

# **PARLIAMENT OF KENYA**

## **THE SENATE**

### **BILL DIGEST**

#### **THE GOLD PROCESSING BILL**

#### **(NATIONAL ASSEMBLY BILLS NO. 46 OF 2023)**

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| <b>Sponsor:</b>               | Senate Majority Leader                                        |
| <b>Date of First Reading:</b> | 8 <sup>th</sup> September, 2026                               |
| <b>Committee referred to:</b> | Standing Committee on Land, Environment and Natural Resources |
| <b>Type of Bill:</b>          | Ordinary Bill                                                 |

#### **PURPOSE OF THE BILL**

1. The principal object of the Bill is to establish a legal and institutional framework for collecting, purifying, smelting, fabricating, homogenizing, sampling, registering, monitoring, and transporting gold or products of gold. The Bill further proposes the establishment of the Gold Processing Corporation. The Bill seeks to establish a framework for licensing gold exploration and exploitation, and amends the Mining Act, Cap.306 to remove all matters concerning gold exploration, exploitation, and processing from its scope.

#### **BACKGROUND OF THE BILL**

2. The Bill seeks to address the lack of an independent institutional and regulatory framework dedicated exclusively to the gold processing sector. Currently, the sector operates without a centralized body to manage national standards, international accreditation, and the stringent monitoring required for gold refineries and laboratories. To resolve this, the Bill legally separates gold exploration and processing from the existing Mining Act to create a specialized regulatory environment.

#### **OVERVIEW OF THE BILL**

##### **What institution reforms are proposed in the Bill?**

3. The Bill proposes the establishment of the Gold Processing Corporation, a body corporate with its headquarters in Nairobi.

##### **What will be the functions of the Corporation?**

4. The Bill mandates the Corporation to collect, sample, purify, smelt, fabricate, homogenize, refine, register, monitor, and transport gold or its products. Additionally, it proposes that the Corporation regulates national standards and facilitate international accreditation for gold refineries and testing laboratories.

#### **How will the Corporation be managed?**

5. The Bill proposes that the Corporation be managed by a Board comprising a Chairperson, Principal Secretaries from relevant ministries, private sector representatives, a Council of Governors nominee, and a competitively recruited Director-General.

#### **What information is needed while making an application for a processing licence?**

6. The information needed is contained at clause 29 of the Bill. However, the information includes a feasibility study and a plan giving particulars of the applicant's proposals with respect to-
  - (a) the procurement of local goods and services
  - (b) the employment and training of Kenyan citizens; and
  - (c) Social responsible investments from the local community

#### **Does a processing licence have a validity period?**

7. The Bill proposes that a processing licence be granted for a term of not less than twenty-five years, while the renewal of a processing licence shall not exceed fifteen years.

#### **What are the obligations of a licence holder?**

8. The obligations of the licence holder are contained at clause 37, however, the key obligations include-
  - (a) Commencing processing operations within six months of the grant of the licence, or as may be specified in the approved program or agreement;
  - (b) signing community development agreements with the community;
  - (c) and providing the government with the right of first refusal on processed gold at market price.

#### **Are there any penalties imposed?**

9. The Bill prohibits engaging in gold exploration and exploitation operations without a permit, instituting penalties of up to ten million shillings or a ten-year imprisonment term for non-compliance. Other offences and penalties are contained at clause 47.

#### **Who has the power to make Regulations?**

10. The Bill proposes the Cabinet Secretary responsible for mining, the Cabinet Secretary responsible for standards and the Corporation to make regulations for processes such as gold processing, national standards, laboratory operations, and licence administration.

#### **What major change does the Bill propose?**

11. The Bill seeks to amend the Mining Act, Cap. 306, to exclude matters relating to the exploration, exploitation, and processing of gold, thereby establishing the Bill as the primary legislation for the sector.

#### **Consequences of the Bill**

12. The Bill proposes to centralize the management of the gold sector through the establishment of the Gold Processing Corporation, which will enforce national and international standards across all gold refineries and testing laboratories.

#### **What Next?**

13. Pursuant to standing order 145(5) of the Senate Standing Orders, the Standing Committee on Land, Environment and Natural Resources shall facilitate public participation and shall take into account the views and recommendations of the public when the Committee submits its report to the Senate.

#### **What is expected of Members of the Public?**

14. The members of the public are expected to present their views to the Standing Committee on Land, Environment and Natural Resources for its consideration.
15. The Bill was read a First Time in the Senate on 8<sup>th</sup> September, 2026. Pursuant to standing order 148(1) of the Senate Standing Orders, the Standing Committee on Land, Environment and Natural Resources is required to submit its report to the Senate within thirty (30) calendar days of the committal of the Bill to the Committee, therefore, by 8<sup>th</sup> October, 2026.

**Note:**

The Digest does not have any official legal status.