

## 0. Prerequisites

### 0.1 Legal environment

#### **0.1.1 Responsibility for collecting, processing, and disseminating statistics**

There are no specific laws, which explicitly state the responsibility of the Bank of Uganda (BOU) to compile and disseminate the Monetary and Financial Statistics, including the Other Financial Corporations Survey.

The Uganda Bureau of Statistics (UBOS) is responsible for collecting, compiling, analyzing, and disseminating national statistics. Section 21 of the *Uganda Bureau of Statistics Act, 1998* empowers it to delegate authority to other institutions to compile and disseminate specified statistical data. Under this provision of the Act, a Memorandum of Understanding (MOU) was signed between UBOS, the BOU, and the Uganda Revenue Authority (URA), in which UBOS delegated to the BOU the power to collect, compile, and disseminate monetary and external sector statistics. This MOU empowers BOU to collect data and compile the Other Financial Corporations Survey.

The activities of the Bank of Uganda are governed by the *Bank of Uganda (Amendment) Act, 2000*. In terms of gathering data and compilation statistics, Article 40, subsection 1 of this Act requires that "*every financial institution shall furnish to the Bank in a manner prescribed by statutory instrument all information that may be required by the Bank for the proper discharge of its functions*". Data dissemination functions are granted to BOU by Article 40 subsection 2 which states that "*the Bank may publish in whole or in part information furnished to it under subsection 1 as the Board may determine*".

The other financial corporations supervised by the Bank of Uganda are required by law to provide periodic regulatory returns and reports. The *Foreign Exchange Act 2004*, Part II Section 4(5) states that "*In the exercise of the powers conferred on the Governor by subsection (4), the Governor may issue guidelines, manuals, and circulars and may request for information for ensuring the execution of the provisions of this Act and the regulations made under this Act every month*".

#### **0.1.2 Data sharing and coordination among data producing agencies**

Data sharing is provided for by Article 20 of the Uganda Bureau of Statistics Act 1998 which requires the Executive Director of UBOS to ensure that statistical data collected is released for general dissemination.

Article 4 (1) of the Uganda Bureau of Statistics Act 1998 stipulates that UBOS is responsible for coordination, monitoring, and supervision of the National Statistical System. UBOS is mandated to promote standardization in the collection, analysis, and publication of statistics to ensure uniformity in quality, coverage, and reliability of statistics information, and to promote cooperation and rationalization among users and providers of statistics to avoid duplication of efforts and ensure optimal utilization of scarce resources.

Data for the forex bureaus is entirely produced by Non-Bank Financial Institutions Department, BOU.

No formal agreement on interagency cooperation provides for an efficient data sharing process between BOU and data-producing agencies relating to other financial corporation's statistics. However, the data is collected through informal collaboration between BOU and the following agencies:

- National Social Security Fund (NSSF)
- Uganda Development Bank Limited (UDBL)
- Insurance Regulatory Authority of Uganda (IRA)
- Deposit Protection Fund (DPF)
- Microfinance Support Centre (MSC)
- Uganda Microfinance Regulatory Authority (UMRA)
- Uganda Retirement Benefits Regulatory Authority (URBRA)
- Capital Markets Authority (CMA)

Data for non-deposit taking Microfinance Institutions (MFIs) is collected directly through quarterly survey of the large MFIs.

### **0.1.3 Confidentiality of individual reporters' data**

Confidentiality of information is provided for in different laws. Article 19 of the UBOS Act specifies that data are only disseminated in aggregate form, and that no individual return or part of the return made for the purpose of this Act shall be published or admitted in evidence or shown to any person not employed in the execution of duty under the same Act.

Article 45 of the Bank of Uganda (Amendment) Act, 2000, requires officers and employees of the BOU to make a declaration of secrecy regarding any information obtained in the performance of their functions and prescribe substantial penalties for contravention of the declaration of secrecy.

The BOU has established confidentiality rules to prevent the residual disclosure of information. The *BOU Terms and Conditions of Services and Staff Regulations (section 19.5)* stipulate that strictest secrecy shall be observed by all employees regarding information acquired in the course of their duties. An employee shall not allow any person to have access to the books or other documents belonging to the BOU, nor give information of any kind without obtaining the permission of the Governor. All employees shall be required to take an oath of secrecy before they become legally recognized as employees of the BOU (the *BOU Administration Manual, 2018*, Section 4.24.1).

Bank of Uganda policies protects the confidentiality of individuals by requiring that information not be published in a way that is likely to make it possible for identification of individual or entity specific datasets.

### **0.1.4 Ensuring statistical reporting**

The legal mandate on statistical reporting by BOU is contained in *Bank of*

	<p><i>Uganda (Amendment) Act, 2000.</i> With regard to data compilation, Article 40, subsection 1 of this Act requires that <i>"every financial institution shall furnish to the Bank in a manner prescribed by statutory instrument all information that may be required by the Bank for the proper discharge of its functions"</i>.</p> <p>Data dissemination functions are granted to BOU by Article 40 subsection 2 which states that <i>"the Bank may publish in whole or in part information furnished to it under subsection 1 as the Board may determine"</i>.</p> <p>The Other Financial corporations supervised by the Bank of Uganda are required by law to provide BOU with periodic reports (See section 0.1.1).</p>
<p><b><u>0.2 Resources</u></b></p>	<p><b>0.2.1 Staff, facilities, computing resources, and financing</b></p> <p>Other Financial Corporations statistics is compiled by the Monetary and Financial Statistics Section of the Statistics Department. The section currently has 1 staff who is a university-trained professional and has attended training on Monetary and Financial Statistics. The section has adequate computing resources which include individual computing facilities, local area network and internet connectivity.</p>
<p><b>1. Integrity</b></p>	
<p><b>1.1 Professionalism</b></p>	<p><b>1.1.1 Impartiality of statistics</b></p> <p>There is no influence by external forces in the production process of all the statistics from BOU. All review of statistics is internally conducted and in an impartial manner. Where applicable, the rates are as determined by the market, and computations are done through known formula. There is no outside pressure to influence the production of BOU reports. Statistics are produced in an impartial manner, and the data is not subjective.</p> <p><b>1.1.2 Selection of sources, methodology, and modes of dissemination</b></p> <p>The choice of source data is based solely on statistical considerations. The methodology for Monetary and Financial Statistics is based on the IMF's Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG 2016), BOU requirements, and standards set by the Monetary Affairs Committee of the East African Community (EAC). Data is extracted from the reports of the financial institutions submitted to BOU on a monthly and quarterly basis.</p> <p>Dissemination is mainly through soft copies of reports available from BOU. However hard copy reports are also produced on a yearly basis to validate the quarterly returns submitted.</p> <p><b>1.1.3 Commenting on erroneous interpretation and misuse of statistics</b></p> <p>Clarification on interpretations and misuse of statistics produced by Bank of Uganda are communicated by the Directors of Economic Research, and Non-Bank Financial Institutions, Financial Stability and Statistics Departments, and where necessary the Communications Department provides comments and clarifications to the media.</p>

<p><b>1.2 Transparency</b></p>	<p><b>1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination</b></p> <p>Government legislation exists on disclosure of information to the public.</p> <p>The MFS methodology and compilation methods, as well as the BOU documents are available on the BOU website <a href="https://www.bou.or.ug/bou/rates_statistics/metadata.html">https://www.bou.or.ug/bou/rates_statistics/metadata.html</a></p> <p>In addition, the terms, and conditions under which the MFS statistics are compiled are shown in the General Data Dissemination System (GDDS) metadata on its Dissemination Standards Bulletin Board (DSBB) platform.</p> <p><b>1.2.2 Internal governmental access to statistics prior to release.</b> Except for purposes ascertaining its quality for accuracy and consistency, there is no internal governmental or other public access to the statistics prior to their release.</p> <p><b>1.2.3 Attribution of statistical products</b> All reports published by BOU are clearly identified as a product of the BOU with the name and logo of the Bank printed and/or embroidered on them.</p> <p><b>1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.</b></p> <p>The BOU has not yet developed the standard procedure of giving advance notice of major changes in methodology or informing the public of new statistical collections in its statistical series but is considering providing such notice in the future in its publications and on its website. Revisions are indicated in the BOU’s publications, the data file through revision notes.</p> <p>Major changes in methodology, data and statistical techniques are implemented with guidance from the revisions policy which is available on the BOU website.</p>
<p><b>1.3 Ethical standards</b></p>	<p><b>1.3.1 Guidelines for staff behavior</b></p> <p>The BOU Terms and Conditions of Service and Staff Regulations states that employees are required to perform their duties with diligence and loyalty, to obey implicitly the directions of their superiors, and to treat public and their colleagues with civility and courtesy. The employees are required to have a detailed knowledge of these staff regulations, as ignorance of their content will not be accepted as an excuse for noncompliance. It is required that periodic reports are submitted on the work and conduct of all employees. An employee whose work or conduct falls short of the required standards after suitable warnings renders himself liable to dismissal. All employees whose conduct appears to require investigation may be suspended from the service, and salary may be wholly or partly withheld during such suspension.</p>

	<p>The BOU Administration Manual April 2018 in Chapter 4, General Rules and Regulations maintains clear ethical guidelines. Memoranda from the Human Resources Department are sent regularly to the staff to remind them of the ethical standards.</p> <p>Staff is also guided by the core values of the Bank of Uganda which are Transparency and Accountability; Integrity; Teamwork and Excellence.</p>
<b>2. Methodology</b>	
<u><b>2.1 Concepts and definitions</b></u>	<b>2.1.1 Concepts and definitions</b> The concepts and definitions used in the compilation of the Other Financial Corporations Survey are in line with the IMF’s MFSMCG 2016.
<u><b>2.2 Scope</b></u>	<b>Scope of the data</b>  <b>Unit Coverage</b> The Other Financial Corporations Survey (OFCS) comprises the National Social Security Fund, non-deposit taking microfinance institutions, Forex bureaus, Uganda Development Bank, Insurance Corporations, Microfinance Support Centre, Deposit Protection Fund, and other private pension funds.  <b>Transactions</b> All transactions of the OFC sectors with residents and non-residents are included in the coverage.  <b>Exceptions to coverage</b> Excluded from the current OFCs are investment funds and some financial auxiliaries.
<u><b>2.3 Classification/sectorization</b></u>	<b>2.3.1 Classification/sectorization</b> The current data submitted to BOU by OFCs is consistent with sectorisation in the IMF’s MFSMCG 2016. The Survey follows the standard presentation: <ul style="list-style-type: none"> <li>• <b>Net Foreign Assets (NFA)</b> <ul style="list-style-type: none"> <li>▪ Claims on nonresidents</li> <li>▪ <i>Less</i> Liabilities to non-residents</li> </ul> </li> <li>• <b>Claims on Depository Corporations</b></li> <li>• <b>Claims Central Government (net)</b> <ul style="list-style-type: none"> <li>▪ Claims on Central Government</li> <li>▪ <i>Less</i> Liabilities to Central Government</li> </ul> </li> <li>• <b>Claims on Other Sectors</b> <ul style="list-style-type: none"> <li>▪ Other Financial Corporations</li> <li>▪ Local Government</li> <li>▪ Public Non Financial Corporations</li> <li>▪ Private Sector</li> </ul> </li> <li>• <b>Liabilities to Depository Corporations</b></li> <li>• <b>Liabilities to Other Sectors</b></li> <li>• <b>Shares and Other Equity</b></li> <li>• <b>Other Items(Net)</b></li> </ul>

	<p><b>Net Foreign Assets (NFA)</b> NFA consists of claims by OFCs on nonresidents less their liabilities to non residents.</p> <p><b>Claims on Depository Corporations</b> These comprise any claims in the form of deposits, loans, securities, etc. on BOU, commercial banks, CIs, MDIs and SACCOs.</p> <p><b>Claims on Central Government (net)</b> This consists of the outstanding loans and advances to the central government, holding of the central Government securities less the deposits of central Government, if any with OFCs.</p> <p><b>Claims on Other Sectors</b> These are claims on other financial corporations, local Governments, public non-financial corporations, private enterprises, and other resident sectors in the form of loans, shares &amp; other equity, securities other than shares, financial derivatives and trade credit and advances.</p> <p><b>Liabilities to Depository Corporations</b> These are loans from depository corporation, which are evidenced by non-negotiable documents. Loans from government and non-residents are reported under liabilities to government and non-residents, respectively.</p> <p><b>Liabilities to Other Sectors</b> These are net equity of individuals in life insurance reserves and pension funds and prepayments of insurance premiums and reserves against outstanding claims.</p> <p><b>Shares and Other Equity</b> This is the total capital of the institutions in the OFCs.</p> <p><b>Other Items (Net)</b> This includes all other liabilities and assets of OFCs not included elsewhere. Specific liability categories include provisions while assets are mainly nonfinancial assets e.g. fixed assets.</p>
<p><b><u>2.4 Basis for recording</u></b></p>	<p><b>2.4.1 Valuation</b> Market prices are the main basis of valuation of amounts (transactions, other financial flows and stocks) reported in the data. Where market prices are not available, fair values (market equivalent values) are estimated. The only exception in the reporting is made regarding the valuation of loans, which are reported at book value, without adjusting for loan losses. The OFC positions are all reported in Uganda shillings.</p> <p>Foreign currency denominated financial assets and liabilities are converted to Uganda shillings using the end of period exchange rate.</p>

	<p><b>2.4.2 Recording basis</b> Recording is largely based on Accrual accounting. Accrued interest on deposits, loans and advances, and securities is reported alongside the outstanding amount of the asset/liability, in the Balance Sheet.</p> <p><b>2.4.3 Grossing/netting procedures</b> Data reported by OFCs are recorded on a gross basis. Provisions for non-performing loans and advances are classified as other liabilities, a component of other items (net).</p> <p>For analytical purposes however, some data i.e. Net Foreign Assets, Net claims on Government etc. are presented on net basis.</p>
<p><b>3. Accuracy and reliability</b></p>	
<p><b><u>3.1 Source data</u></b></p>	<p><b>3.1.1 Source data collection programs</b> Data for the National Social Security Fund (NSSF) and Uganda Development Bank Limited (UDBL) are obtained monthly from the institutions through the use of a Call Report Form (CRF). Data for Insurance companies, forex bureaus, non-deposit taking microfinance institutions, Deposit Protection Fund are obtained on a quarterly basis by use of Call Report Forms. Data on private pension funds is received in a consolidated format from URBRA on an annual basis.</p> <p><b>3.1.2 Source data definitions, scope, classifications, valuation, and time of recording</b> All the forms used in reporting to the bank conform to the IMF's MFSMCG 2016. In addition, the requirements of the International Financial Reporting Standards (IFRS) are also considered.</p> <p><b>3.1.3 Source data timeliness</b> The NSSF CRF is submitted 15 days after the end of the reference month.</p> <p>The UDBL CRF is submitted 30 days after the end of the reference month.</p> <p>The Forex Bureaus are required to report to BOU not later than 15 days after the end of the reference quarter.</p> <p>Insurance data is reported 30 days after reference quarter while MFIs data is submitted not later than 45 days after end of reference quarter.</p> <p>Deposit Protection Fund data is reported 20 days after the end of the reference quarter.</p> <p>Other private pension data is received from URBRA seven months after the end of the year.</p>
<p><b><u>3.2 Assessment of source data</u></b></p>	<p><b>3.2.1 Source data assessment</b> The data received are reviewed for accuracy by cross checking with other data sources, such as the balance sheet.</p>

<p><b><u>3.3 Statistical techniques</u></b></p>	<p><b>3.3.1 Source data statistical techniques</b>  The source data is classified into categories that conform to the MFSMCG 2016.</p> <p>The Statistics Department analyses both the consolidated position for these institutions and the individual institution for any variation in the figures presented.</p> <p>All the data is analyzed and processed using customized Microsoft Excel spreadsheets with embedded internal controls and validation rules. The editing procedures include checks for internal inconsistencies in data, missing data (gaps), misclassifications, exchange rate conversion, and completeness in recording entries.</p>
<p><b><u>3.4 Data validation</u></b></p>	<p><b>3.4.1 Validation of intermediate results</b>  Data is cross-checked for accuracy against other sources.</p> <p><b>3.4.2 Assessment of discrepancies and other problems in statistical outputs</b>  In addition to what is given in 3.4.1 above, supervisory oversight within the Statistics Department handles the investigation of discrepancies, analysis of the reporting error, closely working with the Bank Supervision Directorate. Follow up by phone and e-mail is also regularly done.</p>
<p><b>4. Serviceability</b></p>	
<p><b><u>4.1 Periodicity and timeliness</u></b></p>	<p><b>4.1.1 Periodicity</b>  The Other Financial Corporations Survey is disseminated on a quarterly basis.</p> <p><b>4.1.2 Timeliness</b>  The Other Financial Corporations Survey is finalized and disseminated within 65 days after the end of the reference quarter.</p>
<p><b><u>4.2 Consistency</u></b></p>	<p><b>4.2.1 Internal consistency</b>  The Survey data is internally consistent, and a system of vertical checks and other internal checks are also used to ensure accuracy. The statistics applies checks such as outstanding amount of loans and advances reported in the balance sheet and that reported in the sectoral distribution of loans and advances in the accompanying schedules.</p> <p><b>4.2.2 Temporal consistency</b>  A time series of the current format of the OFCS goes back to December 2011.</p> <p>Major changes in methodology, unusual changes in economic trends as well as revisions due to the availability of new data are explained with footnotes and other explanatory notes to the Survey, which are available to anyone who accesses the data. The changes and revisions are applied retrospectively as far back as the data permits.</p>



	<p><b>4.2.3 Intersectoral and cross-domain consistency</b>  The statistics is consistent with other macroeconomic sectors such as the balance of payments (BOP) and fiscal accounts. Internal reconciliation is carried out from time to time to ensure consistencies in the data sets.</p>
<p><b>5. Accessibility</b></p>	
<p><b><u>5.1 Data</u></b></p>	<p><b>5.1.4 Simultaneous release</b>  Quarterly data are released with three months lag to all users through the BOU website and via e-mails to key data users and stakeholders.</p> <p><b>5.1.5 Dissemination on request</b>  In addition to the data included in the BOU’s publications such as the Statistical Abstract and disseminated on the website, nonpublished but non confidential statistics is provided on demand. Requests for such information can be made to the BOU Director Statistics Department, or to <a href="mailto:info@bou.or.ug">info@bou.or.ug</a> or <a href="mailto:statistics_dissemination@bou.or.ug">statistics_dissemination@bou.or.ug</a>.</p>