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LEGAL NOTICE NO. 8

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 24(4) of the Public Finance Management Act, 2012, the Cabinet Secretary for Finance and Planning makes the following Regulations.

THE PUBLIC FINANCE MANAGEMENT (ROADS ANNUITY FUND) (AMENDMENT) REGULATIONS, 2019

1. These Regulations may be cited as the Public Finance Management (Roads Annuity Fund) (Amendment) Regulations, 2019.

2. Regulation 2 of the Public Finance Management (Roads Annuity Fund) Regulations, 2015 hereinafter referred to as the “principal regulations” is amended by inserting the following new definition in its proper alphabetical sequence-

L.N. 36/2015

“surplus funds” means any money held within the accounts of the Fund in excess of 1.2 times of the projected revenues and expenditure, on a quarterly basis rolled a year forward.

3. Regulation 8(2) of the principal Regulations is amended by inserting the following new paragraph immediately after paragraph (b).

(c) relate to the use or investment of surplus funds in the manner directed by the Cabinet Secretary.

4. Regulation 9 of the principal Regulations is amended by inserting the following new paragraph immediately after paragraph (d)-

(e) the application is related to an approved use or investment of Funds declared as surplus funds.

5. Regulation 13 of the principal Regulations is amended-

(a) by deleting paragraph (f) and substituting therefor the following new paragraph-

(f) make recommendations for the use or investment of surplus funds to the Cabinet Secretary;

(b) by inserting the following new paragraphs immediately after paragraph (1)-

(2) Where the projected revenues and expenditure of the Fund show that the Fund shall retain funds in excess of 1.2 times of the total projected obligations of the Fund, over the immediately succeeding 12 month period, the Committee may, on the advice of the Officer Administering the Fund, declare the existence of a surplus in the Fund.

(3) Subject to paragraph (2), surpluses may be paid out of the Fund into the National Exchequer Account, subject to the recommendation of the Committee and authorization of the Cabinet Secretary on the use of surpluses:

Provided the Fund remains adequately funded to meet the national government's annuity payment obligations.

(4) In the event that the Committee is yet to be constituted, or is unable to obtain quorum for whatever reason to allow them to carry out the functions outlined in paragraph (1), the Cabinet Secretary may undertake the functions of the Committee until such a time that the Committee shall be properly constituted.

6. Regulation 14(2) of the principal Regulations is amended by inserting the following new paragraph immediately after paragraph (b)-

- (bb) advise the Committee on the quantum of surplus funds, if any, based on the annual projected estimates of the revenue and expenditure of the Fund and the annuity programme obligations and operational expenses.

7. Regulation 19 of the principal Regulations is amended in paragraph (1) by inserting the words "approved use or investment of surplus funds immediately after the word "obligation".

Dated the 16th January, 2019.

HENRY ROTICH,
Cabinet Secretary for the National Treasury and Planning.