

L A I D O N 7 / 1 / 2 0 1 5



THE REPUBLIC OF UGANDA

**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

(Made under Section 76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the **TIER 4 MICROFINANCE INSTITUTIONS BILL 2015** has been examined as required under Section 76 of the Public Finance Management Act 2015.

I wish to report as follows:

a) Background

The Policy behind this Bill is to provide for the establishment of a legal framework for the effective and efficient licensing and regulation of Tier 4 Financial Institutions currently not regulated by the Bank of Uganda.

b) That the Bill has the following Objective

The Object of this Bill is to make provisions for the licensing, regulation and development of Tier 4 Microfinance Institutions including money lenders as well as to establish the Uganda Microfinance Regulatory Authority as a statutory body for that purpose and for related matters.

c) The Expected Outputs from implementing the Bill

The enactment of this Bill is expected to build the confidence of the public and investors in Uganda's microfinance industry thereby facilitating its growth and increased investment in the industry. The Bill will also increase safety for member depositors' funds to promote the stability of Uganda's financial sector.

d) Funding and budgetary implications

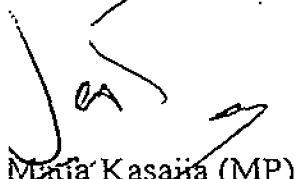
Implementation of the provisions of the Bill, if passed by Parliament, shall include among others the establishment of the Uganda Microfinance Regulatory Authority. This requires additional funding estimated at UShs. 10,034,000,000/= (Shillings: Ten Billion, Thirty Four Million Only) for wages and operational expenses of the Authority. These resources will be provided over the medium term through Ministry of Finance, Planning and Economic Development.

e) Expected savings and/or revenue to Government

Revenues are expected to increase through both direct and indirect channels. Government will realize revenue directly through the collection of license fees and fines resulting from implementation of the Bill.

On the other hand, the increased investment in the microfinance industry due to consumer and investor confidence will result into increased job creation and increased household incomes. These impacts will indirectly raise revenue.

Submitted to Parliament under my hand this 14th day of August 2015


Maria Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by

Date