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REPUBLIC OF KENYA

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NATIONAL ASSEMBLY BILLS, 2025

NAIROBI, 20th June, 2025

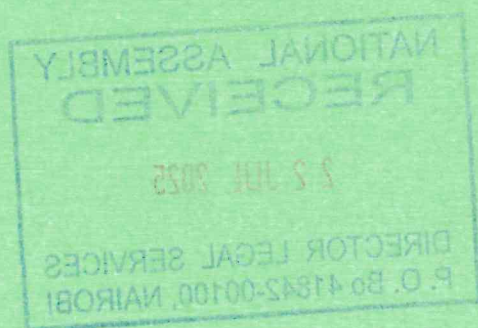
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**THE MICRO AND SMALL ENTERPRISES
(AMENDMENT) BILL, 2025**

A Bill for

AN ACT of Parliament to amend the Micro and Small Enterprises Act, and for connected purposes

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Micro and Small Enterprises (Amendment) Act, 2025.

Short title.

2. The Micro and Small Enterprises Act, (in this Act referred to as the “principal Act”) is amended in section 31 by inserting the following new paragraphs immediately after paragraph (f)—

Amendment of
section 31 of Cap.
499C.

“(fa) advocate, coordinate, harmonize, implement and promote national branding initiatives and policies to promote the consumption of local enterprises products in Kenyan markets;

(fb) advise local micro and small enterprises on technology upgrading, quality and design improvement, standards and product development, and innovation in consultation with the Kenya Innovation Agency, Information and Communication Authorities and other relevant agencies;

(fc) collaborate with relevant agencies to promote the consumption of goods and services produced by local micro and small enterprises;

(fd) provide customized advisory services to local farm enterprises and consumers on the quality of produce and products upon request.”

(fe) collaborate with other agencies to provide support and advisory services to local farm enterprises on the quality produce and products;”

3. Section 74 of the principal Act is amended in subsection (2) by inserting the following new paragraphs immediately after paragraph (b)—

Amendment of
section 74 of Cap.
499C.

- “(ba) prescribing the mechanism for the development, marketing and branding of products by local enterprises and micro and small enterprises;
- (bb) prescribing affirmative action to promote the local consumption of goods and services produced by micro and small enterprises;”

MEMORANDUM OF OBJECTS AND REASONS

Statement of objects and reasons

The principal object of the Bill is to amend the Micro and Small Enterprises Act, Cap. 499C to require the Micro and Small Enterprises Authority to promote the marketing, development, and branding of products and services by the micro and small enterprises to enhance their consumption in the local market.

Clause 2 of the Bill, proposes to amend section 31 of the principal Act to require the Micro and Small Enterprises Authority to collaborate with other agencies to promote the marketing and branding value addition of local enterprise products and services.

Clause 3 of the Bill proposes to amend Section 74 of the Principal Act to require the Cabinet Secretary with the advice of the Authority, to make regulations to prescribe the mechanism for development, and affirmative action on the local enterprises' products and services to enhance their consumption in Kenya.

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

The Bill delegates legislative powers but does not contain any provisions limiting any fundamental rights or freedoms.

Indication of whether the Bill concerns county governments

The Bill seeks to amend the Micro and Small Enterprises Act, Cap. 499C to require the Micro and Small Enterprises Authority to collaborate with other agencies to promote marketing value addition, branding and local consumption of locally manufactured goods and services.

Paragraph 7 of Part 2 of the Fourth Schedule to the Constitution provides that trade development and regulations including markets, is a function of county governments.

In view of this, the Bill does concern county governments in terms of Article 110(1)(a) of the Constitution as it does affect the functions and powers of county governments recognized in the Fourth Schedule to the Constitution.

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

The enactment of this Bill will not occasion additional expenditure of public funds.

Dated the 4th June, 2025

MUKUNJI JOHN GITONGA,
Member of Parliament.

Section 31 of Cap. 499C which it is proposed to amend—

Functions of the Authority

The functions of the Authority shall be to—

- (a) formulate and review policies and programs for micro and small enterprises;
- (b) monitor and evaluate the implementation of existing policies and programmes related to, or affecting, micro and small enterprises and advise the Government on appropriate policies and course of action to be taken;
- (c) coordinate, harmonize and facilitate the integration of various public and private sector activities, programmes, and development plans relating to micro and small enterprises;
- (d) promote and facilitate research, product development and patenting in the micro and small enterprises sector;
- (e) promote the mainstreaming of youth, gender and persons with disabilities in all micro and small enterprises activities and programs;
- (f) mobilize resources for the development of micro and small enterprise sector;
- (g) promote access to markets by micro and small enterprises;
- (h) promote innovation and development of products by micro and small enterprises;
- (i) formulate capacity building programmes for micro and small enterprises;
- (j) facilitate technology development, acquisition, and transfer by micro and small enterprises;
- (k) develop mechanisms, tools and programs for collection of comprehensive data disaggregated by sex, region and age among others, in collaboration with key stakeholders, to enable proper planning for the micro and small enterprises sector.

Section 74 of Cap. 499C which it is proposed to amend—

Regulations

74. (1) The Cabinet Secretary may, in consultation with the Authority, make Regulations for prescribing anything which under this Act may be prescribed, and generally for the better carrying into effect the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), Regulations made under this section may provide for all or any of the following matters—

- (a) forms and fees or any levies to be used under this Act;
- (b) regulation and licensing of business development service providers;
- (c) access of loans granted under section 53(2) by micro and small enterprises;
- (d) prescribing the form of accounts to be used by associations or umbrella organization;
- (e) securing the submission to the Registrar of periodical returns relating to the constitution, rules, membership and management of associations or umbrella organization;
- (f) prescribing penalties for the breach of any such regulations.

