



LAWS OF KENYA

CONTRACTS IN RESTRAINT OF TRADE ACT

CHAPTER 24

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CHAPTER 24

CONTRACTS IN RESTRAINT OF TRADE ACT

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CHAPTER 24

CONTRACTS IN RESTRAINT OF TRADE ACT

[Date of commencement: 31st December, 1932.]

An Act of Parliament to make lawful certain contracts in restraint of trade

[Act No. 40 of 1932, Cap. 277(1948), L.N. 2/1964.]

1. Short title

This Act may be cited as the Contracts in Restraint of Trade Act.

2. Contracts in restraint of trade

Any agreement or contract which contains a provision or covenant whereby a party thereto is restrained from exercising any lawful profession, trade, business or occupation shall not be void only on the ground that the provision or covenant is therein contained:

Provided that—

- (i) the High Court shall have power to declare the provision or covenant to be void where the court is satisfied that, having regard to the nature of the profession, trade, business or occupation concerned, and the period of time and the area within which it is expressed to apply, and to all the circumstances of the case, the provision or covenant is not reasonable either in the interests of the parties, inasmuch as it affords more than adequate protection to the party in whose favour it is imposed against something against which he is entitled to be protected, or in the interests of the public, inasmuch as the provision or covenant is injurious to the public interest;
- (ii) where a minor has entered into any agreement or contract containing any such provision or covenant, the court shall also take into consideration whether it was for his benefit that he did so.

3. Saving where service terminated in contravention of contract

Notwithstanding and in addition to anything contained in section 2, any such provision or covenant shall be void in any case where an employer terminates the services of an employee in contravention of the terms of the contract of service.