Central Bank of Kenya

DhowCSD
Central Bank of Kenya

Frequently Asked Questions (FAQs)

Government Securities

1. What are Government Securities?

Government securities are financial instruments issued by the government to raise money for funding public projects, infrastructure development, and budgetary needs. The types of Government securities include:

a) Treasury Bills (T-bills): These are short term government securities with maturities of 91, 182 and 364 days. T-bills are issued weekly subject to applicable terms.
b) Treasury bonds (T-bonds): These are medium-to-long-term debt instruments with maturities of 2 yrs and above. They are issued on a monthly basis subject to applicable terms.

2. Who can invest in Treasury Bills or Bonds?

- Participation is open to all individuals and organisations whether local, diaspora or foreign.

3. How do I invest in Treasury Bills or Bonds?

- To invest in T-Bills or T-Bonds, you need a Central Securities Depository (CSD) account. This account is opened and operated online through DhowCSD.
- CSD accounts can be opened directly with the Central Bank of Kenya (CBK) or through authorized custodial institutions (commercial banks and investment banks).
- Individual investors can open either single or joint CSD accounts.

4. What is the DhowCSD?

- The DhowCSD is a secure, efficient, and user-friendly platform of investing in Government Securities.
- It is available on the web, App Store, and Google Play Store for investors who wish to open accounts directly with CBK.

5. What services does DhowCSD offer?

- Account management and onboarding.
- Primary market transactions i.e. T-bill and T-bond purchases.
- Secondary market transactions i.e. T-bill and T-bond purchase or sale.
- Access to portfolio holding statements.

6. What are the CSD account opening requirements for individual/ joint accounts

- Valid e-mail address
- Phone number
- Passport-sized Photo
- Identification document (National ID/Passport/Alien card)
- KRA PIN Certificate OR
- KRA exemption certificate where applicable.
- Active commercial bank account held in a Kenyan bank

Note: To create a joint account, each party must first have an individual, existing and active profile on the DhowCSD.

7. What are the CSD account opening requirements for corporate accounts

- Valid e-mail address
- Registration Document
- Board resolution
- Corporate entity KRA PIN
- Corporate entity telephone number
- Active commercial bank account held in a Kenyan bank
- KRA exemption certificate where applicable.

8. What is the minimum investment for Government Securities?

The minimum investment is KES 50,000 and any additional amount MUST be in multiples of ***KES. 50,000***.

9. What are the advantages of T-bills and T-bonds as investment tools?

- **Safety:** T-Bills and T-Bonds are issued and backed by the Government of Kenya, making them one of the safest investment options available.
- **Returns:** Treasury Bonds provide an added means of income through semi-annual interest payments during the life of the bond.
- **Liquidity:** T-bills have short-term maturity periods, allowing investors to access their funds quickly. T-Bonds, though long term, can be sold on the Nairobi Securities Exchange (NSE) before maturity. Additionally, T-bills and T-bonds can be rediscounted (sold back to CBK) before maturity.
- Government Securities can be **pledged as collateral** (guarantee) for a loan, offering a secure way to access financing.

Where can investors get help?

Kindly contact CBK call centre:

Tel:+254 709 081 222
Toll-Free (USA): +1(833)201 0220
Toll-Free (Kenya): 0800 720 222

Email: DhowCSD@centralbank.go.ke

Scan to download the App on Playstore

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How to Open an Individual Account

Required documents: ID/ passport, KRA PIN (Mandatory for Residents), and a photo.

1 Download the DhowCSD App or visit ***dhowcsd.centralbank.go.ke***

2 Click ***"Create Account"***

3 Type your ***Email, Username,*** and ***Password*** of choice

4 Accept terms and conditions and click ***"start registration"***

5 Select User Type ***"Physical person"*** and fill in your details and click ***"next"***

6 Fill in your contact information and click ***"Next"***

7 Input your ***Bank Account Number, Your Name*** as per your identification document, and select your bank

8 Upload the required documents

9 Enter token sent to your email and click verify

Your account will be approved by your bank within 48 working hours. Once this is done you will receive an email confirmation on the same.

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How to Open a Joint Account

To create a joint account, each individual must have an active individual account. One person first logs in to their profile and follows the steps below.

1

Click:

- *"My Account Information"* in the investor portal, or
- *"Settings"* if you're using the mobile app.

2

Click *"Settings Details"* on the portal or *"Accounts"* then *"Settlement Details"* on the mobile app.

3

Select *"Add Joint Account"*

4

Enter the joint account settlement details:

- Bank account number *(Joint at bank)*
- Account title *(the joint account name)*
- Settlement bank *(choose from the dropdown list)*
- Approval option *(select the mandate type from the dropdown)*

5

Add the other joint account holders by typing each of their emails and clicking *"Add Users"*

6

Once all members have been added Click *"Save"*

7

Each added member will receive an invitation in their individual CSD profile. They must log in and accept or reject the invitation.

8

Once all jointees accept and the approval mandate is met, the account moves to the joint account's bank for review and approval.

9

Once approved, jointees will receive email notifications containing details of their joint DhowCSD account. The account is now ready to start trading in government securities.

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How to Open a Corporate Account

The creation of authorized signatories is the prerequisite for creating a corporate account in the DhowCSD

1

Click:

- *"My Account Information"* in the investor portal, or
- *"Settings"* if you're using the mobile app.

2

Click *"Settlement Details"* on the portal or *"Accounts"* then *"Settlement Details"* on the mobile app.

3

Select *"Add Joint Account"*

4

Enter the joint account settlement details:

- Bank account number *(Joint at bank)*
- Account title *(the joint account name)*
- Settlement bank *(choose from the dropdown list)*
- Approval option *(select the mandate type from the dropdown)*

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Place your Application or Bidding

Step 1

Log in to the DhowCSD portal on the web or Mobile app.

Step 2

Click ***"Auctions"*** in the web portal or ***"Buy/Sell*** then ***"Securities"*** in the mobile app.

Step 3

Click ***"Create Bid"*** against the preferred security.

Step 4

Select bid type by clicking either ***"Competitive"*** or ***"Non-competitive"***

Step 5

For non-competitive bids, indicate the amount in face value while for competitive bids indicate interest rate under ***"Yield"*** and amount in face value.

Step 6

Select the account to invest in under the dropdown for ***"Account Number"***

Step 7

Select source of funds and specific source of funds giving additional information where applicable.

Step 8

Accept all terms and click ***"Place Bid"***

Step 9

Confirm your bid on the pop up and click ***"Place Bid"***

On Friday, following an auction, you will receive a notification with your payment key and amount payable.

There is an option to reinvest (Rollover) upcoming interest and maturities as you place your bid a week before the payment date.

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How to Rollover my Investment

Step 1 Log in to the DhowCSD portal on the web or Mobile app.

Step 2 Click on *“My account information”* on the web portal or “settings” in the mobile app

Step 3 Click on *“CSD Linking”* in the web portal or *“Accounts”* then *“CSD Accounts”* in the Mobile app.

Step 4 On the web portal, locate the *“Netting Flag”* and click the grey button to activate it. On the Mobile App, Tap the grey button located below your ID number.

- ✔ Once activated, the grey button will turn blue.
- ✔ Always confirm that you're activating the Netting Flag on the account you intend to roll over from and reinvest into. You cannot roll over from one account to another.

Step 5 Step 5: Proceed to place your bid

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Cancellation of Bids

01 Click on the ***"Bid"*** menu on Web Portal or ***"Buy/Sell"*** then ***"Bids"*** on the Mobile APP.

02 Select the relevant bid and details will be displayed with a ***"Cancel Bid"*** tab.

03 Upon confirmation the bid menu displays the status as cancelled.

04 Click on ***"Cancel Bid"*** tab.

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How to Generate Portfolio Holding Statements

01

Upon login click on the **"Portfolio"** menu on the Web Portal or **"Portfolio"** then **"Securities"** on the mobile App to view the list of securities

02

Select the specific account from the dropdown to view holdings

03

Click on **"More"** to reveal all securities held or **"Filter"** using Date, Security Type and ISIN then click **"Apply"**.

04

Click on **"Export"** to download the PDF, Excel or CVS file.

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