



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT – (THIRD SESSION)

THE NATIONAL ASSEMBLY

ORDERS OF THE DAY

**SUPPLEMENTARY
SPECIAL SITTING**

(Convened vide Kenya Gazette Notice No. 110 of 10th January 2025)

THURSDAY, JANUARY 16, 2025 AT 2.30 P.M.

ORDER OF BUSINESS

PRAYERS

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions
5. Papers
6. Notices of Motion
7. Questions and Statements

8*. MOTION – REPORT OF THE COMMITTEE OF THE WHOLE HOUSE ON THE STARTUP BILL (SENATE BILL NO. 14 OF 2022)

(The Hon. Irene Mayaka, M.P. – Co-Sponsor)

THAT, this House do agree with the Report of the Committee of the Whole House on its consideration of the Startup Bill (Senate Bill No. 14 of 2022), subject to recommitment of Clause 9.

(Question to be put)

9*. MOTION – REPORT OF THE COMMITTEE OF THE WHOLE HOUSE ON THE PERSONS WITH DISABILITIES BILL (SENATE BILL NO. 7 OF 2023)

(The Leader of the Majority Party – Co-Sponsor)

THAT, this House do agree with the Report of the Committee of the Whole House on its consideration of the Persons with Disabilities Bill (Senate Bill No. 7 of 2023)

(Question to be put and Third Reading)

10*. SPECIAL MOTION – CONSIDERATION OF NOMINEES FOR APPOINTMENT TO VARIOUS DIPLOMATIC OFFICES

(The Chairperson, Departmental Committee on Defence, Intelligence and Foreign Relations)

THAT, taking into consideration the findings of the Departmental Committee on Defence, Intelligence and Foreign Relations in its Report on the *Vetting of the Nominees for Appointment as Ambassador, Permanent Representative and Consul-General, laid on the Table of the House on Thursday, 16th January 2025*, and pursuant to the provisions of Article 132(2)(e) of the Constitution, section 20(2) of the Foreign Services Act, CAP 185E and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, CAP 7F, this House **approves** the appointment of the following persons as indicated—

<u>Nominee</u>	<u>Station</u>
(i) Dr. Andrew Karanja	Ambassador, Brasilia, Brazil;
(ii) Hon. Ababu Namwamba, EGH	Permanent Representative of Kenya to the United Nations Environment Programme (UNEP)/ United Nations office at Nairobi (UNON); and
(iii) Mr. Noor Yarow Gabow, CBS	Consul-General, Port-au-Prince, Haiti.

11*. SPECIAL MOTION – CONSIDERATION OF NOMINEES FOR APPOINTMENT TO THE PUBLIC SERVICE COMMISSION

(The Chairperson, Departmental Committee on Labour)

THAT, taking into consideration the findings of the Departmental Committee on Labour in its Report on the *Vetting of nominees for appointment as Vice-Chairperson and as Members of the Public Service Commission, laid on the Table of the House on Thursday, 16th January 2025*, and pursuant to the provisions of Article 233(2) of the Constitution and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, CAP 7F, this House **approves** the appointment of the following persons to the Public Service Commission –

- | | |
|---|---------------------|
| (i) Mrs. Mary Wanjira Kimonye, CBS | - Vice-Chairperson; |
| (ii) Mr. Harun Maalim Hassan | - Member; |
| (iii) Ms. Mwanamaka Amani Mabruki, CBS | - Member; |

...../11*(Cont'd)

- (iv) Mr. Francis Meja - Member;
- (v) Dr. Irene Cherotich Asiega - Member;
- (vi) Mr. Boya Molu, EBS - Member;
- (vii) Ms. Joan Andisi Machayo - Member; and
- (viii) Dr. Francis Otieno Owino, CBS - Member.

12*. SPECIAL MOTION – CONSIDERATION OF NOMINEES FOR APPOINTMENT AS CABINET SECRETARIES

(The Chairperson, Committee on Appointments)

THAT, taking into consideration the findings of the Committee on Appointments in its Fourth Report on the *Vetting of the nominees for appointment as Cabinet Secretaries, laid on the Table of the House on Thursday, 16th January 2025*, and pursuant to the provisions of Article 152(2) of the Constitution and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, CAP 7F, this House **approves** the appointment of the following persons as Cabinet Secretaries –

<u>S/No.</u>	<u>Nominee</u>	<u>Ministry</u>
(i)	Hon. Mutahi Kagwe, EGH	Agriculture & Livestock Development;
(ii)	Hon. William Kabogo	Information, Communications & the Digital Economy
(iii)	Hon. Lee Kinyanjui	Investments, Trade & Industry

13*. MOTION – CONSIDERATION OF SENATE AMENDMENTS TO THE GAMBLING CONTROL BILL (NATIONAL ASSEMBLY BILL NO. 70 OF 2023)

(The Leader of the Majority Party)

THAT, the **Senate amendments** to the Gambling Control Bill (National Assembly Bill No. 70 of 2023) be now considered.

(Schedule of Senate Amendments to the Bill is published in the Notices)

14*. COMMITTEE OF THE WHOLE HOUSE

- (i) The Startup Bill (Senate Bill No. 14 of 2022)
(The Hon. Irene Mayaka, M.P. – *Co-Sponsor*)

(Subject to recommitment of Clause 9)

...../14*(Cont'd)

- (ii) Consideration of Senate amendments to the Gambling Control Bill
(National Assembly Bill No. 70 of 2023)
(The Leader of the Majority Party)
(Subject to Order No. 13)

Denotes Orders of the Day

I. THE STARTUP BILL (SENATE BILL NO. 14 OF 2022)

- 1) **Notice is given that the Chairperson of the Departmental Committee on Trade, Industry and Cooperatives intends to move the following amendments to the Startup Bill, 2022 at the Committee Stage—**

LONG TITLE

THAT, the Bill be amended by deleting the long title and substituting therefor the following new long title—

“AN ACT of Parliament to provide a framework to support growth and sustainable technological development and transfer, innovative entrepreneurial culture; to create an environment for innovation; to attract talent and capital from Kenya; to recognise and to support startups, incubators, accelerators; and for connected purposes”

CLAUSE 2

THAT, Clause 2 of the Bill be amended by —

- (a) inserting the following definitions in proper alphabetical sequence—

“accelerator” means a company, partnership, an establishment within an institution of higher learning or a formal or informal sector business association whose principal object is to offer short, time bound, and cohort-based programmes, to support the development of startups, innovation, and other activities related to the transfer of skills, research, development, and innovation processes and has been labelled as such under this Act;

“commercialization phase” means the startup process which includes production, marketing, financing and scaling up;

“conception phase” means idea generation, evaluation, requirement analysis, project planning, prototyping, testing, piloting and proof of concept;

Cap. 486. “Estate” means the Kenya Industrial Estates established under the Companies Act;

“incubation programme” means the provision of systematic support to applicants such as access to training, mentorship, and other support services such as the establishment and transformation of enterprises that may be developed by either public or private institutions and executed by an accelerator or incubator;

“investor” means any individual or entity that contributes its resources or technical know-how to the development of Startups for a reasonable return;

“label” means under this Act is a certificate issued by the Agency to a startup, incubator, or accelerator upon the fulfilment of the labelling requirements under this Act;

“labelling” means the assigning of a tiered designation to Startups, and the classification of incubators and accelerators in accordance with this Act;

“startup” means a registered enterprise legally recognized under the laws of Kenya, which has been in existence for a period of not more than ten years with a strong growth potential, incremental innovation or disruptive business model;

“startup ecosystem players” means any entity that plays a role in —

(a) the conceptual phase that includes generation and evaluation of ideas, the process of analysing requirements, planning of projects, prototyping, testing, piloting a proof of concept; and

(b) the commercialization phase that includes production, marketing, financing and scaling up of ideas and proofs of concept;

“startup maturity framework” means a model developed by the Agency to assess the technology readiness levels of startups, and to assign them tiers for purposes of labelling, financing and graduation”

(b) deleting definition of “Cabinet Secretary” and substituting therefor the following new definition

“Cabinet Secretary” means the Cabinet secretary for the time being responsible for matters relating to micro, small and medium enterprises development; business innovation and incubation; and startups

(c) deleting the definition of “County Executive Committee Member”

(d) deleting the definition of “incubator” and substituting therefor the following definition —

“incubator” means a company, partnership, non-governmental organization, an establishment within an institution of higher learning or a formal or informal sector business association whose principal object is to support the birthing and development of Startups, innovation, and other activities related to the transfer of skills, research, development, and innovation processes, through the offer of dedicated physical or virtual spaces and advisory services and has been labelled as such under this Act;

(e) deleting the definition of “startup incubator”

CLAUSE 3

THAT, Clause 3 of the Bill be amended —

- (a) in paragraph (c) by inserting the words “incubators, accelerators and investors” immediately after the word “startups”;
- (b) in paragraph (e), by deleting the word “and”
- (c) by inserting the following new paragraphs immediately after paragraph (f)—
 - “(fa) for recognition of startups;
 - (fb) for establishment, development, financial support and growth of startups;
 - (fc) for catalysing the growth of the startup ecosystem through infrastructural enhancement, innovation and talent development, entrepreneurial culture growth and ecosystem coordination;
 - (fd) enhancement of private sector investments in startups and Kenya’s positioning in the global innovation and startup economy; and”

CLAUSE 4

THAT, the Bill be amended by deleting Clause 4 and inserting the following new Clauses—

Role of the
Agency and the
Estate in
implementation
of the Act.

4. (1) The Agency and the Estate, shall develop a framework for collaboration among the startup ecosystem players including the county governments.

(2) The Agency shall—

- (a) formulate a national policy framework for the development of the business incubation and acceleration sector and startup system;
- (b) promote innovation;
- (c) facilitate the transfer of technology innovation;
- (d) create and develop a sustainable, globally competitive technology innovation sector that contributes towards the accelerated growth of the economy;
- (e) promote the linkages between universities and research institutions and the business community.
- (f) enter into partnerships with local and international business incubators and accelerators in order to promote the establishment and growth of startups in Kenya;
- (g) establish programmes for the certification and admission of incubators and accelerators into the incubation programmes;
- (h) setup mechanisms that promote the development of business incubation programmes and create an enabling environment for the promotion of business incubators including fiscal and non-fiscal incentives to incubators and startups;

- (i) establish online and other platforms for access to information including the establishment and development of startups, existing incubation programmes, access to fiscal and non-fiscal support and for this purpose, keep and maintain a directory of startups and incubator;
 - (j) support any research and development activities undertaken by startups;
 - (k) establish mechanisms for pre-incubation of entities and for this purpose, provide training and capacity building programmes to startups registered under this Act;
 - (l) establish mechanisms to enable access to entities from marginalized groups through the use of quotas or mechanisms that match them to unused capacity in existing programmes; and
 - (m) establish structures that ensure the protection of the innovations of startups at the national and international level.
- (3) The Estate shall —
- (a) develop a framework setting out modalities on funding for commercialization of startups;
 - (b) support startups through partnerships/collaboration with relevant startup ecosystem players for commercialization of startups;
 - (c) enter into partnerships to promote the startup ecosystem based on the Startup Maturity Framework;
 - (d) create an enabling environment for micro, small and medium enterprises to be innovative;
 - (e) design and implement training and capacity building programs for startups, incubators, and accelerators in accordance with this Act;
 - (f) ensure all persons irrespective of their sex, disability or ethnicity is afforded an equal opportunity to establish and benefit from their innovation;
 - (g) promote the creation of employment and wealth creation;
 - (h) establish a database of all commercialized startups; and
 - (i) undertake any other function, which is incidental to the performance of any of the foregoing functions.

NEW CLAUSE 4A

Establishment
and
composition of
the startup
committee.

4A. (1) The Cabinet Secretary shall establish a multi-agency startup committee that shall comprise of technical persons from the following institutions—

- (a) Kenya National Innovations Agency;
- (b) Kenya Industrial Research and Development Institute;
- (c) Micro Small Enterprises Authority, Kenya Industrial Estates
- (d) Kenya Bureau of Standards;
- (e) Kenya Industrial Property Institute;
- (f) Institutions of Higher Learning, Technical, Vocation and Education Training Institutions; and
- (g) any other institution or person the Cabinet Secretary may deem necessary for the implementation of this Act.

(2) The committee under subsection (1) shall—

- (a) develop standards and guidelines to regulate the relationship between an incubator and a startup under this Act;
- (b) prescribe a criteria for the evaluation of entities, programmes and structures set up for the purposes of implementing this Act.
- (c) receive, assess, and issue labels to startups;
- (d) receive, assess, and certify incubators and accelerators;
- (e) create guidelines for incubation programmes run by public agencies;
- (f) issue a framework for the establishment, revamping and operation of accelerators and incubation hubs in every county;
- (g) accredit startups; and
- (h) advise the Cabinet Secretary on offering of fiscal and non-fiscal incentives.

CLAUSE 5

THAT, Clause 5 of the Bill be amended by deleting Clause 5.

PART III

THAT, the title to **PART III** of the Bill be amended by deleting the words “REGISTRAR OF STARTUPS AND ADMISSION INTO INCUBATION PROGRAMME” and substituting therefor the words “ADMISSION INTO INCUBATION PROGRAMME”.

CLAUSE 6

THAT, the Bill be amended by deleting Clause (6) and substituting therefor the following new Clause—

Eligibility criteria.

6. (1) An entity is eligible for labelling as a startup if the entity—

(a) is registered in Kenya as a —

(i) private limited company under the Companies Act;

(ii) co-operative society registered under Co-operative Societies Act;

(iii) sole-proprietorship; or

(iv) partnership firm.

(b) is newly registered or has been in existence for a period of not more than ten years from the date of its incorporation or registration;

(c) has as its objects the innovation, development, production or improvement and commercialization of innovative products, processes or services or if it is a scalable business model;

(d) has human resources, total assets, and annual turnover number that does not exceed an amount prescribed by the Cabinet Secretary;

(e) has its headquarters in Kenya;

(f) does not distribute profits;

(g) is fully owned by a citizen of Kenya or majority ownership by citizen or citizens of Kenya;

(h) falls within the tiered structures as prescribed by the Startup Maturity Framework; and

- (i) has at least fifteen percent of the expenses of the entity spent on activities that relate to research and development.
- (2) This Act shall not apply to an entity that is —
 - (a) established or formed as a result of the split, reconstruction, merger or reconstitution of an existing business;
 - (b) a holding company or subsidiary of an existing entity which is not labelled as a startup;
- (3) A startup labelled under this Act shall be granted access to the incentives provided under this Act.

CLAUSE 7

THAT, the Bill be amended by deleting Clause 7 and substituting therefor the following new clause—

Registration of labelled startup.

7. (1) A person may apply to the committee to register a labelled startup under this Act in the prescribed form.

(2) A person who applies under subsection (1) shall submit a statement setting out—

- (a) the name of the entity;
- (b) the general nature of the proposed business of the entity;
- (c) a declaration form stating whether an entity has complied with data protection laws; and
- (d) the proposed registered office of the entity;

(3) The committee shall put in place mechanisms to ensure that the admission process is simple, efficient, accurate and transparent.

(4) The committee shall establish an online platform for the submission of the documents and information specified under subsection (2).

(5) The committee shall register and issues a label to a person who complies with the requirements specified in the regulations made under this Act.

CLAUSE 8

THAT, Clause 8 of the Bill be deleted and be substituting therefor with the following new clause—

Obligations of
labelled startups.

- 8. (1) A startup labelled under this Act, shall—
 - (a) provide information to the committee annually on its annual turnover;
 - (b) maintain proper books of accounts;
 - (c) provide an annual report on monies received to support their activities;
 - (d) comply with any other obligations set out by the Committee after issuance of the label; and
 - (e) provide any other information that may be required during the period.

CLAUSE 9

THAT, the Bill be amended by deleting Clause 9.

CLAUSE 10

THAT, the Bill be amended by deleting Clause 10.

CLAUSE 11

THAT, the Bill be amended by deleting Clause 11.

CLAUSE 12

THAT, the Bill be amended by deleting Clause 12.

CLAUSE 13

THAT, the Bill be amended by deleting Clause 13.

CLAUSE 14

THAT, the Bill be amended by deleting Clause 14 and substituting therefor the following new clause—

Grounds for
cancellation.

14. The Startup Committee may cancel a startup registered under this Act where —

- (a) there is reasonable cause to believe that the startup has among its objects the pursuit of an unlawful cause or purpose prejudicial to public interest;
- (b) the startup fails to comply with any directive issued by the Startup Committee to ensure compliance with the provisions of this Act;
- (c) the members of the startup fail to comply with the provisions of their constitution or rules or the provisions of this Act;
- (d) the startup fails to submit any information required under this Act or requested by the Startup Committee in order to ensure compliance with this Act; or
- (e) the startup submitted false information or statements at the time of labelling of the startup.

CLAUSE 15

THAT, the Bill be amended by deleting Clause 15 and substituting therefor the following new clause—

Notice of non-compliance.

15. (1) The Startup Committee shall, before cancelling a startup under section 14 issue to the entity a compliance notice in the prescribed form.

(2) A compliance notice issued under subsection (1) shall—

- (a) be in writing;
- (b) notify the startup of the noncompliance and the steps it is required to take in order to ensure compliance; and
- (c) inform the entity of the period within which it is required to comply with the notice.

(3) The Startup Committee may, upon request by the startup and where there are sufficient grounds shown by the startup, extend the period of compliance for such period as the Startup Committee may consider necessary to ensure compliance.

CLAUSE 16

THAT, the Bill be amended by deleting Clause 16 and substituting therefor the following new clause—

Cancellation.

16. (1) Where a startup which receives a notice under section 15 fails to comply with such notice, the Startup Committee shall cancel that startup by—

- (a) cancelling its certificate of labelling;
- (b) notifying the startup in writing of—
 - (i) the cancellation and the reasons for it; and
 - (ii) the date on which the certificate of labelling was cancelled; and
- (c) amend the register accordingly.

(2) Where a startup is cancelled under subsection (1), all the rights and benefits that accrue to it by virtue of being registered shall cease to accrue to the startup.

(3) For purposes of this Act, cancellation of a startup under this section takes effect on the date on which the certificate of registration is cancelled by the Startup Committee.

CLAUSE 17

THAT, the Bill be amended by deleting Clause 17 and substituting therefor the following new clause—

Application from an order of refusal or de-registration.

17. (1) A person who is aggrieved by the decision of the Startup Committee under this Part may, within thirty days of being notified of the decision, apply to the Cabinet Secretary for a review of the decision.

(2) An application for review shall be in such form as the Cabinet Secretary shall prescribe.

(3) The Cabinet Secretary shall determine an application under subsection (1) within sixty days of receipt of the application under subsection (1) and may confirm, vary or reverse the decision under review.

CLAUSE 18

THAT, the Bill be amended by deleting Clause 18 and substituting therefor the following new clause—

Register of startups.

18. (1) The Startup Committee shall keep and maintain a register of —

- (a) all startups registered under this Act specifying —
 - (i) the name of the startup;
 - (ii) the members of the startup;
 - (iii) the address of the startup; and
 - (iv) such other particulars as the Startup Committee may from time to time determine;
- (b) all cancelled startups; and
- (c) all startups which have voluntarily cancelled under this Act.

(2) Any person may inspect the register and obtain a copy of, or an extract from the Startup Committee upon payment of such fee as the Startup Committee shall determine.

CLAUSE 19

THAT, the Bill be amended by deleting Clause 19 and substituting therefor the following new clause—

Alteration of register.

19. (1) The Startup Committee, as the case may be, may, from time to time, make changes or corrections in the register relating to any entry.

(2) Any change or correction in relation to an entry made pursuant to a notice issued by a startup shall be made to the Startup Committee as soon as it is practicable after receipt of an authenticated notification thereof.

CLAUSE 21

THAT, the Bill be amended by deleting Clause 21 and substituting therefor the following new clause—

Change of particulars.

21.(1) A startup that makes a change to any of its particulars shall, within thirty days of such change submit to the Startup Committee information regarding the change.

(2) Upon receipt of the information under subsection (1) and where the Startup Committee is satisfied that the change does not affect its status of registration as a startup, enter the changes in the register kept by the Startup Committee under this Act.

PART IV

THAT, the title to **PART IV** of the Bill be amended by inserting the words “AND ACCELERATORS” immediately after the word “INCUBATORS”.

CLAUSE 24

THAT, Clause 24 of the Bill be amended —

(a) in subclause (1):

(a) by deleting the word “registrar” appearing in paragraph (a) and substituting therefor the word “startup ecosystem players” and

(b) by deleting paragraph (b).

CLAUSE 25

THAT, Clause 25 of the Bill be amended—

(a) in subclause (1) by deleting the words “, in consultation with the county executive committee members, ”

(b) in subclause (2) by deleting the words “ or a county executive committee member may, ”

PART V

THAT, the title to **PART V** of the Bill be amended by inserting the words “, INCUBATORS AND ACCELARATORS” immediately after the word “STARTUPS”

CLAUSE 27

THAT, Clause 27 of the Bill be amended—

(a) by deleting subclause (1) and substituting therefor the following new sub-clause—

“(1) The Cabinet Secretary shall, in consultation with the Cabinet Secretary responsible for finance, put in place measures for the granting of fiscal and non-fiscal incentives including tax incentives as shall be considered necessary for the development of startups.”

(b) by deleting subclause (2).

NEW CLAUSES 27A, 27B & 27C

THAT, the Bill be amended by inserting the following new clauses immediately after Clause 27 —

Incentives for
labelled incubators
and accelerators.

27A. (1) The Agency shall put in place measures to support incubators and accelerators and shall, for this purpose—

- (a) negotiate for tax concessions on the machinery or any other unique equipment to be used by incubators or accelerators; and
- (b) offer grants and aid for research, development, training, and expansion of projects taking place in the incubators or accelerators.

Incentives for investors.

27B. (1) The Cabinet Secretary, in consultation with the Cabinet secretary responsible for finance, may put in place measures to provide incentives to investors, including—

- (a) providing for tax relief on investment and from capital gains tax;
- (b) providing tax relief in the event of loss of investment;
- (c) providing tax relief for organizations or companies who have made equity investments in startups;
- (d) providing tax relief for investors who invest in startups that have three-quarters of their staff as local employees; or
- (e) providing creation of a special visa for foreign direct investment.

General requirements on exemptions and deductions.

27C. (1) A person is eligible for an exemption or a deduction provide for under this Act, if the exemption or deduction —

- (a) the exemption or deduction has been recommended by Agency and approved by the appropriate government authority;
- (b) complies with conditions prescribed under subsection (2); and
- (c) public resources have been allocated to accommodate the exemption or deduction.

CLAUSE 30

THAT, Clause 30 of the Bill be amended by deleting subclause (2).

NEW CLAUSE 30A

THAT, the Bill be amended by inserting the following new clause immediately after Clause 30—

30A. (1) The Agency shall collaborate with Kenya Industrial Property Institute to—

- (a) maintain an online platform to facilitate intellectual property registrations, which shall contain relevant information on process, categories of registrable IP and registration requirements;
- (b) provide training in intellectual property requirements to labelled startups;
- (c) simplify registration processes and facilitate assistance for the registration of patents and trademarks at both national and international levels;
- (d) make reasonable efforts to expedite intellectual property registration procedures, particularly for patents and trademarks which require several components;
- (e) design a financial support mechanism for labelled startups to support registration of intellectual property at the national and international level,;
- (f) develop model contracts for startups to use in their contractual relations with employees and contractors that detail IP rights and ownership, including for code and application development, and provide access to expert consultations with experienced examiners to ensure compliance with administrative requirements and assist with instituting legal actions for IP infringements and ensure speedy resolution of all IP disputes;
- (g) review and bring in accordance domestic copyright laws to clarify that copyright protects source code and algorithms; and
- (h) cooperate with other relevant authorities to integrate prohibitions of forced technology transfer in bilateral investment and trade agreements with third parties.

CLAUSE 31

THAT, the Bill be amended by deleting Clause 31.

NEW PART

THAT, the Bill be amended by inserting the following new PART immediately after PART V—

PART VA- ESTABLISHMENT OF THE STARTUP FUND

Establishment of the Startup Fund

32A. (1) There is established a fund known as the Cooperative Development Fund, in accordance with the Regulations prescribed by the Cabinet Secretary.

(2) The Cabinet Secretary shall enact regulations to operationalize this section.

Sources of the Funds.

32B. The source of the Fund shall consist of—

- (a) such monies as may be appropriated by the National Assembly for the purposes of the Fund;
- (b) such monies as may accrue to the Authority in the performance of its functions under this Act determined in regulations from the National Research Fund;
- (c) any grants, gifts, donations or other endowments given to Kenya National Innovation Agency, Kenya Industrial Estates and other startup ecosystem players including County Governments; and
- (d) such funds as may vest in or accrue to Kenya National Innovation Agency and Kenya Industrial Estates and other startup ecosystem players including County Governments in the performance of its functions under this Act; and
- (e) any funds donated or lent to, or gift made to Kenya National Innovation Agency and Kenya Industrial Estates shall be disclosed to the National Assembly and made public before use.

CLAUSE 34

THAT, Clause 34 of the Bill be amended by deleting Clause 34 and substituting therefor the following new subclause—

Data protection

34.The personal data concerning a startup, incubator or accelerator, shall be processed only in accordance with the provisions of the Data Protection Act.

NEW CLAUSE 34A

THAT, the Bill be amended by inserting the following new clause immediately after Clause 34—

General penalty.

34A. (1) A person who commits an offence under this Act for which no specific penalty is provided or who otherwise contravenes this Act shall, on conviction, be liable to a fine not exceeding one million shillings or to imprisonment for a term not exceeding five years, or to both.

(2) In addition to any penalty referred to in subsection (1), the Court may order or prohibit the doing of any act to stop a continuing contravention.

- 2) **Notice is given that the Member for Dagoretti South (Hon. John Kiarie) intends to move the following amendments to the Startup Bill, 2022 at the Committee Stage—**

PART III

THAT, the Bill be amended by deleting the words “Registrar of Startups and” appearing in the title to Part III of the Bill.

CLAUSE 2

THAT, the Bill be amended by deleting the definition of the “Registrar” appearing in Clause 2.

CLAUSE 4

THAT, Clause 4 of the Bill be amended in subclause (2) by inserting the following new paragraph immediately after paragraph (e)

(ea) build a digital system where applications, evaluation and tracking is done in a transparent manner.

CLAUSE 5

THAT, Clause 5 of the Bill be amended in subclause (2) by inserting the following new paragraph immediately after paragraph (a)

(aa) establish a funding program for startups including funding instruments to support various categories of innovators.

CLAUSE 6

THAT, Clause 6 of the Bill be amended by deleting Clause 6.

CLAUSE 7

THAT, Clause 7 of the Bill be amended by deleting Clause 7.

CLAUSE 27

THAT, Clause 27 of the Bill be amended in subclause (1) by inserting the following new paragraphs immediately after paragraph (f)—

- “ (g) tax breaks in key industries as may be determined by the Cabinet;
- (h) employees of Startups may be entitled to Personal Income Tax relief;
- (i) competitive interest rates on Startup loan products from Government;
- (j) zero-rated Pay As You Earn up to an amount as may be determined by the Cabinet;
- (k) ease work permit requirements for foreign talent with the requisite skills;
- (l) Value Added Tax exemption for a period as shall be determined by the Cabinet;
- (m) access to matching funds by Government; and
- (n) grants to support research and market validation and development.”

NEW CLAUSE 27A

THAT, the Bill be amended by inserting the following new clause immediately after Clause 27 —

Funding
Program.

27A. The Agency shall—

- (a) mobilise funds from the National Treasury and other sources to finance the innovation and startup ecosystem by developing appropriate instruments such as matching funding, seed funding, interest free loans and commercialization grants each with corresponding internal guidelines; fund startups, incubators, accelerators, technology transfer offices, science and technology parks from the mobilized funds leveraging the innovation ecosystem maturity framework; and
- (a) develop a framework for internal approvals depending on the funds sought by the startups, incubators, accelerators, technology transfer offices or science and technology parks.

NEW CLAUSE 29A

THAT, the Bill be amended by inserting the following new clause immediately after Clause 29 —

Establishment
of Technology
Transfer
Offices.
Cap. 210.

29A. (1) An institution that is established under the Universities Act or under the Technical and Vocational

Cap. 210A.

Education and Training Act may establish a technology transfer office.

(2) A technology transfer office shall—

- (a) act as a link between academia and the industry to facilitate commercialization of intellectual property and innovations;
- (b) receive disclosures and analyse the disclosures for any commercial potential and the likely success of such commercialization;
- (c) aid researchers and innovators on the statutory protection of intellectual property;
- (d) facilitate commercialization of intellectual property through, licensing, assignment, and creation of startups, joint ventures, and spinoffs; and
- (e) conduct awareness programmes on commercialization of intellectual property.

(3) The Agency shall develop standards and guidelines for establishing and operationalising a technology transfer office under this section.

II. SENATE AMENDMENTS TO THE GAMBLING CONTROL BILL (NATIONAL ASSEMBLY BILL NO. 70 OF 2023)

It is notified that the Senate made the following amendments to the Gambling Control Bill (National Assembly Bill No. 70 of 2023) –

CLAUSE 5

Senate Amendment

THAT, Clause 5 be amended by inserting the following new paragraphs immediately after paragraph (e)—

- (ea) develop and implement county legislation on betting and other forms of gambling;
- (eb) license prize competitions within a county;
- (ec) license amusement machines;
- (ed) issue trade permits for betting premises;
- (ee) license and issue pool table permits within the county;
- (ef) license and supervise county lotteries;
- (eg) issue trade permits for premises for totalisators;

(The Committee recommends rejection of the Senate amendment)

CLAUSE 7

Senate Amendment

THAT, Clause 7 be amended by—

- (a) deleting paragraph (d) and substituting therefor the following new paragraph—
 - (d) three persons, not being public officers, appointed by the Cabinet Secretary, being persons with a background in finance, law, betting and lotteries or business management, provided that—
 - (i) one shall represent persons with disabilities;
 - (ii) one shall represent the youth; and
 - (iii) one shall represent faith-based organisations;
- (b) deleting paragraph (e) and substituting therefor the following new paragraph—
 - (e) three persons nominated by the Council of Governors and appointed by the Cabinet Secretary; and
- (c) deleting paragraph (f).

(The Committee recommends rejection of the Senate amendment)

CLAUSE 10

Senate Amendment

THAT, Clause 10 be amended—

- (a) by deleting paragraph (c);

- (b) in paragraph (f) by inserting the words “in consultation with county governments” immediately after the word “maintain” and
- (c) in paragraph (g) by inserting the words “beneficial owners” immediately after the word “directors”.
- (d) by inserting the following new paragraph immediately after paragraph (n)—
 - (na) collaborate with the Kenya Revenue Authority, established under section 3 of the Kenya Revenue Authority Act, to establish a monitoring system for tax compliance under this Act.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 11

Senate Amendment

THAT, Clause 11 be amended by inserting the following new subclauses immediately after subclause (4)—

- (5) The Cabinet Secretary, in consultation with the Authority, may grant remote platform authorizations.
- (6) The Cabinet Secretary may revoke an authorization granted under subsection (5) only if the platform is found to be in breach of the regulatory service requirements as prescribed by the Authority.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 28

Senate Amendment

THAT, Clause 28 be amended—

- (a) in subclause (2) by deleting paragraphs (o), (p) and (q); and
- (b) by deleting subclause (4).

(The Committee recommends rejection of the Senate amendment)

CLAUSE 31

Senate Amendment

THAT, Clause 31 be amended in subclause (3) by deleting the word “twelve” appearing immediately after the words “a period of” and substituting therefor the word “thirty six”.

(The Committee recommends rejection of the Senate amendment)

NEW CLAUSE 57A

Senate Amendment

THAT, the following new clause 57A be inserted immediately after clause 57—

- Lottery tax. 57A. (1) There shall be a tax to be known as lottery tax chargeable at the rate of fifteen per cent of the lottery turnover.
- (2) The tax shall be paid to the Collector by a person authorized to promote the lottery on the 20th day of the month following the month of collection.

(The Committee recommends rejection of the Senate amendment)

NEW CLAUSE 63A**Senate Amendment**

THAT, the following new clause 63A be inserted immediately after clause 63—

- Betting tax. 63A. (1) There shall be a tax to be known as betting tax chargeable at the rate of fifteen per cent of the gaming revenue.
- (2) The tax shall be paid to the Collector by the licensed bookmaker on the 20th day of the month following the month of collection.
- (3) This section shall not apply to horse racing.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 64**Senate Amendment**

THAT, Clause 64 be amended in subclause (5) by deleting the word “twenty shillings” appearing at the end of the subclause and substituting therefor the words “one shilling”.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 66**Senate Amendment**

THAT, Clause 66 be amended by deleting the words “shall ensure that its” appearing immediately after the word “Authority” and substituting therefor the words “and county governments shall ensure that their”

(The Committee recommends rejection of the Senate amendment)

NEW CLAUSE 66A**Senate Amendment**

THAT, the following new clause 66A be inserted immediately after clause 66—

- Gaming tax. 66A. (1) There shall be a tax to be known as gaming tax chargeable at the rate of fifteen per cent of the gaming revenue.
- (2) The tax shall be paid to the Collector by a person carrying on a gaming business on the 20th day of the month following the month of collection.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 69**Senate Amendment**

THAT, Clause 69 be amended by deleting clause 69 and substituting therefor the following new clause—

- Online gambling transaction. 69. An online gambling transaction shall commence when a player deposits money into his or her gaming account and shall conclude when a player withdraws money from his or her gaming account.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 71**Senate Amendment**

THAT, Clause 71 be amended by in subclause (3) by deleting the words “five million” appearing immediately after the words “not less than” and substituting therefor the words “fifty thousand”.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 79**Senate Amendment**

THAT, Clause 79 be amended—

- (a) in subclause (1) by deleting paragraph (c);
- (b) by inserting the following new subclauses immediately after subclause (3)—
 - (4) Notwithstanding the provisions of subsection (1), a gambling operator based in a foreign country who does not intend to carry out online gambling activities in Kenya, may apply for a licence to the Authority under this section.
 - (5) A foreign based operator who applies for a licence under subsection (3) shall be exempt from the requirements under sections 29 and 40.

(The Committee recommends rejection of the Senate amendment)

NEW CLAUSE 82A**Senate Amendment**

THAT, the following new clause 82A be inserted immediately after clause 82—

- Prize competition tax. 82A. (1) There shall be a tax to be known as prize competition tax chargeable on the cost of entry to a competition which is premium rated at the rate of fifteen per cent of the total gross turnover.
- (2) The tax shall be paid to the Collector by the licensed person on the 20th day of the month following the month of collection.

(The Committee recommends rejection of the Senate amendment)

CLAUSE 87**Senate Amendment**

THAT, Clause 87 be amended—

- (a) in subclause (2) by deleting paragraph (e); and
- (b) by deleting subclause (4) and substituting therefor the following subclause—
 - (4) A person who contravenes the provisions of this section commits an offence and shall, on conviction, be liable to a fine not exceeding one million shillings or to imprisonment for a term not exceeding one year, or to both.

(The Committee recommends rejection of the Senate amendment)

NEW CLAUSE 117A**Senate Amendment**

THAT, the following new clause 117A be inserted immediately after clause 117—

Operating hours	117A.	A licensed betting, gambling, lottery or gaming premise shall operate between ten O'clock in the evening and five O'clock in the morning.
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CLAUSE 119**Senate Amendment**

THAT, Clause 119 be amended in subclause 2 by—

- (a) deleting paragraph (d); and
- (b) deleting paragraph (g).

(The Committee recommends rejection of the Senate amendment)

CLAUSE 123**Senate Amendment**

THAT, Clause 123 be amended by renumbering the current provision as subclause (1) and inserting therefor the following new subclauses immediately after the new subclause (1)—

- | | | |
|----------------|-----|---|
| Cap 469 | (2) | The Kenya Revenue Authority Act is amended in Part II of the First Schedule, by deleting paragraph 7 and substituting therefor the following new paragraph—
7. The Gambling Control Act. |
| Cap. 470 | (3) | The Income Tax Act is amended—
(a) by deleting section 10 (1)(g); and
(b) in the Third Schedule, Head B, by deleting—
(i) paragraph 3 (i); and
(ii) paragraph 5 (i). |
| Cap. 472 | (4) | The Excise Duty Act is amended in Part II of the First Schedule by deleting paragraphs 4A, 4B, 4C and 4D. |
| No. 20 of 2023 | (5) | The National Lottery Act is amended by inserting the following new clause immediately after clause 52—
Regulations 53. (1) The Cabinet Secretary may in consultation with the Board, make regulations generally for the better carrying into effect of any provisions under this Act.
(2) Without prejudice to the foregoing, regulations made under this section may provide for—
(a) the procedure to be followed by the Board in exercising any powers conferred upon it by this Act; |

- (b) the conduct of a national lottery;
- (c) apportionment of the proceeds of the national lottery;
- (d) procedure for the sale of tickets, prizes of tickets and payment of prizes;
- (e) announcement and protection of winners of the national lottery;
- (f) the circumstances under which the national lottery may be advertised; and
- (g) the places where, circumstances or manner in which signs relating to a national lottery may be displayed.

(The Committee recommends rejection of the Senate amendment)

THIRD SCHEDULE

Senate Amendment

THAT, the Third Schedule be amended in—

- (a) paragraph (b) by deleting the amount “200,000,000” and substituting therefor the amount “20,000,000”; and
- (b) paragraph (c) by deleting the amount “200,000,000” and substituting therefor the amount “20,000,000”.

(The Committee recommends rejection of the Senate amendment)



LIMITATION OF DEBATE

The House resolved on Wednesday, February 14, 2024 as follows—

Limitation of Debate on Motions

- III.** **THAT**, each speech in a debate on any **Motion, including a Special motion** be limited as follows: A maximum of three hours with not more than twenty (20) minutes for the Mover and ten (10) minutes for each other Member speaking, except the Leader of the Majority Party and the Leader of the Minority Party, who shall be limited to a maximum of fifteen (15) minutes each, and that ten (10) minutes before the expiry of the time, the Mover shall be called upon to reply; and that priority in speaking be accorded to the Leader of the Majority Party, the Leader of the Minority Party and the Chairperson of the relevant Departmental Committee, in that order.

Limitation of Debate on the Senate Amendments to Bills originating in the National Assembly

- IV.** **THAT**, each speech in the general debate contemplated under Standing Order 146 (**Consideration of Senate amendments to Bills originating in the National Assembly**) be limited as follows:- a maximum of one hour and thirty minutes, with not more than fifteen (15) minutes for the Mover in moving, fifteen (15) minutes for the Chairperson of the relevant Departmental Committee, and five (5) minutes for any other Member speaking, including the Leader of the Majority Party and the Leader of the Minority Party (if the Bill is not party-sponsored), and that five (5) minutes before the expiry of the time, the Mover be called upon to reply; and further that priority in speaking be accorded to the Leader of the Majority Party, the Leader of the Minority Party and the Chairperson of the relevant Departmental Committee, in that order
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