



**INSTRUCTION NOTES FOR THE COMPILATION OF THE
DAILY REPORT ON FOREIGN EXCHANGE TRANSACTIONS OF
COMMERCIAL BANKS**

AUGUST 2022

INTRODUCTION

This form is designed by Bank of Uganda for commercial banks which are licenced to undertake forex transactions in Uganda. In this return, these institutions reveal their daily volume of business and forex transactions. The form is composed of: The Opening Position, Spot Purchases, Spot Sales, Forward Purchases, Forward Sales, SWAP Purchase Transactions, SWAP Sale Transactions, The Closing Position, Other Off Balance Sheet Items, Details on a single transaction in values exceeding US\$ 0.1 million or if the total transactions by a single customer (purchases/sales) exceed US\$ 0.1 million and, Details of the individual forward transactions recorded in parts E and F of the form, and Details of the individual swap transactions recorded in parts H and I of the form.

Revision of the form is necessitated by the changes in the financial system and other reforms in the economy. The revision is intended to improve data coverage and enhance its accuracy, while maintaining emphasis on having the reports manageable for the compilers and consistency across financial institutions.

GENERAL INSTRUCTIONS

- i) This report should be submitted not later than 7a.m. of the next working day following that to which the data relates.
- ii) The report should cover all of the commercial bank's/financial institution's transactions for the reporting period.
- iii) All items in parts A to L are reported in US dollars in the respective column, and in Uganda shillings in the second column, converted at the exchange rate ruling on the reporting date.

SPECIFIC INSTRUCTIONS AND DEFINITIONS

1. Customer Residency Status: Please indicate:

R if the customer is a resident, or

NR if the customer is a non-resident

2. Part O and P: Please give a detailed breakdown of the forward transactions and swaps recorded in parts E and F (i.e. Forward Purchases and Forward Sales), and H and I (i.e. (Swap purchase and sales transactions). For example suppose you have a total of US\$150,000 recorded under non-resident banks (on the purchases or sales side), show details of the individual transactions that comprise this regardless of their amounts.

3. Maturity date: This is the last trading day of a contract. Date on which a forward/swap matures, at which time the face value will be returned to the purchaser.

4. Amount (US\$)

This refers to the US\$ equivalent of the contract currency for the forward or swap transaction. The sum of this column for forward sales and purchases as well as for swap sales and purchases should be equal to the totals reported in sections E(iii), F(iii), H(iii) and I(iii) respectively.

5. Rate

This refers to the exchange rate used between the contract currency and the Uganda shilling. For instance if the contract currency for a forward purchase is US\$ then the rate reported should be the Uganda shillings per US\$ buying rate, or if the contract currency for a swap sale is the Euro, then the rate reported should be the Uganda shillings per Euro sale rate as per the contract.

6. Contract Currency

This refers to the currency bought/sold forward or swapped by the authorized dealer. For instance, If the contract is for a forward purchase of British Pounds, then the contract currency reported should be British Pounds or if the contract is for a forward sale of US\$ then the contract currency reported should be US\$.

7. Amount (Contract currency)

This is the amount in the contract currency bought/sold forward or swapped by the authorized dealer. For instance if the transaction was for a forward purchase of Euros, then the amount reported should be in Euros. This should be augmented by corresponding information on the rate reflecting the shillings per euro buy rate and contract currency showing Euro.

8. Other Deposit Taking Institutions in Sections (B to I) include:

- a) Credit Institutions
- b) Micro-Finance Deposit Taking Institutions

9. Other Financial Institutions in Sections (B to I) include:

- | | | |
|-------------------------------|----------------------|------------------------|
| 1. Micro Finance Institutions | 3. Leasing Houses | 5. Insurance Companies |
| 2. Cooperative Societies | 4. Development Banks | 6. Pension funds |
| | | 7. Mutual funds |

10. Residency: The differentiation between resident institutional units and non-resident units is a key feature of this report form. Residency is **not based on nationality or legal criteria**, nor is it dependent on citizenship. Rather, **it hinges on domicile or location of main economic activity**.

- (a) Residents: All institutional units that have a location dwelling, place of production, or other premises-within the economic territory of Uganda from which they engage in a significant amount of economic activities should be considered residents. In most cases, it is reasonable to assume that institutional units have a center of economic interest in the Uganda if they have already engaged in economic activities and transactions on a significant scale in the country for one year or more, or they intend to do so. Individuals have centers of economic interest in reporting country when their principal residences are in the country.
- (b) Non Residents: These are defined as all institutional units (including individuals) that have their centre of economic interest outside Uganda. If institutional units live and work abroad and expect to remain abroad for more than a year, they typically cease to be residents of the reporting country. However, some transactors, regardless of their centers of economic interest, are always considered to be nonresidents; particularly, embassies and consulates and their foreign-national employees, international organizations, tourists, foreign nationals expecting to stay in the reporting country for less than a year, and technical assistance personnel of foreign

governments. Other categories include: Travelers or visitors, Seasonal workers, Crews of ships, air crafts or other mobile equipment operating partly or wholly outside the economic territory, foreign students and medical patients.