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Circular to all Chief Executives of Commercial Banks and Credit Institutions

The Financial Institutions (Capital Adequacy Requirements) Regulations, 2018

The Financial Institutions (Capital Adequacy Requirements) Regulations 2018 were gazetted in May 2018. The key developments arising in the Regulations are; the increase of the minimum Core Capital/Risk Weighted Assets ratio from 8%-10%, the introduction of a Capital Charge for Market risk and the incorporation of Counterparty Credit risk in the capital charge for credit risk.

All banks and credit institutions are expected to comply with the new minimum core capital ratio of 10%. Bank of Uganda will issue the templates for the new form BS100A: Capital Adequacy Computation and BS100B: Market Risk Returns by July 31, 2018 via the BSA. You are expected to report using the new return formats effective the quarter ending **September 30, 2018**.

The purpose of this Circular is to inform you of these developments and request you to take action accordingly.

Tumubweinee Twinemanzi (Dr.)
Executive Director Supervision