



April 5, 2024

The Unclaimed Financial Assets Authority's position on the alleged misappropriation of unclaimed financial assets under its custody

The Unclaimed Financial Assets Authority (UFAA) wishes to refute allegations of misappropriation of funds under its custody appearing in a local daily and in a blog.

The Authority has conducted itself, its Board and its staff, with honesty and true to the calling of public duty. The Authority has jealously guarded all assets under its custody as entrusted to it and provided for by the Unclaimed Financial Assets Act, 2011, and other relevant legislations.

To date, the Authority has received unclaimed financial assets in cash worth Kshs.31.8 billion. All the cash received is deposited at the Central Bank of Kenya Unclaimed Assets Trust Fund Account and invested in Treasury Bills and Treasury Bonds as per the approved investment policy. Other non-cash assets reported as unclaimed assets by holders comprise 1.7 billion units of shares and 3608 safe deposit boxes. All qualifying and reported non-cash assets are being held by holders by order of the Authority as mechanisms are being put in place to onboard them in the Authority's custody.

To ensure accountability of the Fund, the Authority has always conducted both internal and external audits on the Trust Fund and the Authority's operations over the last nine years. None of these audits have raised any irregularities in the conduct and management of unclaimed financial assets in the custody of the Authority.

To ensure completeness and correctness of holders' reporting and surrender, and as provided for under Section 31 of the Unclaimed Financial Assets Act, 2011, the Authority has conducted compliance audits on holding institutions. In the last five years, compliance audits have been conducted on 134 institutions using external auditors procured through national open tender in line with the Public Procurement and Asset Disposal Act, 2015.

Cumulatively, compliance audits have identified unclaimed financial assets worth about Ksh.12 billion. The make-up of the identified unclaimed financial assets with public and private sector institutions was

Kshs. 4.5 billion and Ksh. 7.55 billion respectively. Consequently, a total of Kshs.1.5 billion have been remitted to the Authority while enforcement mechanisms have been instituted to recover all the qualifying assets.

On reunification, the Authority has put deliberate efforts to pay unclaimed financial assets to their rightful owners. To date, the Authority has paid out Kshs. 2.1 billion and reunited 50 million units of shares to the rightful owners. Additionally, an approximate Ksh. 1.1 billion have been reported as reunification at source by various holders.

To stimulate expeditious reunification, the Authority is implementing these measures, including:

- Maintaining a searchable database that allows every Kenyan to search their reported unclaimed financial assets and start the claiming process online or otherwise.
- Use of USSD code *361# to facilitate every Kenyan to search their reported unclaimed financial assets
- Continuously conducted various awareness campaigns through Media and other forums to sensitize members of the public on UFAA's mandate.
- Published various public notices to owners of reported unclaimed financial assets in the Newspapers for the owners to lodge claims.
- Held several reunification clinics in various parts across the country to sensitize the general public on UFAA's mandate with an emphasis on reunification.
- Established various partnerships with various stakeholders in both public and private sectors to deepen the UFAA mandate.
- Proposed legal amendments to UFAA legal frameworks to enhance both compliance and reunification.
- Prompt payments of fully supported claims through various payment channels.

The Authority has periodically updated the public on the status of its operations, plans, and projections as it aims to deepen the unclaimed financial assets regime in the country.

While it is everyone's right to petition Parliament or publish articles in the media on any matter relating to the conduct of public office and its officers, we read malice in the unfounded allegations that only serve to disparage the reputation of the Authority and its leadership.

We reassure the general public that no single cent has been stolen or misappropriated as alleged in sections of print and social media.

We encourage members of the public to search for and claim their reported unclaimed financial assets.

The Board and Management are committed to shepherding the Authority in building robust partnerships in delivering its mission to 'Receive, Safeguard, and Re-Unite unclaimed Unclaimed Financial Assets for Socio-economic Prosperity'.

By order of the Chairman and Board of Directors