



**KUSCCO LTD.**  
Kenya Union of Savings & Credit Co-operatives Ltd.

-The SACCO Family Union-

## Press Release

Tuesday, 23rd February 2021

### For Immediate Release

#### **SACCOS ASK PUBLIC AND PRIVATE ENTITIES TO EXPEDITE RELEASE OF FUNDS**

Leaders consisting of SACCO board, supervisory committee and Chief Executive Officers assembled today for the 6th Annual SACCO Leaders' Convention at Pride Inn Paradise Hotel in Mombasa. The leaders held deliberations revolving around the theme; "SACCOS beyond COVID 19: Accelerating towards Recovery." The event was attended by more than 600 SACCO Leaders and graced by Hon. Peter Njeru Ndwiga, E.G.H., Senator for Embu County, Chairman for Agriculture, Livestock and Fisheries Committee of the Senate.

The leaders deliberated on strategies to solve governance and liquidity issues caused by loan restructuring, postponement of the annual general/delegate meetings among other survival measures adopted by SACCOS, to keep afloat during the COVID-19 pandemic. Speaking during the Convention, George Magutu, National Chairman, KUSCCO Group encouraged the leaders to shift in their business strategy in order to focus more on non-funded income through commissions and other fees by leveraging on digital platforms. "Let us also improve on our mobile banking services and educate old members on existing mobile and internet services," he said. Mr. Magutu however urged leaders to be cautious and insure against cyber-security, since COVID-19 exposed the weaknesses of technology. "We also need to be cautious on the requirements of the Data Protection Act, 2020 to avoid penalties," he said.

Also present was George Ototo, Group Managing Director, KUSCCO who noted that SACCOS were resilient despite the pandemic. He noted that the SACCO Regulator reported an increase in assets to Sh597 billion compared with Sh525 billion in the corresponding period of 2019. He however stated that the issue of non-remittance was particularly frustrating during COVID-19, when funds are needed to cushion members. "We would like Universities, County Governments, Water companies and fresh produce entities compelled to release statutory deductions owed to SACCOS totaling to Sh3.8 billion. Further, County Governments should pay legacy non-remittances inherited from the defunct County, Municipal and Town Councils. The funds ought to be remitted to enable SACCOS create employment, pay taxes and contribute to the nation's economy, besides management of liquidity ratios as prescribed by the Regulator," he emphasized.

Mr. Ototo also reported that the Union held a meeting with SACCO leaders to discuss and receive input on the Co-operative Societies (Amendments) Bill 2020. The information was compiled and sent to the Senate as the SACCO sector's views. Among the contentious issues is the maximum three terms for directors of three years each, which the sector felt is discriminatory.