


THE

LIBERIA OFFICIAL
GAZETTE

PUBLISHED BY AUTHORITY

VOL. XXV

MONDAY, SEPTEMBER 8, 2025

NO. 65

EXTRAORDINARY

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA ANNOUNCES THAT THE CENTRAL BANK OF LIBERIA (CBL), PURSUANT TO ITS MANDATE UNDER THE AMENDMENT AND RESTATEMENT OF THE ACT ESTABLISHING THE CENTRAL BANK OF LIBERIA (CBL) 2020 AND ITS AUTHORITY UNDER THE FINANCIAL INSTITUTIONS ACT (FIA) OF 1999, AND SPECIFICALLY CONSISTENT WITH SECTION 37 OF THE SAID AMENDED AND RESTATED CENTRAL BANK OF LIBERIA ACT OF 2020 AND SECTION 39 OF THE FINANCIAL INSTITUTIONS ACT OF 1999, HAS ISSUED ON MONDAY, SEPTEMBER 8, 2025, ITS REGULATION NO. CBL/RSD/001/2025 HEREIN UNDER:

**AMENDED REGULATION CONCERNING EMERGENCY
LIQUIDITY ASSISTANCE (ELA)**

BY ORDER OF THE PRESIDENT

**MME. SARA BEYSOLOW NYANTI
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
SEPTEMBER 8, 2025**

Introduction

The Central Bank of Liberia, pursuant to its authority under Section 39 of the New Financial Institutions Act of 1999 and Section 37 of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia (CBL) 2020 hereby issues these Regulations.

1.0 Title

These Regulations shall be cited as “**Amended Regulation Concerning Emergency Liquidity Assistance**” Regulation No. CBL/RSD/001/2025.

2.0 Scope

“The Central Bank of Liberia (CBL) shall, at its discretion, provide Emergency Liquidity Assistance in Liberian dollar pursuant to its lender of last resort function to licensed bank-financial institutions who are eligible under Section 3.0 of this Regulation”.

Where there are circumstances that the CBL may consider extreme, the CBL may grant liquidity support to a licensed bank-financial institution in foreign currency on the terms and conditions of this regulation.

3.0 Definition

3.1 Emergency Liquidity Assistance (ELA) means the provision by the Central Bank of Liberia (CBL), on the basis of Section 37 of the CBL Act, of:

- a) Central Bank’s money and/or
- b) any other assistance that may lead to an increase in Central Bank’s money to a solvent, viable, bank-financial institution that is facing temporary liquidity problems, without such an operation being part of CBL’s monetary policy.

3.2 The CBL shall mean the Central Bank of Liberia.

3.3 Bank Financial Institution shall mean all licensed bank-financial institutions in Liberia.

3.4 Solvency - A bank-financial institution shall be considered solvent if there is a credible prospect of maintaining or restoring its capital adequacy ratio above prudential minimum within 180 days.

3.5 Viability – A bank-financial institution is considered viable if its business model is sustainable, and it can generate sufficient profitability to avoid a need for repeated recapitalizations.

4.0 Objective

The objective of this regulation is to preserve financial stability and the confidence of depositors and creditors in the Liberian banking system.

5.0 Decision Making

The final decision regarding the provision of ELA is made by the Central Bank's Executive Management/ Approval Committee comprising of the Executive Governor, the Deputy Governor for Economic Policy and the Deputy Governors for Operations, based on the technical assessment prepared by the CBL credit committee.

6.0 Eligibility Criteria

6.1 Only bank-financial institutions are eligible for ELA.

6.2 In order to be eligible for an ELA, the CBL shall ensure that:-

- a) the potential failure of a bank-financial institution in need of support is judged to be a threat to systemic stability of the financial system;
- b) the bank-financial institution receiving support shall be assessed to be solvent and viable based on a report by the Regulation and Supervision Department; and that there should be a feasible exit strategy from the ELA— that is, the ELA would be a temporary bridge to a stable state in which the ELA would be repaid to the CBL.
- c) the bank-financial institutions shall submit a funding plan detailing the corrective actions envisaged;
- d) an ELA agreement is signed between the requesting bank-financial institution and the CBL; and where necessary the Government of Liberia.

7.0 Maturity and Time Limit

7.1 The ELA shall have a time limit of 91 business days that may be renewed following an explicit decision by the CBL for another period not exceeding (91) business days.

7.2 Each ELA envelope in LRD shall be granted for a maximum of 15 days. Within the 15-day limit, the ELA is, as a rule, carried out for the overnight period, and may be adjusted daily according to the evolution of liquidity needs. After the end of the 15-day period, the CBL may decide to renew or review the maximum amount of the operation, based on the estimated liquidity needs and provided that the conditions legally defined for access to the ELA continue to be met. The overnight maturity is automatically renewable, and the 15-day period for the authorization of a maximum ELA envelope in Liberian dollar by the CBL ensures a more precise calibration of ELA loans, based on short-term liquidity forecasts, and reduces the risk of an overestimation of the ELA envelope, which would put the central bank's balance sheet at risk and induce moral hazard.

7.3 Each ELA envelope in USD shall be granted for a maximum of 7 days. Within the 7 days limit, the ELA is, as a rule, carried out for the overnight period, and may be adjusted daily according to the evolution of liquidity needs. After the end of the 7-day period, the CBL may decide to renew or review the maximum amount of the operation, based on the estimated liquidity needs and provided that the conditions legally defined for access to the ELA continue to be met. The overnight maturity is automatically renewable, and the 7-day period for the authorization of a maximum ELA envelope in United States dollar by the CBL ensures a more precise calibration of ELA loans, based on short-term liquidity forecasts, and reduces the risk of an overestimation of the ELA envelope, which would put the central bank's balance sheet at risk and induce moral hazard.

8 Conditionality

8.1 Before an ELA can be provided, the beneficiary bank-financial institution shall sign an ELA Agreement with the CBL. This ELA agreement shall be legally binding and engages the beneficiary bank-financial institution's highest authorities.

8.2 Obligation to submit more frequent information, such as:"

- a) daily liquidity report,
- b) weekly recovery report,
- c) weekly expense report,
- d) weekly capital position,
- e) weekly income statement, and
- f) other reports as may be required by the CBL.

8.3 During the ELA period, the CBL may impose amongst others, the following conditionalities:-

- a) Suspension of dividend distributions and debt or share buybacks;
- b) Explicit Pre-approval procedure for new significant investments;
- c) Institute measures to limit the provision of new loans (e.g. through limits, prior notification, or prior approval procedures);
- d) Set-up specialized recovery team, inclusive of loan officers that extended loans that are non-performing;
- e) No bonuses, or salary increases;
- f) No payment of fees to foreign parent bank;
- g) Sale of non-core assets;
- h) Commitment to put in measures to stabilize deposits and restore market access;
- i) Commitment to put in measures to strengthen capital adequacy (e.g., recapitalization);
- j) Obligation to carry out asset quality reviews and external audits at the request of the CBL, at the beneficiary bank-financial institution's expense, and to submit findings to CBL.

8.4 In addition to the conditionalities above, bank-financial institutions receiving ELA shall have no access to CBL Bills, Standing Deposit Facility (SDF), and shall be prevented from lending in the interbank market.

8.5 Bank-financial institutions applying for ELA in USD in addition to meeting the conditionalities in Section 8.5, shall subject itself to intrusive/enhance supervision (i.e., intensified relative to

regular supervisory activity), far-reaching conditionality (e.g., suspension of dividends and bonuses, restrictions on new lending and investments) and strict monitoring on the use of USD funds. ELA in USD shall not be a substitute for a lack of intragroup funding for subsidiaries of foreign banks.

9 Funding Plan

9.1 A bank-financial institution under ELA will be required to submit a credible funding plan outlining the remedial actions it will take in the near term to return to a sound liquidity situation. The funding plan shall be submitted monthly for the full duration of the ELA.

10 Application Procedure

10.1 In order to be granted an ELA, CBL hereby sets forth the following requirements for bank-financial institution:

10.2 A Letter of Application to the Executive Governor of the CBL expressing the desire to be granted emergency liquidity assistance.

10.3 The Letter of Application shall be accompanied by funding plan, collateral being proffered, current financial statements, board resolution to request for the ELA, and a completed application form for ELA assistance.

10.4 The application shall be reviewed and analyzed by the credit committee in keeping with the provisions of this regulation. The credit committee shall make recommendations to the ELA approval committee based on technical assessment.

10.5 The approval committee, comprising of the Executive Governor and the two Deputy Governors, shall approve or deny the ELA request.

11 Assets Eligibility Criteria

The CBL may accept all assets that may be legally eligible as collateral as set out in the Collateral Eligibility Framework.

12 Collateralization

12.1 All ELA requested by bank-financial institutions shall be collateralized or guaranteed by the Government of Liberia.

12.2 The bank financial institution requesting ELA shall provide the CBL with a detailed, up-to-date list of its unencumbered assets. CBL shall make a determination on the assets that would be mobilized as ELA collateral and inform the requesting bank financial institution accordingly.

12.3 The CBL shall apply appropriate risk control measures including haircuts, overcollateralization, and concentration limits, without detailing them (they should remain confidential).

13 Interest Rate

- 13.1 The LRD interest rate for ELA set in Liberian dollar shall be fixed at 200 basis points over the standing credit facility.
- 13.2 The interest rate for ELA in USD shall be the higher of the Secured Overnight Financing Rate (SOFR) plus a spread of 400 bps or the cost of the CBL sovereign's cost of sourcing USD: $i^{\text{USD}}\text{ELA} = \max \{\text{SOFR} + 400 \text{ bps}; \text{CBL's cost of USD funding}\}$
This rate shall be reviewed annually, considering sovereign borrowing rates in USD.

14 Government Role

ELA shall be extended where necessary, to preserve financial stability, only with a government guarantee (as complement, rather than substitute, of collateral, and of credible action to restore solvency, outside or within resolution) in the three following situations:

- (i) If there is significant uncertainty on solvency, ELA may be considered only under a government guarantee. Although forward looking solvency is a condition for ELA, in certain cases where there is significant uncertainty of the bank's solvency, the bank may also be allowed to receive ELA, provided there is a government indemnity on the central bank's ELA loan, as complement: (i) collateral; and (ii) a credible action to address the temporary undercapitalization. In such circumstances, ELA must not be provided without all efforts to fully collateralize ELA and a detailed plan to recapitalize the bank (e.g., a time-specific and credible commitment to recapitalize the bank by its existing shareholders or new investors, or a commitment by the State to recapitalize the bank)—i.e., a government guarantee (or indemnity) should not be considered sufficient to provide ELA. Furthermore, if the bank is clearly insolvent, i.e., there is no credible recapitalization plan, ELA shall not be provided.
- (ii) If there is insufficient collateral, ELA may be considered with a government guarantee to fill the collateral gap. Also in this scenario, collateral must be mobilized as much as possible (with sound risk control measures) to mitigate the financial risk for the State. Furthermore, a credible recapitalization plan would also be probably envisioned under this scenario, as insufficient collateral to cover ELA is likely to be reflective of fragile solvency. If there is no credible plan to recapitalize the bank, ELA shall not be provided.

- (iii) In case of an ongoing resolution leading to the emergence of a solvent, viable bank in the near term, ELA may be envisioned (funding-in-resolution). However, if the CBL has concerns about the exit strategy, ELA should only be provided for funding-in-resolution under a government guarantee. Also in this scenario, all efforts must be made by the central bank to obtain sufficient collateral from the bank to cover the ELA envelope, thereby limiting the State's financial exposure. Government guarantee should be considered as a second layer of protection for the central bank and as a complement, rather than a substitute, of collateral. As in a non-resolution scenario, a credible prospect for the bank to return to solvency and viability is a requirement for ELA. If there are concerns about the exit strategy, a government guarantee would be required. For instance, in a good bank/bad bank separation, only the good bank may be eligible to ELA, while the bad bank should not receive any ELA. In case of bank liquidation, ELA must not be provided (regardless of the existence of a government guarantee).

15 Information Sharing and Coordination

The Central Bank of Liberia (CBL) shall collaborate with the Ministry of Finance and Development Planning (MFDP) to develop a Memorandum of Understanding (MoU) outlining the framework for information exchange, necessary safeguards, and the conditions under which a government guarantee may be required in Emergency Liquidity Assistance (ELA) situations.

The primary objective of the MoU is to ensure sufficient clarity on the status of the bank financial institution—particularly its solvency, viability, available collateral, and regulatory compliance—enabling the MFDP to make an informed decision regarding the provision of a potential government guarantee. The MoU shall explicitly affirm that the CBL's operational and decision-making independence must be preserved at all times throughout the ELA assessment and approval process.

16 Powers of CBL

The CBL has full discretion in:

- a) assessing the risks to financial stability and the resulting decision to provide, or not, ELA to a financial institution.
- b) assessing, in a forward-looking manner, the solvency, viability and systemic nature of a financial institution requesting ELA.
- c) deciding on the financial terms of ELA; and
- d) selecting assets as guarantees and applying appropriate risk control measures.
- e) terminating the ELA where it is adjudged that the beneficiary licensed bank-financial institution no longer meets the eligibility criteria or conditions set forth in this regulation

17 Effective Date

This regulation shall take effect immediately upon publication in Official Gazette and shall remain in force until otherwise advised by the Central Bank of Liberia.

Issued this XXth day of, XXX 2025 in the City of Monrovia, Republic of Liberia.

BY ORDER OF THE PRESIDENT

**SARA BEYSLOW NYANTI
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

SAMPLE TEMPLATE LETTER REQUESTING ELA

[DATE]

[Address at CBL].

Dear Executive Governor,

[Counterparty] is currently solvent but is experiencing liquidity pressures that pose an immediate threat to its ability to make payments to customers and the public. Accordingly, I hereby request emergency liquidity assistance from the Central Bank of Liberia (CBL) by advancing funds to [Counterparty], in accordance with the Central Bank's authority under statute and on the terms and conditions that may be set by the CBL.

I would like to request that an amount of up to X million (LR\$) and X million (US\$) be advanced.

Yours sincerely,

Chairman

APPENDIX II. APPLICATION FORM FOR ELA

1. Name and address of applicant: _____
2. Name and title of authorized representative: _____
3. Signature of authorized representative: _____
 (The person signing the request must be one of the authorized representatives included in the CBL's authorized person's list).

4. Type of liquidity assistance requested:

Amount (LRS Million and/or US\$ Million):			
Transaction date:			
Settlement date:			
Maturity date:			
Term:			

i) Collateral offered

Description Book Value Market Value Maturity

ii) Documents attached:

1. For domestic securities offered as collateral, a properly exercised lien form from the Central Registry of the Central Treasury.
2. A copy of the decision of the applicant's Board of Directors signed by the Chairman and the Chief Executive Officer verifying that the Board has concluded that the institution is solvent.
3. A copy of the latest financial statements of the institution.
4. A statement signed by the Chief Executive Officer on the reasons why the institution has been unable to meet its liquidity needs from market sources.
5. If the applicant bank is a foreign institution, a formal statement from its parent explains why the parent is unable to provide for the applicant's liquidity needs.

The applicant is also obliged to provide a remedial program, for approval and in a format agreed by the CBL, in relation to restoring its liquidity position.