

BANK OF UGANDA

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EDS.306.2

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Circular to All Chief Executives of Commercial Banks

Penalties on Non-Compliance with Coin Management and Distribution Recommendations

Reference is made to our Circular, *Ref. EDS.306.2*, dated 15th June 2016 on the Management and Distribution of Coins at Branches of Commercial banks.

We also refer to our letter, *Ref. COB.714.2*, dated February 19, 2018 to the Executive Director - Uganda Banker's Association, communicating the report of the survey findings on Coin Distribution and Management, which showed that Commercial banks largely did not comply with the Central Bank's directives, spelt out in the circular, *Ref. EDS.306.2*. The said report recommended institution of penalties for non-compliance.

Accordingly, the Bank of Uganda has instituted a penalty of 50 currency points for each breach of the directives communicated in our circular, *Ref. EDS.306.2*, dated 15th June 2016.

This is to notify you that Bank of Uganda will, effective the next inspection, commence charging the said penalties on all Commercial banks that are non-compliant to the agreed directives. The inspections shall be carried out twice a year.

Tumubweinee Twinemanzi
Executive Director Supervision