



REPUBLIC OF KENYA

TWELFTH PARLIAMENT - (FOURTH SESSION)
THE NATIONAL ASSEMBLY
COMMUNICATIONS FROM THE CHAIR

(No. 40 of 2020)

ON

**THE APPLICATION OF ARTICLE 114 OF THE CONSTITUTION AND
STANDING ORDER 133 ON CERTAIN PROPOSED AMENDMENTS TO
THE FINANCE BILL, 2020**

Honourable Members,

Before we proceed to the next order, being the Committee of the whole House on the Finance Bill (National Assembly Bill No. 10 of 2020), I wish to make the following guidance which relates to consideration of part of the proposed amendments to the said Bill. As you may have observed, the Notices annexed to today's Order Paper contains several amendments that have been proposed to the Bill. Most of the amendments have been proposed by the Departmental Committee on Finance and National Planning, which has sponsored the Bill, the Departmental Committee on Justice and Legal Affairs and the Departmental Committee on Transport, Public Works and Housing. There are also amendments proposed by the Member for Kikuyu Constituency, which I am guided have similarity with those of the Departmental Committee on Finance and National Planning. I have approved all those amendments as they are in order with respect to the requirements of Article 114 of the Constitution and our Standing Orders. Those proposed amendments may therefore be considered in the Committee of the whole House.

Honourable Members, there are also other amendments proposed by the Leader of the Minority Party, the Hon. John Mbadi, EGH, MP and others proposed by the Member for Gatundu South, the Hon. Moses Kuria, MP, whose consideration I will not permit. This is because the amendments proposed by the two Hon. Members have not complied with the provisions of Article 114 of the Constitution and Standing Order 133(5).

As Hon. Members are aware, it is now an established practice that whenever the House is to consider any matter that may have financial implication on

public funds, the House is bound to proceed only in accordance with the recommendations of the relevant Committee, having taken the views of the Cabinet Secretary for Finance. Indeed, the intention of this provision is to ensure that, while the House reserves the power to determine revenue raising measures, it ought not commit the public without taking cognizance of the fiscal policy and other considerations of the National Government. Further, **Honourable Members**, Standing Order 133(5) provides that –

"no amendment shall be permitted to be moved if the amendment deals with a different subject or proposes to unreasonably or unduly expand the subject of the Bill, or is not appropriate or is not in logical sequence to the subject matter of the Bill."

Honourable Members, the Leader of the Minority Party, the Hon. John Mbadi is proposing to amend the Bill in Clause 12 by inserting a **new** item in the Second Schedule of the *Value Added Tax Act, 2013*, whose effect is to **zero rate** *Taxable goods, imported or purchased for direct and exclusive use in the implementation of official aid funded projects*. In addition, the Member for Gatundu South (Hon. Moses Kuria) is proposing to amend Clause 11 of the Bill as well as an insertion of New Clauses 14A, 14B, 28A and new Clause 38 in the Bill. These amendments targeting the Value Added Tax Act, 2013, the Tax Procedures Act, 2015, the Insurance Act (cap 487) and the Stamp Duty Act (Cap 480) not only offend the provisions of Standing Order 133(5), but proceeding with the same would offend the provisions of Article 114 of the Constitution. This is because the Departmental Committee on Finance and National Planning, having taken the views of the Cabinet Secretary for the National Treasury recommends to the House in its Report that, **the House should not proceed to consider the amendments**.

I therefore direct that the Committee of the whole House shall not consider the amendments proposed by the two Members to the stated parts of the Bill.

The House is accordingly guided!

I thank you!



THE HON. JUSTIN B.N. MUTURI, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Tuesday, June 23, 2020