LEGAL NOTICE No. 19

THE PUBLIC FINANCE MANAGEMENT ACT
(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 24(3) of the Public Finance Management Act, 2012, the Parliamentary Service Commission makes the following Regulations:

THE PUBLIC FINANCE MANAGEMENT (PARLIAMENTARY CAR LOAN (STAFF) SCHEME FUND) REGULATIONS, 2013

1. These Regulations may be cited as the Public Finance (Parliamentary Car Loan (Staff) Scheme Fund) Regulations, 2013.

2. In these Regulations, unless the context otherwise requires-

"Commission" means the Parliamentary Service Commission established under section 45B of the former Constitution as continued under Article 127 of the Constitution;

"Committee" means the Loans Management Committee established under regulation 6;

"financial year" means the period of twelve months ending on the 30th June in each year;

"Fund" means the Parliamentary Car Loan Scheme Fund established under the Exchequer and Audit (Members of the National Assembly Car Loan Scheme Fund) Regulations, 1999 and continued under paragraph 9 of the Second Schedule to the Public Finance Management Act;

"hire purchase agreement" means an agreement for the bailment of goods under which the bailee may buy the goods or, under which the property in the goods will or may pass to the bailee;

"member of the Scheme" means an employee of the Commission who is employed on permanent and pensionable terms; and

"Officer Administering the Fund" means the Clerk of the National Assembly.

3. The Parliamentary Car Loan Scheme Fund established under the Exchequer and Audit (Members of the National Assembly Car Loan Scheme Fund) Regulations, 1999 established under the Government Financial Management Act (now repealed) is continued.

4. The object and purpose of the Fund shall be to provide a loan scheme for the purchase of vehicles by members of the Scheme.

5. (1) The initial capital of the Fund shall consist of the monies standing to the credit of the Fund on the date of the coming into operation of these Regulations.
(2) Parliament may appropriate additional monies to the Fund.

(3) The Fund shall be administered as a special account in the Parliamentary Fund and shall be operated by the Officer Administering the Fund.

6. (1) There is established a committee to be known as the Loans Management Committee, which shall consist of—

(a) the vice-chairperson of the Commission who shall be the chairperson;

(b) the chairperson of the Staff Welfare Committee of the Commission;

(c) the Clerk of the Senate;

(d) the Director-General of the Joint Parliamentary Services; and

(e) a member of the Scheme elected by the members of the Scheme.

(2) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the Committee’s functions.

(3) The quorum for meetings of the Committee shall be the chairperson and any two members.

(4) The Committee shall consider and may approve the loan applications presented by the Officer Administering the Fund.

7. (1) A member of the Scheme who wishes to apply for a loan from the Fund shall present to the Officer Administering the Fund a duly completed hire purchase proposal form in such form as the Management Committee may prescribe.

(2) The Officer Administering the Fund shall satisfy himself of the applicant’s financial status and capacity to repay the loan applied for and where so satisfied shall forward the application to the Committee for consideration.

(3) If the Committee approves the application, the applicant shall enter into a hire purchase agreement in such form as the Committee may prescribe.

8. (1) A loan approved under regulation 7 shall be released from the Fund in such manner, taking into account the security of the funds, as may be prescribed by the Committee.

(2) The log-book of a vehicle subject to a loan from the Fund shall be issued jointly between the Parliamentary Service Commission and the member of the Scheme and shall be kept in the custody of the Officer Administering the Fund until the loan is repaid in full by the member of the Scheme.
9. (1) A log-book kept in custody by the Officer Administering the Fund may be temporarily released to a member of the Scheme upon application in writing to the Officer Administering the Fund for purposes of renewal by that member of the necessary licences.

(2) A log-book released under paragraph (1) shall be returned to the Officer Administering the Fund within seven working days from the date of such release.

(3) The Officer Administering the Fund shall acknowledge receipt of the log-book in writing.

10. (1) The loan amount that a member of the Scheme may receive shall be the value of the vehicle that the member of the Scheme proposes to purchase subject to the maximum amount as set out in the Schedule to these Regulations.

(2) For the purpose of these Regulations, the value of a new vehicle shall be as quoted on the invoice from the supplier whereas the value of a used vehicle shall be as determined by a report from the body known as the Automobile Association of Kenya, or the Government department dealing with such matters.

(3) Notwithstanding the provisions of paragraph (1), there may be advanced from the Fund to a member of the Scheme an additional loan not exceeding ten per cent of the value of the vehicle purchased by the member of the Scheme to cater for an overhaul of the engine of the vehicle.

(4) No member of the Scheme shall receive a loan the repayment of which shall result in salary deductions exceeding thirty per cent of the monthly emoluments of the member of the Scheme.

11. (1) A loan granted to a member of the Scheme under these Regulations shall carry an interest rate of three per cent per annum.

(2) The interest charged under paragraph (1) shall be utilized to defray the administrative expenses of the Fund.

12. A loan advanced under these Regulations shall be repaid in full over a maximum period of sixty months.

13. (1) A member of the Scheme shall comprehensively insure any vehicle purchased through the Fund.

(2) Where a member of the Scheme is unable to raise the funds required for the initial insurance premium, such funds may be advanced from the Fund subject to an approved limit, but subsequent annual premiums shall be paid by the member of the Scheme.

(3) A member of the Scheme who is unable to pay the subsequent annual premiums referred to in paragraph (2) may apply to the fund for a loan which shall be repaid within a period of one year (1) year.
(4) Every loan granted under these Regulations shall be insured for the benefit of the member of the Scheme and the premium in respect of the loan shall be debited to the account of the member of the Scheme.

14. (1) Upon full repayment of the loan, a signed loan discharge certificate in such form as may be prescribed by the Committee shall be issued to the member of the Scheme and a copy of the discharge certificate shall be forwarded to the Registrar of Motor Vehicles.

(2) The loan discharge certificate shall release the member of the Scheme from any further financial obligation in respect of the loan and shall act as sufficient authority to remove the caveat on the vehicle pursuant to regulation 8.

15. (1) The Officer Administering the Fund-

(a) shall supervise and control the administration of the Fund;
(b) may impose conditions on the use of any monies in the Fund and may also impose any reasonable restriction or other requirement concerning such use;
(c) shall cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;
(d) shall prepare, sign and transmit to the Auditor-General in respect of each financial year and within three (3) months after the end of the financial year, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Commission may from time to time direct in accordance with the Public Finance Management Act;
(e) shall furnish such additional information as he may deem to be proper and sufficient for the purpose of examination and audit by the Auditor-General.

(2) Every statement of account prepared under this regulation shall include details of the balances between the assets and liabilities of the Fund and shall indicate the financial status of the Fund as at the end of the financial year concerned.

16. (1) The Exchequer and Audit (Members of the National Assembly Car Loan Scheme Fund) Regulations, 1999, are repealed.

(2) All the funds and other assets, rights, powers and liabilities which immediately before the coming into force of these Regulations were vested in or imposed on or enforceable against the Fund repealed by paragraph (1) shall, by virtue of this paragraph, be vested in, imposed on or enforceable against the Fund.
(3) Until the constitution of the Parliamentary Service Commission established under Article 127 of the Constitution, the Loans Management Committee established under the Exchequer and Audit (Members of the National Assembly Car Loan Scheme Fund) Regulations, 1999 existing immediately prior to the commencement of these Regulations shall continue in office and continue to operate as such.

SCHEDULE (R. 10)

Maximum Loan Entitlement for Members of the Scheme

<table>
<thead>
<tr>
<th>Designation/Job Group Scale</th>
<th>Maximum Entitlement</th>
</tr>
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<tbody>
<tr>
<td>Clerk of the Senate/ National Assembly</td>
<td>KSh. 5,000,000</td>
</tr>
<tr>
<td>PSC 16</td>
<td>KSh. 4,000,000</td>
</tr>
<tr>
<td>PSC 13 – 15</td>
<td>KSh. 3,500,000</td>
</tr>
<tr>
<td>PSC 9-12</td>
<td>KSh. 2,500,000</td>
</tr>
<tr>
<td>PSC 1-8</td>
<td>KSh. 2,000,000</td>
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</tbody>
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Dated the 17th January, 2013.

KENNETH MARENDE,  
Speaker of the National Assembly/ 
Chairperson, Parliamentary Service Commission.