

<p>DOWLADDA PUNTLAND EE SOOMAALIYA Wasaaradda Maaliyadda</p>		<p>PUNTLAND STATE OF SOMALIA Ministry of Finance</p>
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Press Release: On Illegal Somali Banknotes entering Galkayo

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Garowe: On 23rd of June 2010, a Gallad chartered airplane loaded with illegal banknotes cargo, constituting of 17.5 billion Somali shillings landed at Galkayo Airport. The Puntland Government intelligence sources confirmed that the printing of these fake notes took place outside Somalia, prior to its illegal transportation into Puntland.

The government of Puntland was cognizant of the inflation that these illegal billions banknotes could cause on the economy and thus, impounded the cargo in Galkayo Airport, pending for investigation. The investigation focused on the trail of the cargo and deliberated on viable solutions, with a focus on ensuring that the illegal currency did not flood the market and endanger the economy and livelihood of Puntland. The government contacted senior authorities in the Transitional Federal Government (TFG) of Somalia, who acknowledged being the source of the illegal currency. The TFG claimed that the cargo was part of a currency printed during the period of the former TFG President (Abdullahi Yusuf Ahmed).

The TFG elaborated that the 17.5 billion illegal banknotes was delivered to Puntland as clearance for outstanding debts belonging to two female creditors from Puntland. So far, the government of Puntland has not found these explanations to be acceptable. With the intention of saving Puntland and its people from the dangers of the illegal banknotes, the government of Puntland, thereby decreed the following:

1. The government of Puntland prohibits the circulation and transaction of the illegal currency in Puntland.
2. The government offered to the creditors an alternative legal compensation to settle the outstanding debts of the TFG.
3. The government of Puntland summoned the two female creditors and traditional leaders from Mudug region representing the creditors to negotiate and discuss the illegal banknotes cargo.

Following a participatory dialogue between the elders and the government, a consensus was reached on 27 June and the parties adopted following:

- I. To ban the use and circulation of the illegal currency in the Puntland markets
- II. To place the illegal banknotes cargo under the custody of the government of Puntland with the intent of burning up the illegal currency or returning it to TFG authorities in Mogadishu

- iii. To pay to the two female TFG creditors in appropriate installments

Regrettably, as the government of Puntland was processing preparations to transfer the illegal banknotes cargo from Galkayo Airport, militia members and other individuals involved in the initial transportation of the illegal currency looted the cargo. The collaborators of this illegal looting are still at large in Mogadishu and outside the Somali territory. These elements are bent on destroying the peace, creating inflation to the stable economy enjoyed by the people of Puntland. Since the incumbent Government came into power in 2009, the inflation rate has fallen from 37,000 – 38,000 Shillings per US dollar to a steady rate of 29,000-32,000 shillings per US dollar.

Taking into consideration the similar issuances of illegal currency between 2006-2008 and subsequent aggravation on people's livelihood, the government of Puntland forestalls recurrences and hereby prohibits;

1. The use and circulation of the looted illegal currency within the Puntland territory
2. The government warns the public, the business community, money transfer firms, money exchange bureaus, all governmental agencies, and non-governmental agencies against the usage and transactions of the illegal currency. Similarly, the government instructs all revenue collection departments and offices like customs and ports, inland tax collectors, banks, local government structures, and other governmental agencies not to collect or use the illegal currency.

Furthermore, the government notifies drivers against transporting the illegal currency into Puntland and anyone found in possession of this illegal currency is punishable under the laws of Puntland. The government will appoint a fact-finding commission to investigate the looting of the illegal currency that took place in Galkayo Airport. The commission will identify culprits and conspirators involved in the looting incident. The government will ensure that all found guilty will face punishment according to the law.