OVER THE COUNTER (OTC) TRADING FOR TREASURY BILLS TRANSACTIONS

IMPORTANT INFORMATION TO ALL INVESTORS IN GOVERNMENT OF KENYA SECURITIES

The Central Bank of Kenya is pleased to inform all investors in Government of Kenya securities that the Over-The-Counter (OTC) trading for Treasury bills which previously was transacted using physical forms is now fully automated. This trading activity was restricted to commercial banks with only the 364 day Treasury bills allowed to trade. The Bank wishes to inform all investors that it is now possible to buy or sell Treasury bills of all tenors (i.e. 91, 182 and 364 days) electronically by transmitting trade instructions through use of SWIFT messages MT541 and MT543. All commercial banks can immediately access this trading platform through SWIFT.

Investors with no direct access to SWIFT connectivity will be required to get into an agency arrangement with their commercial banks in order to use these banks’ SWIFT networks to transmit instructions for Treasury bills trades. To back up this arrangement, the investors will be required to execute a ‘Deed of Indemnity’ to CBK. This will be available on the CBK Website.

Attached hereto are the guidelines for participating in the Treasury bills OTC platform and SWIFT message formats for the seller (MT543) and the buyer (MT 541).

The guidelines are also available on the Central Bank of Kenya website: www.centralbank.go.ke

MWENDA K. MARETE
ASST. DIRECTOR, FINANCIAL MARKETS DEPARTMENT
CENTRAL BANK OF KENYA

PRESS RELEASE

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The ‘Deed of Indemnity’ and operational guidelines for participating in the Treasury bills OTC platform are available on the Central Bank of Kenya website: www.centralbank.go.ke

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ASST. DIRECTOR, FINANCIAL MARKETS DEPARTMENT