

BANK OF UGANDA



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INVESTING IN GOVERNMENT SECURITIES NOW EASIER AND MORE ACCESSIBLE TO THE PUBLIC

KAMPALA, 04 APRIL 2017 – The Bank of Uganda (BoU) hereby announces that all licensed commercial banks can henceforth have direct access to the primary market for Government security operations. This means all 24 commercial banks licensed by BoU are now eligible to open CSD accounts at BoU for their clients, issue and accept bid submission forms on their behalf, settle their clients' successful bids and buy their clients' securities if the client wishes to sell.

This is part of BoU's ongoing commitment to make investing in government securities easier and more accessible to the public. BoU has been working with various stakeholders on reforms to the Primary Dealership system, which are designed to improve the distribution mechanism for Government Securities.

Prospective investors who want to open CSD accounts in order to trade in Treasury Bills or Bonds can now pick account opening forms not only from the Bank of Uganda banking hall and website, but also from any commercial bank.

Instead of filling in multiple forms to open a CSD account, there will now be a simplified two-page CSD account opening form. Also, investors who wish to participate in an auction where Government securities are first issued can now pick and submit bid forms at their commercial bank. All commercial banks can now settle their clients' successful bids.

After the closure of a Primary auction, an investor is free to trade the Government securities they already own in a market known as a secondary market. This market is open any time during the opening hours of any working day of the week. A client can now go to any commercial bank where they have an account if they want to sell their securities in the secondary market before they mature. Two investors can buy or sell or transfer Government securities with each other in the secondary market. All they will need to do is to contact their respective banks for settlement and/or ownership transfer purposes.

When clients want to find out whether the price at which they are selling or buying their securities in the secondary market is reasonable, they can visit the Bank of Uganda's website under the Financial Markets tab for a guide to pricing in the secondary market. Investors can also access their CSD Account Statements through their respective commercial banks.

Prof. E. Tumusiime-Mutebile
GOVERNOR