

Remarks by Prof. E. Tumusiime-Mutebile, Governor, Bank of Uganda, at the Uganda Law Society-Financial Sector Consultative Meeting for Increasing Information Sharing through MOUs, 22 March 2010

Distinguished Guests, Ladies and Gentlemen

Good morning

I am greatly honoured to deliver the opening remarks at this consultative meeting. I would like to thank all of you for responding positively to the invitation to this consultative meeting whose main objective is to promote institutional networking and information sharing with strategic partners to improve market efficiency.

The presence of the various financial sector experts in this consultative forum is testimony that you are committed to finding durable solutions to the impediments that still exist in the financial markets. More specifically, this meeting is intended to identify the gaps that exist in the current arrangements for cooperation, to explore the scope of services and any other information that stakeholders need to share, and to generate proposals on the best legal frameworks for information sharing. Some institutions may already be having adhoc arrangements for information sharing and cooperation but these arrangements may not be optimal and this forum should provide avenues for formalizing and strengthening existing arrangements.

At the Bank of Uganda (BOU), we consider information sharing as a key ingredient in the process of financial markets development. In this regard, the BOU duly supports institutional efforts to formalize information sharing through MOUs. I am happy to note that at national level, all the financial markets regulators namely; Capital Markets Authority, Uganda Insurance Commission and the Bank of Uganda have an MOU for sharing information on regulatory matters.

In the design of the Financial Markets Development Plan (FMDP), specific initiatives were included on information sharing and networking using a top down approach from regulators to the regulated entities. This will not only ensure integration of service delivery in the financial sector but will also result into a majority of the population accessing financial services and products. The more we increase financial integration, the more we shall reach a greater population and the more we shall promote the development of financial markets. It is important for us to move in this direction in order to adequately to prepare ourselves to participate in the greater regional market and remain competitive. Our expectation is that we should see more integration of the financial sector, enhanced networking, stronger linkages, higher level transparency and enhanced cooperation. All this should ultimately result in increased efficiency and reduction in costs of doing business.

I am aware of the legal and regulatory weaknesses that exist in the various business laws in Uganda. I am glad that you are now establishing a framework for identifying these impediments through this consultative process and to make specific recommendations on how to overcome them. Delays in passing key legislations in the financial sector such as the Anti Money Laundering Bill (AML) is indeed a major impediment in improving the business environment in Uganda. We should all relentlessly campaign for the passage of this legislation.

I wish to thank the Uganda Law Society; the organizers of this meeting, for bringing together a group of the most distinguished and experienced practitioners in the financial sector. This meeting should be another step to further institutional collaboration in terms of information sharing and promotion of best practices. I wish to pledge BOU's continued support through the 5-year FMDP to such initiatives that promote collaboration amongst the regulators and the other players.

With those few remarks, it is now my pleasure and privilege to declare this consultative meeting officially opened.

I thank you.

BANK OF UGANDA

KAMPALA