

USE Nominees Limited

During the quarter ended December 31, 2024, the Capital Markets Authority (the Authority) noted that the entity in question submitted its quarterly return on January 25, 2025. This submission was in contravention of Regulation 6(1) of the Capital Markets Authority (Accounting and Financial Requirements) Regulations, 2022. The provision requires that an approved person submit Management Accounts to the Authority by the fifteenth day of the month following the end of each quarter.

In response to this breach, the Authority issued a letter dated February 6, 2025, requiring the entity to submit a written explanation by February 14, 2025. The entity was expected to detail the cause of the breach and outline corrective measures to ensure future compliance.

However, the entity failed to respond within the stipulated timeframe. Consequently, the Authority, by a letter dated March 27, 2025, imposed a fine of one hundred currency points—equivalent to Uganda Shillings Two Million (UGX 2,000,000)—in accordance with Regulation 8 of the Capital Markets Authority (Accounting and Financial Requirements) Regulations, 2022. This regulation stipulates that a person who contravenes or fails to comply with its provisions is liable to a fine of one hundred currency points, and in the case of a continuing contravention, an additional twenty currency points for each day of default.

On April 25, 2025, the entity remitted the amount of Uganda Shillings Two Million (UGX 2,000,000) to the Investor Compensation Fund, in accordance with the Capital Markets Authority Act, Cap 84, and the Investor Compensation Fund Regulations.