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THE SACCO SOCIETIES REGULATORY AUTHORITY (SASRA)

SASRA Circular No. 4 of 2010

Date: 19th October, 2010

To:
Chairmen of SACCO Societies Operating FOSA

RE: REMINDER FOR DEPOSIT – TAKING SACCO LICENSE APPLICATIONS

The Authority takes cognizance of the significant contribution that Saccos operating FOSAs make in the Sacco sub sector and view them as the market leaders and pace setters. However, we note with concern that since the publication of the SACCO Societies (Deposit-Taking Sacco Business) Regulations, 2010 by the Minister for Co-operative Development and Marketing on 18th June, 2010, your Sacco has not submitted its applications.

As one of the market leaders, you are therefore reminded to apply for the license as early as possible preferably before December, 2010. This reminder is guided by the following considerations;

- i. The strategic importance of large Sacco societies in the financial sector requires a prudent management of the transition to avoid disruptions in member services if such Saccos do not meet the minimum licensing requirements;
- ii. The need for the Board and management to identify early enough the strategic licensing issues that require approval of the general meeting which are by practice held in the first quarter of the calendar year;
- iii. The need to avoid last minute crisis where all Sacco societies apply next year plunging the Sacco subsector into a confusion and legal complications;
- iv. The undesirable effect to your Sacco of Sections 23 of the Act which includes charges against the Board of directors for flouting the Act;
- v. Being among the first Saccos to be licensed will raise the profile of your Sacco hence increased member and general public confidence in your institution; and

- vi That the transitional provisions as envisaged in Regulation 84 will not apply to Saccos that make application after the expiry of the twelve months window period.

Please feel free to consult with the Authority on any specific issue that the Sacco requires guidance and/or clarification on licensing.

Yours sincerely,

Carilus Ademba, HSC
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