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Islamic Emirate of Afghanistan

Official Gazette

- Law on Currency Exchangers and Monetary Services Sector
- Decree of His Excellency Amir al-Momenin (May Allah Almighty Protect Him)

Date Issued: 30 June 2024 (23/12/1445 HD – 10/4/1403 HS)

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The following Legislative Documents have been published in this Issue:

1. Law on Currency Exchangers and Monetary Services Sector
2. Decree of H.E. Amir al-Momenin (may Allah Almighty protect him) on Tax Relief for Guilds (Shopkeepers and Hawkers)

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In the name of Allah, the Most Merciful, the Most Gracious.

All Praise be to Allah, Lord of the Worlds and Peace and Blessings be upon Prophet Muhammad (PBUH) and his family and his companions them all.

Decree of His Excellency Amir al-Momenin (may Allah Almighty protect him) on the Enforcement of Law on Currency Exchangers and Monetary Services Sector

No: (490)

Date: 9 March 2024 (28/8/1445 HD)

Article 1:

I hereby endorse the Law on Currency Exchangers and Monetary Services Sector consisting of (1) introduction, (2) Chapters, and (9) Articles.

Article 2:

This Law shall enter into force from the date it is signed and be published along with the text of the said law in the Official Gazette.

May Peace, Mercy, and Blessings of Allah Almighty be on you!

Amir al-Momenin Sheikh ul-Quran wa al-Hadith

Mawlawi Hibatullah Akhundzada

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In the name of Allah, the Most Merciful, the Most Gracious.

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Law on Currency Exchangers and Monetary Services Sector

Introduction

Article 1: Basis:

This Law has been enacted based on Decree no. (9), dated 24 October 2022 (28/3/1444 HD – 2/8/1401 HS), by His Excellency Amir al-Momenin (May Allah protect him).

Article 2: Objectives:

Objectives of this Law include:

- 1- To properly regulate monetary services and currency exchange sector;
- 2- To authorize and legalize the illegal (unlicensed) currency exchangers and monetary services providers;
- 3- To develop and issue uniform licenses with no difference for currency exchange and monetary services providers in every sector;
- 4- To prevent potential risks to the Economic system caused by illegal activities and disorganized currency exchange and monetary services as well as smuggling currencies;
- 5- To manage statistics of the currency exchange and monetary services keeping in account the number of people, geography, economy, and need;
- 6- To standardize currency exchange and monetary services.

Article 3: Scope of Implementation:

This Law shall apply to all licensed currency exchangers and monetary service providers.

Chapter 1

Provisions Related to License

Article 4: License:

(1) All currency exchangers and monetary service providers are obliged to obtain one of the following licenses:

- 1- License for monetary services and currency exchange company;

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- 2- License for a branch of the monetary services and currency exchange company;
 - 3- Street currency exchangers' license (Operations certificate (card) of the licensed company);
- (2) One or more currency exchangers may obtain a license for Monetary Services and Currency Exchange company in one or several provinces;
- (3) A license for a branch of the monetary services and currency exchange (individual currency exchanger) may be obtained in agreement with one of the licensed companies according to provisions of this Law.
- (4) Street currency exchangers' license shall be obtained by a licensed company by securing a certificate (card);
- (5) The license shall be renewed every 3 years.

Article 5: Licensing Conditions:

(1) The monetary services and currency exchange company shall fulfill the following conditions to obtain a license:

- 1- To obtain the license for the monetary services and currency exchange company, the applicants shall have a working capital determined by the Executive Board of the Da Afghanistan Bank in the center, zones, and provinces.
- 2- They shall provide the Da Afghanistan Bank a specific amount of cash guarantee as deemed necessary by the Executive Board of the Da Afghanistan Bank which shall be refunded when the operation is relinquished or abolished.
- 3- The monetary services and currency exchange company shall possess an information system to record information and transactions.
- 4- The partners of monetary services and currency exchange companies shall introduce another company or any other credible authority to Da Afghanistan Bank as a guarantee. Failing to do so, they shall provide the Bank with a determined amount of cash guarantee to the bank.

(2) License for the branch of the monetary services and currency exchange companies may be secured by satisfying the following conditions:

- 1- Submission of application for obtaining the branch license to the Da Afghanistan Bank by the relevant monetary services and currency exchange company;
- 2- A written memorandum of understanding between the Branch (individual currency exchange) and the monetary services and currency exchange company;
- 3- Having in place the information system for storing information and transactions of the branch (Individual currency exchange).

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(3) Suspension of the operations or termination of activities of the branch (Individual currency exchange) shall take place by the relevant company.

(4) The monetary services and currency exchange company may establish branches in the center and provinces in accordance with the criteria provided.

(5) The monetary services and currency exchange company shall be accountable to the Da Afghanistan Bank for the activities of its branches.

(6) Street currency exchangers may engage in currency exchange and monetary services by fulfilling the following criteria:

1- Possessing operations certificate (card) from the monetary services and currency exchange company;

2- Having a bank account.

(7) Street currency exchangers may not engage in currency exchange, monetary services, and exchange activity exceeding a defined limit.

(8) Street currency exchangers may not engage in sending, processing, and receiving payment orders (Hawala).

(9) The monetary services and currency exchange company shall not authorize more than 3 Street currency exchangers.

(10) The relevant company is obliged to record daily transactions of the street currency exchangers in a spreadsheet and monitor and get themselves satisfied with their activities.

Article 6: Report:

(1) The monetary services and currency exchange companies are obliged to submit a report to the Da Afghanistan bank as requested.

(2) The monetary services and currency exchange companies are obliged to immediately report to the Non-Banking Financial Institutions Supervision Department in case of an increase or decrease in the capital.

(3) If the monetary services and currency exchange company wants to conduct foreign *Hawalas* (sending, processing, and receiving payment orders), the responsible persons of the company are obliged to share necessary information about the foreign country and the other party (to whom the Hawala is being conducted) with the Da Afghanistan Bank.

Article 7: Obligation:

If an individual runs monetary services and currency exchange activities without having a license, the following actions shall be taken against him:

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- 1- His shop or office shall be sealed and locked by the joint committee in coordination with the relevant institutions;
- 2- The company is obliged to obtain an operations license within 5 days. If it doesn't want to obtain a license, it shall approach Da Afghanistan Bank in coordination with the shop owner to vacate the shop and return to its owner;
- 3- Property owners shall be notified through a circular by the Municipality requiring them to avoid renting their property to non-licensed and illegal currency exchange and monetary service providers.

Chapter 2

Final Provisions

Article 8: Developing Bylaws and Procedures:

Da Afghanistan Bank shall be obliged to draft bylaws and procedures to better implement the provisions of this law and propose them to His Excellency Amir al-Momenin (may Allah Almighty protect him) for approval.

Article 9: Enforcement:

This law shall come into force from the date it is signed and shall be published in the media and Official Gazette and any other relevant laws which have not been approved or signed by His Excellency Amir al-Momenin (may Allah Almighty protect and guard him), shall be nullified.