Approved SNA 30/9/26

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

PUBLIC PETITIONS COMMITTEE

CONSIDERATION OF PUBLIC PETITION NO. 2 OF 2026 BY THE HON. GLADYS BOSS, MGH, MP ON BEHALF OF THE RESIDENTS OF UASIN GISHU COUNTY REGARDING PRODUCTION, DISTRIBUTION AND CONSUMPTION OF ILLEGAL ALCOHOLIC BREWS IN THE COUNTRY

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 30 SEP 2026 DAY. Wednesday
TABLED BY: Hon. Janet Sitienei, MP (Vice-Chairperson)
CLERK-AT THE-TABLE: Lomala

NATIONAL ASSEMBLY
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P.O. Box 41842-00100 NAIROBI

Directorate of Audit Appropriations &
General-Purpose Committees
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Main Parliament Buildings
NAIROBI

SEPTEMBER, 2026

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ACRONYMS

ABAK	Alcoholic Beverages Association of Kenya
ACA	Anti-Counterfeit Authority
COG	Council of Governors
EACC	Ethics and Anti-corruption Commission
DCI	Directorate of Criminal Investigations
KRA	Kenya Revenue Authority
KEBS	Kenya Bureau of Standards
NACADA	National Authority for the Campaign Against Alcohol & Drug Abuse
NGAO	National Government Administration Officers
NIS	National Intelligence Service
NPS	National Police Service
ODPP	Office of the Director of Public Prosecutions
PVoC	Pre-Export Verification of Conformity

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the Public Petition No. 2 of 2026 regarding production, distribution and consumption of illegal alcoholic brews in the country.

The petition was presented to the house pursuant to standing order no. 225 (2) (a) by the Hon. Gladys Boss, MGH, MP Member for Uasin Gishu County on behalf of the residents of Uasin Gishu County. The Petitioner prayed that the National Assembly through the Public Petitions Committee investigates the status of implementation of regulations in place to curb production, distribution and consumption of illegal alcohol, determines the cause of the rampant production, distribution, and consumption of illegal alcohol in the country, recommends a multiagency approach to curb the production, distribution and consumption of illegal alcohol; and makes any other recommendations it may deem appropriate to address the plight of the Petitioners.

Upon hearing from the Petitioner, Ministry of Interior and National Administration, Ministry of Investment, Trade and Industry, Council of Governors, Kenya Sugar Board, Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS), National Police Service (NPS), Anti-Counterfeit Authority (ACA), Kenya Association of Manufacturers (KAM) and Alcoholic Beverages Association of Kenya (ABAK), the Committee observed that the alcohol industry accounts for about 4.1% of Kenya's nominal GDP in 2024. In 2025, the total size of illicit trade in Kenya, was estimated at Kshs. 826 billion. Illicit alcohol comprised approximately 59% by volume and 21% by value of the total alcohol market in Kenya in 2022. The fiscal loss attributable to the illegal-alcohol economy was estimated at approximately Kshs. 71 billion in 2022. Established ethanol smuggling routes were identified at Isibania and Shimoni (Kenya-Tanzania), Mbale and Busia (Kenya–Uganda) and Moyale (Kenya–Ethiopia). On average, 18% of products in surveyed sectors are counterfeited, with alcoholic beverages experiencing a prevalence of 19%, second only to automotive spare parts (21%). The Committee observed weak enforcement measures and gaps in the legal framework.

The Committee recommends that the Excise Duty (Remission of Excise Duty) Regulations 2026 be fully operationalized, national-county alcoholic drinks regime be harmonized, amend laws to prescribe stiffer fines for breaches of the law, monitoring and reporting on local ethanol production, enhanced border surveillance, inspection and market surveillance and the anchorage into law of a multi-agency taskforce. The Committee also recommends that the House debates this report.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and

commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1 PREFACE

1.1 Establishment and mandate of the Committee

1) The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

i) considering all public petitions tabled in the House;

ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;

iii) recommending whether the findings arising from consideration of a petition should be debated; and

iv) advising the House and reporting on all public petitions committed to it.

1.3 Committee Membership

2) The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.

Runyenjes Constituency

United Democratic Alliance (UDA)

Vice Chairperson
Hon. Janet Jepkemboi Sitienei, M.P
Turbo Constituency
United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Edith Vethi Nyenze, M.P.

Kitui West Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency
United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
Dagoretti North Constituency
Orange Democratic Movement (ODM)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency
United Democratic Alliance (UDA)

Hon. Paul Biego Kibichiy. M.P

Chesumei Constituency

United Democratic Alliance (UDA)

Hon. Bernard Muriuki Nebart, M.P.

Mbeere South Constituency

Independent

Hon. Patrick Munene, CBS, M.P.

Chuka Igambang'ombe Constituency
United Democratic Alliance (UDA

Hon. John Bwire Okano, M.P.
Taveta Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency
Jubilee Party (JP)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency
United Democratic Alliance (UDA)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency
United Democratic Alliance (UDA)

1.4 Committee Secretariat

3) The secretariat comprises the following officers:

Mr. Victor Weke

Principal Clerk Assistant II

Ms. Miriam Modo

Clerk Assistant I

Mr. Bernard Toroitich

Clerk Assistant III

Ms. Kafuyai Wamae

Clerk Assistant III

Mr. Clinton Sindiga

Legal Counsel

Ms. Nancy Ouma

Research Officer III

Ms. Viola Saiya

Research Officer III

Mr. Collins Mahamba

Audio Officer

Ms. Fridah Ngari

Media Relations Officer

Ms. Felister Muiya

Public Communications Officer

Ms. Roselyne Njuki

Principal Sergeant at Arms

Mr. Paul Shana

Sergeant at Arms

PART TWO

2 BACKGROUND OF THE PETITION

2.1 Introduction

4) Public Petition No. 2 of 2026 regarding production, distribution and consumption of illegal alcoholic brews in the country was presented to the House on 25th February 2026 by the Hon. Gladys Boss, MGH, MP member for Uasin Gishu County on behalf of the residents of Uasin Gishu County.

5) The production, distribution and consumption of illicit alcoholic brews in the country has continued to cause serious public health, social and economic harm, including deaths, disabilities, addiction, family breakdown, poverty and increased crime.

6) The Alcoholic Drinks Control Act, Cap. 121 was enacted in 2010 to regulate the manufacture, sale, distribution and consumption of alcoholic drinks and to provide for treatment, rehabilitation and enforcement mechanisms.

7) The Petitioner submitted that despite the existence of this law, illicit alcohol trade remains rampant, evidenced by continued deaths, counterfeit alcoholic brands, unlicensed liquor outlets, underage drinking and widespread adulteration of alcohol products.

8) Uasin Gishu County has been significantly affected by this menace, with recurrent incidents of alcohol poisoning, hospital admissions and loss of life linked to illicit brews and adulterated second-generation alcohol, particularly among vulnerable communities.

9) This problem is widespread across the country and has, in the past, resulted in national tragedies involving toxic brews such as the infamous Kumi Kumi, necessitating urgent State intervention. These challenges are largely attributable to weak and inconsistent implementation of the law, inadequate enforcement capacity, regulatory gaps, and limited public awareness.

10) The National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) is mandated to coordinate alcohol and drug abuse prevention, public education, research and inter-agency collaboration, yet concerns remain regarding the effectiveness of these functions.

11) There are allegations of insufficient monitoring and oversight of licensed manufacturers and distillers of second-generation alcohol by regulatory agencies, including the Kenya Revenue Authority (KRA) and the Kenya Bureau of Standards (KEBS). The absence of robust quality control systems, product traceability mechanisms and distribution oversight has allowed unsafe and counterfeit alcoholic products to enter the market.

12) The regulation of alcohol remains inadequate, with high local production costs and weak border surveillance encouraging smuggling and diversion of ethanol for use in illicit

brewing. Further, alcohol being a hazardous and flammable substance, is often transported and handled in small, unregulated quantities, facilitating illegal alcohol production and posing serious safety risks.

13) Efforts to have these issues addressed by relevant institutions have yielded unsatisfactory outcomes.

14) The matters raised in this Petition are not pending before any court of law, constitutional body or other legal institution.

2.2 Petitioner's Prayers

15) The Petitioners pray that the Committee investigates the matter and recommends that;

i) Investigates the status of implementation of regulations in place to curb production, distribution and consumption of illegal alcohol;
ii) Determines the cause of the rampant production, distribution, and consumption of illegal alcohol in the country;
iii) Recommends a multiagency approach to curb the production, distribution and consumption of illegal alcohol; and
iv) Makes any other recommendations it may deem appropriate to address the plight of the Petitioners.

PART THREE

3 STAKEHOLDERS' SUBMISSIONS

3.1 The Petitioner

The Member for Uasin Gishu County, Hon. Gladys Boss, MGH, MP appeared before the Committee on Thursday, 9th April 2026, and submitted that -

16) The widespread availability of ethanol, which is a key ingredient in the production of illicit alcohol, has significantly contributed to the increasing cases of alcohol abuse and the proliferation of unsafe alcoholic products in the market.

17) The ease with which ethanol can be accessed by unauthorized individuals and illegal brewers has undermined efforts aimed at regulating the alcohol industry and protecting public health. This situation has exposed many consumers to harmful substances and heightened the risk of severe health complications associated with the consumption of illicit brews.

18) There is therefore an urgent need for strict adherence to the legal and regulatory requirements governing the transportation of ethanol, particularly within Kenya. Licensing procedures for the transportation and handling of ethanol must be fully enforced to prevent diversion of the substance into the illegal alcohol market.

19) Relevant regulatory agencies should strengthen monitoring, inspection, and enforcement mechanisms to ensure that only authorized entities are permitted to transport ethanol and that all transportation activities comply with the applicable laws and regulations.

20) In addition, locally produced, artisanal, and home-brewed alcoholic beverages have continued to pose a major public health concern due to their inconsistent and often excessively high alcohol content. Unlike standardized commercial alcoholic products, these beverages are rarely subjected to proper testing and quality assurance processes, resulting in highly volatile Alcohol by Volume (ABV) levels. The lack of regulation and standardization exposes consumers to unpredictable alcohol concentrations, which can lead to severe intoxication, poisoning, and other serious health risks.

21) To enhance accountability and consumer safety within the alcohol manufacturing sector, all alcohol manufacturers should be required to establish fully functional production facilities equipped with quality control laboratories. Such facilities would enable manufacturers to conduct regular testing and ensure that products meet the prescribed safety and quality standards before being released into the market.

22) Furthermore, manufacturers should maintain comprehensive documentation of their entire distribution chain to facilitate effective traceability of alcoholic products from the point of production to the final consumer. This would strengthen regulatory oversight, curb the circulation of illicit alcohol, and improve the ability of authorities to respond swiftly in cases involving unsafe or counterfeit alcoholic beverages.

3.2 Anti-Counterfeit Authority

Dr. Robi King'a, PhD, The Chief Executive Officer, Anti-Counterfeit Authority appeared before the committee Wednesday, 29th April 2026 submitted that -

23) A 2023 study commissioned by the Alcoholic Beverages Association of Kenya (ABAK) and undertaken by Euromonitor International, the most authoritative recent sizing of this market, found that:

   i) Illicit alcohol comprised approximately 59% by volume (898,478 hectolitres of alcohol equivalent) and 21% by value (KES 67 billion) of the total alcohol market in Kenya in 2022;

   ii) The fiscal loss attributable to the illegal-alcohol economy was estimated at approximately KES 71 billion in 2022, with the greatest leakage emanating from distilled spirits;

   iii) Of the four illicit categories, illicit artisanal brews accounted for 66% of total volume, tax leakage for 16%, counterfeit and illicit brands for 15%, and contraband/smuggling for 4% — a sobering portrait of a multi-headed problem;

   iv) Established ethanol smuggling routes were identified at Isibania and Shimoni (Kenya-Tanzania), Mbale and Busia (Kenya–Uganda) and Moyale (Kenya–Ethiopia), with smugglers concealing 200-litre drums and 20–40-litre jerrycans within cover cargo, on motorcycles, and through panya routes.

24) The regulation of raw ethanol — that is, extra-neutral alcohol, denatured spirits, undenatured ethyl alcohol and similar industrial spirits, including their importation, manufacture, taxation, denaturation and conditional release — is, by operation of law, vested principally in the Kenya Revenue Authority (under the Excise Duty Act, 2015, the East African Community Customs Management Act, 2004 and the Tax Procedures Act, 2015) and the Kenya Bureau of Standards (under the Standards Act, Cap. 496);

25) Sugar millers and standalone distilleries — which produce molasses-based ethanol as a co-product of sugar manufacturing, are licensed and supervised by the Kenya Sugar Board under the Sugar Act, 2024 in respect of cane and molasses operations, and by KRA in respect of the excise treatment of the resulting ethanol;

26) The Authority's engagement with ethanol — arises at the moment ethanol is unlawfully diverted into the manufacture of counterfeit branded alcohol, that is, where ethanol becomes the input for products that infringe the registered intellectual property rights of legitimate brand owners. At that interface, ACA enforcement is fully engaged.

Key Milestones of the Authority;

27) Operationalization (2010): Full operationalization of the Anti-Counterfeit Act, Cap 510 with the establishment of the Authority's Secretariat and Board.

28) Statutory expansion (2018): Amendment of the Anti-Counterfeit Act, Cap 510 through the Statute Law (Miscellaneous Amendments) Act, 2018, expanding the mandate of the Authority to include the recordation of intellectual property rights for imported goods.

29) Recordation system (2021 onwards): Roll-out of the mandatory IPR Recordation Programme, requiring importers of branded goods to record their rights with the Authority before importation. The system has been progressively integrated with KRA's iCMS for risk-based profiling at ports of entry.

30) Multi-Agency Team participation: Active participation in the National Multi-Agency Team on Illicit Trade, including the Office of the President-led joint operations against illicit alcohol announced under the present Administration.

31) Local strategic partnerships: Active collaboration with key local partners in the alcohol value chain and consumer-protection ecosystem, including the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), the Kenya Association of Manufacturers (KAM), the Alcoholic Beverages Association of Kenya (ABAK) and the Bar Hotels Liquor Traders Association (BAHLITA), in support of joint enforcement, sensitization and self-regulation initiatives.

32) Strategic Plan 2023–2027: Adoption and implementation of an intelligence-led, technology-enabled enforcement strategy with measurable performance contract indicators.

33) Forensic laboratory programme: Ongoing engagement with the Indian High Commission in Kenya and the Rashtriya Raksha University under the ITEC Programme to establish an Anti-Counterfeit Forensic Analysis Laboratory to support investigations and prosecutions, including chemical fingerprinting of seized alcohol.

34) International partnerships: Sub-regional training in November 2025 with the World Intellectual Property Organization and the Japan Patent Office on IP enforcement; and an emerging engagement with the React Group, an international brand-owner umbrella body.

35) The Authority in Financial Year 2025/2026 recorded the following;

Indicator	Q1 FY25/26	Q2 FY25/26	Q3 FY25/26
Inspections conducted	2,680	2,331	2,307
IPR cases actioned	41	52	50
Suo motu cases opened	49	46	38
Value of counterfeit goods seized (KES)	158,760,249	264,697,638	140,109,450
AIA (Appropriation-in-Aid) collected (KES)	1,385,927	2,091,768	2,830,919
Compounding cases	29	32	43

36) Cumulatively, the value of counterfeit goods held under safe custody at the Authority's gazetted depots in Athi River (two depots), Mombasa, Eldoret, Kisumu, Nyeri, Inland Container Depot Nairobi (ICDN) and Jomo Kenyatta International Airport (JKIA) stand at approximately KES 1.78 billion as at the close of Q3 FY 2025/26.

37) In addition, in Q2 and Q3 of FY 2025/26, the Authority rolled out alcohol-focused public sensitization forums reaching over 600 opinion leaders across the counties of Kiambu, Nairobi, Nakuru, Bungoma, Kakamega and Kisumu. Participants were drawn principally from the National Government Administration Officers (NGAOs), and additionally from parastatals and business representatives, with several forums convened in collaboration with NACADA, ABAK and BAHLITA. These engagements were calibrated to mobilize grassroots reporting, demystify product authentication, and entrench community-level vigilance against illicit and counterfeit alcohol.

38) Pursuant to a meeting at the Office of the President chaired by the Cabinet Secretary for Interior and National Administration on Alcohol and Drug Abuse, and within the framework of the Multi-Agency Command Team, the Authority undertook a series of intensified enforcement operations targeting counterfeit alcoholic beverages between January and 14th April 2026, with the following outcomes:

i) Targeted intelligence-led inspections conducted: 13;
ii) Counterfeit alcohol seized: 14,930 pieces;
iii) Approximate value of seizures: KES 4 million;

iv) Brands implicated by infringement included Zheng Hong Distillers, Patiala Distillers, Two Cousins, Manchester Distillers, Keroche Breweries Ltd, and Rift Valley Brewing Company Ltd.

39) In addition, in Q3 of FY 2025/26, the Authority's alcohol-and-beverages-related seizures stood at KES 10,748,050, representing a continuing operational focus on this category alongside other priority sectors.

Challenges Across the Illegal-Alcohol Value Chain

Production-Side Challenges

40) On average, 18% of products in surveyed sectors are counterfeited, with alcoholic beverages experiencing a prevalence of 19%, second only to automotive spare parts (21%) (Firm-Level Survey, 2024);

41) Within the alcoholic drinks segment, gin and vodka emerged as the most affected products at the firm level, while at the consumer level wine (50.12%), beer (47.44%), whiskey (42.68%) and vodka (36.95%) were reported as the most counterfeited categories;

42) The proliferation of back-yard and clandestine distilleries, often operating without potable-water access, sanitation or quality controls, results in products contaminated with methanol, formalin and pesticide residues — a recurrent cause of mass casualties in our communities;

43) Diversion of industrial ethanol — including molasses-based ethanol from sugar millers and imported denatured spirits — into clandestine production lines, frequently exploiting weaknesses in denaturation and tracking;

44) Production of high-quality bottles, caps, security seals and counterfeit excise stamps domestically and through imports, which lowers the technical barrier to entry for counterfeiters.

Distribution-Side Challenges

45) Porous borders with multiple recognized illicit entry points, including Isibania, Shimoni, Busia, Mbale, Malaba, Lwakhakha, Namanga, Lunga Lunga and Moyale, exploited for smuggling of finished spirits and ethanol;

46) Sophisticated concealment techniques: 200-litre drums and 20–40-litre jerrycans secreted within cover cargo, motorcycles ferrying small consignments along panya routes, and false declaration of consignments at official entry points;

47) Refilling of genuine bottles with sub-standard liquor at retail level, sometimes with the connivance of unscrupulous bar operators, defeats consumer trust in even visually authentic packaging;

48) Rapid migration of counterfeit alcohol marketing to online platforms and social-media channels, including WhatsApp business groups, where the Authority's investigative reach is constrained by current statutory provisions;

49) Fragmentation of retail licensing across 47 County Governments, with uneven enforcement of the Alcoholic Drinks Control Act, 2010 and respective County Acts, creating arbitrage opportunities for illicit traders;

50) Allegations of corruption and complicity along distribution and enforcement chains — a concern the Authority takes with the utmost seriousness and which calls for joint integrity safeguards across the multi-Agency Team

Consumption-Side and Public-Health Challenges

51) Direct consumer testimony, documented in the PIRA Report, 2025, of severe illness and harm following consumption of counterfeit and adulterated alcohol; and historical national experience of mass-casualty events in Kibwezi, Kakamega, Kiambu and elsewhere occasioned by methanol-laced brews;

52) Affordability pressures driven by the price differential between licit and illicit alcohol, exacerbated by economic strain on households;

53) Significant gaps in consumer awareness regarding the legal consequences of purchasing illicitly traded goods, as documented in the Consumer-Level Survey, 2025;

54) Underage and high-volume consumption of cheap, high-strength illicit spirits, with attendant social, health and productivity consequences;

55) Limited access to verified product-authentication tools at the point of sale, particularly in rural and peri-urban areas.

Institutional and Capacity Constraints at ACA

56) Mobility constraints occasioned by frequent breakdown of enforcement vehicles, particularly during Q3 FY 2025/26;

57) Staff attrition and unfilled positions at critical border posts including Busia, Malaba, Namanga, Lunga Lunga, Moyale and JKIA;

58) Absence, to date, of an in-house Anti-Counterfeit Forensic Analysis Laboratory, obliging the Authority to rely on external laboratories with attendant delays in evidence turnaround;

59) Need for insurance cover for the cumulative KES 1.78 billion in counterfeit goods held at the Authority's gazetted depots, to mitigate against loss, damage or destruction;

60) Constrained budgetary ceiling, with reliance on Exchequer support and modest Appropriation-in-Aid (AIA) collections that, taken together, are insufficient for the scale of the menace.

Statutory and Procedural Gaps

61) The Anti-Counterfeit Act, Cap 510 is, in some respects, ill-adapted to the realities of digital marketplaces, e-commerce and social-media-based distribution of counterfeits;

62) Penalties under section 35 of the Act, while not inconsiderable, are not viewed by trade and consumer respondents as a sufficient deterrent in light of the profitability of the illegal-alcohol economy;

63) Compounding of offences under section 36 of the Act requires statutory guidelines for consistency, transparency and proportionality — a matter the Authority is presently addressing internally;

64) The absence of a single, statutory multi-agency framework with clearly defined Key Performance Indicators, dedicated funding and joint reporting lines impedes the seamless coordination of KRA, KEBS, ACA, NACADA, PPB, the Government Chemist, the Kenya Sugar Board, DCI, ODPP and the County Governments;

65) Absence of statutory provision for the chemical fingerprinting of ethanol at production, which would allow forensic tracing of diverted batches back to source.

Sustainable Financing Mechanisms

66) Anti-Counterfeit Levy: Establishment of a modest, ring-fenced Anti-Counterfeit Levy on the recordation of intellectual property rights for imported goods, payable annually by recordation holders, with proceeds appropriated directly to the Authority through a statutory Fund.

67) Retention of Appropriation-in-Aid (AIA): Statutory authorization for the Authority to retain, in full, the Appropriation-in-Aid collected from compounding fees, destruction fees and complaint fees, in lieu of remittance to the Consolidated Fund, to fund operations of the Enforcement and Forensic directorates.

68) Forfeiture proceeds: Amendment of section 38 of the Anti-Counterfeit Act, Cap 510 to provide for the proceeds of forfeiture of counterfeit goods (and the equipment used in their manufacture) to be paid into a dedicated Anti-Counterfeit Fund, in line with the model of the Asset Recovery Authority under the Proceeds of Crime and Anti-Money Laundering Act, 2009.

69) Hypothecation of a fraction of recovered excise: Subject to negotiation with the National Treasury and KRA, hypothecation of an agreed fraction (for instance, 1–2%) of excise duty recovered through joint enforcement operations to fund the Multi-Agency Team's operations.

70) Donor and bilateral partnerships: Active pursuit of bilateral and multilateral funding (WIPO, JPO, EU, USAID, the Indian ITEC Programme, FCDO and the World Customs Organization) earmarked for forensic infrastructure, training and digital systems.

Capacity and Infrastructure Investments

71) Operationalization of the Anti-Counterfeit Forensic Analysis Laboratory: A dedicated capital allocation, in the next Supplementary Estimates, for equipment, accreditation (ISO/IEC 17025) and skilled personnel for the laboratory, with a satellite mobile unit for field deployment.

72) Fleet renewal and maintenance: A three-year fleet renewal programme to address vehicle breakdowns documented in Q3 FY 2025/26, prioritizing border posts and regional offices.

73) Border-post strengthening: Filling of staff vacancies, deployment of body-worn cameras for officer integrity, and the establishment of intelligence cells at Busia, Malaba, Namanga, Lunga Lunga, Moyale, Isibania and Lwakhakha, jointly with KRA and the Border Management Secretariat.

74) Depot insurance and modernization: Statutory provision for the insurance of goods at the Authority's gazetted depots, currently valued cumulatively at KES 1.78 billion, and modernization of depot infrastructure (CCTV, biometric access and electronic chain-of-custody).

75) Digital transformation: Full integration of the Authority's recordation platform with KRA's iCMS, KEBS' conformity assessment systems, KIPI's IP register, NACADA's licensing database and the County Single Business Permit systems, leveraging the Government Common Connectivity Network.

76) Specialized prosecution unit: Establishment, jointly with the Office of the Director of Public Prosecutions, of a Specialized Anti-Counterfeit and Illicit Trade Prosecution Unit to handle complex matters arising from joint operations.

77) Anti-Counterfeit Training Academy: Establishment of an Anti-Counterfeit Training Academy as a flagship project of the Authority under the Fourth Medium Term Plan (MTP IV) within the thematic area of Industrial Property protection. The Academy will serve as the country's premier centre of excellence for capacity building of inspectors, prosecutors, customs officers, judicial officers, brand-protection professionals and county enforcement officers in counterfeit detection, intelligence-led enforcement, forensic evidence handling and IPR adjudication.

78) Roll-out of the Anti-Counterfeit Security Device (Security Seal) under section 34B of the Anti-Counterfeit Act, Cap 510: It is high time the Authority operationalized, in full, the special device contemplated under section 34B of the Anticounterfeit Act, Cap 510 as read with the Anti-Counterfeit (Recordation) Regulations, 2021 (Legal Notice No. 118 of 2021),

being a certification mark in the form of an anticounterfeit security device (security seal/mark) issued by the Authority and affixed to products at the point of importation or manufacture. As a priority measure to curb counterfeiting, the Authority proposes the mandatory affixation of this security mark on locally produced and imported alcohol, and progressive extension to other targeted goods that materially affect the health and safety of citizens (including pharmaceuticals, agro-inputs, cosmetics, electrical accessories and food items). Goods that do not bear the prescribed security device shall be liable to seizure and destruction in accordance with the Act.

Law Reform Proposals

79) Anti-Counterfeit Act, Cap 510 — Targeted Amendments

i) Expanding the definition of "counterfeit" to expressly include refilled, tampered or otherwise compromised genuine packaging, in addition to imitations;

ii) Conferring statutory powers of takedown and de-listing in respect of online and social media platforms used for the marketing of counterfeit goods, with appropriate safeguards;

iii) Enhancement of penalties under section 35 to a level commensurate with the profitability of the trade, including mandatory minimum penalties for repeat offenders;

iv) Introduction of corporate criminal liability for directors and beneficial owners of entities engaged in counterfeit production;

v) Statutory compounding guidelines under section 36 to ensure consistency, transparency and proportionality in the resolution of cases;

vi) Express provision for the chemical fingerprinting of seized alcohol and the admissibility of forensic evidence so produced;

vii) Establishment of a dedicated Anti-Counterfeit Fund, fed by levies, AIA, donor receipts and forfeiture proceeds, ring-fenced for the Authority's mandate.

80) Excise Duty Act, 2015 and Related Tax Statutes

i) Mandatory geo-fenced electronic movement permits for ethanol consignments above a defined threshold, integrated with the Excisable Goods Management System (Digital Tax Stamps);

ii) Statutory denaturation requirements for all non-potable industrial ethanol at the point of production, with denaturants of a kind that cannot be readily removed by clandestine processes;

iii) Real-time production-volume reporting from licensed distilleries to KRA and ACA, with statutory penalties for under-declaration;

iv) Strengthened controls on the conditional release of ethanol pending verification of end use.

81) Standards Act, Cap. 496

i) Strengthening of the Kenya Standards on potable spirits (KS EAS 122) and on denatured ethanol, including methanol-content thresholds and tamper-evident packaging requirements;

ii) Mandatory pre-export verification of conformity (PVoC) for all imported spirits and ethanol;

iii) Statutory powers of seizure and condemnation of sub-standard alcohol at retail level, with cost recovery from the offender.

82) Alcoholic Drinks Control Act, 2010

i) Harmonization of the national Act with the 47 County Alcoholic Drinks Control Acts to eliminate arbitrage opportunities;

ii) Provision for joint inspections by national agencies and County licensing officers, with shared data and interoperable licensing registers;

iii) Tightening of provisions on the manufacture, sale and distribution of artisanal brews, including mandatory chemical testing for any product offered for commercial sale;

iv) Statutory recognition of community-based reporting mechanisms (Nyumba Kumi, chiefs' barazas) as legitimate sources of intelligence.

83) Sugar Act, 2024

i) Express provision for the licensing, monitoring and quarterly reporting by sugar millers of all molasses-based ethanol production;

ii) Mandatory disclosure of buyers, end-users and movement of ethanol consignments to KRA, KEBS and ACA;

iii) Joint inspection powers between the Kenya Sugar Board, KRA and ACA in respect of distilleries co-located with sugar mills.

84) New Statutory Framework: Multi-Agency Committee on Illicit Trade

i) The enactment of a Multi-Agency Committee on Illicit Trade Act (or, in the alternative, the insertion of a Part into the Anti-Counterfeit Act, Cap 510) to anchor in statute a permanent inter-agency body, with the following minimum elements:

ii) Statutory composition drawn from KRA, KEBS, ACA, NACADA, PPB, the Government Chemist, the Kenya Sugar Board, DCI, NPS, ODPP, the Border Management Secretariat and the Council of Governors;

iii) Clearly defined Key Performance Indicators, including levels of successful prosecutions, value of seizures, and reduction in market prevalence;

iv) A dedicated Secretariat hosted on a rotational basis, with shared intelligence and case management systems;

v) A dedicated Multi-Agency Fund and statutory provision for the rotational secondment of officers across member agencies;

vi) Annual reporting to Parliament under Article 95 of the Constitution.

Prayers for Parliamentary Intervention

85) The Authority humbly and respectfully prays that the Committee;

i) Recommends the establishment, in statute, of a permanent Multi-Agency Committee on Illicit Trade.

ii) Refer the legislative proposals stated above to the relevant Departmental Committees of the House for processing in line with Standing Orders 114 and 117;

iii) Endorse the financing and capacity proposals above for incorporation in the next Budget Policy Statement and Supplementary Estimates, including the establishment of a dedicated Anti-Counterfeit Fund;

iv) Recommend joint county-national harmonization of the Alcoholic Drinks Control regime through engagement with the Council of Governors and the Senate;

v) Issue, in such manner as it may deem fit, directions to the Ministry of Investments, Trade and Industry (the State Department for the time being responsible for the mandate of the Anti-Counterfeit Authority), KRA, KEBS, the Kenya Sugar Board, NACADA, the Pharmacy and Poisons Board, the Government Chemist and ACA to render coordinated and time-bound responses to the prayers of the petitioners; and

vi) Provide such further or other relief as the Committee may deem just and expedient in the circumstances.

86) In concluding the Authority stated it is alive to the fact that the loss of even a single Kenyan life to illegal alcohol is one too many. The authority is equally, alive to the fact that the integrity of intellectual property regime, the buoyancy of excise revenue, the competitiveness of the manufacturing sector, the safety of households and the reputation of the Republic before our regional and international partners are all bound up in the manner in which collectively confront this menace.

3.3 Kenya Association of Manufacturers

Mr. Tobias Alando, The Chief Executive Officer, Kenya Association of Manufacturers, appeared before the Committee on Wednesday, 29th April 2026 and submitted as follows;

87) The Alcohol Industry forms part of the "Manufacture of food, beverages and tobacco" sub-sector.

88) There are more than 15 manufacturers of alcoholic beverages in Kenya producing a range of products such as beer, wine and spirits.

89) The Alcohol Industry accounts for about 4.1% of Kenya's nominal GDP in 2024 (valued at approximately Ksh 660.01 billion) and a major contributor to tax revenue through excise and import duties, with alcoholic beverages generating approximately Ksh. 48.61 billion in excise revenue in 2024 (Beer: Ksh 29.07 billion; wines and spirits: Ksh. 19.53 billion).

An overview of illicit trade in Kenya

90) Illicit Trade generally, may be defined as any form of trade that infringes the rules, laws, regulations, licenses, taxation systems, and all procedures that countries use to organize trade, protect citizens, raise standards of living and enforce codes of ethics.

91) The concept extends to money, goods or value gained from illegal or otherwise unethical activity; and includes all actions or conducts intended to facilitate such activities.

92) Illicit trade is a major challenge globally and not only peculiar to Kenya and affects all locally manufactured products.

93) Illicit trade is classified in broad categories which include - Counterfeit Goods and Currencies: Imitation goods (pirated products); Smuggled/Undervalued Goods: Goods that bypass customs control or are wrongly declared; and Substandard Goods: Products that do not meet quality standards.

94) In 2025, the total size of illicit trade in Kenya, was estimated at Ksh. 826 billion, having risen from Ksh. 726 billion in 2017.

95) The negative impact on industry is being transmitted through loss of market share by legitimate businesses, loss of investment opportunities and jobs.

96) In 2017, tax revenue loss was estimated at Ksh. 129.72 billion and Ksh. 153.1 billion in 2018.

97) The Anti-Counterfeit Authority (ACA), in its consumer-level survey report for 2025 found that the general awareness of counterfeiting in the country was relatively high at 83.85%, with significant regional variations. For instance, Busia (98%) and Machakos (90.8%) reported the highest awareness levels, while Garissa (66.7%) and Mombasa (63.6%), lagged behind providing an opportunity to target more awareness in other Counties.

98) Regarding sector-specific awareness the findings in the aforementioned ACA report (2025) it was revealed that consumers are most informed about counterfeiting in agriculture

(39.52%), alcoholic drinks (36.57%), and cosmetics (33.99%), whereas awareness was significantly lower in the paper and board (8.97%) and timber (5.13%) sectors.

99) On channels for information, consumers primarily gained information from brand knowledge (70.87%) and advertisements (54.28%), but the limited reach of ACA forums (8.61%) highlighted the need for alternative outreach strategies.

Key issue at a glance

100) Illicit alcohol continues to dominate segments of the market due to a significant economic imbalance; legal alcohol is heavily taxed and regulated while illicit alcohol is untaxed, unregulated, and cheaper.

101) This creates a strong incentive for both producers and consumers to operate outside the law, demonstrated below;

Case 1

Sample cost comparison - Illustrative Cost Structure (250ml Spirit) for spirits

Cost Component	**Legal Product**	**Illicit Product**
Production Cost	Ksh. 70	KSh 30–50
Excise Duty	Ksh. 120+	0
VAT (16%)	Ksh. 30	0
Compliance Costs	Ksh 20–50	0
Distribution	Ksh. 50	Minimal
Retail Price	**Ksh. 250–300**	**KSh 50–100**

102) As long as this price gap exists, illicit alcohol will remain attractive to consumers. For instance, currently licensed first-generation brewers are subjected to excessive monitoring (flowmeters, cameras, shakedowns) at the expense of tackling illicit spirits, which are often sold at retail, in broad daylight, at pricing impossible to achieve when properly taxed.

103) Legitimate tax paying businesses are struggling to compete with illicit products that are often 38% - 80% cheaper because they do not comply with tax laws or safety regulations.

104) The high taxes & consumer pricing on legal alcohol drive low-income consumers towards cheap, dangerous illicit alternatives.

Case 2

105) Low Alcohol by Volume (ABV) products are taxed (beer, wine, cider) at Ksh. 22.5 per centilitre are taxed twice as much as high alcohol products (spirits) at Ksh. 10 per centilitre making adulteration of spirits more prevalent.

106) High taxation in Kenya makes prices of alcoholic beverages in Kenya higher compared to those of the EAC counterparts as the Figure below shows;

Category	Uganda	Kenya	Tanzania
Spirits	***Local*:** 60% or UGX 1700 per litre whichever is higher ***Imported*:** 80% or UGX 1700 per litre whichever is higher	KES 10 per cl of pure alcohol	***Local*:** 4,003.00 TZS / Litre ***Imported*:** 4,411.06 TZS / Litre
Ethanol @96% ABV	80% or UGX 1700 per litre whichever is higher	KES 500 per litre	***Imported*:** TZS 5,000/L ***Locally*:** TZS 4,000/L.
Ready to Drink (RTD)	60% or UGX 1700 per litre whichever is higher	KES 22.5 per cl of pure alcohol	***Local*:** TZS 2,491.45/L ***Imported*:** 4,411.06 TZS / Litre
Beer	***Malt Beer:*** 60% or UGX 2050 per litre ***≥75% LRM:*** 30% or UGX 900/litre ***Local Barley:*** 30% or UGX 950/litre ***Opaque beer:*** 10% or UGX 150/litre ***Imported Beer:*** 60% or UGX 2,050/litre	***Non-LRM:*** KES 22.5 per cl of pure alcohol ***LRM ≥75%:*** 80% remission applies	***100% LRM*:** TZS 550/L ***100% Local Malt*:** TZS 630/L ***Imported Malt/LRM*:** TZS 928/L ***Imported Beer*:** TZS 978.9/L

Summary of proposals

107) The following is recommended;

i) Tax rationalization (Priority Intervention) to reduce demand for illicit alcohol such as:

- Review of excise duty introducing tiered taxation based on alcohol content to reduce extreme price differences.

- Fast track the publishing of the Draft excise duty (remission of excise duty) regulations 2025 to make the prices of alcoholic beverage affordable to consumers. The price is one of the key factors leading people to consume illicit alcoholic beverage.
- Tax is not harmonized within EAC thus people can smuggle products from other partner states. There is need to have excise on alcohol in the EAC at a uniform range to avoid smuggling.

ii) Support in production and regulation of affordable legal local alternatives; Kenya has over 50 traditional beers (Changaa (popular in Nairobi/Central/Rift Valley and Nyanza/Western regions), Muratina (popular in Central Kenya region), Karubu (popular in Eastern/Ukambani region), Busaa (popular in Nyanza/Western and Rift Valley region), Mnazi (popular in Coast region) made from indigenous Kenyan agricultural inputs and having a relatively low alcohol content. Yet no traditional brewer has achieved full legalization (retail, hospitality, export, etc.). These products can beat illicit brews in fair market competition.

iii) Enhanced traceability Systems by introducing end-to-end track-and-trace systems and enabling consumer verification using mobile-based tools.

iv) Control of transport & distribution by licensing all transporters, introducing electronic cargo tracking and enforcing proper packaging and documentation.

v) Conduct national campaigns on dangers of illicit alcohol:

- Promote safe, regulated alternatives
- Industry–Government Collaboration
- Strengthen engagement through Kenya Association of Manufacturers (KAM)
- Improve data sharing and reporting systems

vi) Create an enduring multi-agency institutional framework.

108) There is need to clearly define illicit alcohol. There are 3 broad types of illicit alcohol:

- Poor quality (substandard) products– such as *chang'aa* or ethanol laced with drugs or ethanol with heavy impurities such as methanol in high levels or blended with unhygienic traditional brews.
- High quality alcoholic drinks that have evaded taxes and hence reaches the consumer at low prices (this encourages overconsumption, underage drinking & sprouting of unlicensed liquor outlets since the product has high profit margins).
- Counterfeit and contraband – This is the unauthorised representation of registered trademarks with the view of deceiving the purchaser is buying the original goods.

109) There is need for the government to adopt the true definition of second-generation. If the true definition is adopted, a ban of importation of second - generation alcohol would solve part of the problem.

i) First Generation Ethanol: typically derived from food crops like corn or sugarcane (molasses). Production process involves the fermentation of sugars present in these food crops to produce ethanol. Ethanol produced here is food grade and safe.

ii) Second Generation Ethanol: produced from non-food sources such as agricultural residues, wood chips, or energy crops like switchgrass. Production process utilizes advanced technologies like cellulosic bioconversion to break down cellulose and hemicellulose into sugars for fermentation into ethanol. Ethanol produced here is not food-grade. It is normally produced as a biofuel.

110) Compliance with NEMA extended producer responsibility to control the re-use of packaging bottles for illicit liquor. Shift from disruptive enforcement in favour of collaborative approach with sector players and enforcement institutions under the multi-agency team to embrace multiple counts of offenses in a single charge sheet for prosecution purposes to ensure perpetrators get stricter penalties in a court of law.

111) Create sustainable and well-resourced public-private frameworks to fight illicit trade.

3.4 Alcoholic Beverages Association of Kenya (ABAK)

Ms. Marie Kinyanjui, the CEO, ABAK, appeared before the Committee on 29th April 2026 and submitted as follows-

112) The Alcoholic Beverages Association of Kenya (ABAK) is an umbrella body that brings together Kenya's leading manufacturers and distributors of alcoholic beverages. The Association represent licensed manufacturers and distributors of alcohol who collectively contribute over KES 130 billion in tax revenues annually.

113) The current membership include;

- Kenya Wine Agencies Limited
- London Distillers
- Kenya Breweries Limited
- UDV (Kenya) Limited
- Pernod Ricard
- Heineken
- Two Cousins Distillers

114) According to the latest statistics, the illicit alcohol market continues to grow in both volume and value. Growth in the illicit market has exceeded that in the legal market over the last two years, and illicit alcohol now accounts for 60% of the total market. The illicit market has grown by 27% in HL LAE since 2022.

115) Although illicit artisanal homebrews represent 67% of the illicit alcohol market, most of the illicit alcohol value lies in smuggling, counterfeit and tax leakage. Illicit alcohol continues to dominate segments of the market due to a significant economic imbalance:

116) Legal alcohol is heavily taxed and regulated while illicit alcohol is untaxed, unregulated, and cheaper. Tax leakage is the largest contributor to illicit alcohol value sales at KES73 billion, followed by counterfeit and illicit brands at KES64 billion.

117) Illicit alcohol accounts for approximately 60% of the Kenyan market, resulting in preventable deaths, serious health crises, and annual tax revenue loss exceeding over KSh 120 billion. These products undercut legitimate producers on price while evading all quality and excise controls. To address this, there is need to conduct an immediate nationwide multiagency crackdown (Kenya Revenue Authority (KRA), National Police Service, Kenya Bureau of Standards (KEBS), Anti-Counterfeit Authority (ACA), National and County Governments) on unlicensed outlets and counterfeit operations. Further, there should be introduction of mandatory KRA excise stamps and digital track-and-trace on all alcohol products (including second-generation) to distinguish legal from illicit products at point of sale.

118) Whereas the Alcoholic Drinks Control Act (Cap. 121) of 2010 provides a solid framework, enforcement remains fragmented and siloed. NACADA's coordination role needs strengthening, and county governments & the National Police Service (NPS) requires capacity support. To address this, government should commission a whole government/whole of society audit (KRA, KEBS, NACADA, ABAK, National Police) within 90 days to identify specific enforcement and prosecution bottlenecks. Further, full Gazettement and implementation of Excise Duty (Remission of Excise Duty) Regulations 2025 to deal with illicit in the spirits category should be done.

119) Licensed second-generation alcohol producers are already heavily regulated; however, gaps in real-time oversight allow diversion and adulteration. ABAK members comply fully with KRA and KEBS requirements and are prepared to support enhanced monitoring. Introduce mandatory real-time digital reporting of production volumes, stock movements, and sales by licensed distillers (integrated with KRA excise systems). The Government should consider setting-up a multiagency regular (KRA-KEBS-NACADA) compliance audits of all licensed second-generation facilities with enhanced penalties for any licensed entity found facilitating diversion to illicit channels.

120) Traceability is the single most effective tool against counterfeiting and diversion. Current systems are largely manual and can be easily circumvented. To address this, government ought to roll out a national digital traceability system for all alcoholic products from manufacture to retail within 12–18 months and require every licensed manufacturer/distributor to implement end-to-end batch tracking with QR codes or RFID. KEBS should adopt international best-practice quality standards specifically for second-generation alcohol, with third-party verification.

121) Alcohol is a hazardous and flammable substance. Unregulated small-quantity transport is a major vector for diversion into illicit brewing and poses serious safety risks. To address this,

enactment and enforcement of specific regulations for the transport of ethanol and alcoholic beverages (minimum consignment sizes, GPS-tracked vehicles, licensed transporters only) should be done. KRA, NPS and NTSA should conduct regular joint roadside inspections and enforce severe penalties for non-compliant transport.

Policy Recommendation: Finalization of the Draft Excise Duty (Remission of Excise Duty) Regulations, 2025

122) While the issues above demand urgent enforcement, monitoring, traceability, and transport reforms, ABAK emphasises that a lasting and scalable solution to illicit alcohol also requires a complementary economic incentive that makes compliant, locally produced beverages genuinely competitive.

123) The single most powerful and immediate lever available to Government is the swift finalisation and gazettement of the Draft Excise Duty (Remission of Excise Duty) Regulations, 2025, incorporating the targeted, evidence-based amendments formally submitted by ABAK.

124) The 2025 regulations seek to extend an Excise Tax Remission to wine and spirits (using local inputs) but will also provide for strict adherence to packaging (e.g., minimum 750ml for wine) and price controls.

125) A similar intervention has stemmed flows of illicit beer and resulted in the development of Senator Beer (specifically Senator Keg), produced by East African Breweries Limited (EABL). Launched in 2004, it was designed as a low-cost alternative to dangerous, illegal illicit brews. It has resulted in several key benefits focused on affordability, safety, and economic impact; and has provided over 45,000 farmers with a means to access sustainable markets to produce a low-cost beer.

126) In recognition of the fact that most illicit activity is now seen in the spirits category, we encourage the Committee to consider the benefits of an enhanced Remission regime that would enable the production of safe, locally sourced spirits that would meet the affordability needs of consumers, which typically drive them towards illicit goods.

127) The proposed Remission Regulations directly address the root economic driver of the illicit trade, including the ability of untaxed, unregulated products to undercut licensed manufacturers on price-by offering remission of excise duty on spirits, beer, and wine produced from locally grown agricultural feedstocks.

128) This intervention will;

i) Dramatically lower the cost of compliant products, enabling licensed manufacturers to compete effectively against the 60% illicit market segment;

ii) Create immediate, large-scale demand for Kenyan agricultural produce, thereby increasing farmer incomes and strengthening rural economies; and

iii) Reduce consumer incentives to buy low priced illicit alcohol, which is currently prevalent in hotspot counties such as Uasin Gishu and Kiambu.

iv) Most importantly, these Regulations will enable Kenya to take advantage of its abundant agricultural resources and an established industrial base to produce a local alternative to the illicit alcohol prevalent in the market.

v) Unlocking these Regulations will enable consumers to access locally produced and legitimate sources of alcohol, even as it enables enhanced tax collection from legitimate producers. The Regulations introduce clear definitions for "manufacturers" and "compounders" and revise the price ceiling in Regulation 6(2)(c) to a realistic range that reflects actual production costs while preserving the fiscal integrity of the scheme.

vi) Finalising the Regulations will form an integral part of the comprehensive solution sought by the Petition, as enforcement and traceability measures alone cannot succeed if legal products remain uncompetitively priced.

129) The enforcement roadmap outlined above, and the economic stimulus provided by the proposed Regulations will deliver a decisive, multi-front attack on illicit alcohol resulting in a shrinkage of the illicit market and enhancing the protection of public health while safeguarding legitimate jobs and investment and restoring billions of shillings in tax revenue.

130) ABAK therefore respectfully requests that the Public Petitions Committee formally recommend to the National Treasury and the Cabinet Secretary for National Treasury that the Draft Excise Duty (Remission of Excise Duty) Regulations, 2025, be finalised and gazetted without further delay, incorporating industry feedback proposed by ABAK.

131) ABAK remains fully committed to eliminating illicit alcohol through evidence-based, collaborative, and decisive action that protects Kenyan lives, strengthens the legitimate industry, and secures the economic future of our nation.

3.5 Ministry of Interior and National Administration

Dr. Raymond Omollo, PhD, the Principal Secretary, State Department for Interior & Coordination of National Government, vide letter ref. MOINA/SEC.1/27/1 dated 21st April, 2026 submitted as follows-

Investigation of the Status of Implementation of Regulations to Curb Illegal Alcohol

132) The implementation status can be described both as active but challenging. Despite presence of robust policy and Laws, there are persistent gaps in implementation and sustainability.

133) The legal framework is robust, but implementation has been inconsistent. The key provisions currently in force include:

i) Prohibition of Adulteration: Section 38 of the ADCA explicitly prohibits the sale or keeping for sale of adulterated alcohol. Offenders face a fine not exceeding KES 10 million, imprisonment not exceeding ten years, or both.
ii) Packaging and Labelling: Section 31 prohibits the sale of alcohol in sachets, and Section 32 mandates specific health warnings covering 30% of the package. The Government has moved beyond investigation to active, targeted implementation, albeit with challenges in specific areas.
iii) Operationalization of the Multi-Agency Framework: The Ministry has operationalized the National Multi-Agency Team (comprising NACADA, KRA, KEBS, and the DCI). This team has moved from national coordination to county-level sting operations.

134) Judicial Training on Rehabilitation and ADA issues: To address gaps in the justice system, NACADA has partnered with the Judiciary to train magistrates on the Alcoholic Drinks Control Act. These shifts focus from purely punitive measures to court-supervised rehabilitation and treatment orders for low-risk offenders, addressing regulatory gaps in the enforcement chain. The trainings also build the capacity of the Judicial officers in understanding the drug problem.

135) Persistent Regulatory Gaps: Despite these efforts, challenges remain regarding the traceability of ethanol and weak surveillance at border points, which the Ministry is currently addressing through the Kenya Revenue Authority (KRA).

136) Government has declared illicit alcohol a national security and development concern, triggering intelligence-led nationwide crackdowns. Enhanced enforcement actions have been and continue to be conducted across the country including:

i) Raiding and destroying illicit brew dens;
ii) Seizures of large quantities of illicit brews and counterfeit alcohol including thousands of litres of illicit ethanol; and
iii) Prosecution and Planned asset forfeiture for illicit brewers and drug dealers.

137) Recent data indicates a significant enforcement push, aligning with the declaration of the alcohol menace as a national emergency. Reports indicate that over 2.8 million litres of illicit alcohol have been seized and over 900 suspects arrested since December 2025. This demonstrates implementation has been intensified through multi-agency operations.

138) Aggressive Public Awareness & Demand Reduction campaigns led by NACADA focusing on Youth prevention, Community sensitization, Rehabilitation services and School environments.

Determination of the cause of rampant production, distribution, and consumption

139) The rampant production, distribution, and consumption of illegal alcohol in Kenya is driven by a combination of several factors which include economic, regulatory, social, and institutional factors.

140) The Petition identifies critical gaps. Under Section 4 of the NACADA Act, 2012, the Authority is mandated to coordinate inter-agency efforts. The causes identified in the Petition (Paragraphs 5-8) correlate with specific statutory failures:

141) Regulatory gaps & enforcement capacity: Despite Section 4(f) of the NACADA Act allowing the Authority to advise on regulations, historical weaknesses in monitoring licensed manufacturers persist.

142) Weak Border Surveillance: The petition notes that high production costs and weak border controls encourage smuggling. Section 7(1)(c) of the ADCA requires licenses for importation, suggesting gaps in KRA's enforcement of customs controls on raw materials like ethanol.

143) Historically, prosecution has been hindered by evidentiary requirements. However, recent interventions by NACADA to sensitize judicial officials on the ADCA and the NACADA Acts are addressing the "weak enforcement" cited in the petition, shifting focus toward rehabilitation and asset forfeiture.

144) Devolution challenges contribute to the continued production, distribution, and consumption of illegal alcohol by creating inconsistencies in policy implementation across counties. While the national government provides overall legal and policy frameworks, county governments are responsible for enforcement and regulation at the local level.

145) Rapid urbanization and the growth of informal settlements contribute significantly to the persistence of illegal alcohol production, distribution, and consumption. As more people migrate to urban areas in search of employment, many end up living in densely populated informal settlements where access to regulated services and law enforcement is often limited.

146) Cultural and social acceptance plays a significant role in the persistence of illegal alcohol use in many communities. In some areas, alcohol consumption is widely normalized as part of social gatherings, celebrations, and even daily life.

147) Inter-agency intelligence and field operations in Uasin Gishu and surrounding counties have identified the primary causes as follows:

i) Diversion of industrial ethanol: The primary driver of the current crisis in Uasin Gishu is the smuggling and diversion of ethanol intended for industrial/manufacturing use. Recent operations in Eldoret intercepted ethanol valued at over Ksh 500,000 hidden at construction sites, destined for mixing into "second-generation" alcohol.

ii) High production costs & porous borders: Legal production costs and weak border surveillance allow cheaper, smuggled ethanol and counterfeit excise stamps to flood the market. KRA confirmed that recent seizures in the Rift Valley involved fake excise stamps, evading government revenue and quality controls.

Recommending a multi-agency approach to curb the menace

148) Statutory framework for collaboration: Section 5(c) of the NACADA Act, 2012 mandates NACADA to "coordinate and facilitate inter-agency collaboration and liaison among lead agencies."; and Section 25 further requires NACADA to convene an inter-agency forum at least twice a year to establish plans of action.

149) Recent enforcement actions demonstrate that this statutory framework is functional. The multi-agency team includes NACADA, the DCI, KRA, KEBS, the Anti-Counterfeit Authority, and the Asset Recovery Agency.

150) The Ministry has not only recommended but has fully implemented a revamped multi-agency approach, with notable success in the Petitioner's home county of Uasin Gishu.

151) The Ministry has established a multi-agency team coordinated from Nairobi, comprising NACADA, KEBS, KRA, and the National Police Service (NPS), to conduct continuous sting operations nationwide.

152) Contrary to claims of inaction, security agencies in Uasin Gishu have escalated the fight. Over the past three months, authorities have intercepted five consignments of ethanol and seized cannabis sativa; and

153) The Ministry continues to engage the community through the Nyumba Kumi and community policing structures to report suspicious ethanol storage, addressing the "weak enforcement capacity" cited in the Petition.

Any other recommendations to address the plight of the Petitioners

154) To address the plight of the Petitioners fully, the Committee should consider the following ancillary legal recommendations:

i) The committee to assist NACADA in the amendments of the legislation and attendant regulations. In addition, the committee to petition County governments to finance prevention, treatment and rehabilitation through the licensing fee;
ii) Following recent directives, the law should be strictly applied to freeze accounts and seize assets of manufacturers of counterfeit or toxic brews under Section 38(2) of the ADCA;
iii) Rehabilitation over Incarceration: Under Section 33(3) of the ADCA, repeat offenders can be ordered to undergo rehabilitation. The Committee should recommend that the Ministry of Health, in liaison with NACADA, gazette

mandatory rehabilitation standards for offenders diverted from the criminal justice system.

155) In addition, the Ministry recommends the following additional interventions to the Committee based on recent operational data:

i) The Ethanol Tracing System (ETS): The Ministry recommends the mandatory adoption of a digital tracking system for all ethanol consignments from the point of import/manufacture to the final licensed user, to prevent diversion into illicit brewing; and

ii) Review of licensing fines: The current fines (e.g., Kshs. 7,500 for possession of illicit brew) are insufficient deterrents. The Ministry recommends the Committee propose legislative amendments to the Alcoholic Drinks Control Act to impose stiffer penalties, including custodial sentences for the possession of industrial ethanol without a permit.

3.6 Kenya Bureau of Standards

Mr. Peter Kaigwara, Director – Market Surveillance, appeared before the Committee on 21st April 2026 on behalf of the Managing Director submitted as follows -

156) Illicit alcoholic beverages are produced and distributed outside the formal standards and regulatory system, and by their very nature evade certification, inspection and quality assurance systems.

157) KEBS exercises structured oversight over licensed and certified manufacturers; the proliferation of illicit brews is primarily criminality challenge occurring outside the regulated standards ecosystem.

158) The Authority is mandated to inspect and confirm that any manufacturer cleared under the National Multiagency Committee on Control of Alcoholic Beverages and licensed by relevant regulatory authorities operates in compliance with the required code of practice and applicable Kenya Standards. KEBS fulfils this mandate by issuing the Standardisation Mark or the Diamond Mark of Quality as prescribed under the Standards Act, Cap. 496.

159) Upon certification, manufacturers are granted a KEBS Standardisation Mark Permit, which they are required to display together with the permit number on the label of every product they place in the market.

160) On imported Alcoholic Beverages KEBS undertakes the inspection and clearance of imported alcoholic beverages before they are granted entry into Kenya, this function is performed at ports of entry and border points to confirm that imported beverages conform to the requirements of the applicable Kenya Standards. The inspection is conducted through two mechanisms: destination Inspection at the ports of entry, where alcoholic beverage consignments are examined for compliance; or Pre-Export Verification of Conformity

(PVOC) Programme, under which alcoholic beverages are inspected in the country of origin by an approved KEBS verification agent and issued a Certificate of Conformity (COC). Upon issuance of the COC, the importer is authorised to affix the Import Standardisation Mark (ISM) on the product as evidence that it meets the requirements of the applicable Kenya Standard.

KEBS response to Specific Issues Raised in the Petition

Mandatory Quality Control Laboratory Requirement

161) KEBS requires, as a condition of certification, that all alcoholic beverage manufacturers maintain a Quality Control Laboratory capable of testing for quality and safety parameters including methanol covering raw materials, in-process products during production, and finished products before market release. Specifically, every establishment manufacturing Spirituous Alcoholic Beverages is required to possess a Gas Chromatography with Flame Ionization Detector (GC-FID) machine for methanol determination and other parameters stipulated in the respective Kenya Standards.

Interlaboratory Comparison (ILC) Testing Programme

162) Following directives from the Cabinet Secretary, Ministry of Interior and National Government Coordination, issued on 6th March 2024, KEBS organised and rolled out an Interlaboratory Comparison (ILC) testing programme for wines and spirits in the brewing industry. This programme supports manufacturers' quality control laboratories in ensuring that their products meet quality requirements both during production and before market release.

163) The ILC testing materials include ethanol, methanol, isopropyl alcohol (IPA), ethyl acetate, amyl alcohol and acetic acid in aqueous media. The ILC enables participating manufacturers to determine the concentrations of denatonium benzoate (denaturant) in denatured ethanol using High Performance Liquid Chromatography (HPLC/UV-vis) methods, identify congeners in alcoholic beverages by direct injection in Gas Chromatography equipped with a Flame Ionization Detector (GC-FID) and determine ethyl alcohol (ethanol) content and volatile acidity in strong alcoholic beverages.

164) Each round of ILC testing is followed by an evaluation workshop at which participants discuss performance results, identify root causes of any non-performance, and agree on corrective actions to improve product quality. This mechanism ensures that manufacturers maintain continuous analytical competence and that their laboratory results are reliable and comparable.

Scheme of Supervision and Control (SSC)

165) All manufacturers of alcoholic beverages have signed a Scheme of Supervision and Control (SSC) a certification agreement that specifies the controls the manufacturer is expected to maintain and the evidence they must make available to KEBS during inspections. This systematic way ensures that adequate quality management activities are carried out at all times, providing assurance that products continuously meet the approved specifications under the applicable Kenya Standard.

166) Under the SSC, manufacturers are further required to undertake periodic product testing with ISO/IEC 17025 accredited laboratories independently of their in-house quality control to ensure independent verification of product quality before market release.

NACADA Multi-Agency Clearance Requirement

167) Manufacturers of potable spirits are required to obtain written clearance from NACADA, issued following a multi-agency inspection on the preparedness of the manufacturer to comply with all regulatory requirements before commencing production. KEBS is a member of this multi-agency committee, which conducts joint inspections to assess, among other matters, the adequacy of quality control infrastructure, the safety of production processes, and the manufacturer's compliance with applicable standards and licencing requirements.

Approved Brands Register

168) KEBS has approved 340 alcoholic beverage brands manufactured locally, details of which are maintained in the KEBS Approved Brands Register. Any brand not appearing on this register has not been certified by KEBS and is therefore not authorised to bear the KEBS Standardisation Mark.

Product Certification and Counterfeit/Adulterated Products in the Market

169) The petition highlights the prevalence of counterfeit brands and adulterated second-generation alcohol as causes of deaths and hospitalisations, including in Uasin Gishu County. KEBS's Product Certification Scheme makes it mandatory for all locally manufactured alcoholic beverages to bear the Standardisation Mark before being placed on the market.

170) KEBS has additionally strengthened the rules of this scheme to specifically combat illicit brews through the following measures:

171) All manufacturers must maintain up-to-date quality control test results and data, which must be made available to KEBS during inspections to confirm ongoing compliance.

172) Periodic Interlaboratory Comparison participation is mandatory to demonstrate sustained capability to test for all safety and quality parameters prescribed in the relevant Kenya Standard.

173) Manufacturers are required to use only ISO/IEC 17025 accredited external laboratories for third-party verification testing.

174) On market surveillance, KEBS conducts ongoing Market Surveillance Activities involving systematic monitoring of alcoholic beverages in the market to verify compliance with relevant technical regulations governing health, safety and environmental concerns, and to promote fair trade practices.

175) These activities include random sampling from retail outlets, wholesale distributors and importation points, followed by laboratory analysis for among other parameters methanol content, alcohol strength, labelling compliance and the integrity of the standardisation mark.

176) Where products are found to be non-compliant, KEBS issues product recall notices, rejection orders and destruction directives. Cases involving criminal counterfeiting are referred to the Kenya Police Service and the Directorate of Criminal Investigations (DCI), supported by laboratory evidence obtained by KEBS.

Consumer Authentication and Traceability

177) The petition identifies the absence of robust product traceability mechanisms as a systemic vulnerability. KEBS has implemented the following consumer authentication and traceability measures:

i) Standardisation Mark Permit System-Upon certification, each manufacturer is issued a unique Standardisation Mark Permit number for every beverage brand they produce. This permit number must be displayed on the product label and must be produced by the manufacturer upon request by a regulator or consumer.

ii) SMS Verification Short Code 20023-Consumers are empowered to verify the authenticity of any KEBS-certified alcoholic beverage in real time by sending a text message to the short code 20023 in the format: SM#[Permit Number]. The system returns confirmation of whether the permit is valid, thereby enabling consumers to distinguish certified from uncertified products at the point of purchase.

iii) KEBS Website Public Register of Certified Products- All certified alcoholic beverages are published on the KEBS official website, providing a publicly accessible reference list against which any product can be verified. This register is updated as certifications are granted, suspended or cancelled.

iv) Toll-Free Consumer Helpline 1545-KEBS has dedicated a toll-free telephone number, 1545, through which members of the public may make enquiries about any alcoholic beverage product in the market, report suspected counterfeits or seek guidance on the certification status of any brand or manufacturer.

Industrial Ethanol Diversion and Border Surveillance

178) The petition raises concerns about the diversion of industrial ethanol into illicit beverage production and weak border surveillance. KEBS has taken the following specific action in this regard:

179) Mandatory Denaturing of Industrial Ethanol-KEBS has instructed all Pre-Export Verification of Conformity (PVOC) agents globally to ensure that ethyl alcohol intended for industrial application imported into Kenya is denatured with denatonium benzoate before shipment. Denatonium benzoate is a bittering agent of such extreme potency that it renders industrial alcohol effectively unusable in alcoholic beverage production, thereby closing a key pathway for ethanol diversion.

180) PVoC Programme for Imported Alcoholic Beverages-Through the PVoC programme, KEBS ensures that imported alcoholic beverages and industrial ethanol are inspected and certified before shipment to Kenya. Only consignments that meet the specifications of the applicable Kenya Standard are issued a Certificate of Conformity permitting entry. Consignments arriving without a valid COC are held at the port of entry and subjected to full conformity testing before clearance is authorised.

181) Proposed Enhanced Border Surveillance-KEBS recognises that the diversion of neutral spirits through informal border crossings and illicit imports remain persistent challenges. KEBS proposes, and requests the Committee's support for, enhanced border surveillance in collaboration with the Kenya Revenue Authority (KRA) Customs, the Kenya Defence Forces and the Kenya Coast Guard, to intercept smuggled neutral spirits and substandard alcoholic beverages at both formal and informal entry points.

Kenya Standards for Alcoholic Beverages

182) In response to the matters raised under Clauses 2 and 3 of the Petition, KEBS confirms that a comprehensive and risk-based standards framework governs the manufacture, importation, distribution, and sale of alcoholic beverages in Kenya.

183) These standards define the minimum safety, compositional, labelling, and quality requirements that alcoholic products must meet before being placed on the market. They are developed in alignment with international best practice and harmonised under the East African Standards framework to ensure consistency, consumer protection, and fair trade.

184) Importantly, the standards function as the technical foundation of the national regulatory control system, enabling conformity assessment, certification, and market surveillance.

Coverage of the Regulatory Framework

185) The current suite of Kenya Standards covers the full spectrum of alcoholic beverage categories legally permitted in the Kenyan market, including;

No.	Standard No.	Tittle	Scope
1.	KS EAS 104:2014	Alcoholic beverages - Methods of sampling and test	Prescribes methods of sampling and testing for alcoholic beverages
2.	KS EAS 63:2019	Beer — Specification	Requirements, sampling and test methods for beer
3.	KS EAS 141:2018	Whisky –Specification	Requirements, sampling and test methods for whisky
4.	KS EAS 143:2018	Brandy - Specification	Requirements, sampling and test methods for brandy
5.	KS 1317:2007	Cereal-based alcoholic beverages - Specification	Requirements for clarified and pasteurised beverages from fermented cereal grains
6.	KS 618:2021	Cider and Perry - Specification	Requirements and test methods for cider and perry
7.	KS 1499:2012	Code of Practice for processing, handling and distribution of alcoholic beverages	Requirements for manufacturing, handling and distribution
8.	KS EAS 142:2018	Vodka - Specification	Requirements, sampling and test methods for vodka including flavoured vodka
9.	KS EAS 144:2018	Neutral Spirit - Specification	Requirements for neutral spirits for

			use in manufacture or blending of alcoholic beverages
10.	KS 2196:2012	Liqueurs - Specification	Requirements for spirit-based liqueurs
11.	KS EAS 61:2014	Opaque Beer - Specification	Requirements and test methods for opaque beer
12.	KS EAS 138:2019	Still Table Wine - Specification	Requirements, sampling and test methods for wine and fruit wine
13.	KS EAS 139:2018	Fortified Wine - Specification	Requirements, sampling and test methods for fortified wine
14.	KS EAS 140:2018	Sparkling Wine - Specification	Requirements, sampling and test methods for sparkling and carbonated wine
15.	KS EAS 146:2018	Rum - Specification	Requirements, sampling and test methods for rum
16.	KS 2150:2022	Alcoholic Mixed Beverage Specification	Specification Requirements and test methods for mixed alcoholic beverages
17.	KS 2326:2011	Traditional Spirit (Chang'aa)- Specification	Requirements and test methods for traditional distilled potable alcohol
18.	KS EAS 145:2018	Gin - Specification	Requirements and test methods for gin and flavoured gin
19.	KS 1447:2001	Unmalted Beer - Specification	Requirements and test methods for unmalted beer
20.	KS EAS 109:2018	Potable Spirits - Specification	Requirements, sampling and test methods for potable spirits

Regulatory Function and Enforcement Linkage

186) In line with the Petition's concerns under Clauses 2 and 3 regarding product safety, counterfeit beverages, and adulteration, KEBS emphasises that these standards are not merely descriptive instruments but are legally enforceable technical requirements.

187) They are operationalised through:

i) Mandatory certification schemes (Standardisation Mark and Import Standardisation Mark)
ii) Conformity assessment prior to market entry (for both domestic and imported products)
iii) Market surveillance and post-market enforcement, including sampling, laboratory testing, product recalls, and seizure of non-compliant goods
iv) Referral of criminal counterfeiting cases to law enforcement agencies based on analytical evidence

188) This ensures that compliance is enforced at both pre-market and post-market stages, thereby closing potential points of regulatory failure within the formal supply chain.

Regulatory Dynamism and Risk Adaptation

189) The standards are reviewed on a five-year rolling cycle in accordance with the national standardisation work programme. This review process integrates:

i) Advances in food and beverage science
ii) Emerging public health and safety risks
iii) Regulatory experience from enforcement and surveillance activities
iv) Harmonisation requirements under the East African Community (EAC) framework

190) KEBS confirms that all standards listed above are currently active and enforceable and continue to provide a robust technical basis for consumer protection and market regulation.

Regulation of Traditional and Informal Alcohol Categories

191) Of particular relevance to the Petition is KS 2326:2011 (Traditional Spirit-Chang'aa), which reflects a deliberate regulatory policy approach that seeks to bring traditionally consumed alcoholic products within a controlled safety framework, rather than excluding them from regulation altogether.

192) This standard establishes minimum safety parameters intended to reduce public health risks associated with traditional alcohol consumption, while enabling structured oversight of production where it occurs within permissible frameworks.

Interagency Coordination and Implementation of the Alcoholic Drinks Control Act

193) The petition raises concerns about interagency coordination and the effectiveness of statutory implementation. KEBS participates in formal interagency structures.

194) KEBS is a statutory member of the National Alcohol Control Committee (NACC), appointed by Gazette Notice No. 9775 of November 2020. The Committee is charged with the following functions, in which KEBS plays an active role:

i) Conducting regular audits of manufacturers of alcoholic drinks to ensure compliance with quality standards and regulatory requirements.
ii) Carrying out joint inspections of all premises manufacturing alcoholic drinks to verify compliance with the law.
iii) Receiving, reviewing and providing certificates of conformity to standards for licensing manufacturers.
iv) Recommending the formulation of standards, policies, laws and regulations on alcohol control for adoption at national and county level.
v) Providing a platform for inter-agency consultation, collaboration and coordination on alcoholic drinks control.
vi) Promoting and facilitating the elimination of substandard and counterfeit alcoholic drink products from the Kenyan market.
vii) Monitoring, evaluating and preparing quarterly reports on compliance for effective implementation of the Alcoholic Drinks Control Act.

Interagency Taskforce on Control of Potable Spirits and Illicit Brews

195) KEBS participated actively in the Interagency Taskforce on the Control of Potable Spirits and the Combat of Illicit Brews in 2015, which coordinated government-wide enforcement efforts against illicit alcohol.

196) In 2024, KEBS was again involved in government actions targeting the eradication of illicit brews, drug and substance abuse, as part of a broader national response to the public health emergency posed by illegal alcohol.

Multi-Agency Clearance Prior to Licensing

197) No manufacturer of portable spirits may commence production without prior multi-agency clearance, of which KEBS's standards compliance assessment is a mandatory component. This architecture ensures that the regulatory process is applied collaboratively from the point of entry into the market.

Structural context of the illicit alcohol challenge

198) KEBS wishes to emphasise that the challenge of illicit alcoholic beverages in the country is multifaceted and cross-cutting, involving several stages of the alcohol value chain and engaging multiple regulatory and enforcement actors within Government.

199) Within its statutory mandate under the Standards Act, KEBS has established and continues to implement comprehensive standards, certification and conformity assessment mechanisms governing alcoholic beverages produced and traded within the formal sector.

200) At the same time, the persistence of illicit alcoholic products by their nature operating outside formal regulatory systems reflects the complexity of addressing activities that occur beyond certification and quality assurance processes.

201) In this regard, KEBS respectfully highlights the following contextual considerations:

i) Movement and Use of Neutral Spirits; Neutral spirits constitute a legitimate industrial and manufacturing input within the economy. KEBS has instituted technical safeguards within its processes, including pre-export conformity verification and denaturing requirements for industrial ethanol. The risk arises where such inputs are diverted or misapplied outside regulated production environments, highlighting the importance of continued coordination across regulatory and enforcement institutions to ensure end-use integrity.

ii) Entry of Alcoholic Products into the Market; Alcoholic beverages entering Kenya through formal import channels are subjected to conformity assessment requirements. However, as is the case globally with illicit trade, there exist parallel channels through which products may enter the market outside formal processes. Addressing such pathways calls for sustained inter-agency collaboration across border management, customs control, and regulatory verification systems.

iii) Distribution and Market Structure; KEBS certification provides assurance of product compliance at the point of manufacture and importation and is complemented by ongoing market surveillance activities undertaken by the Bureau to verify continued conformity of alcoholic beverages within the marketplace. As products move through distribution and retail channels spanning multiple actors across national and county jurisdictions KEBS conducts risk-based surveillance, sampling and testing to detect non-compliance, counterfeit products, and misuse of certification marks. At the same time, ensuring full market integrity across the distribution chain benefits from harmonised oversight across licensing, distribution controls and compliance verification mechanisms, implemented collaboratively by relevant institutions.

202) The issue of illicit alcoholic beverages is best understood as a shared national challenge requiring coordinated action across Government, with each institution contributing within its statutory mandate.

203) KEBS remains committed to strengthening its role in standards enforcement, conformity assessment, and technical support, while working collaboratively with partner agencies to safeguard public health, consumer protection, and market integrity.

Strategic Interventions and KEBS Commitments.

204) KEBS continues to strengthen and modernise its regulatory and technical interventions in the alcoholic beverages sector in order to enhance product integrity, safeguard consumers, and support a coordinated national response to illicit alcohol.

205) In this regard, KEBS has prioritised the following strategic interventions, to be implemented within its statutory mandate and in collaboration with relevant Government institutions:

i) Integrated Border Assurance and Conformity Verification; KEBS will continue to enhance its role in safeguarding the integrity of alcoholic beverages entering the country through strengthened conformity assessment and inter-agency coordination at the border. Key focus areas include:

ii) End-to-end verification of imports under the PVOC programme, ensuring that all alcoholic beverages and relevant inputs meet applicable Kenya Standards prior to shipment.

iii) Structured information exchange mechanisms to support early identification of high-risk consignments and prevent entry of non-compliant products.

206) These measures are designed to reinforce existing controls and ensure that only compliant products access the domestic market through formal channels.

Strengthening Integrity of Distribution and Supply Chains

207) Recognising the importance of maintaining product integrity beyond the point of manufacture and importation, KEBS will continue to support the development of structured and accountable distribution systems for alcoholic beverages.

208) In this regard, KEBS will:

i) Work collaboratively with national and county regulatory authorities to promote traceable and verifiable distribution pathways

ii) Support policy measures that encourage sourcing from licensed and accountable supply chain actors

iii) Advocate for enhanced documentation and traceability requirements within distribution networks to strengthen product accountability

209) These measures are intended to complement KEBS certification and surveillance activities by reinforcing transparency across the supply chain.

3.7 The National Police Service

Mr. Eliud Lagat, the Deputy Inspector General of the National Police Service, appeared before the Committee on behalf of the Inspector General on 11th June, 2026 and submitted as follows;

210) Illicit alcohol remains a serious global challenge. In Kenya, the production, distribution and consumption of illicit alcohol remain a major challenge, posing serious risks to public health, safety and socio-economic stability.

211) The problem is compounded by its intersection with organized crime, drug trafficking, money laundering, corruption and gender-based violence. Illicit brews are often manufactured under unsafe conditions using unregulated ingredients and are distributed through illegal networks that evade licensing and regulatory controls.

212) The consumption of such products has resulted to fatalities, severe health complications, crime and loss of productivity and the breakdown of social and family structures. The clandestine nature of the trade makes detection and enforcement difficult, necessitating a coordinated approach involving regulatory agencies, law enforcement, county governments and local communities.

213) To address this challenge, the Government has established various legislative and regulatory frameworks aimed at preventing the production, distribution and consumption of illicit alcohol and protecting the public from its harmful effects. Historically, traditional brew was an essential feature of the social and cultural heritage of many Kenyan communities. However, the production and consumption of traditional African brews such as Muratina, Chang'aa and Busaa was banned to promote the consumption of commercially produced alcohol, which was taxed and regulated.

214) The fight against illicit brews has evolved over time and is currently guided by the Alcoholic Drinks Control Act, 2010 and the Liquor Licensing Act (Cap. 121), which provide the legal framework for regulation, licensing and enforcement. However, persistent bans have inadvertently driven production underworld, creating illicit markets operating in unsafe and unregulated conditions. Some producers use dangerous additives including ethanol, formaldehyde, herbicides, Anti-Retroviral drugs (ARVs) and aflatoxins, all of which pose grave risks of death, blindness and chronic illness.

215) The NPS commits;

i) Sustained intelligence-led operations and raids on illegal brewing dens
ii) Arrest and prosecution of offenders involved in illicit alcohol trade
iii) Seizure and destruction of illegal brews and manufacturing paraphernalia
iv) Multi-agency collaboration with NACADA, KEBS, KRA, County Governments, NGAOs and the Ministry of Health

Current Regulatory Framework

216) The following is the legal framework currently in force;

i) Constitution of Kenya, 2010 — Articles 26 (Right to Life) and 43 (Right to Health) provide the constitutional basis for state action.
ii) Alcoholic Drinks Control Act, 2010 — Establishes licensing regimes and penalties for unlicensed production and distribution.
iii) Food, Drugs and Chemical Substances Act — Controls substances used in alcohol production.
iv) Narcotic Drugs and Psychotropic Substances (Control) Act, 1994 (Cap. 245) — Applies where chemical substances in adulterated alcohol intersect with controlled substances.
v) Penal Code (Cap. 63) — Sections 192, 202 and 229 provide penal bases for prosecution of illicit brew offenders.
vi) Liquor Licensing Act (Cap. 121) and County Governments Act, 2012 — Devolve licensing and trade regulation to county governments, creating a dual-track system that presents coordination challenges.

NPS Implementation Actions

217) The NPS has operationalized the above framework through the following enforcement mechanisms:

a) Intelligence-Led Operations the NPS conducts intelligence-driven operations targeting illicit brews, drugs and unlicensed second-generation liquor across the country. Operations target manufacturing dens and retail outlets in informal settlements, including distribution hubs in urban and rural areas.
b) Multi-Agency Coordination Operations involve joint deployment of officers from NPS, KEBS, NACADA, KRA and National Government Administration Officers (NGAOs) to ensure effective enforcement and sustained security outcomes.
c) Community Policing NPS leverages Nyumba Kumi initiatives and community policing networks to identify illegal brewing sites and report suspicious activity.
d) Destruction of Contraband All seized illicit brew and manufacturing equipment, including ethanol drums, fake KRA stamps, counterfeit brand stickers, cartons and alcometers are confiscated and destroyed upon conclusion of cases.

Operational Statistics: January 2024 – May 2026

218) Over the 28-month reporting period, the NPS recorded the following national outcomes;

DESCRIPTION	2024	2025	JAN–MAY 2026	3-YEAR TOTAL
Persons Arrested	28,696	4,349	2,655	35,700
Illicit Brew Netted (Litres)	678,305	492,486	389,102.6	1,559,893.9
Illicit Brew Destroyed (Litres)	316,829	351,819	281,152	949,800

Regional Arrests Breakdown (Jan 2024 – May 2026)

REGION	2024	2025	JAN–MAY 2026	TOTAL
Coast	341	94	144	579
North Eastern	17	19	0	36
Eastern	871	607	89	1,567
Central	2,655	98	105	2,858
Rift Valley	16,040	2,104	532	18,676
Western	2,178	721	742	3,641
Nyanza	1,719	484	849	3,052
Nairobi	4,875	222	194	5,291
TOTAL	**28,696**	**4,349**	**2,655**	**35,700**

Regional Illicit Brew Netted — Litres (Jan 2024 – May 2026)

REGION	2024 (LTR)	2025 (LTR)	JAN–MAY 2026 (LTR)	TOTAL (LTR)
Coast	11,037	12,410	16,329	39,776
North Eastern	5	70	0	75
Eastern	29,648	47,839	3,829.5	81,316.5
Central	56,236	3,637.5	13,712	73,585.5
Rift Valley	254,272	189,293	49,508.8	493,073.8
Western	97,062	90,698	134,463.3	322,223.3
Nyanza	216,471	68,213	160,389	445,073
Nairobi	13,574	80,276	10,871	104,721
TOTAL	**678,305**	**492,486**	**389,102.6**	**1,559,893.9**

Regional Illicit Brew Destroyed — Litres (Jan 2024 – May 2026)

REGION	2024 (LTR)	2025 (LTR)	JAN–MAY 2026 (LTR)	TOTAL (LTR)
Coast	24,740	8,290	11,640	44,670
North Eastern	0	0	0	0
Eastern	3,663	10,910	2,500	17,073
Central	7,246	1,860	6,280	15,386

Rift Valley	165,522	129,884	22,535	317,941
Western	10,450	74,030	103,410	187,890
Nyanza	102,564	55,905	125,427	283,896
Nairobi	2,645	70,940	9,360	82,945
TOTAL	**316,829**	**351,819**	**281,152**	**949,800**

Uasin Gishu County — Case Study

219) A focused study of Uasin Gishu County demonstrates the impact of sustained enforcement:

DESCRIPTION	**2024**	**2025**	**JAN–MAY 2026**	**3-YEAR TOTAL**
Persons Arrested	56	505	111	672
Liquor Netted (Litres)	4,417	37,524	4,442	46,383
Liquor Destroyed (Litres)	1,407	35,667	820	37,894

Challenges to Implementation

220) Notwithstanding the above achievements, the NPS acknowledges the following impediments to full regulatory enforcement:

i) Limited Government Chemist Coverage — The Government Chemist only has facilities in three counties (Nairobi, Mombasa and Kisumu), creating a bottleneck in testing and prosecution of cases across the remaining the country.

ii) Lenient Penalties — Classification of illicit alcohol offences as petty crimes results in fines and sentences that fail to deter offenders.

iii) Cultural Entrenchment — The social and cultural normalization of traditional brew consumption perpetuates demand.

iv) Cross-Border Smuggling — Influx of counterfeit alcohol and illegal ethanol from neighbouring countries undermines domestic enforcement.

v) Corruption — Some rogue law enforcement, regulatory and administration officials facilitate the continued trade in illicit alcohol.

vi) Limited Storage facilities — Most police stations lack secure, tamperproof storage for seized alcohol, leading to instances of exhibits finding their way back into the market.

Causes of rampant illegal alcohol production, distribution and consumption

221) The NPS, drawing on its operational experience, has identified the following root causes:

Structural and Policy Failures

i) Legacy of Prohibitionist Legal Framework — Colonial and post-colonial regulations banned traditional brews outright, inadvertently creating a thriving illicit sub-sector rather than regulating it.
ii) Regulatory Barriers to the Formal Sector — Costly, bureaucratic and stringent licensing requirements exclude low-income earners, leaving illicit production as the only viable economic option for many.
iii) Devolution-Related Coordination Gaps -– The dual-track licensing system between national and county governments creates enforcement inconsistencies and regulatory loopholes.

Law Enforcement and Governance Gaps

i) Corruption — Endemic corruption among a section of enforcement officers and administrators provides protection to illicit alcohol producers and distributors.
ii) Weak Prosecution Chain — Absence of Government Chemist services in 44 of 47 counties means cases collapse or drag on interminably, emboldening offenders.
iii) Lenient Sentencing — The treatment of alcohol offences as petty crimes reduces the deterrent effect of prosecutions. • Overstretched Correctional Facilities — Congestion within prisons and correctional institutions places additional strain on the justice system.

Socio-Economic and Cultural Drivers

i) Cultural Heritage — Traditional brew production and consumption is a longstanding practice in many Kenyan communities, making enforcement socially contentious.
ii) Market Demand Gaps — Low-income consumers who cannot afford legal alcohol turn to cheaper, unregulated alternatives.
iii) Economic Incentives for Producers — High profitability of illicit alcohol production relative to low risk of meaningful punishment sustains supply.
iv) Cross-Border and Counterfeit Supply Chains
v) Ethanol Smuggling — Illegal importation of industrial ethanol and counterfeit branded alcohol from neighbouring countries feeds the illicit market.

vi) Organized Criminal Networks — Transnational criminal syndicates have developed sophisticated supply chains for illicit alcohol, often linked to other criminal enterprises.

vii) Information and Awareness Deficits

viii) Misinterpretation of Court Rulings — Some communities have misread judicial pronouncements on traditional brews as blanket legal permission, emboldening illicit producers.

ix) Low Public Awareness — Many citizens, administrators and even some enforcement officials lack adequate knowledge of the Alcoholic Drinks Control Act, 2010 and related standards.

Proposed Multi-Agency Taskforce Structure

222) The NPS firmly holds that no single agency can effectively address the multi-dimensional challenge of illicit alcohol. A coordinated, whole-of-government approach is imperative. The Service proposes the following multi-agency framework:

223) Establish a permanent, nationally coordinated Multi-Agency Taskforce on Illicit Alcohol with the following composition and mandate;

AGENCY	**DESIGNATED ROLE**
National Police Service (NPS)	Lead enforcement, intelligence-led raids, arrests and prosecution referrals
Kenya Revenue Authority (KRA)	Tax enforcement, detection of illegal ethanol and border controls
Kenya Bureau of Standards (KEBS)	Standards compliance, product testing and market surveillance
NACADA	Public sensitization, awareness campaigns and addiction rehabilitation
Anti-Counterfeits Agency (ACA)	Investigation and prosecution of counterfeit alcohol and branding fraud
County Governments	Local licensing oversight, closure of illegal outlets and community enforcement
Ministry of Health / Public Health	Health risk assessment, toxicology support and public health response

ODPP	Prosecutorial guidance, case quality review and conviction rate improvement
EACC	Investigation and prosecution of corrupt officials enabling illicit alcohol
NGAOs	Community mobilization, local intelligence and compliance monitoring

The Border Control and Smuggling Interdiction

224) NPS, KRA, KEBS and ACA should establish a dedicated Border Alcohol Smuggling Interdiction Unit with intelligence-sharing protocols to detect, intercept and dismantle organized ethanol smuggling networks.

Regulatory Reform Collaboration

225) A joint inter-agency technical committee comprising the National Treasury, KRA, KEBS, County Governments and the Ministry of Trade should review and streamline licensing requirements and reduce barriers to the formal alcohol sector.

Anti-Corruption Measures

226) The Ethics and Anti-Corruption Commission (EACC), in collaboration with NPS Internal Affairs, should establish a dedicated mechanism to detect, investigate and prosecute officials implicated in illicit alcohol protection rackets.

Government Chemist Expansion

227) The NPS, in collaboration with the Ministry of Health and the National Treasury, recommends the decentralization of Government Chemist services to all 47 counties to resolve the bottleneck in evidence testing and case prosecution. As an interim measure, mobile testing units should be deployed to underserved counties.

Judicial Coordination

228) The Judiciary should establish dedicated fast-track courts for alcohol related offences, institute mechanisms for prompt disposal and destruction of exhibits and review sentencing guidelines to provide adequate deterrence.

Additional recommendations

229) In addressing the full plight of the petitioners, the NPS makes the following additional recommendations:

i) Legislative and Regulatory Strengthening; Review and enhance penalties for illegal alcohol production and distribution to create effective deterrence.
ii) Streamline licensing procedures to lower barriers for legitimate small-scale operators, including reduced fees and simplified application processes.
iii) Harmonize national and county-level alcohol control regulations to eliminate jurisdictional gaps.
iv) Resource Allocation; Fund specialized training programs on organized crime investigation in the alcohol trade, including anti-money laundering and digital forensics capabilities.
v) Public Health and alternative Livelihoods; Develop government-funded alternative income programmes for communities economically dependent on illicit alcohol production including vocational training, micro-enterprise development and cooperative support.
vi) Scale up community health and education campaigns in high-prevalence areas, targeting youth, women and vulnerable groups.
vii) Strengthen drug and alcohol rehabilitation services and make them accessible at the county level.

Supply-Side Controls

i) Tighten controls on chemical precursors (especially industrial methanol and ethanol) used in illicit alcohol production, including mandatory end-user declarations.
ii) Regulate the sale of raw materials commonly used in illicit brewing, particularly in high-risk areas.
iii) Enhance border security infrastructure and customs procedures to prevent smuggling.
iv) Justice System Improvements; Establish dedicated magistrate courts for alcohol-related offences with a mandate to clear backlogs within defined timelines.
v) Conduct regular joint case reviews between the NPS, ODPP and the Judiciary to improve conviction rates and sentencing consistency.
vi) Mandate the prompt judicial destruction of exhibits once authenticity and quantity are certified, to prevent re-entry into the market.
vii) Public Sensitization and Community Engagement; NACADA, in collaboration with NGAO and county governments, should mount a sustained national public sensitization campaign.
viii) Integrate alcohol harm awareness into school curricula, community barazas and religious institutions.
ix) Strengthen community policing through Nyumba Kumi initiatives to foster local ownership of the fight against illicit alcohol.
x) Monitoring, Accountability and Parliamentary Oversight; Institute quarterly reporting by the Multi-Agency Taskforce to Parliament on enforcement outcomes, including arrests, seizures, prosecutions and convictions.

xi) Commission independent evaluations of task force effectiveness every two years.

xii) Establish public-facing dashboards for transparency on enforcement activities and outcomes.

xiii) Create community feedback mechanisms to enable citizens to report illicit alcohol activity and assess enforcement responsiveness.

230) The scourge of illegal alcohol is not merely a law enforcement problem it is a complex socio-economic and public health challenge that demands coordinated, multi-sectoral and sustained action. The National Police Service pledges continued commitment to protecting the health, safety and welfare of all Kenyans from the harmful effects of illicit alcohol. We stand ready to work closely with this Committee, Parliament and all relevant stakeholders to build a comprehensive and durable solution to this national challenge.

3.8 Ministry of Investment, Trade and Industry

Hon. Lee Kinyanjui, EGH, the cabinet Secretary Ministry of Investment, Trade and Industry vide letter Ref: MITI/CS/25/VOL.I(007) submitted as follows-

231) The petition alleges insufficient monitoring and oversight of licensed manufacturers and distillers of second-generation alcohol by KEBS and other regulatory agencies. The Ministry, through KEBS places on record the following specific measures that constitute its oversight for licensed alcoholic beverage manufacturers.

Mandatory Quality Control Laboratory Requirement

232) KEBS requires, as a condition of certification, that all alcoholic beverage manufacturers maintain a Quality Control Laboratory capable of testing for quality and safety parameters including methanol covering raw materials, in-process products during production, and finished products before market release. Specifically, every establishment manufacturing Spirituous Alcoholic Beverages is required to possess a Gas Chromatography with Flame Ionization Detector (GC-FID) machine for methanol determination and other parameters stipulated in the respective Kenya Standards.

Interlaboratory Comparison (ILC) Testing Programme

233) Following directives from the Cabinet Secretary, Ministry of Interior and National Government Coordination, issued on 6th March 2024, the Ministry through its agency (KEBS) organised and rolled out an Interlaboratory Comparison (ILC) testing programme for wines and spirits in the brewing industry. This programme supports manufacturers' quality control laboratories in ensuring that their products meet quality requirements both during production and before market release.

234) The ILC testing materials include ethanol, methanol, isopropyl alcohol (IPA), ethyl acetate, amyl alcohol and acetic acid in aqueous media. The ILC enables participating manufacturers to:

i) Determine the concentrations of denatonium benzoate (denaturant) in denatured ethanol using High Performance Liquid Chromatography (HPLC/UV-vis) methods.
ii) Identify congeners in alcoholic beverages by direct injection in Gas Chromatography equipped with a Flame Ionization Detector (GC-FID).
iii) Determine ethyl alcohol (ethanol) content and volatile acidity in strong alcoholic beverages.

235) Each round of ILC testing is followed by an evaluation workshop at which participants discuss performance results, identify root causes of any non-performance, and agree on corrective actions to improve product quality. This mechanism ensures that manufacturers maintain continuous analytical competence and that their laboratory results are reliable and comparable.

Scheme of Supervision and Control (SSC)

236) All manufacturers of alcoholic beverages have signed a Scheme of Supervision and Control (SSC) a certification agreement that specifies the controls the manufacturer is expected to maintain and the evidence they must make available to KEBS during inspections. This systematic way ensures that adequate quality management activities are always carried out, providing assurance that products continuously meet the approved specifications under the applicable Kenya Standard.

237) Under the SSC, manufacturers are further required to undertake periodic product testing with ISO/IEC 17025 accredited laboratories independently of their in-house quality control to ensure independent verification of product quality before market release.

NACADA Multi-Agency Clearance Requirement

238) Manufacturers of potable spirits are required to obtain written clearance from NACADA, issued following a multi-agency inspection on the preparedness of the manufacturer to comply with all regulatory requirements before commencing production. KEBS is a member of this multi-agency committee, which conducts joint inspections to assess, among other matters, the adequacy of quality control infrastructure, the safety of production processes, and the manufacturer's compliance with applicable standards and licencing requirements.

Approved Brands Register

239) It is worth noting that, KEBS has approved 340 alcoholic beverage brands manufactured locally, details of which are maintained in the its Approved Brands Register. Any brand not

appearing on this register has not been certified by KEBS and is therefore not authorised to bear the KEBS Standardisation Mark.

Product Certification and Counterfeit/Adulterated Products in the Market (Petition Clauses 3 and 4)

240) The petition highlights the prevalence of counterfeit brands and adulterated second-generation alcohol as causes of deaths and hospitalisations, including in Uasin Gishu County. The Product Certification Scheme run by KEBS makes it mandatory for all locally manufactured alcoholic beverages to bear the Standardisation Mark before being placed on the market. KEBS has additionally strengthened the rules of this scheme to specifically combat illicit brews through the following measures:

i) All manufacturers must maintain up-to-date quality control test results and data, which must be made available to KEBS during inspections to confirm ongoing compliance.

ii) Periodic Interlaboratory Comparison participation is mandatory to demonstrate sustained capability to test for all safety and quality parameters prescribed in the relevant Kenya Standard.

iii) Manufacturers are required to use only 150/IEC 17025 accredited external laboratories for third-party verification testing.

iv) The Ministry through KEBS conducts ongoing Market Surveillance Activities involving systematic monitoring of alcoholic beverages in the market to verify compliance with relevant technical regulations governing health, safety and environmental concerns, and to promote fair trade practices. These activities include random sampling from retail outlets, wholesale distributors and importation points, followed by laboratory analysis for among other parameters methanol content, alcohol strength, labelling compliance and the integrity of the standardisation mark.

v) Where products are found to be non-compliant, KEBS issues product recall notices, rejection orders and destruction directives. Cases involving criminal counterfeiting are referred to the Kenya Police Service and the Directorate of Criminal Investigations (DCI), supported by laboratory evidence obtained by KEBS.

Consumer Authentication and Traceability (Petition Clause 7)

241) The petition identifies the absence of robust product traceability mechanisms as a systemic vulnerability. However, I need to bring to the attention of the membership herein that, KEBS has implemented the following consumer authentication and traceability measures:

i) Standardisation Mark Permit System; Upon certification, each manufacturer is issued a unique Standardisation Mark Permit number for every beverage brand they produce. This permit number must be displayed on the product label and must be produced by the manufacturer upon request by a regulator or consumer.

ii) SMS Verification Short Code 20023; Consumers are empowered to verify the authenticity of any KEBS-certified alcoholic beverage in real time by sending a text message to the short code 20023 in the format: SM# [Permit Number]. The system returns confirmation of whether the permit is valid, thereby enabling consumers to distinguish certified from uncertified products at the point of purchase.

iii) KEBS Website Public Register of Certified Products; All certified alcoholic beverages are published on the KEBS official website, providing a publicly accessible reference list against which any product can be verified. This register is updated as cehifca4onsaregranted, suspended or cancelled.

iv) Toll-Free Consumer Helpline 1545; KEBS has dedicated a toll-free telephone number, 1545, through which members of the public may make enquiries about any alcoholic beverage product in the market, report suspected counterfeits or seek guidance on the certification status of any brand or manufacturer.

Industrial Ethanol Diversion and Border Surveillance (Petition Clause 8)

242) KEBS has instructed all Pre-Export Verification of Conformity (PVoC) agents globally to ensure that ethyl alcohol intended for industrial application imported into Kenya is denatured with denatonium benzoate before shipment. Denatonium benzoate is a bittering agent of such extreme potency that it renders industrial alcohol effectively unusable in alcoholic beverage production, thereby closing a key pathway for ethanol diversion PVoC Programme for Imported Alcoholic Beverages.

243) Through the PVoC programme, the Ministry ensures that imported alcoholic beverages and industrial ethanol are inspected and certified before shipment to Kenya. Only consignments that meet the specifications of the applicable Kenya Standard are issued a Certificate of Conformity permitting entry. Consignments arriving without a valid CoC are held at the port of entry and subjected to full conformity testing before clearance is authorized.

Proposed Enhanced Border Surveillance

244) The Ministry recognizes that the diversion of neutral spirits through informal border crossings and illicit imports remain persistent challenges. To mitigate this, we propose, and requests the Committee's support for, enhanced border surveillance by KEBS in collaboration with the Kenya Revenue Authority (KRA) Customs, the Kenya Defence Forces and the Kenya Coast Guard, to intercept smuggled neutral spirits and substandard alcoholic beverages at both formal and informal entry points.

245) The Ministry reaffirms its commitment to the protection of Kenyan consumers and the integrity of the alcoholic beverages market against illegal, adulterated and substandard products.

246) In line with the Standards Act, the Ministry will support KEBS, to continue discharging, its mandate through a comprehensive and continuously evolving regulatory framework that governs standards development, conformity assessment, product certification, market surveillance, laboratory testing, and import inspection through the Pre-Export Verification of Conformity (PVoC) programme. Additionally, the ministry assures the committee that KEBS will continue being an active participant in relevant inter-agency coordination structures established under the national alcohol control structure.

247) The measures outlined in this submission including strengthened laboratory requirements for manufacturers, interlaboratory comparison programmes, structured supervision under certification agreements, consumer authentication systems through SMS verification (Short Code 20023), public access to certification data, toll-free consumer reporting (1545), and technical controls on industrial ethanol through mandatory denaturing requirements demonstrate a sustained and structured regulatory regime within KEBS' statutory remit.

248) These interventions are designed to ensure that products within the formal market system are consistently compliant with applicable standards and that consumers are empowered with tools for verification and protection.

249) The Ministry remains committed to continuously strengthening its technical capacity and regulatory systems, and to working in close coordination with other competent Government agencies in addressing the broader national challenge illicit alcohol. In this regard, we are fully prepared to support a strengthened, integrated and intelligence-led multi-agency approach that enhances enforcement effectiveness across the entire value chain.

3.9 Kenya Sugar Board

Mr. Jude Chesire, the acting CEO Kenya Sugar Board Vide Letter Referenced KSB/SCO/4/10/ (6) dated 4th May, 2026 submitted as follows -

250) The Board recognizes the grave public health and social concerns raised by the petitioners regarding the menace of illicit alcoholic brews and second-generation alcohol in the country.

251) Under Section 2 of the Sugar Act, 2024, molasses falls under the definition of a by-product, which refers to any substance, other than sugar, produced incidentally during manufacturing. The Sugar Act, 2024, Sections 4 and 9 grants the Board specific powers to regulate molasses. The Board to control, supervise, and access relevant industry information regarding these products.

252) Specifically, the Board is mandated under Section 4(2) (q) of the Sugar Act, 2024 to formulate guidelines for the safe and economical disposal of unutilized by-products, which include molasses. Besides, any person intending to import or export sugar by-products, including molasses, must obtain a valid license as required by Section 25(1) of the Sugar Act, 2024, and must further obtain a pre-import permit or pre-export approval from the Board as stipulated in Section 25(2) of the Sugar Act, 2024.

253) In view of the above, the Board acknowledges that molasses is a key ingredient in the production of ethanol. Currently, two Sugar Millers have allied factories that produces ethanol for industrial use.

254) The Board has put in place several measures to ensure that there is no diversion of molasse which can facilitate the production of illicit Alcohol. Some of these measures include;

i) The National Molasses Distribution Guidelines: The Board through these guidelines allocates 80% of the Molasses produced in the country to industrial users and only 20% to the livestock farmers for animal feeds.

ii) Collaboration with Chiefs and NPS: The Board collaborates with chiefs and the national police service officers to ensure that the 20% allocated to the farmers is utilised for the intended purpose to prevent diversion and use to produce illicit brew such as Chang'aa and Busaa. Each individual famer is allowed a total of 1 0 tonnes.

iii) Molasses Permit: Besides, the Board monitors the production and distribution of Molasses through provision of Molasses Permits which requires the applicant to indicate the Miller selling the product and the intended use. This facilitates traceability from the Sugar Millers to industrial Users.

iv) Imports: The Board as per Section 25 of the Sugar Act, requires all importers of Molasses, a Sugar Crop By-product to import molasses only for industrial use only. The importers must be licensed and get an import permit for each consignment.

Ethanol

255) Kenya Sugar Board's mandate regarding management of ethanol is quite limited since the Board only regulate and monitor Molasses which is an ingredient of Ethanol. The critical agencies involved in the value chain of ethanol includes Kenya Revenue Authority, Energy and Petroleum Regulatory Authority, and Kenya Bureau of Standards. However, the Board work with these agencies collaboratively to share information regarding the Sugar Mills which produces ethanol.

256) The future of the Sugar industry is also in transiting to the production of ethanol as one of the major products. Therefore, it is imperative to re-look into the laws governing the Sugar Industry and provide clear mandate to the Board regarding regulation and monitoring of ethanol produced using Sugar crops. This may enhance the element of traceability in collaboration with KRA, EPRA, and NACADA.

Jaggeries and Jaggary Millers

257) Under the Section 2 of the Sugar Act, 2024, jaggery is legally classified as a form of "sugar," which encompasses crystalline or liquid sucrose derived from sugar crops in any of its recognized commercial forms. Under the same section, A jaggery mill is specifically defined as the bare minimum technology equipment used to crush sugarcane to produce juice, which

is then processed through boiling to produce jaggery. Consequently, any person licensed to operate such a mill is legally regarded as a miller, and these millers are recognized members of the national sugarcane manufacturer's apex body.

258) The Kenya Sugar Board is mandated under Section 4(2)(m) of the Act to register and license jaggery mills, a function further detailed in the Sugar (General) Regulations, 2025, which require millers to apply for operating licenses and pay prescribed fees. Operating a jaggery mill without a current license, which must be issued upon recommendation from the relevant County Government, is a criminal offense under Section 22, punishable by fines of up to ten million shillings or imprisonment for UP to five years. Additionally, the Board is tasked with conducting quarterly physical inspections of licensed premises to ensure safety and health standards are met and must strictly prevent the mislabelling of jaggery or the abetting of illegal trafficking of related substances.

259) Despite these legal provisions, the use of jaggery as a fermentable base for illicit brews like Chang'aa continues due to significant regulatory and enforcement gaps identified in recent parliamentary petitions. One of the major gaps in regulation of Jaggaries results from the product being handled and transported in small, unregulated quantities, which easily bypass formal distribution oversight, facilitating the production of unsafe and counterfeit alcoholic products.

260) In view of the above, the Board works in collaboration with the county governments and the police to regulate, prevent, and combat the mushrooming of the informal jaggeries to prevent supply to illicit brewers.

261) The Kenya Sugar Board remains committed to its mandate under the Sugar Act, 2024, to regulate the sugar value chain. By enforcing strict molasses distribution quotas, licensing jaggery millers, and enhancing traceability, the Board aims to eliminate the diversion of by-products into the illicit alcohol market. Through continued collaboration with County Governments and law enforcement/ we will strengthen oversight to protect public health and ensure industry integrity. The Board commits to continue collaborating with the Partner Government Agencies such as KRA, KEBS, NACADA, and ACA in monitoring Sugar Mills that produces Ethanol.

3.10 Kenya Revenue Authority

Dr. Lilian Nyawanda, the then acting Commissioner General, Kenya Revenue Authority vide letter referenced KRA/5/1002/5(13896) dated 28th April, 2026 submitted as follows -

KRA's Monitoring of Manufacture and Importation Alcoholic Brews by Licensed Companies

262) Licensing and Regulatory Control-KRA ensures that all manufacturers and importers of alcoholic products are licensed and regulated under the Excise Duty Act, 2015 with defined conditions on production, importation and compliance.

263) Technology-Based Monitoring (Excise Goods Management System (EGMS) & Customs Systems)-KRA utilizes EGMS and customs platforms to track production and imports, ensuring all products are affixed with secure excise stamps before entering the market.

264) On-Site Supervision and Compliance Audits-Through factory-based controls, resident officers and periodic factory inspections and audits. KRA verifies that production volumes and imports are accurately declared and accounted for.

265) Market Surveillance and Enforcement-KRA conducts intelligence-led inspections and field operations, supported by stamp verification tools, to ensure that only legitimate, duty-paid alcoholic products are distributed and sold.

Strategies of Border and Customs Control on Importation and Smuggling of Ethanol from Neighbouring Countries

266) The illicit trade in ethanol and alcoholic beverages continues to pose significant threats to revenue collection, public health and national security. In response. KRA has implemented the following strategies to combat illegal trade:

i) Mobile Inland Border Control Checks (IBCCs); IBCCs, established under the Border Control and Operations Committee (BCOCC), are Multi-Agency Non-Tariff Barriers (NTBs) strategically positioned along transport corridors, to provide an additional layer of inspection. These mobile units intercept goods that may have bypassed official Points of Entry and Exit (PoEs) or entered through unofficial crossing points. The IBCC teams comprise the following agencies: KRA. National Intelligence Service, National Police Service and Directorate of Immigration Services. IBCCs have been deployed in identified smuggling hotspots as a rapid-response measure to curb the illicit trade in ethanol, cigarettes and alcoholic products, thereby enhancing surveillance and enforcement presence in high-risk zones.

ii) Gazettement of Strategic Points of Entry/Exit (PoEs); The National Security Council Committee (NSCC) has approved the gazettement of the following new Points of Entry (PoEs) which are pending gazettement by the Ministry of Interior and National Administration. Expanding the number of border posts enhances interception capabilities by positioning officers closer to border points;

Border	Approved POE	County
Kenya-Uganda	Konyao	West Pokot
	Lokiriama	Turkana
Kenya-Tanzania	Olposimoru	Narok
Kenya-Ethiopia	Todonyang'	Turkana
	Ileret/Banya Fort	Marsabit

Enhanced Surveillance and Technology

267) Customs officers at Jomo Kenyatta International Airport (JKIA), Inland Container Depot Nairobi (ICDN), Mombasa, Namanga, Busia and Malaba border stations are equipped with body-worn cameras to enhance transparency and accountability, enabling real-time recording of interactions, audio and video evidence capture at crime scenes and preservation of evidence for investigations, arrests and prosecutions.

268) KRA has trained twenty (20) drone pilots to strengthen border surveillance and is in the process of procuring two (2) tethered drones with assistance of the U.S. Embassy Nairobi's Export Control and Border Security (EXBS) Program.

269) Enforcement equipment, including handheld scanners and cargo probes, has been deployed across selected border points, alongside the establishment of Integrated Border Control Centres (IBCCs).

270) Institutional Coordination and Oversight; KRA has established and operationalized Border Management Committees (BMCs) at all Points of Entry and Exit (PoEs) and has operationalized Joint Border Operation Centres (JBOCs) at all One Stop Border Posts (OSBPs).

271) Enforcement Operations and Compliance Measures; Multi-Agency crackdowns targeting illicit alcohol and tobacco continue to be conducted, alongside continuous customs controls through enhanced verification and cargo profiling. The value of interceptions from enforcement operations as from 1st July 2025 to 31st March 2026 is shown below:

- Ethanol - Kshs. 9,896,000.00
- Cigarettes - Kshs. 338,583,280.00
- Alcohol - Kshs. 1,283,750.00

272) No disposal/destruction exercise has been undertaken in the current financial year as such intercepted goods are held as evidence pending prosecution and other enforcement measures.

273) KRA also operates the iWhistle portal, which allows anonymous reporting. Informers are rewarded for providing information that leads to the successful recovery of tax evasion cases or other useful intelligence.

Status of Implementation in place to curb production, distribution and Consumption of Illegal Alcohol

274) Comprehensive Legal and Regulatory Framework; KRA has established a robust framework under the Excise Duty Act, including strict licensing requirements, Excise Duty controls and remission regulations. This framework provides clear standards for the production, distribution and sale of alcoholic beverages and empowers enforcement action against non-compliance.

275) Technology-Driven Monitoring and Control; The rollout of the EGMS and secure excise tax stamps has significantly enhanced real-time monitoring, product traceability and revenue assurance within the formal alcohol sector. This has curtailed counterfeiting and improved compliance among licensed manufacturers.

276) Sustained Multi-Agency Enforcement Operations; KRA continues to implement intelligence-led, multi-Agency enforcement operations targeting illicit alcohol across the supply chain. These include factory inspections, market surveillance and seizure of non-compliant products. However, the expansive and dynamic nature of illicit trade requires continuous strengthening of enforcement capacity and coordination.

277) Ongoing Reforms to Strengthen Compliance and Protect Revenue; The Authority is advancing targeted reforms, including tightening upstream controls on raw materials, enhancing data-driven enforcement, reviewing tax policy to support compliance and strengthening collaboration with other government agencies. These interventions are aimed at sustainably reducing illicit trade, protecting public health and safeguarding government revenue.

KRA'S Determined Cause of the rampant Production, Distribution and Consumption of Illegal Alcohol in the Country

278) Weak Control of Strategic Raw Materials (Molasses & Ethanol); Inadequate regulation, tracking and reconciliation of molasses and industrial ethanol, the primary inputs in alcohol production create significant upstream vulnerabilities. Diversion at source, particularly from sugar mills and within the ethanol supply chain, feeds unregulated manufacturing with limited real-time oversight and fragmented inter-agency coordination.

279) Strong Economic Incentives Driven by Tax Arbitrage; High Excise Duty rates on alcoholic beverages create substantial price differentials between compliant and illicit products. This generates strong incentives for illegal production and distribution, where operators benefit from low production costs and high profit margins while completely evading tax obligations under the Excise Duty Act, 2015.

280) Sustained Demand Coupled with Weak Deterrence Mechanisms; Robust consumer demand for low-cost alcohol, driven by affordability constraints, sustains the illicit market. At the same time, weak and inconsistent enforcement outcomes, including delays in prosecution, compromised evidence chains and penalties that do not outweigh illicit gains limit the overall deterrent effect.

Recommendations of a Multi-Agency Approach to curb the Production, Distribution and Consumption of Illegal Alcohol in the Country

281) Strengthen Upstream Control of Raw Materials (Molasses & Ethanol); Establishing a joint regulatory framework involving KRA, relevant sector regulators and industry stakeholders to ensure end-to-end tracking and reconciliation of molasses and ethanol.

282) Enhance Integrated Enforcement and Intelligence Sharing; Establish a centralized intelligence-sharing platform to integrate data from enforcement, surveillance and regulatory systems across various government agencies involved in the fight against illicit trade in alcoholic products.

283) Enhance Deterrence through Stronger Legal and Prosecution Frameworks; Strengthen investigation and prosecution capacity through closer collaboration between KRA, investigative agencies and the judiciary.

284) Ensure consistent and proportionate penalties that outweigh gains from illicit trade.

285) Protect the integrity of evidence and chain-of-custody to support successful prosecutions.

286) Formalize the Multi-Agency Framework; KRA supports a strengthened, formalized multi-agency framework to address the evolving and increasingly sophisticated nature of illicit alcohol trade. While current efforts are coordinated through administrative arrangements, prevailing realities such as organized networks, cross-border supply chains, misuse of digital platforms and public health risks require a more structured and intelligence-driven approach.

287) A formal multi-agency mechanism would:

i) Institutionalize real-time intelligence sharing across enforcement, regulatory and public health agencies,

ii) Enable coordinated, risk-based operations targeting high-impact actors along the entire value chain,

iii) Provide a basis for sustainable resource mobilization and joint funding of operations and technology,

iv) Strengthen oversight of high-risk segments, including informal production, distribution networks and retail outlets,

v) Enhance traceability systems and data integration to detect tax evasion and product diversion and,

vi) Promote transparency and accountability through clear governance structures and publicly reported performance indicators.

288) Additionally, the framework should integrate community engagement, public awareness and demand-reduction strategies, recognizing that enforcement alone is insufficient. A whole-of-government and whole-of-society approach is therefore critical to achieving lasting impact.

Any Other Recommendations that deem appropriate to address the plight of the petitions.

289) Expedited Prosecution Framework; Support the designation of specialized court divisions and/or magistrates to fast-track the hearing and determination of cases related to illicit alcohol, counterfeit excise stamps and ethanol smuggling. This should be accompanied by adequate resourcing, including prosecutorial capacity, judicial support staff and case management systems, to ensure timely and effective administration of justice.

290) Public Awareness and Consumer Empowerment; Strengthen public awareness initiatives by promoting the widespread adoption and use of the Authority's Soma Label verification application. This will empower consumers to authenticate products in real time, thereby serving as a frontline deterrent against counterfeit and illicit goods. Complement this with sustained public education campaigns across multiple media platforms.

291) Operational Coordination; Institutionalize quarterly joint operational planning and review meetings among key multi-Agency stakeholders to enhance coordination, intelligence sharing and alignment of enforcement priorities. These forums should be supported by clear action plans, defined accountability mechanisms and periodic performance reporting.

292) In conclusion, the illicit alcohol challenge requires a coordinated, whole-of government response that reinforces controls across the entire value chain while addressing underlying market dynamics.

293) KRA will continue to strengthen its mandate through technology-driven monitoring, intelligence-led enforcement and regulatory oversight under the Excise Duty Act, 2015, working closely with partner agencies to close existing gaps.

294) With sustained collaboration, consistent application of deterrent measures and alignment of policy and enforcement efforts, the country can progressively suppress illicit alcohol, safeguard public health and protect revenue integrity.

3.11 Council of Governors

Ms. Mary Mwiti, the CEO, Council of Governors vide letter Ref: COG/6/11 vol.4 (65) dated 30th June, 2026 submitted as follows -

295) The Petition raises serious concerns regarding the continued production, distribution and consumption of illicit alcoholic brews in Kenya and the resultant public health, social and economic consequences. The Petition highlights persistent cases of alcohol poisoning, loss of life, addiction, crime, family disintegration, underage drinking and the proliferation of counterfeit and adulterated alcoholic products. It further raises concerns regarding inadequate monitoring of ethanol supply chains, weak enforcement mechanisms and insufficient coordination among regulatory agencies.

296) The Council of Governors acknowledges that the upsurge in illicit alcohol consumption and substance abuse has become a national crisis affecting communities across the country. The matter transcends trade regulation and touches on public health, security, consumer protection, youth development and socio-economic wellbeing.

The law and analysis

297) The Constitution establishes a decentralized system of governance in which both levels of government are obligated to exercise their functions in a manner that promotes the welfare of citizens. Notably, the Constitution assigns significant responsibilities relating to alcohol regulation and consumer protection to County Governments. Under Part 2 of the Fourth Schedule to the Constitution, County Governments are responsible for among others:

i) Cultural activities, public entertainment and public amenities, including, liquor licensing;
ii) Trade development and regulation including, markets, trade licensing (excluding regulation of professions), fair-trading practices, local tourism.

298) Importantly, County Governments have taken tremendous steps in operationalizing Part 2 of the Fourth Schedule by enacting legislation that seek to guide on:

i) Licensing premises involved in the sale and distribution of alcoholic drinks.
ii) Inspection and monitoring of licensed premises.
iii) Enforcement of compliance with county alcoholic drinks legislation.
iv) Regulation of operating hours and licensing conditions.
v) Closure of non-compliant and unlicensed premises.
vi) Public education and community awareness programmes.
vii) Protection of consumers from harmful and unsafe products.
viii) Enforcement of fair-trading practices within county jurisdictions.
ix) Rehabilitation and prevention programmes in collaboration with relevant stakeholders.

x) In addition, counties undertake market surveillance activities through county inspectorate and enforcement units and work closely with public health Officers, law enforcement agencies and community structures to combat illicit alcohol.

Distinction between licensing and product regulation

299) The Petition raises concerns regarding the manufacture, quality, adulteration and distribution of alcoholic products, particularly second-generation alcohol and ethanol-based products. The Council submits that whereas County Governments regulate the licensing of alcohol outlets, other aspects of alcohol regulation remain within the purview of the National Government. This includes:

i) Product standards and quality assurance by Kenya Bureau of Standards;
ii) Taxation and excise administration by Kenya Revenue Authority;
iii) Border control and anti-smuggling measures;
iv) Regulation of industrial ethanol production and importation;
v) Consumer product standards and conformity assessment;
vi) Criminal investigations and prosecution.

300) The Council therefore posits that the effectiveness of alcohol control depends on coordinated action between the two levels of government.

County governments' contribution to consumer protection and fair-trading practices

301) The Council submits that the proliferation of counterfeit and illicit alcoholic products undermines both consumer protection and legitimate businesses that comply with licensing and tax requirements. To curb this, County Governments have taken the following steps to protect consumers from harmful products;

i) Licensing and inspection of retail outlets;
ii) Closure of illegal drinking establishments;
iii) Enforcement against sale of alcohol to minors;
iv) Public health inspections;
v) Consumer awareness campaigns;
vi) Enforcement of county public health laws;
vii) Regulation of business premises and trade activities.
viii) Counties also contribute to fair trading practices by ensuring:
ix) Businesses operate under valid licences;
x) Consumers are protected from fraudulent and unsafe products;
xi) Traders comply with county laws and licensing requirements;
xii) Markets operate within established regulatory frameworks.

Challenges

302) Despite the tremendous efforts made by the Counties, the following challenges persist.

i) Weak Regulation of Ethanol Supply Chains; Counties have limited jurisdiction over production, importation and interstate movement of industrial ethanol, necessitating stronger national enforcement and traceability mechanisms.

ii) Inadequate Coordination among Enforcement Agencies; There is inadequate coordination amongst enforcing agencies including County Governments, National Police Service, Kenya Bureau of Standards (KEBS), Kenya Revenue Authority (KRA), National Agency for the Campaign Against Drug Abuse (NACADA), Ministry of Health and Public Health Authorities.

iii) Proliferation of Unlicensed Premises; Many illicit alcohol outlets operate outside the licensing framework established by counties, thereby evading inspections and enforcement.

iv) Limited Resources for Enforcement; County enforcement units often face resource constraints in undertaking sustained inspections and market surveillance operations.

v) Emerging Cross-Border Challenges; Smuggling of ethanol and counterfeit alcohol through border points has increased the complexity of enforcement efforts and thus requires national intervention.

Recommendations

303) In light of the foregoing, the Council recommends the following interventions:

i) Enhance implementation of existing laws and review of regulatory gaps relating to ethanol production, transportation and distribution.

ii) Establish a National-County Multi-Agency Alcohol Control Framework.

iii) Develop a national alcohol traceability system covering ethanol production, transportation and distribution.

iv) Enhance interagency cooperation and collaboration amongst different enforcement agencies.

v) Increase support for county alcohol enforcement units.

vi) Harmonize enforcement protocols while preserving county licensing authority.

vii) Strengthen consumer protection mechanisms against counterfeit and adulterated alcohol.

viii) Establish structured data-sharing mechanisms between National Agencies and County Governments.

ix) Enhance public education and community-based rehabilitation programmes targeting youth and vulnerable communities.

x) Ensure periodic joint inspections involving counties and relevant national regulatory agencies.

304) The instant Petition is timely and presents an opportunity to address production, distribution and consumption of illegal alcohol in manner that respects the functional and institutional integrity of each level of government. County Governments remain the primary regulators of liquor licensing, local trade regulation, consumer protection and fair-trading practices within their jurisdictions. However, the fight against illicit alcohol requires a coordinated whole-of-government approach involving both National and County Governments.

PART FOUR

4 COMMITTEE OBSERVATIONS

Upon hearing from the petitioner, Ministry of Interior and National Administration, Ministry of Investment, Trade and Industry, Council of Governors, Kenya Sugar Board, Kenya Revenue Authority (KRA), Kenya Bureau of Standards (KEBS), National Police Service (NPS), Anti-Counterfeit Authority (ACA), Kenya Association of Manufacturers (KAM) and Alcoholic Beverages Association of Kenya (ABAK), the Committee observed that;

305) The Alcohol Industry accounts for about 4.1% of Kenya's nominal GDP in 2024 (valued at approximately Ksh 660.01 billion) and a major contributor to tax revenue through excise and import duties, with alcoholic beverages generating approximately Ksh. 48.61 billion in excise revenue in 2024 (Beer: Ksh 29.07 billion; wines and spirits: Ksh. 19.53 billion).

306) In 2025, the total size of illicit trade in Kenya, was estimated at Ksh. 826 billion, having risen from Ksh. 726 billion in 2017. Illicit alcohol comprised approximately 59% by volume (898,478 hectolitres of alcohol equivalent) and 21% by value (KES 67 billion) of the total alcohol market in Kenya in 2022.

307) The fiscal loss attributable to the illegal-alcohol economy was estimated at approximately KES 71 billion in 2022, with the greatest leakage emanating from distilled spirits.

308) Of the four illicit categories, illicit artisanal brews accounted for 66% of total volume, tax leakage for 16%, counterfeit and illicit brands for 15%, and contraband/smuggling for 4%.

309) On average, 18% of products in surveyed sectors are counterfeited, with alcoholic beverages experiencing a prevalence of 19%, second only to automotive spare parts (21%).

310) Within the alcoholic drinks segment, gin and vodka emerged as the most affected products at the firm level, while at the consumer level wine (50.12%), beer (47.44%), whiskey (42.68%) and vodka (36.95%) were reported as the most counterfeited categories.

311) Illicit alcohol is rampant due to tax evasion and illegal ethanol smuggling through porous borders with multiple recognised illicit entry points, including Isibania, Shimoni, Busia, Mbale, Malaba, Lwakhakha, Namanga, Lunga Lunga and Moyale.

312) There was fragmentation of retail licensing across 47 County Governments, with uneven enforcement of the Alcoholic Drinks Control Act, 2010 and respective County Acts, creating arbitrage opportunities for illicit traders, coupled with the various overlapping mandates of regulatory and enforcement agencies.

313) The current legal framework has gaps that allow proliferation of counterfeit products.

314) The primary driver of the current crisis in Uasin Gishu was the smuggling and diversion of ethanol intended for industrial/manufacturing use. Statistics however show that the matter was a national pandemic.

PART FIVE

5 COMMITTEE RECOMMENDATIONS

Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows-

1. On the prayer that the Committee investigates the status of implementation of regulations in place to curb production, distribution and consumption of illegal alcohol; **the Committee found that implementation of the various laws has been weak and inconsistent. The Committee recommends that within ninety (90) days upon adoption of this report;**
   - i) **The Cabinet Secretary National Treasury, in liaison with KRA, full operationalizes the Excise Duty (Remission of Excise Duty) Regulations, 2026;**
   - ii) **The Cabinet Secretary Ministry of Interior & National Administration in liaison with the Council of Governors submits to the National Assembly proposals for harmonization of national-county Alcoholic Drinks Control regime as regards licensing;**
   - iii) **The Cabinet Secretary Ministry of Interior & National Administration submits to the National Assembly draft amendments to the Alcoholic Drinks Control Act prescribing higher penalties for breaches of the law commensurate to economic crimes;**
   - iv) **The Cabinet Secretary Ministry of Trade & Industry in liaison with the Anti-Counterfeit Authority submits to the National Assembly draft amendments to the Anti-Counterfeit Act prescribing higher penalties for breaches of the law commensurate to economic crimes, and criminal liability of beneficial owners of offending companies and address enforcement gaps;**
   - v) **The Cabinet Secretary Ministry of Agriculture, Livestock and Fisheries in liaison with the Kenya Sugar Board submits to the National Assembly draft amendments to the Sugar Act to provide for express provision for the licensing, monitoring and quarterly reporting by sugar millers of all molasses-based ethanol production; and mandatory disclosure of buyers, end-users and movement of ethanol consignments to KRA, KEBS and ACA, and prescribe minimum quantities threshold for sale;**

2. On the prayer that the Committee determines the cause of the rampant production, distribution, and consumption of illegal alcohol in the country; **the Committee found that the proliferation of illicit alcohol was due to a high tax regime, corruption amongst enforcement agencies, weak regulatory enforcement and smuggling of ethanol across borders. In particular, the NPS, KEBS and KRA bear the greatest responsibility. The Committee recommends that within ninety (90) days upon adoption of this report;**

i) **The Inspector General NPS and Commissioner General KRA reports to the National Assembly on action taken to increase surveillance at the identified (and other) ethanol smuggling border points of Isibania, Shimoni, Busia, Mbale, Malaba, Lwakhakha, Namanga, Lunga Lunga and Moyale, and crackdown within Kenya;**

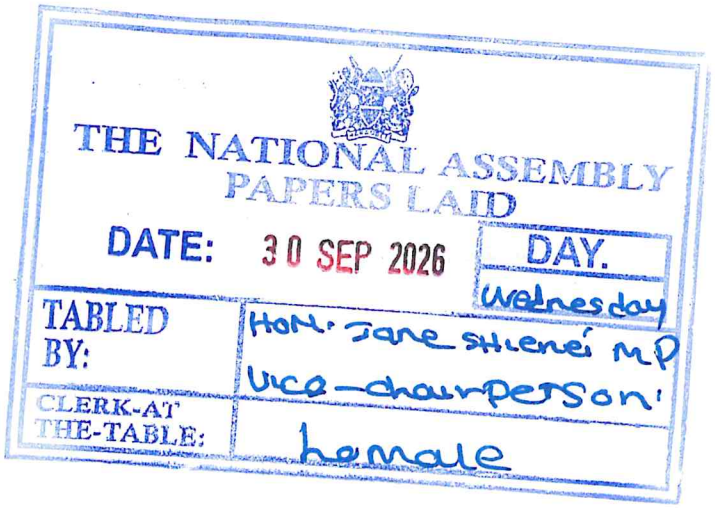
ii) **The Managing Director KEBS submits to the National Assembly a strategy paper on revamped enforcement, quality assurance and inspection, and market surveillance measures.**

3. On the prayer that the Committee recommends a multiagency approach to curb the production, distribution and consumption of illegal alcohol, **the Committee recommends that within ninety (90) days of adoption of this report, the Cabinet Secretary Ministry of Interior & National Government submits to the National Assembly draft legislation to anchor the Multi-Agency Taskforce into law. This taskforce should comprise the Ministry's NGAO, NPS, NIS, KRA, KEBS, NACADA, ACA, COG, Ministry of Health, ODPP, EACC, and any other relevant government agency.**

4. **The Committee recommends that this report be debated by the House as per Standing Order 208A (2) (c).**

Signed: _____ **Date:** 30/09/2026

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE



ANNEXURES

Annex 1: The Adoption List

Annex 2: Public Petition No. 2 of 2026 regarding production, distribution and consumption of illegal alcoholic brews in the country by the Hon. Gladys Boss, MGH, MP Member for Uasin Gishu County

Annex 3: Minutes of proceedings

PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

(i) Consideration and adoption of the P/No. 02 of 2026 regarding Production, distribution and consumption of illicit alcoholic brews in the country by Hon. Gladys Boss, MGH, M.P.

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 2/9/2026.

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba,CBS, M.P.(Chairperson)	
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10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
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12.	Hon. Suzanne Ndunge Kiamba, M.P.	
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