

REGULATION OF THE BANK OF UGANDA
REPORTING REQUIREMENTS FROM BANKS TO THE CENTRAL
BANK

PART 1: SHORT TITLE, AUTHORIZATION, APPLICATION, AND INTERPRETATION

SEC. 1. Short Title – Reporting requirements for Banks

SEC. 2. Authorization – Sections 52(g) of the Financial Institutions Statute (hereafter known as the Statute)

SEC. 3. Application all banks in Uganda

SEC. 4. Interpretation

In this regulation, unless the context otherwise requires-

- 1) “bank” is as defined in section 2 of the statute;
- 2) “banking business” is as defined on Section 2 of the Statute;
- 3) “Central Bank” means the Bank of Uganda operating under the Bank of Uganda Statute 1993;
- 4) “External auditor” means the person appointed annually by a bank and approved by the Central Bank under Section 23 of the Statute;
- 5) “inspection” means an examination of a bank conducted by the Central Bank under section 28(1) of the Statute;
- 6) “return” means a periodic report of financial information submitted by banks to the Central Bank as called for under Section 27 (1) of the Statute.

PART II STATEMENT OF POLICY

SEC. 5 OBJECTIVES

- 1) To help ensure the Central Bank is able to carry out its stated roles in the Bank of Uganda Act, 1993 of: monetary stability, monetary policy, and supervisor of financial institutions by means of accurate and timely financial data and other information from banks;

- 2) To enable the Central Bank to be an effective supervisor of banks using off-site surveillance to monitor the financial condition of individual banks on a regular basis;
- 3) To enable the Central Bank to gather a comprehensive and accurate data base of the activities of banks to be used for policy making in promoting economic growth and stability in Uganda.

SEC. 6 RATIONALE

- 1) Central Bank are entrusted with ensuring monetary stability and overall soundness in the banking sector; without accurate and comprehensive data on the operations and activities of banks reported on a regular basis, these duties cannot be properly carried out;
- 2) Modern prudential supervision has shown that on-site inspections and external audit reports must be supplemented by a formalised system of comprehensive analysis of banks returns, at least quarterly, to ensure the supervisory authority has data to monitor on a regular basis the soundness of banks it is responsible for.

PART III: ANNUAL ACCOUNTS AND REQUIRED RETURNS

SEC. 7 SECTION 27 (1) OF THE STATUTE

- 1) As called for under Section 27 (1) of the Statute, all banks shall submit to the Central Bank an audited balance sheet and income statement prepared by an auditor approved by the Central Bank.
- 2) Before such audited balance sheet and income statement are finalized, the bank and its external auditor must ensure compliance to Section 26(2) of the Statute by ensuring the Central Bank is satisfied as to the level of provisions for bad debts and that a proper non – accrual policy is being enforced.
- 3) As called for in Section 27(2) of the Statute, the audited accounts, including the audited balance sheet and income statement, must be submitted to the Central Bank within four months after the end of the financial year, though with prior approval of the Central Bank due to special circumstances, an extension of time may be granted.
- 4) The required returns as called for under Section 8 of this regulation authorized in Section 27 (1) of the Statute.

SEC. 8 REQUIRED RETURNS

- 1) Banks are required to submit to the Central Bank the following set of returns:

On a weekly basis:

- a) Weekly return on liquidity for banks.

On a monthly basis

- a) FORM B.S. 100A – Quarterly Computation of Capital Adequacy for Commercial Banks in Uganda.
 - b) FORM B.S. 110 – Quarterly Statement of income and expense.
 - c) FORM B.S. 120 – Quarterly Statement of Provisions for Bad Debts.
 - d) Quarterly Return on Loans and Advances including supplementary data on non – performing advances.
 - e) FORM B.S. 130 – Large Exposures and Credit Concentration.
 - f) FORM B.S. 140 – Credit Extended to Insiders.
- 2) All returns called in the above subsection are to be submitted within 30 days from the as date of the return.
 - 3) All returns called for in the above subsection are to completed in compliance with the instructions prepared by Central Bank.
 - 4) Failure to submit returns on a timely basis as called for in Section 8(2) of this regulation or on accurate basis in compliance with Section 8(3) of this regulation may result in a bank being liable to the fine prescribed in Section 27(5) of the Statute.

PART IV: VERIFICATION FOR ACCURACY OF REQUIRED RETURNS

SEC. 9 INSPECTION BY THE CENTRAL BANK

- 1) To determine the accuracy of the data or information disclosed in a required return, as called for in section 8 of this regulation, the central Bank may inspect a bank under the powers given to it in section 28 of the statute
- 2) A bank under inspection by the central Bank with regard to the accuracy of its returns shall produce all the records, books, and documents used in the preparation of such returns as authorised under section 28(2) of the statute.

- 3) When the central Bank determines that a return submitted under this regulation is inaccurate or otherwise misleading, it may call upon the bank to amend or correct such return with a resubmission to the central Bank.

SEC. 10 VERIFICATION BY EXTERNAL AUDITORS

- 1) As called for under section 26(4) (c) of the statute it shall be the duty of an external auditor to verify the accuracy of returns submitted by banks to the central Bank, as required in section 8 of this regulation, and to inform the central Bank of its findings.
- 2) The external auditor after completion of the verification of such returns shall submit in writing to the central Bank the findings as the accuracy of the returns called for in section 8 of this regulation.
- 3) Through consultation, external auditors and the central Bank may determine the scope of review by external auditors to verify the accuracy of returns submitted by banks to the central Bank.
- 4) When an external auditor has reported errors or other inaccuracies in returns through his verification procedures, the central Bank may call upon the bank to resubmit such return or returns on a corrected basis.

PART V. REMEDIAL MEASURES AND ADMINISTRATIVE SANCTIONS

SEC. 11 REMEDIAL MEASURES

- 1) When the Central Bank determines that financial institution is not in compliance with this regulation and as such has failed to comply with Section 27(1) of the Statute, it may determine that a bank is liable to the fine specified in Section 27(5) of the Statute.
- 2) In addition to or in place of a fine under Section 27(5) of the Statute, the Central Bank, when it determines a bank is not in compliance with this regulation may impose enforcement powers under Section 29 of the Statute.
- 3) If in the case where the Central Bank determines that bank's non compliance with this regulations, through false or misleading reporting has resulted in such severe distortion of its financial condition that its true conditions is unsound, or the funds of its depositors are in jeopardy, it may consider its powers under Section 31 of the Statute.

SEC. 12 ADMINISTRATIVE SANCTIONS

In addition to the remedies measure available to its as given above in Section 11, the Central Bank may impose any or all of the following

administration sanctions with regard to a bank that fails to comply with this regulations:

- 1) Prohibition from declaring and/or paying dividends;
- 2) Suspension of establishment of new branches and/or expansion into new banking or financial activities;
- 3) Suspension of access to the Central Bank's credit facilities;
- 4) Suspension of lending operations;
- 5) Suspension of the opening letters of credit;
- 6) Suspension of the acceptance of new deposits;
- 7) Suspension of the acquisition of fixed assets.

PART VI EFFECTIVE DATE

With effect 31 December, 1993