIBERIA

DIRECTIVE NO. CBL/RSD/DIR/002/2016



October 31, 2016

## **Introduction**

Pursuant to Part IV, Section 24 (1) of the New Financial Institutions Act of 1999 (FIA) which states that "every bank shall submit to the Central Bank not later than five (5) banking days after the last day of each reporting period, a schedule or regular reports in a form and at intervals as may be prescribed by the Central Bank" and also in keeping with Sections 26 - 28 and 39 of the FIA , the Central Bank of Liberia (CBL) hereby sets forth the following directives.

### **I. Mode of Submission**

In a strategic move to use information technology (IT) solutions to further strengthen its monitoring and validation processes, the Central Bank of Liberia (CBL) has transitioned from an excel-based manual system for receiving and processing of commercial banks returns to an automated system. The new system is the Valtech Regulatory Compliance and Supervision System (vRegCoSS), a web-based application which caters for the supervisory, surveillance and regulatory needs of the CBL in monitoring licensed financial institutions in Liberia and addressing macro/micro prudential issues. The vRegCoSS provides the tools to facilitate timely decision making and makes available wide range of information about the financial system on demand; thereby increasing the operational efficiency of the Regulatory and Supervisory function of the CBL.

The vRegCoSS application which was launched in April 2016 has gone through series of testing including a six month parallel run period. Beginning from the effective date stated in Section Four of this directive, all commercial banks are to submit returns to the CBL using only the vRegCoSS application.

### **II. Types of Returns and Deadlines for Submission**

Commercial banks are to submit returns/reports to the CBL at seven (7) different frequencies or clusters, namely: Daily, Weekly, Monthly, Quarterly, Semi- annually, annually, and on a "As-and-When" basis.

#### **Daily Returns**

The daily returns consist of information about the commercial banks' cash and liquidity positions, inflow/outflow of foreign currencies, ATM and POS transactions, and sale and purchase of foreign currencies. These returns are due everyday banks operate (Mondays through Saturdays excluding Holidays). **Banks are not to combine information about their Saturday activities or positions with another business day.**

Commercial banks shall submit the returns in the daily cluster to the CBL not later than 12:00 noon of the day immediately after the "as-at-date." The as-at-date is the date for which the return is due.

### **Weekly Returns**

The weekly returns consist of commercial banks' vault cash position, and information about collection of Government of Liberia (GOL) taxes.

Submission of these returns to the CBL shall be done on or before 5:00 PM of the second working day after the reporting week.

### **Monthly Returns**

The monthly returns consist of commercial banks' Statement of Financial Position (balance sheet), Statement of Comprehensive Income (Income Statement), information about the top fifty (SO) depositors and creditors, the maturity profile of assets and liabilities, information on written-off facilities, interest rates, cash flow, incomplete ATM transactions, and checks encashed.

The monthly returns shall be submitted not later than 5:00 P. M of the 3<sup>rd</sup> day of every month following the reporting month.

### **Quarterly Returns**

The quarterly returns consist of the capital adequacy computation and information relating to top adversely classified facilities, restructured credits, summary of classification of advances, operational risk losses, sectoral distribution of deposits, deposit structure, branch-wise data (balance sheet and income statement), variance analysis, banks demographic information, Statement of Staff, and related/connected persons lending.

The quarterly returns described above (otherwise known as the quantitative quarterly returns) shall be submitted not later than 5:00 P.M of the 5<sup>th</sup> day of the month following the reporting quarter.

Additionally, commercial banks shall submit Abridged Financials, Internal Audit, Compliance and Risk Management Reports on a quarterly basis. These quarterly reports (otherwise known as the qualitative off-site returns) shall be submitted to the CBL not later than one month following the end of the reporting quarter.

### **Semi Annual**

The semi-annual returns consist of information about commercial banks' capital expenditure, changes in equity, dormant accounts and senior management.

These returns shall be submitted not later than 5:00 p.m. of July 5<sup>th</sup> for the first half of the year, and January 5<sup>th</sup> for the second half of the year.

### **Annual**

The annual returns consist of information relative to commercial banks' directors and corporate profile. These returns shall be submitted to the CBL not later than January 5<sup>th</sup>, after the end of every reporting year.

**Annual Board Appraisal:** Commercial banks shall submit annual board appraisals in keeping with the Corporate Governance Regulation issued by the CBL not later than one month following the end of the financial year.

**Annual Audited Financial Statements:** Commercial banks shall submit their draft audited financial system to the CBL not later than three months following the end of the financial year.

### **As and When**

The As-and-When returns comprise of cash, suspicious and fraudulent transactions, entry/exit of directors, investments, abandoned property and transactions relating to politically exposed persons. Unlike the other clusters, the "As-and-When" cluster contains returns whose contents are not available at a pre-defined frequency. For example, the Statement of Entry/Exit of Directors would only become due if there is an entry or exit of a director. Commercial banks are to ensure that upon the occurrence of an event that provides information for the "As-and-When" returns, a submission is made to the CBL not later than 5:00 p.m. of the day immediately after the occurrence of the event or the time the bank became aware of the information.

### **Holidays/Non-banking Day**

If the submission date for any of the above returns falls on a holiday/Non-banking day, the submission shall become due on the business day immediately following the Holiday/Non-banking day.

### **III. Penalties**

In keeping with Section 24 (2) of the FIA, the CBL shall impose the following fines on commercial banks that violate this directive:

- a) Non-Submission: this occurs when commercial banks do not submit a return at the interval and time specified in this directive. Violators shall

be charged L\$100,000.00 for every day during which the default continues;

- b) Re-submission: this occurs when commercial banks resubmits a return that has already been accepted and processed in vRegCoSS. Resubmission could be requested by the reporting entity or it could be directed by the CBL if the information supplied is false / misleading in any material respect. Violators shall be charged L\$200,000.00 for every day during which the default continues; and
- c) The Central Bank may close down and revoke the license of the institution and/or the affiliate, if it refuses to correct the default and/or fails to pay the fine.

IV. **Effective Date**

This Directive takes effect as of Monday, October 31, 2016.

ISSUED THIS 31ST DAY OF OCTOBER 2016

**Signed**  
Hon. Milton A. Weeks  
**EXECUTIVE GOVERNOR**

## **LIST OF VARIOUS RETURNS**

Below is the list of returns as at the date of issuance of this directive. The CBL may modify the returns from time to time. In the case of any modification, reporting entities would be advised to download the new information including a new version of the Return Rendition and Compliance System (RRCS) from the vRegCoSS.

### **Daily Returns**

- Statement of Cash and Liquidity
- Statement of Inflow/Outflow of Foreign Currency
- Statement of ATM and POS Transactions
- Statement of Foreign Currency Sales and Purchase Value
- Schedule of Statement of Foreign Currency Sales Value
- Schedule of Statement of Foreign Currency Purchase Value
- Schedule of Statement of ATM Transactions
- Schedule of POS Transactions

### **Weekly Returns**

- Statement of Vault Cash Position
- Statement of Other GOL Taxes
- Schedule of Statement of Other GOL Taxes

### **Monthly Returns**

- Statement of Financial Position
- Maturity Profile of Statement of Financial Position (LRD)
- Maturity Profile of Statement of Financial Position (USD)
- Statement of Top SO Depositors
- Statement of Top SO Borrowers
- Statement of written off Facility
- Statement of Interest Rates
- Statement of Comprehensive Income
- Statement of Cash Flow
- Statement of Incomplete ATM Transactions
- Statement of Checks Encashed
- Schedule of Statement of Financial Position – Due from Commercial Bank
- Schedule of Statement of Financial Position - Short-Term Securities
- Schedule of Statement of Financial Position - Bonds and Long-Term Securities
- Schedule of Statement of Financial Position - Overdrafts
- Schedule of Statement of Financial Position – Loans and Advances
- Schedule of Statement of Financial Position - Other Long-Term Securities
- Schedule of Statement of Financial Position – Shares

- Schedule of Statement of Financial Position – Account Receivables
- Schedule of Statement of Financial Position – Other Assets
- Schedule of Statement of Financial Position – Fixed Assets
- Schedule of Statement of Financial Position – Due to Commercial Bank
- Schedule of Statement of Financial Position – Loans and Account Payable
- Schedule of Statement of Financial Position – Other Liabilities
- Schedule of Statement of Financial Position – Off Balance Sheet
- Schedule of Statement of Cash Flow – Operating Activities (Others)
- Schedule of Statement of Cash Flow – Investing Activities (Others)
- Schedule of Statement of Cash Flow – Financing Activities (Others)

### **Quarterly Returns**

- Statement of Advances Subject to Adverse Classification (25 Largest)
- Statement of Summary of Classification of Advances
- Statement of Operational Risk Losses
- Statement of Sectoral Distribution of Deposits
- Statement of Deposit Structure
- Statement of Restructured Credits Outstanding
- Statement of Change in Classification
- Statement of Cash Flow Variance Analysis
- Statement of Financial position Variance Analysis
- Statement of Comprehensive Income Variance Analysis
- Statement of Banks Demographic Information
- Statement of Staffs
- Statement of Financial Position (Branch Wise)
- Statement of Comprehensive Income (Branch Wise)
- CAR – Statement of On-Balance Sheet Exposures Recognized Under CRM – Collateralized Transactions
- CAR – Statement of On-Balance Sheet Exposures Recognized Under CRM – Netting - Off Transactions
- CAR – Statement of On-Balance Sheet Exposures Recognized Under CRM – Guarantee Transactions
- CAR – Statement of On-Balance Sheet Exposures Not Recognized Under CRM
- CAR – Statement of Off-Balance Sheet Exposures on Direct Credit Substitutes
- CAR – Statement of Off-Balance Sheet Exposures on Transaction-Related Contingencies
- CAR – Statement of Off-Balance Sheet Exposures on Others Commitment with Original Maturity of over 1 year
- CAR – Statement of Off-Balance Sheet Exposures on Short-Term Self Liquidating Trade-Related Contingencies

- CAR – Statement of Off-Balance Sheet Exposures on Commitment with Original Maturity up to 1year
- CAR - Statement of Regulatory Capital Computation
- Statement of Overdraft, Loans and Other Credit Facilities Extended to Officers and Other Employees of the Bank
- Statement of Exposure to Directors as Percentage of Capital Base
- Statement of Credits to Shareholders and Their Related Interests
- Statement of Credits to Related Interest of Directors, Officers and Employees

### **Reports**

- Internal Audit
- Compliance
- Risk Management
- Self-Assessment of Corporate Governance

### **Semi Annual Returns**

- Statement of Capital Expenditure
- Statement of Changes in Equity
- Statement of Dormant Accounts Listing
- Statement of Bank Senior Management

### **Annual**

- Statement of Bank Directors
- Statement of Corporate Profile
- Annual Board Appraisal
- Annual Audited Financial Statement

### **As and When**

- Statement of Suspicious Transactions - Individual
- Statement of Suspicious Transactions - Business
- Statement of Fraud and Forgeries – Fraud Profile Staff
- Statement of Fraud and Forgeries – Fraud Profile Non Staff
- Statement of Entry/Exit Directors, Management and Staff
- Statement of Cash Transaction - Individual
- Statement of Cash Transaction - Business
- Statement of Investment in Companies
- Statement of Abandoned Properties
- Statement of Deposits and other Transactions to Politically Exposed Persons