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SNA  
31/3/26*

DIRECTORATE OF DEPARTMENTAL COMMITTEES  
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

REPORT ON:

THE LOCAL CONTENT BILL (NATIONAL ASSEMBLY BILL NO. 45 OF 2025)

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>31 MAR 2026</b>	DAY: <b>TUE</b>
TABLED BY:	<b>HEN. MARGARITE KITTANYI MP VICE-CHAIRPERSON, DEPT COMM. ON TRADE, INDUSTRY &amp; COOPERATIVES</b>
CLERK-AT THE-TABLE:	<b>GERUINE CHEBET</b>

CLERKS CHAMBERS  
DIRECTORATE OF DEPARTMENTAL COMMITTEES  
PARLIAMENT BUILDINGS  
NAIROBI

MARCH 2026





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## LIST OF ABBREVIATIONS AND ACRONYMS

AfCFTA	-	African Continental Free Trade Area
AGPO	-	Access to Government Procurement Opportunities
ANC	-	Amani National Congress
APSP	-	Agricultural Produce Sourcing Plan
ASNET	-	Agriculture Sector Network
CBS	-	Chief of the Burning Spear
CEOs	-	Chief Executive Officers
COMESA	-	Common Market for Eastern and Southern Africa
CS	-	Cabinet Secretary
DDC	-	Directorate of Departmental Committees
EAC	-	East African Community
EPA	-	Economic Partnership Agreement
EPZs	-	Export Processing Zones
EU	-	European Union
KALRO	-	Kenya Agricultural and Livestock Research Organisation
KAM	-	Kenya Association of Manufacturers
KANU	-	Kenya African Union
KBA	-	Kenya Bankers' Association
KEBS	-	Kenya Bureau of Standards
KEPSA	-	Kenya Private Sector Alliance
MP	-	Member of Parliament
MSMEs	-	Micro, Small and Medium Enterprises
MTP	-	Medium Term Plan
NA	-	National Assembly
NGEC	-	National Gender and Equality Commission
ODM	-	Orange Democratic Movement
PPADA	-	Public Procurement and Asset Disposal Act
REF	-	Reference
SEZs	-	Special Economic Zones
SMEs	-	Small and Medium Enterprises
SSLP	-	Sector-Specific Localisation Plan
TFTA	-	Tripartite Free Trade Area
TIC	-	Trade, Industry and Cooperatives
TRIMS	-	Trade Related Investment Measures
UDA	-	United Democratic Alliance
UK	-	United Kingdom
WDM-K	-	Wiper Democratic Movement Kenya
WTO	-	World Trade Organisation

## LIST OF ANNEXURES

1. Adoption Schedule of the Report
2. Minutes
  - Minutes of the 19<sup>th</sup> Sitting
  - Minutes of the 9<sup>th</sup> Sitting
  - Minutes of the 8<sup>th</sup> Sitting
3. Copy of the Newspaper Advertisement
4. Copy of the Letters Inviting Stakeholders for the Meeting
  - NA/DDC/TIC/2026/007
  - NA/DDC/TIC/2026/006
5. A Copy of the Local Content Bill (*National Assembly Bill No. 45 of 2025*)
6. Matrix of the Bill
7. Witness Attendance Register for the Stakeholder Engagement Meeting

## CHAIRPERSON'S FOREWORD

This report presents the proceedings of the Departmental Committee on Trade, Industry and Cooperatives on its consideration of the Local Content Bill (*National Assembly Bill No. 45 of 2025*), which was published on 16th October 2025. The Bill underwent its First Reading on 26th November 2025 and was subsequently committed to the Departmental Committee on Trade, Industry and Cooperatives for consideration and reporting to the House, pursuant to the provisions of Standing Order 127.

Comprising six (6) clauses, the Bill seeks to create a framework to regulate local content in Kenya. It prescribes proposed mandatory local content requirements for foreign companies operating in Kenya, including procurement quotas, employment quotas and agricultural sourcing obligations. As it is presently, the lack of a local content regulatory framework has inhibited growth of the local industry in key economic sectors as companies incorporated outside Kenya prefer to procure their goods, services, supplies and workforce from fellow foreign companies resulting in unfair business practices to the disadvantage of local businesses.

In accordance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Committee placed advertisements in the print media on 13th February 2026 requesting for comments on the Bill from the public and relevant stakeholders. Further, through letters referenced NA/DDC/TIC/2026/006 and NA/DDC/TIC/2026/007 dated 4th March 2026, the Committee invited stakeholders to a public engagement session on Thursday, 12th March 2026. During this meeting, twelve (12) stakeholders made oral submissions before the Committee.

The Committee wishes to extend its sincere appreciation to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support extended throughout its sessions. We also acknowledge the valuable input from Hon. Jane Kagiri, MP for sponsoring the Bill and all the stakeholders that submitted their memoranda and attended the stakeholder engagement meeting. Lastly, I express my deep gratitude to the Honourable Members of the Committee and the Committee Secretariat for their dedication and contributions to the development and production of this report.

On behalf of the Departmental Committee on Trade, Industry and Cooperatives, and pursuant to Standing Order 199(6), it is my privilege and honour to present to this House the Committee's Report on the Local Content Bill (*National Assembly Bill No. 45 of 2025*).

Having considered the Bill, the Committee recommends that the Bill be **DELETED IN ITS ENTIRETY**.

**Hon. Bernard Masaka Shinali, CBS, MP**  
**Chairperson,**  
**Departmental Committee on Trade, Industry and Cooperatives**

## CHAPTER ONE

### 1.0 PREFACE

#### 1.1 Establishment of the Committee

- I. The Departmental Committee on Trade, Industry and Cooperatives is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to **Standing Order 216 (5)** is as follows:
  - i. *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;*
  - ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
  - iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
  - iv. **To study and review all the legislation referred to it;**
  - v. *To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
  - vi. *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;*
  - vii. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on appointments);*
  - viii. *To examine treaties, agreements and conventions;*
  - ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
  - x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
  - xi. *To examine any questions raised by Members on a matter within its mandate.*

#### 1.2 Mandate of the Committee

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider trade, including securities exchange, consumer protection, pricing policies, commerce, industrialisation including special economic zones, enterprise promotion & development including micro, small & medium enterprises (MSMEs), and small and medium enterprises (SMEs), intellectual property, industrial standards, anti-counterfeit policies and cooperatives development.
3. In executing its mandate, the Committee oversees the Ministry of Investment, Trade and Industry; and the Ministry of Cooperatives and MSMEs Development.

### **I.3 Committee Membership**

4. The Departmental Committee on Trade, Industry and Cooperatives was reconstituted by the House on 5<sup>th</sup> March 2025 and comprises the following Members:

**Chairperson**

Hon. Bernard Masaka Shinali, CBS, MP  
Ikolomani Constituency  
**ODM Party**

**Vice-Chairperson**

Hon. Marianne Jebet Kitany, MP  
Aldai Constituency  
**UDA Party**

Hon. Adhe Wario Guyo, MP  
North Horr Constituency  
**KANU**

Hon. Adams Korir Kipsanai, MP  
Keiyo North Constituency  
**UDA Party**

Hon. Anthony Tom Oluoch, MP  
Mathare Constituency  
**ODM Party**

Hon. Alfred Kiprono Mutai, MP  
Kuresoi North Constituency  
**UDA Party**

Hon. (Dr.) Beatrice Kahai Adagala, MP  
Vihiga County  
**ANC Party**

Hon. Amos Maina Mwago, MP  
Starehe Constituency  
**Jubilee Party**

Hon. Joshua Mbithi Mutua Mwalyo, MP  
Masinga Constituency  
**Independent Member**

Hon. John Okano Bwire, MP  
Taveta Constituency  
**WDM-K Party**

Hon. Joyce Kamene, MP  
Machakos County  
**WDM-K Party**

Hon. Samuel Parashina Sakimba, MP  
Kajiado South Constituency  
**ODM Party**

Hon. Robert Githinji Gichimu, MP  
Gichugu Constituency  
**UDA Party**

Hon. Michael Wainaina Wambugu, MP  
Othaya Constituency  
**UDA Party**

Hon. (Dr.) Wilberforce Ojiambo Oundo, MP  
Funyula Constituency  
**ODM Party**

#### **I.4 Committee Secretariat**

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omsa Wesonga  
**Clerk Assistant I/Head of Secretariat**

Ms. Carolyn Musyoka  
**Hansard Reporter II (Clerk Assistant)**

Ms. Doreen Karani  
**Principal Legal Counsel II**

Ms. Priscilla Wangu  
**Fiscal Analyst II**

Ms. Priscilla Saidi  
**Research Officer II**

Ms. Pauline Sifuma  
**Hansard Officer II**

Mr. Daniel Psirmoi  
**Media Relations Officer III**

Ms. Florence Wanja  
**Protocol Officer III**

Ms. Peris Kaburi  
**Assistant Serjeant-at-Arms**

Mr. Kelvin Lengasi  
**Audio Assistant**

## CHAPTER TWO

### 2.0 BACKGROUND OF LOCAL CONTENT IN KENYA

#### 2.1 Introduction

6. The current situation for industries in Kenya is characterized by a significant reliance on imports and a struggle to fully integrate local goods and services into the supply chains of foreign-owned companies. This gap is the primary reason for the introduction of the Local Content Bill, 2025.
7. Many foreign companies and international contractors currently import majority of their materials ranging from construction steel to basic household items hence bypassing local manufacturers. Currently, sourcing locally is largely voluntary. The following are the barriers to local sharing:
  - a) **Quality and Standards:** Many manufacturers cite quality as the main reason they choose international suppliers over local ones.
  - b) **Cost:** Local production costs are often higher due to expensive electricity, high taxes, and logistics challenges, making imported goods more attractive to foreign firms.
  - c) **Capacity Gaps:** In high-tech or specialized sectors (complex manufacturing), local suppliers often lack the scale or technical certification required by global corporations.
8. The following are the current workforce trends in Kenya:
  - a) **Expatriate Dominance:** There is a recurring concern that foreign firms bring in expatriates for technical and managerial roles that qualified Kenyans could fill.
  - b) **Youth Unemployment:** Despite foreign investment, the translation of these investments into jobs for Kenyan youth remains low, which is a key driver for the Bill's 80% local workforce mandate.

#### 2.2 Current Legal and Policy Framework

Some of the legal and policy provisions that touch on local content in Kenya include:

9. **The Buy Kenya-Build Kenya Strategy (2017):** This is the primary policy framework designed to promote the consumption of locally produced goods and services. It requires both public and private sectors to prioritise Kenyan products to reduce import dependence.
10. **The Kenya Vision 2030:** This long-term development blueprint identifies manufacturing and value addition as critical pillars. It advocates for the integration of local industries into global supply chains.
11. **The Public Procurement and Asset Disposal Act (PPADA), 2015:** Mandates that all public procuring entities (ministries, state agencies, and counties) must reserve at least **40%** of their annual procurement budget for goods and services produced or provided locally. It Provides specific advantages for "disadvantaged groups" (youth, women, and persons with disabilities) under the Access to Government Procurement Opportunities (AGPO) Programme. Additionally, it provides

that all tenders below certain financial thresholds (i.e. Kshs. 500 million for goods) are often reserved exclusively for local citizen contractors.

12. **The Mining Act, 2016:** Requires license holders to give first priority to goods and services manufactured or available in Kenya. It also mandates the employment and training of Kenyan citizens, with a requirement to submit a "succession plan" to eventually replace expatriates with locals.
13. **The Petroleum Act, 2019:** Requires oil and gas companies to submit a Local Content Plan. This Plan must outline how they will use local insurance, financial, and legal services, and how they intend to transfer technology to Kenyan firms.
14. **County-Level Legislation, the Turkana County Local Content Act, 2024:** Aims to ensure that residents of Turkana benefit directly from the oil and mining activities in their region through prioritised employment and sub-contracting for local firms.

### 2.3 Comparative Analysis

15. **Ghana** focuses on linking specific "enclave industries to the local economy. The law identifies fifty plus (50+) specific goods/services that must be 100% local and provides graduated targets (90% +) with mandatory "localisation plans" of the work force to replace expatriates. There are high financial targets linked to non-local hiring/sourcing.
16. **Brazil** balances local protection with global competitiveness and tech standards. The local sourcing targets vary by project stage e.g. 30% in exploration and 40% in production while sourcing of workforce focuses on the location of engineering hours and ownership of intellectual property. Penalties for non-compliance are fines or loss of exploration rights/surplus transfers.
17. Kenya can adopt the following best practices from Ghana and Brazil that have spent decades refining their local content frameworks:
  - a) **Shift from rigid quotas to "phased-in" targets:** Brazil uses a "life-cycle quota" model where they recognise that different stages of a project have different technical requirements.
  - b) **Use "procurement lists" instead of blanket percentages:** Ghana's Minerals Commission publishes a specific "local procurement list".
  - c) **Robust "capacity auditing" before rule setting:** Ghanaian authorities emphasise on regular auditing of the actual capacity of local firms to meet industry demand. Setting a 60% target is ineffective if local firms only have capacity to supply 20%.

## CHAPTER THREE

### 3.0 OVERVIEW OF THE LOCAL CONTENT BILL (NATIONAL ASSEMBLY BILL NO. 45 OF 2025)

#### 3.1 Introduction

18. The Local Content Bill (*National Assembly Bill No. 45 of 2025*) is sponsored by Hon. Jane Kagiri, MP. The Bill was read a First Time on 26th November 2025 and subsequently referred to the Departmental Committee on Trade, Industry and Cooperatives for consideration and to facilitate public participation pursuant to Standing Order 127.
19. The principal objective of the Bill is to create a legal framework to regulate local content in Kenya, promote local industry and provide the sourcing of locally produced goods and services. The lack of a local content regulatory framework has inhibited growth of the local industry in key economic sectors as companies incorporated outside Kenya procure their goods, services, supplies and workforce from other foreign companies resulting in unfair business practices which has rendered local businesses uncompetitive. Additionally, investment by foreign companies in Kenya has had minimal positive economic impact to the country due to profit repatriation. As Kenya continues to grapple with youth unemployment, it is important that a legal framework that will foster job creation is put in place to ensure that foreign investments in Kenya create employment opportunities for Kenyan youth.
20. The Bill proposes mandatory local content requirements for foreign companies operating in Kenya, including procurement quotas, employment quotas and agricultural sourcing obligations with a view to address:
- limited participation of Kenyan-owned enterprises in supply chains;
  - importation of goods and agricultural inputs despite local availability;
  - youth unemployment;
  - profit repatriation and limited domestic economic multiplier effect; and
  - weak enforcement of voluntary local content plans.

#### 3.2 Regulatory Frameworks

21. The Bill proposes as follows:
- 60% mandatory local procurement of goods and services;
  - 100% mandatory sourcing of agricultural produce from Kenyan farmers;
  - 80% minimum Kenyan workforce requirement;
  - Criminal penalties of not less than Kshs. 100 million for corporate breach and imprisonment of CEOs; and
  - Regulation making powers to the CS.

### 3.3 Objective of the Bill

22. The objective of the Bill is to:

- a) Provide a framework for regulation of local content by prescribing minimum local content quotas in various sectors;
- b) Promote the local industry and sourcing of locally produced goods and services;
- c) Boost the growth of manufacturing industry in Kenya;
- d) Promote the agricultural sector through sourcing of agricultural produce from Kenyan farmers;
- e) Enhance creation of employment opportunities for Kenyan youth; and
- f) Foster economic growth through promotion of foreign direct investments and reduce profit repatriation.

### 3.4 Potential Impact of the Bill

The Bill is likely to have the following impact if enacted:

#### Operational Impact on Foreign Companies

23. **Mandatory local sourcing:** Foreign companies will be required to source at least 60% of their manufactured goods and services (including financial, insurance, construction and logistics) from local Kenyan companies, provided they meet prescribed standards.
24. **Agricultural sourcing:** Any foreign company using agricultural produce as raw materials will be required to source all such produce from Kenyan farmers.
25. **Capacity building obligations:** If local goods or services do not meet required standards, foreign companies will be legally obligated to provide technical and capacity-building support to local suppliers to help them comply.

#### Economic and Industry Impact

26. **Boosting local industry:** The Bill seeks to promote growth of the manufacturing and agricultural sectors by guaranteeing a market for local goods and services.
27. **Reduce profit repatriation:** By requiring local procurement and employment, more wealth will be retained in the Kenyan economy and reduce the amount of profit sent out of the country by foreign companies.
28. **Address unfair competition:** The Bill will correct current imbalances where foreign companies prioritise foreign suppliers which has rendered local businesses uncompetitive.

### Impact on Employment

29. **Workforce quotas:** Foreign companies will be required to ensure that at least 80% of their total workforce comprises Kenyan citizens.
30. **Management inclusion:** Qualified Kenyan citizens will be employed at all levels of an organisation, including management positions.
31. **Youth opportunities:** Foster job creation specifically for Kenyan youth which will combat high unemployment rates in the country.

### **3.5 Clause by Clause Provisions of the Bill**

32. **Clause 1** provides for the short title and commencement of Bill. On enactment, it shall come into force one year after publication to allow a compliance transition period.
33. **Clause 2** contains interpretations and definitions of specified terms as they are used within the context of this law.
34. **Clause 3** of the Bill contains objects and purpose of the Bill. It prescribes minimum local content quotas; promotion of local industry and agriculture; job creation for Kenyan youth; and reduction of profit repatriation.
35. **Clause 4** provides for the local content requirements. It provides that a foreign company shall source at least sixty percent (60%) of its services, supplies and goods from local companies subject to the services and goods meeting the locally prescribed standards and regulatory requirements. Where the locally available goods and services do not meet the relevant standards, the Bill provides that a foreign company shall provide technical and other capacity building support to local companies to ensure compliance with the relevant prescribed standards.
36. **Clause 5** provides for delegation of legislative powers. It empowers the Cabinet Secretary for Trade to make regulations for the better carrying out of the provisions of the Act and give them life.
37. **Clause 6** is the transition/saving provision which saves the legitimacy of any contracts, rights and obligations between a foreign company and a supplier of goods or services that exists immediately before the commencement date and ensures that they continue in force for the unexpired periods of those contracts.
38. The Bill concerns county governments within the meaning of Article 110 (1) (a) of the Constitution because it contains provisions that affect functions of county governments as prescribed in the Fourth Schedule to the Constitution. The Fourth Schedule to the Constitution designates trade licensing and development as a function of county governments.

## CHAPTER FOUR

### 4.0 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

39. Following the call for memoranda from the public through the placement of advertisements in the print media on 13th February 2026 and vide letters REF: NA/DDC/TIC/2026/006 and REF: NA/DDC/TIC/2026/007 dated 4th March, 2026 inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders on the Local Content Bill (*National Assembly Bill No. 45 of 2025*):

- i. Kenya Transporters Association Limited;
- ii. Sidai Africa (K) Limited;
- iii. Quatrix Limited;
- iv. The Agriculture Sector Network (ASNET);
- v. The Fertilizer Association of Kenya;
- vi. Kenya Private Sector Alliance (KEPSA);
- vii. Kenya Association of Manufacturers (KAM);
- viii. Kenya Bankers' Association (KBA);
- ix. The National Gender and Equality Commission (NGEC);
- x. Ministry of Foreign and Diaspora Affairs;
- xi. State Department for Trade;
- xii. Ponty Pridd Holdings;
- xiii. Ather Solutions Limited;
- xiv. Beaver Works Enterprises;
- xv. Brilliant Rays Enterprises Limited;
- xvi. CWAV (K) Limited;
- xvii. Isocate Limited Company;
- xviii. Lynwood Solutions Limited;
- xix. Lytans Limited;
- xx. Metajma Creative Solutions Limited;
- xxi. Reshon Enterprises Limited;
- xxii. Sigmoid Logistics;
- xxiii. The British Chamber of Commerce Kenya; and
- xxiv. Grid Circle Limited

40. The stakeholders submitted as follows:

#### 4.1 Kenya Transporters Association Limited

In a meeting with the Committee held on Thursday, 26<sup>th</sup> March 2026, Mr. Newton Wang'oo, Chairperson of the Kenya Transporters Association Limited submitted that the Association fully supports the Bill and proposed the following amendments:

41. At least 60% of all transport and logistics services under any major project, multinational operation of government contract should be reserved for locally owned Kenyan enterprises.

42. Define “local enterprise” as a company with at least 51% Kenyan shareholding, Kenyan controlled board and management and majority Kenyan workforce.
43. Provide sector specific local content thresholds e.g. road freight transport, warehousing, clearing and forwarding, inland container depot operations and fleet management to prevent circumvention through service reclassification or outsourcing.
44. Reinforce existing statutory protections (including provisions under maritime and competition laws) to prevent shipping lines from directly competing with local land transporters and clearing agents in a manner that undermines fair competition because separation of roles preserves market diversity and SME participation.
45. Require multinationals operating in Kenya to publish local content compliance reports annually, disclose percentage allocation to local firms and submit audited statements of local procurement. This will enhance accountability and policy effectiveness.
46. Put in place an independent local content monitoring authority or designated regulator to verify compliance, conduct audits, publish sectoral performance reports and impose administrative penalties for violation. The penalties should include financial sanctions, suspension of operating licenses or disqualification from public contracts.
47. Establish a protected reporting channel enabling local firms to report exclusionary practices without fear of retaliation or blacklisting. This can be administered through a confidential complaints framework under the monitoring authority.
48. To complement quotas, the Government should facilitate affordable asset financing for local transporters, support digitalisation and fleet modernisation and encourage joint ventures that include real technology and skills transfer. This is to ensure that local content also strengthens competitiveness.

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed by Kenya Transporters Association. However, the Committee observed that the Bill would be difficult to implement in its current form if enacted and recommended its deletion.**

#### **4.2 Sidai Africa (K) Limited**

In a meeting with the Committee held on Thursday, 26<sup>th</sup> March 2026, Mr. Abner Maina, Executive Assistant, submitted that they fully support the Bill and proposed the following amendments to the Bill:

49. The Bill should name agriculture, livestock services, veterinary services, extension services and agri-input distribution as sectors covered by local content requirements.

50. Multinationals and large enterprises operating in Kenya's food and agriculture sectors should be required to source a defined minimum percentage of inputs, distribution services and technical advisory services from locally registered Kenyan enterprises.
51. Local content in the agricultural sector should be defined to require not merely Kenyan ownership but compliance with KEBS certification and other relevant regulatory quality standards to prevent local content compliance from being gamed through low-quality or counterfeit operators.
52. Protect and incentivise Kenya's last mile agricultural distribution infrastructure recognising that it is a strategic national asset for food security.
53. Large multinationals in the agricultural inputs sector should be required to demonstrate active investment in local distributor capacity through training, co-branding, financing or technology transfer as part of their local content compliance obligations.
54. Complement existing anti-counterfeit legislation by requiring stricter import quality controls on agricultural inputs, protecting local producers and distributors from unfair competition from below standards imported products.

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed by Sidai Africa (K) Limited. However, the Committee observed that the Bill would be difficult to implement if enacted in its current form and recommended its deletion.**

#### **4.3 Quatrix Limited**

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, the Head of Operations, Mr. Johnson Mwangi submitted that Quatrix fully supports the Bill and proposed the following amendments:

55. Provide that multinationals operating in Kenya must engage Kenyan-owned technology companies as primary service providers for technology-enabled logistics, last mile delivery, e-commerce fulfilment and supply chain management.
56. Require multinationals that operate digital commerce platforms in Kenya to open a defined proportion of their logistics and fulfilment requirements to competitive procurement from independent, Kenyan-owned providers.
57. Require multinationals operating logistics, e-commerce and supply chain technology platforms in Kenya to enter into structured capacity building agreements with Kenyan technology partners i.e. co-development, co-investment and knowledge transfer.
58. Include provisions prohibiting predatory pricing by multinational technology and logistics operators in Kenya and should strengthen the mandate of the Competition Authority of Kenya to investigate and act on such behaviour.

59. Require all multinationals operating in Kenya's technology and logistics sectors to publicly disclose, on an annual basis, the proportion of their technology procurement, logistics outsourcing and supply chain services that are outsourced from Kenyan-owned companies.

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed by Quatrix Limited. However, the Committee observed that the Bill would be difficult to implement if enacted in its current form and recommended its deletion.**

#### **4.4 The Agriculture Sector Network (ASNET)**

In a meeting with the Committee held on Thursday, 26<sup>th</sup> March 2026, Dr. Wilson Songa, Executive Board Member, submitted that ASNET supports the intent of the Bill in promoting domestic participation, strengthening agricultural and manufacturing value chains and enhancing employment opportunities for Kenyan citizens. However, the success of the Bill depends on clarity, fairness, proportionality and consistency with Kenya's international obligations. He proposed the following amendments to the Bill.

##### **Clause 2**

60. Amend the clause to include definition of "agricultural raw-material sourcing services" as encompassing the procurement, aggregation, handling, storage and supply of agricultural produce for use as raw materials in manufacturing or processing. This is because clear definitions are essential for legal certainty and effective enforcement.

##### **Clause 4**

61. Amend subclause 4(2) by inserting the following new paragraph immediately after paragraph (g), "(ga) agricultural raw-material sourcing, aggregation and supply services". This is to align agriculture with the Bill's services-based regulatory framework.
62. Amend the clause by inserting the following subclause immediately after subclause 4(1), "(1A) A local company undertaking business in Kenya shall, where goods, services or raw materials are available locally and meet prescribed standards, give priority to sourcing such goods, services or raw materials from within Kenya". To eliminate regulatory bias and ensure that local content obligations are ownership-neutral.
63. Amend the clause by deleting subclause 4(7) and substituting as follows, "A foreign company shall ensure that at least ninety-five percent of its workforce are Kenyan citizens". This is because Kenya has a strong and growing human capital base, with increasing numbers of qualified professionals in agriculture, manufacturing, logistics and technical fields.
64. Amend the clause by inserting the following new paragraph immediately after subclause 4(7), "(7A) Notwithstanding subsection (7), a foreign company may, with the approval of the Cabinet Secretary, engage non-Kenyan citizens for specialised technical skills where such skills are demonstrably unavailable in Kenya provided that: (a) such engagement shall be for a specified and time-bound period; and (b) the foreign

*company shall implement a structured skills transfer and capacity-building programme for Kenyan citizens*". To provide regulatory flexibility for highly specialised or emerging technical roles where expertise may not yet be locally available.

65. Amend subclause 5(2) by inserting the words "*local companies and*" immediately before the words "*foreign companies*" wherever they appear. This is to eliminate regulatory bias and ensure that local content obligations are ownership-neutral.

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed by ASNET. However, the Committee observed that the Bill would be difficult to implement if enacted in its current form and recommended its deletion.**

#### **4.5 The Fertilizer Association of Kenya (FA-K)**

In a meeting with the Committee held on Thursday, 26<sup>th</sup> March 2026, the Chief Executive Officer, Dr. Lilian Mbuthia, proposed the following amendments to the Local Content Bill, 2025:

##### **Clause 4**

66. Amend subclause 4(3) to provide a minimum threshold of 20% subject to periodic review based on demonstrated local capacity development. Alternatively, provide for sector specific schedules and exemptions where local capacity is demonstrably insufficient. The requirement for 60% local sourcing of goods and services may be impractical in sectors where specialised inputs are not available locally, quality standards require globally sourced materials, economies of scale and competitiveness depend on integrated international supply chains.
67. Amend subclause 4(5) to provide a waiver or exception mechanism in cases of demonstrated local shortages, national emergencies, regulatory bans or trade restrictions, failure of local supply to meet prescribed quality or quantity standards. This is because the agriculture sector is highly susceptible to seasonal variability, climate shock, pests, government-imposed export/movement restrictions and supply chain disruptions. Rigid mandatory sourcing provisions may disrupt production continuity and food supply chains.
68. The Bill needs to be reviewed to ensure that it does not create disproportionate regulatory burdens on one category of companies. Any differentiation should be reasonable, proportionate and aligned with constitutional standards.

#### **Committee Observation/Recommendation**

**The Committee observed that it would be difficult to implement the Bill if enacted in its current form and recommended its deletion.**

## 4.6 The Kenya Private Sector Alliance (KEPSA)

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Ms. Susan Maingi, Head of Industry and Trade, proposed the following amendments to the Local Content Bill, 2025:

### Clause 2

69. Revise definition of “*local content*” to mean the quantifiable value addition into the Kenyan economy through the deliberate utilisation of Kenyan human resources, material resources, and services in the production, manufacturing, or delivery of goods or services.

### Clause 4

70. Amend subclause 4(3) by inserting a paragraph to exempt proprietary formulations, concentrates, or ingredients protected by intellectual property rights and not manufactured in Kenya.
71. Amend subclause 4(3) by inserting a paragraph to provide for reliability of supply from local companies and proof of their capacity to supply raw materials in the quantities and at a rate that would not affect manufacturing schedules. It should also highlight the capacity of a local supplier to meet the full industrial demand of all foreign companies that may fall within a specific segment.
72. Amend the clause by inserting a provision stating that where a member of customs union/trade area those goods would be considered local.
73. Amend the clause by inserting the following new subclause 4(4), “(4) *Notwithstanding sub-section (3), the Cabinet Secretary responsible for Trade shall, within six (6) months of the commencement of this Act, develop a Sector-Specific Localization Plan in consultation with relevant industry stakeholders, including but not limited to KAM, KEPSA, and representatives of foreign companies operating in Kenya. (a) The Sector-Specific Localization Plan shall: (i) Define realistic and achievable local content targets for each sector (e.g., FMCG, Logistics, Financial Services, Construction, etc.), taking into account the unique supply chain dynamics, availability of local suppliers, and quality standards required by each sector; (ii) Establish a phased implementation timeline specific to each sector, with clear milestones and targets (e.g., Year 1: 40%, Year 2: 50%, Year 3: 60%, or alternative targets based on sector-specific analysis); (iii) Identify capacity building requirements for local suppliers to meet the prescribed standards and volume requirements; (iv) Provide mechanisms for monitoring and reporting on progress toward local content targets; and (v) Include provisions for periodic review and adjustment of targets based on actual supply chain capacity and market conditions; (b) The Sector-Specific Localization Plan shall be submitted to Parliament for approval before coming into effect, ensuring transparency and accountability; and (c) Foreign companies shall comply with the local content targets as defined in the approved Sector-Specific Localisation Plan for their respective sector, rather than the fixed 60% requirement in sub-section (3)*”.
74. Amend subclause 4(4) to read as follows, “(a) *The scope of capacity building obligation is: (i) foreign companies shall provide technical and capacity-building support to local suppliers as specified in the approved sector-specific localisation plan and the APSP; (ii) capacity building requirements shall not extend beyond what is explicitly defined in these approved plans; (iii) any capacity-building obligation not specified in the approved plans shall be considered voluntary, and companies shall not be penalised for non-compliance with*

undefined or implied obligations; (b) The SSLP shall explicitly define the capacity-building requirements for each sector, including: (i) technical training and knowledge transfer; (ii) equipment and technology support; (iii) quality assurance and certification support; (iv) business management and financial support; (v) market access and linkage support; (vi) timelines and milestones for achieving each capacity-building objective; and (vii) performance metrics and evaluation criteria to assess the effectiveness of capacity building efforts; (c) The APSP shall explicitly define the capacity-building requirements for each agricultural commodity, including: (i) agricultural extension and training; (ii) input provision and subsidy; (iii) infrastructure support; (iv) quality standards and certification support; (v) market linkage and pricing support; (vi) timelines and milestones for achieving each capacity-building objective; and (vii) performance metrics and evaluation criteria to assess the effectiveness of capacity-building efforts; (d) All capacity-building requirements specified in the SSLP and APSP shall be: (i) mutually agreed upon between the CS, foreign companies, local suppliers, and other relevant stakeholders during the plan development process; (ii) clearly documented in the final approved plans, with specific timelines, deliverables, and performance metrics; (iii) submitted to Parliament for approval as part of the overall plan approval process; and (iv) binding on all parties once approved by Parliament; (e) Foreign companies shall not be required to: (i) provide capacity building that exceeds the scope explicitly defined in the approved plans; (ii) bear costs that are unreasonable or disproportionate to the company's size, profitability, or the value of the local sourcing relationship; (iii) disclose proprietary information, trade secrets, or intellectual property as part of capacity-building activities, except where necessary to meet quality or safety standards; (iv) provide capacity-building for competitors or for purposes unrelated to achieving the local content targets specified in the approved plans; and (v) continue providing capacity-building if the local supplier fails to demonstrate good faith efforts to implement the training and support provided, or if the supplier uses the capacity-building support to compete unfairly with the foreign company; (f) Capacity building is a shared responsibility between the foreign company, the local supplier, and the government; (i) the foreign company shall provide technical expertise, training, and support as specified in the approved plans; (ii) the local supplier shall demonstrate commitment to implementing the training and support, and shall provide necessary resources to participate in capacity-building activities; (iii) the government shall provide complementary support, such as: infrastructure investment; research and development; regulatory support; and financial support; (g) progress on capacity-building objectives shall be monitored and evaluated annually by: (i) the Local Content Compliance Board; (ii) relevant government agencies; (iii) independent auditors commissioned by the CS; (iv) annual reports; (v) whether capacity-building activities are being implemented as specified in the approved plans; (vi) whether the local suppliers are demonstrating progress in meeting the quality and performance standards; (vii) whether the capacity-building support is achieving the intended outcomes; and (viii) whether adjustments or additional support are needed; if capacity-building activities are not progressing satisfactorily, the Local Content Compliance Board may: (i) mediate disputes between the foreign company and the local supplier; (ii) recommend adjustments to the capacity building plan or timelines; (iii) recommend government support to address barriers to capacity-building success; or (iv) in case of wilful non-compliance by the foreign company, recommend penalties as specified in subclause 4(8); and (h) (i) Capacity-building requirements shall be reviewed at the same intervals as the SSLP and APSP; (ii) if circumstances change, either party may request a review and adjustment of the capacity-building requirements, subject to approval by the Local Content Compliance Board and the CS; and (iii) any adjustments shall be submitted to Parliament for approval before coming into effect”.

75. Amend the clause by inserting the following new subclause, “(5) A foreign company may apply to the Cabinet Secretary for a temporary exemption from the local content requirement in clause 4(3) or the Sector-Specific Localisation Plan for a specific input or category of inputs by submitting a detailed written justification

demonstrating one or more of the following: (i) The input is not locally available in the required quantity, quality, or specification within Kenya; (ii) The input does not meet the prescribed international quality standards required by the foreign company's global quality assurance protocols, and no local supplier can meet these standards within a reasonable timeframe; (iii) The input is a proprietary formulation, concentrate, or ingredient protected by intellectual property rights (patents, trade secrets, trademarks) and is not manufactured in Kenya, and the foreign company can demonstrate that the input is essential to the product and cannot be substituted with locally available alternatives without compromising product quality, safety, or brand integrity; (iv) The input is subject to international trade agreements to which Kenya is a signatory, and sourcing from a member state of a customs union or trade bloc (e.g., EAC, COMESA, ACFTA) is required or preferred to maintain Kenya's obligations and competitive position; (a) The Cabinet Secretary shall review the exemption application and either approve or reject it within thirty (30) days of submission. If approved, the exemption shall be: (i) Temporary in nature, with an initial validity period of two (2) years, subject to renewal; (ii) Subject to periodic review, with the foreign company required to provide annual reports on efforts to develop local alternatives or improve local supplier capacity; and (iii) Conditional on the company's commitment to provide technical and capacity-building support to local suppliers to enable them to meet the required standards within a specified timeframe; and (b) The Cabinet Secretary shall maintain a public register of all approved exemptions, including the justification provided and the conditions attached, to ensure transparency and to identify systemic gaps in the local supply chain that require government or private sector investment". The amended recommendation replaces a rigid, one-size-fits-all phased timeline with a flexible, collaborative, and evidence-based framework that achieves the Bill's objectives while respecting the realities of different sectors and inputs.

76. Amend subclause 4(5) to read as follows, "(5) A foreign company undertaking any business in Kenya which requires agricultural produce as raw materials for the manufacture of goods shall source agricultural produce from Kenyan farmers in accordance with targets established by the Cabinet Secretary responsible for Agriculture, in consultation with relevant stakeholders".
77. Insert the following new subclause 4(6) "(6) The Cabinet Secretary responsible for Agriculture shall, in consultation with (i) Relevant industry stakeholders (including foreign companies, local farmers, farmer cooperatives, agricultural exporters, and the Kenya Association of Manufacturers); (ii) The Ministry responsible for Trade and Industry; (iii) The Ministry responsible for Planning and National Development; (iv) Agricultural research and extension institutions (e.g., KALRO, county agricultural departments); develop an Agricultural Produce Sourcing Plan (APSP) that shall: (a) Establish realistic, crop-specific local sourcing targets for key agricultural commodities (e.g., sugar, fruit, grains, vegetables, spices, etc.) based on: (i) Actual production capacity of Kenyan farmers for each commodity; (ii) Seasonal availability and supply volatility throughout the year; (iii) Quality standards and specifications required by foreign companies; (iv) International trade obligations and regional trade agreements (e.g., EAC, COMESA); and (v) Market demand and pricing to ensure farmer viability and profitability; (b) Identify capacity-building and infrastructure requirements necessary to increase local production and meet foreign companies' volume and quality requirements, including: (i) Agricultural research and development to improve crop yields and quality; (ii) Farmer training and extension services to meet quality standards; (iii) Storage, processing, and logistics infrastructure to reduce post-harvest losses and ensure year-round availability; and (iv) Value addition opportunities to increase farmer income and product competitiveness; (c) Establish a phased implementation framework with clear milestones and targets that can be adjusted based on: (i) Progress in local capacity development; (ii) Changes in market conditions and global commodity prices; and (iii) Technological innovations and productivity

improvements; (d) Align the APSP with Kenya's Medium-Term Plan (MTP) cycles, such that: (i) The APSP shall be developed or reviewed at the beginning of each MTP cycle (currently every 5 years, with mid-term reviews at 2.5 years); (ii) Targets shall be reviewed and adjusted every 3 years to reflect changes in production capacity, market conditions, and technological developments; (iii) The APSP shall be submitted to Parliament for approval before coming into effect, ensuring democratic oversight and transparency; and (e) Include provisions for monitoring, reporting, and accountability, such as: (i) Annual reporting by foreign companies on their actual agricultural sourcing from Kenyan farmers; (ii) Regular assessment of progress toward the targets established in the APSP; (iii) Identification of bottlenecks and barriers to increased local sourcing; (iv) Recommendations for policy adjustments or additional government support”.

78. Amend the clause by inserting the following new sub-clause 4(7), “(7) Foreign companies shall comply with the agricultural sourcing targets as established in the approved Agricultural Produce Sourcing Plan (APSP) for their respective commodity or sector, rather than the fixed 100% requirement in sub-section (5)”.
79. Amend the clause by inserting the following new subclause 4(8), “(8) The Cabinet Secretary may grant a temporary exemption or adjustment to the agricultural sourcing targets in the APSP if a foreign company can demonstrate: (i) Force majeure events (e.g. drought, flooding, disease outbreaks) that have significantly reduced local production capacity; (ii) Temporary supply shortages due to seasonal factors or unexpected market disruptions; (iii) Quality or food safety issues with locally produced agricultural produce that cannot be resolved within a reasonable timeframe; and (iv) Extraordinary circumstances beyond the reasonable control of the company or local farmers. Such exemptions shall be temporary (maximum 12 months) and subject to the company's commitment to work with local farmers and the government to resolve the underlying issue”.
80. Amend the clause by inserting the following new subclause 4(9), “There is established a Local Content Compliance Board (hereinafter referred to as the Board) (a) The Board shall consist of nine (9) members appointed by the Cabinet Secretary responsible for Trade as follows: (i) a representative of the Cabinet Secretary responsible for Trade; (ii) a representative of the Cabinet Secretary responsible for Planning and National Development; (iii) a representative of KRA; (iv) 2 representatives of the private sector (one from foreign companies and one from local companies), nominated by KAM or KEPSA; (v) a representative of farmer organisations or agricultural associations; (vi) an independent expert in trade, commerce or law with at least 10 years of experience; and (vii) a representative of the civil society or consumer organisations; (b) Board members shall serve for a term of three years, renewable for one additional term; (c) The Board shall have a secretariat staffed with legal, technical and administrative personnel to support its functions”.
81. Amend the clause by inserting the following new subclause 4(9A), “The functions of the Board are: (a) to hear and determine appeals against compliance determinations, penalty assessments, and enforcement decisions made by the CS; (b) to review exemption requests submitted foreign companies under subclauses 4(3) and 4(5), and make recommendations to the CS; (c) investigate complaints of unfair or arbitrary enforcement of the local content requirements; (d) monitor compliance trends and provide recommendations to the CS on policy adjustments or improvements; (e) mediate disputes between foreign companies and local suppliers regarding quality standards, pricing or contract terms; (f) maintain a public register of all compliance determinations, penalties, exemptions, and appeals decisions; and (g) Publish annual reports on local content compliance trends, enforcement actions and recommendations for policy improvement”.

82. Amend the clause by inserting the following new subclause 4(9B), “(a) A company that receives a compliance determination, penalty assessment, or enforcement decision from the CS may appeal to the Board within thirty (30) days of receiving the decision; (b) The appeal shall be submitted in writing, with supporting documentation, and shall clearly state the grounds for appeal (e.g. factual error, procedural irregularity, disproportionate penalty, misapplication of law); (c) The Board shall conduct a hearing within thirty (30) days of receiving the appeal, at which the company and the CS (or their representative) may present evidence and arguments; (d) The Board shall issue a written decision within 15 days of the hearing, with detailed findings of fact and reasons for its decision; (e) The Board’s decision shall be binding on the CS and the company, unless either party appeals to the High Court within thirty days on grounds of: (i) jurisdictional error; (ii) procedural irregularity; or (iii) manifest error of law”.
83. Amend the clause by inserting the following new subclause 4(9C), “(a) The Board shall establish its own rules of procedure, subject to approval by the CS, which shall ensure: (i) fairness and impartiality in all proceedings; (ii) transparency and public access to Board proceedings and decisions except for confidential commercial information; and (iii) cost-effectiveness for all parties, with no requirement for legal representation (though parties may be represented if they choose); (b) The Board shall have powers to: (i) subpoena witnesses and documents; (ii) conduct site inspections and audits; (iii) commission independent expert reports on technical or factual matters; and (iv) mediate settlements between parties”.
84. Amend the clause by inserting the following new subclause 4(9D), “(a) The Board shall be funded through a combination of: (i) Government budget allocation (core operating costs; (ii) user fees charged to companies that appeal to the Board (scaled based on company size and complexity of the case); and (iii) fines and penalties collected under clause 4(8) with a portion allocated to the Board’s operations; and (b) The Board shall be independent from the CS and other government agencies, with autonomy to make decisions based on the law and evidence, without political or commercial pressure”.
85. Insert the following new subclause 4(10), “(a) The Local Content Compliance Board shall establish a mediation and dispute resolution mechanism to address disputes between foreign companies and local suppliers regarding: (i) quality standards and specifications for goods or services; (ii) pricing and payment terms; (iii) delivery schedules and supply reliability; (iv) contract terms and conditions; and (v) capacity-building and technical assistance commitments; (b) Either party may request mediation from the Board, which shall: (i) appoint a neutral mediator to facilitate discussions between the parties; (ii) conduct mediation sessions within thirty (30) days of the request; (iii) seek to reach a mutually acceptable settlement within sixty days; and (iv) if mediation fails, issue a non-binding recommendation to guide further negotiations or legal proceedings; (c) The Board may also recommend arbitration under the Arbitration Act, Cap. 15 if mediation is unsuccessful, with the costs shared between the parties”.
86. Insert a new clause providing relief from non-compliance where it is caused by events beyond the reasonable control of the company, such as natural disasters, civil unrest, or pandemics.

### **Committee Observation/Recommendation**

**The Committee noted the proposal by KEPSA/KAM to develop Sector-Specific Localisation Plans and Agricultural Produce Sourcing Plans (APSPs) in consultation**

with relevant industry stakeholders and observed that this would better resolve the issues that the Bill seeks to address.

#### 4.7 The Kenya Association of Manufacturers (KAM)

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Malcom Mwangi proposed the following amendments to the Local Content Bill, 2025:

##### Clause 2

87. Amend the clause by defining "Foreign company" as a company incorporated outside Kenya or operating in Kenya through a branch and not incorporated under the Companies Act of Kenya. The definition captures Kenyan-incorporated subsidiaries of multinational manufacturers that already manufacture locally and employ Kenyan workers.
88. Define "Local Content" as the quantifiable value addition into the Kenyan economy through the deliberate utilization of Kenyan human resources, material resources, and services in the production, manufacturing, or delivery of goods or services. Goods that confer origin as prescribed by EAC Rules of Origin will also be considered local content. Aligns with Kenya's Final Local Content Policy (2020), ensuring consistency across government policy and implementation.

##### New Clause

89. Amend the Bill by inserting the following new clause, *"(1) The Cabinet Secretary shall establish an Incentives Framework for Local Content Development to promote domestic industrial capacity and diversification into value chains where local capability is limited or absent; (2) The Framework may provide for (a) tax incentives for investments in local manufacturing and supplier development; (b) infrastructure support including industrial parks, special economic zones and common-user facilities; (c) market offtake programmes for locally manufactured goods; (d) financing programmes including credit guarantee schemes and concessional financing; (e) incubation and development of small and medium enterprises; (f) preferential market access in public procurement for locally manufactured goods and services in accordance with procurement laws; and (g) technology transfer and skills development programmes; and (3) The Cabinet Secretary may make regulations for the implementation of this section"*. Define incentives framework to enable the country to diversify its production capacity to value chains that it currently does not have (forward and backward integration) The framework would among other things provide for: tax incentives, infrastructure support, market offtake programs, financing programs, incubation, SME development, preferential market access in public procurement, and technology and skills development. The local content development guidelines will be complimented by the sector's specific localization guidelines.

##### Clause 4

90. Amend subclause 4(1) by inserting the following new paragraph, "4(1) (b) to facilitate market access, preferential procurement shall be awarded to local content to the maximum level possible". The

government is the largest buyer of goods and services. Purchase of local content ensures retention of liquidity and value in the local economy, create employment and spur industrialisation.

91. Amend the Bill by deleting subclause 4(3) because the provisions will be guided by the local content development program and sector specific guidelines. Very few local contents can meet the prescribed standards of high-end products like trucks, almost every CKD kit has to be imported from the original countries.
92. Amend subclause 4(4) to read as follows, “(4) A foreign company shall provide technical and other capacity building support to local companies which supply it within its supply chain to ensure compliance with the relevant prescribed standards”. This amendment will provide clarity and ease of compliance by foreign companies. Foreign companies should only be obligated to support local companies within their supply chain with which they have active supply contracts in place.
93. Amend the clause by inserting the following new subclause 4(4), “(4) Notwithstanding sub-section (3), the Cabinet Secretary responsible for Trade shall, within six (6) months of the commencement of this Act, develop a Sector-Specific Localization Plan in consultation with relevant industry stakeholders, including but not limited to KAM, KEPISA, and representatives of foreign companies operating in Kenya. (a) The Sector-Specific Localization Plan shall: (i) Define realistic and achievable local content targets for each sector (e.g., FMCG, Logistics, Financial Services, Construction, etc.), taking into account the unique supply chain dynamics, availability of local suppliers, and quality standards required by each sector; (ii) Establish a phased implementation timeline specific to each sector, with clear milestones and targets (e.g., Year 1: 40%, Year 2: 50%, Year 3: 60%, or alternative targets based on sector-specific analysis); (iii) Identify capacity building requirements for local suppliers to meet the prescribed standards and volume requirements; (iv) Provide mechanisms for monitoring and reporting on progress toward local content targets; and (v) Include provisions for periodic review and adjustment of targets based on actual supply chain capacity and market conditions; (b) The Sector-Specific Localization Plan shall be submitted to Parliament for approval before coming into effect, ensuring transparency and accountability; and (c) Foreign companies shall comply with the local content targets as defined in the approved Sector-Specific Localisation Plan for their respective sector, rather than the fixed 60% requirement in sub-section (3)”.
94. Amend the clause by inserting the following new subclause, “(5) A foreign company may apply to the Cabinet Secretary for a temporary exemption from the local content requirement in clause 4(3) or the Sector-Specific Localisation Plan for a specific input or category of inputs by submitting a detailed written justification demonstrating one or more of the following: (i) The input is not locally available in the required quantity, quality, or specification within Kenya; (ii) The input does not meet the prescribed international quality standards required by the foreign company's global quality assurance protocols, and no local supplier can meet these standards within a reasonable timeframe; (iii) The input is a proprietary formulation, concentrate, or ingredient protected by intellectual property rights (patents, trade secrets, trademarks) and is not manufactured in Kenya, and the foreign company can demonstrate that the input is essential to the product and cannot be substituted with locally available alternatives without compromising product quality, safety, or brand integrity; (iv) The input is subject to international trade agreements to which Kenya is a signatory, and sourcing from a member state of a customs union or trade bloc (e.g., EAC, COMESA, ACFTA) is required or preferred to maintain Kenya's obligations and competitive position; (a) The Cabinet Secretary shall review the exemption application and either approve or reject it within thirty (30) days of submission. If approved,

the exemption shall be: (i) Temporary in nature, with an initial validity period of two (2) years, subject to renewal; (ii) Subject to periodic review, with the foreign company required to provide annual reports on efforts to develop local alternatives or improve local supplier capacity; and (iii) Conditional on the company's commitment to provide technical and capacity-building support to local suppliers to enable them to meet the required standards within a specified timeframe; and (b) The Cabinet Secretary shall maintain a public register of all approved exemptions, including the justification provided and the conditions attached, to ensure transparency and to identify systemic gaps in the local supply chain that require government or private sector investment". The amended recommendation replaces a rigid, one-size-fits-all phased timeline with a flexible, collaborative, and evidence-based framework that achieves the Bill's objectives while respecting the realities of different sectors and inputs.

### **New Clause**

95. Amend the Bill by inserting a new clause providing for exemption of companies that are set up for exports orientation e.g. EPZs and SEZs. Kenya needs to leverage on the opportunities that exist out of the country through the numerous bilateral and multilateral trade agreements including EAC, COMESA, TFTA, AfCFTA, UK and EU EPA. This would dictate that Kenya fits into global supply chains and is able to source and supply from and to global markets.
96. Amend subclause 4(5) to read as follows, "(5) A foreign company undertaking any business in Kenya which requires agricultural produce as raw materials for the manufacture of goods shall source agricultural produce from Kenyan farmers in accordance with targets established by the Cabinet Secretary responsible for Agriculture, in consultation with relevant stakeholders".
97. Insert the following new subclause 4(6) "(6) The Cabinet Secretary responsible for Agriculture shall, in consultation with (i) Relevant industry stakeholders (including foreign companies, local farmers, farmer cooperatives, agricultural exporters, and the Kenya Association of Manufacturers); (ii) The Ministry responsible for Trade and Industry; (iii) The Ministry responsible for Planning and National Development; (iv) Agricultural research and extension institutions (e.g., KALRO, county agricultural departments); develop an Agricultural Produce Sourcing Plan (APSP) that shall: (a) Establish realistic, crop-specific local sourcing targets for key agricultural commodities (e.g., sugar, fruit, grains, vegetables, spices, etc.) based on: (i) Actual production capacity of Kenyan farmers for each commodity; (ii) Seasonal availability and supply volatility throughout the year; (iii) Quality standards and specifications required by foreign companies; (iv) International trade obligations and regional trade agreements (e.g., EAC, COMESA); and (iv) Market demand and pricing to ensure farmer viability and profitability; (b) Identify capacity-building and infrastructure requirements necessary to increase local production and meet foreign companies' volume and quality requirements, including: (i) Agricultural research and development to improve crop yields and quality; (ii) Farmer training and extension services to meet quality standards; (iii) Storage, processing, and logistics infrastructure to reduce post-harvest losses and ensure year-round availability; and (iv) Value addition opportunities to increase farmer income and product competitiveness; (c) Establish a phased implementation framework with clear milestones and targets that can be adjusted based on: (i) Progress in local capacity development; (ii) Changes in market conditions and global commodity prices; and (iii) Technological innovations and productivity improvements; (d) Align the APSP with Kenya's Medium-Term Plan (MTP) cycles, such that: (i) The APSP shall be developed or reviewed at the beginning of each MTP cycle (currently every 5 years, with mid-term reviews at 2.5 years); (ii) Targets shall be reviewed and adjusted every 3 years to reflect changes in production

capacity, market conditions, and technological developments; (iii) The APSP shall be submitted to Parliament for approval before coming into effect, ensuring democratic oversight and transparency; and (e) Include provisions for monitoring, reporting, and accountability, such as: (i) Annual reporting by foreign companies on their actual agricultural sourcing from Kenyan farmers; (ii) Regular assessment of progress toward the targets established in the APSP; (iii) Identification of bottlenecks and barriers to increased local sourcing; (iv) Recommendations for policy adjustments or additional government support”.

98. Amend the clause by inserting the following new sub-clause 4(7), “(7) Foreign companies shall comply with the agricultural sourcing targets as established in the approved Agricultural Produce Sourcing Plan (APSP) for their respective commodity or sector, rather than the fixed 100% requirement in sub-section (5)”.
99. Amend the clause by inserting the following new subclause 4(8), “(8) The Cabinet Secretary may grant a temporary exemption or adjustment to the agricultural sourcing targets in the APSP if a foreign company can demonstrate: (i) Force majeure events (e.g. drought, flooding, disease outbreaks) that have significantly reduced local production capacity; (ii) Temporary supply shortages due to seasonal factors or unexpected market disruptions; (iii) Quality or food safety issues with locally produced agricultural produce that cannot be resolved within a reasonable timeframe; and (iv) Extraordinary circumstances beyond the reasonable control of the company or local farmers. Such exemptions shall be temporary (maximum 12 months) and subject to the company's commitment to work with local farmers and the government to resolve the underlying issue”.
100. Amend subclause 4(7) to cap the number of foreign workers from outside the East African Community to six percent. And provide for attachment of a local employee as an understudy to the expatriates. This will ensure that expatriates and other foreign workers from outside the EAC are not employed to perform tasks that can be easily accomplished by a local employee. It also ensures a transfer of skills to local workers, thereby enhancing their knowledge and expertise, as well as the competitiveness of the Kenyan workforce.
101. Delete subclause 4(8) and substitute it with the following subclause, “A person who fails to comply with the provisions of this Act commits an offence and shall be liable to (a) issuance of a compliance notice requiring corrective action within a specified period; (b) an administrative penalty as may be prescribed”. Criminal sanctions, particularly imprisonment of company officers, are disproportionate for regulatory non-compliance of a commercial nature. Local content requirements primarily involve administrative obligations relating to procurement of thresholds, reporting, and supplier participation, which are more appropriately enforced through administrative and regulatory mechanisms.
102. Insert the following new subclause 4(10), “(10) Dispute resolution between companies and local suppliers: (a) The Cabinet shall establish a mediation and dispute resolution mechanism to address disputes between foreign companies and local suppliers regarding: (i) Quality standards and specifications for goods or services; (ii) Pricing and payment terms; (iii) Delivery schedules and supply reliability; (iv) Contract terms and conditions; and (v) Capacity building and technical assistance commitments; (b) Either party may request mediation from the Cabinet Secretary, which shall: (i) Appoint a neutral mediator to facilitate discussions between the parties; (ii) Conduct mediation sessions within thirty (30) days of the request; (iii) Seek to reach a mutually

acceptable settlement within sixty (60) days; and (iv) If mediation fails, issue a non-binding recommendation to guide further negotiations or legal proceedings; and (c) The Cabinet Secretary may also recommend arbitration under the Arbitration Act (Cap. 15) if mediation is unsuccessful, with the costs shared between the parties". The amendment introduces a clear dispute resolution mechanism for matters arising under Clause 4 on local content obligations. Given that compliance may involve complex determinations relating to procurement thresholds, supplier qualification, or sector capacity, disputes between companies and the regulatory authority are likely to arise.

## **New Clause**

103. Amend the Bill by inserting the following new clause, "(1) A company shall not be liable for non-compliance with the requirements of this Act where such non-compliance is caused by circumstances beyond the reasonable control of the company; (2) Circumstances referred to under subsection (1) may include (a) natural disasters; (b) civil unrest or public disorder; (c) pandemics or public health emergencies; or (d) any other event that materially disrupts the company's ability to comply with the provisions of this Act; (3) A company seeking relief under this section shall notify the Cabinet Secretary or the designated authority of the occurrence of such circumstances within a reasonable time; and (4) The Cabinet Secretary may prescribe guidelines for the implementation of this section". This amendment introduces a force majeure-type safeguard to ensure that companies are not penalized for non-compliance where failure arises from circumstances beyond their reasonable control. Modern regulatory frameworks typically include such provisions to promote fairness, proportionality, and regulatory certainty.

## **Committee Observation/Recommendation**

The Committee noted the proposal by KAM/KEPSA to develop Sector-Specific Localisation Plans and Agricultural Produce Sourcing Plans (APSPs) in consultation with relevant industry stakeholders and observed that this would better resolve the issues that the Bill seeks to address.

### **4.8 The Kenya Bankers' Association (KBA)**

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Peter Mungai, Chairperson of the Legal Committee informed the Committee that KBA was opposed to the Bill. He proposed the following amendments to the Bill:

#### **Clause 2**

104. Amend definition of "foreign company" because the definition in the Bill could prevent locally incorporated subsidiaries and branches from leveraging economies of scale with their parent companies and global affiliates, limiting their ability to provide differentiated services to Kenyans at competitive cost of capital.

105. Amend definition of "local company" because the definition in the Bill excludes Kenyan-incorporated companies which is likely to create legal ambiguity and may result in parallel compliance frameworks.

106. Amend the Objects of the Bill as it does not expressly recognise investment promotion and global value chain integration. Failure to recognise Kenya's commitments under the African Continental Free Trade Area (AfCFTA) and the EAC Common Market Protocol may create policy inconsistencies and undermine Kenya's ambition to position itself as a regional investment hub.

#### **Clause 4**

107. Amend subclause 4(1) because extending local content rules to finance, insurance, warehousing and ICT is unusual globally and may slow innovation, raise costs for fintechs reliant on global service providers and complicate compliance for multinational banks.

108. Amend subclause 4(3) because the requirement that foreign companies source 60% of goods and services from local companies introduces a rigid quota. The quota is not supported by evidence demonstrating that local companies have the capacity to provide specialised technical services required by modern industries.

109. Amend subclause 4(4) because it creates a compulsory commercial obligation and increases cost of capital and doing business. Such obligations increase the cost of doing business and the cost of capital. Where the scope of the obligation is not clearly defined, companies may face open-ended expectations for technical support, creating financial and operational uncertainty.

110. Amend subclause 4(5) because absolute requirement is impractical where inputs are unavailable or seasonal. Absolute sourcing requirements are impractical where inputs are unavailable, seasonal or unable to meet required technical or quality standards.

111. Amend subclauses 4(6) and 4(7) because the requirement that 80% of a company's workforce be Kenyan is not viable in specialised sectors and lacks exemptions for scarce or specialised skills. Modern globally integrated industries rely on specialised expertise in area such as advanced technology, cybersecurity, data science and financial engineering.

112. Amend subclause 4(8) because the penalties are disproportionate and fail to distinguish between wilful misconduct and good faith inability to meet local content thresholds due to structural or market constraints. Criminalising ordinary commercial non-compliance significantly increases regulatory risk and may discourage investment.

#### **Clause 5**

113. Amend clause 5 because it grants the CS broad discretionary powers to expand sectors and define additional local content requirements. Wide regulatory discretion creates uncertainty for businesses and investors and raises concerns about excessive delegation of legislative authority.

#### **Clause 6**

114. Amend subclause 6 because the Bill protects existing contracts but does not sufficiently safeguard existing licenses, approvals and investments structures. Failure to protect existing operational

structures may create retrospective economic impacts for companies that made investments under the previous regulatory framework.

115. The Bill imposes obligations exclusive on foreign companies, creating concerns around differential treatment. The differential treatment creates concerns regarding proportionality and potential discrimination.

### **Committee Observation/Recommendation**

**The Committee took note of the submission by KBA and agreed with them that the Bill was imposing obligations exclusively to foreign companies creating concerns of differential treatment contrary to the Constitution. The Committee therefore recommended deletion of the Bill in its entirety.**

### **4.9 The National Gender and Equality Commission (NGEC)**

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Paul Kuria, Ag. CEO proposed the following amendments to the Local Content Bill, 2025:

#### **Clause 2**

116. Amend the clause by inserting the following new definitions: “Authority” means the Kenya Local Content and Inclusion Authority established under section 3A; “inclusive local content” means local content that ensures equitable participation and benefits for women, youth, persons with disabilities and marginalised groups as defined under Article 260 of the Constitution, measured through the scorecard prescribed under this Act; and “marginalised groups” has the meaning assigned in Article 260 of the Constitution. This is to provide clear operational definitions that enable measurable enforcement inclusion.

#### **Clause 3**

117. Amend the clause by inserting the following new paragraphs: “(g) *promote inclusive local content by ensuring equitable participation of women, youth, persons with disabilities and marginalised groups in ownership, management, skills development, employment and supply chains; (h) impose obligations on national and county governments to lead by example in local content and inclusion compliance; and i) establish an institutional framework for effective implementation, monitoring, enforcement and capacity building*”. The amendment expands the Bill’s scope from foreign company compliance only to a whole of society and whole of government approach.
118. Amend the clause by inserting the following new clause, “3A (1) *There is established an Authority to be known as the Kenya Local Content and Inclusion Authority. (2) The Authority shall be a body corporate with perpetual succession, capable of suing and being sued, and shall perform the functions conferred by this Act*”. To provide for a dedicated body for monitoring, capacity building coordination and enforcement.

119. Amend the clause by inserting the following new clause, “3B. The Authority shall (a) monitor and enforce compliance with local content and inclusive local content requirements by foreign companies and national/county governments; (b) develop, publish and periodically review the inclusive local content scorecard; (c) coordinate capacity building programmes targeted at women-owned, youth-owned, PWD-owned, and marginalised-group enterprises; (d) advise the Cabinet Secretary on regulations and standards; (e) collaborate with the NGECC, National Council for Persons with Disabilities, Council of Governors and relevant sector regulators; (f) maintain a public register of compliant entities; and (g) report annually to Parliament and the Council of Governors on compliance and inclusion outcomes”. To provide roles of the Authority.
120. Amend the clause by inserting the following new clause, “3C (1) The Authority shall be governed by a Board consisting of (a) a chairperson appointed by the President; (b) the Principal Secretary responsible for Trade; (c) the Principal Secretary responsible for Labour; (d) one representative each from the NGECC, the National Council for Persons with Disabilities and the Council of Governors; (e) four persons with expertise in industry, gender, disability and local content nominated by relevant stakeholders; and the Chief Executive Officer (ex-officio); and (2) The Board shall ensure gender parity in accordance with Article 27(8) of the Constitution and at least one member with a disability”.
121. Amend the clause by inserting the following new clause, “3D. The Authority shall be funded by Parliamentary appropriations, fees and such other sources as Parliament may approve”.

#### **Clause 4**

122. Amend subclause 4(7) by inserting the following new subclauses, “7A. In complying with the sixty percent (60%) sourcing requirement under subsection (3) and the workforce requirement under subsection (6), a foreign company shall prioritise inclusive local content as measured by the scorecard, giving preference to women-owned, youth-owned, PWD-owned, and marginalised group enterprises in accordance with the AGPO policy and regulations made under this Act; (7B) A foreign company shall ensure that its capacity-building support under subsection (4) targets women, youth, persons with disabilities and marginalised groups; and (7C) Compliance with this section shall be assessed using the inclusive local content scorecard prescribed in regulations”. To integrate inclusion into the existing 60% sourcing and 80% workforce quotas without changing the percentages.
123. Amend paragraph 4(8)(a) by substituting the fine of “one hundred million shillings” with not less than “twenty million shillings” because the penalty is excessive and may discourage foreign investors and lead to closure of foreign companies.
124. Amend by inserting the following new clause, “4A (1) National and county governments shall, in all procurement, tenders, employment and operations, comply with the local content requirements under section 4; (2) Without limiting subsection (1) (a) at least 60% of goods and services shall be sourced from local companies with priority to AGPO-eligible enterprises; (b) at least 80% of the workforce shall be Kenyan citizens, disaggregated to meet the two thirds gender rule and a minimum of five percent persons with disabilities (or such higher target as may be prescribed); and (c) governments shall provide technical and capacity-building support to local suppliers in line with subsection 4(4); (3) Each government entity shall submit an annual local content and inclusion plan and compliance report to the Authority; (4) Contravention

by a public body shall constitute grounds for disciplinary action against the accounting officer". Provide obligations of national and county governments.

### **Clause 5**

125. Amend subclause 5(2) by inserting the following new paragraphs, "(d) the form, content, and methodology of the inclusive local content scorecard, including specific targets and weighting for gender, disability, youth and marginalised-group participation in ownership, management, skills development and supply chains; (e) procedures for annual reporting by foreign companies and government entities; (f) mechanisms for capacity-building grants or incentives targeted at inclusive local enterprises; and (g) any other matter necessary for inclusive local content". To provide for regulations.

### **New Clauses**

126. Insert a new clause providing for the comprehensive and inclusive (gender and disability) institutional framework because it is necessary for the effective implementation of the objectives of the proposed law.

127. Insert clauses providing for obligations of the two levels of government because Part 2 of the Fourth Schedule to the Constitution includes trade development and regulation (trade licenses, marketing e.t.c.) and implementation of national government policies and natural resources as functions of county governments.

### **Committee Observation/Recommendation**

**The Committee observed that some amendments proposed by NGEK would expand the scope of the Bill contrary to Standing Order 133 (5) of the National Assembly Standing Orders.**

### **4.10 The Ministry of Foreign and Diaspora Affairs**

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Evans Maturu, a Director at MFDA informed the Committee that:

128. The proposals in the Bill need multisectoral approach. Competent authorities have not been included in the Bill.

129. The MFDA had entered into multilateral agreements with the EAC that provide that goods from the EAC are considered local. The country is bound by the obligations and commitments.

### **Committee Observation/Recommendation**

**The Committee observed that the Bill would indeed pose a challenge on some of the agreements and treaties that Kenya has signed with other countries and thus recommended deletion of the Bill in its entirety.**

#### 4.11 The State Department for Trade

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Sabas Sabure, Trade Development Officer informed the Committee that the State Department supports the Bill but with amendments. He submitted that:

130. The State Department should lead in prescribing detailed operational guidelines and metrics on the 60% local sourcing of goods and services and 80% Kenyan workforce.
131. The State Department should institutionalise capacity building programmes, leveraging the Academy and private sector partnerships to upscale firm's technical, managerial and digital skills, enabling them to effectively participate in supply chains.
132. The State Department in collaboration with agricultural agencies should develop a coordinated framework for sourcing including aggregation centres and quality assurance mechanism to ensure compliance and enhance farmers' market access and income.
133. The State Department should establish an institutional mechanism for monitoring, reporting and resolving compliance issues while ensuring fair and transparent processes.
134. The State Department should develop a centralised digital reporting system accessible via the National Trade Portal to enable real-time monitoring and data analytics for policy adjustments.
135. The State Department should ensure that regulations harmonise with existing trade laws and international obligations, avoiding duplication and conflicts.
136. The State Department should mainstream gender and youth inclusivity in local content implementation, providing targeted support and ensuring fair access to opportunities created under the Bill.

#### **Committee Observation/Recommendation**

**The Committee noted the submission by the State Department for Trade. The Committee recommended deletion of the Bill in its entirety as it would be difficult to implement if enacted in its current form.**

#### 4.12 Ponty Pridd Holdings

In a meeting with the Committee held on Thursday, 12<sup>th</sup> March 2026, Mr. Anthony Wainaina, Managing Director, Ponty Pridd Holdings submitted as follows on the Local Content Bill, 2025:

137. They support the Bill in its entirety and observed that: as the government works to attract international investors, it must equally support local companies; multinationals must contribute to the growth of the supportive industries that they rely on; the domestic market should be the

foundation upon which Kenyan companies launch into the region and the world; and every shilling spent in the country circulates multiple times.

138.They proposed that the Bill be amended to provide for sector-specific thresholds; require multinationals to actively invest in developing local supplier capacity through training, technology transfer, and joint ventures; there should be clear, meaningful penalties for non-compliance; an independent body should receive, verify and publicly report on local content compliance annually; and create an accessible mechanism through which local companies can report exclusion and seek redress without fear of losing future contracts.

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed to the Bill by Ponty Pridd Holdings. The Committee recommended deletion of the Bill in its entirety as it would be difficult to implement if enacted in its current form.**

#### **4.13 Ather Solutions Limited**

139.In a memorandum dated 23<sup>rd</sup> February 2026, Ather Solutions Limited submitted that there is significant local capacity and experience that can be leveraged on to enhance supply chain efficiencies; current decision-making processes often favour multinationals creating an uneven playing field; multinationals usually utilise local vehicles and resources but the compensation is inadequate; Kenyans are reduced to mere farmers and consumers with no opportunities for entrepreneurship and involvement in various sectors of the economy; and multinationals transfer their depreciated fleets into the country allowing them to compete unfairly with local suppliers.

#### **Committee Observation/Recommendation**

**The Committee noted the submission by Ather Solutions Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.14 Beaver Works Enterprises**

140.In a memorandum dated 26<sup>th</sup> February 2026, Beaver Works Enterprises submitted that it is important to leverage local resources and capabilities to promote sustainable economic development. Local transporters are faced with the following challenges: disproportionate favouritism towards multinationals; unfair competition from depreciated assets; exploitation of local resources; stifling of local growth and development; and narrowing the role of Kenyans to farmers and consumers.

### **Committee Observation/Recommendation**

**The Committee noted the issues raised by Beaver Works Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.15 Brilliant Rays Enterprises Limited**

141. In a memorandum dated 19<sup>th</sup> February 2026, Brilliant Rays Enterprises Limited submitted that there is significant local capacity and experience that can be leveraged on to enhance supply chain efficiencies; current decision-making processes often favour multinationals creating an uneven playing field; multinationals usually utilise local vehicles and resources but the compensation is inadequate; Kenyans are reduced to mere farmers and consumers with no opportunities for entrepreneurship and involvement in various sectors of the economy; and multinationals transfer their depreciated fleets into the country allowing them to compete unfairly with local suppliers.

### **Committee Observation/Recommendation**

**The Committee noted the submission by Brilliant Rays Enterprises Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.16 CWAV (K) Limited**

142. In their memorandum, CWAV (K) Limited submitted that there is significant local capacity and experience that can be leveraged on to enhance supply chain efficiencies; current decision-making processes often favour multinationals creating an uneven playing field; multinationals usually utilise local vehicles and resources but the compensation is inadequate; Kenyans are reduced to mere farmers and consumers with no opportunities for entrepreneurship and involvement in various sectors of the economy; and multinationals transfer their depreciated fleets into the country allowing them to compete unfairly with local suppliers.

### **Committee Observation/Recommendation**

**The Committee noted the submission by CWAV (K) Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### 4.17 Isocate Limited Company

143. In a memorandum dated 20<sup>th</sup> February 2026, Isocate Limited submitted that there is significant local capacity and experience that can be leveraged on to enhance supply chain efficiencies; current decision-making processes often favour multinationals creating an uneven playing field; multinationals usually utilise local vehicles and resources but the compensation is inadequate; Kenyans are reduced to mere farmers and consumers with no opportunities for entrepreneurship and involvement in various sectors of the economy; and multinationals transfer their depreciated fleets into the country allowing them to compete unfairly with local suppliers.

##### **Committee Observation/Recommendation**

**The Committee noted the submission by Isocate Limited Company and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### 4.18 Lynwood Solutions Limited

144. In a memorandum dated 25<sup>th</sup> February 2026, Lynwood Solutions Limited submitted that transportation business in Kenya has been given to multinationals resulting in financial distress, job losses and business closure. They requested the Government and Parliament to put in place policies that protect and promote participation of Kenyan-owned companies in supply chains.

##### **Committee Observation/Recommendation**

**The Committee noted the request by Lynwood Solutions Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### 4.19 Lytans Limited

145. In a memorandum dated 24<sup>th</sup> February 2026, Lytans Limited submitted that many locally owned Kenyan transport companies have substantial fleet capacity that is more than sufficient to handle 100% of the transport demand in Kenya, multinational companies are awarded over 70% of transport and logistics contracts by major corporations, multinationals engage local transporters at uncompetitive rates that do not reflect market value and monopolisation of contracts by multinationals hinders the growth of local transporters.

##### **Committee Observation/Recommendation**

**The Committee noted the submission by Lytans Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee**

**recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.20 Metajma Creative Solutions Limited**

146. In a memorandum dated 25<sup>th</sup> February 2026, Metajma Creative Solutions Limited submitted that most transport operations are consolidated under a multinational logistics provider. They requested Parliament to put in place legislation and policy measures that require multinational corporations operating in Kenya to allocate a defined percentage of logistics and supply chain work to qualified local companies, protect local businesses from unfair subcontracting rates that make participation economically unviable, and promote local content development to ensure Kenyan businesses benefit from economic activity generated within the country.

##### **Committee Observation/Recommendation**

**The Committee noted the proposals by Metajma Creative Solutions Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.21 Reshon Enterprises Limited**

147. In a memorandum dated 26<sup>th</sup> February 2026, Reshon Enterprises Limited submitted that Parliament needs to advocate for policies that encourage multinationals to actively engage local content players in their supply chains. This will promote economic growth and development.

##### **Committee Observation/Recommendation**

**The Committee noted the request by Reshon Enterprises Limited and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.22 Sigmoid Logistics**

148. In a memorandum dated 23<sup>rd</sup> February 2026, Sigmoid Logistics submitted that transportation business in Kenya has been given to multinationals. They called on the Government to intervene because the unfair practices will drive them out of business.

##### **Committee Observation/Recommendation**

**The Committee noted the request by Sigmoid Logistics and observed that there is a Local Content Policy in Kenya that aims at protecting local companies. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

## 4.23 The British Chamber of Commerce Kenya

In a letter dated 11<sup>th</sup> March 2026, Ms. Farida Abbas, Chief Executive Officer, the British Chamber of Commerce proposed the following amendments to the Local Content Bill, 2025:

### Clause 2

149. Amend definition of “foreign company” to mean a company, body corporate or other legal entity: (a) incorporated or otherwise established outside Kenya; or (b) registered as a foreign company under part XXXVII of the Companies Act (Cap. 486); or (c) incorporated or otherwise established in Kenya but in which persons who are not Kenyan citizens hold, directly or indirectly, more than forty-nine percent of the issued shares or voting rights, or exercise effective control, but does not include a company, body corporate or other legal entity incorporated or otherwise established outside Kenya where: (i) more than fifty percent of its shares and voting rights are held, directly or indirectly by Kenyan citizens; or (ii) effective control is exercised by Kenyan citizens”. This is to align with the Companies Act for consistency and to avoid conflicting legal interpretations.
150. Define “effective control” to mean the power, whether through shareholding, voting rights, board appointment rights, contractual arrangements, or otherwise, to direct the financial, operational or strategic decisions of the company”.
151. Amend definition of “local company” to mean a company, body corporate or other legal entity incorporated, registered or otherwise established in Kenya including subsidiaries and branches of foreign entities and extending to the parent company and global affiliates or outside Kenya in which: (a) more than fifty percent of its shares and voting rights are held, directly or indirectly, by Kenyan citizens; or (b) effective control is exercised by Kenyan citizens”.

### Clause 4

152. Amend the clause by deleting subclause 4(1) and substituting as follows, “A foreign company carrying out business in Kenya shall comply with the local content requirements prescribed under this section, provided the Cabinet Secretary for Investments, Trade and Industry may by regulations, prescribe minimum thresholds below which a foreign company shall be exempt from one or more of the requirements of this section”.
153. Amend the clause by deleting subclause 4(2) and substituting as follows, “The local content requirements under this section shall apply to foreign companies operating in Kenya across all sectors of the economy provided that: (a) the CS shall within six (6) months of the commencement of this Act, by regulations made under section 5, prescribe sector-specific local content schedules setting out the applicable local content thresholds, timelines and requirements for each sector, having regard to: (i) the existing capacity of local companies to supply goods and services in that sector; (ii) the regulatory framework already applicable to the sector; and (iii) the level of participation of Kenyan citizens in that sector; (b) before prescribing a sector-specific schedule, the CS shall consult the relevant sector regulator and conduct public participation; and (c) where a sector is governed by existing legislation that already imposes local content obligations, the CS shall ensure that any sector-specific schedule made under this section is consistent with and complementary to

those obligations and in the event of any conflict, the sector-specific legislation shall prevail to the extent of the inconsistency”.

154. Amend subclause 4(3) to read as follows, “A foreign company shall source locally manufactured goods and services from local companies in accordance with the applicable local content threshold prescribed in the sector-specific schedule for its sector under section 4(2), provided that: (a) Where no sector-specific has yet been prescribed for a particular sector, a foreign company in that sector shall, in the interim, demonstrate reasonable efforts to source locally available goods and services from local companies, including by conducting and documenting a local supplier market assessment to identify local companies capable of supplying the required goods and services, prior to engaging a foreign supplier and submitting to the designated authority, as part of its annual Local Content Compliance Report under section 4B, a local sourcing report detailing the efforts made under this paragraph, the proportion of goods and services sourced from local companies during the reporting period, and the reasons for any sourcing from foreign suppliers; and (b) a foreign company that is unable to meet the applicable threshold due to the genuine unavailability of qualifying local suppliers may apply to the designated authority for a temporary waiver to be granted on such terms as the designated authority, acting reasonably, may specify”.
155. Amend subclause 4(4) to read as follows: “A foreign company may, in accordance with prescribed incentives, implement proportionate capacity building initiatives based on annual local content plans, with targets co developed with industry bodies and benchmarked to sector needs”.
156. Amend subclause 4(5) to read as follows: “A foreign company undertaking any business in Kenya which requires agricultural produce as raw materials for the manufacture of goods shall source agricultural produce from Kenyan farmers and registered agricultural cooperatives operating in Kenya, to the extent and in the manner prescribed by regulations made under section 5, provided that: (a) before prescribing any local sourcing requirement under this sub-section, the Cabinet Secretary shall: (i) conduct a national agricultural supply capacity assessment in consultation with the relevant agricultural regulatory bodies, farmer organisations, and agricultural cooperatives, to determine the availability, quality, volume and consistency of local supply of the relevant agricultural produce; (ii) undertake public participation, including targeted consultation with the foreign companies likely to be affected and the Kenyan farming communities likely to benefit; and (iii) have regard to the findings of the capacity assessment and the outcome of the public participation process in determining the appropriate local sourcing threshold for each category of agricultural produce; (b) the regulations made under this sub-section may prescribe different local sourcing thresholds for different categories of agricultural produce, different manufacturing sectors or different regions in Kenya, reflecting variations in local supply capacity; and (c) the Cabinet Secretary shall review the prescribed thresholds at intervals of not more than three (3) years and may adjust them upwards or downwards by regulations made in accordance with paragraph (a), having regard to changes in local agricultural supply capacity”.
157. Amend subclause 4(6) to read as follows: “A foreign company operating in Kenya shall employ Kenyan citizens in the management and senior leadership of the company, to the extent and in the manner prescribed by regulations made under section 5, provided that: (a) before prescribing any management localisation requirement under this sub-section, the Cabinet Secretary shall: (i) conduct a national management and skills capacity assessment in consultation with relevant bodies, relevant professional bodies, sector regulators and employer and employee representative organisations, to determine the availability of

qualified Kenyan citizens capable of filling management and senior technical positions across the relevant sectors; (ii) undertake public participation, including targeted consultation with foreign companies likely to be affected and Kenyan professional and graduate bodies likely to represent the pool of eligible candidates; and (iii) have regard to the findings of the capacity assessment and the outcome of the public participation process in determining the appropriate management localisation thresholds for each sector; (b) the regulations made under this sub-section may prescribe different localisation thresholds for different sectors, different categories of management positions and different sizes of company, reflecting variations in the availability of qualified Kenyan management talent; and (c) the Cabinet Secretary shall review the prescribed thresholds at intervals of not more than three (3) years and may adjust them by regulations made in accordance with paragraph (a), having regard to changes in the availability of qualified Kenyan management talent”.

158. Amend subclause 4(7) to read as follows: “A foreign company operating in Kenya shall employ Kenyan citizens across all levels of its workforce in Kenya, to the extent and in the manner prescribed by regulations made under section 5, provided that: (a) before prescribing any workforce localisation requirement under this sub-section, the Cabinet Secretary shall: (i) conduct a national workforce and skills capacity assessment in consultation with relevant bodies, including the National Employment Authority, relevant sector regulators and employer and employee representative organisations, to determine the availability of qualified Kenyan citizens capable of filling positions across the relevant sectors and at all levels of employment; (ii) undertake public participation, including targeted consultation with foreign companies likely to be affected and Kenyan workers and trade union organisations likely to represent the pool of eligible candidates; and (iii) have regard to the findings of the capacity assessment and the outcome of the public participation process in determining the appropriate workforce localisation thresholds for each sector; (b) the regulations made under this sub-section may prescribe different localisation thresholds for (i) different sectors; (ii) different categories and levels of employment, including senior management, middle management, technical and professional staff, and nontechnical and support staff; and (iii) different sizes of company, reflecting variations in the availability of qualified Kenyan workers; and (c) the Cabinet Secretary shall review the prescribed thresholds at intervals of not more than three (3) years and may adjust them by regulations made in accordance with paragraph (a), having regard to changes in the availability of qualified Kenyan workers across the relevant sectors”.

159. Amend subclause 4(8) to read as follows: “Calibrate penalties to be proportionate, predictable, and tied to the severity of non-compliance: “(a) Where a foreign company contravenes any provision of this section, the designated authority may issue a compliance notice requiring the foreign company to remedy the contravention within a period specified in the notice, being not less than ninety (90) days; (b) where the foreign company fails to remedy the contravention within the period specified in the compliance notice, the designated authority may: (i) impose an administrative penalty not exceeding five percent (5%) of the foreign company's annual gross revenue derived from Kenyan operations for each year or part thereof during which the contravention continues; or (ii) recommend to the relevant licensing authority the suspension or revocation of any licence, permit, or registration held by the foreign company; or (c) In addition to the administrative remedies under sub-section (8), a foreign company that wilfully and persistently fails to comply with the requirements of this section after exhausting the compliance notice process commits an offence and shall upon conviction in the case of the body corporate, be liable to (i) a fine of not less than ten million shillings, having regard to the gravity, duration, and extent of the contravention; and (ii) in the case of a director or officer of the company who is proved to have personally authorised, directed, or acquiesced in the

contravention, be liable to imprisonment for a term of not less than one year, or to a fine of not less than five million shillings, or to both”.

#### **Clause 5**

160. Amend subclause 5(1) to read: "The Cabinet Secretary, may make Regulations for better carrying out of the provisions of this Act subject to a regulatory impact assessment, stakeholder consultations and submission of these regulations to Parliament for approval."

#### **Clause 6**

161. Amend Clause 6 to read: "All rights, obligations and contracts between a foreign company carrying out business in Kenya and a supplier of goods or services existing before the coming into force of this Act, which were lawfully entered into, shall continue in force for the unexpired period of the contracts, provided that: (a) any renewal, extension, variation, assignment, or exercise of an option occurring on or after the commencement of this Act shall comply with this Act and regulations made under it; (b) nothing in this subsection shall be construed to validate any term or arrangement that is unlawful under any written law; (c) where a contract contains change in law provisions, the parties may renegotiate in good faith to align performance with this Act; and (d) no party may artificially restructure or roll over an existing contract to circumvent the application of this Act".

#### **Committee Observation/Recommendation**

**The Committee noted the amendments proposed by the British Chamber of Commerce Kenya and recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

#### **4.24 Grid Circle Limited**

In their memorandum dated 18<sup>th</sup> February 2026, the Managing Director, Ms. Brenda N. Wagura proposed the following amendments to the Bill:

162. The Bill should be amended to provide for local capability, adjust progressively over time and avoid market distortion. This will ensure realism and enforceability, allowing for gradual scaling of thresholds, evidence-based policy adjustment and strategic priority sectors.

163. Provide a precise definition of local company incorporating minimum beneficial Kenyan ownership criteria, effective control and decision making exercised in Kenya, substantive economical operational presence in Kenya and tax residency compliance.

164. The Bill should clarify that contracts lawfully concluded prior to commencement of the Act remain valid, and phased compliance period applies to existing enterprises. This will protect legitimate expectations while allowing gradual compliance.

165. In compliance with Article 2 (5) and (6) of the Constitution, the Bill should include a provision stating that the Act shall be implemented in a manner consistent with Kenya's international trade investment obligations.
166. The Bill should incorporate mechanisms for technology transfer plans, local workforce training frameworks, supplier development programmes and joint venture incentives. The Bill should explicitly incorporate mechanisms that promote long-term domestic competitiveness.
167. The Bill should provide clear criteria for exemptions, discretionary powers for the CS be guided by objective standards and compliance reporting obligations be proportionate to the size of an enterprise.
168. The Bill should be aligned with SME development frameworks, coordinated with public procurement reforms, integrated with export promotion strategies and compliance linked to measurable domestic value addition.

#### **Committee Observation/Recommendation**

**The Committee noted the proposals by Grid Circle Limited to implement the Bill progressively, validity of contracts entered into before enactment of the Bill, implementing the Bill in a way that is consistent with the country's international trade among others. The Committee recommended deletion of the Bill in its entirety as it would be difficult to be implemented if enacted in its current form.**

## CHAPTER FIVE

### 5.0 COMMITTEE OBSERVATIONS

Having considered the Bill, the Committee made the following observations on the Local Content Bill (*National Assembly Bill No. 45 of 2025*):

1. Stakeholders broadly supported the policy intent of the Bill, viewing local content as a tool for industrial competitiveness rather than a gatekeeping mechanism. They proposed that the objects be expanded to expressly recognise investment promotion, Kenya's international trade obligations, and the inclusion of gender, youth, persons with disabilities, and marginalised groups. There was strong consensus that the list of sectors covered is both too narrow by omitting agriculture, agri-inputs, and technology and e-commerce while also being too broad, in that financial services are included without adequate differentiation.
2. The definition of "foreign company" was contentious. Some stakeholders sought to exclude locally-incorporated subsidiaries of multinationals, others proposed a control-based definition and others focused on preventing circumvention through nominee arrangements. The Committee observed that the shareholding-only definition as drafted creates three problems for NSE-listed companies: a company's classification could shift daily as foreign and Kenyan investors trade in its shares; it would deter foreign-origin companies with genuine Kenyan operational footprints from listing on the NSE; and it would inadvertently capture established Kenyan group companies such as Equity Group Holdings, KCB Group and others that carry significant foreign institutional shareholding as a feature of being publicly listed, not as a feature of foreign control. The Committee is of the view that the definition should be comprehensive and measurable and aligned with the 2020 Local Content Policy.
3. The Bill raises several constitutional concerns. Under Article 24, any limitation of rights must be prescribed by law, pursue a legitimate objective, and be reasonable and proportionate. While the Bill's objectives of employment promotion and economic development are legitimate, proportionality concerns arise in three areas: the mandatory 100% agricultural sourcing requirement with no waiver or exemption mechanism for cases where compliance is genuinely impracticable; the mandatory minimum criminal penalties with no graduated enforcement sequence; and the absence of judicial discretion in sentencing. Under Article 40, foreign investors hold property interests in shares, contracts, and business operations. Whereas regulatory control is permissible, the combination of heavy mandatory fines and rigid sourcing obligations may be argued to constitute excessive interference with those interests. A further concern under Article 27(4) is that a law restricting the enjoyment of property on grounds of foreign ownership may be characterised as discriminatory, since the differentiation between foreign and local companies, must be reasonable and proportionate.
4. The Bill raises compatibility concerns under three international frameworks. First, the World Trade Organisation (WTO) Agreement on Trade-Related Investment Measures (TRIMs) prohibits certain domestic purchase requirements. The 60% locally manufactured goods sourcing rule and the 100% agricultural sourcing rule resemble local content measures that have been successfully challenged at the WTO, and the 100% agricultural sourcing rule additionally incorrectly presupposes that all

agricultural inputs required by foreign companies are commercially grown in Kenya. Second, the Africa Continental Free Trade Area promotes non-discrimination among African states and trade liberalisation yet rigid local sourcing requirements may raise compatibility concerns with AfCTA. Third, where Bilateral Trade Treaties are in force, foreign investors may initiate arbitration on grounds of discriminatory treatment, indirect expropriation, or breach of fair and equitable treatment obligations.

5. Stakeholders broadly supported the proposed high Kenyan workforce threshold. However, there was consensus that the threshold needs to be applied sector-specifically. Financial services and technology, in particular, require access to global talent for specialised roles that are not yet available in sufficient depth in the local market, and a uniform threshold applied across all sectors without a waiver or exception mechanism does not adequately accommodate this reality.
6. The Bill's enforcement framework is deficient in three interconnected respects:
  - a) The Bill does not clearly define its implementing institution. Enforcement and implementation functions are vested alternately in the Cabinet Secretary and in an unnamed implementing authority, without establishing the authority as a statutory body, defining its composition, prescribing its funding, or specifying its accountability mechanisms. The Bill creates obligations without a credible institutional home for their enforcement.
  - b) The functions vested in the implementing authority directly overlap with the existing mandates of established regulators. The 60% local sourcing obligation duplicates the procurement oversight mandate of the Public Procurement Regulatory Authority under the Public Procurement and Asset Disposal Act, 2015. The workforce verification function duplicates the mandates of the Department of Immigration, which already applies a local availability test before issuing Class G work permits, and the National Employment Authority. The agricultural sourcing verification function duplicates the mandate of the Agriculture and Food Authority under the Agriculture and Food Authority Act, 2013, which already holds the farm registration data, quality inspection capacity, and sourcing certification infrastructure that the local content implementing authority does not possess. The Bill does not acknowledge these overlaps, define the relationship between the implementing authority and any of these regulators, or establish a coordination mechanism, with the result that the same company activity would be subject to inspection by multiple regulators applying different standards and no legal basis for resolving conflicting determinations.
  - c) The Bill contains no regulatory enforcement architecture between the imposition of obligations and criminalisation of their breach. It does not provide for compliance monitoring, compliance notices, corrective action periods, administrative penalties, licence suspension powers, or a designated appeal mechanism. The only enforcement tool available to the implementing authority is criminal prosecution. This renders the Bill structurally unenforceable: for minor breaches, prosecution is disproportionate and for serious breaches, mandatory minimum penalties invite immediate constitutional challenge and protracted litigation. A functional enforcement framework requires a graduated sequence of administrative warnings, financial penalties and licence action before criminal prosecution is considered. The Bill provides none


of these, and the enforcement architecture would need to be built from the ground up in any future Bill addressing local content.

7. Additionally, the proposed mandatory fine of Kshs. 100 million and mandatory CEO imprisonment, applied without a graduated enforcement sequence, create enforcement uncertainty, remove judicial discretion in sentencing, and are likely to generate litigation rather than encouraging compliance. The severity of the Bill's obligations also creates two related risks. The first is fronting, that is, where a foreign company registers a nominally Kenyan-owned local entity to escape the Bill's requirements while retaining actual control, as has occurred in Nigeria under comparable legislation. The second is a perverse incentive for local companies in that, if foreign competitors are already compelled to source locally, a local company may rationally conclude that it can import cheaper goods and undercut the market, with the unintended result that the Bill's toughness becomes the motivation to work around it rather than comply.

## CHAPTER SIX

### 6.0 COMMITTEE RECOMMENDATION

The Committee having reviewed the Local Content Bill (*National Assembly Bill No. 45 of 2025*) recommends that the House **DELETES THE BILL IN ITS ENTIRETY.**

 THE NATIONAL ASSEMBLY PAPER - LAID	
DATE:	31 MAR 2025
	DAY: TUE
TABLED BY:	HON. MARYANNE KITTANY, MP
CLERK-AT-THE-TABLE:	CRERUSE CWEBEY

## CHAPTER SEVEN

### 7.0 SCHEDULE OF PROPOSED AMENDMENTS

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

#### Clause 1

1. THAT the Bill be amended by deleting clause 1.

#### Clause 2

2. THAT the Bill be amended by deleting clause 2.

#### Clause 3

3. THAT the Bill be amended by deleting clause 3.

#### Clause 4

4. THAT the Bill be amended by deleting clause 4.

#### Clause 5

5. THAT the Bill be amended by deleting clause 5.

#### Clause 6

6. THAT the Bill be amended by deleting clause 6.

SIGNED.......... DATE.....*31<sup>st</sup> March 2026*.....

HON. BERNARD MASAKA SHINALI, CBS, MP  
CHAIRPERSON,

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

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**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026  
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 19<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON  
TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY, 26<sup>TH</sup>  
MARCH 2026 IN BARAZA CONFERENCE ROOM, SAROVA WHITESANDS  
HOTEL, MOMBASA COUNTY AT 2.00 P.M.**

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**PRESENT**

- |   |   |                         |
|---|---|-------------------------|
| 1. Hon. Bernard Masaka Shinali, CBS, MP     | - | <b>Chairperson</b>      |
| 2. Hon. Marianne Jebet Kitany, MP           | - | <b>Vice-Chairperson</b> |
| 3. Hon. Anthony Tom Oluoch, MP              |   |                         |
| 4. Hon. (Dr.) Beatrice Kahai Adagala, MP    |   |                         |
| 5. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP |   |                         |
| 6. Hon. Joyce Kamene, MP                    |   |                         |
| 7. Hon. Robert Githinji Gichimu, MP         |   |                         |
| 8. Hon. Adams Kipsanai, MP                  |   |                         |
| 9. Hon. Alfred Kiprono Mutai MP             |   |                         |
| 10. Hon. John Okano Bwire, MP               |   |                         |
| 11. Hon. Samuel Sakimba Parashina, MP       |   |                         |
| 12. Hon. Michael Wainaina Wambugu, MP       |   |                         |

**ABSENT WITH APOLOGY**

1. Hon. Adhe Wario Guyo, MP
2. Hon. Joshua Mbithi Mwalyo, MP
3. Hon. Amos Maina Mwago, MP

**IN ATTENDANCE**

**A. COMMITTEE SECRETARIAT**

- |                         |   |                                       |
|-------------------------|---|---------------------------------------|
| 1. Ms. Laureen Wesonga  | - | Clerk Assistant I                     |
| 2. Ms. Carolyne Musyoka | - | Hansard Reporter II (Clerk Assistant) |
| 3. Ms. Doreen Karani    | - | Principal Legal Counsel II            |
| 4. Ms. Pauline Sifuma   | - | Hansard Reporter II                   |
| 5. Ms. Peris Kaburi     | - | Assistant Serjeant-at-Arms II         |
| 6. Ms. Moureen Kendi    | - | Intern                                |

**AGENDA**

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Clause by Clause Consideration of the Micro and Small Enterprises (Amendment) Bill (National Assembly Bill No. 25 of 2025)**
7. **Clause by Clause Consideration of the Local Content Bill (National Assembly Bill No. 45 of 2025)**

- 8. Any other Business
- 9. Adjournment/Date of the Next Sitting

**MIN. NO. NA/DDC/TIC/2026/79: PRELIMINARIES/ADOPTION OF THE AGENDA**

The meeting was called to order at fourteen minutes past eight O'clock with prayer by Hon. Anthony Tom Oluoch, MP.

**MIN. NO. NA/DDC/TIC/2026/80: CONFIRMATION OF MINUTES**

This Agenda item was deferred.

**MIN. NO. NA/DDC/TIC/2026/81: CLAUSE BY CLAUSE CONSIDERATION OF THE MICRO AND SMALL ENTERPRISES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 25 OF 2025)**

Members deliberated and resolved to delete the Bill in its entirety because it would not add any value to the functions of the Micro and Small Enterprises Authority (MSEA) if enacted in its current form. The amendments proposed in the Bill can be dealt with at policy level.

The Report on the Micro and Small Enterprises (Amendment) Bill (National Assembly Bill No. 25 of 2025) having been proposed by Hon. (Dr.) Wilberforce Ojiambo Oundo, MP and seconded by Hon. (Dr.) Beatrice Kahai Adagala, MP.


**MIN. NO. NA/DDC/TIC/2026/82: CLAUSE BY CLAUSE CONSIDERATION OF THE LOCAL CONTENT BILL (NATIONAL ASSEMBLY BILL NO. 45 OF 2025)**

Members deliberated and resolved to delete the Bill in its entirety because it contravenes other acts of Parliament. Additionally, the Bill will be difficult to implement if enacted in its current form.

The Report on the Local Content Bill (National Assembly Bill No. 45 of 2025) was adopted having been proposed by Hon. Samuel Sakimba Parashina, MP and Hon. Joyce Kamene, MP.

**MIN. NO. NA/DDC/TIC/2026/83: ADJOURNMENT/DATE OF THE NEXT MEETING**

There being no other business, the meeting was adjourned at twenty minutes to five O'clock. The next meeting will be held on Tuesday, 31<sup>st</sup> March 2026 at ten O'clock.

SIGNED: .....  ..... DATE: 31<sup>st</sup> March 2026 .....  
**HON. BERNARD MASAKA SHINALI, CBS, MP**  
**CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES**



THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

ADOPTION SCHEDULE

We, the undersigned Honorable Members of the Departmental Committee on Trade, Industry and Cooperatives today, **Thursday, 26<sup>th</sup> March 2026** do hereby affix our signatures to this **Report on the Local Content Bill (National Assembly Bill No. 45 of 2025)** to affirm our approval and confirm its accuracy, validity and authenticity:

S/NO.	NAME	SIGNATURE
1.	Hon. Benard Masaka Shinali, CBS, MP - <b>Chairperson</b>	
2.	Hon. Marianne Jebet Kitany, MP - <b>Vice-Chairperson</b>	
3.	Hon. Adhe Wario Guyo, MP	
4.	Hon. Anthony Tom Oluoch, MP	
5.	Hon. (Dr.) Beatrice Kahai Adagala, MP	
6.	Hon. Joshua Mbithi Mutua Mwalyo, MP	
7.	Hon. Joyce Kamene, MP	
8.	Hon. Robert Githinji Gichimu, MP	
9.	Hon. (Dr.) Wilberforce Ojiambo Oundo, MP	
10.	Hon. Adams Korir Kipsanai, MP	
11.	Hon. Alfred Kiprono Mutai, MP	
12.	Hon. Amos Maina Mwangi, MP	
13.	Hon. John Okano Bwire, MP	
14.	Hon. Samuel Sakimba Parashina, MP	
15.	Hon. Michael Wainaina Wambugu, MP	

