The National Bank of Ethiopia (NBE) is currently revising the Banking Business Proclamation in order to allow foreign banks to operate in Ethiopia in the hope that this will reduce the permanent foreign currency shortage in the country, which is one of the main challenges faced by the business community in Ethiopia, that affects the day-to-day economic operations of importers, as they can wait even more than one year in order to get foreign currency from an Ethiopian bank so that they can pay their foreign suppliers.

Currently, the banking sector is one of the most regulated in Ethiopia, restricted to foreign investors. The Banking Business Proclamation does not allow foreign banks to operate in Ethiopia, which is almost a unicum in Africa (another African country that currently restricts the access of foreign bank to its banking sector is Eritrea).

Already the revised Banking Business Proclamation, as amended in September 2019, allowed (art. 9) foreign nationals of Ethiopian origin or Organisations fully owned by foreign nationals of Ethiopian origin (or jointly by foreign nationals of Ethiopian origin and Ethiopian nationals), to buy shares of Ethiopian banks or to open a bank in Ethiopia. Art. 9(4) of the revised proclamation also foresees the possibility for the NBE to introduce additional conditions for investment in an Ethiopian bank by foreign nationals of Ethiopian origin through a specific Directive, while Article 15 (referred to the prohibitions to cover a responsibility role or participate in the management of an Ethiopian bank) states that Foreign Nationals or Organizations fully or partially owned by Foreign Nationals **may not be allowed** to open banks, branch offices or subsidiaries of Foreign Banks in Ethiopia or acquire the shares of Ethiopian banks, without indicating in which cases this can happen.

On 21 November 2012, Kenya and Ethiopia signed a Special Status Agreement on Areas of Agreed Priorities (SSA) , which allowed Kenyan banks to set up correspondent banks and representative institutions in Ethiopia. However also this possibility, so far, has never materialized.