



**STATES, NATIONS, TERRITORIES AND
REALMS OF THE AFRICAN DIASPORA**

SIXTH REGION

EXCHANGE RATE MECHANISM (ERM)

*FOR GLOBAL CLIMATE ACTION, POVERTY ERADICATION
AND SUSTAINABLE DEVELOPMENT*

REGULATION NO. 09202266603/R6/HK

ON THE REGULATION OF THE SIXTH REGION EXCHANGE RATE MECHANISM (ERM)

ECONOMIC COMMUNITY OF STATES,
NATIONS, TERRITORIES AND REALMS
OF THE AFRICAN DIASPORA SIXTH
REGION

REGULATION N°09202266603/R6/ECO6/HK
ON THE REGULATION OF THE SIXTH REGION
EXCHANGE RATE MECHANISM FOR GLOBAL
CLIMATE ACTION, POVERTY ERADICATION
AND SUSTAINABLE DEVELOPMENT

THE ECONOMIC COUNCIL WITHIN THE SIXTH REGION HOUSE OF KINGS

ALERTED by the negative impact of climate change on our ecological resources and the need to minimize environmental catastrophe across African landscapes and seashores,

KNOWING that Africa directly produces less than 4% of global carbon emissions,

ALARMED by the failure of the international community to meet its climate targets and moreover to have recklessly increased its global carbon emissions footprint,

RECOGNIZING that the LUMI is the official currency of the Sixth Region and functions as a Global African Currency,

UNDERSTANDING that each LUMI note is underwritten by 100kWh of solar energy and contributes to the displacement of carbon emissions as well as the development of long-term energy security for the continent of Africa,

CONSCIOUS of our responsibility to eradicate systems that perpetuate poverty and starvation amongst the global African family,

COGNIZANT that the illegal legacy of colonialism and slavery still have remnant impacts on the African economy and monetary system,

RESOLVED to mark a new era in the development of African economic integration and trade across all six regions,

DRAWING inspiration from the ancient cultural, religious and scholastic inheritance afforded us by our African ancestors from which all humanity has prospered,

CONFIRMING the pursuit for economic soundness and unity as articulated within the 1963 Charter establishing the Organization of African Unity,

CONFIRMING that regional economic communities (RECs) are the key building blocks of African unification as determined within the 1991 Abuja Treaty Establishing the *African Economic Community*,

SUPPORTING the success of regional economic communities as the foundation for integration within the *African Continental Free Trade Area*,

DETERMINED to ensure that the Sixth Region functions succinctly in its monetary contributions and human capital contributions to the advance of the African economy as articulated in the 2019 Treaty Establishing the *Economic Community of States, Nations, Territories & Realms of the African Diaspora Sixth Region*,

RESOLVED to achieve the strengthening and the convergence of our regional economies and to advance the aspiration for economic and monetary union in accordance with the provisions of this regulation, African monetary union, and of the establishment of a single and stable currency,

IN LIGHT of further steps to be taken to advance African monetary security and integration,

HAVING REGARD to the responsibilities imbued by our regional powers and authorities,

MEETING in ordinary session on the 9th of March 2022 in the Sixth Region,

UNANIMOUSLY ADOPT THE FOLLOWING REGULATION:

CHAPTER 1

DEFINITIONS AND ACRONYMS

ARTICLE 1

For purposes of this regulation, key terms and acronyms shall be understood as

- i) **“ADCB”** means the African Diaspora Central Bank which is the monetary authority of the Sixth Region;
- ii) **“Central Bank”** means African Diaspora Central Bank
- iii) **“Continental”** means all lands, seas and waters that are geographically part of the continent of Africa, comprising all lands and territories of the tectonic plates and its water-ways;
- iv) **“Export”** means the delivery of goods or services from within the Sixth Region towards the continent of Africa;
- v) **“External Transaction”** means those transactions that occur in Africa or are intended for outside of the Sixth Region and within the continent of Africa;
- vi) **“Foreign Currency”** means any currency other than LUMI that is used within a nation, territory or region that is located within the Sixth Region;
- vii) **“LUMI”** means the official currency of the Sixth Region as issued by its monetary authority the ADCB, and bearing the currency code AKL;
- viii) **“Regional Economic Communities (RECs)”** *means a regional grouping of African states organized into a legal entity by treaty, with economic and social integration as main objective,*
- ix) **“Sixth Region”** means all the world outside of the continent of Africa.

CHAPTER 2

GENERAL PRINCIPLES

ARTICLE 2

This Regulation shall be known as the Sixth Region Exchange Rate Mechanism (ERM) for Global Climate Action, Poverty Eradication And Sustainable Development.

ARTICLE 3

This Regulation defines the conditions for carrying out currency exchange for purposes of trade between the Sixth Region (THE OUTSIDE WORLD) and the currencies of the African continental regional economic communities (RECs) and/or national currencies therein.

ARTICLE 4

This Regulation shall apply to payments and settlements of current, financial or capital transactions to or from the Sixth Region.

CHAPTER 3

MONETARY REGIME OF EXCHANGE

ARTICLE 5

The currency issued and having legal tender and liberating power in the Sixth Region is the LUMI, with its long name being the African Kingdoms LUMI and its currency code being AKL.

The LUMI is underwritten by 100kWh of solar energy and pegged at a fixed parity to gold, wherein the rate is 1 LUMI is equal to 4 grains of gold (being 0.2592 grams).

ARTICLE 6

The purchase and sale prices of all currencies are established on the basis of the fixed exchange rate of the LUMI against the market spot price of 4 grains of gold and the exchange rate of these currencies against gold on the exchange markets.

ARTICLE 7

Subject to the prior authorization of the Central Bank, authorized intermediaries may export their foreign currency from the Sixth Region to continental Africa.

Exports of foreign currency by authorized intermediaries are subject to an environmental duty of 100 percent (100%) of their face value, provided such currencies qualify for export under this Regulation.

CHAPTER 4

AUTHORITATIVE ORGANIZATION OF FOREIGN EXCHANGE REGULATION

ARTICLE 8

In accordance with its Statutes, the African Diaspora Central Bank conducts exchange rate policy within the Sixth Region. In this respect, it draws up the rules relating to the implementation of exchange rate policy and ensures that economic agents comply with the exchange regulations applicable in the Sixth Region.

ARTICLE 9

ADCDB authorizes the export of foreign currency by credit institutions in compliance with this Regulation.

ARTICLE 10

As part of its controls, the ADCB may ask economic agents to communicate information relating to their export transactions, accompanied by the necessary supporting documents.

ARTICLE 11

ADCB identifies exchange rate violations and imposes administrative sanctions on offending economic agents. To this end, it may request the assistance of the African Finance Regulatory Authority (AFRA), or other similar bodies, if necessary, under the conditions and procedures provided for in these regulations.

CHAPTER 5

REGULATIONS FOR EXTERNAL OPERATIONS

ARTICLE 12

Payments originating from within any continental regional economic community and destined to the Sixth Region are made through conventional correspondent banks and financial institutions using the national and/or regional African currency which will then be converted to LUMI.

ARTICLE 13

Recipients of payments from the continent to the Sixth Region must accept LUMI for payment irrespective of other currencies which may have been contractually obligated.

ARTICLE 14

Payments for external transactions may be contracted in one of the currencies of both partners, however, the partner within the Sixth Region must convert the said currency to LUMI at the time of transaction.

ARTICLE 15

External transactions with electronic payment instruments and message texting are treated as transfers, and manual exchange which are subject to the criteria of Article 14 above. This also includes foreign central bank digital currencies.

CHAPTER 6

FOREIGN CURRENCIES

ARTICLE 16

Foreign currencies within the Sixth Region are subject to the regulations of their issuing national authorities.

Article 17

In furtherance of global climate action, any foreign currency that is not backed by renewable energy will not be exported from the Sixth Region, and is disqualified from export under Article 7.

Article 18

No foreign currency shall be exempt from this regulation, irrespective of trade agreements, treaties and protocols with continental regional economic communities and national legal entities that are purported to operate in the said foreign currency.

CHAPTER 7

FINANCIAL AND CAPITAL TRANSACTIONS

ARTICLE 19

For purposes of this regulation, financial and capital transactions between the Sixth Region and the continent are free, subject only to compliance with the provisions of this Regulation and subsequent texts.

CHAPTER 8

COMMUNICATION OF INFORMATION AND OPERATIONS WITH THE CONTINENT

ARTICLE 20

Governmental economic agents carrying out external operations shall communicate to the Central Bank and other competent administrative authorities all their external transactions, whether they concern goods, services, donations, income, transfers or capital. This applies specifically to national treasuries, the administrative services in charge of debt management, any other government departments, individuals, approved intermediaries, and their associated international organisations and diplomatic representations and any other legal entity.

CHAPTER 9

INFRINGEMENTS AND PENALTIES

ARTICLE 21

ADCB identifies exchange rate violations and imposes administrative sanctions on offending economic agents.

As part of their assistance to the Central Bank, AFRA and other bodies may impose sanctions in its respective areas of competence.

ARTICLE 22

Failure to comply with the provisions of these Regulations and subsequent texts will expose offenders to administrative monetary and non-monetary penalties depending on the nature of the offence.

ARTICLE 23

Monetary penalties consist of fines, the amount or rate of which is determined according to the nature of the offence.

ARTICLE 24

Non-monetary penalties may range from a general warning to sanctions, the latter of which implies the exclusion from trade.

ARTICLE 25

The Sixth Region's foreign exchange regulations are available from the Central Bank, who makes them available to their users on request.

ARTICLE 26

The ADCB may give advisory opinions on the interpretation of all or part of the provisions of this Regulation.

ARTICLE 27

For the application and interpretation of this Regulation, the ADCB issues instructions, circular letters, notices and explanatory notes.

ARTICLE 28

This Regulation may be amended by the Economic Council.

ARTICLE 29

Economic agents, including authorized intermediaries, shall have 6 months from the date of entry into force of this Regulation to comply with its provisions.

ARTICLE 30

This Regulation is drawn up in a single copy in the English language. It shall enter into force on the 1st of April 2022 and shall be published in the Official Bulletin of ECO-6.

Done in the Sixth Region on the 9th Day of March in the Year 2022,