



## THE SACCO SOCIETIES REGULATORY AUTHORITY (SASRA)

Britak Centre, 1<sup>st</sup> Floor,  
Mara Road, Upper Hill,  
P  
.O. Box 2 5089- 00100,  
Nairobi, Kenya.

Tel: +254 20 2717714/5  
Cell: +254 719 555877  
mail:  
[Einfo@sasra.go.ke](mailto:Einfo@sasra.go.ke)  
Web: [www.sasra.go.ke](http://www.sasra.go.ke)

**SASRA Circular No. 1 of 2010**

**15<sup>th</sup> July, 2010**

To  
Chairmen of SACCO Societies Operating FOSA

### **RE: SACCO SOCIETIES (DEPOSIT -TAKING SACCO BUSINESS) REGULATIONS, 2010**

The SACCO Societies (Deposit Taking Sacco Business) Regulations, 2010 to implement the SACCO Societies Act 2008 were published on 18th June 2010 and are available at the government press at Ksh.260 a copy. The Regulations provide the minimum operational regulations and prudential standards required of SACCOs operating Front Office Savings Activity (FOSAs).

The Act and the Regulations mark a new beginning for the Sacco Societies in Kenya as they establish regulatory framework for Sacco Societies operating FOSAs (referred to as deposit-taking in the Act and the Regulations) The Sacco Societies Regulatory Authority (SASRA is mandated to license, regulate and supervise Sacco Societies under the Act unlike before where they were authorized and supervised by the Commissioner for Cooperative-Development (CCD).

The strengthened regulatory framework is expected to improve the competitiveness of Sacco Societies by setting financial and operating standards commensurate to the deposit- taking business conducted by Sacco Societies. This will ultimately drive efficiency in the sector and increase level of savings and credit in the Sacco Societies as envisaged in financial sector strategy in Vision 2030.

Regulation 84 of the SACCO Societies (Deposit -Taking Sacco Business) Regulations, 2010 stipulate that a Sacco Society which at the commencement of the Regulations is carrying out deposit taking Sacco business shall apply for a license within twelve months from the date of publication of the Regulations.

This circular therefore aims to advise that:

1. The Regulations became operational from the date of publication.
2. While the Sacco Societies Act, 2008 applies to all Sacco Societies, the Regulations published by the Minister for Cooperative Development and Marketing apply only to the FOSA operating Sacco Societies. Article 3 (1b) of the Act provides that the Minister may make *regulations specifying the nondeposit taking business to which this Act may apply and prescribing measures for the conduct of the specified*

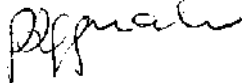
*business*. Thus it is only the deposit -taking Sacco societies or SACCOs with FOSAs that should make application for license to SASRA.

3. The Authority is arranging for educational workshops which will target both board of directors and management of SACCO Societies in consultation with the Ministry for Cooperatives Development and Marketing and other stakeholders on cross cutting and transitional issues for a successful implementation programme. We shall provide further details on the workshops in due course.
4. It is necessary to acquire a copy of the Sacco Societies Act 2008 as well as the SACCO Societies (Deposit Taking Sacco Business) Regulations, 2010 to acquaint yourself with the regulations and particularly the licensing requirements as this is the first step in implementing this regulatory framework. The copies can be obtained at government press along Haile Selassie Avenue adjacent to the Kenya Polytechnic.
5. Communication on any concerns, questions or general enquiries can be made via letter or email [to info@sasra.go.ke](mailto:info@sasra.go.ke). Our website is [www.sasra.go.ke](http://www.sasra.go.ke) and will be accessible by 23<sup>rd</sup> July 2010 where we shall avail all necessary information and forms for license application. This will be complimentary to planned workshops and other channels of communication.

It is our expectation that you are making the necessary preparations towards the license application. This will enable you identify any challenges and hence clarify them either during

your planned workshops or through writing to us. We encourage you to be as proactive as possible to avoid last minute rush for license application.

Yours sincerely,



**PETER NJUGUNA**  
**For: CHIEF EXECUTIVE OFFICER**

**cc. Commissioner for Cooperative Development**  
**Ministry of Cooperative Development and Marketing**  
**NSSF Building, Bishops road**  
**Block A, Eastern Wing, 9<sup>th</sup> Floor**  
**Nairobi**

**cc. Managing Director**  
**Kenya Union of Savings and Credit Cooperatives Union,**  
**KUSSCO Center, 4<sup>th</sup> Floor**  
**Nairobi**

**Cc. Chief Executive Officer**  
**KERUSSU, Lenana Road**  
**P.O. Box 2467 - 00200**  
**Nairobi**