

BANK OF UGANDA

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SUPERVISION



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Noted
✓ 08/02/2022
cc Div. Heads

EDS.306.2

8th February 2022

Circular to Chief Executives of Commercial Banks and Credit Institutions

Countercyclical Capital Buffer (CCyB) Requirement

Reference is made to the Circular dated 1st February 2021 in which the Bank of Uganda communicated the Financial Institutions (Capital Buffers and Leverage ratio) Regulations, 2020.

In fulfilment of sub-regulation 7 (5) of the abovementioned Regulations, this is to inform you that Bank of Uganda has approved the Countercyclical Capital Buffer (CCyB) for implementation with effect from 1st January 2022. Accordingly, the CCyB capital requirement is set at and will remain at **zero (0) percent/Risk Weighted Assets (RWA)** for all Commercial Banks and Credit Institutions until advised by the Central Bank.

The CCyB is a macroprudential policy tool whose implementation is aimed at mitigating the risks from the procyclicality of credit growth, in line with the Risk-Based Supervision approach. The calibration methodology and disclosure requirements are detailed in the CCyB Framework which can be accessed on the BOU website.

Tumubweinee Twinemanzi (Dr.)
Executive Director Supervision

Copy: **Director Commercial banking**
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