

BANK OF UGANDA

OFFICE OF
THE EXECUTIVE DIRECTOR
OPERATIONS



37-45 KAMPALA ROAD,
P.O. BOX 7120,
KAMPALA

DIRECT LINE 256-414- 230931
GENERAL LINE 256-414- 258441
FAX LINE 256-414- 233748
TELEX 256-414- 61059

CABLES UGABANK
Email info@bou.or.ug
Web site www.bou.or.ug

Our Ref: EDO.122

16 November 2018

All Chief Executives of Commercial Banks

Covered Sell/Buy-Backs, A New Product for Commercial Bank Treasury Functions

The Treasurers of commercial banks through the Treasurer's forum approached the Bank of Uganda with a proposal to introduce a new product - **Covered Sell/Buy-Backs**, that would increase secondary market trading and effectively enhance liquidity in the market. This would be done by enabling the trading desk to repo securities from the banking desk through a sell/buy-back transaction.

This proposal has been considered and evaluated and I am happy to inform you that the Bank of Uganda has, in principle, approved the use of this product in the market. As per practice, any bank that intends to use *Covered Sell/Buy-Backs* will have to individually seek approval from the Director Commercial Banking.

A handwritten signature in blue ink, appearing to read "Valentine Ojangole".

Valentine Ojangole

Ag. Executive Director Operations