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THE NAIROBI INTERNATIONAL FINANCIAL CENTRE BILL, 2017

A Bill for

AN ACT of Parliament to provide for a legal framework to facilitate and support the development of an efficient and globally competitive financial services sector that generates high levels of national savings and investments through the establishment of the Nairobi International Financial Centre, the Nairobi International Financial Centre Authority, and for connected purposes.

ENACTED by the Parliament of Kenya, as follows—

PART I—PRELIMINARY

1. This Act may be cited as the Nairobi International Financial Centre Act, 2017.

2. In this Act, unless the context otherwise requires—

“Authority” means the Nairobi International Financial Centre Authority established under section 5;

“Board” means the Board of directors of the Authority constituted under section 8;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance;

“Centre” means the Nairobi International Financial Centre established under section 4;

“Council” means the Steering Council established under section 19;

“NIFC firm” means a person certified as such by the Authority;

“person” includes a company, association or other body of persons whether incorporated or unincorporated;

“regulatory authority” includes the Central Bank of Kenya, the Capital Markets Authority, the Insurance Regulatory Authority, the Retirement Benefits Authority, and the Sacco Societies Regulatory Authority or their successors thereof;

“Tribunal” means the Financial Centre Tribunal established under section 34; and
“qualified activity” refers to an activity designated as such by the Cabinet Secretary under section 27.

3. Where there is any conflict or inconsistency between this Act and the provisions of any other Act in matters relating to the purpose of this Act, this Act shall prevail.

PART II—ESTABLISHMENT OF THE CENTRE AND AUTHORITY

4. (1) There is established the Nairobi International Financial Centre.

(2) The Centre shall be an operating framework managed by the Authority in order to facilitate and support the development of an efficient and globally competitive financial services sector in Kenya.

5. (1) There is established the Nairobi International Financial Centre Authority.

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

(a) suing and being sued;

(b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;

(c) borrowing or lending money;

(d) entering into contracts; and

(e) doing such other acts necessary for the proper performance of the functions of the Authority.

(3) The Authority shall be the successor to the Nairobi International Financial Centre Authority established under the Nairobi International Financial Centre Authority Order, 2014.

(4) Subject to this Act, all rights, duties, obligations, assets and liabilities of the Nairobi International Financial Centre Authority existing at the commencement of this Act shall be automatically and fully transferred to the Authority.

6. The objectives of the Authority shall be to—
(a) establish and maintain an efficient operating framework in order to attract and retain firms;

(b) develop and recommend strategies and incentive structures in collaboration with relevant agencies in order to attract firms to be Nairobi International Financial Centre firms (hereinafter referred to as NIFC firms); and

(c) review and recommend, in collaboration with the relevant regulatory authorities developments to the legal and regulatory framework in order to develop Kenya as an internationally competitive financial centre.

7. (1) In order to realise its objectives, the Authority shall have powers and functions to—

(a) formulate and implement policies relating to the establishment, operations and administration of the Centre;

(b) develop, in collaboration with other relevant agencies, the necessary infrastructure to support the conduct of qualified activities;

(c) certify firms to conduct activities under the Centre;

(d) review and recommend in consultation with the relevant agencies, the development of legal, regulatory and institutional framework including mechanisms for judicial redress for the purposes of aligning them to the needs of the Centre;

(e) impose administrative penalties for breach of any rules, regulations or directives;

(f) determine, impose and levy, in consultation with the Cabinet Secretary, any rates, charges or fees for any services rendered by the Authority;

(g) promote the Centre as the leading operating framework for financial services and related activities;

(h) co-operate and enter into association and agreements with local and international bodies, institutions and organizations to support the functions of the Authority;
The Nairobi International Financial Centre Bill, 2017

(i) necessary for meeting the objectives of this Act.

8. (1) The management of the Authority shall vest in a board of directors which shall comprise—

(a) a non-executive chairperson appointed by the President;

(b) the Cabinet Secretary responsible for matters relating to finance, or a representative appointed in writing by the Cabinet Secretary;

(c) the Cabinet Secretary responsible for matters relating to international trade, or a representative appointed in writing by the Cabinet Secretary;

(d) the Attorney-General, or a representative appointed in writing by the Attorney-General;

(e) four other persons with relevant international financial services experience appointed by the Cabinet Secretary; and

(f) the Chief Executive Officer who shall be an ex-officio member with no right to vote.

(2) A person qualifies to be appointed as the chairperson under subsection (1)(a) if the person—

(a) holds a degree from a university recognized in Kenya;

(b) has at least fifteen years' experience at a senior management level in any of the following—

(i) finance, economics, banking, insurance or capital markets;

(ii) corporate or financial services law; or

(iii) any other field that is relevant to the functions of the Authority; and

(c) meets the requirements of Chapter Six of the Constitution of Kenya.

9. (1) The Chairperson and members of the Board appointed under section 8(1)(a) and (e) respectively shall serve for a term of three years and shall be eligible for reappointment for one further term of three years.

(2) The appointment of members of the Board shall be done at different times so that the expiry of their terms do not fall at the same time.
10. (1) The procedures for the conduct of business and affairs of the Board shall be as set out in the Schedule.

(2) Except as provided in the Schedule, the Board may regulate its own procedure.

11. (1) The Board shall have all the powers necessary for the performance of the functions of the Authority under this Act.

(2) Without prejudice to the generality of the foregoing, the Board shall have the powers to—

(a) lay down the general policies and plans for the Authority in accordance with international best practices;

(b) prepare the annual budget of the Authority for the purpose of funding the administrative activities of the Centre;

(c) administer the assets and funds of the Authority in such a manner and for such purposes as shall promote the best interests of the Authority;

(d) receive grants, donations or any other moneys on behalf of the Authority and make legitimate disbursements therefrom;

(e) open such banking accounts for the funds of the Authority as may be necessary;

(f) ensure the Authority is run at all times in accordance with this Act and best international practices; and

(g) perform any other function necessary to achieve the objectives of the Authority.

12. The Board may, by resolution either generally or in any particular case, delegate to a committee of the Board, or to any member, officer, employee or agent of the Authority, the exercise of any powers or the performance of any functions or duties of the Board under this Act or any other written law.

13. The chairperson and members of the Board shall be paid such remuneration or allowances as the Authority may, in consultations with the Cabinet Secretary, determine.
14. (1) There shall be a Chief Executive Officer of the Authority who shall be competently recruited and appointed by the Cabinet Secretary on the recommendation of the Board.

(2) The Chief Executive Officer shall serve on such terms and conditions of employment as the Board may, in consultation with the Cabinet Secretary, determine.

(3) A person qualifies to be appointed as the Chief Executive Officer if that person—

(a) holds a degree from a university recognized in Kenya;

(b) has at least ten years' experience at a senior management level in any of the following—

   (i) banking, insurance or capital markets;

   (ii) finance or economics;

   (iii) corporate or financial services law; or

   (iv) such other field that is relevant to the functions of the Authority;

(c) has relevant experience in the development of the financial services sector; and

(d) meets the requirements of Chapter Six of the Constitution of Kenya.

(4) The Chief Executive Officer shall, subject to the directions of the Board, be responsible for the day-to-day management of the Authority.

(5) The Chief Executive Officer shall hold office for a term of four years and shall be eligible for re-appointment for one further term of four years.

15. (1) The Authority may appoint such staff as the Authority considers necessary to perform its functions under this Act.

(2) The staff appointed under subsection (1) shall serve on such terms and conditions of service as the Board may, in consultation with the Cabinet Secretary, determine.

16. No matter or anything done by any member of the Board or by any officer, employee, agent or servant of the Authority or Tribunal shall, if the act or omission was done
in good faith for the purpose of performing the functions of
the Authority or Tribunal under this Act, render the person
liable for any action, claim or demand.

17. (1) A director, officer, employee or agent of the
Authority or any person who for any reason has access to
any record, document, material or information relating to
the affairs of the Authority which that person acquires
through the performance of his or her duties or the exercise
of his or her functions shall not divulge, use for personal
gain, publish or otherwise disclose to any person such
document, material or information unless the disclosure is
required—

(a) to be disclosed under any law;

(b) for the performance of his duties or the
    exercise of his functions under the Act; or

(c) when lawfully required to do so by a court of
    law.

(2) This section shall not apply to any document,
material or information which at the time of disclosure is,
or has already been made lawfully available to the public.

(3) A person who has any document, material or
information which to his knowledge has been disclosed in
contravention to subsection (1) shall not disclose, in any
manner, the same to any other person.

(4) A person who contravenes subsection (1) or (3)
shall be liable on conviction to a fine not exceeding two
hundred thousand shillings or to an imprisonment to a term
not exceeding three years or to both.

18. (1) The common seal of the Authority shall be
kept in such custody as the Board may direct and shall not
be used except on the order of the Board.

(2) The affixing of the common seal of the Authority
shall be authenticated by the signature of the Chairperson
and the Chief Executive Officer and any document not
required by law to be made under seal and all decisions of
the Board may be authenticated by the signatures of both
the Chairperson and the Chief Executive Officer.

(3) Notwithstanding the provisions of subsection (2),
the Board shall, in the absence of either the Chairperson or
the Chief Executive Officer in a particular matter, nominate one member to authenticate the seal on behalf of either the Chairperson or the Chief Executive Officer.

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

PART III—ESTABLISHMENT OF STEERING COUNCIL

19. (1) There is established a Steering Council which shall consist of the—

(a) President as the chairperson;
(b) Deputy President as the deputy chairperson;
(c) Cabinet Secretary responsible for matters relating to finance;
(d) Attorney-General;
(e) Governor of the Central Bank of Kenya;
(f) Chief Executive Officer of the Capital Markets Authority;
(g) Chief Executive Officer of the Insurance Regulatory Authority;
(h) Chief Executive Officer of the Retirement Benefits Authority; and
(i) Chairperson of the Authority.

(2) The Council may from time to time, co-opt any person to advise on a specified matter.

(3) The Council—

(a) shall review the progress of the Centre, provide direction and address any challenges in the development of the Centre and the overall financial services sector in Kenya; and

(b) may, from time to time, give such directions to any person which the Council considers necessary in order to achieve the objectives of this Act.

(4) The Council shall meet at least three times in a year and shall regulate its own procedure.
PART IV—FINANCIAL PROVISIONS

20. The funds of the Authority shall consist of—

(a) such monies or assets which may accrue to or vest in the Authority in the course of exercise of its powers or the performance of its functions under this Act;

(b) any monies which may become payable to the Authority pursuant to this Act or any other written law;

(c) monies as may be appropriated by Parliament for the purposes of the Authority; and

(d) all monies from any other source provided, donated or lent to the Authority.

21. (1) The Authority may invest any of its funds in securities in which for the time being trustees may by law in Kenya invest in trust funds, or in any other securities which the National Treasury may, from time to time approve.

(2) The Authority may place or deposit with such bank or banks as it may determine, any monies not immediately required for the purposes of the Authority.

22. The financial year of the Authority shall be the period of twelve months commencing on the first of July and ending on thirtieth of June in each year.

23. (1) The Board shall, at least three months before the commencement of each financial year, cause to be prepared estimates of revenue and expenditure of the Authority for that financial year.

(2) The annual estimates shall make provisions for all the estimated expenditure of the Authority for the financial year concerned, and in particular, shall provide for the—

(a) payment of salaries, allowances and other charges in respect of the Board and staff of the Authority;

(b) rental expenses for the premises of the Authority;

(c) payment of pensions, gratuities and other charges in respect of retirement benefits to the staff of the Authority which are payable out of the funds of the Authority;
(d) effective development and promotion of the Centre in Kenya and overseas;

(e) running of the certification, registry, dispute resolution and external entity coordination activities of the Authority;

(f) proper maintenance, repair and replacement of the equipment and other movable property of the Authority; and

(g) any other costs as may be incurred by the Authority.

(3) The Board shall approve the annual estimates before the commencement of the financial year to which they relate and shall submit the same to the Cabinet Secretary for approval.

24. (1) The Board shall cause to be kept all proper books and other records of accounts of income, expenditure, assets and liabilities of the Authority.

(2) Within a period of three months after the end of each financial year, the Board shall submit to the Auditor-General the accounts of the Authority in respect of that financial year together with—

(a) a statement of income and expenditure of the Authority during the year;

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

(c) a funds flow statement during that year.

(3) The accounts of the Board shall be audited and reported upon in accordance with the provisions of the Public Audit Act, 2015.

25. (1) The Board shall, within three months after the end of each financial year, prepare and submit to the Cabinet Secretary, an annual report for the immediate preceding financial year.

(2) The Cabinet Secretary shall lay the annual report before the National Assembly as soon as is practicable.

PART V—CERTIFICATION OF FIRMS

26. (1) A person shall not conduct any qualified activity as an NIFC firm or hold itself out as such unless that person is certified by the Authority under this Act.
(2) A person who contravenes the provisions of subsection (1) commits an offence and is liable on conviction to a fine not exceeding ten million shillings or to an imprisonment for a term not exceeding five years or to both.

27. (1) A certified firm may conduct any business activity which the Cabinet Secretary may designate in the Gazette as a qualified activity.

(2) Despite subsection (1), a person shall not conduct a qualified activity for which a licence from a regulatory authority is required, unless that person has obtained the appropriate licence from the regulatory authority.

28. (1) A person who intends to operate as an NIFC firm shall apply to the Authority, in the prescribed form, to be certified as such.

(2) An application under subsection (1) shall be accompanied by the prescribed application fee and any other additional information as the Authority may require.

(3) The Authority shall, in considering an application for certification under subsection (1), be satisfied as to the ability of the applicant to meet the prescribed conditions for certification in line with the objectives of the Centre.

(4) The Authority may—

(a) subject to the payment of the prescribed fee and to such conditions as the Authority may consider necessary, certify a firm to operate as an NIFC firm; or

(b) decline to certify a firm.

(5) Where the Authority declines to certify a firm under subsection 4(b), the Authority shall—

(a) notify the applicant of its decision to do so setting out the reasons for the decline; and

(b) grant the applicant an opportunity to be heard.

(6) A certification granted under this Act shall remain in force until—

(a) withdrawn or suspended by the Authority; or

(b) voluntarily surrendered by the firm.
(7) An NIFC firm shall pay an annual fee as the Authority may prescribe from time to time.

(8) The Authority may—

(a) impose such fees as necessary in relation to NIFC firms; and

(b) prescribe different fees in respect of different classes of NIFC firms or activities carried out by such firms.

29. (1) The Authority may withdraw the certification of a firm if—

(a) the Authority is satisfied that any information furnished in connection with an application for certification was false or misleading;

(b) the firm has contravened or failed to comply with this Act, any direction or guideline issued or condition attached to the certification;

(c) the firm has engaged in a prohibited activity;

(d) the regulatory authority has withdrawn or revoked the firm’s license;

(e) the certified firm has conducted its affairs in a manner which threatens the interests of its customers;

(f) the certified firm is in violation of any other law; or

(g) it is in the interest of the public to do so.

(2) The Authority may, instead of withdrawing a certification under subsection (1), other than under subsection (1)(d), suspend the certification for a specified period or impose conditions or restrictions on the certification.

(3) Where the Authority withdraws a certification under subsection (1), the Authority shall inform the relevant regulatory authority of its decision to do so and the firm shall immediately lose its status as an NIFC firm.

(4) Where the Authority suspends or imposes conditions on the certification under subsection (2), the Authority shall inform the relevant regulatory authority of
its decision to do so setting out the period of suspension and the conditions imposed.

(5) The Authority shall not withdraw or suspend a certification under this section without first giving that person an opportunity to be heard.

30. (1) The Authority shall keep a register of all NIFC firms.

(2) The Authority shall make public the register kept under subsection (1) and any other information relating to the NIFC firms which the Authority considers appropriate by placing it on the Authority’s website.

31. The Authority may, in collaboration with the relevant regulatory authority, cause an inspection to be made by an authorized person, of an NIFC firm and its books and records to ascertain if the NIFC firm continues to meet the conditions of certification.

32. Despite any provision to the contrary in any other law or regulation, an NIFC firm shall, subject to the provisions of this Act or regulations—

(a) not be subject to any nationalisation or expropriation measures or any restrictions on private ownership;

(b) have freedom to repatriate profits and realise investments;

(c) have the freedom to recruit and employ staff of their choice on such terms as they wish to agree, subject to work permit provisions and any international treaty obligations entered into by the Government in respect of the terms of employment of employees; and

(d) be capable of being owned up to one hundred percent by persons who are not nationals of, or resident in, Kenya.

33. Without prejudice to the generality of the powers conferred under this Act, the Authority may formulate rules or issue guidelines as may be required in order to perform its functions under this Act.

PART VI—THE FINANCIAL CENTRE TRIBUNAL

34. (1) There is established an appeals tribunal to be known as the Financial Centre Tribunal which shall
consist of the following persons appointed by the Judicial Service Commission—

(a) the Chairperson with ten years’ experience in adjudicating financial services and regulatory disputes; and

(b) four other members with seven years’ experience in financial services sector.

(2) The Chairperson and the members of the Tribunal appointed under subsection (1) shall—

(a) be of good character; and

(b) meets the requirements of Chapter Six of the Constitution of Kenya.

(3) The Chairperson and members of the Tribunal shall be appointed for three years renewable for one further term of three years.

(4) The members of the Tribunal shall be appointed at different times so that the terms of office expire at different times.

(5) The Chairperson and any member of the Tribunal may be removed from office if the Chairperson or member—

(a) becomes incapable through ill-health of effectively performing the duties of his or her office;

(b) accepts any position of employment the holding of which would make the member ineligible to be appointed as a member;

(c) is declared bankrupt;

(d) is convicted of a criminal offence;

(e) fails to attend three consecutive meetings of the Tribunal;

(f) resigns; or

(g) dies.

(6) The Chairperson and the members of the Tribunal shall be paid such remuneration and allowances as the Judicial Service Commission may, from time to time, determine.
35. The Judicial Service Commission shall appoint the Secretary to the Tribunal.

36. (1) The Judicial Service Commission may appoint such staff as it considers necessary to the Tribunal.

(2) The staff appointed under subsection (1) shall serve on such terms and conditions as the Judicial Service Commission may, from time to time, determine.

37. No matter or thing done by any of the member of the Tribunal shall, if the act or omission was done in good faith for the purpose of exercising the powers of the Tribunal under this Act, render the person liable for any action, claim or demand.

38. (1) The Chief Justice shall lay down the rules and procedures of the Tribunal in accordance with fundamental dispute resolution principles and international best practices.

(2) Without prejudice to the generality of subsection (1), the Rules may make provisions relating to—

(a) the way in which applications for review are to be made;
(b) the procedure to be adopted by the Tribunal;
(c) records to be kept;
(d) giving notice to the parties;
(e) fees to be charged;
(f) costs.

(3) The provisions of the Civil Procedure Act shall apply to the claims submitted before the Tribunal, where this Act, its Regulations and the Rules and procedure are silent on the concerned matter.

PART VII—REGULATIONS

39. (1) The Cabinet Secretary may, on the recommendation of the Authority, make Regulations generally for the better carrying out the purposes and objectives of this Act.

(2) Without prejudice to the generality of subsection (1), the Regulations may—
(a) designate qualified activities to be conducted by NIFC firms;

(b) determine any benefits, exemptions and incentives available to NIFC firms;

(c) determine the general conditions of entry of firms to the Centre;

(d) provide for the certification process of NIFC firms;

(e) provide for the payment of compensation and penalties or fines in the event of a breach of the provisions of this Act or its regulations

(f) prescribe information required of NIFC firms; and

(g) address any other matter required in order to achieve the objectives of this Act.

PART VIII— MISCELLANEOUS

40. In this Part, "former Authority" means the Nairobi International Financial Centre Authority established under the Nairobi International Financial Centre Authority Order, 2014.

41. (1) The Nairobi International Financial Centre Authority Order, 2014 is revoked.

(2) Despite the revocation under subsection (1) —

(a) the funds, assets and other property, both movable and immovable, which immediately before the commencement of this Act were vested in the former Authority shall, upon commencement of this Act, be vested in the Authority;

(b) the annual estimates of the former Authority for the financial year shall, upon commencement of this Act, be deemed to be annual estimates of the Authority for the remainder of the financial year;

(c) all rights, powers and liabilities whether arising under any written law or otherwise which immediately before the commencement of this Act were vested in, imposed on or enforced against the former Authority shall, upon commencement of this Act, be deemed to be vested in, imposed or enforceable against the Authority; and
(d) any person who was a member of staff of the former Authority shall, upon commencement of this Act, be deemed to be a member of staff of the Authority for the remaining period of his or her service.

SCHEDULE

CONDUCT OF BUSINESS OF THE BOARD

1. The Chairperson or a member, other than an ex-officio member may—

(a) at any time resign by a notice in writing in case of the chairperson, to the President and in case of a member, to the Cabinet Secretary;

(b) on the recommendation of the Board, be removed from office in case of the Chairperson, by the President, or by the Cabinet Secretary in case of a member, if the chairperson or member—

(i) has been absent from three consecutive meetings of the Board without the permission of the Board;

(ii) is convicted of a criminal offence that amounts to felony under the laws of Kenya;

(iii) is incapacitated by prolonged illness for a period exceeding six months; or

(iv) is otherwise unable or unfit to discharge his or her functions.

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

(2) Despite subparagraph (1), the Chairperson may convene a special meeting of the Board at any time for purposes of transacting of the business of the Board upon requisition in writing by at least three members of the Board.

(3) Unless three quarters of the total members otherwise agree, every member shall be given at least fourteen days written notice of the meeting.

(4) The quorum for the conduct of the business of the Board shall be five members.
(5) The chairperson shall preside at every meeting of the Board and in the absence of the chairperson, the members present shall elect one of their number to preside and the member elected shall have all the powers of the chairperson with respect to that meeting and the business transacted thereat.

(6) Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of votes of the members present and voting, and in case of a tie, the chairperson or the person presiding shall have a casting vote.

(7) Subject to subparagraph (4), proceedings of the Board shall not be invalidated by reason of a vacancy among the members thereof.

(8) Subject to the provisions of this Schedule, the Board may determine its own procedure and the procedure of any committee of the Board and for the attendance of other persons at its meetings, and may make standing orders in respect thereof.

3. (1) A member of the Board who has an interest in any contract, or any other matter, present at a meeting shall, at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any question with respect to the contract or matter, or be counted in the quorum of the meeting during the consideration of that matter.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

(3) A member who benefits from non-disclosure under subparagraph (1) commits an offence and is liable on conviction to a fine not exceeding five hundred thousand shillings.

4. Any contract, all instruments or decisions made by the Board shall be made under the hand of the Chairperson or any person authorized to act as such.
MEMORANDUM OF OBJECTS AND REASONS

The principle objective of the Nairobi International Financial Centre Bill, 2016, is to provide a framework to facilitate and support the development of an efficient and globally competitive financial services sector in Kenya that will generate high levels of national savings and investments and make Kenya an international financial services hub.

Kenya’s economic development blueprint, Vision 2030, which aims to transform the country into a newly industrializing “middle income country providing a high quality of life to its citizens by the year 2030” identifies the financial services sector as a key pillar with an overall objective of creating “a vibrant and globally competitive financial sector that drives high levels of savings to finance Kenya’s investment needs”. The development and positioning of the country as a leading international financial services hub is critical to the delivery of the Vision and its benefits are—

(a) Mobilization of domestic, regional and international savings and investments to spur sustained economic growth in Kenya and the region;

(b) Attracting Foreign Direct Investments (FDI) to the financial services sector;

(c) Creation of formal employment in the financial services sector and related support sectors;

(d) Connecting the economy to global capital pools; and

To increase the competitiveness of the domestic economy through increased access to domestic, regional and international capital pools at lower costs.

The key objectives and purposes of the Bill therefore are, among others to—

(a) establish and maintain an efficient operating framework in order to attract and retain NIFC firms;

(b) develop and recommend strategies and incentive structures in collaboration with relevant agencies in order to attract firms to be NIFC firms; and

(c) review and recommend, in collaboration with the relevant regulatory authorities developments to the legal and regulatory framework in order to develop Kenya as an internationally competitive financial centre.
Part I (Clauses 1-3) of the Bill contains preliminary provisions for the short title and interpretation of certain terms used in the Bill. The Part also provides for the supremacy of the Act on matters relating to its objectives.

Part II (Clauses 4-18) establishes the Nairobi International Financial Centre (NIFC) as an operating framework managed by the Nairobi International Financial Centre Authority (NIFCA) in order to attract international and domestic firms to support the development and expansion of the financial services sector in Kenya.

The Part further establishes the Nairobi International Financial Centre Authority as a body corporate with a governance and oversight board, a Chief Executive Officer and the legal powers needed to operate as a legal entity. NIFCA Board of Directors will include a combination of *ex officio* members including the Cabinet Secretary responsible for international trade, the Attorney-General and qualified independent members. The Chairperson shall be appointed by the President and the independent members appointed by the Cabinet Secretary. This Part also includes requirements for their suitability and terms of their dismissal.

Part III (Clause 19) of the Bill establishes the Steering Council consisting of the President as the Chairman, the Deputy President as the deputy Chairperson, the Cabinet Secretary responsible for matters relating to finance, the Governor of the Central Bank of Kenya, the Chairman of the Authority and the Chief Executive Officers of the financial sector regulators. The Steering Council shall review the progress of the Centre, provide direction and address any challenges in the development of the Centre and overall financial services sector in Kenya.

Part IV (Clauses 20-25) of the Bill provides for the funds of the Authority, the financial year of the Authority, annual estimates, accounts and audit, annual report and bank accounts.

Part V (Clauses 26-33) of the Bill further sets out the certification process of firms intending to be certified as NIFC firms. Adopting the integrated model where the sector regulators will retain their regulatory roles, the application for certification will be made to the Authority and shall be approved subject to the applicant getting a license from the relevant regulatory Authority.

The Part also sets out the process of withdrawal or suspension of certification, register of NIFC firms, inspection of firms and rights and benefits of NIFC firms including protection from nationalization or expropriation measures, freedom of repatriation of profits, being owned one hundred percent by persons who are not nationals of, or residents of Kenya and freedom to recruit and employ staff of their choice subject to
any international obligations entered into by the Government in respect of
the terms of employment.

**Part VI (Clauses 34-38)** of the Bill provides for the establishment of
Financial Centre Tribunal constituted of a Chairman and four other
members with relevant qualifications to hear appeals from administrative
decisions of the Authority.

The Part also provides for the removal and remuneration of the
members of the Tribunal, the appointment of the Secretary to the Tribunal
and the Tribunal staff by the Judicial Service Commission.

The Part also provides for Rules to be made by the Chief Justice to
govern procedure before the Tribunal.

**Part VII (Clause 39)** of the Bill contains provision for making of
regulations by the Cabinet Secretary in order to achieve the objectives of
the Act. The Regulations are intended to provide, among others, the
designation of activities to be carried out in the Centre, determination of
any benefits, exemptions and incentives for NIFC firms, the general
conditions of entry of firms to the Centre and payment of compensation
and penalties or fines in the event of a breach of the provisions of the Act.

**Part VIII (Clauses 40-41)** of the Bill contains miscellaneous
provisions.

This Bill delegates legislative powers to the Cabinet Secretary and
the Chief Justice to make regulations generally for the better
implementation of the Act, and to provide for the procedure of the
Tribunal, respectively.

The Bill limits the freedom of movement of persons convicted of an
offence under it and sentenced to imprisonment.

This Bill is a Bill not concerning county governments within the
meaning of Article 110 of the Constitution.

The enactment of this Act will occasion additional expenditure of
public funds which will be provided for through the annual estimates.

Dated the 4th February, 2017.

ADEN DUALE,
*Leader of the Majority Party.*