



HIGH VALUE PAYMENT FOR GOVERNMENT SECURITIES

The press releases dated June 24 and September 28, 2009 issued by Central Bank of Kenya and Kenya Bankers Association informed the public that effective October 1, 2009 all high value payments will be processed through Real Time Gross Settlement (RTGS) System known as the Kenya Electronic Payments and Settlement System (KEPSS) which currently facilitates inter-bank settlement on real time basis.

As fiscal agent of government, the Central Bank of Kenya, wishes to inform all investors in government securities of the following requirements for government securities payments.

1. Investors will obtain results of their Treasury Bills or Bonds bids from the Central Bank of Kenya Head Office or its branches in Mombasa, Kisumu and Eldoret on the following day after an auction.
2. Where the total offer payment is less than Ksh1 million investors may pay using banker's cheques.
3. Payments of Ksh1 million and above will be required to use the Real Time Gross Settlements (RTGS) payment system through their banks. Investors will be required to directly instruct their banks to make payments to Central Bank of Kenya instead of issuing cheques. Investors will also be required to provide the following information to their Banks.
 - i. Total offer payment
 - ii. Central Depository System (CDS) for government securities account name and number
 - iii. The issue and application reference number
 - iv. The beneficiary Bank (Central Bank of Kenya) and account to be credited
 - i. **Treasury Bills**
Government Treasury Bills Suspense account no. 01-070-0001
 - ii. **Treasury bonds**
Treasury Bonds Issue Account no. 01-053-0001
4. Payment must be done on or by value date and it is anticipated that Central Bank of Kenya would have the payment within four hours after receiving the instructions on due date.

Investors are advised that the KEPSS system operates within set timelines, and therefore sufficient time is required for processing instructions at their branches and for remittance of the proceeds to Central Bank of Kenya. The system will automatically update the investors CDS

account and customers will therefore not be required to visit the Central Bank of Kenya for confirmation of payment. Investors may still exercise the option to rollover their maturing securities.

Rules and regulations governing the issuance of government securities are available on the Central Bank of Kenya website for information.

For enquiries please contact Monetary Operations & Debt Management Department, Central Bank of Kenya on 2860000 or any Central Bank of Kenya Branch in Mombasa, Kisumu or Eldoret or send an email to NDO@centralbank.go.ke or visit www.centralbank.go.ke.

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