

# **THE 35TH ICPAK ANNUAL SEMINAR 2019 SAROVA WHITESANDS, MOMBASA**



## **THE ROLE OF PROFESSIONAL ACCOUNTANTS IN UNCLAIMED FINANCIAL ASSETS**

**Presented by: CPA Henry Taabu**

**May 22, 2019**



Honourable  
Delegates,  
Distinguished  
Ladies and  
Gentlemen...

Hamjambo!





# PRESENTATION OUTLINE

## TODAY'S TOPICS

- Background and context of UFAA
- Where we are now
- The role of Accountants in supporting UFAA
- Looking forward
- Comments, Questions and Answers

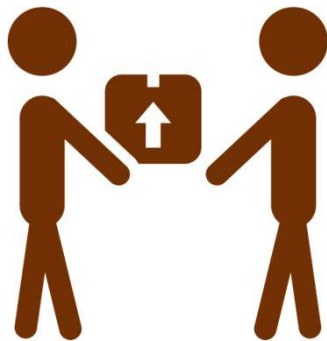




# BACKGROUND & CONTEXT

## THE UNCLAIMED FINANCIAL ASSETS AUTHORITY (UFAA)

- Created following the enactment of the Unclaimed Financial Assets Act no. 40 of 2011 with a mandate to:



**RECEIVE**



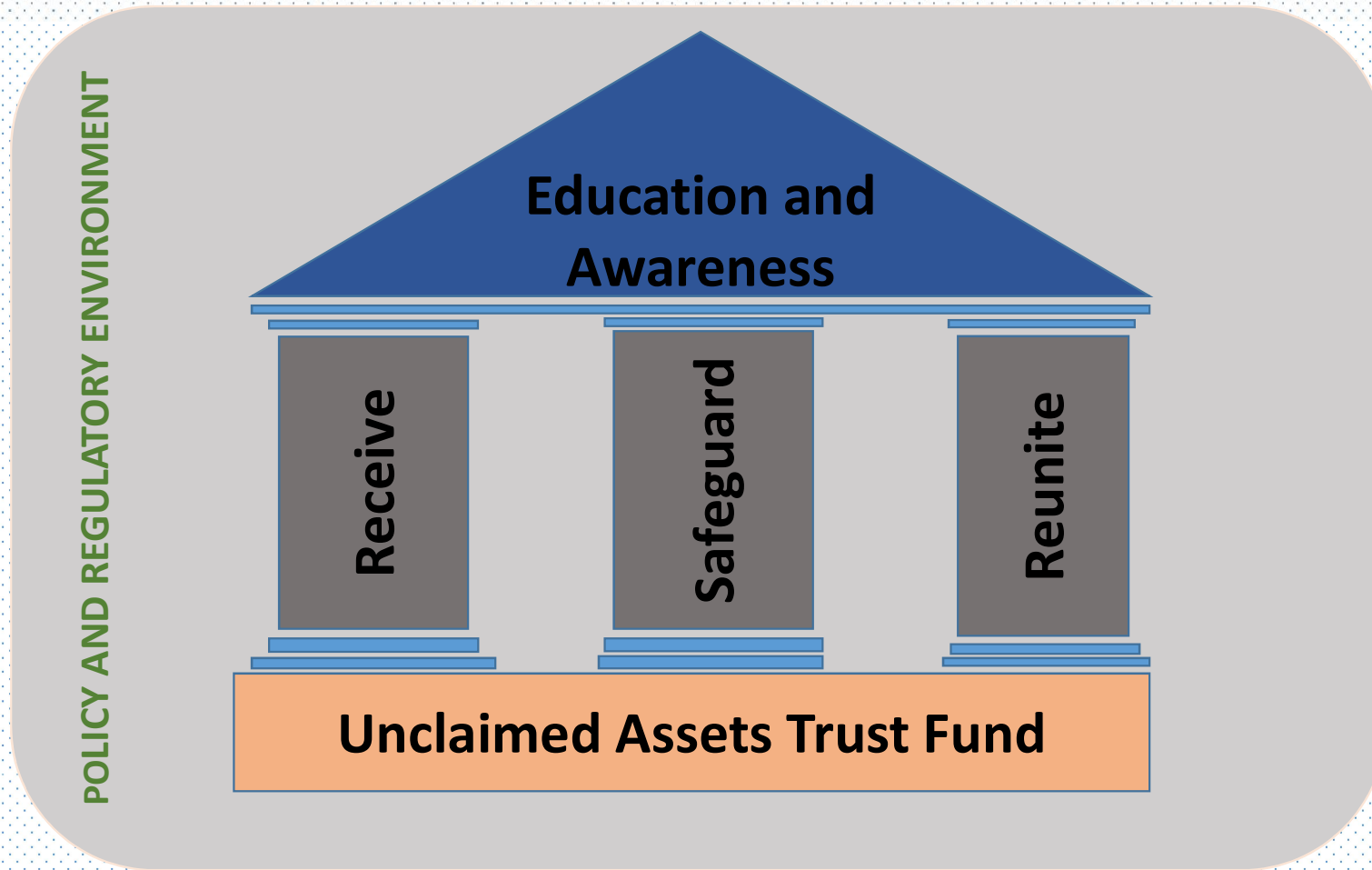
**SAFEGUARD**



**REUNITE**



## UFAA Building Blocks

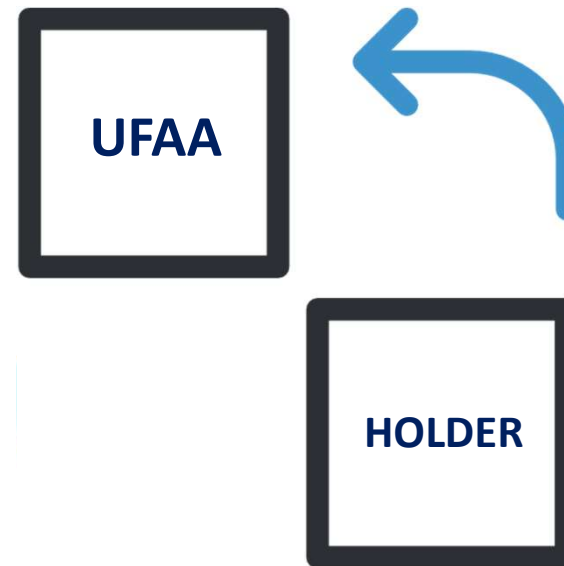




## UNCLAIMED ASSETS MEANS ASSETS THAT:



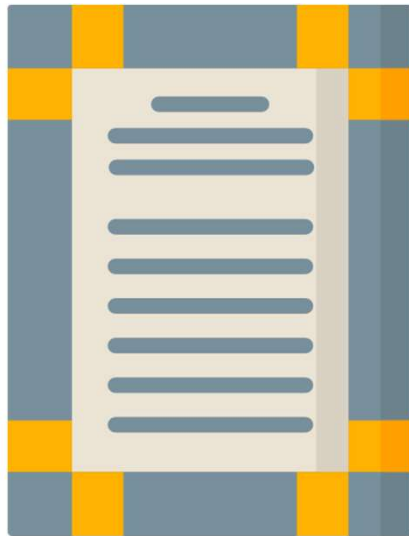
a) Have become unclaimed under the provisions of the Act



b) Have been transferred to the authority.



## UNCLAIMED ASSETS MEANS ASSETS THAT:

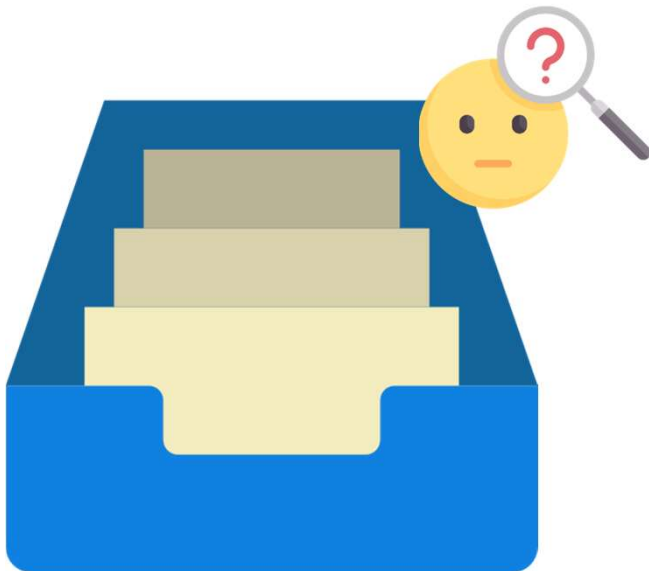


c) Have been deemed under any law to be unclaimed assets and payable to the Authority.





# WHAT ARE THE REQUIREMENTS FOR UNCLAIMED FINANCIAL ASSETS?

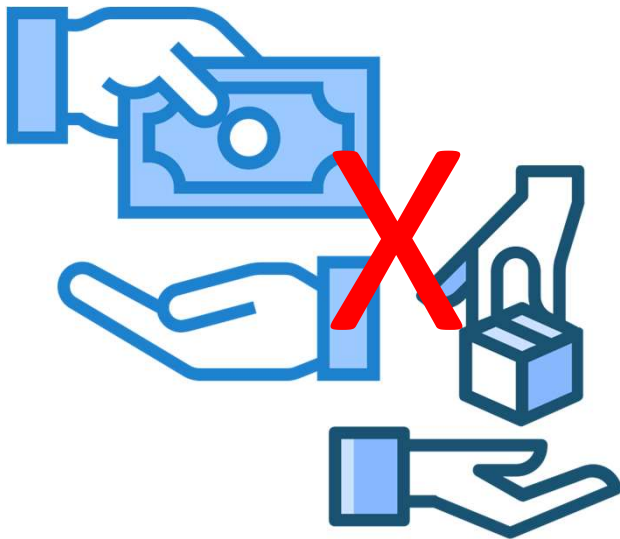


Records of the holder do not reflect the identity of the person entitled to the assets.





# WHAT ARE THE REQUIREMENTS FOR UNCLAIMED FINANCIAL ASSETS?



The holder has not previously paid or delivered the assets to the apparent owner.



# WHAT ARE THE REQUIREMENTS FOR UNCLAIMED FINANCIAL ASSETS?



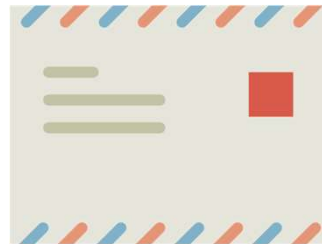
The last known address as shown on the records of the holder of the apparent owner is in a country that does not provide by law for custodial taking of the assets and the holder is domiciled in Kenya



## Some of the reasons leading to unclaimed financial assets include:



Unforeseen and  
unfortunate  
circumstances of  
death



Changes of  
addresses



Human frailties  
of forgetfulness



## Possible Unclaimed financial assets include:



Cash in a bank



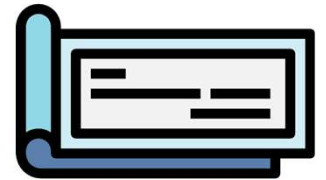
Shares



Cheques



Insurance  
policies



Money orders



## Possible Unclaimed financial assets include:



Court refund



Unpaid wages



Safe deposit  
boxes



Deposits for utility  
services



## Possible Unclaimed financial assets include:



Assets held in a  
fiduciary capacity



Contributions to  
retirement  
benefit schemes



Drafts or similar  
instruments



# Summary of the categories of UFA

## Assets vs period of abandonment

Asset	Period
Ownership interest (Shares and Dividends)	3 Years
Travellers cheques / money holders	2 Years
Cheques, draft or similar instruments	2 Years
Demand, Savings or matured time deposit	5 Years
Life or endowment Insurance Policy or Annuity contract	2 Years
Deposit for utility services	2 Years
Determination or Order by Court of refund by holder	2 Years
Assets from dissolved business entity	2 Years
Assets held in fiduciary capacity	2 Years
Gift certificates or credit memos	5 Years
Unpaid wages	1 Year
Determination or Order by Court of refund by holder	2 Years
Assets from dissolved business entity	2 Years
Assets held in fiduciary capacity	2 Years
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Unpaid wages	1 Year
Assets held in safe deposit box	2 Years
Assets held by court or Government department	1 Year

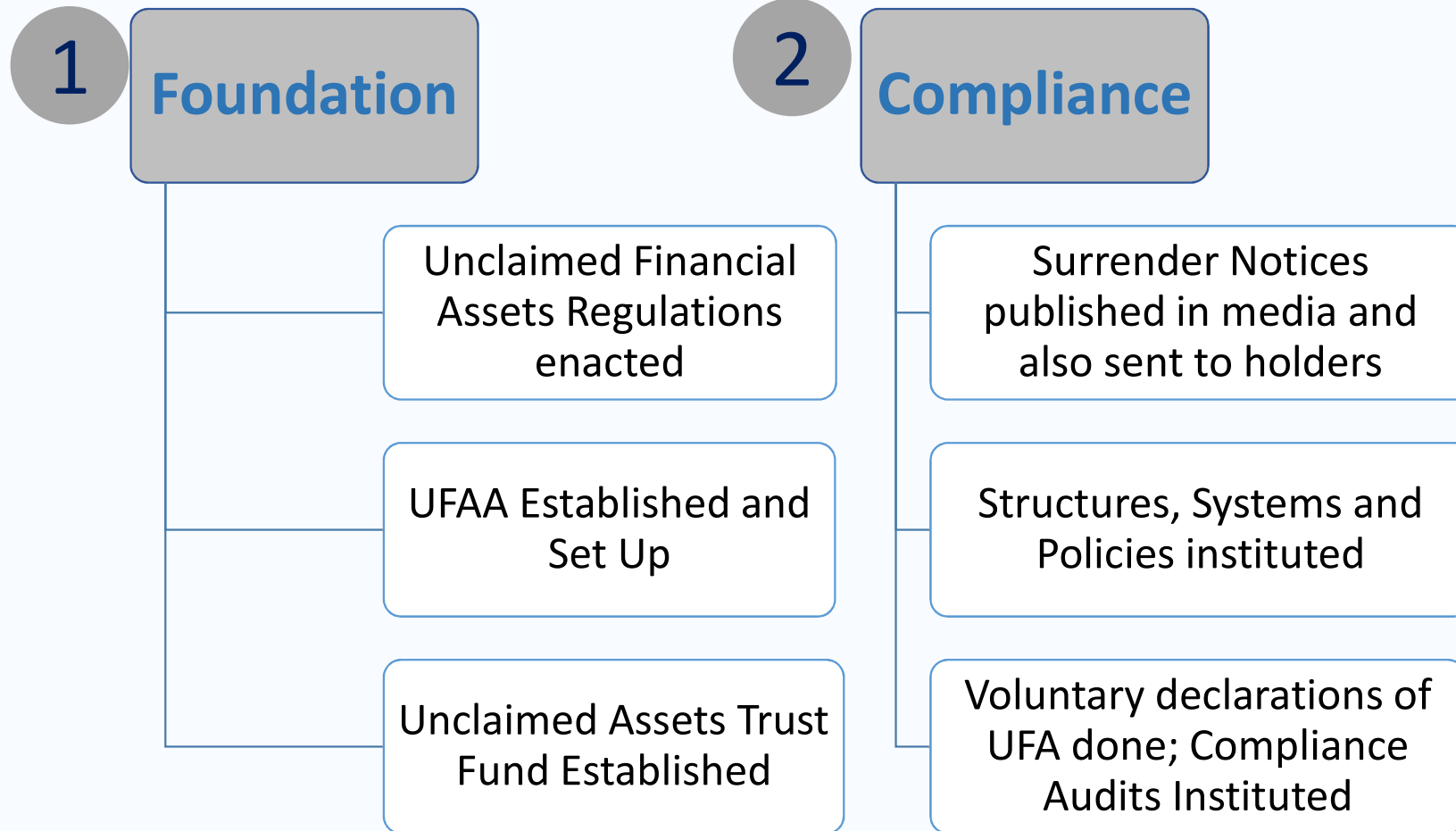
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# WHERE WE ARE NOW





# WHERE WE ARE NOW

3

## Awareness

Individual and Public  
Notices and  
advertisements

Shows and Exhibitions

Activation Campaigns,  
Public Awareness  
Campaigns

4

## Reunification

Approximately 7,000 claims  
lodged

Claims Amount to  
approximately Kshs 421  
Million in cash

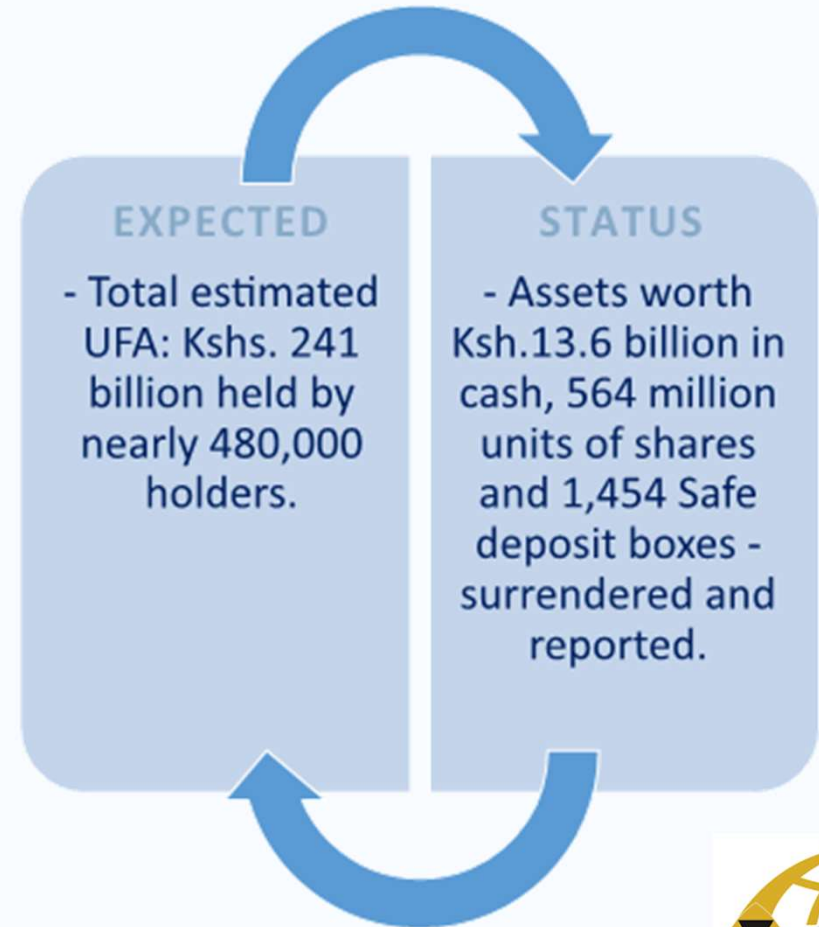
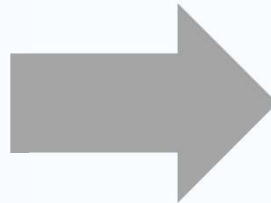
Claims for shares amount  
to approximately 1.3  
Million Units of shares



# WHERE WE ARE NOW

5

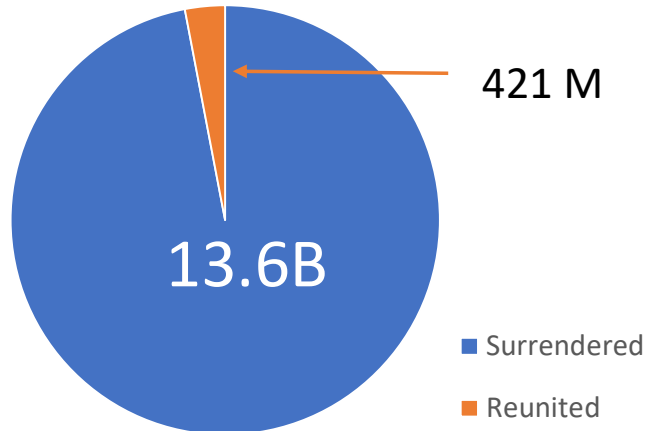
NUMBERS



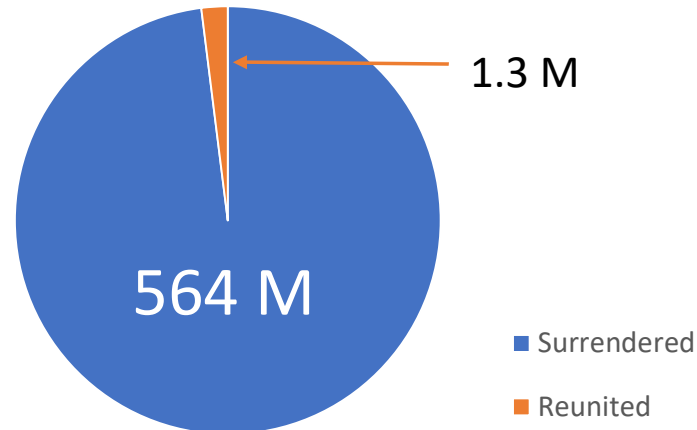


## Surrendered vs. Reunified UFA

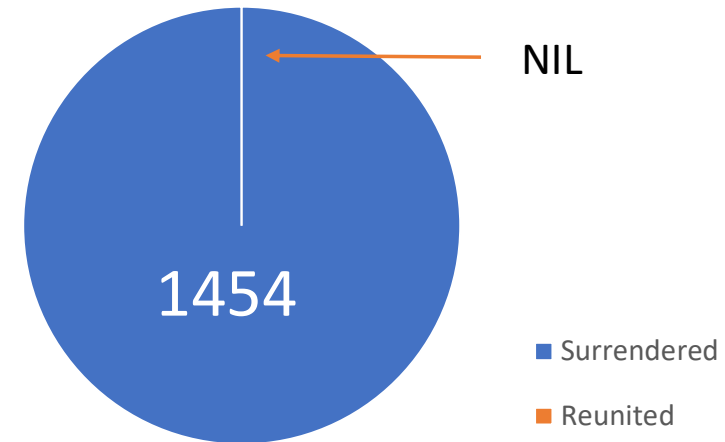
Cash



Shares



Safe deposit boxes





# THE ROLE OF PROFESSIONAL ACCOUNTANTS

1

## UNDERSTAND

The requirements of reporting and surrender as per the Act and facilitate holders to comply.

2

## INITIATIVE

Taken by holding institutions to locate the owners of the assets identified.



# THE ROLE OF PROFESSIONAL ACCOUNTANTS

3

## PARTNERSHIP WITH ICPAK

Yielding obligatory disclosure in the financial statements of all unclaimed financial assets.

4

## COLLABORATION

Better mechanisms to enhance compliance, reunification; and effective measures to safeguard the assets.



# LOOKING FORWARD

Our parent Ministry, the National Treasury, is;

- ❑ In the process of developing a comprehensive national policy on unclaimed financial assets.
- ❑ The policy seeks to:
  - ✓ Address existing gaps and challenges in the UFA regime;
  - ✓ Create an enabling environment for robust UFA management.







## FINAL THOUGHTS

We seek your partnership in taking collective responsibility to deepen the unclaimed financial asset regime in your sphere of influence.





## FINAL THOUGHTS

By partnering with UFAA, we are investing in the future of our great nation of Kenya!



# THANK YOU!



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# COMMENTS SESSION