



## **CIRCULAR TO BANKING INSTITUTIONS No. 01-2009/BSD:**

### **“Enhancement of Security Arrangements at Banking Institutions”**

#### **Introduction**

1. Following the recent foreign exchange liberalization measures enunciated in the 2009 Annual Budget and the Monetary Policy Statement of January 2009, the volume of foreign exchange denominated cash transactions is envisaged to increase.
2. The increased transactions and the concomitant high volumes of foreign currency invariably heighten security risk and render banking institutions vulnerable to endogenous and exogenous threats.
3. Banking institutions’ exposure to security risk emanates from internal and external sources which include connivance of staff, fraudulent activities and armed robberies.

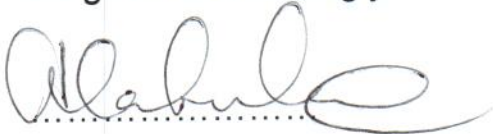
#### **Security measures**

4. In order to protect depositors’ funds, preserve capital and maintain confidence in the banking sector there is need for a continuum of controls to mitigate the security risk. It is

imperative that banking institutions put in place adequate preventive and detective physical security controls.

5. With **immediate effect**, all banking institutions are directed to develop adequate physical security control measures that are commensurate with the risk profile and scope of business. The security controls include a combination of the following:
  - a. screening metal detectors at entry;
  - b. revolving and or coded doors;
  - c. armed security guards;
  - d. panic buttons linked to rapid response teams;
  - e. adequate insurance cover of cash; and
  - f. installation of CCTV cameras.
6. Each banking institution is required to review the adequacy of dual controls and segregation of duties in cash operations.
7. Every Banking institution **is required** to submit a policy detailing the enhanced security control arrangements no later than **27 February 2009**.

Be guided accordingly,



**N. MATARUKA  
SENIOR DIVISION CHIEF  
BANK LICENSING, SUPERVISION & SURVEILLANCE**

**13 FEBRUARY 2009**