

# BANK OF UGANDA

OFFICE OF  
THE EXECUTIVE DIRECTOR  
SUPERVISION

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**EDS.306.2**

## **Circular to Chief Executives of Commercial Banks**

### **Management and Distribution of Coins at Branches of Commercial Banks**

Following a series of complaints from traders and the general public regarding the lack of coins in the market and the fact that Commercial banks were charging customers for the deposit and exchange of coins, Bank of Uganda in January 2016 undertook a study on the management and distribution of coins by banks. The Report and recommendations arising therefrom were discussed at the BoU/UBA Technical Committee meetings held in February, March and June 2016 and the following was agreed upon:

- i) Commercial banks should buy and install Coin wrapping machines at all their branches, to facilitate issuance and distribution of processed coins throughout their branch network by **September 30, 2016**.
- ii) Commercial banks should with **immediate effect** accept coin deposits and exchange at all their branches without charge and without discrimination. Mutilated and soiled coins should be deposited at Bank of Uganda.
- iii) The UBA should purchase coin dispensing machines and install them at strategic points like Supermarkets and taxi parks by **September 30, 2016**.
- iv) Commercial banks should with **immediate effect** ensure that coins in all denominations are available at all tills in all branches to meet public demand.
- v) Bank of Uganda and Commercial banks will carry out joint country wide sensitization of the public on the use and acceptance of all notes and coins as legal tender, including the UGX. 50 coins. BoU will circulate the program for the sensitization exercise in the upcoming financial year.

BoU will conduct inspections on commercial banks periodically to ascertain compliance with the above recommendations.

Yours faithfully,

J. Bagyenda (Mrs.)

**Executive Director Supervision**