

The Case for Legitimacy: The Regulatory Framework of IFB Bank



**An analysis of Statutory Authority, Constitutional
Autonomy, and Jurisdictional Validity**

Prepared for Prospective Clients and Partners

Executive Summary

IFB Bank operates under a valid license issued by the Anjouan Offshore Finance Authority (AOFA). This authority is rooted in parliamentary act and constitutional autonomy. The dispute with the Central Bank of Comoros is a matter of jurisdictional overlap, not legality.



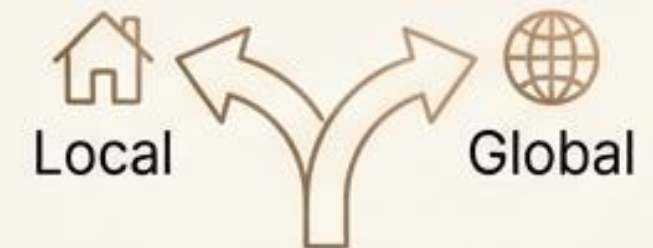
Statutory Authority

Created by the Offshore Finance Authority Act 003 of 2005.



Constitutional Autonomy

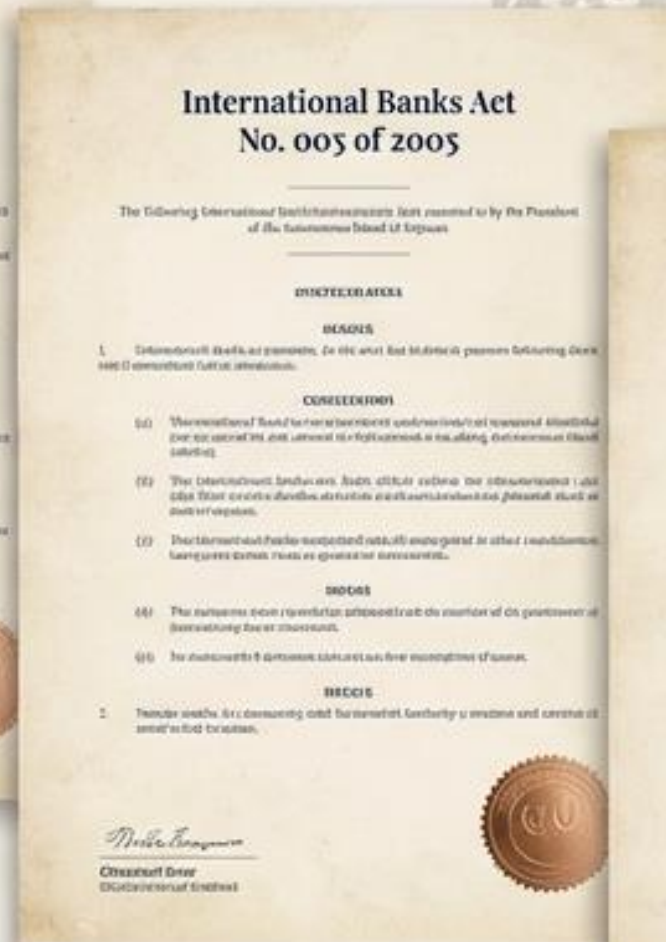
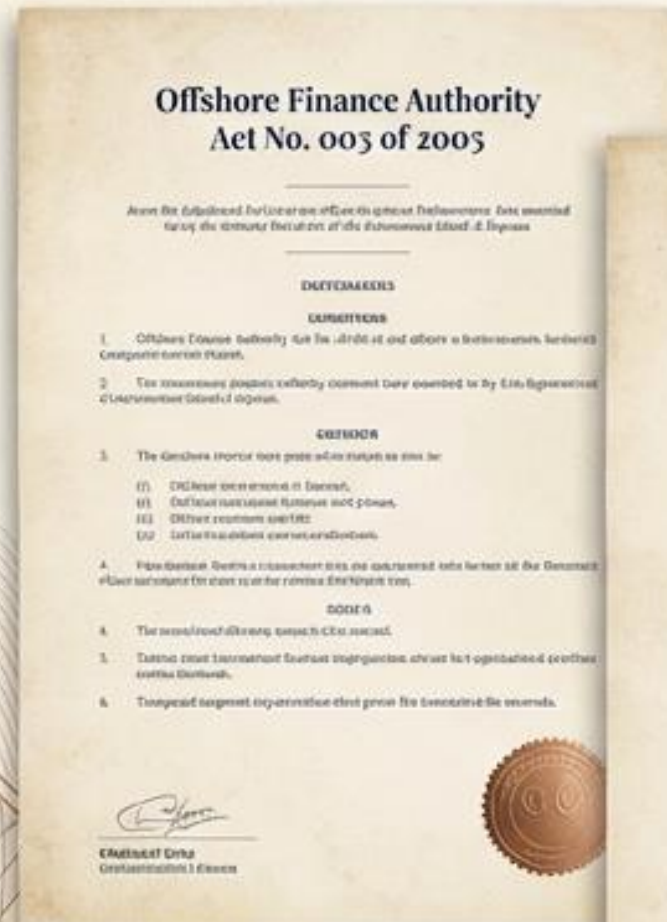
Enacted during Anjouan's period of recognized legislative independence (2002–2008).



Functional Distinction

A legal separation between Domestic Currency regulation (Central Bank) and Offshore Capital regulation (AOFA).

The Statutory Foundation



“These are not informal decrees. They are Parliamentary Acts assented to by the President of the Autonomous Island of Anjouan.”

Defining the Authority

“There shall be established... a new body... known as the ‘Anjouan Offshore Finance Authority’... The Authority shall have **primary responsibility** for... **administration and supervision** of offshore legislation.”

Section 3(1), Offshore Finance Authority Act 003 of 2005.

The Authority is a ‘body corporate’ with the power to ‘sue and be sued.’
(Section 4(1) & 4(3)).

The Exclusive Right to License



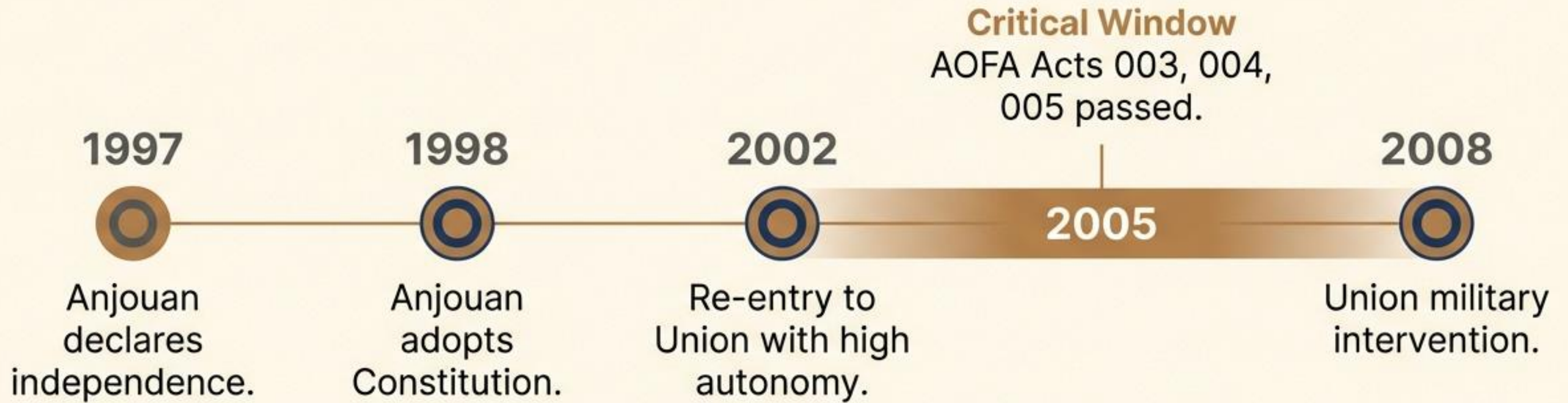
The Authority shall have the duty, ultimate authority and exclusive right... to administer and undertake the licensing of International Banking companies under the provisions of the International Banks Act.

Section 8, Offshore Finance Authority Act 003 of 2005.

Insight:

The law explicitly grants AOFA the exclusive right to license International Banking Companies. This statutory grant creates a legal 'carve-out' from the general banking laws of the Union.

The Context of Constitutional Autonomy



The regulatory framework was established during a period of recognized **de facto** and constitutional autonomy. Subsequent political conflict does not retroactively erase legislative acts.

Functional vs. Territorial Jurisdiction

Banque Centrale des Comores (BCC)



- **Focus:** Onshore Economy
- **Currency:** Comorian Franc (KMF)
- **Mandate:** Monetary Stability
- **Source:** Constitution Art. 9

Anjouan Offshore Finance Authority (AOFA)



- **Focus:** Non-Resident / International
- **Currency:** USD / Foreign Currency
- **Mandate:** Offshore Licensing
- **Source:** OFA Act 2005

Jurisdiction is defined by clientele (Resident vs. Non-Resident), not just geography.

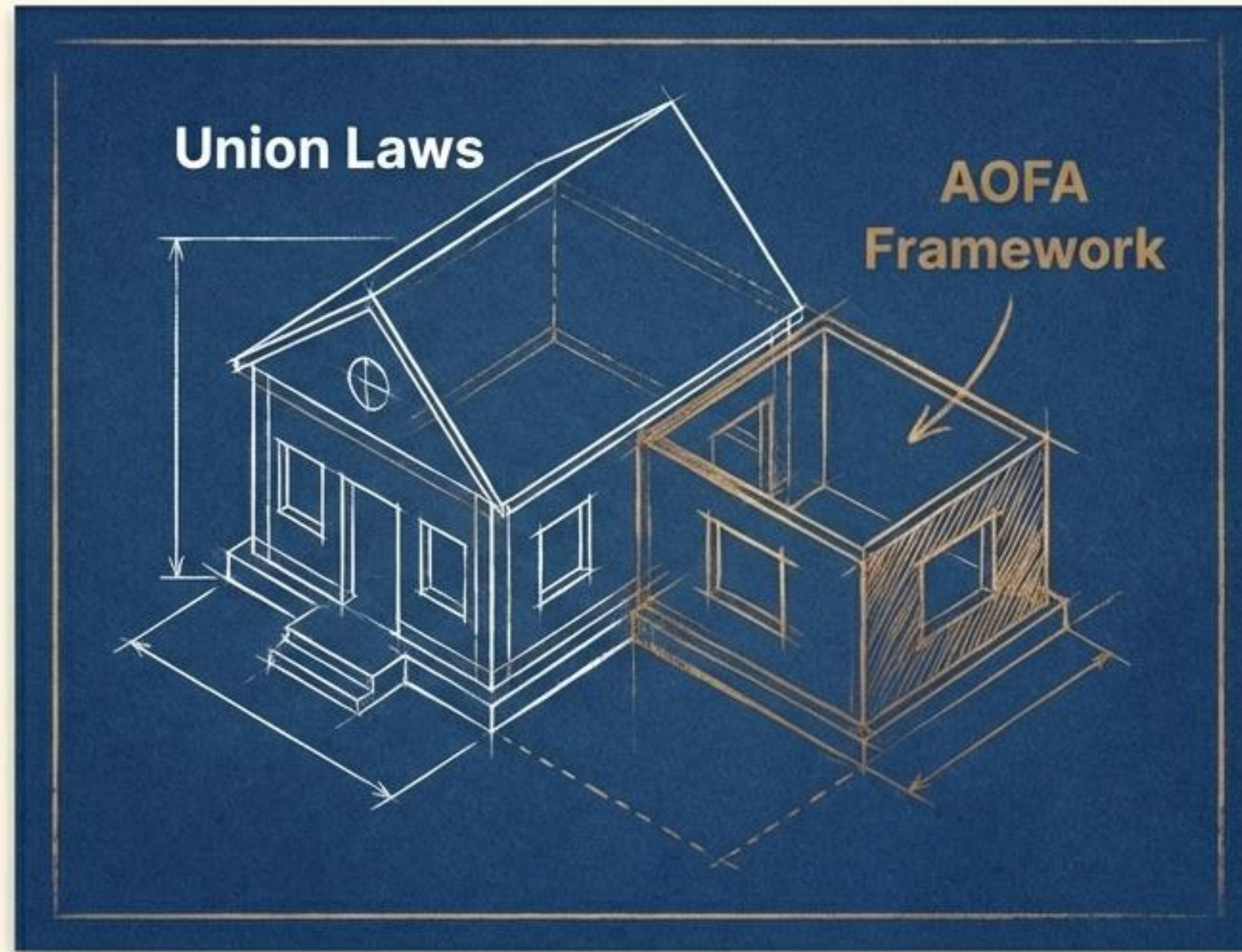
Filling the Legislative Vacuum

The Argument:

Federal laws focused on domestic stability and were silent on offshore zones.

The Principle:

Autonomous regions retain rights to legislate on matters not explicitly prohibited by the center.



The Outcome:

AOFA created a framework to attract foreign capital where none existed, filling a legal vacuum.

Global Best Practice: The Separation of Powers

The “Necessity of Separation” between Monetary Policy and Prudential Supervision.



Combining monetary policy with regulation creates a conflict of interest. AOFA's separation from the BCC is a structural necessity for unbiased regulation, paralleling the world's most advanced economies.

The Offshore Precedent



US International Banking Facilities (IBFs)

Exempt from domestic reserve requirements.



Labuan

Federal territory with distinct regulator (Labuan FSA).

It is standard global practice to have distinct regulatory regimes for offshore banking that sit alongside a unitary central bank.

Source: IMF Background Paper: Offshore Financial Centers.

Judicial Acknowledgement: The UK High Court

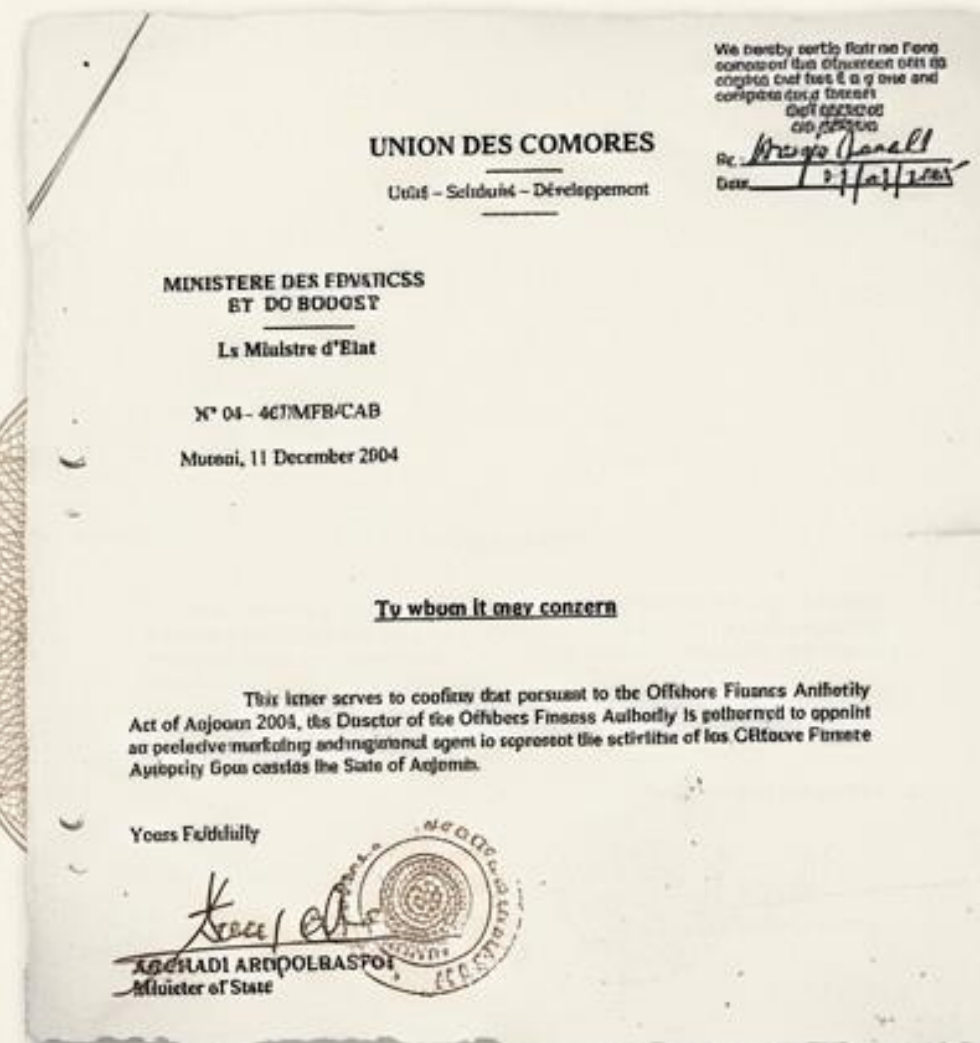
Case: Lecler v. Hon (2003/2004)

“The judge noted that [the licensee] obtained the [Anjouan] authorisation to issue [licenses] **entirely legally.”**

While not a ruling on sovereignty, the UK court refused to treat the license as fraudulent, accepting the documentation as **genuine and validly obtained**.

Source: Africa Intelligence / The Indian Ocean Newsletter context

Endorsement by the Minister of State



Official Attestation (Moroni, 2004) confirming the authority of the AOFA Director.

“We hereby certify that... the functions and authorizations...
[were] obtained entirely legally.”

Ahamadi Abdoulbastoi, Minister of State, Ministry of Finance and Budget.

Compliance & Control: The Regulatory Suite



IFB Bank operates under the Money Laundering (Prevention) Act 008 of 2005, criminalizing illicit finance and mandating international compliance standards.

Understanding the Political Friction



The Union Government

Historically Islamist-leaning,
favoring centralized control.

The Anjouan Government

Secular, pro-business, seeking
economic autonomy.

Economic innovation often precedes political harmonization.

The Path to Harmonization



IFB is a pioneer in a financial sector destined to be integrated, not eradicated.

Final Verdict: A Legitimate Framework



Rooted in Statute

The Offshore Finance Authority Act is a valid Parliamentary Act.



Constitutionally Sound

Enacted during a period of recognized autonomy.



Functionally Distinct

Operates on the global standard of separating offshore capital from domestic policy.

The license attributed to IFB Bank is valid, operable, and legally grounded.