

BANK OF UGANDA

OFFICE OF
THE EXECUTIVE DIRECTOR
SUPERVISION



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7th June 2005

To: All Commercial Banks and Credit Institutions

Section 116 (1) Financial Institutions Act (FIA) 2004 - Opening of Branches, Sub-branches, Agencies, Representative Offices and ATMs

Section 116(1) of the Financial Institutions Act 2004 states that "A financial institution shall not open a new place of business or change the location of an existing place of business or change its hours of business without the approval of the Central Bank." Bank of Uganda has in the recent past noted that some financial institutions have installed and commissioned ATMs without prior approval as required under Section 116(1) of FIA 2004.

This is, therefore, to remind all financial institutions to always seek prior approval before embarking on the establishment of any new place of business. Failure to comply with Section 116(1) of the FIA 2004 will attract appropriate penalties.

A handwritten signature in black ink, appearing to read 'Ruth Emunu'.

Ruth Emunu (Mrs)
Executive Director Supervision

Attach.

Copy: Governor
Deputy Governor
Director Commercial Banking
Director Non-Banking Financial Institutions