

BANK OF UGANDA

Office of
The Director
Commercial Banking



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December 4, 2003

Our Ref: BS/B1/05

CIRCULAR TO ALL COMMERCIAL BANKS AND FINANCIAL INSTITUTIONS

Re: Financial Institutions Bill, 2003-Draft Implementing Regulations

On 12th November 2003, the Parliament of Uganda passed the Financial Institutions Bill 2003.

Bank of Uganda anticipates that the Bill shall be enacted into Law next year. In this connection, an initial set of core implementing regulations has been drafted as follows:

- 1 Licensing;
- 2 Capital Adequacy;
- 3 Credit Classification and Provisioning;
- 4 Credit Concentration and Large Exposures Limits;
- 5 Insider Loan Limits;
- 6 Liquidity;
- 7 Corporate Governance; and
- 8 Ownership and Control

The regulations are basically meant to expound on certain provisions of the Financial Institutions Law and to specify prudential and reporting requirements that shall be necessary to implement the provisions and monitor compliance with the said Law.

We are now forwarding to you the drafts of these 8 core regulations for your information and comments. All comments should be forwarded to the office of the Executive Director, Supervision not later than 31st January 2004.

A handwritten signature in black ink, appearing to read 'J. Bagyenda'.

J. Bagyenda (Mrs)
Director Commercial Banking

Copy: Governor
Ag. Deputy Governor
Executive Director Supervision - BOU
Director Non-Bank Financial Institutions - BOU
Secretary, UBA

Encs.