

CHAPTER 507

THE HIRE-PURCHASE ACT

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

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THE HIRE-PURCHASE (FORMS AND FEES) RULES

[Legal Notice 182 of 1970, Legal Notice 212 of 1970, Legal Notice 164 of 1975, Legal Notice 529 of 1991, Legal Notice 86 of 1997, Legal Notice 74 of 2003, Legal Notice 14 of 2004]

1. These Rules may be cited as the Hire-Purchase (Forms and Fees) Rules.
2. An application for extension of time for registration of a hire-purchase agreement under the proviso to subsection (1) of section 5 of the Act shall be in Form H.P. 1 in the First Schedule to these Rules and shall be delivered to the registrar with the original hire-purchase agreement and a photostat copy or duplicate thereof together with the appropriate fee set out in the Second Schedule to these Rules.

[L.N. 212/1970.]

3. On registration of a hire-purchase agreement the registrar shall endorse on the original hire-purchase agreement a certificate of registration in the Form H.P. 2 in the First Schedule to these Rules and shall deliver to the owner the original hire-purchase agreement with the certificate endorsed thereon. A copy of certificate of registration shall be endorsed on the photostat or duplicate hire-purchase agreement which shall be retained by the registrar.

[L.N. 212/1970.]

4. The Registrar shall open and maintain a register of hire-purchase agreements in Form H.P. 3 in the First Schedule to these Rules.

5. (1) The Registrar shall make an alphabetical index of the names of all hirers shown in the hire-purchase agreements registered by him and such index shall be maintained by means of a card-index or such other method as he may deem necessary for the purpose of enabling the hirers to be properly identified.

(2) The Registrar shall similarly in the case of motor vehicles which are subject to hire-purchase agreements registered by him, maintain an index of vehicles in such form as he may deem necessary for the purpose of enabling the vehicles to be properly identified.

6. The register of hire-purchase agreements shall be open to inspection by the public on payment of the appropriate fee set out in the Second Schedule to these Rules at the office of the Registrar between the hours of 9 a.m. and 12.30 p.m. and from 2 p.m. and 3.30 p.m. on every week-day except Saturdays when it shall be open for inspection between the hours of 9 a.m. to 11.30 a.m.

7. Every statement in writing which an owner is required to give to a prospective hirer under subsection (1) of section 6 of the Act shall be in Form H.P. 4 in the First Schedule.

8. Every hire-purchase agreement shall contain a notice relating to the rights of the hirer in accordance with paragraph (c) of subsection (2) of section 6 of the Act in Form H.P. 5 in the First Schedule to these Rules.

9. Every change of address or removal of goods which a hirer is required to notify to the owner or his agent under paragraph (b) of subsection (1) of section 9 of the Act shall be in Form H.P. 6 in the First Schedule to these Rules.

10. Every notice of ownership which the owner of goods under a hire-purchase agreement may give to a landlord of the premises where the goods are kept under subsection (4) of section 9 of the Act shall be in Form H.P. 7 in the First Schedule to these Rules.

11. Every notice of termination of a hire-purchase agreement given by a hirer under subsection (1) of section 12 of the Act shall be in Form H.P. 8 in the First Schedule to these Rules.

12. Every notice given by a hirer to complete a hire-purchase agreement under subsection (1) of section 13 of the Act shall be in Form H.P. 9 in the First Schedule.

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- 13. Every application for a licence under section 20 of the Act shall be in Form H.P. 10 in the First Schedule and shall be accompanied by the fee provided for under subsection (3) of section 20 of the Act.
- 14. A licence to carry on hire-purchase business under sections 18 and 20 of the Act shall be in Form H.P. 11 in the First Schedule.
- 15. The licensing officer shall maintain a record of all licences issued by him under section 20 of the Act.
- 16. The fees specified in the Second Schedule shall be paid for the masters respectively specified therein.

FIRST SCHEDULE
FORMS

FORM H.P. 1 (r. 2)
[L.N. 212/1970]
HIRE PURCHASE ACT
REGISTRATION OF AGREEMENT OUT OF TIME

I, (Owner) request you to register the attached hire-purchase agreement which could not be submitted to you for registration within the statutory period of 30 days from for the following reasons:

.....
.....

Signed:
Owner
Date

Note.—To be submitted with the agreement and an additional fee of Sh. 20.

FORM H.P. 2 (r. 2)
HIRE PURCHASE ACT
CERTIFICATE OF REGISTRATION OF AGREEMENT

I hereby certify that Hire-Purchase Agreement No. was registered this..... day of, 20, at o'clock.

Signed
Registrar of Hire-Purchase agreements
Fee paid: Sh. 20.
M.R. No.

FORM H.P. 3 (r. 4)
HIRE PURCHASE ACT
REGISTER OF AGREEMENTS

Serial Number of Agreement	HIRER Name Address	OWNER Name Address	Date of Agreement	Date of Registration of Agreement	Amount of Goods	Nature of Inst.	Final Cbds Due	Completion or Termination
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FORM H.P. 4 _____ (r. 7)
HIRE PURCHASE ACT
STATEMENT OF CASH PRICE OF GOODS

I/We the undersigned hereby declare that cash price inclusive of accessories, etc., but net of any discounts of the undermentioned goods is Sh.....:

The goods

Signature of owner:

Address

.....

Dated

Noted by

Prospective Hirer

FORM H.P. 5 _____ (r. 8)
HIRE PURCHASE ACT
NOTICE TO BE INCLUDED IN EVERY HIRE-PURCHASE AGREEMENT

Right of hirer to terminate agreement

1. The hirer may put an end to this agreement by returning the goods to the owner and giving him written notice of termination of the agreement.
2. He must then pay any instalments which are in arrear at the time he gives notice. If when he has paid the instalments, the total amount which he has paid under the agreement is less than Sh. * he must also pay enough to make up that sum. (**Here insert one-half of the hire-purchase price.*)
3. If the goods have been damaged owing to the hirer having failed to take reasonable care of them, the owner may sue him for the amount of the damage unless that amount can be agreed between the hirer and the owner.
4. The hirer must return the goods at his own expense to the premises from which they were originally supplied to him or to such other place as the owner may direct. The owner must reimburse the hirer for any additional expense incurred in returning the goods to premises other than those from which they were originally supplied.
5. The hirer should see whether this agreement contains provisions allowing him to put an end to the agreement on terms more favourable to him than those just mentioned. If it does, he may put an end to the agreement on those terms.

Right of hirer to complete agreement

1. The hirer may after previous notice in writing to the owner complete the purchase of the goods comprised in this agreement by paying to the owner on a day specified in the notice the "net balance" due to the owners.
2. The "net balance" means the balance originally payable under the agreement less any amounts (other than the deposit) paid or provided, whether by cash or other consideration, by or on behalf of the hirer under the agreement.
3. The hirer may complete the purchase under paragraph 1 above either—
 - (a) during the continuance of the agreement; or
 - (b) within 28 days after the owner has taken possession of the goods on paying to the owner in addition to the net balance—

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- (i) the reasonable costs incurred by the owner in and incidental to taking possession of the goods; and
- (ii) any amount properly expended by the owner on the storage, repair or maintenance of the goods; and
- (iii) any additional interest which is due under the agreement.

Restriction of owners' right to recover goods

1. After Sh. *..... has been paid, then, unless the hirer has himself put an end to the agreement the owner of the goods cannot take them back from the hirer save as provided for by section 15(3) of the Act without the hirer's consent unless the owner obtains an order of the Court. (*Here insert two-thirds of the hire-purchase price.)

2. If the owner applies to the Court for such an order the Court may if it thinks it just to do so allow the hirer to keep either—

- (i) the whole of the goods, on condition that the hirer pays the balance of the price in the manner ordered by the Court;
- (ii) a fair proportion of the goods having regard to what the hirer has already paid.

FORM H.P. 6 (r. 9)

HIRE PURCHASE ACT

STATEMENT OF CHANGE OF ADDRESS OR OF PREMISES AT WHICH GOODS ARE KEPT

From: [Here insert name and address of hirer]

.....
.....

To: [Here insert name and address of owner]

.....
.....

No. and Date of Hire-Purchase Agreement

Particulars of goods

I hereby give you notice that as from the date below the particulars given in the above-mentioned hire-purchase agreement will be changed as follows—

Date of Change:

*My new postal address will be:

.....
.....
.....

*My new residential address will be:

.....
.....
.....

*My new business address will be:

.....
.....

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*The goods will in future be kept at:

.....
.....
.....

*The name and postal, residential and business addresses of the landlord (if any) of the premises at which the goods will in future be kept are:

Name

.....

Postal Address

.....

.....

Residential Address

.....

Business Address

.....

*Delete such items as are inappropriate and complete those applicable.

Please sign and return the duplicate copy of this notice.

Date (Signature of Hirer)

Endorsement on Duplicate

Received a notice of which the above is a copy.

Date (Signature of Owner).....

FORM H.P. 7 _____ (r. 10)

HIRE PURCHASE ACT

NOTICE TO LANDLORD

To: *[Here insert name and address of landlord]*

.....

.....

Name of Hirer

No. and Date of Hire-Purchase Agreement

Particulars of goods

Address at which kept

We the undersigned hereby give you notice that we are the owners of the goods specified above and comprised in the hire-purchase agreement particulars of which are also given above.

We understand that you are the landlord of the above-mentioned premises at which the goods are kept, and we would draw your attention to the fact that under section 9(4) of the Hire-Purchase Act, you have no right of distress over the goods for rent.

Please sign and return the duplicate copy of this notice.

Yours faithfully,

Dated

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(Owner/s)

Endorsement on Duplicate

Received a notice of which the above is a copy.

Dated(Signature of Landlord).....

FORM H.P. 8 (r. 11)
HIRE PURCHASE ACT
NOTICE BY HIRER TO TERMINATE AGREEMENT

From: [Here insert name and address of hirer]
.....

To: [Here insert name and address of owner]
.....

No. and Date of Hire-Purchase Agreement

Particulars of goods

I hereby give you notice to terminate forthwith the agreement made between us dated as above and comprising the above-mentioned goods. I confirm that I have returned the goods to you, and that the agreement is at an end.

I understand that in consequence of giving this notice I am no longer entitled to the goods and my liabilities under the hire-purchase agreement and the Hire-purchase Act,1968 are as follows—

- (1) I must pay any instalments in arrear at the date of this notice.
(2) If, when I have paid the above-mentioned instalments the total amount which I have paid under the agreement is less than one-half of the hire-purchase price specified in the agreement, then I must also pay enough to make up that sum.
(3) If the goods have been damaged because I have failed to take reasonable care of them, you are entitled to sue me for the amount of the damage unless that amount can be agreed between us.

I also understand that if at your request I have returned the goods to premises other than those from which they were originally supplied by you to me, I am entitled to be reimbursed for any additional expense so incurred.

Please sign and return the duplicate copy of this notice.

Dated (Signature of Hirer)

Endorsement on Duplicate

Received a notice of which the above is a copy.

Dated

(Signature of Owner)

FORM H.P. 9 (r. 12)
HIRE PURCHASE ACT
NOTICE BY HIRER TO COMPLETE AGREEMENT

From: [Here insert name and address of hirer]
.....

To: [Here insert name and address of owner]
.....

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No. and Date of Hire-Purchase Agreement

Particulars of goods

I hereby give you notice that I intend to complete the abovementioned agreement seven days after the date hereof by paying to you the net balance due to you under the agreement.

I understand that the expression "net balance due" means the balance originally payable under the agreement less any amounts (other than the deposit) paid or provided, whether by cash or by other consideration, by me or on my behalf under the agreement.

I also understand that if I wish to exercise the rights conferred by me on section 13 of the Hire-Purchase Act, 1978, within the statutory period of 28 days after you have taken possession of the goods I can only do so upon paying or tendering to you in addition to the net balance due—

- (1) the reasonable costs incurred by you in and incidental to taking possession of the goods;
- (2) any amount properly expended by you on the storage, repair or maintenance of the goods; and
- (3) any additional interest which is due under the agreement.

Please sign and return the duplicate copy of this notice.

Dated (Signature of Hirer)

Endorsement on Duplicate

Received a notice of which the above is a copy.

Dated(Signature of Owner).....

FORM H.P. 10 (r. 13)

HIRE PURCHASE ACT

APPLICATION TO BE LICENSED AS A HIRE-PURCHASE BUSINESS

From: [Here insert name and address of hirer]

Name under which applicant seeks to be licensed:

.....
.....

Address of applicant:

.....
.....

Names of Directors:

.....
.....

Names of officers empowered to sign agreements:

.....
.....

Date

Chairman

Director

To be submitted with—

(a) Copy of Memorandum.

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- (b) Copy of Articles of Association.
- (c) Copy of Balance Sheets for the 3 years immediately preceding application.
- (d) Statement of Hire-Purchase Business conducted for the past three years, etc.
- (e) Statement of Finance House support (if any).

FORM H.P. 11

(r. 14)



HIRE PURCHASE ACT
FORM OF LICENCE

Licence No.

[Expires on: 31st December, 20

LICENCE TO CONDUCT HIRE-PURCHASE BUSINESS

I hereby certify, that—

.....

is licensed to carry on the business of hire-purchase in Kenya, subject to the provisions of the Hire-Purchase Act, 1968, for the period ending 31st December, 20

GIVEN under my hand at Nairobi this day of one thousand nine hundred and

.....

*Licensing Officer***SECOND SCHEDULE**

[r. 16]

[L.N. 212/1970, L.N. 164/1975, L.N. 529/1991, L.N. 86/1997, L.N. 74/2003, L.N. 14/2004.]

The following fees shall be payable to the Registrar—

	KSh.
(a) on application for an annual licence	50,000
(b) on application for extension of time within which to register a hire-purchase agreement.....	200
(c) on registration of a hire-purchase agreement—	
(i) KShs. 1 to 10,000	100
(ii) KShs. 10,001 to 20,000	200
(iii) KShs. 20,001 and above	200
(d) for inspection of the register and any documents lodged with the Registrar for every search relating to a specific hirer, motor vehicle or agreement	200
(e) for a certified copy or certified extract from any document in the custody of the Registrar—	
(i) for the first page of photographic copy or part thereof	100

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(ii) for every subsequent page or part thereof 50
(f) on late registration of a hire-purchase agreement 500
–for every month or part thereof after the expiry of
thirty days after the execution of the agreement
