



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

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

FEES 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: 26th 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 12th 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.