

BANK OF UGANDA



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Bank of Uganda Appoints Primary Dealer Market Makers

KAMPALA – Monday September 25, 2023 – Bank of Uganda (BoU) hereby announces the appointment of the following eight (8) commercial banks as Primary Dealer Market Makers effective October 1, 2023, for three years:

1. ABSA Bank
2. Centenary Bank
3. Citibank
4. DFCU Bank
5. Equity Bank
6. Housing Finance Bank
7. Stanbic Bank
8. Standard Chartered Bank

This follows BoU's request for Expressions of Interest (EOI) to all commercial banks and the conclusion of an evaluation process.

About the Primary Dealership system

In October 2020, BoU adopted a primary dealership system with Primary Dealer Market Maker (PDMM) banks being given exclusive access to the primary market for Government Securities. PDMM banks are responsible for providing liquidity and pricing in the government securities market.

This PDMM system has been highly successful in increasing liquidity in the Government securities market and attracting both institutional and offshore investors. Secondary market turnover has grown from 40% to 160% of the total debt stock. Also, the Government securities market has earned a notable listing on the FTSE Russell Frontier Markets Index, elevating Uganda's presence, and recognition in the global financial markets.

Further, the PDMM system and other market reforms have led to the improvement in Uganda's ranking in the Absa African Financial Markets Index (AFMI), from 10th place in 2020 to 4th place in 2022, out of 26 African Countries.

The BoU is confident that the PDMM banks will continue to play a vital role in developing the Government securities market in Uganda.

Important information

- Investors should continue submitting their bids to their respective commercial banks as usual.
- Competitive bidding in the primary market for Government Securities shall still be limited to only PDMM banks.

- All commercial banks will access the primary market for non-competitive bids (i.e., below UGX 200 million).
- Non-primary dealer banks will access government securities from the PDMM banks in the secondary market for all competitive bids (i.e., UGX 200 million and above).

For more information, contact us at 0414258441 or info@bou.or.ug



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