

BANK OF UGANDA

Office of
The Director
Commercial Banking Department



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Ref: BS/B1/01

February 26, 2004

CIRCULAR TO ALL COMMERCIAL BANKS

Re: CALCULATION OF CASH RESERVE REQUIREMENTS

In the computation of minimum cash reserve balances, deposit liabilities due to financial institutions outside Uganda have hitherto been excluded. Like any other deposits in the system, these deposits have an impact on the money supply and credit creation capacities of banks holding them.

In order to take into account all the deposits in the domestic banking system, deposit liabilities due to financial institutions outside Uganda are now included in the computation of the minimum Cash Reserve Requirements. This took effect with the maintenance period beginning February 9, 2004.

Please take note of this amendment.

A handwritten signature in cursive script, appearing to read 'J. Bagyeenda'.

J. Bagyeenda (Mrs.)
Director Commercial Banking

Copy: Governor
Deputy Governor
Executive Director Supervision