

## APPENDIX V

- *The Financial Institutions Statute, 1993 and its Regulations made thereunder.*

The Financial Institutions Statute, 1993 and the following prudential guidelines and regulations, made under this Statute can now be obtained at the Bank of Uganda website ( [www.bou.or.ug](http://www.bou.or.ug) ) :-

- BOU Regulation on Capital Adequacy Requirements for Financial Institutions;
- BOU Regulation on Prudential Norms and Asset Quality For Financial Institutions;
- BOU Regulation on Limitations on Advances and Credit Facilities to a single Borrower;
- BOU Regulation on Reporting Requirements From Banks to the Central bank;
- BOU Regulation on Prudential Requirements and Aspects of Bank Liquidity
- BOU Regulation on the Policies and guidelines for the Licensing of Financial Institutions
- BOU Guideline/Regulation on Credit Extended to Insiders
- BOU Regulation on Foreign Exchange Dealings

The above regulations are being revised and updated to accord with the Financial Institutions Bill, 2000.

## Appendix VI

Republic of Uganda: Ministry of Finance and Economic Planning, Kampala, Uganda

In exercise of the powers conferred upon the Central Bank by section 14 of the Financial Institutions Statute, 1993 this Instrument is made this 17<sup>th</sup> day of November 1999.

1. This Instrument may be cited as the Financial Institutions (Revision of Minimum Capital Requirements) Instrument, 1999
2. (1) A person shall not transact banking business in Uganda unless that person has a minimum paid up capital of not less than four billion shillings invested in such liquid assets in Uganda as the Central Bank may approve.
  - (2) A bank shall not at any time have a minimum capital funds, unimpaired by losses, which are less than four billion shillings
  - (3) A person shall not transact business as a credit institution unless that person has a minimum paid-up capital of not less than one billion shillings invested in such liquid assets in Uganda as the Central bank may approve.
  - (4) A credit institution shall not at any time have minimum capital funds, unimpaired by losses, which are less than one billion shillings.
3. **Minimum On going Capital Requirements**

A financial institution shall at all times maintain –

  - (a) a core capital of not less than eight percent of total risk adjusted assets plus risk adjusted off balance sheet items as may be determined by Central Bank Statutory Instruments
  - (b) a total capital of not less than twelve percent of its total risk adjusted assets plus risk adjusted off balance sheet items as may be determined by the Central Bank by Statutory Instrument
4. **Transitional Provisions**
  - (1) Upon the coming into force of this instrument –
    - (a) the Central Bank shall allow a bank in existence immediately before the commencement of this instrument up to the 1<sup>st</sup> day of January in the year 2000 to build up its capital to two billion shillings, and thereafter up to the 1<sup>st</sup> day of January in the year 2003 to build its capital to four billion shillings;
    - (b) the Central Bank shall allow a credit institution in existence immediately before the commencement of this instrument up to the 1<sup>st</sup> day of January in the year 2001 to build up its capital to one billion shillings;

- (c) any financial institution which does not meet the core capital requirements prescribed in paragraph (a) of section 3 shall be given up to the 1<sup>st</sup> day of January, in the year 2000 to raise its core capital to six percent and up to the 1<sup>st</sup> day of January in the year 2001 to reach eight percent;
  - (d) Upon the coming into force of this instrument any financial institution which does not meet the total capital requirements prescribed in paragraph (b) of section 3 shall be given up to the 1<sup>st</sup> day of January in the year 2000 to raise its total capital to ten percent and up to the 1<sup>st</sup> day of January in the year 2001 to reach twelve percent.
- (2) Any financial institution which does not meet the minimum capital and or on going capital requirements prescribed in this instrument shall submit to the Central Bank within ninety days of the coming into force of this instrument a capital compliance plan detailing its proposed plan to comply with the requirements.

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*Governor Central Bank*