



REPUBLIC OF KENYA

ELEVENTH PARLIAMENT – (THIRD SESSION)

THE NATIONAL ASSEMBLY

VOTES AND PROCEEDINGS

THURSDAY, AUGUST 27, 2015

1. The House assembled at thirty minutes past Nine O'clock
2. The Proceedings were opened with Prayer
3. **PRESIDING** – the Deputy Speaker
4. **PETITIONS**

The following Petitions were presented –

- (i) The Deputy Speaker conveyed the following Petition –

“Honourable Members,

Standing Order 225 (2) (b) requires that the Speaker reports to the House any Petition other than those presented through a Member. I therefore wish to convey to the House that my office is in receipt of a petition signed by one Major (RTD) Joel Kiprono Rop, a resident of Bomet County. The petitioner is proposing a formula of addressing the question of the One-Third Gender Representation. In the Petition, the Petitioner prays that the National Assembly, through the Departmental Committee on Justice and Legal Affairs initiates the process of amending the Constitution and all other relevant laws to resolve what he describes as “the current one-third gender rule stalemate”. He therefore recommends:

- (i) Amending Articles 97(1)(b) and 98 of the Constitution, to ‘transfer’ the forty seven (47) women Members of the National Assembly to the Senate;
- (ii) Reconstitution of the National Assembly to include ninety four (94) women nominated by the County Assemblies, whereby each County Assembly would nominate two (2) women Members of County Assembly (MCAs) to be Members of the National Assembly; and
- (iii) Restriction of the rest of nominations in the National Assembly to a few representatives of special interest groups, namely, persons with disability and other Minorities.

Honourable Members, The content of the prayers sought by the petitioner, though not entirely unique, is a manifestation of the continued frantic, yet genuine attempts by the

citizenry to assist the country to fulfil the requirements of Article 81(b) of the Constitution which provides that "***not more than two-thirds of the members of elective public bodies shall be of the same gender***". You will note that part of the prayers sought by the Petitioner is included in the pieces of legislation proposed by the Chairperson of the Departmental Committee on Justice and Legal Affairs and the Leader of the Majority Party, which are proposing to amend the Constitution and other relevant Statutes. In this regard Departmental Committee to which the petition will be committed, should attempt to address the prayers sought by the Petitioner, during its consideration of the various pieces of legislations proposed by the Committee and the Leader of the Majority Party.

Honourable Members, therefore, pursuant to the provisions of Standing Order 227, this Petition will stand committed to the Departmental Committee on Justice and Legal Affairs for consideration.

Thank you".

- (ii) The Nominated Member (Hon. Zuleikha Hassan Juma) on behalf of employees and former employees of Kwale Sugarcane Company Limited, Kwale County regarding the matter of deplorable working conditions of the workers of the company;

Petition referred to the relevant Departmental Committee pursuant to Standing Order 227(2)

5. **MOTION - ADOPTION OF SESSIONAL PAPER NO. 5 OF 2014**

Motion made and Question proposed;

THAT, this House adopts Sessional Paper No. 5 of 2014 on National Policy for Peace Building and Conflict Management, laid on the Table of the House on Thursday, July 31, 2014

(Chairperson, Departmental Committee on National Security and Administration – 20.8.2015(AM))

Debate on the Motion having been concluded on Wednesday, 26th August, 2015 (Afternoon Sitting);

Question put and agreed to;

6. **THE PARLIAMENTARY POWERS AND PRIVILEGES BILL (NATIONAL ASSEMBLY BILL NO. 35 OF 2014)**

Motion made and Question proposed;

THAT, the Parliamentary Powers and Privileges Bill (National Assembly Bill No.35 of 2014) be now read a Second Time

(Hon. Adan Keynan – 26.8.2015(AM))

Debate on the Bill having been concluded on Wednesday, 26th August, 2015 (Morning Sitting);

Question put and agreed to;

Bill read a Second Time and committed to the Committee of the whole House tomorrow;

7. **THE PROHIBITION OF ANTI-PERSONNEL MINES BILL (NATIONAL ASSEMBLY BILL NO.7 OF 2014)**

Motion made and Question proposed;

THAT, the Prohibition of Anti-Personnel Mines Bill (National Assembly Bill No.7 of 2014) be now read a Third Time

(Leader of Majority Party – 26.8.2015(PM))

Debate on the Bill having been concluded on Wednesday, 26th August, 2015 (Afternoon Sitting);

Question put and agreed to;

Bill read a Third Time and passed.

8. **COMMITTEE OF THE WHOLE HOUSE**

Order for Committee read;

IN THE COMMITTEE

The Chairperson of Committees in the Chair

(i) **The Companies and Insolvency Legislation (Consequential Amendments) Bill (National Assembly Bill No. 25 of 2015)**

Clause 2 - amendment proposed –

THAT, the Bill be amended in clause 2 by deleting the words “section 845” appearing immediately after the words “Companies Act, 2015—” and substituting therefor the words “section 844”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 2 - as amended agreed to

Clauses 3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19, 20 & 21- agreed to

Clause 22 - amendment proposed –

THAT, the Bill be amended in clause 22 in the proposed section 55 (a) of the Societies Act by deleting the words “Part 16 of the First Schedule to” appearing immediately after the words “commencement of”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 22 - as amended agreed to

Clauses 23, 24, 25, 26, 27, 28 & 29 - agreed to

Clause 30 - amendment proposed –

THAT, clause 30 of the Bill be amended in the proposed section 15 (3) (b) of the Insurance (Motor Vehicle Third Party Risks) Act by inserting the words “the debt is owing” immediately after the words “to whom”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 30 - as amended agreed to

Clause 31 - amendment proposed –

THAT, the Bill be amended by deleting clause 31.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 31 - deleted

Clause 32 - amendment proposed –

THAT, the Bill be amended in clause 32 in—

- (a) paragraph (a) by deleting the words “means a statutory auditor as defined by” and substituting therefor the words “has the meaning assigned to it under”;
- (b) paragraph (b) by deleting the words “having responsibility for public finance” and substituting therefor the words “responsible for the National Treasury”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 32 - as amended agreed to

Clauses 33, 34, 35, 36 & 37 - agreed to

Clause 38 - amendment proposed –

THAT, Clause 38 of the Bill be amended in the proposed section 22 of the Insurance Act by deleting paragraph (b) and substituting therefor the following paragraph—

“(b) at least one third of the controlling interest in the body (whether in terms of shares, paid up share capital or voting rights) is wholly under the control of—

(a) citizens of a Partner State of the East African Community;

(b) a partnership whose partners are all citizens of a Partner State of the East African Community; or

(c) a body corporate whose shares are wholly owned by citizens of a Partner State of the East African Community or the Government, or a combination of them.”

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 38 - as amended agreed to

Clauses 39, 40, 41, 42, 43, 44, 45, 46 & 47 - agreed to

Clause 48 - amendment proposed –

THAT, clause 48 of the Bill be amended in the proposed section 41 (5) of the Insurance Act by deleting the words “section 383” appearing immediately after the words “meaning of” and substituting therefor the words “section 384”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 48 - as amended agreed to

Clauses 49, 50, 51 & 52 - agreed to

Clause 53 - amendment proposed –

THAT, clause 53 of the Bill be amended in the proposed section 53 (1) (g) of the Insurance Act by deleting the words "section 383" appearing immediately after the words "meaning of" and substituting therefor the words "section 384".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 53 - as amended agreed to

Clause 54 - amendment proposed –

THAT, clause 54 of the Bill be amended in the proposed section 71 (3) of the Insurance Act by deleting the words "section 166, 167, 169 and 170" appearing immediately after the words "Sections" and substituting therefore the words "165, 166, 168 and 169".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 54 - as amended agreed to

Clauses 55, 56, 57 & 58 - agreed to

Clause 59 - amendment proposed –

THAT, clause 59 of the Bill be amended in the proposed section 122 of the Insurance Act by deleting the words "section 383" appearing immediately after the words "purpose of" and substituting therefor the words "section 384".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 59 - as amended agreed to

Clause 60 - amendment proposed –

THAT, clause 60 of the Bill be amended in the proposed section 123 of the Insurance Act—

- (a) in subsection (1) (b) by deleting the words "section 383" appearing immediately after the words "meaning of" and substituting therefor the words "section 384";
- (b) in subsection (1) (c) by inserting the words "expectations of policy-holders or potential policy-holders;" immediately after the word "reasonable".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 60 - as amended agreed to

Clauses 61 & 62 - agreed to

Clause 63 - amendment proposed –

THAT, clause 63 of the Bill be amended in the proposed section 126 (2) of the Insurance Act by deleting the words "section 701" appearing immediately after the words "made under" and substituting therefor the words "section 697".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 63 - as amended agreed to

Clause 64 - agreed to

Clause 65 - amendment proposed –

THAT, clause 65 of the Bill be amended in the proposed section 153 (2) of the Insurance Act by deleting the word "can" appearing immediately after the word "broker" and substituting therefor the words "shall be".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 65 - as amended agreed to

Clauses 66, 67, 68, 69, 70, 71 & 72 - agreed to

Clause 73 - amendment proposed –

THAT, clause 73 of the Bill be amended in paragraph (a) by deleting the words “except in subsection (5),”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 73 - as amended agreed to

Clause 74 - amendment proposed –

THAT, clause 74 of the Bill be amended in the proposed section 205 (a) of the Insurance Act by deleting the words “Part 7 of the First Schedule to” appearing immediately after the words “commencement of”.

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 74 - as amended agreed to

Clauses 75, 76, 77 & 78 - agreed to

Clause 79 - amendment proposed –

THAT, clause 79 of the Bill be amended in the proposed section 24 of the Insurance Act by—

(a) deleting the word “statutory” appearing immediately after the words “annually a” in subsection (1);

(b) deleting the word “statutory” appearing immediately after the word “A” in subsection (1A).

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 79 - as amended agreed to

Clauses 80, 81, 82, 83 & 84 - agreed to

Clause 85 - amendment proposed –

THAT, clause 85 of the Bill be amended in the proposed section 35B (9) of the Banking Act by deleting the words "Part 2 of the First Schedule to" appearing immediately after the words "commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 85 - as amended agreed to

Clauses 86, 87, 88, 89, 90, 91, 92, 93, 94 & 95 - agreed to

Clause 96 - amendment proposed –

THAT, clause 96 of the Bill be amended in the proposed section 56 (3) (a) of the Banking Act by deleting the words "Part 2 of the First Schedule to" appearing immediately after the words "commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 96 - as amended agreed to

Clauses 97, 98, 99, 100, 101, 102, 103, 104 & 105 - agreed to

Clause 106 - amendment proposed –

THAT, clause 106 of the Bill be amended in the prefatory statement by inserting the words "subsection (2)" immediately after the word "deleting".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 106 - as amended agreed to

Clauses 107, 108 & 109 - agreed to

Clause 110 - amendment proposed –

THAT, clause 110 of the Bill be amended in the proposed section 65 (1) of the Co-operative Societies Act by deleting the words "registration of" appearing immediately after the words "If the".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 110 - as amended agreed to

Clauses 111, 112, 113, 114, 115 & 116 - agreed to

Clause 117 - amendment proposed –

THAT, clause 117 of the Bill be amended in paragraph (a) by deleting the word "amended".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 117 - as amended agreed to

Clauses 118 & 119 - agreed to

Clause 120 - amendment proposed –

THAT, clause 120 of the Bill be amended—

(a) in the prefatory statement by deleting the word "paragraph" appearing immediately after the words "following new" and substituting therefor the word "subsection";

- (b) in the proposed section 96 (3) (a) of the Co-operative Societies Act by deleting the words "Minister under this Act before the commencement of Part 4 of the First Schedule to" appearing immediately after the words "by or to the" and substituting therefor the words "Cabinet Secretary under this Act before the commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 120 - as amended agreed to

Clauses 121, 122, 123, 124, & 125 - agreed to

Clause 126 - amendment proposed –

THAT, clause 126 of the Bill be amended in the prefatory statement by deleting the word "Depositions" appearing immediately after the word "Central" and substituting therefor the word "Depositories".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 126 - as amended agreed to

Clause 127 - agreed to

Clause 128 - amendment proposed –

THAT, clause 128 of the Bill be amended by deleting the words "Control Depositions" appearing immediately after the words "Section 21 of the" and substituting therefor the words "Central Depositories".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 128 - as amended agreed to

Clauses 129 & 130 - agreed to

Clause 131 - amendment proposed –

THAT, clause 131 of the Bill be amended by deleting the word "Depositions" appearing immediately after the word "Central" and substituting therefor the word "Depositories".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 131 - as amended agreed to

Clauses 132, 133, 134, 135, 136, 137, 138, 139, 140, 141 & 142 - agreed to

Clause 143 - amendment proposed –

THAT, clause 143 of the Bill be amended in the proposed section 52 (3) (a) of the Copyright Act by deleting the words "Part 5 of the Tenth Schedule to" appearing immediately after the words "commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 143 - as amended agreed to

Clauses 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162 & 163 - agreed to

Clause 164 - amendment proposed –

THAT, clause 164 of the Bill be amended in the proposed section 92 (4) (a) of the Employment Act by deleting the words "Part 6 of the First Schedule to" appearing immediately after the words "commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 164 - as amended agreed to

Clauses 165, 166, 167, 168, 169, 170, 171 & 172 - agreed to

Clause 173 - amendment proposed –

THAT, clause 173 of the Bill be amended in the proposed section 33 (2) (a) of the National Payment System Act by deleting the words "Part 12 of the First Schedule to" appearing immediately after the words "commencement of".

(Chairperson, Departmental Committee on Justice & Legal Affairs)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 173 - as amended agreed to

Clauses 174, 175, 176, 177, 178, 179 & 180 - agreed to

Title - agreed to

Clause 1 - agreed to

Bill to be reported with amendments;

(ii) **The Finance Bill (National Assembly Bill No. 27 of 2015)**

Clause 3 - agreed to

Clause 4 - amendment proposed –

THAT, Clause 4 of the Bill be deleted and replaced with the following—

Amendment
of Section
25A of No.
35 of 2013.

4. Section 25A of the Value Added tax Act, 2013 is amended by deleting subsection (1) and substituting therefor the following new subsection —

- (1) Government Ministries, Department and Agencies or any other person appointed by the Commissioner shall on purchasing taxable supplies withhold six percent of the taxable value at the time of paying for the supplies and remit the same directly to the Commissioner.

Provided that the Commissioner may, at any time, revoke the appointment of a withholding VAT agent, if he deems it appropriate to do so."

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 4 - as amended agreed to

Clause 5 - amendment proposed –

THAT Clause 5 of the Bill be amended—

(a) in paragraph (a) by deleting subparagraph (i) and replacing therefor the following subparagraph—

- (i) by deleting item 46 and tariff numbers "3002.20.00, 3002.30.00, 3003.39.00, 3003.40.00, 3003.90.10, 3003.90.90, 3004.10.00, 3004.20.00, 3004.32.00, 3004.39.00, 3004.40.00, 3004.50.00, 3004.90.00, 3004.90.10 and 3004.90.90"

(b) in paragraph (b)

(i) by inserting the following new items immediately after item 52—

52A. Biogas.

52B. Leasing of biogas producing equipment.

(ii) by inserting the following new items immediately after item 55-

56. Inputs or raw materials locally purchased or imported by manufacturers of Agricultural machinery and implements upon approval by the Cabinet Secretary responsible for Industrialization.

57. The supply of taxable goods to Special Economic Zone enterprises, developers and operators licenced under the Special Economic Zone Act.

(c) by renumbering the second paragraph (b) as (d) and inserting the following new paragraphs immediately after paragraph 22—

23. Supply of sewerage services by a National Government, County Government, any political subdivision thereof or a person approved by the Cabinet Secretary for the time being responsible for water development.

24. The supply of taxable services to Special Economic Zone enterprises, developers and operators licenced under the Special Economic Zone Act.

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 5 - as amended agreed to

Clause 6 - amendment proposed –

THAT, Clause 6 of the Bill be amended —

(a) in paragraph (a) by inserting the following new paragraph immediately after the proposed new paragraph 10—

11. Inputs or raw materials (either produced locally or imported) supplied to pharmaceutical manufacturers in Kenya for manufacturing medicaments, as approved from time to time by the Cabinet Secretary in consultation with the Cabinet Secretary responsible for matters relating to health."

(b) by inserting the following new paragraph immediately after paragraph (b) —

(c) inserting a new Part C immediately after Paragraph 9 Part B-

Medicaments of the following HS Codes shall be zero rated-
3002.20.00 Vaccines for human medicine.

3002.30.00 Vaccines for veterinary medicine.

3003.10.00

3303.20.00

3003.39.00 Other medicaments, containing hormones or other products of heading No. 29.37 but not containing antibiotics, not put up in measured doses or in forms or packings for retail sale.

3003.40.00 Medicaments containing alkaloids or derivatives thereof but not containing hormones or other products of heading No. 29.37 or antibiotics, not put up in measured doses or in forms or packings for retail sale.

3003.90.00

3003.90.10 Infusion solutions for ingestion other than by mouth not put up in measured doses or in forms or packings for retail sale.

3003.90.90 Other medicaments (excluding goods of heading No. 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in major doses or in forms or packings for retail sale.

3004.10.00 Medicaments containing penicillins or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives, put up in measured doses or in forms or packings for retail sale.

- 3004.20.00 Medicaments containing other antibiotics, put up in measured doses or in forms or packings for retail sale.
- 3004.32.00 Medicaments containing adrenal cortical hormones, put up in measured doses or in forms or packings for retail sale.
- 3004.39.00 Other medicaments containing hormones or other products of heading No. 29.37 but not containing antibiotics, put up in measured doses or in forms or packings for retail sale.
- 3004.40.00 Medicaments containing alkaloids or derivatives thereof but not containing hormones, or other products of heading No. 29.37 or antibiotics, put up in measured doses or in forms or packings for retail sale.
- 3004.50.00 Other medicaments containing vitamins or other products of heading No. 29.36 put up in measured doses or in forms or packings for retail sale.
- 3004.90.00 Other medicaments (excluding goods of heading No. 30.02, 30.05 or 30.06) consisting of mixed or unmixed products ,for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale.
- 3004.90.90 Other medicaments (excluding goods of heading No. 30.02, 30.05 or 30.06) consisting of mixed or unmixed products, for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale.

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 6 - as amended agreed to

Clause 7 - amendment proposed –

Amendment
section 2
Cap.470

to
of

7. Section 2 of the Income Tax Act is amended by adding the following provisos immediately after the following definitions –

(a) “training fees”

Provided that training fee shall not include fees paid for education services provided by –

(a) a pre-primary, primary or secondary school;

(b) a technical college or university;

(c) an institution established for the promotion of adult education, vocational training or technical education.

(b) "winnings"

Provided that this definition shall only apply in the case of winnings payable to punters (players) by bookmakers.

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 7 - as amended agreed to

Clause 8 - amendment proposed –

THAT, clause 8 of the Bill be amended in the proposed new section 6A(2) of the Income Tax Act by deleting the word "rules" and substituting therefor the word "regulations".

(Hon. Kimani Ichung'wah)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 8 - as amended agreed to

Clause 9 - amendment proposed –

THAT, clause 9 of the Bill be deleted and replaced with the following clause.

Amendment to section 10 of Cap 470 **9.** Section 10 of the Income Tax Act is amended in subsection (10) by deleting paragraph (g) and substituting therefor the following-
(g) winnings payable by bookmakers to punters(players)

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 9 - as amended agreed to

Clause 10 - amendment proposed –

THAT, clause 10 of the Bill be amended by –

- (a) inserting the following paragraph immediately before paragraph (a) —
 - (a) in subsection (4) by deleting the word “four” and substituting therefor the word “nine”.
- (b) renumbering paragraph (a) as (b)
- (c) inserting the following paragraph immediately after the renumbered paragraph (b)
 - (c) in subsection (5A) by—
 - (i) deleting paragraph (a) and
 - (ii) deleting the expression “(b) for any other case”.
- (d) renumbering paragraph (b) and (d)

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 10 - as amended agreed to

Clause 11 - amendment proposed –

THAT, clause 11 of the Bill be amended—

- (a) in paragraph (a) by deleting subparagraph (ii) and substituting therefore the following new subparagraph—
 - “(ii) by inserting the following new paragraphs immediately after paragraph (j)—
 - (k) tax upon gross rental receipts of a person chargeable to tax under section 6A shall be charged at the resident rate specified under the Third Schedule for that year of income.”;
 - (l) the transfer of interest in a person shall be charged as per provisions of the Ninth Schedule

(m) tax upon the gross winnings payable by bookmakers to punters (players) shall be charged at the resident rate for that year of income.

(b) in paragraph (b), by deleting subparagraph (ii) and inserting the following new paragraph—

(i) by deleting paragraph (i) and substituting therefor the following paragraph—

(m) winnings payable by bookmakers to punters (players).

Chairperson of the Departmental Committee on Finance, Planning and Trade,

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 11 - as amended agreed to

Clause 12 - amendment proposed –

THAT, clause 12 of the Bill be amended —

(a) by deleting paragraph (a) and substituting therefor the following new paragraph;

(a) in subsection (l) by—

(i) deleting paragraph (j) and substituting therefor a new paragraph (j) as follows—

(j) winnings payable by bookmakers to punters (players)

(b) in paragraph (b), by inserting the words “filming agents and filming” immediately after the words “made by” appearing in the proposed new subsection (1A);

(c) in paragraph (c) by deleting the proposed paragraphs and substituting thereof the following new paragraph—

(l) rent, premium, or similar consideration for use or occupation of immovable property, provided that the person making the deduction shall be appointed in writing by the Commissioner

(d) by inserting the following new item immediately after item (ii) –

(iii) by deleting paragraph (i) and substituting therefor the following new paragraph—

(i) winnings payable by bookmakers to punters (players)

(e) by deleting item (l) in paragraph c(ii) and substituting therefor a new paragraph–

(l) rent, premium, or similar consideration for use or occupation of immovable property, provided that the person making the deduction shall be appointed in writing by the Commissioner

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 12 - as amended agreed to

Clauses 13 & 14 - agreed to

Clause 15 - amendment proposed –

THAT, Clause 15 of the Bill be amended by–

(a) deleting item (i) and substituting therefor a new item (i) as follows–

(i) the income is in respect of gains or profits for use or occupation of immovable property earned by a person, and

(b) deleting the expression “the expenditure” appearing in subsection (3) and substituting therefor with the expression “the gross rent, premium or similar consideration for the use or occupation of immovable property”.

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 15 - as amended agreed to

Clause 16 - amendment proposed –

THAT, Clause 16 be deleted and replaced therefore with the following Clause—

Amendment
of Section
the First
Schedule to
Cap 470

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Further amendment proposed –

THAT, Part (c) of the proposed amendment be deleted;

(The Leader of the Majority Party)

Debate arising;

Question put and agreed to;

Clause 16 - as amended agreed to

Clause 17 - amendment proposed –

THAT Clause 17 of the Bill be amended by

(a) deleting paragraph (b).

(b) inserting the following new sub-clauses immediately after sub-clause (c) –

(d) in paragraph 7(3) by–

(i) deleting the expression “subparagraph (cc) or (d)” and substituting therefor the expression “subparagraph (a)”.

(ii) deleting the expression “subparagraph (d)” and substituting therefor with the expression “subparagraph (cc) or (d)”

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 17 - as amended agreed to

Clause 18 - amendment proposed –

THAT, clause 18 of the Bill be amended —

(a) by deleting paragraph (a) and substituting with the following new paragraph—

(a) in paragraph 2, by adding the following subparagraphs immediately after subparagraph 2(f) –

(g) (i) In the case of a company listing its shares via introduction on a securities exchange licensed by the Capital Markets Authority, twenty-five percent for the period of five years commencing immediately after the year of income following the date of such listing.

(ii) A gain on transfer of securities traded on any securities exchange licensed by the Capital Markets Authority is not chargeable to tax under Section 3(2)(f).

(h) in the case a Special Economic Zone enterprise, developer and operator, ten percent for the first ten years from date of first operation and thereafter fifteen percent for another ten years.

(a) in the second paragraph (a) by—

(i) renumbering the second paragraph (a) as (b);

(ii) deleting the renumbered paragraph (b) and replacing it with the following new paragraph—

(b) in paragraph 3—

(i) by deleting subparagraph (m) and substituting therefor the following new subparagraph m—

(m) in the case of winnings of bookmakers, the withholding tax rate shall be seven and a half percent of the gross profit

(ii) deleting subparagraph (n)

(iii) insert the following new subparagraph after subparagraph (m)

(q) in the case of a Special Economic Zones enterprise, developer and operator in respect of payments other than dividends made to non-residents at the rate of ten percent.

(b) in paragraph (b) by—

(i) renumbering paragraph (b) as (c);

(ii) deleting the word "revenue" and substituting therefor the word "profit"

(iii) inserting the following new paragraph after paragraph (j) —

(p) in respect of a rent, premium or similar consideration for the use or occupation of immovable property, twelve percent of the gross amount payable.

(c) by renumbering paragraph (c) as (d);

(d) by inserting the following new paragraph immediately after the renumbered new paragraph (d)—

(e) by inserting the following new paragraph immediately after paragraph 9—

"(10) The rate of tax in respect of residential rental income shall be ten percent of the gross rental receipts of a taxable resident person under section 6A"

Chairperson of the Departmental Committee on Finance, Planning and Trade,

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 18 - as amended agreed to

Clauses 19,20,21,22,23,24,25 & 26 - agreed to

Clause 27 - amendment proposed -

THAT, clause 27 of the Bill be amended by deleting the word "Authority" and substituting therefor the words "Cabinet Secretary".

(Hon. Kimani Ichung'wah)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 27 - as amended agreed to

Clauses 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44,, 45, 46,, 47, 48, 49, 50, ,54, 52, 53 & 54 - agreed to

New Clause 20A proposed -

THAT the following new clause be inserted immediately after clause 20—

Amendment to the First Schedule of Cap.469

20A. The First Schedule to the Kenya Revenue Authority is amended in Part II by inserting a new item 13 immediately after items 12 as follows—

13. The National Social Security Fund Act, 2013.

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 20A be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 20A be part of the Bill

Question put and agreed to;

New Clause 43A proposed -

THAT, the **Bill** be amended by inserting the following new clauses immediately after clause 43—

Amendment of section 11 of Cap. 491.

43A. Section 11 of the Central Bank Act is amended in subsection (1)(a) by inserting the words “appointed by the President” immediately after the word “Chairperson”;

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 43A be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 43A be part of the Bill

Question put and agreed to;

Amendment
of section 13
of Cap. 491.

43B. Section 13 of the Central Bank Act is amended in subsection (1) by deleting the word "**Parliament**" and substituting therefor the words "the National Assembly".

Motion made and Question proposed –

THAT, the New Clause 43B be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 43B be part of the Bill

Question put and agreed to;

New Clause 49A proposed –

THAT, the following new clauses be inserted immediately after clause 49—

**Amendment to
Section 2 of No.8 of
2012**

49A.Section 2 of the Public Service Superannuation Scheme Act is amended by deleting

(a) the definition of the term "bond".

(b) in the definition of the term "child" by deleting the words "twenty one" and substituting therefor the word "eighteen".

*(Chairperson of the Departmental Committee on Finance,
Planning & Trade)*

Motion made and Question proposed –

THAT, the New Clause 49A be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 49A be part of the Bill

Question put and agreed to;

Amendment to
Section 6 of No.8
of 2012

49B.Section 6 of the Public Superannuation Scheme Act is amended by inserting a new subsection (5) immediately after subsection (5) as follows–

(3A) The contribution specified in subsection (1) and (2) shall commence from such date as the Cabinet Secretary may, by notice in the Gazette, appoint.

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 49B be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 49B be part of the Bill

Question put and agreed to;

Amendment to
Section 50 of No.8
of 2012

49C. Section 50 of the Public Service Superannuation Scheme Act is amended –

(a) in subsection (1)(b) by deleting the words “a bond to be known as the Government of Kenya Public Service Superannuation Bond in favour of the member” appearing at the end and substituting therefor the words with “a letter recognizing accrued benefits at the date of joining the scheme under this Act”.

(b) by deleting subsection (2)(3) and (4).

- (c) in subsection (5) by deleting the words "from the bond" appearing immediately after the word "benefit" and substituting therefor the words "under this Act"

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 49C be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 49C be part of the Bill

Question put and agreed to;

**Amendment to
Section 60 of No.8
of 2012**

49D. The Public Service Superannuation Scheme Act is amended by deleting section 60 and replacing therefor the following–

**Amendment
to the First
Schedule of
Act No.45 of
2013**

60. The First Schedule of the National Social Security Fund Act by inserting a new paragraph (3) immediately after paragraph (2) as follows.

(3) A person who is a beneficiary of a pension scheme funded out of the Consolidated Fund shall be exempt from Tier II contributions under this Act.

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 49D be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 49D be part of the Bill

Question put and agreed to;

New clauses 52A & 52B proposed -

THAT, the following new clauses be inserted immediately after clause 52—

Amendment to section
4 of Act No.15 of 2013

52A. Section 4 of the Public Private Partnership Act is amended in subsection (1) by—

- (a) deleting item (b)
- (b) inserting the following items immediately after item (h) as follows—
 - (i) the Principal Secretary in the State department for the time being responsible for transport;
 - (j) the Principal Secretary in the State department for the time being responsible for infrastructure;
 - (k) the Principal Secretary in the State department for the time being responsible for energy.

(Chairperson of the Departmental Committee on Finance, Planning & Trade)

Motion made and Question proposed –

THAT, the New Clause 52A be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clause 52A be part of the Bill

Question put and agreed to;

Amendment to section
43 of Act No.15 of
2013

52B. Section 43 of the Public Private Partnership Act is amended in subsection (2) by inserting a new item (gg) immediately after item (g) as follows—

“(gg) conditions under which bidders may submit request for clarifications; and”

Motion made and Question proposed –

THAT, the New Clauses 52B be read a Second Time

Debate arising;

Question put and agreed to;

Motion made and Question proposed –

THAT, the New Clauses 52B be part of the Bill

Question put and agreed to;

Clause 2 - amendment proposed –

THAT Clause 2 of the Bill be amended by inserting the following new paragraph after paragraph (a)—

(aa) in the definition of the word “money” by inserting the words “or electronic payment system” immediately after the words “credit card” appearing in paragraph (c).

(Chairperson of the Departmental Committee on Finance, Planning and Trade)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 2 - as amended agreed to

Clause 1 - agreed to

Title - agreed to

Bill to be reported with amendments, subject to re-committal of Clauses 5, 43, 46 & New Clause 35A;

9. **HOUSE RESUMED** - Fourth Chairperson in the Chair

(i) **The Companies and Insolvency Legislation (Consequential Amendments) Bill**
(National Assembly Bill No. 25 of 2015)

Motion made and Question proposed –

THAT, the House do agree with the Committee in the said report

(The Leader of the Majority Party)

Question put and agreed to.

Motion made;

THAT, the Companies and Insolvency Legislation (Consequential Amendments) Bill (National Assembly Bill No.27 of 2015) be now read a Third Time

(The Leader of the Majority Party)

Debate arising;

Question of the Third Reading deferred to another day.

(ii) **The Finance Bill (National Assembly Bill No. 27 of 2015)**

Motion made and Question proposed –

THAT, the House do agree with the Committee in the said report, subject to re-committal of Clauses 5, 43, 46 & New Clause 35A

(The Leader of the Majority Party)

Question put and agreed to.

And the time being sixteen minutes past One O'clock, the Fourth Chairperson interrupted the proceedings and adjourned the House without Question put pursuant to the Standing Orders.

10. **HOUSE ROSE** - at sixteen minutes past One O'clock

M E M O R A N D U M

The Speaker will take the Chair today,
Thursday, August 27, 2015 at 2.30 p.m.

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