

BANK OF UGANDA

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Circular to all Chief Executives of Commercial Banks

Introduction of the Classification of Government Securities Schedule 15 in the BS100 Reporting Form

Bank of Uganda issues Government Securities in the primary market as part of monetary or fiscal obligations. These Securities are purchased by financial institutions and are either held until maturity or subsequently sold off in the Secondary Market. In this regard, accounting conventions require that Securities are classified according to the means through which the holder intends to derive income from them.

Government securities are classified either as Fair Value through Profit and Loss (FVPTL), Fair Value through Other Comprehensive Income (FVOCI) or Amortised cost as per the requirements of IFRS 9.

These classifications will assist BoU in analyzing the potential for growth in secondary market activity. However, the existing BS100 Statement of Assets and Liabilities **does not** provide for classification of the Government securities in accordance with IFRS 9. Consequently, **BoU has revised the BS100 Reporting Form** to include a schedule in which banks will provide the respective classifications of the Government securities in their books.

The purpose of this circular, therefore, is to request you to implement these changes starting with data for the month ending **June 30, 2017**. The electronic template will be available for download from the BSA from **June 23, 2017**.

Charles A. Abuka

Ag. Executive Director Supervision