

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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

BANKING CIRCULAR NO. 03 OF 2012

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS

MULTIPLE TENURES ON TERM AUCTION DEPOSIT (TAD) FACILITY

We write with reference to Banking Circular No. 3 dated April 28, 2008 introducing Term Auction Deposit Facility as an additional instrument for conducting Open Market Operations.

The Central Bank has found it necessary to review this instrument in line with changing liquidity environment in the market. To this end the Central Bank hereby announces the introduction of multiple tenures of **14, 21 and 28** days for this Facility with effect from 6th June 2012. The price ceiling of the instrument will be the CBR which is currently 18%.

The multiple range of tenures will provide flexibility to commercial banks on choice of tenure and also serve as an alternative investment instrument

All other operational terms on TAD instrument remain as previously communicated.

A handwritten signature in black ink, appearing to read 'G. Nyoma'.

GERALD A. NYAOMA
DIRECTOR, FINANCIAL MARKETS DEPARTMENT

06 May 2012