



BANKIGA DHEXE EE SOOMAALIYA
البنك المركزي الصومالي
CENTRAL BANK OF SOMALIA

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Governor's Message

From The Governor



As we conclude 2024, it is my privilege to reflect on the remarkable strides made by the Central Bank of Somalia (CBS) in advancing our mission of financial stability, inclusion, and development. This end-of-year edition of our newsletter captures the milestones and achievements that have defined this transformative year.

One of the most groundbreaking developments was the successful implementation of the Somali Instant Payment System (SIPS). This innovative platform has revolutionized Somalia's financial ecosystem, enabling real-time transactions across digital channels and fostering financial inclusion in both urban and rural communities. SIPS embodies our commitment to modernizing financial services and empowering citizens and businesses alike.

Another important achievement was the signing of partnership agreement with the National Identi-

“One of the most groundbreaking developments was the successful implementation of the Somalia Instant Payment System (SIPS).”

fication and Registration Authority (NIRA) to integrate a national electronic “Know Your Customer” (e-KYC) framework. This collaboration strengthens compliance with international standards, enhances customer due diligence, and fortifies the integrity of our financial system.

On the global stage, CBS became a member of the World Bank's Reserves Advisory and Management

Program (RAMP), signifying our dedication to adopting best practices in reserves management. This partnership bolsters CBS's ability to manage Somalia's financial resources effectively, reinforcing confidence and stability.

Our commitment to advancing Islamic finance and financial inclusion has been reinforced through strategic memberships with the Islamic Financial Services Board (IFSB) and the Alliance for Financial Inclusion (AFI). These partnerships have positioned CBS as a leader in promoting resilience and inclusivity in Somalia's financial landscape.

We also successfully hosted the Second Annual Economic Policy Conference, providing a platform for evidence-based policy dialogue on economic opportunities, debt sustainability, and climate resilience. This high-level event reinforced CBS's role as a strategic advisor to policymakers while fostering collaboration among stakeholders.

Finally, our Board of Directors' retreat in November marked the adoption of CBS's ambitious Strategic Plan for 2025–2029. This plan sets a clear roadmap for achieving financial stability, enhancing governance, and fostering innovation to support Somalia's economic growth.

As we look to the future, I extend my heartfelt gratitude to our team for their tireless efforts and to our partners for their unwavering support. Together, we continue to build a resilient, inclusive, and transparent financial system for the benefit of all Somalis. ■

Sincerely,

**Abdirahman Mohamed Abdullahi
Governor, Central Bank of Somalia**

Revolutionizing Payments Landscape: The Somalia Instant Payment System (SIPS)

2024 In Review



The Central Bank of Somalia (CBS) in partnership with Somali bankers Association, has achieved a groundbreaking milestone with the launch of the Somalia Instant Payment System (SIPS), a revolutionary platform designed to modernize financial transactions nationwide. This innovative system enables individuals and businesses to make real-time payments 24/7 across various digital platforms, setting a new benchmark for efficiency, reliability, and accessibility in Somalia's financial ecosystem.

SIPS represents a major leap forward in developing Somalia's financial infrastructure. By seamlessly integrating mobile wallets, online banking, and point-of-sale terminals, the platform fosters a unified and robust payment network. This cohesive approach drives economic growth, encourages healthy competition, and stimulates technological innovation across the financial sector—critical components in ensuring the nation's long-term economic stability and prosperity.

A cornerstone of SIPS is its unwavering commitment to financial inclusion. By making financial services accessible to both urban and rural communities, the system empowers small businesses, entrepreneurs, and individual

“In partnership with the Somalia Bankers Association, a groundbreaking milestone was achieved with the launch of the Somali Instant Payment System (SIPS), a revolutionary platform designed to modernize financial transactions nationwide.”



consumers with faster, more affordable transaction options. This inclusive framework bridges gaps for underserved populations, enabling them to participate actively in economic activities and benefit from Somalia's expanding digital economy.

SIPS is a catalyst for Somalia's digital transformation, enhancing the efficiency of e-commerce, mobile payments, and other digital solutions. It equips local businesses and consumers with the tools they need to thrive in an increasingly competitive global market. This innovation underscores Somalia's readiness to embrace change and succeed in the digital era.

The introduction of SIPS reflects CBS's forward-thinking and citizen-focused approach to financial reform. By modernizing infrastructure, fostering trust, and promoting inclusivity, CBS is shaping a secure, innovative, and inclusive financial environment. With SIPS at the forefront, Somalia is poised for a brighter and more prosperous economic future.

The Somalia Instant Payment System is more than a technological advancement. It is a transformative step toward redefining how Somalia interacts with its financial sector and the global economy. ■

CBS Joins World Bank's RAMP: A Major Milestone in Reserves Management

Somalia Joins RAMP



In October 2024, the Central Bank of Somalia (CBS) marked a historic achievement by becoming a member of the World Bank's Reserves Advisory and Management Program (RAMP). This partnership underscores CBS's commitment to adopting global best practices in reserves management and modernizing Somalia's financial systems.

Through RAMP, CBS gains access to world-class technical support, advisory services, and a network of global institutions with extensive experience in managing financial resources. This collaboration will enable CBS to establish robust investment policies, enhance strategic asset allocation, and strengthen risk management and governance frameworks. These advancements will not only build trust in Somalia's financial system but also support the country's long-term economic development goals.

RAMP membership followed a rigorous evaluation process, highlighting CBS's remarkable progress in institutional reform, capacity building,

"This membership allows CBS to gain access to world-class technical support, advisory services, and a network of global institutions with extensive experience in managing financial resources."

and financial governance. This milestone reflects Somalia's resilience and dedication to implementing global best practices, positioning the country on a trajectory of sustainable growth and stability.

During the formalization of RAMP membership at the IMF-World Bank Annual Meetings in Washington, D.C., CBS Governor Abdirahman Mohamed Abdullahi

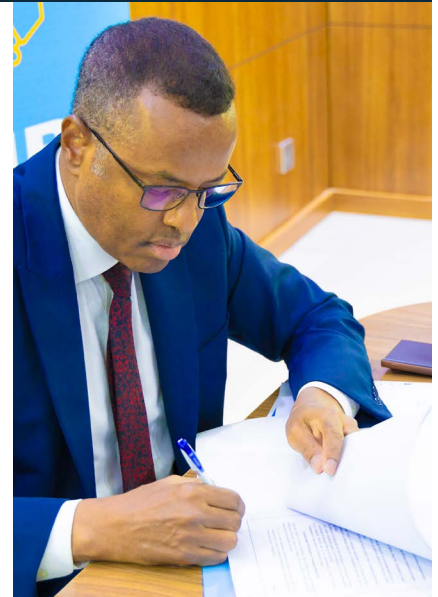
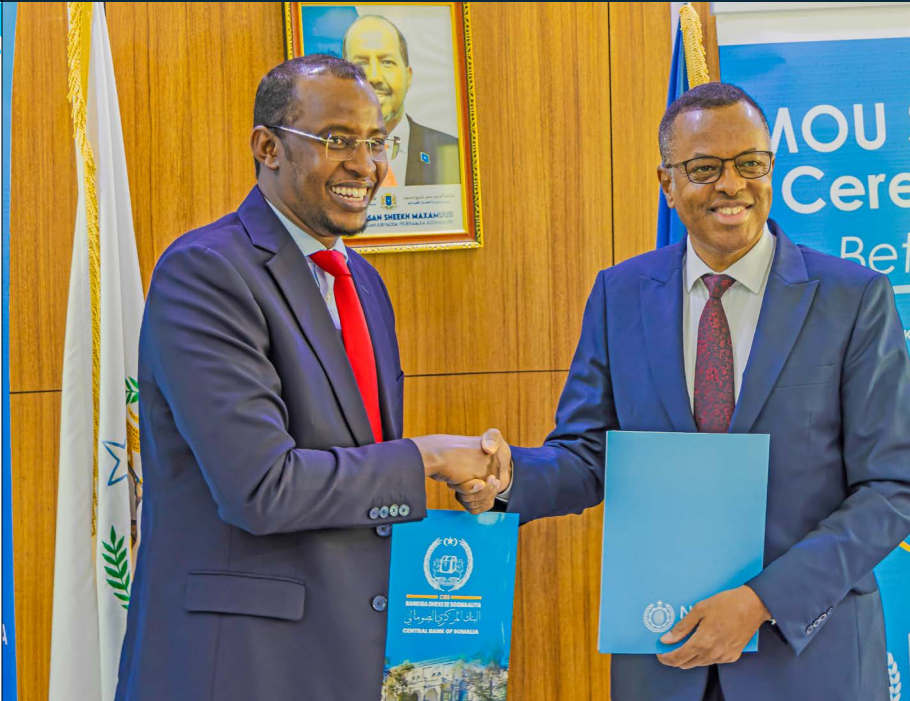
expressed optimism about the partnership, stating: "Joining RAMP is a progressive step for CBS. It strengthens our capacity to manage reserves, align with international standards, and positions Somalia as a credible player in the global financial landscape."

This strategic partnership aligns with CBS's broader vision of fostering financial reform, building institutional resilience, and promoting an inclusive economic framework. By leveraging RAMP's expertise, CBS aims to enhance its financial systems, ensure sustainable growth, and deepen Somalia's integration into the global financial community.

The alliance with RAMP is more than a technical collaboration; it is a pivotal step in Somalia's journey toward financial excellence, trust, and international recognition by joining a network of global institutions including central banks, public pension funds, or sovereign wealth funds. With this initiative, CBS continues to solidify its role as a key driver of economic progress and stability in Somalia. ■

Strengthening Financial Integrity: CBS Partners with NIRA

Partnership



In October 2024, the Central Bank of Somalia (CBS) entered a strategic partnership with the National Identification and Registration Authority (NIRA) through a Memorandum of Understanding (MoU). Signed on October 17 by CBS Governor Abdirahman Mohamed Abdullahi and NIRA Director General Abdiweli Ali Abdulle, this timely collaboration marks a milestone in the modernization of Somalia's financial sector.

At the heart of this partnership is the integration of NIRA's National ID system as the foundational identification framework for Somalia's financial institutions. This initiative introduces an advanced electronic "Know Your Customer" (e-KYC) system, streamlining the customer identity verification process, enhancing fraud prevention measures, and mitigating risks associated with money laundering and terrorist financing.

Governor Abdullahi emphasized the significance of this collaboration, stating:

"Incorporating a standardized National

ID system into our financial services is a vital step toward fostering trust and adhering to international compliance standards. This partnership positions Somali financial institutions to re-integrate with global financial networks, strengthening confidence and transparency."

The partnership also facilitates the establishment of NIRA service centers within financial institutions, ensuring efficient access to National ID services for customers. This integration is designed to provide a secure and efficient framework for identity management, empowering both financial institutions and their clients.

This agreement represents a substantial step forward in aligning Somalia's financial sector with global best practices. By improving identity verification, enhancing financial security, and fostering trust, the CBS-NIRA collaboration strengthens Somalia's position within the international financial ecosystem.

The CBS-NIRA partnership

"Incorporating a standardized National ID system into our financial services is a vital step toward fostering trust and adhering to international compliance standards. This partnership positions Somali financial institutions to re-integrate with global financial networks, strengthening confidence and transparency."

underscores CBS's commitment to modernizing the financial landscape of Somalia, reinforcing institutional resilience, and building a more secure and inclusive financial system. By aligning with international standards and embracing innovative solutions, Somalia's financial institutions are poised for sustainable growth and deeper integration into regional and global financial markets. ■



Strengthening Islamic Finance and Advancing Financial Inclusion

Financial Inclusion



The Central Bank of Somalia (CBS) continues to make significant strides in enhancing the country's Shariah-compliant financial sector and promoting financial inclusion. Through strategic memberships with the Islamic Financial Services Board (IFSB) and the Alliance for Financial Inclusion (AFI), CBS is aligning Somalia's financial ecosystem with global standards, fostering resilience, and broadening access to financial services.

On December 31, 2023, CBS formalized its membership with the Islamic Financial Services Board (IFSB), a landmark step toward integrating Somalia's financial institutions into international regulatory frameworks. This partnership provides CBS with access to cutting-edge regulatory standards, specialized capacity-building programs, and expert resources tailored to Islamic finance.

These tools have bolstered the stability and trustworthiness of Somalia's financial system, creating new opportunities for foreign investment. By participating in workshops, Train of Trainers (ToT) programs, and collaborative policy initiatives, CBS has developed robust regulations that ensure sustainable growth, enhance financial stability, and reinforce its leadership in Islamic finance.

Promoting Financial Inclusion through

"CBS became a member of the Islamic Financial Services Board (IFSB) and the Alliance for Financial Inclusion (AFI) to strengthen Islamic Finance Service and promote Financial Inclusion."



AFI Membership

CBS reaffirmed its commitment to financial inclusion by joining the Alliance for Financial Inclusion (AFI) on February 13, 2024. This strategic partnership underscores CBS's dedication to addressing structural barriers and ensuring financial services reach underserved populations.

Through AFI's capacity-building initiatives, peer reviews, and global advocacy efforts, CBS has strengthened

its financial inclusion strategy and regulatory frameworks. Leveraging AFI's thematic working groups, policy tools, and knowledge resources, CBS is addressing key challenges to equitable financial access, focusing on marginalized groups such as women, youth-led enterprises, and rural communities.

CBS is actively developing a Financial Inclusion Strategy centered on digital transformation and the reintroduction of the Somali Shilling. Key priorities include:

- Expanding access to financial services for low-income and unbanked populations.
- Promoting financial accessibility through mobile wallets and online banking.
- Supporting small and medium-sized enterprises (SMEs) as drivers of economic growth and empowerment.

CBS's strategic memberships with IFSB and AFI, coupled with its innovative strategies, reflect its unwavering commitment to building an inclusive and resilient financial system. By championing Islamic finance principles and prioritizing financial inclusion, CBS is leading Somalia toward a future of equitable economic growth and greater global integration. ■

CBS Annual Economic Policy Conference: Empowering Somalia's Economic Future

Annual Conference

In July 2024, the Central Bank of Somalia (CBS) hosted its Second Annual Economic Policy Conference in Mogadishu. This landmark event brought together policymakers, civil society leaders, and academics to examine key economic trends shaping Somalia's future. The conference featured insightful presentations on recent economic developments, policy briefings outlining strategic options, panel discussions, and keynote speeches by experts in their respective fields. Delegates from over 30 institutions actively participated, fostering a collaborative and informative exchange of ideas. The event further solidified CBS's pivotal advisory role to the government and its dedication to promoting inclusive economic growth.

CBS Governor, Abdirahman Mohamed Abdullahi, officially inaugurated the conference with a welcoming address, highlighting CBS's unwavering commitment to producing reliable economic insights. He emphasized the Bank's essential role in fostering financial sector integration and enhancing integrity and transparency within the financial system.

The conference provided a platform to identify challenges and opportunities in Somalia's economic landscape, offering actionable roadmaps for tackling pressing issues such as climate resilience, debt sustainability, and financial inclusion. It underscored CBS's critical function as a strategic advisor to policymakers and a champion of institutional reform.

Key themes explored during the conference included fiscal discipline, financial sector development, and the structural reforms necessary for sustained economic progress in the post-HIPC era. The role of the private sector in driving economic growth



“The CBS Annual Economic Policy Conference was hosted in Mogadishu, bringing together policymakers, civil society leaders, and academics to examine key economic trends shaping the future.”



was also emphasized, alongside the importance of civic engagement in shaping economic policy. Delegates praised progress in Somalia's financial sector, including the expansion of commercial banking services, the widespread adoption of mobile money, and the increasing use of the National Payment System.

Two well-received papers presented at the conference included:

1. An Analysis of Somalia's Economic Outlook with a Focus on Climate Issues in Agriculture.
2. Post-HIPC Priorities: Long-Term Debt Sustainability and Economic Prospects.

Dynamic panel discussions followed, with the first panel addressing inclusive growth and climate resilience, and the second focusing on fiscal discipline, institutional reforms, and infrastructure development for sustainable growth.

Distinguished keynote speakers included Deputy Minister of Finance Abdiqafar Elmi Hange, CBS Board Member Dr. Aues Sek, and the World Bank Country Manager for Somalia, Kristina Svensson. Their thought-provoking contributions set the stage for engaging discussions among experts and professionals.

The conference concluded with closing remarks by CBS Deputy Governor, Dr. Ali Yasin Sheikh Ali, who expressed gratitude to participants for their valuable contributions. He emphasized the importance of partnerships and collaboration among stakeholders to strengthen Somalia's economic policy framework and financial systems. The event celebrated CBS's ongoing commitment to fostering innovation, dialogue, and a resilient, inclusive economic future for Somalia. ■

2024 Board Retreat Paves the Way for CBS's Strategic Vision as Resilient and Trusted Central Bank

Retreat



In November 2024, the Central Bank of Somalia (CBS) Board of Directors held a transformative retreat to chart a bold path for the future of Somalia's financial sector. Held from November 18 to 19, this high-level gathering focused on deep strategic discussions that will shape CBS's role in driving economic development and financial sector reform.

The centerpiece of the retreat was the endorsement of CBS's five-year strategic plan (2025–2029), an ambitious roadmap aimed at achieving financial stability, fostering sectoral growth, and enhancing economic resilience. This plan reflects CBS's proactive stance in addressing emerging challenges while seizing opportunities to evolve as a forward-thinking, policy-driven institution committed to inclusive economic growth and financial stability.

The development of this strategy involved a comprehensive review of CBS's past reform initiatives to extract key lessons learned. The process actively engaged stakeholders, incorporating diverse perspectives and insights. Additionally, a detailed analysis of the operating environment was conducted,

“The Board held a key retreat to chart an ambitious five-year strategic plan, shaping the future of the financial sector.”

taking into account current conditions and future trends. This approach ensures the strategy is both well-informed and flexible, enabling CBS to adapt to evolving economic landscapes.

Grounded in the core values of public service, ethical standards, and teamwork, the strategy was developed through an inclusive and participatory process, ensuring that all stakeholders contributed to shaping CBS's future direction. The plan is built around four overarching strategic goals:

■ **Issuing a Viable National Currency:** Develop, implement, and

continuously evaluate monetary and foreign exchange policies to strengthen CBS's central role in Somalia's economy.

- **Strengthening Financial System Stability:** Enhance the stability, effectiveness, and inclusiveness of the financial sector.
- **Enhancing Financial Markets Infrastructure:** Build robust payment, settlement, and clearing systems that are safe, resilient, efficient, and interoperable.
- **Promoting Good Governance and Institutional Resilience:** Foster operational independence, institutional resilience, and governance excellence to ensure long-term success.

The strategy is supported by 18 strategic objectives and a suite of targeted initiatives designed to position CBS as a center of excellence. By addressing key priorities and fostering innovation, CBS aims to solidify its role as a resilient and trusted central bank that supports Somalia's economic growth and global financial integration. ■

CBS 2024 Staff Spotlight

The Central Bank of Somalia (CBS) is proud to highlight the exceptional contributions of our team members. This year, we honor employees whose contribution have made a impact on the institutional development and by extension to the country.



Abdirizak Mohamed Said
Head, Policy and Research Analysis Division

As the Head of the Policy and Research Analysis Division within the Research and Statistics Department, Abdirizak Said plays a pivotal role in advancing the Central Bank of Somalia's (CBS) economic policy initiatives. Under his leadership, the division has delivered high-impact policy briefs and working papers addressing

critical monetary, economic, and financial issues.

Abdirizak has been instrumental in steering CBS's engagement with Somalia's National Transformational Plan (NTP) 2025–2029, developing comprehensive implementation strategies that align CBS's contributions with its strategic objectives.

Moreover, he oversees the Bank's research activities, fostering CBS's evolution into a policy-oriented institution that actively shapes Somalia's economic future.



Abdulfatah Farah Wehlie
External Payment Officer

Since joining the Central Bank of Somalia (CBS) in 2018, Abdulfatah Farah Wehlie has been an integral part of the Foreign Accounts Division, making significant contributions to the Bank's risk mitigation efforts.

In his role as External Payment Officer, Abdulfatah ensures the efficient and accurate processing of international payments, demonstrating exceptional attention to detail and professionalism. His proactive collaboration with government agencies and international financial institutions has streamlined complex payment operations, enhancing overall efficiency.

Through his unwavering dedication and commitment to excellence, Abdulfatah has played a key role in advancing Somalia's development agenda. His reliability and outstanding performance have earned him well-deserved recognition within CBS and beyond.



Shamsa Noor Sugal
Non-Banking Supervision Officer

Shamsa Noor Sugal plays a pivotal role in the Central Bank of Somalia's (CBS) Licensing and Supervision Department, where she oversees the regulation of non-banking financial institutions (NBFIs). A rising star in the department, Shamsa's efforts

ensure that NBFIs operate safely and adhere to legal and regulatory standards, thereby contributing to Somalia's financial stability.

She has been instrumental in implementing Risk-Based Supervision, significantly enhancing compliance within the money transfer business sector. Shamsa has also made substantial contributions to the reform of the NBFIs division, particularly in strengthening Customer Due Diligence (CDD), improving Know Your Customer (KYC) protocols, and combating money laundering and terrorism financing.

With a bachelor's degree in commerce and qualifications as a Certified Public Accountant (CPA), Shamsa combines her expertise in accounting and finance with exceptional communication skills and a strong drive for excellence. Her dedication continues to advance CBS's mission of fostering a resilient and transparent financial system.



Farhan Osman Ahmed
Internal Audit Officer

Farhan Osman Ahmed exemplifies professionalism and innovation in advancing the Central Bank of Somalia's (CBS) internal audit operations.

In 2023, he led the development and implementation of CBS's inaugural Quality Assurance and Improvement Program (QAIP), aligning the Bank's audit processes with international standards and significantly enhancing their efficiency and impact. As the lead for follow-up audits, Farhan achieved a 46% improvement in compliance with CBS policies and the implementation of external recommendations, reflecting his unwavering commitment to accountability and operational excellence.

A Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE), Farhan is also a dedicated mentor to aspiring auditors through his active engagement with the Institute of Internal Auditors (IIA) Somalia Chapter. His contributions not only strengthen CBS's internal systems but also bolster its reputation for transparency and integrity.

Media and Events

Date	Title/Headline	Link to the Publication	Media Name
March 6, 2024	Fight against money laundering must continue, Somali official says - Central Bank of Somalia Deputy Governor	https://www.centralbanking.com/central-banks/payments/7960934/fight-against-money-laundering-must-continue-somali-official-says	Central Banking
March 13, 2024	The Paris Club reaches consensus on debt cancellation for Somalia under HIPC	https://clubdeparis.org/en/communications/press-release/the-paris-club-reaches-consensus-on-a-debt-cancellation-for-somalia	Paris Club
March 16, 2024	Central Bank of Somalia orders freeze on accounts of 16 people sanctioned by US Treasury	https://www.hiiraan.com/news4/2024/Mar/195478/central_bank_of_somalia_orders_freeze_on_accounts_of_16_people_sanctioned_by_us_treasury.aspx	Hiiraan Online
April 24, 2024	Country Focus: Financial Inclusion in Somalia - an interview with CBS Governor Abdirahman Mohamed Abdullahi	https://www.afi-global.org/newsroom/news/country-focus-financial-inclusion-in-somalia-2/	AFIw
August 13, 2024	New digital payment system to 'revolutionize' business in Somalia	https://www.africanews.com/2023/06/22/new-digital-payment-system-to-revolutionise-business-in-somalia/	Africa News
August 27, 2024	Somalia introduces modern digital identification to enhance banking services	https://www.standardmedia.co.ke/africa/article/2001501680/somalia-introduces-modern-digital-identification-to-enhance-banking-services	The Standard
August 27, 2024	Somalia leverages its national ID system to drive financial inclusion	https://www.biometricupdate.com/202408/somalia-leverages-its-national-id-system-to-drive-financial-inclusion	Biometric update
October 18, 2024	Hormuud Telecom integrates mobile money service with Somali banks	https://www.connectingafrica.com/fintech/hormuud-telecom-integrates-mobile-money-service-with-somali-banks	Connecting Africa

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CONTACT US

P.O Box 11,
55 Corso, Mogadishu, Somalia
Info@Centralbank.gov.so

