

**REPUBLIC OF KENYA****THIRTEENTH PARLIAMENT – (FOURTH SESSION)****THE NATIONAL ASSEMBLY****ORDERS OF THE DAY****TUESDAY, JULY 01, 2025 AT 2.30 P.M.****ORDER OF BUSINESS****PRAYERS**

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions
5. Papers
6. Notices of Motion
7. Questions and Statements

8\*. **MOTION– RATIFICATION OF THE AGREEMENT ESTABLISHING  
THE EUROPEAN BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

(The Chairperson, Departmental Committee on Finance and National Planning)

**THAT**, this House **adopts** the Report of the Departmental Committee on Finance and National Planning on its consideration of the Ratification of the Agreement Establishing the European Bank for Reconstruction and Development, *laid on the Table of the House on Tuesday, 24<sup>th</sup> June 2025*, and pursuant to the provisions of section 8(4) of the Treaty Making and Ratification Act, CAP 4D, **approves** the *Ratification of the Agreement Establishing the European Bank for Reconstruction and Development*.

9\*. **THE CONSTITUTION OF KENYA (AMENDMENT) BILL (NATIONAL  
ASSEMBLY BILL NO. 4 OF 2025)**

(The Hon. Samuel Chepkong'a, M.P. and the Hon. (Dr.) Otiende Amollo, M.P. - *Co-Sponsors*)

Second Reading

*(Resumption of debate interrupted on Thursday, June 26, 2025, Mover to Reply and Voting)*

**10\*. COMMITTEE OF THE WHOLE HOUSE**

The Virtual Asset Service Providers Bill (National Assembly Bill No. 15 of 2025)  
(The Leader of the Majority Party)

**11\*. MOTION- CONSIDERATION OF THE PERFORMANCE AUDIT REPORT ON THE PROVISION OF SERVICES TO PERSONS WITH DISABILITIES BY THE NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES**

(The Chairperson, Public Investments Committee on Social Services, Administration and Agriculture)

**THAT**, this House **adopts** the Report of the Public Investments Committee on Social Services, Administration and Agriculture on its consideration of the Performance Audit Report by the Auditor-General on the Provision of Services to Persons with Disabilities by the National Council for Persons with Disabilities, *laid on the Table of the House on Tuesday, 30<sup>th</sup> July 2024.*

**12\*. MOTION- CONSIDERATION OF FIFTH REPORT ON THE FINANCIAL STATEMENTS FOR THE NG-CDF ACCOUNTS FOR SIX CONSTITUENCIES IN BUSIA COUNTY**

(The Chairperson, Decentralized Funds Accounts Committee)

**THAT**, this House **adopts** the Fifth Report of the Decentralized Funds Accounts Committee on its consideration of the Report of the Auditor-General on the Financial Statements for the National Government Constituencies Development Fund for six Constituencies in Busia County, being Teso South, Matayos, Nambale, Funyula, Teso North and Butula Constituencies, for Financial Years 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022 *laid on the Table of the House on Thursday, 10<sup>th</sup> April 2025.*

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**\*Denotes Orders of the Day\***

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# **NOTICES**

## **I. THE VIRTUAL ASSET SERVICE PROVIDERS BILL (NATIONAL ASSEMBLY BILL NO. 15 OF 2025)**

Notice is given that the Chairperson of the Departmental Committee on Finance and National Planning intends to move the following amendment to the Virtual Asset Service Providers Bill, 2025 at the Committee Stage—

### **LONG TITLE**

**THAT**, the Bill be amended by deleting the long title and substituting therefor the following new long title —

“AN ACT of Parliament to provide for the establishment and functions of the Virtual Assets Regulatory Authority, to provide for the legal framework to license and regulate the activities of virtual asset service providers, and for connected purposes”

### **CLAUSE 2**

**THAT**, the Bill be amended in clause 2—

- (a) by deleting the definition of “anti-money laundering and counter terrorism finance” and substituting therefore the following new definition—

“AML/CFT/CPF” means anti-money laundering and countering the financing of terrorism and countering proliferation financing;

- (b) by deleting the following definitions—

- (i) “anonymity enhancing services”;
- (ii) “competent authority”;
- (iii) “custodial wallet provider”;
- (iv) “distributed ledger technology”;
- (v) “e-money”;
- (vi) “investigating authority”;
- (vii) “mixer or tumbler services”;
- (viii) “relevant regulatory authority”;

- (c) by inserting the following new definitions in the proper alphabetical sequence—

“Authority” means the Virtual Asset Regulatory Authority established under section 6 of this Act;

Cap. 485A. “Capital Markets Authority” means the Authority established under section 5 of the Capital Markets Act;

“Central Bank of Kenya” means the Bank established under Article 231(1) of the Constitution;

- (d) in the definition of “chief executive officer” by deleting the words “or designated as such under section 31(1)” and substituting therefor the words “under section 14 of this Act”;

- (e) by deleting the definition of “issuer” and substituting therefor the following new definition-

“issuer” means a virtual asset service provider who creates or originates by code or other means crypto-assets and makes them available to the public through an initial offering or any subsequent issuance;

- (f) in the definition of “license” by deleting the words “in section 11 of this Act” and substituting therefore the words “under this Act to offer any of the virtual asset services listed in the Second Schedule”;
- (g) in the definition of “licensee” by inserting the words “by the Authority” immediately after the word “licensed”;
- (h) in the definition of “virtual asset services” by deleting the words “First Schedule” and substituting therefor the words “Second Schedule”;
- (i) by deleting the definition of “virtual asset service provider” and substituting therefor the following new definition-

“virtual asset service provider” means any of the following legal entities licensed to conduct or offer one or more virtual asset services—

- (a) a company registered under the Companies Act;
- (b) a limited liability partnership registered under the limited liability partnership Act; or
- (c) a foreign company issued with a certificate of compliance under the Companies Act;
- (j) by deleting the definition of “virtual service token” and substituting therefor the following new definition—

“virtual service token” means a type of crypto-asset that is intended solely to grant digital access to a specified good, content, service, or function provided within a closed or limited ecosystem and does not confer any rights of ownership, profit participation, payment, redemption, investment return, or governance in respect of the issuer or any third party and does not include a token used for speculation or commercial purpose;

- (k) in the definition of “virtual asset trading platform”—

(i) in the introductory statement by inserting the word “which” immediately after the words “means a digital platform”;

(ii) in paragraph (a) by deleting the word “which”;

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

“(b) holds custody or controls virtual assets on behalf of its clients to facilitate an exchange; or

(c) purchases virtual assets from a seller when transactions or bids and offers are matched in order to sell them to a buyer.”

**CLAUSE 3**

**THAT**, clause 3 of the Bill be deleted.

**CLAUSE 4**

**THAT**, clause 4 of the Bill be deleted.

**CLAUSE 5**

**THAT**, clause 5 of the Bill be amended in subclause (2) by deleting the words “For avoidance of doubt,”.

**PART II**

**THAT**, the Bill be amended by deleting Part II and substituting therefor the following new Part—

**PART II— ESTABLISHMENT OF THE VIRTUAL  
ASSETS REGULATORY AUTHORITY**

Establishment  
Authority. of

**6.** (1) There is established an Authority to be known as the Virtual Assets Regulatory Authority.

(2) The Authority shall be a body corporate with perpetual succession and a corporate seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property; and
- (c) doing or performing all other things or acts for the furtherance of the provisions of this Act which may be lawfully done or performed by a body corporate.

Board of the  
Authority.

**7.** (1) The management of the Authority shall vest in a Board which shall consist of—

- (a) a non-executive Chairperson appointed by the President;
- (b) the Principal Secretary to the National Treasury or a representative designated in writing;
- (c) the Governor of Central Bank of Kenya or a representative designated in writing;
- (d) a representative of the Capital Markets Authority;
- (e) the Attorney General or a representative designated in writing;
- (f) one person nominated by the Institute of Certified Public Accountants;

- (g) one person nominated by the Law Society of Kenya;
- (h) one person nominated by the Virtual Assets Chamber of Commerce
- (i) a representative of the Nairobi International Financial Centre Authority;
- (j) the chief executive officer who shall be an *ex officio* member and secretary to the Board.

(2) The Cabinet Secretary shall appoint the persons under subsection 1 (d), (f), (g) and (h) shall be by name and notice in *Kenya Gazette*.

(3) In appointing the members of the Board under subsection 1(d), (f), (g) and (h) the Cabinet Secretary shall consider gender, the ethnic and regional diversity of the people of Kenya, persons with disabilities and youth.

Qualifications for  
appointment.

**8.** (1) A person qualifies to be appointed as the Chairperson or a member of the Board, if that person—

- (a) holds a degree from a university recognized in Kenya;
- (b) has at least five years knowledge and experience in law, finance or technology;
- (c) meets the requirements of chapter six of the Constitution;
- (d) has not been convicted of a criminal offence which attracts imprisonment for a term not exceeding six months; and
- (e) has not been adjudged bankrupt or entered into a composition or arrangement with the creditors of the person.

Tenure of office.

**9.** The chairperson and the members of the Board shall hold office for a term of three years and may be eligible for re-appointment to a further term of three years.

Vacancy

**10.** (1) A vacancy in the Board arises where a member resigns or is removed from office under subsection (3).

(2) A member of the Board may resign from office by notice in writing to the Cabinet Secretary.

(3) A member of the Board, may be removed from office, if the member—

- (a) has been absent from three consecutive meetings of the Board without the permission of the chairperson;
- (b) is adjudged bankrupt;
- (c) is convicted of an offence involving dishonesty or fraud;

- (d) otherwise fails to comply with the requirements of Chapter Six of the Constitution;
- (e) is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings;
- (f) is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge his or her duties as a member of the Board.

Filling of vacancy.

**11.** Whenever the office of the Chairperson or a member becomes vacant the appointing authority shall appoint a person who holds a similar qualification to fill the vacant position for the remainder of the term.

Functions of the Authority.

**12.** (1) The functions of the Authority shall be to—

- (a) license all virtual asset service providers and offering any of the virtual asset services;
- (b) regulate, supervise, and monitor all activities relating to the promotion and provision of virtual assets services including but not limited to tokenization;
- (c) issue directives and take such enforcement actions necessary to ensure compliance with this Act;
- (d) co-operate with other regulatory authorities in respect of sharing information regarding virtual assets services and providers;
- (e) ensure the financial soundness and stability of the financial system in respect of matters falling under this Act;
- (f) co-operate with supervisory bodies, competent authorities and investigating authorities on sharing and exchanging relevant information;
- (g) advise the Cabinet Secretary on all matters relating to virtual assets services;
- (h) ensure that exchanges from fiat to virtual assets and virtual assets to fiat by licensees are conducted through a licensed Kenya shilling backed stablecoin issuer;
- (i) develop and maintain a classification of various licenses;
- (j) develop and maintain a register of all virtual assets providers and services;
- (k) facilitate public education on matters of investing or trading in regulated virtual assets;
- (l) do or perform such other function necessary for the proper performance of its mandate under this Act.

Conduct of the  
affairs and business  
of the Board.

**13.** (1) The conduct of affairs and business of the Board shall be in accordance with the First Schedule to this Act.

(2) Subject to subsection (1), the Board may regulate its own procedures.

Remuneration.

**14.** The remuneration payable to the chairperson and the members of the Board shall be determined by the Salaries and Remuneration Commission.

Appointment of the  
chief executive  
officer.

**15.** (1) There shall be a chief executive officer of the Board who shall be competitively recruited and appointed by the Board on such terms and conditions of service as shall be specified in the instrument of appointment.

(2) A person qualifies to be appointed as the chief executive officer if that person—

- (a) holds a degree from a university recognized in Kenya;
- (b) has at least five years' experience in a managerial capacity and experience in dealing in virtual assets and blockchain-based technologies;
- (c) meets the requirements of Chapter Six of the Constitution;
- (d) has not been convicted of a criminal offence which attracts imprisonment for a term not exceeding six months; and
- (e) has not been adjudged bankrupt.

(3) The chief executive officer shall hold office for a term of three years and shall be eligible for reappointment for one further term of three years.

Functions of the  
chief executive  
officer.

**16.** The Chief Executive Officer shall, subject to the direction of the Board—

- (a) secretary to the Board;
- (b) be responsible for the day-to-day management of the Authority;
- (c) manage the funds, property, and the affairs of the Authority;
- (d) be responsible for the staff of the Authority;
- (e) implement the policies, programmes and objectives of the Authority;
- (f) issue licenses to virtual asset service providers upon the approval and recommendation of the Board;
- (g) cause to be prepared for the approval of the Board—



- (i) the strategic and annual plan of the Authority; and
- (ii) the annual budget and audited accounts of the Authority;
- (h) perform such other duties as may be assigned by the Board.

Removal of the chief executive officer.

**17.** The Board may terminate the appointment of the chief executive officer in accordance with his or her terms and conditions of service for—

- (a) inability to perform the functions of the office arising out of physical or mental incapacity;
- (b) gross misconduct;
- (c) incompetence or neglect of duty; and
- (d) any other ground that would justify removal from office under the terms and conditions of service.

Staff of the Authority.

**18.** (1) The Board may appoint such officers, agents and staff as may be necessary for the proper and efficient discharge of the functions of the Authority under this Act.

(2) The staff appointed under subsection (1) shall serve on such terms and conditions as the Board may, in consultation with the Salaries and Remuneration Commission, determine.

The common seal of the Authority.

**19.** (1) The common seal of the Authority shall be kept in the custody of the chief executive officer or of such other person as the Board may direct, and shall not be used except upon the order of the Board.

(2) The common seal of the Authority, when affixed to a document and duly authenticated, shall be judicially and officially noticed, and unless the contrary is proved, any necessary order or authorisation by the Board under this section shall be presumed to have been duly given.

(3) The common seal of the Authority shall be authenticated by the signature of the chairperson of the Board and the chief executive officer.

(4) The Board shall, in the absence of either the chairperson or the chief executive officer, in any particular matter, nominate one member of the Board to authenticate the seal of the Authority on behalf of either the chairperson or the chief executive officer.

Protection from personal liability.

**20.** No action, prosecution or other proceedings shall be brought against the regulatory authorities, an employee, or agent of the regulatory authorities in respect of any act done or omitted to be done in good faith in the proper discharge of functions or duties conferred by this Act.

Liability or damages.

**21.** The provisions of section 18 shall not relieve the Authority of the liability to pay compensation or damages to any person for any injury to him or her, his or her property or any of his or her interests caused by the exercise of any power conferred by this Act or any other written law or by the failure, wholly or partially, of any works.

### **PART III**

**THAT**, the Bill be amended by deleting Part III and substituting therefor with the following new Part—

#### **PART III— LICENSING**

Eligibility  
application.

**22.** (1) A person is eligible to apply for a license under this Act, if it is a body corporate and is either —

Cap. 486.

(a) a company registered under the Companies Act; or

Cap. 30.

(b) a limited liability partnership registered under the Limited Liability Partnership Act.

(2) A virtual asset service provider shall maintain a physical office in Kenya where its business activities are carried out.

Permissible activities.

**23.** (1) An eligible person may apply for a license for any of the following virtual asset services to the regulator designated under the Second Schedule to this Act.

(2) The following virtual asset services are permissible activities under this Act-

(a) initial token offerings;

(b) tokenization of assets;

(c) exchanging one virtual asset for another;

(d) virtual asset payment and transfer services;

(e) exchanging virtual assets for fiat currencies or fiat currencies for virtual assets;

(f) transfer of virtual assets;

(g) operating a virtual asset exchange;

(h) operating on ramp or off ramp platforms for trade or transfer of virtual assets;

(i) safekeeping of virtual assets or instruments enabling control over virtual assets;

(j) validation, nodes operation and virtual mining services;

(k) investment and management of virtual asset portfolios;

(l) offering of virtual assets investment advisory services;

(m) virtual assets brokerage services; and

(n) any other service that is incidental to offering any of the services listed.

(3) Any person who offers the virtual asset services without obtaining a license commits an offence.

Application for a  
licence.

**24.** (1) An application for a licence shall be made to the Authority in the prescribed form and shall be accompanied by the prescribed fee.

(2) An application under this section shall include such other information as may be prescribed.

(3) The Authority may —

(a) grant a license with or without conditions;

or

(b) reject an application where an applicant fails to meet the applicable licensing requirements.

Determination of an  
application.

**25.** (1) In determining an application made under this Act, the Authority shall consider—

(a) the size, scope and complexity of the virtual asset service, underlying technology, method of delivery of the service and virtual asset utilisation;

(b) the knowledge, expertise and experience of the applicant;

(c) the procedures that the applicant has in place to combat money laundering, terrorist financing and proliferation financing;

(d) the internal safeguards and data protection systems being utilised by the applicant; the risks that the virtual asset service may pose to clients, other licensees or to the financial systems in Kenya;

(e) the risks that the virtual asset service may pose to clients, other licensees or to the financial systems in Kenya;

(f) the source of funds, capital reserves and financial stability of the applicant;

(g) the impact that the virtual asset service may have on the financial services in Kenya;

(h) the likelihood that the service shall promote innovation, competition and benefits to consumers;

(i) whether the applicant's directors and senior officers are fit and proper persons to hold the respective positions;

- (j) whether the applicant is an eligible person;
- (k) whether the applicant, if granted a licence, can comply with the prescribed financial obligations including the insurance, capital requirements and solvency requirements;
- (l) whether the applicant has in place measures to comply with the data protection and the consumer protection requirements as provided for under the relevant laws;
- (m) whether the directors and the senior officers of the licensee meet the fit and proper assessment requirements under this Act;
- (n) whether the applicant has in place the necessary cyber security measures as provided for in the Computer Misuse and Cybercrimes Act;
- (o) whether an approval of the application is in the interest of public having regard to the size, scope and complexity of the applicant;
- (p) whether the licensee has complied with all the other requirements provided for under this Act or any regulations made pursuant to this Act.

Cap. 79C.

(2) The Authority shall determine an application within one hundred and eighty days after receipt of the application.

(3) Where the Authority rejects an application, it shall notify the applicant of its decision and the reasons for rejection.

(4) An applicant for a licence in this section shall notify the Authority within fourteen days of any changes to the information provided.

(5) Any person who provides false or misleading information to the Authority in their application to obtain a licence commits an offence.

Issuance of a licence.

**26.** (1) The Authority shall, upon its satisfaction that an applicant meets the necessary requirements, issue a licence specifying the services for which the applicant is licensed to undertake.

(2) Where the Authority has granted a licence under this section, it shall, within thirty days from the date of grant, publish a notice in the *Kenya Gazette*.

(3) The licensee shall cause the licence to be displayed at the licensees' physical premises.

Duration of license.

**27.** A license issued under this Act shall be valid for a period of twelve calendar months from the date it is issued.

Renewal of licences.

**28.** (1) A licensee shall apply for renewal of the license issued under section 27 every year.

(2) An application for the renewal of a licence shall be submitted to the Authority three months prior to the expiry of an existing licence.

(3) An application for renewal of a license shall be submitted in the prescribed form and shall be accompanied by the prescribed fee.

Conditions attaching to a licence.

**29.** (1) The Authority may impose conditions on the licence of a virtual asset service provider based on —

- (a) its assessment of the virtual service provided by the licensee;
- (b) the nature of supervision required for the virtual service;
- (c) the safety and soundness of the method by which the virtual service is offered to the public;
- (d) where applicable, any license held under another law; and
- (e) the use of technology or practices that, in the opinion of the Authority, may disrupt or prejudice financial services sector or the interest of the public

(2) Notwithstanding subsection (1), it shall be deemed to be a condition of every license that the licensee bears the obligation—

- (a) not to modify the activity listed in its license without prior notice to and approval of the Authority; and
- (b) to cooperate actively with the Authority—
  - (i) by providing any relevant information requested by the Authority, or that to the licensee's knowledge, ought to be disclosed to the Authority; and
  - (ii) by furnishing necessary and reasonable facilities to enable the Authority to carry out its regulatory functions and to take any corrective action required by the Authority

(3) The Authority may, by written notice to the holder of the licence, amend or revoke any of the conditions imposed based on subsection (1) or attach new conditions, provided that the Authority shall not impose such conditions without first giving the licensee an opportunity to be heard.

(4) Any person who contravenes the provisions of this section shall be liable to an administrative penalty.

Assignment or  
transfer of a licence.

**30.** (1) A license granted under this Act shall not be transferred or assigned without prior written approval of the Authority.

(2) Any person who contravenes the provisions of this section shall be liable to an administrative penalty.

Suspension, variation  
or revocation of  
licence.

**31.** (1) The Authority may suspend, vary or revoke a virtual asset service provider licence where it is of the opinion that—

- (a) the licensee has failed to comply with an obligation imposed on it by this Act;
- (b) the licensee is carrying on business in a manner that is not permitted by the license;
- (c) the Authority has been provided with false, misleading or inaccurate information by or on behalf of the licensee;
- (d) the virtual asset service is being marketed or advertised in a manner that is fraudulent or misleading;
- (e) the interests of the clients or potential clients of the licensee are threatened.

(2) Where the Authority suspends, varies or revokes a license, that Authority shall publish in the *Kenya Gazette* and on its website—

- (a) the name of the licensee;
- (b) the effective date of the variation, suspension or revocation;
- (c) in the case of a suspension, the period of the suspension.

(3) Without prejudice to subsection (1), the Authority may for the purposes of varying a license—

- (a) remove or impose additional licence conditions; or
- (b) extend or reduce the permitted activities under the licence.

(4) A licensee may surrender its licence by giving a prior notice for surrender accompanied by the following information—

- (a) the board resolution legitimizing the decision;
- (b) a plan depicting the winding up process, if any;
- (c) the arrangement to be made in respect of client assets;
- (d) the notification to be sent to clients as to the surrender;
- (e) declaration of all liabilities discharged; and
- (f) such other information as the Authority may deem necessary.

(5) Upon approval of the request to surrender a licence under this section, the Authority—

- (a) shall supervise the execution of the surrender; and
- (b) may give directions to the licensee to protect the interest of the customers or members of the public.

(6) The Authority shall, notify a licensee in writing of the decision to suspend, vary the conditions of a licence or revoke the license.

Register of licensees.

**32.** (1) The Authority shall keep and maintain a register of the licences issued.

(2) The register shall contain—

- (a) the name and address of the licensee;
- (b) the type of virtual asset services authorised;
- (c) the date of issuance of the licence;
- (d) the status of the licence; and
- (e) any other relevant information.

(3) The Authority shall publish an updated copy of the register on its website.

Review of decisions.

**33.** (1) A person who is aggrieved by the following decisions of the Authority may apply for review of the decision to the Authority—

- (a) refusal to approve an application for a licence in terms of this Act;
- (b) refusal to approve any other application or appointment made in terms of this Act;
- (c) the decision to amend, revoke or suspend a licence or a decision to amend a condition of a licence in terms of this Act; or
- (d) an enforcement action taken by the authority.

(2) An application for review of a decision of the Authority shall be made in writing and maybe accompanied by such fees as may be prescribed.

- (2) In determining application, the Authority may—
- (a) confirm, vary or revoke the decision of the Authority; and
  - (b) make further orders as it considers appropriate.

#### **PART IV**

**THAT**, the Bill be amended by deleting Part IV and substituting therefor the following new Part—

#### **PART IV— REGULATORY ROLE OF THE CENTRAL BANK OF KENYA**

Licensing of stable  
coin issuers.

**34.** (1) The Central Bank of Kenya may to issue a stable coin licence.

(2) An eligible person may apply for a license to develop and issue Kenya shilling backed stable coin to the Central Bank of Kenya.

(3) An application for a licence under this section shall be made in the prescribed form accompanied by the prescribed fee to the Central Bank of Kenya.

Recognition of foreign  
currency stable coins.

**35.** (1) The Central Bank of Kenya may recognize foreign currency backed stable coins.

(2) An application for recognition shall be made in the prescribed form accompanied by the prescribed fee, to the Central Bank of Kenya.

(3) Foreign currency backed stable coins shall not be recognized as legal tender and shall not be used to make payments in the ordinary course of business, save for virtual asset trading, exchanges and virtual asset services.

(4) A person shall not issue, distribute or facilitate distribution of algorithmic stable coins.

(5) A person who contravenes the provisions of subsection (4) commits an offence.

(6) The Central Bank of Kenya shall certify applications for stablecoins that are fully collateralized by *fiat* currency or high-quality liquid assets.

(7) The Cabinet Secretary shall publish regulations for the better implementation of this part.



**PART V**

**THAT**, the Bill be amended by deleting paragraph V and substituting therefor the following new Part—

**PART V— REGULATORY ROLE OF THE CAPITAL  
MARKETS AUTHORITY**

Approval for listing  
tokenised securities in  
the Securities  
Exchange.

**36.**(1) A licensee may apply to the Capital Markets Authority to issue tokenised securities in the securities exchange.

(2) An application under subsection (1) shall be made in the prescribed form and shall be accompanied by the prescribed fee.

Initial coin offerings.

**37.** (1) A licensee may apply for approval to the Capital Markets Authority to make available to the public any digital coins or tokens in the securities exchange.

(2) An application under subsection (1) shall be made in the prescribed form and shall be accompanied by the prescribed fee

(3) The Cabinet Secretary shall publish regulations for the better implementation of this part.

**PART VI**

**THAT**, the Bill be amended by deleting Part VI and substituting therefor the following new Part—

**PART VI — VIRTUAL ASSET OFFERING**

Virtual asset offering.

**38.**(1) An eligible person may apply to the Authority for a license to issue a virtual asset, tokenised security or any investment token directly to the public

(2) A licensee intending to admit any virtual assets on its platform for exchange, trading or payments shall avail to the Authority its rules and procedures on the admission, suspension and delisting of virtual assets.

(3) The Authority may require measures to be taken after issuance of virtual asset offering has commenced where—

- (a) the manner in which the issuance is advertised is not consistent with the information provided in the application;
- (b) the description, nature or characteristics of the virtual asset offering material deviates from the description provided in the application;
- (c) the issuer is a person that was not disclosed in the application;

- (d) the target investor base is different from that disclosed in the application;
- (e) the Authority has reason to believe that the issuer is misleading the public in promoting the virtual assets offering; or
- (f) the issuance is undertaken in a manner detrimental to the public interest.

(5) A person who, in connection with an application, supplies the Authority with information he or she knows or should reasonably know is false or misleading commits an offence.

## **PART VII**

**THAT**, the Bill be amended by deleting Part VII and substituting therefor the following new Part—

### **PART VII — OBLIGATIONS OF THE LICENSEE**

Fit and proper  
assessment.

**39.** (1) A licensee shall, in appointing a director or a senior officer ensure that the person is fit and proper for such appointment.

(2) In determining whether a person is fit and proper under subsection (1), the Authority shall take into consideration the following—

- (a) the person's probity, competence and experience;
- (b) the person's educational and professional qualifications and membership of professional or other relevant bodies as applicable;
- (c) the person's knowledge and understanding of the technical and professional obligations;
- (d) any evidence that the person has contravened the provision of any law, in Kenya or elsewhere, including offence involving dishonesty or fraud;
- (e) any evidence that the person has taken part in any business practice which, in the opinion of the Authority, was fraudulent, prejudicial to the market or public interest, or was otherwise improper, which would otherwise discredit the person's methods of conducting business; or
- (f) any evidence that the person has taken part or has been associated with any business practice which casts doubt on the competence or soundness of judgment of that person;
- (g) any evidence that the person has contravened any law on virtual assets;
- (h) the person's financial standing; and

(i) any other consideration that the Authority may apply.

(3) Where the Authority determines that a person is not fit and proper, it shall inform the applicant or licensee, in writing, of such determination stating the reasons for the determination.

(4) Where a licensee has not complied with subsection (1) or the Authority determines that a licensee has appointed any person who is no longer fit and proper, the Authority shall take an enforcement action.

Capital, solvency and insurance requirements.

**40.** (1) A licensee shall comply with such capital, solvency and insurance requirements as the Authority shall prescribe.

(2) Where a licensee contravenes this section, the Authority shall take an enforcement action.

Requirement to take an insurance policy.

**41.** (1) A licensee shall take out an insurance policy for the business as may be prescribed by the Cabinet Secretary.

(2) Where a licensee contravenes this section, the Authority shall take an enforcement action.

Conflict of Interest.

**42.** (1) A virtual asset service provider shall ensure that it has in place policies and procedures, satisfactory to the Authority, as applicable, to avoid, mitigate and deal with conflicts of interest between—

- (a) the licensee and its clients;
- (b) the licensee and its service providers or other third parties;
- (c) the licensee's clients.

Appointment of a compliance officer.

**43.** A licensee shall appoint a compliance officer who shall ensure that the licensee meets all its legal and compliance requirements under this Act.

(2) Without prejudice to the generality of subsection (1) the compliance officer shall inform the Authority in writing, where he or she becomes aware or has reason to believe that —

- (a) the licensee has become insolvent or there is a likelihood of it becoming insolvent;
- (b) the licensee has failed to comply substantially with a provision of this Act or such other relevant and applicable laws or a condition imposed upon it by the Authority;
- (c) the licensee has failed to comply with a modified provision, or with a condition, being a provision or condition specified in a direction given to it by the Authority;
- (d) the licensee has become involved in any criminal proceedings whether in or outside Kenya;

- (e) where the licensee is an international business company, the registered agent of the licensee has notified the licensee of its intention to resign as registered agent;
- (f) there is a material change to the business, including change to banking arrangements;
- (g) the licensee has or is likely to change ownership in shares or trusts;
- (h) one or more civil suits are pending against the licensee;
- (i) the licensee has ceased to carry on business for which it was licensed and authorised;
- (j) the directors or senior officers have resigned or ceased to be fit and proper; or
- (k) a cyber-security incident has occurred.

Approval of material  
changes

**44.** (1) A licensee shall not effect a material change unless—

- (a) it has served on the Authority a notice, in writing, stating proposed material change; and
- (b) the Authority approved the proposed material changes.

(2) For the purposes of this section, material change means—

- (a) a change to the business activity for which the license was first issued;
- (b) a change to the most recent business plan submitted to the Authority;
- (c) a merger with or acquisition of another legal person;
- (d) the sale of a subsidiary;
- (e) the acquisition of a controlling interest in another company or other entity;
- (f) the outsourcing of the functions of the virtual asset services;
- (g) where the licensee is an international business company, a change of registered agent of the licensee;
- (h) a change of principal place of business;
- (i) a change in directorship or senior officers;
- (j) a change of business or trade name or such other marks used by the licensee;
- (k) a change of domain name; or
- (l) a change in the target market.

(3) A notice under subsection (1), shall be in such form and shall contain such information and be accompanied by such documents as the Authority may require.

(4) Upon receipt of the notice under subsection (1), the Authority may, by notice in writing, require the licensee to provide such additional information or documents, within thirty working days from the date of such notice or within such time as the Authority may reasonably require to assess the considerations outlined in subsection (5).

(5) After receipt of a notice under subsection (1), the Authority may approve or object if it has reason, among others, to believe that—

- (a) the interests of any clients of the licensee would be threatened by the material change;
- (b) the manner in which the business is operated would reasonably be compromised;
- (c) the requirements of this Act would not continue to be complied with; or
- (d) the financial reputation of Kenya is likely to be threatened by the material change.

(6) Where the Authority objects to the material change, it shall provide the reasons, in writing, for such objections.

Change in ownership

**45.** (1) Whenever any person intends to acquire or the licensee is desirous to effect a transfer more than ten percent of the issued shares of the licensee or an acquisition through rights issue or other means which will result in an existing shareholder owning ten percent or aggregate, the licensee shall seek the approval of the Authority.

(2) Notwithstanding subsection (1), the Authority may exempt from the provisions of this section, a licensee whose shares or interests are publicly traded on securities exchange licensed in Kenya or a recognised overseas exchange and any such exemption shall be subject to—

- (a) a condition that the licensee shall as soon as reasonably practicable, notify the Authority of —
  - (i) any change in control of the licensee;
  - (ii) the acquisition by any person or group of person of shares representing more than ten percent of the licensee's issued share capital or total voting rights; or
  - (iii) the acquisition by any person or group of persons of shares representing more than ten percent of the issued share capital or total voting rights of the licensee's parent company;

- (iv) a condition that the licensee shall, as soon as reasonably practicable, provide such information to the Authority, and within such period of time, as the Authority may require for the purpose of enabling an assessment as to whether persons acquiring control or ownership of the licensee in the circumstances set out in paragraph (a) are of satisfactory repute to have such control or ownership; and
- (v) such other terms and conditions as the Authority may deem necessary.

(3) For purposes of subsection (1), the reference to shares or interests being transferred or disposed of includes the transfer or disposal of the legal or the beneficial interest in the shares or interests.

(4) In the event of shares in a licensee vesting involuntarily or through process of law in a person, the licensee, as soon as it becomes aware of such vesting, shall inform the Authority of the number of shares and the identity of the person in whom they have vested, and the licensee and the person in whom they have vested shall comply with any instructions as to the license or the business of the licensee as may be given by the Authority.

(5) A person who contravenes the obligations imposed under this section is liable for the administrative penalty.

Duties to implement  
cyber security  
measures

**46.** (1) A licensee put in place appropriate and effective cyber security measures as provided for under the Computer Misuse and Cybercrimes Act.

(2) The licensee shall report to the authority any cyber security risks or threats experienced after every quarter.

Duty to prepare  
audited financial  
statements.

**47.** (1) A licensee shall maintain proper books of account and cause them to be audited every year.

(2) A licensee shall submit a copy of its audited financial statements to the Authority within three months following the end of its financial year.

(3) The Authority may instruct a licensee to have its financial statements audited at any time within a specified period and require the audited statements to be submitted to it.

Duty to protect  
customer assets

**48.** A licensee shall—

- (a) maintain, in its custody, a sufficient amount of each type of virtual asset in order to meet the licensee holder's obligations to the customer;

- (b) meet the prescribed financial requirements relating to the virtual asset;
- (c) segregate holdings of virtual assets on behalf of their clients from their own holdings or property, and from any other non-client virtual assets;
- (d) not subject the virtual asset to the claim of creditors of the license holder.

### **PART VIII**

**THAT**, the Bill be amended by deleting Part VIII and substituting therefor the following new Part—

### **PART VIII — PREVENTION OF MONEY LAUNDERING, TERRORISM FINANCING AND PROLIFERATION FINANCING**

Powers of the  
Authority for  
AML/CTF/CPF  
purposes.

**49.** (1) Pursuant to sections 2A, 36A, 36B and 36C of the Proceeds of Crime and Anti-Money Laundering Act and section 42A of the Prevention of Terrorism Act, the Authority shall regulate, supervise and enforce compliance for AML/CTF/CPF purposes by all virtual asset service providers.

(2) The Authority shall—

- (a) require information regarding significant shareholders, beneficial owners, directors, senior officers of a virtual asset service provider;
- (b) conduct onsite inspection;
- (c) conduct offsite surveillance;
- (d) undertake consolidated supervision of an institution and its group;
- (e) compel the production of any document or information the Authority may require for the purpose of discharging its supervisory mandate under the Proceeds of Crime and Anti-Money Laundering Act and the Prevention of Terrorism Act;
- (f) impose monetary, civil or administrative sanctions for violations related to AML/CTF/CPF purposes;
- (g) issue regulations, guidelines, directions, rules or instructions for AML/CTF/CPF purposes;
- (h) co-operate and share information for AML/CTF/CPF purposes; and
- (i) take such action as is necessary to supervise and enforce compliance by a virtual asset service provider in line with the provisions of the Proceeds of Crime and Anti-Money Laundering Act, the Prevention of Terrorism Act and any regulations, guidelines, rules, instruction or direction made or issued thereunder.

**PART IX**

**THAT**, the Bill be amended by deleting Part IX and substituting therefor the following new Part—

**PART IX— INVESTIGATION AND EXAMINATION**

Inspection.

**50.** (1) The Authority shall undertake compliance inspections and investigations in accordance with the powers conferred under this Act and any other Act of Parliament.

(2) Subject to subsection (1), any person acting as a virtual asset service provider or issuer of a virtual asset offering shall cooperate with the Authority during any investigation or examination.

Appointment of  
examiners.

**51.** The Authority may appoint examiners and empower them with the necessary powers to undertake such examinations in accordance with the powers under this Act and any other written law.

Powers to access  
information.

**52.** (1) The Authority shall require the production of information, including specified information or documents, in accordance with the powers conferred to it under this Act or any other written law.

(2) Notwithstanding the provisions of subsection (1), the Authority may require the production of information or documents from any person or company which is or has at any relevant time been—

- (a) a parent company, subsidiary company or other associate of the licensee;
- (b) a subsidiary company of a parent company of the licensee;
- (c) a parent company of a subsidiary company of the licensee;
- (d) an agent or any other person appointed by the company; or
- (e) a company in the case of which a significant owner of the licensee, either alone or with any associate or associates, holds ten percent or more of the shares or is entitled to exercise, or control the exercise of, more than ten percent of the voting power at a general meeting.

(3) The Authority may, by notice in writing served on any person who is or is to be a controller or officer of a licensee require him or her to provide the Authority, within such time as may be specified in the notice, with such information or documents as the Authority may reasonably require for determining whether he or she is a fit and proper person to hold the particular position which he or she holds or is to hold.

(4) The powers conferred by subsection (1), (2) or (3) may be exercised in relation to a former licensee but only in relation to —

- (a) business carried on at any time when the licensee was licensed under this Act; or



(b) the ownership or control of a licensee at any time when it was licensed under this Act.

(5) Any person who, in connection with a request made under this section, supplies the Authority with information he or she knows or should reasonably know is false or misleading, commits an offence.

(6) The Authority shall take such enforcement action as it deems necessary, where a person who, without reasonable excuse, fails to comply with a requirement imposed on him or her by the Authority in connection with the exercise of the Authority's powers under this section.

Additional powers.

**53.**(1) The Authority may by notice in writing require a person who is the subject of an investigation in terms of this Act or any other written law or any person connected with the person under investigation —

- (a) to provide, at such place and in such form as may be specified in the notice and either forthwith or at such time as may be so specified, such information as the Authority may reasonably require for the purpose of the investigation;
- (b) to produce, at such place as may be specified in the notice and either forthwith or at such time as may be so specified, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation;
- (c) to attend at such place and time as may be specified in the notice and answer questions relevant to the enquiry as the Authority may require.

(2) The Authority may, by notice in writing, require every person who is or was a senior officer, director, shareholder, beneficial owner, officer, employee or agent of a licensee which is under investigation by virtue of subsection (1) —

- (a) to produce to the Authority within such time and at such place as the Authority may require, such documents, or documents of such description, as may be specified, being documents the production of which may be reasonably required for the investigation, which are in his or her custody or power to obtain;
- (b) to attend before the Authority at such time and place as the Authority may require and answer questions relevant to the investigation as the Authority may require; and
- (c) to take such actions as the Authority may direct in connection with the investigation.

(3) The Authority or a duly authorised officer, employee or agent of the Authority may take copies of or extracts from any documents produced under this section.

(4) Any officer, employee or agent of the Authority may, on producing if required evidence of his or her authority, enter any premises occupied by a person on whom a notice has been served under subsection (1) for the purpose of obtaining information or documents required by the notice, putting the questions referred to in subsection (1)(c) or exercising the power conferred by subsection (3).

(5) For the purposes of this section, a person is connected with the person under investigation if such person is or has at any relevant time been —

- (a) a member of a group to which the person under investigation belongs;
- (b) a controller or significant owner of the person under investigation;
- (c) a partner of a partnership of which the person under investigation is a member.

(6) Any person who, in connection with a request made under this section, supplies the Authority with information he or she knows or should reasonably know is false or misleading, commits an offence.

(7) The Authority shall take such enforcement action as it deems necessary, where a person who, without reasonable excuse, fails to comply with a requirement imposed on him or her by the Authority in connection with the exercise of the Authority's powers under this section.

## **PART X**

**THAT**, the Bill be amended by deleting Part X and substituting therefor the following new Part—

### **PART X— ENFORCEMENT ACTIONS**

Administrative  
enforcement action.

**54.**(1) The Authority may take administrative enforcement action against any person who violates the provisions of this Act.

(2) In exercising the powers provided for under subsection (1), the Authority may take the following administrative enforcement action—

- (a) issue a formal written warning to the licensee for the cessation of the non-compliance and require the specific action for rectification is undertaken;

- (b) issue a direction to the licensee to take remedial action or to make specific arrangements to remedy the noncompliance within such timeframe as may be specified;
  - (c) issue a directive to the licensee imposing a prohibition, restriction or limitation, including—
    - (i) issuing enforcement notices requiring non-compliance to be rectified within a specified period of time;
    - (ii) restriction from entering any new business contracts;
    - (iii) requiring that any director, senior officer or person having functions in relation to the licensee, be removed and replaced by a person acceptable to the Authority;
    - (iv) requiring such action as the Authority may consider necessary to protect customers, creditors or potential customers and creditors;
  - (d) suspend or revoke—
    - (i) a license issued under this Act;
    - (ii) a virtual asset offering approved under this Act; or
    - (iii) initiate such investigation as may be necessary to ensure compliance with this Act;
- (3) When determining the appropriate administrative enforcement action, the Authority shall consider the following factors—
- (a) the nature, seriousness and impact of the violation;
  - (b) the conduct of the individual or company after the violation and throughout any investigation or examination by the Authority;
  - (c) the previous disciplinary record and compliance history of the individual or company;
  - (d) the interpretation and application of the Authority published materials, including guidance, industry codes and such materials as may be published from time to time; and
  - (e) any action taken by the Authority or by other domestic or international regulatory bodies in similar cases.

Administrative  
penalty.

**55.** The Authority may impose an administrative penalty for the offenses within the Act as follows—

- (a) in the case of an individual, a fine not exceeding three million shillings and in the event of a repeat offender a fine not exceeding five million shillings; or
- (b) in the case of a company, a fine not exceeding ten million shillings.

Penalties.

**56.** A person who commits an offense under the provisions of this Act shall, upon conviction be liable —

- (a) in the case of an individual, to a fine not exceeding three million shillings or to imprisonment for a term not exceeding three years, or to both;
- (b) in case of a repeat offender, to a fine not exceeding five million shillings or to imprisonment for a term not exceeding five years, or to both;
- (c) in case of a company, to a fine not exceeding five million shillings, in case of a repeat offense, to a fine not exceeding ten million shillings.

Liability of individuals.

**57.**Where any offence or contravention against this Act is committed by a licensee, a director, partner or any senior officer of the licensee who knowingly authorised, permitted or aided in the commission of the offence that individual also commits the contravention or offence and, is liable for any criminal, civil or administrative penalty to which the licensee is liable under this Act.

**NEW PARTS**

**THAT,** the Bill be amended by inserting the following new Parts immediately after Part X—

**PART XI — FINANCIAL PROVISIONS**

Funds of the Authority.

**58.**The Funds of the Authority shall comprise —

- (a) such monies as may be appropriated by the National Assembly for the purposes of the Authority;
- (b) such monies as may accrue or vest in the authority in the course of exercise of its powers or the performance of its functions;
- (c) any gifts, grants or donations to the Authority;
- (d) such monies as may be payable to the authority pursuant to this Act or any other written law.

Financial year.

**59.**The financial year of the Authority shall be the period of twelve months ending on the thirtieth June in each year.

Annual estimates.

**60.**At least three months before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Authority for that year.

Annual reports.

**61.** (1) The Board shall, within a period of three months after the end of each financial year, submit to the Auditor-General, the accounts of the Authority in respect of that year together with —  
(a) a statement of the income and expenditure of the Authority during that year; and

(b) a statement of the assets and liabilities of the Authority on the last day of that financial year.

(2) The Board shall submit to the Cabinet Secretary, an annual report in respect of that year containing—

(a) the accounts of the Authority and statements under subsection (1);

(b) the performance indicators and any other related information;

(c) a report on the operations of the Authority during that year; and

(d) such other information as the Cabinet Secretary may request.

Account and Audit.

**62.** The Authority shall cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Authority.

Cap. 412B.

(2) The annual accounts of the Authority shall be prepared, audited and reported upon in accordance with the provisions of the Public Audit Act.

## **PART XII— MISCELLANEOUS PROVISIONS**

Confidentiality.

**63.** (1) The Authority or any of its agents shall hold in confidence any information or documents acquired in the performance of its duties under this Act.

(2) Subsection (1) shall not apply to any disclosure—

(a) lawfully required by any court of competent jurisdiction in Kenya;

(b) in respect of the affairs of any licensee or other person, with the consent of such person, as the case may be, which consent has been voluntarily given;

(c) where the information disclosed is in statistical form or is otherwise disclosed in such a manner that does not enable the identity of any licensee or other person to which the information relates to be ascertained; or

(d) in terms of any lawful disclosure required under the Mutual Legal Assistance Act, the Proceeds of Crime and Anti-Money Laundering Act, Prevention of Terrorism Act or any other relevant law, bilateral or multilateral agreements.

Cap. 75A.

Cap. 59A.

Cap. 59B.

Protection from liability.

**64.** No action, prosecution or other proceedings shall be brought against the Authority, an employee or agent of the Authority or other person appointed under this Act in respect of any acts done or omitted to be done in good faith in the proper discharge of functions or duties conferred by this Act.

Compliance to the  
Data Protection Act.  
Cap. 411C.  
Transitional  
provision.

**65.** Any person processing personal data under this Act shall comply with the Data Protection Act.

**66.** Upon the commencement of this Act, any person providing virtual asset services shall, within one year of the commencement, comply with the provisions of this Act.

Consequential  
amendments.

**67.** The Acts specified in the Third Schedule are amended in the manner specified in that Schedule.

### **PART XIII-PROVISIONS ON DELEGATED POWERS**

Regulations.

**68.** (1) The Cabinet Secretary may make Regulations for the purpose of carrying out and giving effect to the provisions of this Act

(2) Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations relating to—

- (a) the classification of licenses under the various categories of virtual asset services;
- (b) the capital, solvency requirements for the various types of virtual asset businesses;
- (c) the insurance requirements for the various types of virtual asset businesses;
- (d) the rules that apply to offer of initial coin offerings;
- (e) in consultation with the Capital Markets Authority, the rules that apply to listing of tokenised assets in the securities exchange;
- (f) the guidelines for virtual asset investment managers;
- (g) the rules that apply to the issuance of Kenya Shilling backed stable coin and applicability and use of other stablecoins;
- (h) guidelines on tokenization of real world assets;
- (i) matters to be included in the materials to be published by licensees for promotion of virtual asset offerings;
- (j) advertisement and promotion of virtual asset services;
- (k) prudential standards in respect of disclosure to clients and the public;
- (l) prudential standards in respect of safekeeping of customer assets;

(3) The Regulations made under this subsection may provide for the imposition of penalties not exceeding ten million shillings or imprisonment for a term not exceeding five years for contravention of the Regulations

- (4) For the purposes of Article 94 (6) of the Constitution—
- (a) the purpose and objective of the delegation under this section is to enable the Cabinet Secretary to make regulations for better carrying into effect the provisions of this Act;
  - (b) the authority of the Cabinet Secretary to make regulations under this Act will be limited to bringing into effect the provisions of this Act and fulfilment of the objectives specified under this section.

### **FIRST SCHEDULE**

**THAT**, the Bill be amended by deleting the First Schedule and substituting therefor the following new schedule —

#### **FIRST SCHEDULE [s. 13]**

##### **CONDUCT OF AFFAIRS AND BUSINESS OF THE BOARD**

Meetings.

1. (1) The Board shall meet not less than twelve times in every financial year and not more than two months shall elapse between the date of one meeting and the date of the next meeting.

(2) The notice for a meeting of the Board shall be in writing and shall be for a period of at least seven days from the expected day of the meeting.

(3) The Chairperson of the Board shall preside over all meetings of the Board and in the absence of the Chairperson, a person designated by members of the Board present at a meeting shall preside.

(4) The Chairperson of the Board may, on the written request made by majority of the members of the Committee and within seven days of the request, convene an extraordinary meeting at such time and place as the Chairperson may appoint.

(5) The Board may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not have a vote in any decision of the Board.

2. The quorum of a meeting the Board shall be five members and where there is a vacancy in the Board, the quorum of the meeting shall not be less than three members.

Decisions of the board

3. Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of the votes of the members present and voting, and in the case of an equality of votes the Chairperson or person presiding shall have a casting vote.
4. (1) Subject to provisions of this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board.
- (2) The Board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and the minutes of each meeting shall be confirmed by the Board at the next meeting of the Board and signed by the chairperson or the person presiding at the meeting.

SECOND SCHEDULE

THAT, the Bill be amended by deleting the Second Schedule and substituting therefor the following new schedule—

SECOND SCHEDULE [s.23]

VIRTUAL ASSET SERVICES

The list below constitutes the classes of licenses, the types of virtual asset services, their functions and description of services.

Class of License	Type of Service	Functions	Description
Class License	A Virtual Wallet Provider	Asset Custodial services and retail)	wallet/ Services provided by a third party, (corporate in which the private keys to the subject’s virtual assets are held and managed by the third party for proof of ownership and facilitation of transactions.
	Virtual Asset Exchange	Transfer conversion services of Virtual Assets	and Providing a digital online platform facilitating virtual asset transfers and exchanges. Exchanges may occur between one or more forms of virtual assets, or between virtual assets and fiat currency.
		Trading, clearing and settlement platforms.	A platform providing for the facilitation of the sale, trading, or exchange of virtual assets for fiat currencies or for other virtual assets.



<b>Class License</b>	<b>of Type Service</b>	<b>of Functions</b>	<b>Description</b>
	Virtual Asset Payment Processor	Payment gateway	Arranging transactions involving virtual assets and fiat currency, or between virtual assets.
<b>Class License</b>	<b>B</b> Virtual Asset Broker	Asset Brokerage services	Facilitate the exchange between one or more forms of virtual assets through a virtual asset exchange and virtual asset wallet providers for and on behalf of clients, which may include retail, institutional investors, or funds.
	Virtual Assets Investment Advisor	Investment services advisory	Provision of investment advice on virtual assets, initial virtual asset offering and non-fungible tokens for and on behalf of clients, which may include individuals or institutional investors.
	Virtual Asset Manager	Virtual management	Asset Managing portfolios in accordance with mandates given by clients on a discretionary basis where such portfolios include one or more virtual assets.
<b>Class License</b>	<b>C</b> Virtual Asset Offering Provider	Initial Coin Offering	Issuing and selling virtual assets to the public. May involve participating in and providing financial services relating to the initial coin offering.
		Virtual Tokenization	Asset The process of converting real-world assets (like real estate, art, or commodities) into digital tokens on a blockchain.
		Token Platform	Issuance Provision of tokenization platform for issuance and secondary trading of tokens of real-world assets.
		Virtual Custodial/liquidity Services	Asset safekeeping and administration of virtual or other assets to offer liquidity to manage transfers and settlements.
		Stablecoin Issuance	The process of creating and managing approved stablecoins.

**NEW THIRD SCHEDULE**

**THAT**, the Bill be amended by inserting the following new schedule immediately after the Second Schedule—

**THIRD SCHEDULE****[s.67]****CONSEQUENTIAL AMENDMENTS***Written law**Provision**Amendment*

The Proceeds of  
Crime and Anti-  
Money Laundering  
Act  
(Cap. 59A)

(1) By deleting the definition of “reporting institution” and substituting therefor the following definition—

“reporting institution” means a financial institution, designated non-financial business and profession or a virtual asset service provider;

(2) By inserting the following new definition in proper alphabetical sequence—

“virtual asset service provider” has the meaning assigned to it under section 3 of the Virtual Asset Service Providers Act.

44(4)

By deleting the words “financial institution” and substituting therefor the words “reporting institution”.

45A

(1) In subsection (1), by inserting the words “or virtual asset service providers” immediately after the words “legal arrangements”.

(2) In subsection (3)(c), by inserting the words “or virtual asset service providers” immediately after the words “financial institutions”.

(3) In subsection (3)(d), by inserting the words “or virtual asset service providers” immediately after the words “financial institutions” appearing after the words “offices of”.

<i>Written law</i>	<i>Provision</i>	<i>Amendment</i>
The Markets Act (Cap. 485A)	Capitals. 2	(1) In the definition of the word “securities”, by inserting the following paragraph immediately after paragraph (k)— (ka) tokenized securities for listing on the securities exchange;
	s.11(3)	(2) By inserting the following paragraph immediately after paragraph (fa)— (fb) approve issuance of tokenized securities in accordance with the Virtual Asset Service Providers Act;
The Central Bank of Kenya Act (Cap. 491)	s.2	(1) By inserting the following new definition in proper alphabetical sequence—  “stablecoin” has the meaning assigned to it under section 2 of the Virtual Asset Service Providers Act;
	s. 4A	(2) In subsection (1) — (a) by inserting the following new paragraph immediately after paragraph (db)—  (dc) license stablecoin issuers; (b) in paragraph (h) by inserting the following new subparagraph immediately after subparagraph (vii)— (viiia) stablecoin issuers;

## **LIMITATION OF DEBATE**

The House resolved on Thursday, February 13, 2025 as follows—

### **Limitation of Debate on Other Committee Reports**

- II. THAT**, each speech in a debate on **Other Committee Reports**, including a Report of a Joint Committee of the Houses of Parliament or any other Report submitted to the House for which limitation of time has not been specified, shall be limited as follows:- A maximum of two and a half hours, with not more than twenty (20) minutes for the Mover in moving and five (5) minutes for any other Member speaking, **including** the Leader of the Majority Party and the Leader of the Minority Party and the Chairperson of the relevant Committee (if the Committee Report is not moved by the Chairperson of the relevant Committee), and that ten (10) minutes before the expiry of the time, the Mover shall be called upon to reply; and further that priority in speaking shall be accorded to the Leader of the Majority Party and the Leader of the Minority Party, in that order.

### **Limitation of Debate on Bills sponsored by Parties or Committees**

- III. THAT**, each speech in a debate on **Bills sponsored by a Committee, the Leader of the Majority Party or the Leader of the Minority Party** shall be limited as follows:- A maximum of forty five (45) minutes for the Mover, in moving and fifteen minutes (15) in replying, a maximum of thirty (30) minutes for the Chairperson of the relevant Committee (if the Bill is not sponsored by the relevant Committee), and a maximum of ten (10) minutes for any other Member speaking, except the Leader of the Majority Party and the Leader of the Minority Party, who shall be limited to a maximum of fifteen minutes (15) each (if the Bill is not sponsored by either of them); and that priority in speaking shall be accorded to the Leader of the Majority Party, the Leader of the Minority Party and the Chairperson of the relevant Departmental Committee, in that order.

### **Limitation of Debate on Reports of Audit Committees**

- IV. THAT**, each speech in debate on **Reports of Audit Committees** shall be limited as follows: A maximum of sixty (60) minutes for the Mover in moving and thirty (30) minutes in replying, and a maximum of ten (10) minutes for any other Member speaking, except the Leader of the Majority Party and the Leader of the Minority Party, who shall be limited to a maximum of fifteen (15) minutes each; and that priority shall be accorded to the Leader of the Majority Party and the Leader of the Minority Party, in that order.

# **ADJOURNMENT**

## **V. NOTIFICATION OF RECESS (2<sup>nd</sup> – 21<sup>st</sup> July 2025)**

Pursuant to the provisions of Standing Order 28(3) relating to the Calendar of the Assembly, and the resolutions of the House of Thursday, 13<sup>th</sup> February 2025, Tuesday, 27<sup>th</sup> May 2025 and Thursday, 26<sup>th</sup> June 2025, the Speaker notifies that, upon the rise of the House at the appointed time today, regular sittings will resume on **Tuesday, 22<sup>nd</sup> July 2025 at 2.30 p.m.**

*(Thereafter, the House to adjourn without question put)*

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# **NOTICE PAPER**

## **Tentative business for** **Tuesday, July 22, 2025**

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*(Published pursuant to Standing Order 38(1))*

It is notified that the following business is tentatively scheduled to appear in the Order Paper for Tuesday, July 22, 2025—

**A. MOTION – APPROVAL OF THE MEDIATED VERSION OF THE GAMBLING CONTROL BILL (NATIONAL ASSEMBLY BILL NO. 70 OF 2023)**

(The Co-Chairperson, Mediation Committee on Gambling Control Bill, 2023)

*(Subject to Tabling of Committee Report and Notice of Motion)*

**B. MOTION – CONSIDERATION OF SENATE AMENDMENTS TO THE NATIONAL DISASTER RISK MANAGEMENT BILL (NATIONAL ASSEMBLY BILL NO. 24 OF 2023)**

(The Leader of the Majority Party)

*(Subject to Tabling of Committee Report and Notice of Motion)*

**C. COMMITTEE OF THE WHOLE HOUSE**

Consideration of Senate Amendments to the National Disaster Risk Management Bill (National Assembly Bill No. 24 of 2023)

(The Leader of the Majority Party)

*(Subject to Order No. B)*

**D. MOTION– CONSIDERATION OF THE PERFORMANCE AUDIT REPORT ON THE PROVISION OF SERVICES TO PERSONS WITH DISABILITIES BY THE NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES**

(The Chairperson, Public Investments Committee on Social Services, Administration and Agriculture)

*(If not concluded on Tuesday, July 01, 2025)*

**E. MOTION– CONSIDERATION OF FIFTH REPORT ON THE FINANCIAL STATEMENTS FOR THE NG-CDF ACCOUNTS FOR SIX CONSTITUENCIES IN BUSIA COUNTY**

(The Chairperson, Decentralized Funds Accounts Committee)

*(If not concluded on Tuesday, July 01, 2025)*

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# **APPENDIX**

## **NOTICE OF PETITIONS, QUESTIONS & STATEMENTS**

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### **ORDER NO. 7 - STATEMENTS**

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It is **notified** that, pursuant to the provisions of Standing Order 44(2)(c), the following Statements will be **responded to**—

<b>No.</b>	<b>Subject</b>	<b>Member</b>	<b>Relevant Committee</b>
1.	The <i>AVIATOR</i> game of chance	<i>Hon. Martha Wangari, MP (Gilgil)</i>	Finance and National Planning
2.	Status of prosecution of Kenya Defence Forces Officer, <i>Mr. Hassan Muse Mire</i> , accused of murdering <i>Mr. Abdullahi Kassim Yussuf</i>	<i>Hon. Umulkeher Harun, MP (Nominated)</i>	Justice and Legal Affairs
3.	Welfare of Kenyans working in Middle East	<i>Hon. Cynthia Muge, MP (Nandi County)</i>	Labour
4.	Management of <i>Shirikisho la Wanawake</i> Savings and Credit Cooperative Society Ltd	<i>Hon. Joseph Gachoki, MP (Kirinyaga Central)</i>	Trade, Industry and Cooperatives
5.	Importation of rice into the country	<i>Hon. Mary Maingi, MP (Mwea)</i>	Trade, Industry and Cooperatives

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