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DAY.  
Wednesday

Hon. Kusia Kimani  
(Chairperson)

Female

THE-TABLE:

**THE NATIONAL ASSEMBLY**

**THIRTEENTH PARLIAMENT – THIRD SESSION – 2024**

**DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING**

**REPORT ON:  
THE CONSIDERATION OF THE KENYA REVENUE AUTHORITY  
(AMENDMENT) 2024 (NATIONAL ASSEMBLY BILL NO 35 of 2024)**

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

COB	-	Controller of Budget
COK	-	Constitution of Kenya
KRA	-	Kenya Revenue Authority
ICPAK	-	Institute of Certified Accountants of Kenya
LSK	-	Law Society of Kenya
MP	-	Member of Parliament
PFMA	-	Public Finance Management Act

## **ANNEXURES**

Annexure 1: Adoption Schedule

Annexure 2: Minutes

Annexure 3: Advertisement inviting the public to submit memoranda on the Bill

## **CHAIRPERSON'S FOREWORD**

This report presents the proceedings of the Departmental Committee on Finance and National Planning regarding its consideration of the Kenya Revenue Authority (Amendment) Bill, 2024.(National Assembly Bill No 35 of 2024) The Bill was published on 9<sup>th</sup> July 2024 and subsequently committed to the Committee for review and preparation of a report to the House per the provisions of Standing Order 127.

The Kenya Revenue Authority (Amendment) Bill, 2024 introduces amendments to the Kenya Revenue Authority Act (Cap 469), aimed at strengthening the capacity of our revenue administration, enhancing the efficiency of tax collection, and promoting collaboration in the training and development of our tax professionals. These amendments are timely and crucial as we continue our efforts to modernize our tax administration framework to meet the evolving demands of a dynamic economy.

The Bill proposes to amend section 5 of the KRA Act to provide a legal framework for the Kenya School of Revenue Administration (KESRA) to collaborate with institutions of higher learning. Through this partnership, KESRA will be able to create specialized curricula, offer authorized revenue administration programs, and evaluate or examine students, all of which will improve the credentials of tax industry experts.

Additionally, the Bill seeks to amend Section 13 of the Act to provide the Commissioner General the right to appoint Deputy Commissioners. This change aims to streamline the internal management structure of the Kenya Revenue Authority (KRA), allowing for quicker decision-making and a more agile administrative setup.

Further, the Bill proposes to amend Section 15A by granting the Cabinet Secretary the power to exempt appointed agents who fail to deliver collected cash from penalties, provided that the failure was unintentional or that the agent is under statutory supervision or receivership. This provision aims to introduce a level of flexibility and fairness, particularly for agents facing genuine challenges beyond their control.

In compliance with Article 118(b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly published an advertisement in the print media inviting the public to submit written memoranda on the Bill. However, no stakeholder submitted on the proposed Bill.

On behalf of the Departmental Committee on Finance and National Planning, and in line with Standing Order 199(6), I am honored to present to this House the Committee's Report on its consideration of the Kenya Revenue Authority (Amendment) Bill, 2024.(National Assembly Bill No 35 of 2024). The Committee extends its gratitude to the Offices of the Speaker and Clerk of the National Assembly for their logistical and technical support during the deliberation of the Bill.

It is my privilege to report that the Committee has reviewed the Kenya Revenue Authority (Amendment) Bill, 2024 (National Assembly Bill No 35 of 2024), and recommends that this House approves the Bill with amendments.

**Hon. CPA. Kuria Kimani, M.P.**

**Chairperson, Departmental Committee on Finance and National Planning**

## CHAPTER ONE

### 1.0 PREFACE

#### 1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. The Departmental Committee on Finance and National Planning is one of twenty departmental committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows:
  - a) *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
  - b) *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
  - c) *To, on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
  - d) *To study and review all legislation referred to it;*
  - e) *To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
  - f) *To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary, and as may be referred to them by the House;*
  - g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
  - h) *To examine treaties, agreements and conventions;*
  - i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
  - j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
  - k) *To examine any questions raised by Members on a matter within its mandate.*
2. The Second Schedule to the National Assembly Standing Orders assigns the Committee the mandate to consider matters in relation to public finance, public audit policies, monetary policies, financial institutions, economy, investment policies, competition, banking, insurance, national statistics, population, revenue policies including taxation, national planning and development, digital finance, including digital currency.
3. In executing its mandate, the Committee oversees the following Ministries/Departments:
  - a) The National Treasury and Planning.
  - b) State Department for Economic Planning.
  - c) The Commission on Revenue Allocation (CRA)
  - d) Office of the Controller of Budget

## I.2 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House on 27<sup>th</sup> October, 2022 and comprises the following Members:

### **Chairperson**

Hon. CPA Kuria Kimani, MP

Molo Constituency

**UDA Party**

### **Vice-Chairperson**

Hon. (Amb.) CPA Langat Benjamin Kipkirui, CBS, MP

Ainamoi Constituency

**UDA Party**

### **Members**

Hon. (Dr.) Keynan, W, Adan, CBS, MP

Eldas Constituency

**Jubilee Party**

Hon. Sunkuyia, R. George, MP

Kajiado West Constituency

**UDA Party**

Hon. CPA Oyula, Joseph H. Maero, MP

Butula Constituency

**ODM Party**

Hon. Joseph K. Munyoro, MP

Kigumo Constituency

**UDA Party**

Hon. Mboni, David Mwalika, MP

Kitui Rural Constituency

**WDM Party**

Hon. Sheikh Umul , MP

Mandera County

**UDM Party**

Hon. Okuome Adipo Andrew, MP

Karachuonyo Constituency

**ODM Party**

Hon. (Dr.) Shadrack Mwiti, MP

South Imenti Constituency

**Jubilee Party**

Hon. Kipkoros, Joseph Makilap, MP

Baringo North Constituency

**UDA Party**

Hon. (Dr.) Ariko John Namoit, MP

Turkana South Constituency

**ODM Party**

Hon. CPA Rutto Julius Kipletting, MP

Kesses Constituency

**UDA Party**

Hon. Machele M. Soud, MP

Mvita Constituency

**ODM Party**

Hon. Biego Paul Kibichiy, MP

Chesumei Constituency

**UDA Party**

### 1.3 COMMITTEE SECRETARIAT

5. The following staff facilitates the Committee:

Mr. Benjamin Magut  
**Principal Clerk Assistant II /Head of Secretariat**

Ms. Jennifer Ndeto  
**Deputy Director Legal Services**

Mr. Benson Kamande  
**Clerk Assistant III**

Mr. Salem Lorot  
**Legal Counsel I**

Ms. Winfred Kambua  
**Clerk Assistant III**

Mr. George Ndenjeshe  
**Fiscal Analyst III**

Mr. James Macharia  
**Media Relations Officer**

Mr. Andrew Jumanne Shangarai  
**Principal Serjeant-At-Arms**

Ms. Joyce Wachera  
**Hansard Reporter III**

Mr. Benson Muthuri  
**Assistant Serjeant-At-Arms**

Ms. Nelly W. Ondieki  
**Research Officer III**

Mr. Mwangi Muchiri  
**Audio Officer**



## CHAPTER TWO

### 2.0 OVERVIEW OF THE KENYA REVENUE AUTHORITY

#### 2.1 SUMMARY OF LEGAL PROVISIONS

6. The Kenya Revenue Authority (Amendment) Bill, 2024 introduces amendments to the Kenya Revenue Authority Act (Cap 469), aimed at strengthening our revenue administration's capacity, enhancing tax collection efficiency, and promoting collaboration in the training and development of our tax professionals. These amendments are timely and crucial as we continue our efforts to modernize our tax administration framework to meet the evolving demands of a dynamic economy.
7. The Bill proposes to amend section 5 of the KRA Act to provide a legal framework for the Kenya School of Revenue Administration (KESRA) to collaborate with institutions of higher learning. Through this partnership, KESRA will be able to create specialized curricula, offer authorized revenue administration programs, and evaluate or examine students, all of which will improve the credentials of tax industry experts.
8. Additionally, the Bill seeks to amend Section 13 of the Act to provide the Commissioner General the right to appoint Deputy Commissioners. This change aims to streamline the internal management structure of the Kenya Revenue Authority (KRA), allowing for quicker decision-making and a more agile administrative setup.
9. Further, the Bill proposes to amend Section 15A by granting the Cabinet Secretary the power to exempt appointed agents who fail to deliver collected cash from penalties, provided that the failure was unintentional or that the agent is under statutory supervision or receivership. This provision aims to introduce a level of flexibility and fairness, particularly for agents facing genuine challenges beyond their control.

## CHAPTER THREE

### 3.0 PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL

#### 3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION

10. Article 118 (1)(b) of the Constitution provides that:

*“Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees.”*

11. The National Assembly Standing Order 127 (3) and (3A) stipulates that:

*“(3) The Departmental Committee to which a Bill is committed shall **facilitate public participation on the Bill** through an appropriate mechanism including-*

- (a) inviting submission of memoranda;*
- (b) holding public hearings;*
- (c) consulting relevant stakeholders in a sector; and*
- (d) consulting experts on technical subjects.*

*(3A) The Departmental Committee shall consider the views and recommendations of the public under paragraph (3) in its report to the House.”*

#### 3.2 MEMORANDA RECEIVED ON THE BILL

12. Under the provisions of the law, the Clerk of the National Assembly placed an advertisement in the print media on 19<sup>th</sup> August, 2024. The Committee did not receive any memoranda or submissions from members of the public.

## CHAPTER FOUR

### 4.0 COMMITTEE OBSERVATIONS

13. Having deliberated on the Kenya Revenue Authority (Amendment) Bill, 2024, the Committee observed that the Bill is important for it:
- I. It will empower the Kenya School of Revenue Administration (KESRA) to collaborate with other institutions;
  - II. It will streamline KRA operations in the appointment of Deputy Commissioners.
  - III. It will protect businesses and entrench fair tax administration.
14. Further, the Committee observed that it would be important for the Deputy Commissioner to be appointed by the Commissioner General, with the appointment subject to approval by the Board. This additional layer of oversight would ensure a transparent and accountable process in the selection of senior management, thereby strengthening the governance structure of the Kenya Revenue Authority.


**CHAPTER FIVE**

**5.0 COMMITTEE RECOMMENDATIONS**

15. The Committee, having considered the Kenya Revenue Authority (Amendment) Bill 2024, recommends that the House approves the Bill with amendments.

SIGNED..........DATE 27<sup>th</sup> Nov, 2024

**HON. CPA KURIA KIMANI, MP  
CHAIRPERSON  
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>27 NOV 2024</b>	
DAY: <u>Wednesday</u>	
TABLED BY:	<u>Hon. Kuria Kimani (Chairperson)</u>
CLERK-AT THE-TABLE:	<u>Lomale</u>

**MINUTES OF THE 90<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON WEDNESDAY, 27<sup>TH</sup> NOVEMBER, 2024 IN KICC AMPHITHEATER AT 2:40 P.M.**

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**PRESENT**

- |                                             |   |                   |
|---------------------------------------------|---|-------------------|
| 1. Hon. CPA Kuria Kimani, MP                | - | Chairperson       |
| 2. Hon. (Amb.) Benjamin Kipkirui Langat, MP | - | Vice- Chairperson |
| 3. Hon. (Dr.) Adan Keynan, MP               | - | Member            |
| 4. Hon. David Mwalika Mboni, MP             | - | Member            |
| 5. Hon. George Sunkuiya Risa, MP            | - | Member            |
| 6. Hon. Joseph Makilap Kipkoros, MP         | - | Member            |
| 7. Hon. CPA Julius Kipletting Rutto, MP     | - | Member            |
| 8. Hon. Paul Kibichiy Biego, MP             | - | Member            |
| 9. Hon. (Dr.) John Ariko Namoit, MP         | - | Member            |
| 10. Hon. Joseph Kamau Munyoro, MP           | - | Member            |
| 11. Hon. CPA. Joseph Maero Oyula, MP        | - | Member            |

**ABSENT WITH APOLOGY**

- |                                          |   |        |
|------------------------------------------|---|--------|
| 1. Hon. (Dr.) Shadrack Mwiti Ithinji, MP | - | Member |
| 2. Hon. Mohamed Soud Machele, MP         | - | Member |
| 3. Hon. Andrew Adipo Okuome, MP          | - | Member |
| 4. Hon. Umul Ker Sheikh Kassim, MP       | - | Member |

**MIN No. NA/F&NP/2024/324:**

**PRELIMINARIES**

The Chairperson called the meeting to order at 2:45 p.m. This was followed by a word of prayer and a round of introduction.

**MIN No. NA/F&NP/2024/325:**

**ADPOTION OF THE AGENDA**

The agenda was adopted after being proposed by Hon. Julius Rutto, MP, and seconded by Hon. Paul Biego, MP, as listed below-

1. Prayer;
2. Introductions;
3. Adoption of the Agenda;
4. Confirmation of Minutes;
5. Matters arising from the previous Sitting;
6. **Consideration and adoption of the Reports on;**  
**The Unclaimed Financial Assets (Amendment) Bill, (National Assembly Bill No. 15 of 2024); and**  
**The Kenya Revenue Authority (Amendment) (No. 2) Bill, (National Assembly Bill No. 35 of 2024)**
7. Any Other Business; and
8. Adjournment.

**MIN No. NA/F&NP/2024/326:**

**CONFIRMATION OF MINUTES**

Confirmation of Minutes of the previous sittings were differed to the next sitting.

**MIN No. NA/F&NP/2024/327:**

**CONSIDERATION OF THE REPORT  
ON THE UNCLAIMED FINANCIAL  
ASSETS (AMENDMENT) BILL,  
(NATIONAL ASSEMBLY BILL NO.  
15 OF 2024)**

The Committee considered the draft report and noted that the Acting Chief Executive Officer of The Unclaimed Financial Assets Authority was not aware of the proposed amendments in the Bill therefore raising suspicion on the amendments.

After the consideration of the said report, the Committee came to a conclusion that the Bill be deleted in its entirety. The Committee thereafter unanimously adopted the report having been proposed by Hon. David Mboni, MP, and seconded by Hon. Joseph Oyula, MP.

**MIN No. NA/F&NP/2024/328:**

**ADOPTION OF THE REPORT ON  
THE CONSIDERATION OF THE  
KENYA REVENUE AUTHORITY  
(AMENDMENT) (NO 2) (NATIONAL  
ASSEMBLY BILL NO. 35 OF 2024)**

The meeting deliberated in length and recommended that the House approves the Bill with amendments as contained in Chapter Five of the Report on the consideration of the Kenya Revenue Authority (Amendment) (No 2) (National Assembly Bill No. 35 Of 2024) Bill. The report was thereafter adopted having been proposed by Hon. (Amb) Benjamin Langat, MP and seconded by Hon. David Mboni, MP.

**MIN No. NA/F&NP/2024/329:**

**ADJOURNMENT**

There being no other business, the meeting adjourned at 3:15 p.m.

Signed.....

Hon. CPA. Kuria Kimani, MP  
Chairperson

Date..... 27<sup>th</sup> Nov, 2024



THE NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT - THIRD SESSION - 2024

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.  
ADOPTION LIST

REPORT ON THE KENYA REVENUE AUTHORITY (AMENDMENT) (NO. 2) (NATIONAL ASSEMBLY BILL NO35 OF 2024)

We, the Members of the Departmental Committee on Finance and National Planning have pursuant to Standing Order 199, adopted this Report and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, Wednesday, 27<sup>th</sup> November, 2024.

S/NO.	NAME	SIGNATURE
1.	HON. (CPA). KURIA KIMANI, MP - <b>CHAIRPERSON</b>	
2.	HON. (AMB). BENJAMIN KIPKIRUI LANGAT, MP – <b>VICE CHAIRPERSON</b>	
3.	HON. DR. ADAN KEYNAN WEHLIYE, MP	
4.	HON. GEORGE SUNKUYIA RISA, MP	
5.	HON. (CPA) JOSEPH MAERO OYULA, MP	
6.	HON. ANDREW ADIPO OKUOME, MP	
7.	HON. DAVID MWALIKA MBONI, MP	
8.	HON. JOSEPH MAKILAP KIPKOROS, MP	
9.	HON. JOSEPH KAMAU MUNYORO, MP	
10.	HON. (CPA) JULIUS KIPLETING RUTTO, MP	
11.	HON. PAUL KIBICHIY BIEGO, MP	
12.	HON. UMUL KER SHEIKH KASSIM, MP	
13.	HON. DR. SHADRACK MWITI ITHINJI, MP	
14.	HON. DR. JOHN ARIKO NAMOIT, MP	
15.	HON. MOHAMED SOUD MACHELE, MP	