

BANK OF UGANDA



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PUBLIC NOTICE

IMPLEMENTATION OF THE REVISED MINIMUM PAID-UP CAPITAL REQUIREMENTS BY COMMERCIAL BANKS AND CREDIT INSTITUTIONS

Thursday, 6 July 2023 – The public is hereby informed that in exercise of his powers under the Financial Institutions Act, 2004 (as amended), the Minister of Finance, Planning and Economic Development issued *the Financial Institutions (Revision of Minimum Capital Requirements) Instrument, 2022*, on 16 December 2022 thereby revising the minimum capital required for a financial institution licence.

As the supervisor of financial institutions, the Bank of Uganda (BoU), informs the public that the implementation of the revised minimum paid-up capital requirements by commercial banks and credit institutions has been largely successful and remains on course.

Under the instrument, commercial banks were required to maintain a minimum paid-up capital of UGX 120 billion, and credit institutions of UGX 20 billion by 31 December 2022. These capital thresholds will be further raised to UGX 150 billion for commercial banks and UGX 25 billion for credit institutions by 30 June 2024.

The higher minimum paid-up capital requirements are intended to enhance the financial system's resilience to shocks, promote financial stability, and advance the capacity of the financial institution to meet the growing needs of a dynamic economy.

As of 30 June 2023, majority of the supervised financial institutions including those deemed large and critical to the smooth functioning of the financial system, complied with the revised capital requirements. The remaining financial institutions had put in place credible capital restoration plans whose implementation was significantly advanced, and on course to achieve complete compliance with the revised capital requirement within agreed timelines.

The BoU is confident that attainment and maintenance of the revised minimum capital by financial institutions, will promote a strong, stable, and sustainable financial sector.

For media inquiries, email info@bou.or.ug or call 0414 257240.

MANAGEMENT