



REPUBLIC OF KENYA

OFFICE OF THE ATTORNEY-GENERAL  
&  
DEPARTMENT OF JUSTICE

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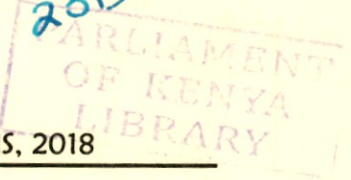
23/3/18

BRS/GEN/COMPANIES/001

21<sup>st</sup> February, 2018

Clerk of the National Assembly,  
National Assembly,  
Parliament Building,  
P.O Box 41842-00100,  
NAIROBI.


Head Table Office  
23/3

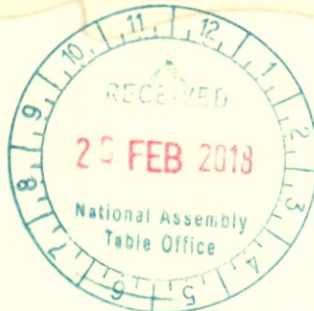


RE: THE COMPANIES (GENERAL) (AMENDMENT) REGULATIONS, 2018

Reference is made to the above matter.

Herewith please find the Companies (General) (Amendment) Regulations 2018 along with an explanatory memorandum, for your further necessary action.

  
GITHU MUIGAI, EGH, SC  
ATTORNEY GENERAL



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DEPARTMENT OF JUSTICE

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Paper laid  
Tuesday  
27/2/2019  
[Signature]

Region.	Description of passport.	Amount charged.	Currency.
	48 pages "series B".	75.	
	64 pages "series C".	90.	
	Diplomatic.	90.	
	Mutilated.	130.	
	Lost.	150.	

27 FEB 2019

Dated the 18th January, 2018.

FRED MATIANG'I,  
Cabinet Secretary  
for Interior and Co-ordination of National Government.

LEGAL NOTICE NO. 2

THE COMPANIES ACT

(No. 17 of 2015)

IN EXERCISE of the powers conferred by section 1022 of the Companies Act, 2015, the Attorney General makes the following Regulations—

THE COMPANIES (GENERAL) (AMENDMENT) REGULATIONS,  
2018

1. These Regulations may be cited as the Companies (General) (Amendment) Regulations, 2018. Citation.

2. The Ninth Schedule of the Companies (General) Regulations, 2015, is amended by deleting Part I and substituting therefor the following new Part— L.N. 239/2015.

PART I

FEE PAYABLE IN RELATION TO LIMITED OR  
UNLIMITED COMPANY HAVING SHARE CAPITAL

Matter	Fee (KSh.)
For registration of a company under sections 17 and 18 of the Act.	10,000
For registration of a conversion of a company under sections 70, 77, 82, 85 or 89 of the Act.	5,000

Dated 19th January, 2018.

GITHU MUIGAI,  
Attorney-General.

**EXPLANATORY MEMORANDUM TO THE COMPANIES (GENERAL)  
(AMENDMENT) REGULATIONS, 2018**

**PART I**

**Name of the Statutory Instrument:** The Companies (General) (Amendment) Regulations, 2018.

**Name of the Parent Act:** The Companies Act, 2015

**Enacted Pursuant to:** Section 1022 of LN. NO.17 of 2015

**Name of the Ministry/ Department:** Office of the Attorney General and the Department Of Justice, Business Registration Service

**Gazetted on:** 26<sup>th</sup> January, 2018

**Tabled on:**

**PART II**

**1.The Purpose of the Companies (General) (Amendment) Regulations, 2018**

The purpose of these Regulations is to regulate the fees payable in relation to limited or unlimited company having share capital. The objectives of the regulations are in line with the spirit of the ease of doing business.

**2.Legislative Context**

The Companies Act, 2015 empowers the Attorney General to make regulations necessary or convenient for carrying out or giving effect to the Act. The Companies (General) (Amendment) Regulations, 2018 are therefore issued to give effect to the Act.

### **3. Policy Background**

The regulatory framework on the fees payable in relation to limited or unlimited company having share capital is an initiative of the Office of the Attorney General and Ministry of Industry, Trade and Co-operation with foster ease of doing business in Kenya.

The Companies Act 2015 and its associated regulations was recently passed in September 2015. The Companies Regulations 2015 proposed new company registration fee. There was a slight increase in the fee payable compared to the previous Act. The fee was graduated based on the company's nominal capital.

In order to simplify the payment process and make it simpler for applicants to complete the registration process, several recommendations were made including exempting companies from stamp duty, standardizing the company registration fee and combining it with the stamp duty fee.

The new simplified and easier process as a result of these changes is; after name reservation, the applicant presents the required documents for company registration, pays the combined fee of KES 10,000 and receives the registration certificates within an average of 3 days subject to one giving the requisite. Applicants are no longer required to present the memorandum and articles of association for assessment, payment of stamp duty and franking.

### **4. Consultations Outcome**

The Companies (General) (Amendment) Regulations, 2018 have taken into account the views of the key personnel in the Office of the Attorney General and Department of Justice who are versed with the operational aspects the companies act. The Attorney General in coming up with the regulations has sought the extensive input of the Ag- Director General who is the accounting officer and administrator of the Business Registration Service. The implementation of these recommendations were coordinated by Ministry of Industry, Trade and Investment through IBM Research Africa. IBM Research Africa met with stakeholders from Treasury, Companies Registry and Ministry of Lands. It was agreed that for stamp duty exemption, a legal notice would be published exempting companies from stamp duty. The legal notice on the stamp duty exemption was done on 12<sup>th</sup> April 2016. This resulted in the elimination of three procedures i.e.

assessment of statement of nominal capital and the memorandum and articles of Association, payment of stamp duty and franking of these documents.

## **5. Guidance**

The Business Registration Service will sensitize its officers for adherence to the objectives of accountability and efficiency in the management of the Registry. The Service will also engage key stakeholders such as Parliament and the Ministry of Industry, Trade and Co-operation whose participation and cooperation remains instrumental in the successful implementation of the key aspects of the Companies Act, 2015 and the regulations.

## **6. Impact Assessment**

In order to ensure that the proposed change would have no negative impact on revenue generation associated with stamp duty, IBM Research Africa estimated the potential revenue impact using a sample of 122,787 companies registered from 2013 to 2015 (See the attached). 97% of the applications had a nominal capital of KES 200,000 or less. The average revenue calculated from this data for stamp duty was KES 5,053 while the average revenue from company registration was KES 4,297 resulting in an average combined fee of KES 9,350. Upon consultation with the Solicitor General, Companies Registry and the Ministry of Industry, Trade and Investments, it was recommended to combine the company registration and the exempted stamp duty fees into one fee of KES 10,000.

## **7. Review of the Regulations**

The Ag. Director General shall monitor the application of the Companies (General) (Amendment) Regulations, 2018. This will be done through the reports prepared at regular intervals. In addition, the implementers of the regulations will carry out regular monitoring and evaluation of the specific provisions of these regulations with the aim of initiating any legislative amendments as may be necessary on an annual basis.

**8. Contact Person**

The contact person at the Office of the Attorney General is Hon Githu Muigai, EGH, SC Attorney General or Mr. Kenneth Gathuma, Ag- Director General, Business Registration Service.



# MEMO

DLG  
MA

26/2/18

## THE NATIONAL ASSEMBLY

To : Director, Legislative and Procedure  
 Through : Director, Committee Services  
 From : First Clerk Assistant  
 Date : 23<sup>rd</sup> February, 2018

Forwarded  
 23/2/18

**SUBJECT: EXPLANATORY MEMORANDUM TO THE TRAFFIC (AMENDMENT) (No3) RULES**

Forwarded is a copy of the Rules published vide legal notice 297 dated 29<sup>th</sup> December 2017 with Explanatory Memorandum to the Traffic (Amendment) (No3) Rules.

Pursuant to the Statutory Instrument, 2013 subsection 11 (4) on:-

**Laying of statutory instruments before Parliament**

*(4) If a copy of a statutory instrument that is required to be laid before Parliament is not so laid in accordance with this section, the statutory instrument shall cease to have effect immediately after the last day for it to be so laid but without prejudice to any act done under the statutory instrument before it became void.*

We, therefore request Directorate of Legislative and Procedure to consider the statutory instrument for tabling before the House as required by the Law.



for  
 Susan Maritim

3) Hon. Table Office  
 pls ~~process~~ record  
 in or 23rd, register and  
 be tabled. Instrument to  
 Ms. W. Ndundu  
 27/2/18



4) Ms. W. Ndundu  
 let process for tabling  
 27/2/18





LEGAL NOTICE NO. 299

## THE TRAFFIC ACT

(Cap. 403)

IN EXERCISE of the powers conferred by section 119 of the Traffic Act, the Cabinet Secretary makes the following Rules—

## THE TRAFFIC (AMENDMENT) (NO. 3) RULES, 2017

1. These Rules may be cited as the Traffic (Amendment) (No. 3) Rules, 2017. Citation.

2. Part I of the First Schedule to the Traffic Rules is amended in the section entitled "Miscellaneous" by deleting the rows relating to section 7 and section 17 (3) of the Act and substituting therefore the following new rows— Sub. Leg.

s. 7 Inspection of motorcycles	1,300
Inspection of three-wheelers and vehicles with engine capacities of up to 3,000 c.c.	2,600
Inspection of vehicles with engine capacities of over 3,000 c.c.	3,900
Inspection of trailers weighing up to 5 tonnes	2,000
Inspection of trailers weighing over 5 tonnes	4,600
Inspection of heavy commercial vehicles weighing over 5 tonnes	4,600

Dated the 19th December, 2017.

JAMES MACHARIA,  
Cabinet Secretary for Transport,  
Infrastructure, Housing and Urban Development.

## **EXPLANATORY MEMORANDUM**

### **EXPLANATORY MEMORANDUM TO THE TRAFFIC (AMENDMENT) (NO3) RULES, 2017**

**Name of the Statutory Instrument:** The Traffic (Amendment) (No3) Rules, 2017

**Name of the Parent Act:** The Traffic Act

**Enacted Pursuant to:** Section 119 of The Traffic Act.

**Name of the Ministry/ Department:** Ministry of Transport, Infrastructure and Urban Development/ State Department of Transport.

**Gazetted on** 19<sup>th</sup> December 2017

**Tabled on**

#### **PART II**

##### **1. Purpose of the statutory instrument**

To review the applicable motor vehicle inspection fees which were last reviewed 24 years ago in 1994.

##### **2. Legislative Context**

The statutory instrument in question seeks to review the inspection fees charged. Currently the fee applicable is kshs 1,000 regardless of the size of the vehicle meaning that a trailer and a pick up are charged the same. This is not sustainable or practical. There is need to differentiate and review the fees which were last reviewed in 1994 and there is need for the review so as to maintain and modernize the existing centers which are in a deplorable state.

##### **3. Policy Background**

The amendment seeks to review the inspection fees charged from Kshs 1,000 to various fees depending on the size of the vehicle. This review is intended to support the rehabilitation and maintenance of motor vehicle inspection centers whose ultimate purpose is to ensure that the vehicles on our roads are roadworthy thereby reducing road fatalities attributable to un-roadworthy vehicles.

#### **4. Consultation outcome**

The Authority issued a public notice in three papers of national circulation inviting members of the public for their comments. In addition, public participation forums were held in various counties. The public submitted their comments some of which were included in the final rules.

4.2 The Ministry of Transport and Infrastructure intends to provide support to further create awareness on the regulations through advertisements in the media and forums.

#### **5. Impact**

5.1 The rules shall have no fundamental effect to rights and freedoms.

5.2 The regulations will help streamline the motor vehicle fees charged.

#### **6. Monitoring and review**

6.1 The success criteria of this regulation will be the rehabilitation and modernization of the motor vehicle inspection centres and a reduction in the number of road fatalities attributable to un-roadworthy vehicles.

7.1 Francis Meja, Director General NTSA.

[Francis.meja@ntsa.go.ke](mailto:Francis.meja@ntsa.go.ke)

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