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KUU YA  
KENYA



CENTRAL  
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## BANKING CIRCULAR No. 1 OF 2009


TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

### CONFIRMATION OF SECONDARY TRADING TRANSACTIONS FOR GOVERNMENT SECURITIES BY COMMERCIAL BANK, BANKS NOMINEES, CLIENTS AND CUSTODIAL CDS ACCOUNTS

It will be recalled that clause (v) of the circular dated May 15, 2003 on trading requirements for treasury bonds & bills, sent to all Chief Executives, of banks, parastatals, licensed brokers, pension and fund managers, insurance companies and other companies required that all inter-bank secondary trading transactions in Government securities be submitted through Open Market Operations (OMO) and duly confirmed on the Reuters dealing system.

Further to this circular, we wish to notify all banks that all confirmations of secondary trading transactions shall henceforth be confirmed by submitting to **CBK SWIFT message type MT599 (Free Format Message)** as per the attached sample message. Consequently, at the point of filling out the physical forms, counterparty banks will be required to submit the said SWIFT message to CBK for all transactions for their own account and/or CDS accounts for nominee/clients/custodial operated by themselves providing full details as required in the template. It is hoped that the new procedures will go along way in enhancing efficiency and safety in these transactions as we endeavor to fully automate all aspects of transactions in Government securities.

For queries and/or clarifications on this development, please contact the Director, Monetary Operations and Debt Management Department.

  
**JACKSON M. KITILI**  
**DIRECTOR, MONETARY OPERATIONS & DEBT MANAGEMENT**

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