

SPECIAL ISSUE

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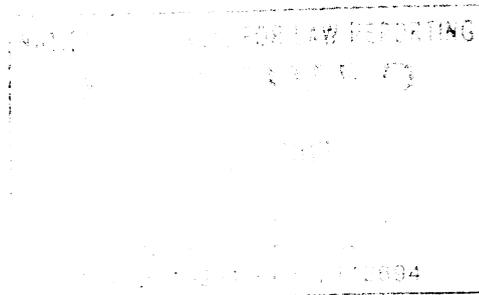
KENYA GAZETTE SUPPLEMENT

ACTS, 2012

NAIROBI, 9th November, 2012

CONTENT

Act—	PAGE
The Central Bank of Kenya (Amendment) Act, 2012.....	1801



THE CENTRAL BANK OF KENYA (AMENDMENT) ACT

No. 36 of 2012

Date of Assent: 1st November, 2012

Date of Commencement: 9th November, 2012

**AN ACT of Parliament to amend the Central Bank of
Kenya Act and for connected purposes**

ENACTED by the Parliament of Kenya, as follows –

1. This Act may be cited as the Central Bank of Kenya (Amendment) Act, 2012.

Short title.

2. Section 11 of the Central Bank of Kenya Act, in this Act referred to “the principal Act”, is amended –

Amendment of section 11 of Cap.491.

(a) in subsection (1), by –

(i) deleting paragraph (i) and (ii) and substituting therefor the following paragraphs –

(a) a Chairperson;

(b) a Governor.

(ii) deleting the word “five” appearing in paragraph (d) and substituting therefor the word “eight”;

(b) in subsection (2), by inserting the words “chairperson and” immediately before the word “directors”.

(c) by inserting the following new subsection immediately after subsection (2) –

(2A) The chairperson shall be appointed by the President through a transparent and competitive process and with the approval of Parliament, and shall hold office for a term of four years but shall be eligible for reappointment for one further term.

Amendment of section 12 of Cap.491.

3. Section 12 of the principal Act is amended by inserting a new subsection immediately after subsection (1B) as follows –

(1C) The directors appointed under section 11(1)(d) shall elect one from amongst their number to preside at the meetings of the Board until a chairperson is appointed.

Amendment of section 13 of Cap.491.

4. The principal Act is amended by repealing section 13 and replacing it with the following new section-

Governor. 13. (1) There shall be a Governor who shall be appointed by the President through a transparent and competitive process and with the approval of Parliament.

(2) The Governor shall hold office for a term of four years, but shall be eligible for re-appointment for one further term of four years.

(3) The Governor shall be the chief executive officer of the Bank and, subject to the general policy decisions of the Board, shall be responsible for the management of the Bank, including the organization, appointment and dismissal of the staff in accordance with the general terms and conditions of service established by the Board, and the Governor shall have authority to incur expenditure for the Bank within the administrative budget approved by the Board.

(4) The Governor shall be the principal representative of the Bank and shall, in that capacity have authority -

- (a) to represent the Bank in its relations with other public entities, persons or bodies;
- (b) to represent the Bank, either personally or through counsel, in any legal proceedings to which the Bank is a party;
- (c) to sign individually or jointly with other persons contracts concluded by the Bank, notes and securities issued by the Bank reports, balance sheets, and other financial statements, correspondence and other documents of the Bank.

(5) The Governor may delegate any of his powers provided for in this section to other officers of the Bank.

Insertion of new section in Cap.491.

5. The principal Act is amended by inserting the following new section immediately after section 13B –

Qualifications for Governor and Deputy Governor

13C. The Governor and Deputy Governors shall be fit and proper persons of recognized professional standing and over ten years' experience at senior management level in the field of economics, banking, finance, law or other fields relevant to the functions of the Central Bank.

(2) For the purposes of this section, "fit and proper" means possessing all the attributes to be taken into account in determining the suitability of a person to be appointed as Governor, including the person's general probity, competence and soundness of judgment for the fulfillment of the responsibilities of office and the diligence with which the person is likely to fulfill those responsibilities.

Amendment of section 14 of Cap.491.

6. Section 14 of the principal Act is amended –

(a) in subsection (1) by inserting the word "Chairperson", immediately before the word "Governor";

(b) in subsection (2) by inserting the word "Chairperson" immediately before the word "Governor".