



## **Bank of Uganda and Frontclear partner to boost local money markets PRESS RELEASE**

KAMPALA, May 2019 – Frontclear and Bank of Uganda (BoU) today formalized their partnership through the conclusion of a Memorandum of Understanding (MoU), signed at a Bank of Uganda. The MoU paves way for the accelerated development of Uganda’s money markets. Frontclear has been providing technical assistance to market participants in Uganda since 2016 and under the terms of the MOU, will intensify its activities including a holistic review of the legal frameworks that supports growth of the financial markets, development of a money markets diagnostic tool and the provision of interbank guarantees to increase market depth.

This cooperation between Frontclear and the BoU is the culmination of over two years of work to champion the efforts of local market stakeholders. We look forward to this partnership and the opportunity to further accelerate the interbank market and growth in the real economy

Finally, the MOU expresses intent to establish a Tradeclear umbrella guarantee structure in Uganda, with the end-goal of addressing segmentation that is evident in the Ugandan interbank market. The umbrella guarantee product by Frontclear reduces credit risk, seeks to augment trading capacity and establish a market more resilient to shocks.

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### **About Frontclear**

**Frontclear** is a financial markets development finance company dedicated to stable and inclusive money markets. Its investors are largely European governments and development finance institutions. Frontclear unlocks access to global and local interbank markets for banks in Emerging Markets by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance in partnership with regulators and industry bodies on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money market.