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KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P. O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

CENTRAL BANK CIRCULAR NO. 6 OF 2009

TO: ALL FOREIGN EXCHANGE (FOREX) BUREAUS

ELECTRONIC SUBMISSION OF RETURNS TO THE CENTRAL BANK OF KENYA

The Central Bank of Kenya carried out a Survey on Management Information Systems in November 2007 to determine the preparedness of Foreign Exchange (Forex) Bureaus to submit returns electronically to the Bank. Most respondents to the survey indicated that their systems met the requirements necessary to submit returns electronically to the Bank.

The Bureaus whose systems did not meet the requirements indicated that they would acquire the requisite systems within six months of the date of the survey. It is now two years since the survey was conducted and this has given all bureaus ample time to source the necessary IT systems. Towards that end, Central Bank developed a Returns Software that would facilitate electronic submission of returns by forex bureaus. This Software has been tested on fifteen (15) bureaus on a pilot run basis, since 1st May 2009.

Based on the results of the pilot run, Central Bank has decided that all forex bureaus shall participate in a 'parallel run', between 1st January and 31st March 2010. During the period of the parallel run, Forex Bureaus will be required to submit all the statutory returns specified under Sections 9.1, 9.2, 9.3 and 9.4 of the Forex Bureau Guidelines, by uploading the returns through the internet, in addition to the current physical method of submission of returns to the Central Bank.

The Electronic Returns Preparation Software and the accompanying installation notes may be downloaded from <https://41.206.52.172/alldownloads.aspx>. The download items are grouped under the section captioned "Forex Bureaus". An installation key required during installation will be provided by the Central Bank, at a date of your convenience, but before 30th December 2009. Further, a new website developed for Forex Bureaus to use to upload the returns through the internet is ready and has been deployed on a public WEB URL, and the Internet IP is <https://41.206.52.172/LogDetails.aspx>. To request log in credentials, download, fill and submit duly authorized "CBK Web Returns Transmission Portal User Creation request form". This form is available in the download page (<https://41.206.52.172/alldownloads.aspx>).

The purpose of Circular is therefore to bring to the attention of all Forex Bureaus of the decision to run parallel electronic and physical returns during the period aforesaid. Please note that effective 1st April 2010, all forex bureaus will be required to submit all statutory returns specified under Sections 9.1, 9.2, 9.3 and 9.4 of the Forex Bureau Guidelines, electronically, in order to improve on their timeliness and accuracy.

This circular is issued pursuant to Section 33K of the Central Bank of Kenya Act and Forex Bureaus should note that non-compliance with this circular will attract remedial measures as provided for under Sections 33 and 57 of the Central Bank of Kenya Act.

F. P. K. PERE
DIRECTOR, BANK SUPERVISION DEPARTMENT

27th November 2009