

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 206 (National Assembly Bills No. 43)*

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REPUBLIC OF KENYA

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***KENYA GAZETTE SUPPLEMENT***

**NATIONAL ASSEMBLY BILLS, 2020**

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**NAIROBI, 20th November, 2020**

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**THE KENYA DEPOSIT INSURANCE  
(AMENDMENT) BILL 2020**

**A Bill for**

**AN ACT Parliament to amend the Kenya Deposit Insurance Act, and for connected purposes.**

**ENACTED** by the Parliament of Kenya, as follows—

**PART I—PRELIMINARY**

1. This Act may be cited as the Kenya Deposit Insurance (Amendment) Act, 2020.

Short title.

2. Section 28 of the Kenya Deposit Insurance Act, is amended in—

Amendment of section 28 of No. 10 of 2012.

(a) in subsection (1) by deleting the words “one hundred thousand shillings” and substituting therefor the words “one million shillings”;

(b) by deleting subsection (2) and substituting therefor the following—

(2) The corporation shall, make the payment to a customer under subsection (1), within six months or any shorter period following the conclusion of liquidation of the institution insured.

(c) by inserting the following new subsection immediately after subsection (2)—

(3) A person who contravenes this section commits an offence and is liable to a fine not exceeding one million shillings or to imprisonment for a term not exceeding three years or to both.

## **MEMORANDUM OF OBJECTS AND REASONS**

### **Statement of objects and reasons for the Bill**

The Principal object of this Bill is 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 a person is to be paid by the Corporation despite having different accounts.

### **Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms**

The Bill does not contain any provisions limiting any fundamental rights or freedom.

### **Statement of how the Bill concerns county governments**

The Bill does not affect the functions of County governments as set out in the Fourth Schedule to the Constitution and is therefore not a Bill concerning county governments. Monetary policy including banking, regulation of banking, insurance and financial corporations under section 10 of Part 1 of the Fourth Schedule to the Constitution is a National Government function.

### **Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution**

The enactment of this Bill shall occasion additional expenditure of public funds.

ABDUL RAHIM DAWOOD,  
*Member of Parliament.*

*Section 28 of the Kenya Deposit Insurance Act which the Bill proposes to amend—*

**Amount payable as protected deposit**

**28.** (1) The Corporation shall insure each deposit placed with an institution, provided that the maximum amount payable to a customer in respect of the aggregate credit balance of any deposit accounts maintained by the customer with the institution shall not exceed one hundred thousand shillings or such higher amount as the Corporation may from time to time determine.

(2) Where a depositor owns more than one deposit account with an institution, the aggregate of those deposits shall be insured in respect of the consolidated amount to the prevailing maximum amount fixed under subsection (1).

