Sacco Hisa Market Official Framework: Standardized Unitization & Par Value System

Introduction

Sacco Hisa Market introduces an innovative, standardized framework for trading Sacco share capital on a secondary market platform. This document outlines the **Universal Par Value System**, designed to eliminate confusion, ensure fairness, and bring transparency to the valuation and trading of cooperative shares.

Foundational Principle: Clear Separation of Roles & Scope

1. The participating **Sacco maintains the definitive legal share register and is solely responsible for all final member register reconciliation and financial obligations.**

2. **Sacco Hisa Market provides a secure, permissioned, and synchronized trading ledger** that facilitates secondary market transactions in standardized share units **between members**.

3. **Critical Limitations:**

   o The SHM platform **does not facilitate, hold, or settle any withdrawable deposits (e.g., BOSA/FOSA funds).** Responsibility for all deposit-related transactions remains exclusively with the participating Sacco.

   o It is a mandatory condition for listing that **any prior deposit withdrawals or other encumbrances against the member's share capital have been fully resolved with the Sacco** before units are loaded onto the platform. A **verified SHM Upload Form**, confirming this status, must accompany all listing requests.

1.0 Core Principle: Unitization at a Universal Par Value

To solve the prevalent issue of inconsistent share pricing and member confusion, Sacco Hisa Market mandates that all share capital from all participating Saccos be represented as standardized units for trading on the platform.

- **Universal Fixed Par Value: Ksh 100.**

- **This par value is the cornerstone for all final capital settlements processed by the member's Sacco.**

2.0 The Conversion Process: From Share Capital to Tradeable Units

2.1 Initial Loading onto the Platform

When a member's share capital is **verified, cleared of any encumbrances, and authorized for trading by their Sacco** on the Sacco Hisa Market platform, it is represented as units using a simple formula:

Number of Units = Total Share Capital Value / 100

Example:
A member's Sacco statement shows a share capital balance of **Ksh 250,000**. For trading on the Sacco Hisa Market, this is represented as: **250,000 / 100 = 2,500 Units**.

"Revolutionizing SACCO share trading with open bidding, real-time pricing, and secure transactions"

This **unit balance** is displayed as the member's tradable holding on the platform.

3.0 The Two-Tier Pricing System

Tier 1: Market Price (On Sacco Hisa Market Platform)

- **Definition:** The price at which units are bought and sold **between members** on the secondary market.

- **Determinants:** Governed by supply and demand, reflecting the market's perception of a Sacco's performance, dividend history, and future prospects.

- **Key Feature: This price fluctuates.**

  o It can trade at a **PREMIUM** (above Ksh 100, e.g., Ksh 120).

  o It can trade at a **DISCOUNT** (below Ksh 100, e.g., Ksh 85).

Tier 2: Redemption Par Value (Sacco Settlement Value)

- **Definition:** The **guaranteed, fixed value** at which the member's **Sacco will process a capital withdrawal request**. This is the value paid from the Sacco's books to the member upon exit.

- **Fixed Value: Always Ksh 100 per unit.**

- **Crucial Rule:** The value for **final settlement with the Sacco** is calculated using the Par Value, **NOT** the platform's Market Price. Sacco Hisa Market facilitates price discovery and trading between members; it does not determine the Sacco's redemption value.

4.0 Operational Scenarios & Examples

The following scenarios illustrate the economic principles of the two-tier system. All transactions are subject to the rules, bylaws, and processing timelines of the individual Sacco.

Scenario 1: Selling Units on the Secondary Market

- **Member A** holds **1,000 Units** (represented by Ksh 100,000 capital).

- The market price for "Sacco X" units is **Ksh 115**.

- Member A sells all 1,000 units on Sacco Hisa Market.

- **Result:** Member A receives **Ksh 115,000** from the buyer (Member B). Member B now owns the 1,000 units. This transaction realizes a **KSh 15,000 premium** on the platform.

Scenario 2: Withdrawing Share Capital from Sacco Hisa Market

- **Member C** holds **600 Units** (represented by Ksh 60,000 capital). The current market price is **Ksh 130**.

- Member C chooses to exit the secondary marketplace and files a formal withdrawal request **directly with the Sacco**.

- **Sacco Settlement:** 600 Units x Ksh 100 (Par Value) = Ksh 60,000.

"Revolutionizing SACCO share trading with open bidding, real-time pricing, and secure transactions"

- **Important:** Member C receives **Ksh 60,000** from their Sacco Hisa Market account, not Ksh 78,000. The market premium is only accessible by selling to another investor *on the platform*.

Scenario 3: Strategic Investment & Withdrawal

- **Member D** buys **400 Units** on Sacco Hisa Market at **Ksh 75** (a discount), investing Ksh 30,000.

- Later, Member D submits a capital withdrawal request from Sacco Hisa Market to the Sacco.

- **Sacco Settlement:** 400 Units x Ksh 100 = Ksh 40,000.

- **Result:** Member D gains **Ksh 10,000** by purchasing at a discount on the platform and settling at par with the Sacco.

5.0 Benefits of the Standardized System

Benefit	Explanation
Eliminates Member Confusion	Clear "unit" system prevents loading errors. Members see a single, comparable metric across all Saccos.
Ensures Sacco Financial Stability	Saccos' liability is fixed at the known par value (Ksh 100/unit), protecting their liquidity and long-term planning.
Guarantees Withdrawal Fairness	Every member receives the same base value per unit from the Sacco, ensuring equitable treatment.
Creates a Transparent Market	The platform price acts as a pure performance indicator, allowing easy comparison between Saccos.
Unlocks Investment Opportunity	Allows members to realize premiums by selling to willing buyers or seeking value by buying units at a discount.
Defines Clear Roles & Limits	Protects all parties by clearly separating Sacco's custodial duties from SHM's trading function and explicitly excluding deposit handling.

"*Revolutionizing SACCO share trading with open bidding, real-time pricing, and secure transactions*"

Phone: +254 746 413447
Address: 51674-00100 Nairobi
Web: https://www.saccohisa.com
Email: info@saccohisa.com

SaccoHisa
Buy & Sell Sacco Shares

6.0 Member Responsibilities & The Indemnity Process

To facilitate efficient trading, members must complete a **Letter of Indemnity** when listing shares. This legally binding document confirms:

1. You are the legal and beneficial owner of the units.

2. The units are free from any claims or encumbrances (including settled deposit liabilities).

3. You accept full responsibility for the accuracy of the information provided.

4. You indemnify **Sacco Hisa Market (the platform), its agents, and the member's Sacco (as the share registrar)** against losses arising from false or fraudulent declarations.

Required for Listing: A **completed and Sacco-verified SHM Upload Form**, a completed Indemnity Form, a Copy of National ID, and Sacco Membership Proof.

7.0 Important Clarifications

- **Dividend Payments:** Declared and paid by the Sacco based on **official share capital (Units x Ksh 100 Par Value)**, not the platform's market price.

- **Sacco Bylaws Prevail:** Standard Sacco withdrawal notice periods (e.g., 60-90 days) and other bylaws remain in full effect. The platform provides a market to *avoid* this wait by finding a buyer, but a direct withdrawal from the Sacco follows Sacco rules.

- **Scope of Service Reiteration:** Sacco Hisa Market's responsibility is strictly limited to providing a platform for the trading of standardized share units. **The platform does not handle, process, or settle any withdrawable deposit products.** The Sacco bears sole responsibility for the integrity of its members' financial status before listing.

- **Official Record:** As stated in our foundational principle, the **participating Sacco maintains the definitive share register.** Sacco Hisa Market provides a secure, synchronized, and unitized **trading ledger**.

Conclusion: The Sacco Hisa Market Universal Par Value System modernizes Sacco share ownership by introducing clarity, liquidity, and market-driven insights while firmly anchoring the process to the cooperative's fundamental financial principles and maintaining a clear, legally sound separation of roles.

For more information or to register your Sacco, contact:

Contact Person: Charles Mugo
Email address: ckirii@saccohisa.co.ke
Mobile contact: +254746413447

Document Version: 2.1
Effective Date: February 6, 2026
Published by: Sacco Hisa Market

"*Revolutionizing SACCO share trading with open bidding, real-time pricing, and secure transactions*"