

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

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

February 28, 2019

## **BANKING CIRCULAR NO. 1 OF 2019**

**To: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS, MORTGAGE FINANCE COMPANY AND MICROFINANCE BANKS**

### **KENYA BANKING SECTOR CHARTER**

The Central Bank of Kenya (CBK) developed a draft Kenya Banking Sector Charter (BSC) which was shared with the banking sector and public for review and comments from August 3, 2018 to August 24, 2018. CBK has now finalized the Charter taking into account the comments received from commercial banks, microfinance banks, mortgage finance company and the public.

The BSC represents a commitment from institutions in the banking sector to entrench a responsible and disciplined banking sector which is cognizant of, and responsive to the needs of their customers and the Kenyan populace at large.

The BSC is issued pursuant to section 33(4) (a) of the Banking Act and section 48(2A) (a) of the Microfinance Act which empowers the CBK to issue directions with respect to the standards to be adhered by institutions in the conduct of their businesses in Kenya.

The BSC applies to institutions carrying on banking business, financial business, mortgage finance business and micro-financing business under the Banking Act and Microfinance Act. The Charter is effective from March 1, 2019.

The purpose of this Circular therefore is to issue the Kenya Banking Sector Charter to commercial banks, microfinance banks and mortgage finance company for reference in developing BSC time bound plans approved by the institutions Boards. The Plans should be submitted to CBK by May 31, 2019. Thereafter, institutions will be required to submit a quarterly report to CBK on the progress of its implementation of the Charter within 10 days after the end of every calendar quarter.

Yours faithfully,

**GERALD NYAOMA**  
**DIRECTOR, BANK SUPERVISION**

Cc.: **Mr. Habil Olaka**  
Chief Executive Officer  
Kenya Bankers Association  
International Life House, Mama Ngina Street  
**Nairobi.**

**Ms. Carol Karanja**

Ag. Chief Executive Officer

Association of Microfinance Institutions of Kenya (AMFI-Kenya)

Methodist Ministries Centre, 1st Floor, Right Wing

P.O. Box 10701-00100

**Nairobi.**