

Approved for tabling.




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5/8/2021

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT (FIFTH SESSION)

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 AUG 2021	DAY: Thurs
TABLED BY:	Hon. Gladys Wanga Chair, Finance
REPORT ON- CLERK-AT-LE:	Mainah Wanjiku

THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020 (NATIONAL ASSEMBLY
BILL NO. 43 OF 2020)

CLERK'S CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI
AUGUST 2021



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CHAIRPERSON'S FOREWORD

This report contains the Committee's proceedings on the consideration of the Kenya Deposit Insurance (Amendment) Bill (*National Assembly Bill No. 43 of 2020*) which was published on 20th November 2020.

The Bill went through the First Reading on 9th June 2021 and was thereafter committed to the Departmental Committee on Finance and National Planning for review and report to the House pursuant to the provisions of Standing Order 127.

The Bill seeks to amend the Kenya Deposit Insurance Act, 2012 in order to increase the maximum amount a person with an account with an institution under liquidation is to be paid by the Kenya Deposit Insurance Corporation (KDIC). The Bill further seeks to delete the provision limiting the maximum a person is to be paid by the Corporation despite having different accounts.

Following placement of adverts in the print media on 11th June 2021 requesting for comments on the Bill from members of the public and relevant stakeholders pursuant to Article 118(1)(b) of the Constitution and Standing Order 127(3), the Committee received a memorandum from Kenya Deposit Insurance Corporation. The Committee also discussed the Bill with the Kenya Deposit Insurance Corporation on Thursday, 15th July, 2021 at Emara Ole Sereni Hotel, Nairobi.

The Kenya Deposit Insurance Corporation (KDIC) was opposed to the amendment as there had been recent changes in the coverage limit from KSh. 100, 000 to KSh. 500, 000 vide Legal Notice No. 159 of 2020 which was communicated on 28th August 2020 vide gazette notice No. Vol. CXXII-No. 159. The Corporation also noted that increasing the coverage limit to KSh. 1 million will increase the Corporation Fund exposure to KSh. 950 billion against the current fund of KSh. 130 billion.

Further, deleting sub-section (2) of Section 28 (2) as provided in the Bill allowing the Corporation to consolidate the accounts of a depositor where s/he has more than one account will be in contravention of the principles of deposit insurance as set out by the International Association of Deposit Insurers (IADI). It will also contravene international principles of deposit insurance.

While considering the Bill, the Committee noted that the issues raised by the Kenya Deposit Insurance Corporation were valid and as such, agreed with their proposal to delete all the amendments proposed in the Bill.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Kenya Deposit Insurance (Amendment) Bill (N.A. Bill No. 43 of 2020). The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank Hon. Abdul Rahim Dawood, MP for sponsoring the Bill and the Kenya Deposit Insurance Corporation for their comments on the Bill. Finally, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made useful contributions towards the preparation and production of this report.

It is my pleasure to report that the Committee has considered the Kenya Deposit Insurance (Amendment) Bill (N.A. Bill No. 43 of 2020) and have the honour to report to the National Assembly with the recommendation that the Bill should be rejected in its entirety.

Hon. Gladys Wanga, CBS, M.P.

Chairperson, Departmental Committee on Finance and National Planning

PART ONE

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under Standing Order 216 whose mandates pursuant to the Standing Order 216 (5) are as follows:
 - a. *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
 - b. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
 - c. ***To study and review all the legislation referred to it;***
 - d. *To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
 - e. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
 - f. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);*
 - g. *To examine treaties, agreements and conventions;*
 - h. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
 - i. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - j. *To examine any questions raised by Members on a matter within its mandate.*

1.2 COMMITTEE'S SUBJECTS

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, public finance, monetary policies, public debt, financial institutions (excluding those in securities exchange), investment and divestiture policies, pricing policies, banking, insurance, population revenue policies including taxation and national planning and development.
3. In executing its mandate, the Committee oversees the following Government Ministries and Departments:
 - a. The National Treasury and Planning
 - b. State Department for Devolution
 - c. The Commission on Revenue Allocation (CRA)
 - d. Office of the Controller of Budget
 - e. Salaries and Remuneration Commission (SRC)

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was re-constituted by the House in July, 2020 and comprises of the following Members:

Chairperson

Hon. Gladys Wang'a, CBS, MP
Homabay County

ODM Party

Vice-Chairperson

Hon. Isaac W. Ndirangu
Roysambu Constituency

Jubilee Party

Hon. Jimmy O. Angwenyi, MGH, MP
Kitutu Chache North Constituency

Jubilee Party

Hon. Christopher Omulele, CBS, MP
Luanda Constituency

ODM Party

Hon. Shakeel Shabbir Ahmed, CBS, MP
Kisumu Town Constituency

Independent Member

Hon. Daniel Epuyo Nanok, MP
Turkana West Constituency

Jubilee Party

Hon. (Dr.) Christine O. Ombaka, MP
Siaya County

ODM Party

Hon. Andrew Adipo Okuome, MP
Karachuonyo Constituency

ODM Party

Hon. David Mwalika Mboni, MP
Kitui Rural Constituency

CCU Party

Hon. Francis Kuria Kimani, MP
Molo Constituency

Jubilee Party

Hon. Joseph Maero Oyula, MP
Butula Constituency

ODM Party

Hon. Joshua Chepyegon Kandie, MP
Baringo Central Constituency

MCC Party

Hon. Stanley M. Muthama, MP
Lamu West Constituency

MCC Party

Hon. Edith Vethi Nyenze, MP
Kitui West Constituency

WDM-K

Hon. Catherine Waruguru, MP
Laikipia County

Jubilee Party

Hon. James Gichuhi Mwangi, MP
Tetu Constituency

Jubilee Party

Hon. (Prof.) Mohamud Mohamed, MP
Wajir South Constituency

Jubilee Party

Hon. Peter Lochakapong, MP
Sigor Constituency

Jubilee Party

Hon. Qalicha Gufu Wario, MP
Moyale Constituency

Jubilee Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following staff:

Head of the Secretariat
Ms. Leah W. Mwaura
Senior Clerk Assistant

Ms. Jennifer Ndeto
Principal Legal Counsel I

Ms. Laureen Wesonga
Clerk Assistant II

Ms. Christine Nderitu
Clerk Assistant II

Mr. Josephat Motonu
Fiscal Analyst I

Mr. Chelang'a Maiyo
Research Officer II

Mr. John Njoro
Serjeant-At-Arms

Ms. Christine Maeri
Audio Officer

PART TWO

2 OVERVIEW OF THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 43 OF 2020)

2.1 INTRODUCTION

6. The deposit insurance is a country's financial safety net established for the banking systems to ensure that depositors' funds are protected in cases where a bank faces financial challenges. In the recent past, the country has witnessed the collapse of several banks including Chase and Imperial Banks where in absence of the deposit insurance, depositors would have risked losing all their funds. In 2020, the coverage limit for the deposit insurance was enhanced from from KSh. 100, 000 to KSh. 500, 000. This implies that should a bank collapse, the depositors are entitled to be paid up to a maximum of KSh. 500, 000 for consolidated accounts held by an individual in one bank.
7. Deposit insurance systems are intended to minimise or eliminate the risk that depositors placing funds with a bank will suffer a loss. It offers protection to the deposits of households and small business enterprises, which may represent life savings or vital transactions balances. With a deposit insurance system in place, these households and businesses can "go about their business" with some assurance that their funds are secure. This in turn supports the stability and smooth operations of the economy.
8. The importance of finding the right balance is also critical in establishing the coverage limit for insured deposits. The coverage must be sufficient to prevent destabilising bank runs, but not so extensive as to eliminate all effective market discipline on the bank's risk-taking.
9. There is need for the authority charged with the affairs of financial institutions to increase prudential supervision and regulation of banks to avoid over-exposure to unnecessary risks. CBK should therefore play a critical role in detecting any risk so that any remedial measures can be implemented in good time.

2.2 REVIEW OF THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020

10. The Kenya Deposit Insurance (Amendment) Bill, 2020 seeks to amend Section 28 of the Kenya Deposit Insurance Act, 2012 in order to increase the maximum amount a person with an account with an institution under liquidation is to be paid by the Kenya Deposit Insurance Corporation.
11. The Bill contains two (2) clauses that seek to amend Section 28 of the Kenya Deposit Insurance Act, 2012 to provide for the maximum amount to be paid to a person with an account with an institution under liquidation.
12. The Bill further seeks to delete the provision limiting the maximum a person is to be paid by the Corporation despite having different accounts. The deletion will allow for persons having different accounts to be treated independently as not related and the application of the maximum threshold do not apply.
13. The Bill also proposes a deletion of sub-section (2) and substituting with a provision that the Corporation shall make payment to a customer under sub-section (1) within six months or any shorter period following the conclusion of liquidation of the institution insured.

14. In addition, the Bill introduces a new sub-section (3) immediately after sub-section (2) which provides for the penalties due to a person who contravenes the provisions of Section 28. The penalty to the offence is a fine not exceeding one million shillings or to imprisonment for a term not exceeding three years or to both.

PART THREE

3 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

15. Following the call for memoranda from the public through the placement of adverts in the print media on 11th June 2021 requesting for comments from the public on the Bill and invitation of stakeholders vide letter REF: NA/DDC/F&NP/2021/33 dated 9th July 2021 for a stakeholder engagement retreat on the Bill which was held at Emara Ole Sereni Hotel, Mombasa Road on Thursday, 15th July 2021, the Committee received a memorandum from Kenya Deposit Insurance Corporation (KDIC).

Kenya Deposit Insurance Corporation submitted as follows:

3.1 KENYA DEPOSIT INSURANCE CORPORATION

In a meeting with the Committee held on Thursday, 15th July 2021, the Chief Executive Officer of the Corporation, Mr. Mohamud submitted that the Corporation was opposed to the amendments proposed in the Bill for the following reasons—

16. There had been recent changes in the coverage limit from KSh. 100, 000 to KSh. 500, 000 vide Legal Notice No. 159 of 2020 which was communicated on 28th August 2020 vide gazette notice No. Vol. CXXII-No. 159. The Corporation also noted that increasing the coverage limit to KSh. 1 million will increase the Corporation Fund exposure to KSh. 950 billion against the current fund of KSh. 130 billion. This will in effect require the National Assembly to make provisions of funding the difference in line with Section 20 (4) of the Kenya Deposit Insurance Act, 2012;
17. A key consideration of good deposit insurance system is enforcing market discipline in order to avert moral hazard. To achieve this, limited coverage that leaves a substantial amount of deposits exposed is recommended. Currently, deposits over and above KSh. 500,000 are not protected which helps in ensuring that depositors are part of the system for enforcing market discipline. An increase in the limit is likely to encourage moral hazard;
18. Coverage should be pegged to the country's GDP per capita. Preferably, this should be set to two times the country's GDP per capita. The current coverage is approximately USD 5,000 against the country's GDP per capita of USD 1,230.

Committee's Observation

The Committee was agreeable to submission by the Corporation and noted that the current coverage limit of KSh. 500,000 will safeguard the Corporation's Fund from moral hazard and avoid appropriation of additional funding by the National Assembly.

19. Sub-section (2) of the Act allows the Corporation to consolidate the accounts of a depositor where s/he has more than one account with the same institution. The Bill seeks to delete this provision for each account to be subject to the maximum limit independently. The Corporation averred that according to the principles of deposit insurance, as set out by the International Association of Deposit Insurers (IADI), the deposit insurance coverage limit should be applied to the totality of funds of an individual account holder, which would

require deposit insurers to aggregate the amounts. Deleting this section would be in contravention of international principals of deposit insurance.

Committee's Observation

The Committee agreed with the objection raised by the Kenya Deposit Insurance Corporation noting if the amendment is allowed, so that each account is subjected to the maximum limit independently, this will be in contravention of the international principals of deposit insurance.

20. Clause 2 seeks to introduce a timeline for payment to customers under sub-section (1) to be within a period of six (6) months or any shorter period. The Corporation notes that Section 33 (6) of the Kenya Deposit Insurance Act, 2012 provides for payments to be made to depositors within thirty (30) days from the time an institution is placed under liquidation.

Committee's Observation

The proposed amendment increases the timeline in total disregard of the existing provision in the Kenya Deposit Insurance Act, 2012. Amending the Act as per the provisions of clause 2 (2) will erode the gains made in the deposit insurance system in Kenya.

21. The penalty to the offence committed under Section 28(2)(2) becomes irrelevant in the foregoing given that it relates to non-compliance to making payment to depositors within six months or any period shorter.

Committee's Observation

The Committee supported the argument by the Corporation, aware that the deposit system is undergoing transformation in conformity with international best practices and in accordance with the international deposit insurers' principles.

PART FOUR

4 COMMITTEE OBSERVATION

Upon reviewing the Bill, the Committee observed the following:

22. The coverage limit had been increased from KSh. 100, 000 to KSh. 500, 000 vide Legal Notice No. 159 of 2020 which was communicated on 28th August 2020 vide gazette notice No. Vol. CXXII-No. 159.
23. If subsection 28(2) of the Principal Act is deleted, unscrupulous individuals can collude to open several accounts in a bank and bring down the bank so that they can benefit from the deposit insurance.
24. Section 33(6) of the Kenya Deposit Insurance Act, 2012 provides that the Corporation should pay depositors within thirty (30) days from the time an institution is placed under liquidation. Increasing the time to six (6) months as proposed in the Bill will be disadvantageous to depositors as they will have to wait longer to be paid.

PART FIVE

5 COMMITTEE RECOMMENDATION

25. The Committee having considered the *Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020)* recommends to the House to reject it in entirety.

PART SIX

6 SCHEDULE OF PROPOSED AMENDMENTS

The Committee proposed the following amendments to be considered by the House in the Committee Stage:

26. Clause 2(a): Delete

Justification

The coverage limit was revised from KSh. 100,000 to KSh. 500,000 in August, 2021. International standards provide that coverage should be two times a country's GDP per capita. Kenya's GDP per capita is USD 1,230 which means that the coverage limit should be USD 2,460. The coverage limit of KSh. 500,000 is therefore almost double of the required amount.

27. Clause 2(b): Delete

Justification

Unscrupulous individuals can collude to open several accounts in a bank and bring down the bank so that they can be paid.

28. Clause 2(2): Delete

Justification

Unscrupulous individuals can collude to open several accounts in a bank and bring down the bank so that they can be paid.

29. Clause 2(c): Delete

Justification

Section 33(6) of the Kenya Deposit Insurance Act, 2012 provides that the Corporation should pay depositors within thirty (30) days from the time an institution is placed under liquidation. Increasing the time to six (6) months as proposed in the Bill will be disadvantageous to depositors as they will have to wait longer to be paid.

30. Clause 2(3): Delete

Justification

The amendment becomes irrelevant since all the other amendments have been deleted.

SIGNED.......... DATE..........

THE HON. GLADYS WANGA, CBS, MP
CHAIRPERSON,

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

ANNEXTURES

1. Adoption Schedule
2. Minutes of the 54th , 55th and 56th sittings
3. Newspaper Advertisement – Submission for Memoranda for Public Participation

REPUBLIC OF KENYA



NATIONAL ASSEMBLY
DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING
ADOPTION SCHEDULE

ADOPTION SCHEDULE FOR THE REPORT ON THE CONSIDERATION OF THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL (N.A. BILL NO. 43 OF 2020)

DATE:

NAME	SIGNATURE
1. HON. GLADYS WANGA, CBS, MP – CHAIRPERSON	
2. HON. ISAAC W. NDIRANGU – VICE-CHAIRPERSON	
3. HON. JIMMY O. ANGWENYI, MGH, MP	
4. HON. CHRISTOPHER OMULELE, CBS, MP	
5. HON. SHAKEEL SHABBIR AHMED, CBS, MP	
6. HON. DANIEL E. NANOK, MP	
7. HON. (DR.) CHRISTINE OMBAKA, MP	
8. HON. ANDREW A. OKUOME, MP	
9. HON. DAVID M. MBONI, MP	
10. HON. FRANCIS KURIA KIMANI, MP	
11. HON. JOSEPH M. OYULA, MP	
12. HON. JOSHUA KANDIE, MP	
13. HON. STANLEY M. MUTHAMA, MP	
14. HON EDITH NYENZE, MP	
15. HON. CATHERINE WARUGURU, MP	
16. HON. JAMES GICHUHI MWANGI, MP	
17. HON. PROF. MOHAMUD SHEIKH MOHAMED, MP	
18. HON. PETER LOCHAKAPONG, MP	
19. HON. QALICHA GUFU WARIO, MP	

MINUTES OF THE 65TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS ON THURSDAY, 5TH AUGUST, 2021 AT 10:30 A.M.

PRESENT

1. Hon. Gladys Wanga, CBS, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Andrew A. Okuome, MP
5. Hon. David M. Mboni, MP
6. Hon. Edith Nyenze, MP
7. Hon. James Gichuhi Mwangi, MP
8. Hon. Joshua C. Kandie, MP
9. Hon. Francis K. Kimani, MP
10. Hon. Catherine Waruguru, MP
11. Hon. (Prof.) Mohamud Sheikh Mohamed, MP

ABSENT WITH APOLOGY

1. Hon. Christopher Omulele, CBS, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Daniel E. Nanok, MP
4. Hon. (Dr.) Christine Ombaka, MP
5. Hon. Joseph M. Oyula, MP
6. Hon. Stanley M. Muthama, MP
7. Hon. Peter Lochakapong, MP
8. Hon. Qalicha Gufu Wario, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Brigitta Mati - Legal Counsel II
3. Mr. John Njoro - Serjeant-At-Arms
4. Ms. Christine Maeri - Audio Officer
5. Ms. Hannah Mwangi - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. Confirmation of Minutes from the previous sitting(s) and Matters Arising
4. **Adoption of Reports on the following Bills:**
 - i. **Report on the Pensions (Amendment) Bill (*National Assembly Bill No. 26 of 2020*)**
 - ii. **Report on the Public Procurement and Asset Disposal (Amendment) Bill (*National Assembly Bill No. 34 of 2020*)**
 - iii. **Report on the Public Finance Management (Amendment) Bill (*National Assembly Bill No. 39 of 2020*)**
 - iv. **Report on the Kenya Deposit Insurance (Amendment) Bill, 2020 (*National Assembly Bill No. 43 of 2020*)**
 - v. **Report on the Central Bank of Kenya (Amendment) Bill (*National Assembly Bill No. 47 of 2020*)**

- vi. **Report on the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 49 of 2020)**
- vii. **Report on the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 10 Of 2021)**
- viii. **Report on the Trustees (Perpetual Succession) (Amendment) Bill (National Assembly Bill No. 23 of 2021)**
- ix. **Report on the Perpetuities and Accumulations (Amendment) Bill, 2021 (National Assembly Bill No.24 of 2021)**

5. Any Other Business

6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/298: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 10:10 a.m and a prayer was said.

MIN.NO.NA/F&NP/2021/299: CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2021/300: ADOPTION OF REPORTS ON BILL

The Chair invited Members to consider the following Reports which were subsequently adopted as follows: -

1. Report on the Pensions (Amendment) Bill (National Assembly Bill No. 26 of 2020)
Proposed by- Hon. Jimmy O. Angwenyi
Seconded by -Hon. James G. Mwangi
2. Report on the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 34 of 2020)
Proposed by- Hon. Isaac W. Ndirangu
Seconded by -Hon. David M. Mboni
3. Report on the Public Finance Management (Amendment) Bill (National Assembly Bill No. 39 of 2020)
Proposed by- Hon. Edith Nyenze
Seconded by -Hon. Jimmy Angwenyi
4. Report on the Kenya Deposit Insurance (Amendment) Bill, 2020(National Assembly Bill No. 43 of 2020)
Proposed by- Hon. Jimmy O. Angwenyi
Seconded by -Hon. James G. Angwenyi
5. Report on the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 47 of 2020)
Proposed by- Hon David M. Mboni
Seconded by -Hon Jimmy O. A
6. Report on the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 49 of 2020)

Proposed by- Hon. James Gichuhi, M.P
Seconded by – Hon. David Mboni, M.P

- 7. Report on the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 10 Of 2021)
Proposed by- Hon. David Mboni, M.P
Seconded by -Hon. Jimmy Angwenyi, M.P

- 8. Report on the Trustees (Perpetual Succession) (Amendment) Bill (National Assembly Bill No. 23 of 2021)
Proposed by- Hon. Jimmy Angwenyi, M.P
Seconded by – Hon. Waihenya Ndirangu, M.P

- 9. Report on the Perpetuities and Accumulations (Amendment) Bill, 2021 (National Assembly Bill No.24 of 2021)
Proposed by- Hon. Jimmy Angwenyi, M.P
Seconded by - Hon. David Mboni, M.P

MIN.NO.NA/F&NP/2021/301: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 11:28 a.m. The next meeting will be held on notice.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED..........DATE.....*5th August 2021*.....

MINUTES OF THE 56TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN TALEK CONFERENCE ROOM AT EMARA OLE-SERENI HOTEL ON FRIDAY, 16TH JULY 2021 AT 9:00 A.M.

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Gladys Wang'a, CBS, MP | - | Chairperson |
| 2. Hon. Isaac W. Ndirangu, MP | - | Vice Chairperson |
| 3. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 4. Hon. Christopher Omulele, CBS, MP | | |
| 5. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 6. Hon. Daniel E. Nanok, MP | | |
| 7. Hon. (Dr.) Christine Ombaka, MP | | |
| 8. Hon. Andrew A. Okuome, MP | | |
| 9. Hon. David M. Mboni, MP | | |
| 10. Hon. Francis K. Kimani, MP | | |
| 11. Hon. Joseph M. Oyula, MP | | |
| 12. Hon. Joshua C. Kandie, MP | | |
| 13. Hon. Stanley M. Muthama, MP | | |
| 14. Hon. Edith Nyenze, MP | | |
| 15. Hon. James Gichuhi Mwangi, MP | | |
| 16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP | | |
| 17. Hon. Peter Lochakapong, MP | | |
| 18. Hon. Qalicha Gufu Wario, MP | | |

ABSENT WITH APOLOGY

Hon. Catherine Waruguru, MP

INATTENDANCE

SECRETARIAT

- | | | |
|------------------------|---|--|
| 1. Ms. Leah Mwaura | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Ms. Jennifer Ndeto | - | Principal Legal Counsel I |
| 3. Ms. Laureen Wesonga | - | Clerk Assistant II |
| 4. Mr. Chelang'a Maiyo | - | Research Officer II |
| 5. Mr. Yaqub Ahmed | - | Media Relations Officer III |
| 6. Mr. John Njoro | - | Serjeant-At-Arms |
| 7. Ms. Christine Maeri | - | Audio Officer |

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Clause by clause consideration of the Pensions (Amendment) Bill, 2020**
4. **Clause by clause consideration of the Kenya Deposit Insurance (Amendment) Bill, 2020**
5. Any Other Business
6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/258:

COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 9.11 a.m. and a prayer was said. The Chairperson then welcomed the meeting to deliberate the day's agenda.

MIN.NO.NA/F&NP/2021/259:
Agenda deferred

CONFIRMATION OF MINUTES

MIN.NO.NA/F&NP/2021/260:

**CLAUSE BY CLAUSE CONSIDERATION OF
THE PENSIONS (AMENDMENT) BILL, 2020**

After lengthy deliberations, the Committee resolved as follows on the Bill:

Clause 1: Agreed to

Clause 2: Amend by providing for a period within which the employing government entity should submit a retiree's documents to the Pensions Department for processing of payment.
Provide for regulations

MIN.NO.NA/F&NP/2021/261:

**CLAUSE BY CLAUSE CONSIDERATION OF
THE KENYA DEPOSIT INSURANCE
(AMENDMENT) BILL, 2020**

The Committee deliberated and resolved that all clauses of the Bill should be deleted.

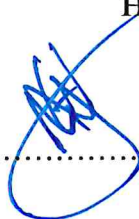
MIN.NO.NA/F&NP/2021/262:

**ADJOURNMENT/DATE OF NEXT
MEETING**

There being no other business to deliberate on, the meeting was adjourned at 12.57 p.m. The next meeting will be held at 2.00 p.m.

HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED.....



.....DATE.....

5th August 2021

MINUTES OF THE 55TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN TALEK CONFERENCE ROOM AT EMARA OLE-SERENI HOTEL ON THURSDAY, 15TH JULY 2021 AT 3:00 P.M.

PRESENT

1. Hon. Gladys Wanga, CBS, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, CBS, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. Daniel E. Nanok, MP
7. Hon. (Dr.) Christine Ombaka, MP
8. Hon. Andrew A. Okuome, MP
9. Hon. David M. Mboni, MP
10. Hon. Francis K. Kimani, MP
11. Hon. Joseph M. Oyula, MP
12. Hon. Joshua C. Kandie, MP
13. Hon. Stanley M. Muthama, MP
14. Hon. Edith Nyenze, MP
15. Hon. James Gichuhi Mwangi, MP
16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
17. Hon. Peter Lochakapong, MP
18. Hon. Qalicha Gufu Wario, MP

ABSENT WITH APOLOGY

Hon. Catherine Waruguru, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Chelang'a Maiyo - Research Officer II
5. Mr. Yaqub Ahmed - Media Relations Officer III
6. Mr. John Njoro - Serjeant-At-Arms
7. Ms. Christine Maeri - Audio Officer

NATIONAL TREASURY AND PLANNING

1. Hon. Nelson Gaichuhie
2. Mr. Michael Kagika, EBS
3. Ms. Alice Nyariki

KENYA DEPOSIT INSURANCE CORPORATION

1. Mr. Mohamud A.M.
2. Mr. Paul Manga
3. Mr. Chrispus Yanken

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Meeting with the National Treasury to consider the Public Finance Management (Amendment) (No. 3) Bill, 2020; and the Pensions (Amendment) Bill, 2020**
4. **Meeting with Kenya Deposit Insurance Corporation to consider the Kenya Deposit Insurance (Amendment) Bill, 2020**
5. Any Other Business
6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/253

COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 3.13 p.m. and a prayer was said. The Chairperson then called for introduction of those present before inviting National Treasury to make their submissions on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020.

MIN.NO.NA/F&NP/2021/254:

CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2021/255:

MEETING WITH THE NATIONAL TREASURY TO CONSIDER THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020; AND THE PENSIONS (AMENDMENT) BILL, 2020

The Chief Administrative Secretary, National Treasury, Hon. Nelson Gaichuhie submitted as follows:

Pensions (Amendment) Bill, 2020

National Treasury supports the amendment proposed in the Bill as it will expedite processing of pension to retirees. They will draft regulations that will ensure that the law is operationalized.

The Pensions Department is well capacitated to process pension in time but the delays are occasioned by delays in submitting documentation from government agencies that the pensioners were employed in.

MEMBERS' DELIBERATIONS

1. On how delays in the processing of pensions for teachers and police officers are being addressed, the meeting was informed that 30 officers from the Pensions Department have been assigned to TSC and National Police Service for document verification so that payment is made in time.
2. On the quantum of pension that becomes payable after retirement, the meeting was informed that the initial payment is a quarter of the pension amount (lump sum) and the balance is paid monthly.
3. The Committee requested the National Treasury to provide a list of documents required for pension to be processed.

Public Finance Management (Amendment) (No. 3) Bill, 2020

National Treasury proposed that the timeline is amended to two months in order to allow public entities adequate time to prepare financial statements, complete internal approvals and National Treasury quality reviews before submission to the Auditor General.

MEMBERS' DELIBERATIONS

On why National Treasury has been late in disbursing funds to public entities, Hon. Gaichuhie stated that this is because KRA has not been able to meet their revenue targets except the last FY where they surpassed their target.

Details of the submissions made by National Treasury on the two Bills are contained in Part III of the Report on the consideration of the Pensions (Amendment) Bill (N.A. Bill No. 26 of 2020) and the Public Finance Management (Amendment) Bill (N.A. Bill No. 39 of 2020).

MIN.NO.NA/F&NP/2021/256:

MEETING WITH THE KENYA DEPOSIT INSURANCE CORPORATION TO CONSIDER THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020

The Chairperson invited the CEO, KDIC to make their submission on the Kenya Deposit Insurance (Amendment) Bill, 2020. Mr. Mohamud submitted as follows:

KDIC did not support the amendments proposed in the Bill because there was a review of the coverage limit from KSh. 100,000 to KSh. 500,000 vide LN. NO. 159 of 2020 which was communicated vide gazette notice No. Vol. CXXII-NO. 159 on 28th August 2020.

Increasing the coverage limit to KSh. 1,000,000 will increase the Corporation Fund exposure to KSh. 950 billion against the current fund of KSh. 130 billion which. The difference will have to be funded from the exchequer pursuant to section 20(4) of the KDI Act.

MEMBERS' DELIBERATIONS

1. On where KDIC invests the premiums collected from banks, Mr. Mohamud informed the meeting that KDIC collects between KSh. 5 billion and KSh. 6 billion from banks per year which is invested in Government securities. The fund is currently at KSh. 139 billion.
2. On how many depositors are covered with the coverage limit of KSh. 500,000, the meeting was informed that the amount covers 99% of the depositors.
3. KDIC was encouraged to engage more with the Committee.

Details of the submissions made by Kenya Deposit Insurance Corporation on the Bill are contained in Part III of the Report on the consideration of the Kenya Deposit Insurance (Amendment) Bill (N.A. Bill No. 43 of 2020).

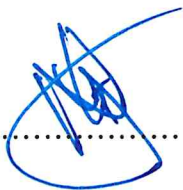
MIN.NO.NA/F&NP/2021/257:

ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 5.25 p.m. The next meeting will be held on Friday, 16th July 2021 at 9.00 a.m.

HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED.....



DATE.....

5th August 2021

MINUTES OF THE 54TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN TALEK CONFERENCE ROOM AT EMARA OLE-SERENI HOTEL ON THURSDAY, 15TH JULY 2021 AT 9:00 A.M.

PRESENT

1. Hon. Gladys Wanga, CBS, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, CBS, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. Daniel E. Nanok, MP
7. Hon. (Dr.) Christine Ombaka, MP
8. Hon. Andrew A. Okuome, MP
9. Hon. David M. Mboni, MP
10. Hon. Francis K. Kimani, MP
11. Hon. Joseph M. Oyula, MP
12. Hon. Joshua C. Kandie, MP
13. Hon. Stanley M. Muthama, MP
14. Hon. Edith Nyenze, MP
15. Hon. James Gichuhi Mwangi, MP
16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
17. Hon. Peter Lochakapong, MP
18. Hon. Qalicha Gufu Wario, MP

ABSENT WITH APOLOGY

Hon. Catherine Waruguru, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Chelang'a Maiyo - Research Officer II
5. Mr. Yaqub Ahmed - Media Relations Officer III
6. Mr. John Njoro - Serjeant-At-Arms
7. Ms. Christine Maeri - Audio Officer

MINISTRY OF FOREIGN AFFAIRS

1. Amb. Macharia Kamau
2. Mr. Abel Njuguga
3. Mr. Vincent Kimeli
4. CPA Zachaeus Psenjen
5. CPA Joel Jego

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK)

1. CPA Edwin Makori
2. Mr. Elias Wakhisi
3. Mr. Hillary Onami
4. Mr. Evance Juma
5. Ms. Nancy Moraa

HEADS OF ACCOUNTING AND FINANCE UNITS IN THE PUBLIC SECTOR

1. CPA Chrispus Mbogo
2. CPA Evans Moturi

PUBLIC SERVICE ACCOUNTING STANDARDS BOARD

1. CPA Fred Riaga
2. Mr. Benuel Bosire

OFFICE OF THE AUDITOR GENERAL

1. CPA Nancy Gathungu
2. Mr. Sylvester Kiini
3. Ms. Milcah Ondiek
4. Mr. Antony Waiganjo
5. Mr. Jesse Mutua

SALARIES AND REMUNERATION COMMISSION

1. CPA Sophie Moturi
2. Ms. Nelly Ashubwe
3. Ms. Anne Gitau
4. Ms. James Sitienei

MEDIA

1. Mr. Eliud Kibii - The Star
2. Mr. Moses Odhiambo - The Star

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Briefing on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020**
4. **Stakeholder engagement on the Public Finance Management (Amendment) (No. 3) Bill, 2020**
5. **Meeting with Salaries and Remuneration Commission to consider the Pensions (Amendment) Bill, 2020**
6. Any Other Business
7. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/247

COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 9.23 a.m. and a prayer was said. The Chairperson then welcomed the Legal Counsel to brief the Committee on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020.

MIN.NO.NA/F&NP/2021/248:

CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2021/249:

BRIEFING ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020; THE PENSIONS (AMENDMENT) BILL, 2020; AND THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020

The Legal Counsel, Ms. Jennifer Ndeto, briefed the Committee on the amendments proposed in the three Bills.

On the Kenya Deposit Insurance (Amendment) Bill, 2020, Members noted that the figure of compensation had been reviewed from KSh. 100,000 to KSh. 500,000 in 2020 through Regulations.

On the Pensions (Amendment) Bill, 2020, the meeting observed that the timeline is important as it will ensure that retirees are paid their pension soon after retirement.

MIN.NO.NA/F&NP/2021/250:

STAKEHOLDER ENGAGEMENT ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020

The stakeholders were invited into the meeting. The Chairperson called for introduction of those present before inviting stakeholders to make submissions on the Bill. They submitted as follows:

Ministry of Foreign Affairs

Were opposed to the amendment because of the following reasons:

1. Delay in disbursement of budgetary allocation to the Ministry sometimes towards the end of the fourth quarter which poses a challenge in spending and finalizing the reporting of those funds in the shortened time period;
2. The Ministry has 56 Mission stations abroad and it therefore takes time to collate the financial data on revenue and expenditure from all the units especially since they are not automated (not in the IFMIS platform);
3. Draft financial statements are normally reviewed for quality assurance by the National Treasury before submission to the Office of the Auditor General and other required offices. The review may not be possible with the proposed timeline;
4. The proposed timeline will shorten the time to prepare financial statements and key reports that make up the annual reports and financial statements and have them internally reviewed; and
5. The Ministry does not have any alternative system outside the IFMIS for reporting on all financial activities of the Missions abroad. In the absence of this interface, real time reporting is currently not practically feasible.

MEMBERS' DELIBERATIONS

1. On whether it is possible to submit piecemeal reports to the Office of the Auditor General, the meeting was informed that this is not possible because the OAG wants a comprehensive report. National Treasury demands full reporting of the amounts issued to the Ministry.
2. On why all Mission stations are not on the IFMIS system, the meeting was informed that this has been caused by lack of exchequer and internet connectivity in some missions. The Ministry is however working on completing connection of all Missions to the system in the next three years depending on availability of exchequer.
3. On whom the sanctions in the Bill are directed to, the meeting was informed that the sanctions are directed to the accounting officers. The sanctions can be more meaningful as opposed to serving a jail term of five years.

Institute of Certified Public Accountants of Kenya (ICPAK)

For the timeline to be revised, measures have to be put in place to ensure that there is fiscal discipline and National Treasury disburses exchequer to Government Agencies in time.

They proposed that the timeline should be changed to two months (31st August) as opposed to the one month proposed in the Bill. This will facilitate compliance and ensure that good quality reports are submitted. The one month timeline may result in submitting substandard work and it will not be possible to carry out quality review which has improved public financial reporting.

MEMBERS' DELIBERATIONS

On why they were requesting for a review of the timeline to two months, they stated that this is because of late disbursement of funds by National Treasury and due to complexities in Government.

Heads of Accounting and Finance Units in the Public Sector

Some state agencies still use the manual system for financial reporting. It will therefore be difficult for them to submit their reports within the revised timeline. Additionally, some government offices are located in places where there is no internet coverage.

They proposed that the timeline should be revised to two months.

Public Service Accounting and Standards Board (PSASB)

They submitted that the one month proposed in the Bill may not be sufficient for internal auditors to review the report.

They noted that the Office of the Auditor General should be strengthened. Additionally, Government operations should be automated in order to make it easier for the reports to be prepared.

The capacity of government accountants should be enhanced. This is because there have been no systemic errors in the IFMIS System but there have been human errors.

MEMBERS' DELIBERATIONS

1. On what should be done to ensure that National Treasury disburses funds in time, the meeting was informed that cash-flows may not make it possible for National Treasury to disburse funds earlier in the quarter. Measures should be put in place to enable accrual accounting to be done.
2. On why internal audit is done yet the Auditor General audits the accounts too, the meeting was informed that internal audit is an internal process to provide internal assurance to the management and should therefore be delinked from external audit.

Office of the Auditor General

The Office supported the proposed amendment because:

1. It will improve relevance and usefulness of the information reported;
2. Enables management to take any remedial action early enough if required;
3. Indicates the responsiveness of the government to the public's concerns and informs superior managerial capability and greater openness and transparency about how peoples' business is conducted;
4. Helps to build trust and confidence in government thereby increasing the confidence of investors and development partners in government;
5. Is a basis for performance evaluation;

6. Improves financial and managerial discipline;
7. Synchronization of the budgeting and accountability cycles;
8. Evaluation of performance of government;
9. Enable Parliament and county assemblies make informed budget decisions;
10. Make it possible for in-year audits to be done; and
11. Improved efficiency in auditing.

MEMBERS' DELIBERATIONS

1. On how reporting can be done within the shortened timeline despite late disbursement of funds by National Treasury, the Auditor General stated that there is need to introduce accrual accounting. An end should be brought to the National Treasury sending money at the end of a financial year and forcing it to be accounted for in the previous financial year. Parliament should ensure that the cut off period is adhered to by all government entities.
2. On how the quality of reports can be improved, the meeting was informed that this can be done by empowering internal audit departments in government offices.
3. On whether the Auditor General has met the Constitutional timeline of auditing, the Auditor General stated that her office has never met the timeline due to late submission of reports by government agencies.
4. On what can be done to increase fiscal discipline, the Auditor General stated that this can be done by enforcing the Public Finance Management Act and the Public Finance Management Regulations.

Details of the amendments proposed by stakeholders on the Bill are contained in Part III of the Report on the consideration of the public Finance Management (Amendment) (No. 3) Bill (N.A. Bill No. 39 of 2020).

MIN.NO.NA/F&NP/2021/251: MEETING WITH SALARIES AND REMUNERATION COMMISSION TO CONSIDER THE PENSIONS (AMENDMENT) BILL, 2020

The Chairperson called for introduction of those present before inviting SRC to make their submission on the Pensions (Amendment) Bill, 2020.

Ms. Anne Gitau, CEO, SRC submitted that the proposal to have a timeline for payment of pension is good. It is however important to find out reasons that have been hindering processing of pension in time and address them.

Details of the amendments proposed by SRC on the Bill are contained in Part III of the Report on the consideration of the Pensions (Amendment) Bill (N.A. Bill No. 26 of 2020).

MIN.NO.NA/F&NP/2021/252: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 2.24 p.m. The next meeting will be held at 3.00 p.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED..........DATE.....*5th August 2021*.....



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
 TWELFTH PARLIAMENT- FIFTH SESSION

In the Matter of Article 118(1) (b) of the Constitution
 And

In the Matter of Consideration by the National Assembly of:

1. The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37 of 2020);
2. The Pharmacy and Poisons (Amendment) Bill (National Assembly Bill No. 1 of 2021);
3. The Health (Amendment) Bill (National Assembly Bill No. 14 of 2021);
4. The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021);
5. The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021);
6. The Community Groups Registration Bill (National Assembly Bill No. 20 of 2021);
7. The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021);
8. The Computer Misuse and Cybercrimes (Amendment) Bill (National Assembly Bill No. 11 of 2021)
9. The Kenya Industrial Research and Development Institute Bill (National Assembly Bill No. 44 of 2021);
10. The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020);
11. The Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020);
12. The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill (National Assembly Bill No. 49 of 2020);
13. The Irrigation (Amendment) Bill (National Assembly Bill No. 12 of 2021);
14. The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021).

SUBMISSION OF MEMORANDA

Pursuant to Article 118(1) (b) of the Constitution and Standing Order 127(3) of the National Assembly Standing Orders, the Clerk of the National Assembly hereby invites members of the public and relevant stakeholders to submit memoranda on the aforementioned Bills, whose objects are as follows:

The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37 of 2020) sponsored by Hon. Paul Mwirigi, MP, Igembe South Constituency, seeks to amend the Higher Education Loans Board Act in order to provide that a loanee shall commence the repayment of his or her loan once he or she secures employment. The amendment is meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

The Pharmacy and Poisons (Amendment) Bill, 2021 (National Assembly No 1 of 2021) sponsored by Hon. Alfred Keter, MP, Nandi Hills Constituency, seeks to amend the Pharmacy and Poisons Act to prohibit the sale or dispensing of medicine without written prescription from a registered medical practitioners

The Health (Amendment) Bill, 2021 (National Assembly No 14 of 2021) sponsored by Hon. Moses Mwangi Wekesa Mabonga, MP, Bumula Constituency, seeks to amend the Health Act No 21 of 2017 to provide that the National government and county governments shall, in consultation through the existing inter-governmental relations mechanism establish regional cancer centers; to make it an offence for a person in-charge of a Public Health facility to demand or permit payments of advance medical fees as pre-condition for the provision of medical services; to make it an offence for person in-charge of a Public Health facility to detain a body of deceased person as means of enforcing settlement of outstanding medical bills and to provide for regulation on levying of charges for the practice of conventional medical practice.

The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021) seeks to provide for the establishment and operationalization of the National Electronic Single Window System in order to facilitate trade, the establishment of the Kenya Trade Network Agency, to provide for electronic transactions, and for connected purposes.

The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021) seeks to provide for development, regulation and promotion of the Coffee Industry, provide for establishment, powers and functions of the Coffee Board of Kenya.

The Community Groups Registration Bill, 2021 (National Assembly Bill No.20 of 2021) seeks to provide a regulatory framework for the registration and regulation of community groups and connected purposes.

The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021) sponsored by Hon. David Pkosing, MP, Pokot South Constituency, seeks to amend the Kenya Roads Act (No. 2 of 2007) to align the Act with the provisions of the Constitution with regard to the auditing functions of the Office of the Auditor-General. The Act currently refers to the defunct office of the Controller of Budget and the Auditor-General. The Bill further seeks to amend the term of office of and the qualification for the Director-General of the Kenya Roads Board appointed under the Act.

The Computer Misuse and Cybercrimes (Amendment) Bill, 2021 (National Assembly Bill No. 11 of 2021) sponsored by Hon. Aden Bare Duale, MP, Garissa Township Constituency, seeks to amend The Computer Misuse and Cybercrimes Act, 2018 to provide for the prohibition against the sharing of pornography through the internet and prohibit use of electronic mediums to promote terrorism, extreme religious and cult activities.

Kenya Industrial Research and Development Institute Bill, 2021 (National Assembly Bill No. 44 of 2021) seeks to establish the Kenya Industrial Research and Development Institute, and for connected purposes. It further provides for the promotion of research, development, technology and innovation in industrial and allied technologies, and for initiation and support of industrial development.

The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020) sponsored by Hon. David Gikaria, MP, Nakuru Town East Constituency, seeks to amend the National Construction Authority Act, No. 41 of 2011 to ensure women, youth and persons living with disabilities with start-up businesses who apply to be registered as contractors under category six, seven and eight are exempted from paying the prescribed fee. The amendment seeks to recognize women, youth and persons living with disabilities as marginalized groups and to cushion them from the burden of paying registration fees.

The Kenya Deposit Insurance (Amendment) Bill, 2020 (National Assembly Bill No. 43 of 2020) sponsored by Hon. Abdul Rahim Dawood, MP, Imenti North Constituency, seeks to amend section 28 of the Kenya Deposit Insurance Act, 2012 in order to increase the maximum amount a person with an account with an institution under liquidation is to be paid by the Kenya Deposit Insurance Corporation. It further seeks to delete the provision limiting the maximum amount a person is to be paid by the Corporation despite having different accounts.

The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill, 2020 (National Assembly Bill No. 49 of 2020) sponsored by Hon. Benjamin Gathiru Mwangi, MP, Embakasi Central Constituency, seeks to amend the Public Procurement and Asset Disposal Act, 2015 to enhance the amount for tenders where Kenya citizens are given

exclusive preference from the sum of five hundred million shillings to twenty billion shillings. This is to protect the Kenyan traders from foreign competitors.

The Irrigation (Amendment) Bill, 2021 (National Assembly Bill No. 12 of 2021) seeks to amend the Act by expanding the administration of irrigation matters to include management and regulation of irrigation matters. The Bill further seeks to amend the Act to harmonize the provision of the Irrigation Act, Water Act and Water Resources Management Rules, 2007.

The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021) seeks to amend the Tax Appeals Tribunal Act, 2013 to address the challenges affecting the performance of the Tax Appeals Tribunal to facilitate the expedition of tax disputes in the country.

Pursuant to Standing Order 127(1) of the National Assembly Standing Orders, the Bills proposing amendments to the various Acts of Parliament are committed to Departmental Committees of the National Assembly as set out in the schedule hereunder:

SCHEDULE

No.	BILL	COMMITTEE
1.	The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37)	Education and Research
2.	The Pharmacy and Poisons (Amendment) Bill (National Assembly No 1 of 2021)	Health
3.	The Health (Amendment) Bill (National Assembly No 14 of 2021)	Health
4.	The Computer Misuse and Cybercrimes (Amendment) Bill (National Assembly Bill No. 11 of 2021)	Communication, Information and Innovation
5.	The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021)	Agriculture and Livestock
6.	The Community Groups Registration Bill (National Assembly Bill No.20 of 2021)	Labour and Social Welfare
7.	Kenya Industrial Research and Development Institute Bill (National Assembly Bill No. 44 of 2021);	Trade, Industry and Cooperatives
8.	The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021)	Transport, Public Works and Housing
9.	The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020)	Transport, Public Works and Housing
10.	The Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020)	Finance and National Planning
11.	The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill (National Assembly Bill No. 49 of 2020)	Finance and National Planning
12.	The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021)	Finance and National Planning
13.	The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021)	Finance and National Planning
14.	Irrigation (Amendment) Bill (National Assembly Bill No. 12 of 2021)	Environment and Natural Resources

The Bills were read a First Time pursuant to Standing Order 127(3) on 8th and 9th June 2021. Copies of the Bills are available at the National Assembly Table Office, or on www.parliament.go.ke/the-national-assembly/house-business/bills.

The memoranda may be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to clerk@parliament.go.ke; to be received on or before Friday 18th June, 2021, at 5:00 pm.

MICHAEL SIALAI, CBS
 CLERK OF THE NATIONAL ASSEMBLY

11th June 2021



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT - FIFTH SESSION

In the Matter of Article 118(1) (b) of the Constitution

And

In the Matter of Consideration by the National Assembly of;

1. The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37 of 2020);
2. The Pharmacy and Poisons (Amendment) Bill (National Assembly Bill No. 1 of 2021);
3. The Health (Amendment) Bill (National Assembly Bill No. 14 of 2021);
4. The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021);
5. The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021);
6. The Community Groups Registration Bill (National Assembly Bill No. 20 of 2021);
7. The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021);
8. The Computer Misuse and Cybercrimes (Amendment) Bill (National Assembly Bill No. 11 of 2021)
9. The Kenya Industrial Research and Development Institute Bill (National Assembly Bill No. 44 of 2021);
10. The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020);
11. The Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020);
12. The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill (National Assembly Bill No. 49 of 2020);
13. The Irrigation (Amendment) Bill (National Assembly Bill No. 12 of 2021);
14. The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021).

SUBMISSION OF MEMORANDA

Pursuant to Article 118(1) (b) of the Constitution and Standing Order 127(3) of the National Assembly Standing Orders, the Clerk of the National Assembly hereby invites members of the public and relevant stakeholders to submit memoranda on the aforementioned Bills, whose objects are as follows:

The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37 of 2020) sponsored by Hon. Paul Mwirigi, MP, Igembe South Constituency, seeks to amend the Higher Education Loans Board Act in order to provide that a loanee shall commence the repayment of his or her loan once he or she secures employment. The amendment is meant to cushion unemployed graduates from being charged interest on the loan before they have secured employment.

The Pharmacy and Poisons (Amendment) Bill, 2021 (National Assembly Bill No. 1 of 2021) sponsored by Hon. Alfred Keter, MP, Nandi Hills Constituency, seeks to amend the Pharmacy and Poisons Act to prohibit the sale or dispensing of medicine without written prescription from a registered medical practitioners.

The Health (Amendment) Bill, 2021 (National Assembly Bill No. 14 of 2021) sponsored by Hon. Moses Mwambu Wekesa Mabonga, MP, Bumula Constituency, seeks to amend the Health Act No. 21 of 2017 to provide that the National government and county governments shall, in consultation through the existing inter-governmental relations mechanism establish regional cancer centers; to make it an offence for a person in-charge of a Public Health facility to demand or permit of payments of advance medical fees as pre-condition for the provision of medical services; to make it an offence for person in-charge of a Public Health facility to detain a body of deceased person as means of enforcing settlement of outstanding medical bills and to provide for regulation on levying of charges for the practice of conventional medical practice.

The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021) seeks to provide for the establishment and operationalization of the National Electronic Single Window System in order to facilitate trade, the establishment of the Kenya Trade Network Agency, to provide for electronic transactions, and for connected purposes.

The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021) seeks to provide for development, regulation and promotion of the Coffee Industry, provide for establishment, powers and functions of the Coffee Board of Kenya.

The Community Groups Registration Bill, 2021 (National Assembly Bill No. 20 of 2021) seeks to provide a regulatory framework for the registration and regulation of community groups and connected purposes.

The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021) sponsored by Hon. David Pkosing, MP, Pokot South Constituency, seeks to amend the Kenya Roads Act (No. 2 of 2007) to align the Act with the provisions of the Constitution with regard to the auditing functions of the Office of the Auditor-General. The Act currently refers to the defunct office of the Controller of Budget and the Auditor-General. The Bill further seeks to amend the term of office of and the qualification for the Director-General of the Kenya Roads Board appointed under the Act.

The Computer Misuse and Cybercrimes (Amendment) Bill, 2021 (National Assembly Bill No. 11 of 2021) sponsored by Hon. Aden Bare Duale, MP, Garissa Township Constituency, seeks to amend The Computer Misuse and Cybercrimes Act, 2018 to provide for the prohibition against the sharing of pornography through the Internet and prohibit use of electronic mediums to promote terrorism, extreme religious and cult activities.

Kenya Industrial Research and Development Institute Bill, 2021 (National Assembly Bill No. 44 of 2021) seeks to establish the Kenya Industrial Research and Development Institute, and for connected purposes. It further provides for the promotion of research, development, technology and innovation in Industrial and allied technologies, and for initiation and support of industrial development.

The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020) sponsored by Hon. David Gikaria, MP, Nakuru Town East Constituency, seeks to amend the National Construction Authority Act, No. 41 of 2011 to ensure women, youth and persons living with disabilities with start-up businesses who apply to be registered as contractors under category six, seven and eight are exempted from paying the prescribed fee. The amendment seeks to recognize women, youth and persons living with disabilities as marginalized groups and to cushion them from the burden of paying registration fees.

The Kenya Deposit Insurance (Amendment) Bill, 2020 (National Assembly Bill No. 43 of 2020) sponsored by Hon. Abdul Rahim Dawood, MP, Imenti North Constituency, seeks to amend section 28 of the Kenya Deposit Insurance Act, 2012 in order to increase the maximum amount a person with an account with an institution under liquidation is to be paid by the Kenya Deposit Insurance Corporation. It further seeks to delete the provision limiting the maximum amount a person is to be paid by the Corporation despite having different accounts.

The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill, 2020 (National Assembly Bill No. 49 of 2020) sponsored by Hon. Benjamin Gathiru Mwangi, MP, Embakasi Central Constituency, seeks to amend the Public Procurement and Asset Disposal Act, 2015 to enhance the amount for tenders where Kenya citizens are given exclusive preference from the sum of five hundred million shillings to twenty billion shillings. This is to protect the Kenyan traders from foreign competitors.

The Irrigation (Amendment) Bill, 2021 (National Assembly Bill No. 12 of 2021) seeks to amend the Act by expanding the administration of irrigation matters to include management and regulation of irrigation matters. The Bill further seeks to amend the Act to harmonize the provision of the Irrigation Act, Water Act and Water Resources Management Rules, 2007.

The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021) seeks to amend the Tax Appeals Tribunal Act, 2013 to address the challenges affecting the performance of the Tax Appeals Tribunal to facilitate the expedition of tax disputes in the country.

Pursuant to Standing Order 127(1) of the National Assembly Standing Orders, the Bills proposing amendments to the various Acts of Parliament are committed to Departmental Committees of the National Assembly as set out in the schedule hereunder:

SCHEDULE

No.	BILL	COMMITTEE
1.	The Higher Education Loans Board (Amendment) Bill, 2020 (National Assembly Bill No. 37)	Education and Research
2.	The Pharmacy and Poisons (Amendment) Bill (National Assembly Bill No. 1 of 2021)	Health
3.	The Health (Amendment) Bill (National Assembly Bill No. 14 of 2021)	
4.	The Computer Misuse and Cybercrimes (Amendment) Bill (National Assembly Bill No. 11 of 2021)	Communication, Information and Innovation
5.	The Coffee Bill, 2021 (National Assembly Bill No. 17 of 2021)	Agriculture and Livestock
6.	The Community Groups Registration Bill (National Assembly Bill No. 20 of 2021)	Labour and Social Welfare
7.	Kenya Industrial Research and Development Institute Bill (National Assembly Bill No. 44 of 2021)	Trade, Industry and Cooperatives
8.	The Kenya Roads (Amendment) Bill, 2021 (National Assembly Bill No. 13 of 2021)	Transport, Public Works and Housing
9.	The National Construction Authority (Amendment) Bill, 2020 (National Assembly Bill No. 45 of 2020)	
10.	The Kenya Deposit Insurance (Amendment) Bill (National Assembly Bill No. 43 of 2020)	Finance and National Planning
11.	The Public Procurement and Asset Disposal (Amendment) (No. 3) Bill (National Assembly Bill No. 49 of 2020)	
12.	The National Electronic Single Window System Bill, 2021 (National Assembly Bill No. 15 of 2021)	
13.	The Tax Appeals Tribunal (Amendment) Bill (National Assembly Bill No. 19 of 2021)	Environment and Natural Resources
14.	Irrigation (Amendment) Bill (National Assembly Bill No. 12 of 2021)	

The Bills were read a first time pursuant to Standing Order 127(3) on 8th and 9th June 2021. Copies of the Bills are available at the National Assembly Table Office, or on www.parliament.go.ke/the-national-assembly/house-business/bills.

The memoranda may be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to clerk@parliament.go.ke; to be received on or before Friday 18th June, 2021, at 5:00 pm.

MICHAEL SIALAI, CBS
CLERK OF THE NATIONAL ASSEMBLY
11th June 2021

