



**THE NATIONAL ASSEMBLY**

**THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026**

**DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL  
PLANNING**

**REPORT ON:**


**THE CONSIDERATION OF THE CENTRAL BANK OF KENYA  
(AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 27 OF 2026)**

**Published by:**

**The Directorate of Departmental Committees  
Clerk's Chambers  
Parliament Buildings  
NAIROBI**

*Approved*  
*24/06/2026*

**JUNE 2026**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE: 24 JUN 2026</b>	
<b>DAY: WEDNESDAY</b>	
<b>TABLED BY:</b>	<i>Hon. WENDANI KURIA, MP CHAIR, FINANCE COMMITTEE</i>
<b>CLERK-AT THE-TABLE:</b>	<i>ESTHER NGWYO</i>

## TABLE OF CONTENTS

<b>ANNEXURES</b> .....	4
<b>CHAIRPERSON'S FOREWORD</b> .....	5
<b>CHAPTER ONE</b> .....	7
<b>I PREFACE</b> .....	7
<b>1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE</b> .....	7
<b>1.2 COMMITTEE MEMBERSHIP</b> .....	8
<b>1.3 COMMITTEE SECRETARIAT</b> .....	9
<b>CHAPTER TWO</b> .....	10
<b>2.0 OVERVIEW THE CENTRAL BANK OF KENYA (AMENDMENT) BILL, (NATIONAL ASSEMBLY BILL NO. 27 OF 2026)</b> .....	10
<b>2.1 Background</b> .....	10
<b>2.2 Summary of Legal Provisions</b> .....	10
<b>CHAPTER THREE</b> .....	12
<b>3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL</b> .....	12
<b>3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION</b> .....	12
<b>3.2 MEMORANDA RECEIVED ON THE BILL</b> .....	12
<b>3.3 SUBMISSIONS FROM STAKEHOLDERS</b> .....	13
<b>CHAPTER FOUR</b> .....	30
<b>4 COMMITTEE OBSERVATIONS</b> .....	30
<b>CHAPTER FIVE</b> .....	32
<b>5 COMMITTEE RECOMMENDATION</b> .....	32

## LIST OF ABBREVIATIONS AND ACRONYMS

AG	-	Attorney General and Department of Justice
AML/CFT	-	Anti-money Laundering and Countering the Financing of Terrorism
BCR	-	Benefit Cost Ratio
CBK	-	Central Bank of Kenya
CBK-IMS	-	Central Bank of Kenya Institute of Monetary Studies
CMA	-	Capital Markets Authority
COK	-	Constitution of Kenya
CRA	-	Commission on Revenue Allocation
DGPP	-	Domestic Gold Purchase Programme
DRC	-	Democratic Republic of Congo
EABX	-	East Africa Bond Exchange Public Limited Company
ICPAK	-	Institute of Certified Public Accountants of Kenya
IPF	-	Institute of Public Finance
KDIC	-	Kenya Deposit Insurance Corporation
LSK	-	Law Society of Kenya
MP	-	Member of Parliament
NGCDF	-	National Government Constituency Development Fund
NPV	-	Net Present Value
OCOB	-	Office of the Controller of Budget
ODM	-	Orange Democratic Movement
PWDs	-	Persons with Disabilities
UBO	-	Ultimate Beneficial Owners
UDA	-	United Democratic Alliance
YSD	-	Youth for Sustainable Development

## **ANNEXURES**

Annexure 1: Adoption Schedule

Annexure 2: Minutes of the Committee on consideration of the Bill

Annexure 3: The Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026)

Annexure 4: Advertisement inviting the public to submit memoranda on the Bill and attend Public Hearings in various Counties.

Annexure 5: Letter from the Clerk of the National Assembly inviting relevant stakeholders to attend the public participation forum.

Annexure 6: Memoranda by Stakeholders

## **CHAIRPERSON'S FOREWORD**

This Report contains the proceedings of the Departmental Committee on Finance and National Planning on its consideration of the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026). The Bill was published in the Kenya Gazette on 19<sup>th</sup> May 2026 and read a First Time on 26<sup>th</sup> May 2026. The Bill was thereafter committed to the Committee for consideration and tabling of the report to the House pursuant to Standing Order 127.

The Bill seeks to strengthen the statutory framework governing liquidity support by the Central Bank by clearly distinguishing routine monetary policy operations from emergency liquidity assistance provided during periods of financial distress. The Bill also seeks to provide legal clarity on the scope and limits of the Bank's intervention powers and to establish prudential safeguards, including solvency, viability, and systemic risk requirements, for the provision of emergency liquidity assistance.

The Bill also seeks to promote market discipline, reduce moral hazard and enhance legal certainty and coordination during periods of financial stress through clear statutory procedures and conditions governing the exercise of the Bank's emergency lending powers.

Additionally, the Bill seeks to amend the Central Bank of Kenya Act (Cap. 491) to require the approval by the National Assembly of persons nominated for appointment as Deputy Governors of the Central Bank of Kenya. The amendment seeks to align the approval process for the Deputy Governor with that of the Governor of the Central Bank of Kenya, whose appointment is subject to approval by the National Assembly, and to enhance transparency, accountability, and parliamentary oversight in the appointment of senior officials of the Central Bank of Kenya.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly placed an advertisement in the print media on 30<sup>th</sup> May 2026 inviting the public to submit memoranda by way of written statements on the Bill and also attend Public Hearings in Thirteen Counties from 2<sup>nd</sup> June 2026 to 8<sup>th</sup> June 2026.

In addition, the Clerk of the National Assembly vide letter Ref. No. NA/DDC/F&NP/2026/092 dated 5<sup>th</sup> June 2026 invited key stakeholders to submit views on the Bill and attend a public participation forum on Tuesday, 9<sup>th</sup> June 2026. The memoranda were to be received on or before Monday, 8<sup>th</sup> June 2026 at 5.00 pm (East African Time).

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its consideration of the Bill. Similarly, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made invaluable contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to the provisions of Standing Order 199(6), it is my pleasure to report that the Committee has considered the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026) and wish to report to this august House with the recommendation that the House **approves** the Bill with amendments.

**Hon. FCPA. Kuria Kimani, CBS, M.P**  
**Chairperson, Departmental Committee on Finance and National Planning**

## CHAPTER ONE

### I PREFACE

#### I.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. The Departmental Committee on Finance and National Planning is one of twenty departmental committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows:
  - a) *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
  - b) *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
  - c) *To, on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
  - d) *To study and review all legislation referred to it;***
  - e) *To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
  - f) *To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary, and as may be referred to them by the House;*
  - g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
  - h) *To examine treaties, agreements and conventions;*
  - i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
  - j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
  - k) *To examine any questions raised by Members on a matter within its mandate.*
2. The Second Schedule to the National Assembly Standing Orders assigns the Committee the mandate to consider matters in relation to public finance, public audit policies, monetary policies, financial institutions, economy, investment policies, competition, banking, insurance, national statistics, population, revenue policies including taxation, national planning and development, digital finance, including digital currency.
3. In executing its mandate, the Committee oversees the following Ministries/Departments:
  - a) The National Treasury.

- b) State Department for Economic Planning.
- c) State Department for Public Investments and Asset Management.
- d) The Commission on Revenue Allocation (CRA)
- e) Office of the Controller of Budget

## **I.2 COMMITTEE MEMBERSHIP**

- I. The Departmental Committee on Finance and National Planning was constituted by the House on 27<sup>th</sup> October 2022 and reconstituted on Wednesday, 5<sup>th</sup> March 2025 and comprises the following Members:

### **Chairperson**

Hon. FCPA Kuria Kimani, CBS, MP.  
Molo Constituency  
**UDA Party**

### **Vice-Chairperson**

Hon. (Amb.) FCPA Langat Benjamin Kipkirui, CBS, MP  
Ainamoi Constituency  
**UDA Party**

### **Members**

Hon. Peter Kaluma, CBS, MP  
Homa Bay Town Constituency  
**ODM Party**

Hon. Sunkuyia, R. George, MP  
Kajiado West Constituency  
**UDA Party**

Hon. FCPA Oyula, Joseph H. Maero, MP  
Butula Constituency  
**ODM Party**

Hon. Dr. Gathoni Wamuchomba, HSC, MP  
Githunguri Constituency  
**UDA Party**

Hon. Mboni, David Mwalika, MP  
Kitui Rural Constituency  
**WDM Party**

Hon. Sheikh Umul Sheikh, MP  
Mandera County  
**UDM Party**

Hon. Okuome Adipo Andrew, MP  
Karachuonyo Constituency  
**ODM Party**

Hon. (Dr.) Shadrack Mwiti, MP  
South Imenti Constituency  
**Jubilee Party**

Hon. Chiforomodo, Munga, MP  
Lunga Lunga Constituency  
**UDM Party**

Hon. (Dr.) Ariko John Namoit, MP  
Turkana South Constituency  
**ODM Party**

Hon. CPA Rutto Julius Kipletting, MP  
Kesses Constituency  
**UDA Party**

Hon. Machele M. Soud, MP  
Mvita Constituency  
**ODM Party**

Hon. Paul Biego, MP  
Chesumei Constituency  
**UDA Party**

### **I.3 COMMITTEE SECRETARIAT**

4. The Committee is facilitated by the following staff:

Ms. Tracy Chebet  
**Principal Clerk Assistant II**

Ms. Jennifer Ndeto  
**Deputy Director Legal Services**

Mr. Benson Kamande  
**Clerk Assistant III**

Ms. Winfred Kambua  
**Clerk Assistant III**

Mr. Salem Lorot  
**Senior Legal Counsel**

Mr. Eugene Luteshi  
**Audio Officer III**

Ms. Nelly W. Ondieki  
**Research Officer III**

Mr. George Ndenjeshe  
**Fiscal Analyst II**

Mr. James Macharia  
**Media Relations Officer**

Ms. Joyce Wachera  
**Hansard Reporter II**

Mr. Benson Muthuri  
**Assistant Serjeant-At-Arms**

Mr. Jared Onyancha  
**Protocol Officer**

Mr. Allan Ngugi  
**Administrative Officer II**

## CHAPTER TWO

### 2.0 OVERVIEW OF THE CENTRAL BANK OF KENYA (AMENDMENT) BILL, (NATIONAL ASSEMBLY BILL NO. 27 OF 2026)

#### 2.1 Background

5. The Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026) is a National Assembly Bill sponsored by the Chairperson of the Finance and National Planning Committee, Hon. FCPA Kuria Kimani, CBS, MP. It was published on 19<sup>th</sup> May 2026, and read a First Time on 26<sup>th</sup> May 2026. The Bill was thereafter committed to the Committee for its consideration and tabling of the report to the House pursuant to Standing Order 127.

#### 2.2 Summary of Legal Provisions

##### Main highlights of the Bill

6. The Bill seeks to strengthen the statutory framework governing liquidity support by the Central Bank through clearly distinguishing routine monetary policy operations from emergency liquidity assistance provided during periods of financial distress.
7. The Bill also seeks to provide legal clarity on the scope and limits of the Bank's intervention powers and to establish prudential safeguards, including solvency, viability, and systemic risk requirements, for the provision of emergency liquidity assistance.
8. The Bill also seeks to promote market discipline, reduce moral hazard, and enhance legal certainty and coordination during periods of financial stress through clear statutory procedures and conditions governing the exercise of the Bank's emergency lending powers.
9. Additionally, the Bill seeks to amend the Central Bank of Kenya Act (Cap.491) to require the approval by the National Assembly of persons nominated for appointment as Deputy Governors of the Central Bank of Kenya. The amendment seeks to align the approval process for the Deputy Governor with that of the Governor of the Central Bank of Kenya, whose appointment is subject to approval by the National Assembly, and to enhance transparency, accountability, and parliamentary oversight in the appointment of senior officials of the Central Bank of Kenya.

##### Specific provisions

10. **Clause 2** of the Bill proposes to amend section 4(2) of the Act to strengthen and clarify the mandate of the Central Bank in promoting financial system liquidity, solvency, integrity and effective regulation of the banking sector.
11. **Clause 3** of the Bill seeks to empower the Bank to provide training and capacity building to its staff, the public, government institutions and persons from other jurisdictions.
12. **Clause 4** of the Bill seeks to amend section 13B (1) of the Act to replace the word “Parliament” with “the National Assembly” in order to align the provision with the constitutional approval framework.
13. **Clause 5** of the Bill seeks to amend section 27 of the Act to ensure effective implementation of the powers of the Bank to deal in gold, bullion, precious metals and foreign exchange as part of its reserve and market operations functions.
14. **Clause 6** of the Bill seeks to repeal and replace section 36 of the Act to establish a clearer framework for loans, advances and emergency liquidity assistance by the Bank for monetary policy and financial stability purposes.
15. **Clause 7** of the Bill proposes to amend section 46A of the Act by replacing the term “Deposit Protection Fund Board” with “Kenya Deposit Insurance Corporation” to align the Act with the current institutional framework. The Kenya Deposit Insurance Act established the Kenya Deposit Insurance Corporation, thereby replacing the defunct Deposit Protection Fund Board.
16. **Clause 8** of the Bill seeks to amend section 57(3) of the Act to empower the Bank to prescribe capacity building and training through regulations for purposes of implementing the Act.

## CHAPTER THREE

### 3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL

#### 3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION

17. Article 118 (1)(b) of the Constitution provides that:

*“Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees.”*

18. The National Assembly Standing Order 127 (3) and (3A) stipulates that:

*“(3) The Departmental Committee to which a Bill is committed shall **facilitate public participation on the Bill** through an appropriate mechanism including-*

- (a) inviting submission of memoranda;*
- (b) holding public hearings;*
- (c) consulting relevant stakeholders in a sector; and*
- (d) consulting experts on technical subjects.*

*(3A) The Departmental Committee shall take into account the views and recommendations of the public under paragraph (3) in its report to the House.”*

#### 3.2 MEMORANDA RECEIVED ON THE BILL

19. Pursuant to the aforementioned provisions of law, the Clerk of the National Assembly placed an advertisement in the print media on 30<sup>th</sup> May 2026 inviting the public to submit memoranda on the Bill and participate in public hearings between 2<sup>nd</sup> June 2026 to 8<sup>th</sup> June 2026 in thirteen different Counties. Further, the Clerk of the National Assembly vide letter Ref NA/DDC/F&NP/2026/092 dated 5<sup>th</sup> June 2026 invited key stakeholders to submit views on the Bill and attend a public participation forum ON 9<sup>th</sup> June 2026 respectively.

20. The Committee received six (6) memoranda from the following stakeholders whose submissions are detailed below:

- (1) The Office of the Attorney General and Department of Justice;
- (2) The East Africa Bond Exchange Public Limited Company;
- (3) The Central Bank of Kenya;
- (4) Wanjiku Gikonyo;
- (5) Bowmans; and
- (6) Youth for Sustainable Development (YSD), Makueni Chapter.

### 3.3 SUBMISSIONS FROM STAKEHOLDERS

#### Clause 2

21. **The Office of the Attorney General** proposed deleting the word “promote” to provide clarity on the object of the bank.

#### **Committee Observation**

**The Committee agreed with the proposal by the Office of the Attorney General.**

22. **The East Africa Bond Exchange Public Limited Company (EABX PLC)** submitted that the proposal would create a two-regulator system that requires careful coordination to avoid paralysis. A capital market intermediary like an exchange (EABX) would lose its exclusive relationship with the capital markets regulator thus, they proposed amending the clause in sub-sections (2) and (3) to read as follows:

*“(2) The Bank shall promote and foster the stability of the financial system as a whole, including by:*

*(a) exercising its existing powers over banking institutions and payment systems; and*

*(b) coordinating the Capital Markets Authority (CMA) to identify and mitigate systemic risks arising from capital market activities.”*

*(3) For the avoidance of doubt:*

*(a) The Bank shall not exercise direct supervisory, regulatory, or enforcement powers over any capital market intermediary licensed under the Capital Markets Act, including but not limited to exchanges, clearing houses (except as expressly provided in separate CCP legislation), broker-dealers, asset managers, or securities depositories.*

*(b) The Bank’s authority with respect to the liquidity, solvency, proper functioning, or integrity of the market-based financial system shall be exercised exclusively through:*

*(i) information-sharing arrangements with the CMA;*

*(ii) non-binding recommendations to the CMA; and*

*(iii) Participation in an interagency Financial Stability Committee chaired by the Bank, with the CMA and exchange representatives as voting members.”*

### **Committee Observation**

**The Committee observed that the proposed amendment seeks to bring clarity on the mandate of the Central Bank of Kenya and does not encroach into the mandate of the Capital Markets Authority. The intention of the amendment is to expressly articulate soundness, safety, and effective regulation of the banking system as a secondary role of the Central Bank of Kenya.**

23. **The Central Bank of Kenya** proposed amending Clause 2 in by deleting the proposed new subsection (2) (a) and substituting it with the following new subsection

*“4(2) The Bank shall promote and foster—*

*(a) the stability, resilience, liquidity, solvency, integrity and proper functioning of a market-based financial system; and”*

24. The Bank stated that this will strengthen CBK’s contribution to financial system stability, with express legal provision, clarify and add coherence to CBK’s statutory mandate and consistent with evolving complexity banking regulation. Further, it was consistent with international practice, evolving complexity banking regulation and financial markets oversight.

### **Committee Observation**

**The Committee agreed with the proposal by the Central Bank of Kenya.**

### **Clause 2 (b)**

25. **The Attorney General** proposed amending the clause to define the term “banking system” or use the term “market-based financial system”. This will provide clarity in what is referred to as the “banking system” or make reference to the “market-based financial system” for consistency as paragraph (a).

### **Committee Observation**

**The Committee noted the proposal by the Attorney-General but was of the view that the use of the two terms in paragraphs (a) and (b) is in different senses. Therefore, defining the terms was not necessary.**

### **Clause 3**

26. **The Office of the Attorney-General** proposed amending the proposal by deleting the proposed paragraph (i) and substituting therefor with the following paragraphs:
- i. Provide capacity building to the members of staff of the Bank; and

- ii. Establish an institution to offer training to members of the public in accordance with the Technical and Vocational Education and Training Act.
27. This will provide clarity on the scope of capacity building that may be undertaken by the Bank. Additionally, it will provide consistency with the Technical and Vocational Education and Training Act.

#### **Committee Observation**

**The Committee acknowledged the Attorney-General's concerns but was of the view that the provision was proper.**

#### **Clause 5**

28. **The Central Bank of Kenya proposed amending clause 5 in the new subsection (1) by deleting the words "refine" and "gold coins and bullion, silver, platinum".**
29. The Bank stated that the term "any other precious metals" is all-encompassing and captures the silver and platinum that are by-products of the gold refining process. CBK itself will not perform any refining but may enter into arrangements with licensed refiners to refine any purchased gold doré.
30. The deletion of reference to "international agreement" has been occasioned since Kenya no longer uses fixed-exchange rate system that needed such agreements.
31. The amendments are intended to boost the local mining sector and is aligned with the practice in Tanzania, Ghana, DRC, and South Africa.

#### **Committee Observation**

**The Committee agreed to the proposal by CBK.**

32. **Ms. Wanjiru Gikonyo** proposed amending the Clause by inserting a new subsection to read as follows:

*"The Bank shall not accept, store, or refine gold, silver, platinum, or any other precious metal as collateral for emergency liquidity or crisis-lending facilities unless such commodity has been independently verified, assayed, and valued by an internationally accredited, third-party certifying body. The complete inventory, valuation notes, and transaction histories of all precious metal holdings shall be published in the Kenya Gazette and on the Bank's portal on a monthly basis."*

33. According to the stakeholder, this new insertion will enforce maximum asset-backing transparency and place a strict statutory guardrail.

#### **Committee Observation**

Report of the Departmental Committee on Finance and National Planning on its Consideration of The Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026)

**The Committee acknowledged Ms. Gikonyo's proposal but was of the view that it went beyond the scope of the provision.**

### **New Proposal**

**34. The Central Bank of Kenya** proposed introducing a new clause amending section 26(1)(a) to insert the words "*and any other precious metals*" to read as follows:

*"(a) gold and any other precious metals;"*

**35.** The stakeholder stated that introducing the term "and any other precious metals" is for harmony and complete alignment with the proposed amendment of Section 27(1) that establishes the Domestic Gold Purchase Programme (DGPP).

### **Committee Observation**

**The Committee agreed with the proposal by the Central Bank of Kenya. The amendment is in conformity with the proposed amendments to clause 5 of the Bill and will ensure consistency in the Act.**

### **Clause 6**

**36. The Attorney-General** proposed amending the clause to specify transitional provisions for loans issued by the bank.

### **Committee Observation**

**The Committee agreed with the proposal by the Attorney-General.**

**37. Ms. Wanjiku Gikonyo** proposed amending the clause by inserting a new section 36(7) to read as follows:

*"The Bank shall not extend emergency liquidity support to any financial institution whose distress arises from exposures to a defaulted public investment project, unless the private equity holders of that project have first undergone a court-sanctioned equity write-down to zero value.*

*Furthermore, to qualify as an eligible counterparty for such emergency facilities, the applicant financial institution must bear the burden of proof to demonstrate absolute fiduciary prudence and statutory compliance to the Bank. This shall be verified through an independent pre-eligibility audit proving that:*

*(a) the institution's exposure to the project did not violate single-obligor concentration limits at the time of underwriting,*

*(b) the credit risk assessment did not rely on unbacked sovereign comfort letters, and*

*(c) the institution maintained its mandatory core capital adequacy and statutory liquidity ratios natively for the twenty-four (24) months preceding the project's default.*

*Any institution found to have relaxed its standard underwriting prudence or bypassed macro-prudential guidelines in financing the underlying public investment shall be permanently barred from accessing the facility and placed under immediate statutory receivership."*

38. The stakeholder submitted that this new insertion will ensure that banks and investors bear the risks of their own commercial decisions, instead of transferring those risks to the public through the Central Bank.

### **Committee Observation**

**The Committee acknowledged the proposal by Ms. Gikonyo but was of the view that the new section 36 was adequate and that all details on its implementation could not be spelled out. Further, the new section should not be considered in isolation from other provisions concerning the Central Bank of Kenya's mandate. The Committee was of the view that the safeguards in the Act were adequate.**

### **New Proposals – Clause 6**

39. **The Central Bank of Kenya** proposed that clause 6 be amended in the proposed new section 36(2)(a) by deleting the words “*solvency and*” so that the paragraph will read, “*(a) meet the Bank's criteria of viability;*”.

40. They stated that this will provide CBK with flexibility that does not constrain its legal ability to determine how and when liquidity support can be extended to restore viability and protect the stability of the banking system.

### **Committee Observation**

**The Committee agreed with the proposal by the Central Bank of Kenya.**

41. Additionally, **CBK** proposed that clause 6 be amended to revise the extension period to five (5) years in the proposed new section 36 (5) to read as follows:

*“(5) The Bank may extend the period specified under subsection (4) for such period or periods not exceeding five (5) years and under such terms and conditions as the Bank may specify.”*

### **Committee Observation**

**The Committee agreed with the proposal by the Central Bank of Kenya.**

**42. Ms. Wanjiku Gikonyo** proposed amending the proposal by inserting a new subsection to read as follows:

*“Any financial institution that accesses the extended 12-month emergency liquidity window shall statutorily maintain its credit allocation to the domestic agricultural and manufacturing sectors at a minimum aggregate of 15% of its total net loan portfolio, or at the nominal shilling baseline value recorded in the quarter immediately preceding the liquidity distress adjusted for the prevailing inflation rate, whichever is higher, throughout the entire tenure of the liquidity support.”*

#### **Committee Observation**

**The Committee acknowledged the proposal by Wanjiru Gikonyo but was of the view that the proposal is restrictive and would defeat the purpose of emergency liquidity assistance, which is the intention of the new section proposed in the Bill.**

#### **Clause 7**

**43. The Central Bank of Kenya** proposed amending clause 7 of the Bill in the proposed new section 46A by deleting the words “Subject to section 37(2) of the Banking Act” so as to read as follows:

*“46A. The Bank may grant loans or advances for fixed periods, not exceeding three years, to the Kenya Deposit Insurance Corporation on the security of Treasury Bills or other Government securities specified by the Bank.”*

**44.** The Bank submitted that Section 37(1) of the Banking Act was repealed, rendering reference to it misleading.

#### **Committee Observation**

**The Committee agreed to the proposal by the Central Bank of Kenya.**

**45. Ms. Wanjiku Gikonyo** proposed amending the proposal by inserting the following new subsections after 46A:

*“Upon the activation of the 12-month emergency liquidity facility, the Bank shall within seven (7) days publish in at least two daily newspapers of nationwide circulation and on its official website, a comprehensive schedule detailing the natural names and national identity/passport numbers of the top twenty (20) Ultimate Beneficial Owners (UBOs) of both the beneficiary institution's corporate shareholders and its top twenty (20) corporate debtors, notwithstanding any nominee or offshore structures.”*

*“Simultaneously, the Bank shall petition the High Court for an ex-parte conservatory order to place an immediate temporary freeze on all global and domestic assets, bank accounts, and properties held directly, indirectly, or through proxies, by all current and preceding board directors (both executive and non-executive), executive management, and their immediate family members (spouses and children), pending a comprehensive, independent forensic risk audit to be concluded within ninety (90) days.”*

*“The aggregate value of loans extended to the Kenya Deposit Insurance Corporation backed by government securities under this section shall not exceed 1.5% of the total audited ordinary revenue of the national government in the preceding financial year and shall require prior explicit approval by a two-thirds majority resolution of the National Assembly.”*

*“The Bank shall be statutorily prohibited from extending any emergency liquidity facility or long-term loan to the Kenya Deposit Insurance Corporation (KDIC) if the underlying security provided consists of government bonds or bills that exceed a cumulative 10% exposure of the domestic banking sector’s total tier-1 capital, unless an explicit Fiscal Sustainability Audit has been approved by the National Assembly.”*

The stakeholder highlighted that these safeguards will preserve the fiscal sovereignty of future generations as well as ensure there is limited operational hideout for negligent executives.

### **Committee Observation**

**The Committee acknowledged Ms. Gikonyo’s proposals but was of the view that they go beyond the scope of the provision. Further, the Committee noted that the Kenya Deposit Insurance Corporation is a State Corporation which provides a deposit insurance scheme for customers of member institutions and to receive, liquidate, and wind up any institution. The current provision provides safeguards, as loans advanced are secured by Treasury Bills or other Government securities. However, if safeguards were needed, they could be addressed administratively or through regulations, as provided for in section 57 of the Central Bank of Kenya Act, Cap. 491.**

### **New proposals**

#### **The Central Bank of Kenya**

##### **Section 4D**

**46. The Central Bank of Kenya proposed amending the marginal note to section 4D and replace the words “Monetary Policy Advisory Committee” with “Monetary Policy**

Committee". The amendment seeks to delete the term 'Advisory' in the marginal note so as to align the text in the marginal note with the text in the section.

### **Committee Observation**

**The Committee agreed with the proposal by the Central Bank of Kenya.**

#### **Ms. Wanjiru Gikonyo**

47. Ms. Wanjiku Gikonyo submitted to the Committee new proposals which are not contained in the Bill.

48. She proposed inserting a new section in the Bill to address the absence of a registration framework for contingent liabilities. The new section will read:

*"Any letter of comfort, indemnity, liquidity guarantee, or financial commitment issued by the Bank or the National Treasury to a commercial lender or public-private investor under this crisis management framework shall be null and void unless it is entered into a public 'National Repository of Contingent Liabilities' within forty-eight (48) hours of execution, and accompanied by a detailed risk-quantification profile published on the Bank's official portal."*

49. She submitted that this proposal would enforce absolute visibility on off-balance-sheet exposure.

### **Committee Observation**

**The Committee acknowledged Ms. Gikonyo's proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

50. **Ms. Wanjiku Gikonyo** proposed inserting a new section in the bill to read as follows:

*"Any prudential guideline, directive, circular, manual, or policy issued by the Bank to financial institutions regarding the implementation, management, or risk pooling of the extended 12-month emergency liquidity facility or 3-year KDIC lending mechanism shall be legally deemed a Statutory Instrument under Section 2 of the Statutory Instruments Act. No such directive shall have the force of law or be enforceable unless its accompanying Regulatory Impact Statement mathematically demonstrates a Net Present Value (NPV) greater than zero ( $NPV > 0$ ) and a Benefit-Cost Ratio exceeding one ( $BCR > 1$ ), explicitly factoring in taxpayer credit crowding-out and long-term sovereign debt risks. No subsidiary legislation or rule made under this Amendment Act shall take effect, be published in the Kenya Gazette, or be enforced by the Bank until it has been formally laid before the National Assembly and received an explicit resolution of approval from the Committee on Delegated Legislation."*

51. She submitted that this provision will enforce institutional transparency and ensure compliance with sections 6 and 7 of the Statutory Instruments Act.

#### **Committee Observation**

**The Committee acknowledged Ms. Gikonyo’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

#### **General Submissions**

##### **Bowmans**

52. Ms. Gikonyo supported the policy objectives of the Bill, particularly the promotion of financial stability and the soundness of the banking system. However, Bowmans expressed concern that the current regulatory frameworks for Non-Deposit-Taking Credit Providers and Credit Guarantee Providers may inadvertently capture foreign lenders, development finance institutions, multilateral institutions, private equity funds, and other entities engaged in cross-border financing activities, thereby creating regulatory uncertainty and potentially discouraging capital inflows.

#### **Committee Observation**

**The Committee acknowledged Bowman’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

#### **New Provisions**

##### **Exemptions for Non-Deposit-Taking Credit Providers**

53. **Bowmans** proposed amending the definition of “non-deposit-taking credit provider” under the Central Bank of Kenya Act to exclude foreign banks, development finance institutions, multilateral and bilateral financial institutions, private equity funds, venture capital funds, investment banks, and foreign entities that provide credit exclusively to corporates, partnerships, trusts, or Government entities without accepting deposits from the public.

54. The current definition may inadvertently capture foreign and international entities engaged in cross-border lending, shareholder financing, syndicated lending, and development finance transactions, thereby creating legal uncertainty and potentially discouraging capital mobilisation and foreign investment.

#### **Committee Observation**

**The Committee acknowledged Bowman’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

### **Exemptions for Foreign Credit Guarantee Providers**

55. **Bowmans** proposed amending sections 33V, 33W, 33X and 33Y of the Central Bank of Kenya Act to exempt certain foreign credit guarantee providers from registration, licensing, supervision, and compliance requirements under the Credit Guarantee Provider Framework. The proposed exemptions include foreign banks, development finance institutions, multilateral and bilateral financial institutions, private equity funds, venture capital funds, investment banks, and foreign credit guarantee companies providing guarantees for facilities extended to persons in Kenya.
56. Additionally, the current framework subjects foreign credit guarantee providers to registration and regulatory requirements despite being regulated in their home jurisdictions, thereby creating regulatory duplication and potentially limiting access to international financing and credit enhancement mechanisms.

#### **Committee Observation**

**The Committee acknowledged Bowman’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

### **YOUTH FOR SUSTAINABLE DEVELOPMENT (YSD) – MAKUENI CHAPTER CBO**

57. Retain National Assembly approval but strengthen safeguards by
- a) Clearly defining merit-based selection criteria;
  - b) Requiring publication of shortlisted candidates and CVs;
  - c) Mandating public participation or vetting hearings;
  - d) Insulating the process from partisan voting blocs
58. The stakeholder submitted that the Central bank independence is critical for maintaining investor confidence, price stability, and predictable monetary policy. Further, Kenya’s inflation has remained moderate in the 2025–2026 period, and stability must be protected.

#### **Committee Observation**

**The Committee acknowledged YSD’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

59. The YSD proposed that the Bill be amended to require that emergency liquidity interventions be provided for as below:

- a) Be publicly disclosed within 30–60 days;
- b) Be subject to National Assembly oversight review.
- c) Include strict eligibility criteria for beneficiary institutions;
- d) Require repayment and recovery frameworks.

60. The YSD submitted that financial stability interventions must be transparent to maintain public trust and prevent misuse of public-backed liquidity support mechanisms.

### **Committee Observation**

**The Committee acknowledged YSD’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

### **New Proposal**

61. Introduce a statutory cap on CBK emergency exposure and require:

- i. Treasury guarantee backstops for systemic interventions;
- ii. Periodic stress testing reports to National Assembly.

62. The YSD cited that International central banking practice requires clear limits on lender-of-last-resort functions to avoid quasi-fiscal risks.

### **Committee Observation**

**The Committee acknowledged YSD’s proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

### **New Proposal**

63. Amend the Bill to include strict safeguard requiring; -

- i) Annual independent valuation audits of reserve assets;
- ii) Clear asset allocation thresholds for each commodity class;
- iii) National Assembly reporting on reserve performance;
- iv) Risk exposure disclosure frameworks.

64. The YSD submitted that while diversification aligns with global central banking trends (including emerging market reserve strategies), it must be accompanied by strong governance and transparency frameworks to prevent speculative risk exposure.

#### **Committee Observation**

**The Committee acknowledged YSD's proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

#### **New Proposals**

65. The YSD proposed the introduction of a transitional implementation framework of not less than 6 -12 months for affected financial institutions. The YSD submitted that Microfinance institutions in counties like Makueni provide essential credit to SMEs, farmers, and SACCO members. Sudden regulatory changes risk tightening credit access.

#### **Committee Observation**

**The Committee acknowledged YSD's proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

#### **New Proposal**

66. The YSD proposed that the Bill provide for enhanced powers in precious metal transactions and reserves management. The submitted that the Bill provide for:

- i) Public disclosure of annual reserve transactions;
- ii) Independent audit by the Office of the Auditor-General;
- iii) National Assembly committee reporting on reserve strategy.

67. The YSD submitted that given the strategic importance of national reserves, transparency is essential for public trust and economic stability.

#### **Committee Observation**

**The Committee acknowledged YSD's proposal but noted that it would require further stakeholder consultation and research, and that it may be addressed in future legislation.**

#### **Public Hearings at the Counties**

68. In accordance with Article 118(b) of the Constitution and Standing Order 127(3) and 3(A) of the National Assembly Standing Orders, the Committee vide an advertisement dated 30<sup>th</sup> May, 2026 (Annexure 4) invited the public to submit views by way of public hearings in thirteen (13) Counties.
69. The thirteen Counties were: Vihiga, Kiambu, Wajir, Siaya, Makueni, Nairobi, Nyamira, Taita Taveta, Turkana, Bomet, Tana River, Kilifi and Mombasa.
70. During the public hearings exercise, members of the Public were sensitized on the Bill and given an opportunity to engage in public discussion by making oral submissions on the Bill. They submitted as follows:

### **KIAMBU COUNTY**

71. The Committee engaged the residents of Kiambu county on 2<sup>nd</sup> June at the Kiambu National polytechnic. The public was sensitized on the bill and thereafter allowed to give their views.
72. Majority of participants expressed support for the Bill, noting that the proposed amendments to the principal Act would strengthen the Central Bank's emergency liquidity assistance framework and enhance the stability and resilience of the financial sector. Additionally, participants supported the proposal regarding governance and accountability, emphasizing that the appointment of senior officials should be conducted through a transparent process and remain subject to parliamentary vetting and approval to safeguard institutional independence and public confidence.

### **VIHIGA COUNTY**

73. The Committee engaged residents of Vihiga County on 2<sup>nd</sup> June 2026 at Praise Centre Church, Mbale. The public was sensitized on the Clauses of the Bill and thereafter allowed to give their views on the Bill.
74. The residents supported the proposal, noting that it is vital for the law to be updated to reflect emerging developments in the financial sector for stronger regulation of digital lending and protection of consumers from unfair lending practices, thus ensuring that financial sector reforms promote financial inclusion.

### **WAJIR COUNTY**

75. The Committee engaged the residents of Wajir County on 2<sup>nd</sup> June 2026 at the ICT Hall in Wajir town. The public was sensitised to the bill and thereafter allowed to give their views.

76. The majority of the participants supported the Bill, welcoming the amendments in the principal Act that will strengthen the Central Bank's emergency liquidity framework, which could enhance financial sector stability. Some of the participants, however, emphasised that appointments of senior officials should remain transparent and subject to parliamentary approval.

### **SIAYA COUNTY**

77. The Committee engaged residents of Siaya County on 3<sup>rd</sup> June 2026 at Siaya Institute of Technology, Siaya. The public was sensitized on the Clauses of the Bill and thereafter allowed to give their views on the Bill. The residents supported the proposals, noting that they introduce measures aimed at modernizing the financial sector and improving financial regulation.

### **MAKUENI COUNTY**

78. The Committee engaged the residents of Makueni county on 3<sup>rd</sup> June 2026 at the Wote Green Public Park. The public was sensitized on the bill and thereafter allowed to give their views.

79. The Residents welcomed the provisions of the Bill, with the majority expressing support for its introduction and objectives. They recognized the importance of enhancing financial sector stability and commended the proposed measures aimed at strengthening the Central Bank of Kenya's emergency liquidity assistance framework to bolster resilience within the financial system. Additionally, participants expressed support for any amendments or recommendations by the Committee that would contribute to improving the country's fiscal position, stimulate economic growth, and alleviate the cost-of-living pressures faced by citizens.

### **NAIROBI COUNTY**

80. The Committee engaged the residents of Nairobi County on 3<sup>rd</sup> June 2026 at the College of Insurance in South C, Nairobi. The public was sensitized on the bill and thereafter allowed to air their views.

81. The participants welcomed the provisions of the bill, with most of them appreciating the initiative to introduce the bill. They acknowledged the importance of improving the financial sector stability while ensuring that the emergency liquidity framework of the CBK is strengthened enough for stability. Further, the participants welcomed any amendment or proposal by the Committee that is intended to improve the fiscal condition of the country and further lower the cost of living for citizens.

### **NYAMIRA COUNTY**

82. The Committee engaged residents of Nyamira County on 4<sup>th</sup> June 2026 at the West Mugirango NGCDF Hall in Nyamira. The public was sensitized on the Clauses of the Bill and thereafter allowed to give their views on the Bill. The residents proposed that the period of public hearings for complex Bills be lengthened to enable the common *wananchi* to better understand the contents of the Bills for informed decision making.

### **Committee Observation**

**The Committee noted the concern but observed that the National Assembly conducts public participation in accordance with Article 118 of the Constitution and in strict compliance with statutory timelines aimed at ensuring a balance between timely legislation and meaningful public involvement.**

### **BOMET COUNTY**

83. The Committee engaged residents of Bomet County on 5<sup>th</sup> June 2026 at the St. Bakhita Youth Training Hall in Bomet. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill.
84. The residents proposed amending the Bill further to extend the loan repayment periods to individual borrowers in addition to commercial banks. They also proposed an amendment to provide for adequate measures to protect taxpayers from potential losses that could arise from non-payment of the loans extended to commercial banks by the Central Bank of Kenya and any other resultant exposure to the CBK.

### **TAITA TAVETA COUNTY**

85. The Committee engaged the residents of Taita Taveta County on 5<sup>th</sup> June at the NGCDF Mwatate Hall. The public was sensitized on the bill and thereafter allowed to give their views.
86. Residents expressed support for the Bill, acknowledging its role in strengthening the Central Bank of Kenya's capacity to safeguard financial sector stability through an enhanced emergency liquidity assistance framework. However, they emphasized the need for the Central Bank to intensify its oversight and enforcement efforts against non-compliant and predatory lending institutions that engage in exploitative practices detrimental to borrowers. They urged the Bank to make full use of its regulatory and supervisory powers under existing laws to promote consumer protection and responsible lending. Additionally, participants underscored the importance of transparency and accountability in governance, calling for the appointment of senior officials to remain subject to a transparent process and parliamentary vetting and approval.

## **TURKANA COUNTY**

87. The Committee engaged the residents of Turkana County on 5<sup>th</sup> June 2026 at the Turkana University in Lodwar. The public were sensitized on the bill and thereafter allowed to give their views.
88. The majority of the residents supported the Bill; however, the residents called for a serious crackdown on money lending agencies that charge interest that is higher than the principal loan amount. The residents urged the CBK to intensify their crackdown on the rogue agencies using existing laws and regulations to protect borrowers from exploitative lending practices. They also urged the Committee to ensure that appointments of senior officials should remain transparent and subject to parliamentary approval.

## **TANA RIVER COUNTY**

89. The Committee engaged the residents of Tana River County on 6<sup>th</sup> June at the County Hall, where the public was sensitized on the bill and thereafter allowed to give their views.
90. The residents supported the amendments on the Bill citing that it will enhance operational efficiency in the running of the Central Bank. Further, the residents supported the proposal that require the approval by the National Assembly of Persons nominated for appointment as Deputy Governors of the CBK.

## **KILIFI COUNTY**

91. The Committee engaged residents of Kilifi County on 8<sup>th</sup> June 2026 at Coast Development Authority Hall, Kilifi. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill. They submitted as follows:
92. Support the proposal noting that it introduces measures aimed at modernizing the financial sector and improving financial regulation.

## **MOMBASA COUNTY**

93. The Committee engaged the residents of Mombasa County on 8<sup>th</sup> June 2026 at the Tononoka Hall in Mombasa town. The public was sensitised to the bill and thereafter allowed to give their views.

94. The majority of the residents supported the Bill, but there were a few concerns noted. The residents noted that strengthening the Central Bank's emergency liquidity framework could enhance financial sector stability, but emphasized that appointments of senior officials should remain transparent and subject to parliamentary approval. The residents further urged the Committee to ensure that any future proposals should dwell on reducing the cost of living for citizens.

## CHAPTER FOUR

### 4 COMMITTEE OBSERVATIONS

The Committee made the following observations:

#### **(1) Clarification on the mandate of the Bank**

95. The Bill seeks to amend the Central Bank of Kenya Act, Cap. 491, to expressly articulate financial system stability and sound banking regulation as secondary objectives of the Central Bank, without derogating from the primary objective of price stability.
96. While the primary objective of the Bank, price stability, remains paramount, it is necessary to codify the complementary role the Bank plays in promoting integrity, resilience, and proper functioning of the financial system.

#### **(2) Amendment to provide clarity between CBK's liquidity operations and Emergency Liquidity Assistance (ELA)**

97. The Bill seeks to amend the Central Bank of Kenya Act to provide clear statutory separation between liquidity operations undertaken by the CBK for routine monetary policy implementation and Emergency Liquidity Assistance (ELA) provided in exceptional circumstances to preserve financial stability.
98. The amendment therefore averts interpretive ambiguity that may arise particularly in periods of financial stress, provides a clearer statutory separation between these distinct functions, reinforces appropriate safeguards, and aligns the framework with evolving financial stability imperatives and international best practice.

#### **(3) Training and capacity building mandate for the Bank**

99. Training or capacity building by the Central Bank of Kenya is not anchored in the Central Bank of Kenya Act, even though the Bank has been offering capacity building and training through the Central Bank of Kenya Institute of Monetary Studies (CBK-IMS).
100. The amendment therefore provides for internal, national and regional capacity building as well as collaboration, enhancing knowledge dissemination as well as legal clarity and accountability.
101. The Central Bank's functions have evolved to include oversight of complex financial systems, digital infrastructure, cybersecurity, innovation in fintechs, AML/CFT frameworks, as well as cross-border regulatory co-operation. These, in addition to the regulatory mandate, require capacity building within the financial sector, public institutions and other relevant external stakeholders.

102. The amendment also provides legal clarity for inter-governmental and cross-border cooperation as an official function of the Bank.

**(4) Clean-up of section 46A of the Act**

103. The Bill seeks to amend section 46A of the Act by replacing the term “Deposit Protection Fund Board” with “Kenya Deposit Insurance Corporation” to align the Act with the current institutional framework. The Kenya Deposit Insurance Act established the Kenya Deposit Insurance Corporation, thereby replacing the defunct Deposit Protection Fund Board.

**(5) Legal clarity on the powers of the Bank on dealing in gold and other precious metals**

104. The Bill seeks to amend section 27 of the Act to ensure effective implementation of the powers of the Bank to deal in gold, bullion, precious metals and foreign exchange as part of its reserve and market operations functions. The amendment will boost the local mining sector, align with regional counterparts’ practices in Tanzania, Ghana, DRC, and South Africa, and align with international best practices.

**(6) Approval process of the Deputy Governors of the Central Bank of Kenya**

105. The Bill seeks to amend the Central Bank of Kenya Act to require the approval by the National Assembly of persons nominated for appointment as Deputy Governors of the Central Bank of Kenya.

106. The amendment seeks to align the process to Paragraph 10 of Part I of the Fourth Schedule to the Constitution, which assigns the national government the function of “*monetary policy, currency, banking (including central banking), the incorporation and regulation of banking, insurance and financial corporations*”. Further, it seeks to align the approval process for the Deputy Governor with that of the Governor of the Central Bank of Kenya, whose appointment is subject to approval by the National Assembly.

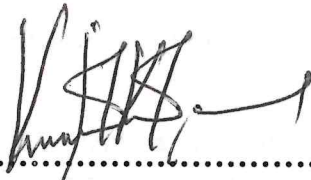
**Amendments to the Bill**

107. The Committee will propose amendments to the Bill to incorporate agreed proposals from stakeholders received during public participation.


**CHAPTER FIVE**

**5 COMMITTEE RECOMMENDATION**

108. The Committee, having considered the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 27 of 2026), recommends that the House **approves the Bill with the amendments contained in the Schedule of Amendments forming Chapter Six of this Report.**

SIGNED..........DATE.....<sup>4</sup> 24 June, 2026.....

**HON. FCPA KURIA KIMANI, CBS, MP  
CHAIRPERSON  
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL  
PLANNING**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>24 JUN 2026</b>	DAY: <b>WEDNESDAY</b>
TABLED BY:	<b>HON. KIMANI KURIA, MP CHAIR, FINANCE COMMITTEE</b>
CLERK-AT THE-TABLE:	<b>RUTHER NGINYO</b>

## CHAPTER SIX

### 6. SCHEDULE OF PROPOSED AMENDMENTS

109. The Committee will propose the following amendments at the Committee Stage—

#### CLAUSE 2

**THAT**, clause 2 of the Bill be amended in the proposed new subsection (2)—

- (a) by deleting the words “promote and” appearing immediately the words “The Bank”;
- (b) by deleting paragraph (a) and substituting therefor the following new paragraph—  
“(a) the stability, resilience, liquidity, solvency, integrity and proper functioning of a market-based financial system; and”

#### Justification

The words “promote” and “foster” creates ambiguity as to which of the two is the object of the Bank. The proposed amendment therefore seeks to provide clarity on the object of the Bank. Further, the amendment seeks to strengthen CBK’s contribution to financial system stability, with express legal provision; clarify and add coherence to CBK’s statutory mandate and maintain consistency with international practice, evolving complexity banking regulation and financial markets oversight.

#### NEW CLAUSE 4A

**THAT**, the Bill be amended by inserting the following new clause immediately after clause 4—

Amendment of section 26  
of Cap. 491.

**4A.** Section 26 of the principal Act is amended in subsection (1)(a) by inserting the words “and any other precious metals” immediately after the word “gold”.

#### Justification

The proposed amendment seeks to introduces the term “and any other precious metals” for harmony, complete alignment, and to align it with proposed amendments to clause 5 where “precious metals” includes silver and platinum under the Mining Act.

#### CLAUSE 5

**THAT**, clause 5 of the Bill be amended in the proposed new subsection (1)—

- (a) by deleting the word “refine” appearing immediately after the word “hold,”;

- (b) by deleting the words “gold coins and bullion, silver, platinum,” appearing immediately after the words “deal in gold,”.

### **Justification**

**The proposed amendment seeks to align the provision with the policy intention that CBK itself will not do any refining but may get into arrangements with licensed refiners to refine the gold doré that may be purchased. This will boost the local mining sector and is aligned with practice in Tanzania, Ghana, DRC, South Africa.**

### **CLAUSE 6**

**THAT**, clause 5 of the Bill be amended in the proposed new section 36—

- (a) in the proposed new subsection (5) by inserting the words “not exceeding five years” immediately after the words “or periods”;
- (b) by inserting the following new subsections immediately after the proposed new subsection (6)—
- “(7) All loans or advances to Banks and microfinance institutions that were granted immediately before the commencement of this Act shall be deemed to have been granted under this Act.”

### **Justification**

**The proposed amendment seeks to provide CBK with flexibility that does not constrain its legal ability to determine how and when liquidity support can be extended to restore viability and protect stability of the banking system. Further, the amendment seeks to provide for a transitional provision for loans or advances granted immediately before the commencement of the Act to provide legal certainty.**

### **CLAUSE 7**

**THAT**, clause 7 of the Bill be amended in the proposed new section 46A by deleting the words “Subject to section 37(1) of the Banking Act,” appearing at the beginning of the proposed new section.

### **Justification**

**Section 37(1) of the Banking Act was repealed hence the amendment seeks to delete its reference in the Bill.**



**THE NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT – FIFTH SESSION - 2026  
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING**

**ADOPTION LIST**

**REPORT ON THE CENTRAL BANK OF KENYA (AMENDMENT) BILL  
(NATIONAL ASSEMBLY NO.27 OF 2026)**

We, the Members of the Departmental Committee on Finance and National Planning have pursuant to Standing Order 199, adopted this Report and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, **Wednesday, 24<sup>th</sup> June 2026.**

S/NO.	NAME	SIGNATURE
1.	HON. FCPA. KURIA KIMANI, CBS, MP - <b>CHAIRPERSON</b>	
2.	HON. FCPA (AMB). BENJAMIN KIPKIRUI LANGAT, MP – <b>VICE CHAIRPERSON</b>	
3.	HON. KALUMA PETER OPONDO, CBS, MP	
4.	HON. GEORGE SUNKUYIA RISA, MP	
5.	HON. FCPA JOSEPH MAERO OYULA, OGW, MP	
6.	HON. ANDREW ADIPO OKUOME, MP	
7.	HON. DAVID MWALIKA MBONI, MP	
8.	HON. CHIFROMODO MANGALE MUNGA, MP	
9.	HON. GATHONI WA MUCHOMBA, HSC, MP	
10.	HON. (CPA) JULIUS KIPLETING RUTTO, MP	
11.	HON. PAUL KIBICHIY BIEGO, MP	
12.	HON. UMUL KER SHEIKH KASSIM, MP	
13.	HON. DR. SHADRACK MWITI ITHINJI, MP	
14.	HON. DR. JOHN ARIKO NAMOIT, MP	
15.	HON. MOHAMED SOUD MACHELE, MP	

