

**BANKI
KUU YA
KENYA**



**CENTRAL
BANK OF
KENYA**

AUGUST 29, 2023

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

BANKING CIRCULAR NO. 6 OF 2023

TO: ALL CHIEF EXECUTIVE OFFICERS OF COMMERCIAL BANKS

CHANGES TO HAIRCUTS APPLICABLE TO GOVERNMENT SECURITIES USED AS COLLATERAL FOR VERTICAL REPOS, CBK DISCOUNT (OVERNIGHT) WINDOW AND INTRA-DAY LIQUIDITY FACILITY

The launch of the DhowCSD on July 31, 2023 has provided an opportunity to refine operations involving government securities. Given this development, the Central Bank hereby announces a revision of haircuts applicable to securities provided as collateral for Vertical Repos, CBK Discount (Overnight) Window and Intra-day Liquidity Facility as outlined below:

Collateral	Current Applicable Haircut	New Applicable Haircut
Treasury Bills/Bonds < 1 year	10%	2%
Treasury Bonds > 1 year < 10 years	20%	5%
Treasury Bonds > 10 years	20%	10%

These changes take effect immediately.

DAVID LUUSA

DIRECTOR, FINANCIAL MARKETS DEPARTMENT