



CENTRAL BANK OF LIBERIA



EG 0012456

OFFICE OF THE EXECUTIVE GOVERNOR

DIRECTIVE ON DEPOSITS OF BANKNOTES DIRECTIVE NO. CBL/E-GOV/DIR/002/2026

June 2, 2026

1.0 Purpose

This Directive is issued to promote the efficient and effective management of both Liberian dollar (LRD) and United States dollar (USD) currencies, with specific emphasis on the handling and deposit of Liberian Dollar Banknotes Series 3 (LS3).

It establishes mandatory requirements governing:

- The segregation of notes and deposit of LS3 banknotes;
- The prohibition of commingling LS1 and LS2 (legacy banknotes) with LS3;
- The identification and handling of counterfeit banknotes (LRD and USD); and
- The accuracy of cash under Subject-To-Count Agreement in daily deposits submitted by licensed commercial banks.

Additionally, this Directive provides guidance on the withdrawal and controlled processing of legacy banknotes (LS1 and LS2) through the Central Bank of Liberia (CBL).

2.0 Legal Authority

This Directive is issued pursuant to the Central Bank of Liberia Act, including, but not limited to, Section 68, which empowers the CBL to promulgate regulations and impose sanctions for non-compliance with monetary and supervisory requirements.

Compliance with this Directive is mandatory for all licensed commercial banks.

3.0 Obligations of Licensed Financial Institutions

3.1 Segregation of Unfit, Counterfeit, and Legacy Banknotes

All licensed commercial banks shall:

- a) Accurately identify and segregate counterfeit and legacy (LS1 and LS2) banknotes from fit banknotes.
- b) Ensure that counterfeit banknotes are never recirculated or disbursed to customers under any circumstances.
- c) Guarantee the accuracy, completeness, and integrity of all deposits submitted to CBL.
- d) Maintain robust internal controls and procedures to prevent the recirculation of counterfeit, unfit and legacy banknotes.

3.2 Prohibition on Acceptance of Legacy Banknotes

- a) Commercial banks shall have ceased to accept legacy banknotes (LS1 and LS2) from customers effective December 31, 2024 which is the official termination date of their legal tender status.
- b) Customers holding legacy banknotes shall be directed to the Central Bank of Liberia for exchange.
- c) All exchanges of legacy banknotes shall be conducted exclusively at the CBL Head Office under a structured process, including proper documentation of customer identification and transaction details in accordance with established procedures.
- d) Under no circumstances shall commercial banks include legacy or counterfeit banknotes in daily deposits submitted to the CBL.

4.0 Sanctions and Penalties

Non-compliance with this Directive shall constitute a regulatory violation and shall attract penalties in accordance with the categories specified below.

4.1 Penalty Structure

S/N	Category of Violation (LRD & USD)	Penalty
1	Shortages	Two (2) times the value of the shortage
2	Commingling of Legacy Banknotes with LS3	Three (3) times the value of the commingled banknotes
3	Commingling of Counterfeit Banknotes (i.e. USD & LRD) with Genuine LS3 or USD Banknotes	<ul style="list-style-type: none">• Four (4) times the value on first violation• Six (6) times the value for repeated violations (more than three occurrences)

The CBL reserves the right to impose enhanced penalties where warranted by the severity or frequency of violations.

4.2. Additional measures:

- The CBL may conduct a spot examination or investigation at the institution where repeated violations occur (e.g., weak operational controls, inadequate counterfeit detection systems).

4.3. Reporting Requirement:

- a) All commercial banks are required to submit formal reports to the CBL detailing all counterfeit detections identified during cash processing activities.
- b) Submit documentary evidence of compliance measures to the CBL within one (1) month from the effective date of this Directive.

5.0 Compliance, Enforcement, and Effective Date

This Directive shall take immediate effect upon issuance and shall remain in force until otherwise advised by the Central Bank of Liberia.

All licensed commercial banks are required to:

- c) Ensure full internal dissemination of this Directive to all relevant personnel, including cashiers, tellers, vault custodians, and cash management staff.
- d) Establish and implement appropriate compliance procedures to ensure proper handling, segregation, and reporting of banknotes.
- e) Commercial banks shall be responsible for putting in place the necessary system and processes, including relevant equipment to ensure compliance with this directive.

6.0 Contact Information

For clarification or further guidance, please contact:

**The Banking Department
Central Bank of Liberia**

Signed: _____

**Executive Governor
Central Bank of Liberia**