



REMINDER PUBLIC NOTICE TO SACCO SOCIETIES UNDERTAKING SPECIFIED NON-DEPOSIT TAKING SACCO (BOSA) BUSINESS IN KENYA

The **SACCO Societies Regulatory Authority (SASRA)** is the government's principal agency responsible for the supervision and regulation of SACCO Societies in Kenya, in accordance with the provisions of the Sacco Societies Act No. 14 of 2008 (*herein after the Act*) as read with the Regulations made thereunder.

Further to the public notices issued on **29th January 2021** and **1st February 2021**; the Authority **HEREBY NOTIFIES** members of the public, members of SACCO Societies, individual SACCO Societies and other stakeholders within the SACCO subsector that –

- On 5th May 2020, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Co-operatives published the Sacco Societies (*Non-Deposit Taking Business*) Regulations, 2020 vide the Legal Notice No. 82 of 2020 (*herein after referred to as the Regulations 2020*); which prescribes the prudential and market conduct measures to be complied with by all SACCO Societies undertaking the specified non-deposit taking business (popularly known as BOSA business).
- The Regulations 2020 specifies the following BOSA businesses, as the specified non-deposit taking business for purposes of Section 3(2) of the Act –
 - non-deposit taking business (BOSA) in which the total non-withdrawable deposits from members is equal to or exceeds the sum of one hundred million Kenya shillings (*popularly known as BOSA Only SACCOs*);
 - non-deposit taking business (BOSA) in which the SACCO Society mobilises membership and subscription to its share capital through digital or other electronic payment platforms (*popularly known as VIRTUAL OR DIGITAL SACCOs*); or
 - non-deposit taking business (BOSA) in which the SACCO Society mobilises membership and subscription to its share capital from persons who are ordinarily resident outside the country (*popularly known as DIASPORA SACCOs*).
- The Regulations 2020 took effect from **1st January 2021** and all SACCO Societies undertaking the specified non-deposit taking (BOSA) business are required to comply with the same.

CONSEQUENTLY, all SACCOs undertaking the specified non-deposit-taking Sacco (BOSA) business as prescribed in the Regulations 2020 are hereby required to secure compliance with the Act and the Regulations 2020 **by making appropriate application to the Authority for authorization in accordance with the Regulations 2020 within six (6) months of the commencement of the Regulations 2020, i.e. on or before 30th June 2021.**

NOTE: A detailed GUIDANCE NOTE on the procedures for making an application for authorization may be obtained from the Authority's website www.sasra.go.ke, or upon request in writing to the Authority vide email policy@sasra.go.ke.

NOTICE IS FURTHER given that upon the expiry of the transition period on **30th June 2021** -

- No SACCO Society in Kenya shall be allowed to undertake or to continue undertaking the specified non-deposit taking business, **UNLESS** the SACCO Society shall have fully complied with the Act and the Regulations 2020;
- The period for submission of applications for authorization **SHALL NOT BE EXTENDED** whatsoever as it is prescribed in the Regulations 2020;
- It shall be an **offense punishable by criminal prosecution** of any person or entity or SACCO Society that undertakes or causes an entity or SACCO Society to undertake a specified non-deposit taking business or transaction without valid authorization from the Authority; and
- Any person, including members of the public and public entities who undertakes such specified non-deposit-taking business transactions or other businesses with an unauthorized person, entity or SACCO Society, **shall be doing so at his/her risk and peril; as such transactions shall be illegal and unenforceable.**

Dated at Nairobi this 6th day of May, 2021

PETER NJUGUNA
AG, CHIEF EXECUTIVE OFFICER

**APPLY &
COMPLY**