

15. A bank may trade at the foreign exchange dealing floor, buying and selling with its customers or with other banks' customers, or dealing directly with other banks and the Central Bank of Sudan.
16. Banks must furnish a weekly detailed statement each Saturday to the statistics unit of the department of foreign exchange policies of the Bank of Sudan, indicating the volume of their purchases, usages and sources at the foreign exchange floor, in accordance with Form 2 of the attached documents.
17. Banks must furnish the Bank of Sudan with the names, signatures and telephone numbers of employees authorized to manage their foreign exchange floors.

Three: Establishment of an Inter-bank Foreign Exchange Market

To activate and develop foreign exchange trading floors in the inter-bank market, and to cover the foreign exchange needs of clients, a commercial bank selling foreign currency to another bank will instruct the Central Bank, through coded telex, to deduct the amount to be sold from its foreign currency account and credit this amount to the account of the purchasing bank. Simultaneously, the purchasing bank will instruct the Central Bank via coded telex to deduct the equivalent amount in local currency from its account and credit it to the selling bank's account.

Four: The Index Exchange Rate

1. Work continues to regulate the index exchange rate, which began on Thursday, August 2, 2001 and continues.
2. The index exchange rate will be determined daily from actual transactions in Sudan's foreign exchange market by all its participants through banks, foreign exchange dealers, exporters, importers and Bank of Sudan. The Bank of Sudan will periodically determine a range for the index price in order to manage the exchange rate.
3. The Bank of Sudan will supply banks and foreign exchange dealers with the daily computed index price and range.
4. Banks may freely determine their own buy and sell rates according to market indicators, including information provided by the index price, provided the margin between the sell and buy rate does not exceed 0.7 Sudanese dinars to one US dollar.

Five: Foreign Exchange Market Intervention Mechanism

The Bank of Sudan will periodically conduct foreign currency auctions to establish a foreign exchange and inter-bank market and liberalize the Sudanese dinar exchange rate. The auctions will be conducted as follows:

1. Auctions will be announced at the beginning of the work day. Banks must present their requests by no later than 12:00 pm noon on the following day. The banks must deliver these requests to the foreign exchange trading floor at the Bank of Sudan.
2. Requests will be examined and amounts that are purchased will be added to the banks which meet the auction terms during the day following receipt of the requests.
3. Conditions for Entering an Auction:

- a. The auction will be limited to banks: foreign exchange dealers will not be admitted.
- b. Every bank must present one request, specifying its exchange rate and amount that it wishes to buy from the auction for its own foreign exchange trading floor, according to Clause 2 of Paragraph 4 above. A summary of customer requests must also be enclosed, which includes name of the client, amount requested, exchange rate offered by the client, and purpose. The bank will take the rates provided by its customers as a price index to be submitted to the auction.
- c. The Bank of Sudan has no ready funding to cover a deficit in liquidity.
- d. The bank will sell sums purchased for its customers at the same rate they were purchased from the Bank of Sudan, provided that its local equivalent is deducted from the client's account before making the deposit, and provided that the bank is in compliance with the regulations governing the use of foreign currency purchases from the Bank of Sudan.
- e. If there is no balance in the bank's account in local currency to cover the sum requested, the bank loses its right to purchase, and will be fined \$5,000, to be deducted directly from its account by the clearinghouse.
- f. Banks must furnish the Bank of Sudan details on the usage of the amounts purchased at the auction in accordance with Form (3) of the attachments.

Six: Foreign Exchange Market Makers

Banks operating in Sudan may operate in groups to enhance their purchasing power in the foreign exchange market. These groups will set their own standards and controls to maintain stability, guarantee development, and enable them to be market makers for foreign exchange.