



Legislative UPDATE

Dear Esteemed Member,

This Bulletin summarizes some of the key Bills and Motions set for debate and consideration before Parliament during the week ending 15th February 2019. It features the Insurance Amendment Bill, the Energy Bill, The Petroleum Bill and the Private Partnerships Amendment Bill among others.

THE NATIONAL ASSEMBLY



It was reported that the President assented to the following Bills among others on 31st December 2018, following their passage by the House;

- ✓ *The Capital markets (Amendment) Bill, 2018*
- ✓ *The Statute Law (Miscellaneous Amendments) Bill, 2018 (which eventually amended a total of 54 pieces of statutes from the 63 contained in the original Bill. Among them was the Export Processing Zones Act which now requires developers and operators of Export Processing Zones to own or lease land for a minimum of 10 years, down from the previous 30-year requirement).*
- ✓ *The President referred The Health Laws (Amendment) Bill, 2018 by way of a Memorandum dated 9th January 2019 back to the National Assembly for reconsideration.*

✓ The



1) The Kenya Accreditation Service Bill

Bill came up for a second reading

Accreditation Service and make it an internationally recognized effective accreditation system for Kenyans.

The Bill also seeks to repeal the current Kenya Accreditation Service Order of 2009 which was made under the State Corporations Act, Cap 446.

There are many institutions and bodies that deal with accreditation, and this Bill proposes a one stop center called the Kenya Accreditation Service which is internationally recognized, and which will give Kenyans an effective accreditation system.



2) Status of milk production and importation in the country

The Cabinet Secretary for Agriculture, Livestock, Fisheries and Irrigation was asked to provide information on the amount of milk, both liquid and powdered, imported into the country from 2016 to date. This information should include the countries of origin, our country's milk level vis-à-vis consumption level as well as whether there are any plans by the Ministry to ensure regulation of importation of milk, including powdered milk, into the country with a view to protecting local dairy farmers.

The Departmental Committee on Agriculture and Livestock, will prioritize when the CS will appear before them.



3) The Insurance (Amendment) Bill

- ✓ *The Bill was coming up for a resumption of second reading following an interruption of the debate on 6.12.2018.*

The insurance industry in Kenya is regulated by the Insurance Regulatory Authority (IRA), which is a State corporation whose mandate is to regulate, supervise and promote the development of the insurance industry in Kenya. The key players that are regulated by that authority are underwriters who are the main insurance companies, brokers, agents, motor assessors, insurance investigators, insurance surveyors, loss adjusters, claim settling agents and other risk managers.

The Bill seeks to streamline the operations and the relationship between the underwriters who are the main insurance companies and their counterparts who trade together, and who are the insurance brokers and agents.

More importantly, the Bill will also introduce amendments that are going to create offences related to the insurance industry and penalties intended to address the problems of insurance fraud that continue to be a major challenge to the stability of the insurance industry in Kenya. The amendments will also ensure that the Act complies with the International Association of Insurance Supervision Standards on

The Bill also proposes to reduce exposure to policy holders as well as introducing a new term in insurance called the “micro-insurance business,” which seeks to provide insurance policies for the low-income population in the country. In the traditional way, insurance policies have always been seen to be for the people who are endowed. However, the Bill is introducing micro-insurance, which will be available for the low-income population. This will enable recognition of a new category of insurers and allow for the development of regulations for the operation of micro-insurance.

The Amendments also includes the addition of National Hospital Insurance Fund (NHIF) which plays a key role in giving medical insurance, but it has never been regulated. The amendment will bring in the NHIF as one of the players, which will be regulated by the Insurance Regulatory Authority (IRA), so that they will be brought into a level playing ground with other insurance companies, so that they do not have undue advantage.

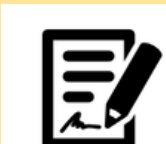
THE SENATE



1) Passage of The Warehouse Receipt System Bill (Senate Bills No.10 Of 2017)

This Bill had been passed by the Senate on Thursday, 29th March, 2018 with amendments and referred to the National Assembly for consideration. The National Assembly then passed the said Bill on Tuesday, 27th November 2018 with amendments.

Article 112(1)(b) of the Constitution provides that where one House passes an ordinary Bill concerning counties, and the second House passes the Bill in an amended form, the Bill shall be referred back to the originating House for reconsideration. As such, the Standing Committee on Agriculture, Livestock and Fisheries was directed to deliberate on the National Assembly amendments and report to the Senate.



2) Passage of The Government Contracts Bill (National Assembly Bill No.9 Of 2018)

The Bill was published vide Kenya Gazette Supplement No.32 of 10th April, 2018 as a Bill concerning county governments seeking to repeal and re-enact the Government Contracts Act and to provide for the powers for the Government to enter into contracts. The National Assembly passed the said Bill on Wednesday, 5th December 2018, with amendments.

Standing Orders require that a Bill which originates in the National Assembly be treated by the Senate in the same manner as a Bill introduced in the Senate by way of First Reading. Thus, the Speaker directed that that the Bill be listed for First Reading.



3) Energy Bill (National Assembly Bills No.50 Of 2017) & The Petroleum Bill (National Assembly Bills No.48 Of 2017)

The Bills were coming up for Committee of the Whole House. It was a resumption of the debate interrupted on 13th February 2019. The Senate Majority leader asked for more time for the committee to deliberate on both Bills.

Among amendments proposed to the Petroleum Bill was the introduction of a Petroleum Regulation Authority whose key function will be to regulate, monitor and supervise petroleum operations in Kenya in accordance with the Act, the regulations made thereunder and the relevant petroleum agreement. It will also regulate the importation, refining, exportation, transportation, storage and sale of petroleum and petroleum products EXCEPT crude oil.



The

The Public Private Partnerships (Amendment) Bill (National Assembly Bills No.52 of 2017)

Bill was coming up for Committee of the Whole. The Committee considered it.

Your comments will be most appreciated - please send to communications@kepsa.or.ke

Best regards.



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