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Circular to All Chief Executives of Commercial Banks

Revision of the Daily Forex Transactions Return

In order to facilitate the analysis of operations in the foreign exchange market, BoU computes the implied interest rate on Swap transaction using data submitted by the banks in the Daily Forex Transactions Return. However, this computation does not reflect the actual rates used by the banks in these transactions because of the underlying assumptions BoU makes such as using LIBOR for the dollar (or other currency) leg of the transaction.

Therefore, to ensure increased accuracy in our reports and analysis of the forex market, BoU will require banks to report the base currency interest rate on all swap transactions as well as the total of transactions below US\$100,000 effective **February 28, 2017**.

The Daily Forex Transactions Return template has been revised to reflect the new reporting requirements i.e. a column has been added in the Swap Purchases and Swap Sales worksheets, for banks to report the **base currency interest rate** on each swap transaction. Additionally, a line has been added in the forex purchases and forex sales worksheets, for banks to report the **total** of the transactions below US\$100,000. The revised template will be available for download from the BSA system on February 23, 2017.

A handwritten signature in black ink, appearing to read 'Benedict Ssekabira'.

Benedict Ssekabira
Ag. Executive Director Supervision