

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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**TO CHIEF EXECUTIVES OF COMMERCIAL BANKS, NON-BANK FINANCIAL INSTITUTIONS AND
MORTGAGE FINANCE COMPANIES**

PRUDENTIAL GUIDELINE ON BUSINESS CONTINUITY MANAGEMENT (BCM)


The banking landscape continues to evolve rapidly against the backdrop of technological advancements, competition, globalization and increased customer sophistication. These change drivers are increasingly compelling banks to put in place measures that ensure that customers can access banking services without interruptions. Further, recent acts of terrorism, various pandemics and natural disasters have only served to underline the risk of major operational disruptions to a financial system.

In order to ensure that the business operations of institutions licensed under the Banking Act are not unduly affected in the event of a disruption, the Central Bank of Kenya, in collaboration with its' East African Partner Central Banks of Uganda and Tanzania, has formulated a Prudential Guideline on Business Continuity Management in the banking sector.

The Central Bank of Kenya Prudential Guideline No.CBK/PG/14 on Business Continuity Management, provides the minimum standards that supervised banking institutions shall implement to ensure that business operations are not adversely affected in the event of a major disruption. It is envisaged that all institutions shall integrate the principles of Business Continuity Management as part of their overall risk management framework.

The purpose of this Circular is therefore to issue the Business Continuity Management Prudential Guideline to all commercial banks, mortgage finance companies and non- bank financial institutions and advise that the Guideline will be effective from 1st March, 2008. This Guideline is currently available on the CBK website <http://www.centralbank.go.ke>.

The above Guideline is issued under Section 33(4) of the Banking Act and all institutions should note that a breach of this Guideline attracts remedial measures as specified under the Banking Act and Regulations there under.


ROSE DETHO
DIRECTOR, BANK SUPERVISION

9th January, 2008

cc. Chief Executive Officer
Kenya Bankers Association
Transnational Plaza
NAIROBI