

## **OFFICIAL EXCHANGE RATES**

### **0. Prerequisites**

#### **0.1. Legal Environment**

##### **0.1.1 Responsibility for collecting, processing, and disseminating statistics**

The daily exchange rate of the Leone to other foreign currencies and inter-foreign currency rates are obtained on a daily basis from Financial Markets Department (FMD) returns called “Bank of Sierra Leone Daily Exchange Rates”. The daily and monthly average exchange rates of the Leone to the major foreign currencies are collated accordingly.

As empowered by the Bank of Sierra Leone Act 2011, the Research Department of the Bank of Sierra Leone is responsible for collecting, compiling, analyzing, and disseminating External Sector statistics including BOP, Trade, Exchange Rate etc.

Section 37 of the Bank of Sierra Leone Act 2011 states:

“The Bank shall-

(a) collect, compile, analyse, abstract and publish statistics and information relevant to the carrying out of its functions;

(b) determine the statistical information so required and the form in which the information is to be provided to the Bank, the persons subject to reporting requirements, the applicable confidentiality regime and the administrative penalties that may be imposed on entities operating in breach of these statistical requirements or which fail to provide the required statistical information.”

##### **Bank of Sierra Leone**

The Bank act requires “Every licensed institution to publish its balance sheet in at least one news paper of general circulation in Sierra Leone.”

##### **0.1.2 Confidentiality of individual reporters' data**

## **Bank of Sierra Leone**

Data dissemination functions are granted to the Bank by act states that “The Central Bank may publish in whole or part at such a time as it may determine any information or data furnished under this Act; but no information or data shall be published which might disclose the individual affairs of a licensed institution or of a person whose interests are protected under the act unless the consent of every interested party has been obtained in writing prior to such publication.”

Staff of the BSL at the beginning of each year take secrecy oath by completing secrecy forms and agreeing to abide by the regulations and regulations governing the general operations of the BSL.

### **0.1.3 Ensuring statistical reporting**

## **Bank of Sierra Leone**

The Act also states that “Any licensed institution which fails to comply with the requirements of this Section shall be liable to pay to the Central Bank a penalty.”

## **1. Integrity**

### **1.1. Transparency**

#### **1.1.1. Disclosure of terms and conditions for statistical collection, processing, and dissemination**

## **Bank of Sierra Leone**

The Act is posted on Bank of Sierra Leone’s Website and is available for sale in the Government Bookshop.

#### **1.1.2. Internal governmental access to statistics prior to release**

## **Bank of Sierra Leone**

Data are released simultaneously to the ministries and the public.

### **1.1.3. Attribution of statistical products**

#### **Bank of Sierra Leone**

No ministerial commentary on the occasion of release of data. The Research Department will consider providing a technical commentary and analysis on the occasion of data releases.

### **1.1.4. Advance notice of major changes in methodology, source data, and statistical techniques.**

#### **Bank of Sierra Leone**

Revisions are indicated in the Bank's Publications. Advance notice of changes has not been provided in the past but BSL will consider providing such a notice in the publications and on its website in future.

## **2. Methodology**

### **2.1. Concepts and definitions**

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The official exchange rate of the Leone is calculated as the weighted average mid rate of US Dollar purchases and sales transactions of commercial banks, foreign exchange bureaux and Bank of Sierra Leone (BSL) Foreign Exchange Auction for the last five business days preceding the reference week.

## **3. Accuracy and reliability**

### **3.1. Source data**

#### **3.1.1. Source data collection programs**

Data for buying and selling foreign exchange are compiled by each bank and bureau on a daily basis and those rates are published in the reference institutions and reported in transactions returns submitted to the Bank of Sierra Leone. Foreign Exchange Bureaux are limited to spot transactions and can buy Travelers cheques but are not allowed to sell.

## **3.2. Statistical techniques**

### **3.2.1. Periodicity**

Data on spot exchange rates for the Commercial Banks, Bureaux and the BSL are compiled daily, weekly, monthly and annually.

### **3.2.2. Timeliness**

The indicative exchange rates are published daily by the BSL and disseminated the same day. Weekly official mid rate is calculated on Wednesdays and disseminated the following Thursday of the reference week.

## **3.3. Consistency**

### **3.3.1. Intersectoral and cross-domain consistency**

Published data can be crosschecked against the primary data submitted by the Commercial Banks, Bureaux and the Auction

## **3.4. Revision**

### **3.4.1. Revision schedule**

#### **Bank of Sierra Leone**

Advance notice of changes has not been provided in the past but BSL will consider providing such a notice in the publications and on its website in future.

### **3.4.2. Identification of preliminary and/or revised data**

#### **Bank of Sierra Leone**

Revisions are indicated in the Bank's Publications.

## **4. Accessibility**

### **4.1. Data**

#### **4.1.1. Statistical presentation**

The indicative daily exchange rates are disseminated in the “Daily Exchange Rates” of the BSL. The official rate is for all exchange transactions of the central bank. Every Commercial Bank and Exchange Bureau are also authorized to undertake foreign exchange transactions and to determine their own exchange rates.

#### **4.1.2. Dissemination media and format**

- **Hard copy - New release**

Radio Network and Local News papers.

- **Hard copy - Monthly Bulletin**

BSL “Monthly Economic Review” (English)

- **Hard copy - Other**

“BSL Annual Report and Statement of Accounts” (English)

“BSL Bulletin” (English)

- **Electronic - On-line bulletin or data**

<http://www.bsl.gov.sl>

- **Electronic - Other**

#### **4.1.3. Advance release calendar**

## **Bank of Sierra Leone**

The Bank does not use advance release calendars.

### **4.1.4. Simultaneous release**

## **Bank of Sierra Leone**

All data are released simultaneously to the public.

The BSL provides access to the public through:

1. Regular publications (“Monthly Economic Review”, “BSL Bulletin’ and Annual Report and Statement of Accounts”).

BSL Website (<http://www.bsl.gov.sl>)

## **4.2. Metadata**

### **4.2.1. Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques**

Methodology for the compilation of exchange rate data is available but not published except in the IMF Annual Report on Exchange Arrangements and Exchange Restriction (AREAER). The sources of data include transaction rates reported by the commercial banks, bureaux and BSL foreign exchange auction.

## **5. Plans**

### **5.1. Recent**

#### **Plans for improvement - Recent improvements**

## **Bank of Sierra Leone**

- Launching of a Website by the Bank

## 5.2. General

### **Plans for improvement - Short-term**

#### **Bank of Sierra Leone**

- Experiment with the use of advance release calendars which would be contained in the various publications of the BSL's and also posted in its website.
- Create a database for the Bank.
- To improve on timeliness in data dissemination.

#### **Spot rates**

1. The Bank is in the process of reviewing the calculation of the official rate from weekly to daily.
2. The Bank is in the process of reviewing the current statistical method (weighted average) of deriving the official mid-rate.

## 5.3. Financial

### **Plans for improvement - TA/financing needs - Short-term**

#### **Bank of Sierra Leone**

- Training for staff in the Research Department in the creation of database and in the areas of Monetary, Fiscal and Real Sector Analysis.
- Need for BOP staff to have further experience through study tours/attachment in countries that are well advanced in the BPM6 methodology, preferably within the subregion.