

UIC/IB/025/97

28 January 2009

The Managing Director
Cannon Insurance Consultants Ltd.
Plot 1083, Kabakanjagala Road, Mengo
P.O. Box 4583
KAMPALA

Dear Sir

**INSURANCE BROKERS COMPLIANCE WITH THE
INTERNATIONAL ACCOUNTING STANDARD (IAS) NO. 18**

1. The Institute of Certified Public Accountants of Uganda (ICPAU), a body charged with the responsibility of regulating the accountancy profession in Uganda, requires all business entities in Uganda to comply with the International Financial Reporting Standards/IAS when preparing their annual reports and financial statements.
2. It has come to light that compliance with the IAS 18 increases the insurance brokers liabilities as the deferred income is recognized as a liability which eventually reduces insurance brokers' shareholders funds/capital.
3. In view of the foregoing, it was decided that all insurance brokers be given a grace period of up to 31st December 2009 within which to take into consideration the effect of compliance with IAS 18 on their minimum statutory paid-up capital.
4. Please therefore ensure that your shareholders funds are kept at a level sufficient to cover your deferred income and at the same time meet the minimum statutory paid-up capital.

Yours faithfully

UGANDA INSURANCE COMMISSION



Evelyn Nkalubo-Muwemba
AG COMMISSIONER FOR INSURANCE

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