Capital Markets Authority
Protecting Your Investments

REGULATORY NOTICE	No. 4/2026

GUIDANCE ON PREPARATION OF WORKING CAPITAL RETURNS SUBMITTED TO THE AUTHORITY UNDER REGUATION 6(1) CAPITAL MARKETS (ACCOUNTING AND FINANCE REQUIREMENTS) REGULATIONS, 2022 BY APPROVED PERSONS

Date:
2nd July, 2026

Type of Notice:
Notice issued under CMA Act Cap 64. Section 291 (c), (e)&(f)

Routing:
All Approved Persons
All Licensed & Approved

Topic(s):
Computation of Working Capital for Regulatory Reporting for Approved Persons

Regulation 3(2)(b) of the Capital Markets (Accounting and Finance Requirements) Regulations, 2022 requires that accounting records be prepared in accordance with accounting standards as determined by the Institute of Certified Public Accountants of Uganda (ICPAU);

Regulation 4(2) of the Capital Markets (Accounting and Finance Requirements) Regulations, 2022 requires that an approved person shall maintain adequate working capital sufficient to meet the operating costs of the business for a period of not less than three months; and

Regulation 6 (1) of the Capital Markets (Accounting and Finance Requirements) Regulations, 2022 requires Approved persons to submit management accounts on quarterly basis to the Authority by the fifteenth day of the month following the quarter.

The Authority provides the following guidance for the preparation of the computation of working capital and the preparation of aforesaid periodic financial returns:

1. Working capital shall continue to be computed as the difference between current assets and current liabilities. In line with Regulation 3(2)(b) of the Capital Markets (Accounting and Finance Requirements) Regulations, 2022, the definition and classification of current assets and current liabilities shall follow International Accounting Standard 1: *Presentation of Financial Statements (IAS 1)*, paragraphs 66 to 72, as issued by the International Accounting Standards Board (IASB).

2. Guidance on the treatment of specific categories of current assets and current liabilities is provided in **Annex 1.** The examples set out therein are illustrative and are intended to guide firms in assessing whether particular balances are an accurate representation of short term liquidity in relation to working capital.

3. Accordingly, the assets and liabilities included under the working capital computation must be a true and accurate representation of the liquidity, recoverability and settlement profile of the said assets and liabilities (respectively) within the prescribed timeframe.

4. To facilitate the above reporting, in addition to the quarterly management accounts and reports, approved persons are directed to submit, together with the said return, a classification of all their current assets and current liabilities into appropriate maturity bands based on their expected realization or settlement dates. The prescribed maturity band analysis template for use has been set out in **Annex 2.**

5. This use of the new reporting template will apply to the reporting period starting 1st July 2026. Accordingly, ALL working capital returns submitted with respect to reporting period for the quarter ending **September 2026** must comply with format provided in this Notice.

Josephine Okui Ossiya

Chief Executive Officer

Annex 1: Illustrative Treatment of Current Asset and Current Liability Items in Working Capital Calculation

Current Assets to be Excluded from Working Capital Computation

These are examples of current assets may not qualify for inclusion in working capital, where they are not expected to be realized or recoverable within twelve months:

- Long outstanding receivables that are disputed, impaired, or deemed difficult to collect
- Related party receivables without defined repayment terms or clear recovery timelines
- Staff advances or loans to the extent that any portion is not expected to be recovered within twelve months or those that have remained unsettled for extended periods
- Prepayments relating to services or contracts extending beyond twelve months
- Illiquid or thinly traded investments that cannot readily be converted into cash
- Receivables subject to restructuring or repayment arrangements extending beyond twelve months

Current Liabilities to be Excluded from Working Capital Computation

These are examples of current liabilities that may be excluded from working capital calculations where settlement is not expected within twelve months:

- Short term borrowings that have been formally restructured, refinanced, or rolled over beyond twelve months prior to approval of the financial statements
- Related party liabilities where repayment has been contractually deferred beyond twelve months or where no defined settlement timeline exists
- Payables subject to negotiated long term settlement arrangements extending beyond twelve months
- Accrued obligations that are not expected to crystallize or require settlement within twelve months
- Lease liabilities, to the extent that the portion relates to payments falling due beyond twelve months, in line with IFRS 16 measurement and disclosure requirements. For clarity, only the portion of lease liabilities falling due within twelve months shall be included in current liabilities for working capital purposes. The remaining portion shall be treated in accordance with its contractual maturity profile and excluded from the short-term liquidity assessment.

Notional Expenses to be Excluded from Excess Working Capital Computation

These are examples of expenses that may be excluded from the computation of operating expenses for purposes of determining excess working capital, where such expenses do not result in an actual or expected cash outflow within twelve months:

- Depreciation of property, plant and equipment and right-of-use assets
- Amortization of intangible assets, including software, licenses, goodwill, and other intangible assets, where no corresponding cash outflow arises in the reporting period
- Impairment losses recognized on financial or non-financial assets, including expected credit loss provisions, investment impairments, and asset write-downs, etc.
- Unrealized foreign exchange losses arising from the revaluation of monetary assets and liabilities that have not been settled as at the reporting date
- Fair value losses on investments and other financial instruments that have not been realized.

- Provisions, accruals, and accounting estimates recognized in accordance with applicable accounting standards, where settlement is not expected within twelve months or where the expense does not represent a committed cash outflow
- Share-based payment expenses and other non-cash employee compensation charges recognized for accounting purposes without a corresponding cash payment
- Any other non-cash accounting charges that do not affect the licensee's short-term liquidity position or ability to meet its financial obligations as they fall due

For the avoidance of doubt, expenses that result in actual or expected cash outflows in the ordinary course of business shall not be excluded from the computation of operating expenses.

Annex 2: Maturity Band Analysis Template for Quarterly Financial Reporting.

Maturity Band Analysis Template

(To be submitted together with Quarterly Management Reports)

Name of Licensed Entity: ______________________

Reporting Period Ended: ______________________

Date Submitted: ______________________

A. Current Assets Maturity Profile						
Category	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Beyond 365 Days	Total (UGX)
Example 1.Cash and Cash Equivalents						
Example 2.Trade Receivables						
Example 3. Related Party Receivables						
Example 4. Prepayments						
Example 5. Short Term Investments						
***Add Other Current Assets as necessary*						
Total Current Assets						
B. Current Liabilities Maturity Profile						
Category	0 to 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Beyond 365 Days	Total (UGX)
Example 1.Trade Payables						
Example 2.Accrued Expenses						
Example 3. Short Term Borrowings						
Example 4. Taxes Payable						
Example 5. Related Party Payables						
***Add Other Current Liabilities as necessary*						
Total Current Liabilities						
C. Adjusted Working Capital Computation						
Description						Amount (UGX)
Total Current Assets Recoverable						
Less: Total Current Liabilities Due						
Adjusted Working Capital						

Notes:

1. Amounts should be classified according to the expected timing of realization or settlement.
2. Assets not expected to be realized within twelve months should be disclosed under "Beyond 365 Days" and excluded from adjusted working capital computation.
3. Liabilities not expected to fall due within twelve months should similarly be disclosed separately.
4. Firms should provide explanatory notes for any material balances, assumptions, or judgments applied in determining maturity classifications.
5. The template should be certified by management as being accurate and complete.

Approved By: Signature: ______________________________

(Authorised Signatory)

Date: ______________________________