INTERNAL MEMORANDUM

To: All KCS SACCO Members
From: The Chief Executive Officer
Date: 15th July 2026

Subject: Understanding the Sacco Societies (Amendment) Bill, 2025

Dear Valued KCS Member,

Over the past few weeks, many of you may have come across various messages and discussions regarding the proposed **Sacco Societies (Amendment) Bill, 2025**. We appreciate that some of this information has caused concern among members, particularly claims suggesting that the Government intends to take over SACCOs or access members' savings.

We wish to assure all our members that **these claims are false and do not reflect the proposals contained in the Bill**.

Unfortunately, there has been a great deal of misinformation circulating on social media and other platforms. Some individuals and institutions have misinterpreted the proposed reforms, leading to unnecessary fear and uncertainty among SACCO members. It is also possible that some of these messages are being driven by competitors and other interested parties who may not wish to see the SACCO movement continue growing stronger.

At KCS SACCO, we have carefully reviewed the proposed amendments and are convinced that this Bill represents one of the most significant and progressive reforms ever proposed for Kenya's SACCO sector. Its objective is to modernize SACCOs, strengthen member protection, improve service delivery, and position SACCOs to compete more effectively alongside other financial service providers while preserving the cooperative model that has served members so well for generations.

The Five Major Reforms Proposed by the Bill

1. Stronger Financial Stability Through a Central Liquidity Facility

The Bill proposes the establishment of a Central Liquidity Facility (CLF), which will enable participating SACCOs to support one another with short-term liquidity whenever the need arises.

This means that when a SACCO experiences a temporary shortage of funds, it will be able to access liquidity quickly and seamlessly instead of struggling to raise cash. Likewise, SACCOs with surplus funds will be able to lend those funds through the facility, ensuring that excess money does not remain idle but continues to earn returns while supporting other SACCOs.

2. Faster and More Convenient Digital Payment Services

The Bill proposes shared national payment services that will allow SACCOs to integrate more effectively into Kenya's payment ecosystem.

This will make it easier for SACCOs to offer faster electronic payments, seamless transfers, improved digital banking services, and greater convenience for members.

3. Greater Protection of Members' Savings

The Bill proposes the establishment of a Deposit Guarantee Fund for regulated SACCOs.

This fund is intended to provide an additional layer of protection for members' deposits, strengthening confidence in the SACCO sector and providing greater assurance that members' savings remain protected.

4. Stronger SACCOs Through Collaboration

The Bill provides a legal framework for the establishment of Secondary SACCO Societies, enabling SACCOs to work together by sharing technology, operational services, training, liquidity support, and other common resources.

By collaborating instead of working in isolation, SACCOs will reduce costs, improve efficiency, and deliver better services to members.

5. Better Governance and Stronger Oversight

The Bill strengthens governance standards within SACCOs while enhancing the supervisory role of the Sacco Societies Regulatory Authority (SASRA).

These reforms are intended to promote accountability, improve risk management, strengthen compliance, and identify emerging challenges early, ensuring that SACCOs continue to operate safely and sustainably.

Strong regulation should be viewed as a safeguard that protects members and builds confidence in the cooperative financial sector.

Our Message to Members

The SACCO movement in Kenya remains one of the strongest pillars of financial inclusion and economic empowerment. Every day, millions of Kenyans continue to save, borrow, invest, and transform their lives through SACCOs.

The Sacco Societies (Amendment) Bill, 2025 is intended to build an even stronger future for the sector by promoting collaboration among SACCOs, enhancing the protection of members' savings, embracing modern financial infrastructure, and strengthening governance.

We therefore encourage all KCS SACCO members to remain calm and confident. Do not be misled by rumors, misinformation, or sensational messages circulating on social media and other platforms. Whenever you require clarification, please seek information directly from KCS SACCO or other official sources.

As the Management, we are continuously monitoring the progress of the Bill and engaging with the relevant stakeholders to ensure that the interests of our members remain protected. Should the Bill become law, we shall continue to keep you informed and guide you through any changes that may affect our operations.

KCS SACCO remains financially strong, well governed, and fully committed to safeguarding your savings while providing innovative financial solutions that improve the financial well-being of our members.

Thank you for your continued trust, confidence, and unwavering support.

Together, we are building a stronger, safer, and more prosperous cooperative movement.

Yours faithfully,

Gitonga Kigo
Chief Executive Officer
KCS SACCO