



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - THIRD SESSION (2024)

IN THE MATTER OF ARTICLE 118 (1)(b) OF THE CONSTITUTION
AND

IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE BUSINESS LAWS (AMENDMENT) BILL, 2024 (NATIONAL ASSEMBLY BILL NO. 49 OF 2024)

INVITATION TO SUBMIT MEMORANDA AND NOTIFICATION OF PUBLIC HEARINGS

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees and Standing Order 127(3) of the National Assembly Standing Orders requires House Committees considering Bills to facilitate public participation;

AND WHEREAS, the **Business Laws (Amendment) Bill, 2024 (National Assembly Bill No. 49 of 2024)** was Read a First Time on Wednesday, 13th November, 2024, and thereafter committed to the relevant Committees for consideration and reporting to the House;

IT IS NOTIFIED that the **Business Laws (Amendment) Bill, 2024 (National Assembly Bill No. 49 of 2024)** is sponsored by the **Leader of the Majority Party** and seeks to amend **nine (9) Acts of Parliament** as follows—

- (1) The Bill seeks to amend the **National Electronic Single Window System Act (Cap. 485D)** to empower the Cabinet Secretary to exempt certain category of users from the payment of fees prescribed under the Act;
- (2) The Bill seeks to amend the **Banking Act (Cap. 488)** to—
 - (a) provide for penalties against institutions, credit reference bureaus or any other person who fails or refuses to comply with any provision of the Act, the Prudential Guidelines and directions issued by the Central Bank; and
 - (b) provide for progressive increase of the minimum core capital requirements for banks and mortgage institutions to enhance banking sector stability to attract global players;
- (3) The Bill seeks to amend the **Central Bank of Kenya Act (Cap. 491)** to—
 - (a) revise definitions relating to digital credit business and clarify application of the law to credit businesses such as buy now pay later credit services, peer to peer lending and asset financing;
 - (b) empower the Central Bank to license and supervise non-deposit-taking credit providers not regulated under any written law;
 - (c) expand the scope of the Act to regulation of non-deposit-taking credit providers.
 - (d) insert a new Part VID on regulation of credit guarantee companies; and
 - (e) provide a transitional period of five years for the commencement of the registration and licensing of credit guarantee companies;
- (4) The Bill seeks to amend the **Microfinance Act (Cap. 493C)** to—
 - (a) empower the Cabinet Secretary to make regulations on exemption of specified non-deposit-taking microfinance businesses from the application of the Act;
 - (b) provide for the qualifications for carrying out non-deposit-taking microfinance business;
 - (c) provide for licensing and revocation of licences of non-deposit-taking microfinance businesses; and
 - (d) provide consumer protections for borrowers from predatory lending, including conditions for micro-lending; financial costs associated with micro-loans and the rights and duties associated with micro-loans.
- (5) The Bill seeks to amend the **Standards Act (Cap. 496)** to—
 - (a) provide for the registration of manufacturers by the Kenya Bureau of Standards;
 - (b) provide for the payment and disbursement of the standard levy order from the Bureau account;
 - (c) provide for the Standards to be met by manufacturers;
 - (d) provide for compliance with sampling and information requirements by manufacturers, importers, stockers, distributors, sellers and exhibitors;
 - (e) provide for the establishment and designation of laboratories and establishment of calibration facilities by the Kenya Bureau of Standards; and
 - (f) provide for the appointment of inspection bodies in the country of origin of goods to undertake verification of conformity to Kenya Standards and to require the inspection bodies to have a tax presence in Kenya;
- (6) The Bill seeks to amend the **Kenya Accreditation Service Act (Cap. 496A)** to—
 - (a) provide for the Accreditation of foreign Conformity Assessment Bodies operating in Kenya; and
 - (b) provide for the imposition of an accreditation levy at the rate of three percent of the value of any accredited service offered to a third party by an accredited conformity assessment body;
- (7) The Bill seeks to amend the **Scrap Metal Act (Cap. 503)** to amend the composition of the Scrap Metal Council;

- (8) The Bill seeks to amend the **Kenya Industrial Research and Development Institute Act (Cap. 511)** provide for further functions of the Institute to include buying, selling or taking patent rights in inventions and undertaking marketing research, technological and innovative products; and
- (9) The Bill seeks to amend the **Special Economic Zones Act (Cap. 517A)** to—
 - (a) revise the definition of business process outsourcing;
 - (b) empower the Cabinet Secretary to set the minimum acreage of land to be considered for declaration as a Special Economic Zone;
 - (c) provide that sold goods that remain within a customs-controlled area of a special economic zone are not entitled to the benefits conferred under the Act;
 - (d) empower the Special Economic Zones to determine the minimum investment value and minimum land size;
 - (e) enable public entities to qualify as special economic zone developers and operators;
 - (f) provide for the issuance of Special Economic Zone Business Service Permit;
 - (g) provide for the lease, sub-lease or sale of land or buildings to special economic zone service permit holders; andoutline incentives and tax benefits that will be granted to a special economic zone developer operator or enterprise.

The Bill has been committed to two Departmental Committees for consideration as set out in the schedule below—

S/No.	ACT PROPOSED TO BE AMENDED	COMMITTEE
1.	The Banking Act, Cap. 488	Finance and National Planning
2.	The Central Bank Act, Cap. 491	
3.	The Microfinance Act, Cap. 493C	
4.	The National Electronic Single Window System Act, Cap. 485D	Trade, Industry and Cooperatives
5.	The Standards Act, Cap. 496	
6.	The Kenya Accreditation Service Act, Cap. 496A	
7.	The Scrap Metal Act, Cap. 503	
8.	The Kenya Industrial Research and Development Institute Act, Cap. 511	
9.	The Special Economic Zones Act, Cap. 517A	

NOW THEREFORE, in compliance with Article 118(1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the Bill to the **Departmental Committee on Finance and National Planning** and the **Departmental Committee on Trade, Industry and Co-operatives**.

Written Memoranda should indicate the name of the person or organization submitting it, their contact details and should be addressed to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi**; hand-delivered to the Office of the Clerk, First Floor, Main Parliament Buildings, Nairobi or emailed to businesslaws@parliament.go.ke to be received **on or before Thursday, 28th November 2024 at 5.00 p.m.**

A Public Views Template providing guidance on the form of submission to be received is available on <http://parliament.go.ke>.

IT IS FURTHER NOTIFIED that—

- (1) The Departmental Committee on Finance and National Planning shall hold Public Hearings on the Bill at the **Kenyatta International Convention Centre (KICC)** from **Monday 25th November, 2024 to Thursday 28th November, 2024**; from **10.00am to 5.00pm**; and
- (2) The Departmental Committee on Trade, Industry and Co-operatives shall hold Public Hearings on the Bill at the **Mini Chamber, 1st Floor, County Hall, Parliament Buildings** from **Monday 25th November, 2024 to Wednesday 27th November, 2024**; from **10.00am to 5.00pm**.

The Committees shall discuss the contents of the Bill and its implications during the hearings. Members of the public are invited to attend and share their views on the Bill during the sessions.

A copy of the Bill is available at the National Assembly Table Office or <http://www.parliament.go.ke/the-national-assembly/house-business/bills>.

S. NJORGE, CBS
CLERK OF THE NATIONAL ASSEMBLY
14th November 2024