

BANKI
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KENYA



CENTRAL
BANK OF
KENYA

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June 6, 2024

BANKING CIRCULAR NO. 1 OF 2024

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

CHANGES TO THE CBK DISCOUNT (OVERNIGHT) WINDOW FACILITY

The Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) at its meeting held on June 5, 2024, reviewed and approved changes to the CBK Discount (Overnight) Window Facility. These changes are designed to enhance monetary policy transmission and augment reforms announced on August 9, 2023, on the Monetary Policy Implementation Framework.

The CBK therefore makes the following changes:

1. The applicable interest rate on the facility has been reviewed from 400 basis points above the CBR to 300 basis points above the CBR.
2. The advances will continue to be secured by Government of Kenya securities subject to haircut as outlined in *Banking circular No 6 of 2023*.
3. The existing terms for access to the intra-day liquidity facility (ILF) remain unchanged.

This Circular supersedes all previous circulars issued on the above subject matter and the change takes effect immediately.

MICHAEL EGANZA

DIRECTOR, BANKING AND PAYMENT SERVICES DEPARTMENT

cc: Chief Executive Officer, Kenya Bankers Association.