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ELEVENTH PARLIAMENT – SECOND SESSION

DEPARTMENTAL COMMITTEE
ON
FINANCE, PLANNING & TRADE

REPORT ON THE CONSIDERATION OF
THE SECURITIES AND INVESTMENT ANALYSTS BILL, 2014

CLERK'S CHAMBER
PARLIAMENT BUILDINGS
NAIROBI

OCTOBER, 2014

PREFACE

Mr. Speaker, Sir

The Committee on Finance, planning & Trade is one of the Departmental Committees of the National Assembly established under Standing Order 216 and mandated to, inter alia; **'to study and review all legislations referred to it'**.

Mr. Speaker, Sir

The Committee on Finance, Planning & Trade was constituted by the House on Thursday 16th May, 2013 comprising of the following members:

1. The Hon. Benjamin Langat, MP (**Chairman**)
2. The Hon. Nelson Gaichuhie, MP (**vice Chairman**)
3. The Hon. Jones M Mlolwa, MP
4. The Hon. Anyanga, Andrew Toboso, MP
5. The Hon. Timothy M .E. Bosire, MP
6. The Hon. Ahmed Shakeel Shabbir Ahmed, MP
7. The Hon. Joash Olum, MP
8. The Hon. Dr. Oburu Oginga, MP
9. The Hon. Patrick Makau King'ola, MP
10. The Hon. Abdullswamad Sheriff, MP
11. The Hon. Sumra Irshadali, MP
12. The Hon. Ogendo Rose Nyamunga, MP
13. The Hon. Iringo Cyprian Kubai, MP
14. The Hon. Dennis Waweru, MP
15. The Hon. Tiras N. Ngahu, MP
16. The Hon. Sakaja Johnson, MP
17. The Hon. Jimmy Nuru Angwenyi, MP
18. The Hon. Ronald Tonui, MP
19. The Hon. Mary Emase, MP
20. The Hon. Joseph Limo, MP
21. The Hon. Lati Lelelit, MP
22. The Hon. Kirwa Stephen Bitok, MP
23. The Hon. Sammy Mwaita, MP
24. The Hon. Daniel E. Nanok, MP
25. The Hon. Eng. Shadrack Manga, MP
26. The Hon. Abdul Rahim Dawood, MP
27. The Hon. Sakwa John Bunyasi, MP
28. The Hon. Alfred W. Sambu, MP
29. The Hon. Sammy Koech, MP

Mr. Speaker, Sir,

On 3rd June 2014, the Securities and Investment Analysis Bill, 2014 sponsored by the Departmental Committee on Finance, Planning & Trade was read a first time and thereafter committed to the Departmental Committee on Finance, Planning & Trade for consideration pursuant to Article 118 of the Constitution and Standing Order No. 127.

Mr. Speaker, Sir,

In examining the Bill, the Committee considered the views of the National Treasury, the Institute of Securities and Investment Analysts, the Capital Markets Authority and the Nairobi Securities Exchange.

Mr. Speaker, Sir,

While examining the Bill, the Committee noted the following:-

1. The principle object of the Bill is to provide for the establishment, powers and functions of the Institute of Certified Securities and Investment Analysts and for the registration of certified securities and investment analysts to facilitate realization of accountable, efficient and trustworthy securities and Investment analysts in Kenya.
2. **Part I** of the Bill contains preliminary provisions and clause 2 bearing definitions.
3. **Part II** of the Bill establishes the Institute of Certified Securities and Investment Analysts and defines its membership. Clause 5 of the Bill provides that the expenditure of the Institute shall be met from the funds generated by Institute and its bodies. However, there are no financial provisions for the Institute in the Bill. Clause 8 provides for the functions of the institute. One of the major functions of the institute is to advise the Cabinet Secretary on matters relating to securities and Investments in all sectors of the economy.

Though clause 8(g) provides that the institute shall administer ethics test on a continuous basis for its members, it fails to include the integrity part in it.

Clause 12 provides for the appointment of a secretary to the Council but fails to indicate that the Chief Executive Officer to the Council shall be the Secretary to the Council.

4. **Part III** of the Bill deals with registration services. Clause 14 of the Bill provides for the registration of financial securities and investment analysts by the Registration Board formed in clause 13. Though clause 16 provides that an individual should have passed examination and issued with the certificate of certified securities and investment analysts, there is no provision that such an individual should have passed the ethics and integrity test.

Clause 17 provides for the procedure for disqualification from registration whereby of major importance to this provision is the due process to be followed to the letter. However, there is need for the inclusion of a provision under clause 19 that disqualifies an individual from registration upon failing an ethics and integrity examination.

While clause 20 gives a registered individual authority to practice, it introduces the word “financial” over and above one being an investment and security analyst. This introduction is not consistent with the Bill and may interfere with the other professions like the accountants.

5. **Part IV** of the Bill deals with disciplinary provisions for the Members of the Institute. Clause 27 provides for the appointment of the membership to the disciplinary council which includes a nominee from an agency that promotes public governance under 27(3)(d). It will be important to specify the exact agency in this case will be the Institute of Certified Public Secretaries of Kenya
6. The Bill fails to provide for the protection from liability and also financial provisions. Financial provisions are very important in any entity established in law that will go a long way to creating confidence in the membership as far as accountability of their resources is concerned.

Mr. Speaker, Sir,

The Committee will propose appropriate amendments to the Bill in clauses 2,4,7,8,10,12, 13,14,15,16,17,18,19, 20,21,22,23, 24, 26,27,29,, 30, 31,34, and 35 to address the concerns observed above.

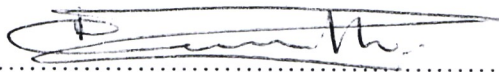
Mr. Speaker, Sir,

The Committee is thankful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its Sittings. The Committee wishes to thank all the stakeholders for their participation in scrutinizing the Bill. Finally, I wish to express my appreciation to the Honourable Members of the Committee who sacrificed their time to participate in the activities of the Committee and preparation of this report.

Mr. Speaker, Sir,

It is therefore my pleasant duty and privilege, on behalf of the Departmental Committee on Finance, Planning & Trade, to table its Report on the consideration of the Securities and Investment Analysis Bill, 2014 for consideration by the House Pursuant to Standing Order 127

Signed



(HON. NELSON GAICHUHIE, MP)

VICE-CHAIRPERSON,

DEPARTMENTAL COMMITTEE ON FINANCE, PLANNING & TRADE

Date:

14th Oct 2014

1.0 Background

- 1.1 The Securities and Investment Analyst Bill, 2014 is a bill for an Act of Parliament to provide for the establishment, powers and functions of the Institute of Certified Securities and Investment Analyst (ICSIA) as a body corporate that regulate security and investment analysts professionals.
- 1.2 According to International Organization for Securities Commissions (IOSCO) the goal of securities regulation includes: protecting investors, reducing systematic risk and ensuring that markets are fair, efficient and transparent.
- 1.3 Countries with deep and vibrant securities markets have effective regulatory and enforcement institutions of the market. In Kenya, Capital Markets Authority has performed the regulatory function with supervisory powers over market intermediaries (*Securities and Investment Analysts*). It is equally important to subject the regulatory institution to meaningful accountability mechanisms.
- 1.4 It is in this line that it is critical to bring out the role that *Securities and Investment Analysts* play as intermediaries in the securities market to ensure that there is a link between investor protection and capital formation.

2.0 Situational Analysis

- 2.1 The capital markets industry in Kenya is regulated by various legislations such as the Capital Markets Act, Central Bank of Kenya Act, Retirement Benefits Authority Act, and the Insurance Act. The legal frameworks for the industry have organized and strengthened the institutional framework of the capital markets in Kenya. However, these legislations do not provide a framework for regulation of the professionals in the capital market industry.
- 2.2 These professional work as pension fund managers; financial advisors in stock brokerage firms; investment advisors in firms listed at the Nairobi Securities Exchange; and managers in investment banks among others.
- 2.3 The capital markets in the recent past have been marred by challenges relating to professional ethics and integrity of market players such as stock brokers. This resulted into devastating collapse of some of the prominent stock brokers such as **Ngenye Kariuki Stock broker and Nyaga stock brokers**. The collapse was attributed to poor management and fraud committed by some of the professionals who were engaged in malpractices such as secretly trading in investors' funds.
- 2.4 There have also been instances of lack of fiduciary responsibility among some members of the Boards of some of the listed trading institutions at the Nairobi Securities Exchange. This has led to loss of investors' funds, erosion of market confidence, and low saving rate resulting in low capital formation.

2.5 There is an existing similar Institute with same names and objects as the proposed Institute. The existing institute was first registered as the Institute of Investment Professionals for East Africa (IIPEA) on 22nd July 1997 under section 10 of the Societies Act (Cap.108) of the Laws of Kenya. It later changed its name to the Institute of Certified Securities and Investment Analysts (ICSIA) and held its last election on 4th March 2011. The main objective of the institute as indicated in its website (www.icsia.co.ke) is to develop a professional designation to further enhance training for capital market participants in the East African Region.

3.0 International Comparative Analysis

3.1 The following section provides a brief overview of the international scene:

- (a) **South Africa:** - There is the Investment Analyst Society of South Africa (IASSA) which was formed in 1969 as a liaison body of the financial analyst profession and it is based in Johannesburg with members from Cape Town and Durban. (IASSA) has 2100 members drawn from the analyst profession that includes investment banks, insurances companies and it is managed by a board and one full time executive officer
- (b) **United Kingdom (UK):-** The proposed institute is modeled on the London based Chartered Institute for Securities & Investment (CISI) which is the largest and most widely respected professional body for professionals in the securities and investment industry in the United Kingdom (UK) . To highlight the importance of acting with integrity at all times, the CISI London holds a membership requirement for all members to take and pass an online ethics test. This ethics test provision is not explicitly provided in the legislative proposal
- (c) **Japan:** - There is the Securities Analyst Association of Japan (SAAJ) which was established in 1962 with the aim of developing recognized standards for securities and investment professionals. As of 31st March 2009, individuals and corporate/associate members of SAAJ stood at 23,067.

4.0 Clause by Clause Highlights and Review

4.1 This section provides a clause by clause analysis including highlights and review by the Parliamentary Budget Office.

Part I- Preliminary		
Clause	Highlights	Review
Clause 1	Provide short title of the Act	This is in line with the Bill
Clause 2	Provides for interpretation of various terms used in the Act such as: <i>annual license, council, disciplinary board,</i>	The term " <i>Registration Board</i> " should include " <i>and Quality Assurance</i> " to emphasis on quality assurance as well There is no definition of a " <i>Security and Investment</i>

	<i>examination board, registration board.</i>	<i>Analyst”</i> The Cabinet Secretary in this case should be the one responsible for matters relating to securities and investments
Part II- Establishment of Institute		
Clause 3	Establishes ICSIA and its capability in its corporate name.	The borrowing, acquisition, holding and disposal of investments should be subject to approval of the Cabinet Secretary.
Clause 4	Establishes categories of membership of the Institute and allow each registered member to place the prefix term ‘IA’ before the person name.	The prefix term before the name of a registered member should be in line with the category of membership and NOT the term “IA”.
Clause 5	Provide for the source of the funds of the institute.	The clause is totally misplaced and limits the funding of the institute to membership contribution which is inadequate. A new part need to be introduced in the Bill to take care of Financial Provisions with specific clauses on: <i>funds of the Institute; financial year; annual estimates. Accounts and audit; and investment of funds.</i>
Clause 6	Provides for invitation into Honorary Fellowship of the Institute.	This is in line with the international best practice
Clause 7	Sets qualifications of the Chairperson of the institute	The election procedure is provided for in the first schedule of the Bill
Clause 8	Outlines the functions of the Institute.	Ethics and integrity test should be an annual requirement for renewal of membership and not only entry test.
Clause 9	Establishes the Council as the governing body of the institute and its various powers.	Clause 9(4) on issuance of By-laws limits the extent of By-laws to operations. The By-laws, rules and regulations should cover operations of the Institute and practice by members of the Institute.
Clause 10	Provide for the establishment of Board of Council to perform the functions of the Institute	The use of the term Boards in this clause may be confusing. The clause should make reference to Committees and not Boards.
Clause 11	Provide for the membership of the council which shall be composed of eleven (11) members.	The election of non-nominated members is provided for in the second schedule. There may be need to include at least two members to represent a profession other than Security and Investments

Clause 12	Provide for a position of Secretary to the Council appointed by the Council and perform functions determined by the Council	It should be made clear that the secretary to the council shall be the chief executive off the institute.
Clause 13	Establishes the Registration and Quality Assurance Board, its membership and the functions.	This is in order.
Part III- Registration and Practice		
Clause 14	Provide for the process of application for registration as financial, securities and investment analyst	A fine of not exceeding Kshs. 1 million for an offence of making a false or misleading statement in application is highly punitive and contrary to the practice in other professional body.
Clause 15	Provides for a transition for holders of authority to practice prior to the commencement of the Act.	This is in line with the best practice
Clause 16	Provides for conditions for qualification for registration as a member	Include sitting and passing ethics and integrity test administered by the Institute as one of the conditions for qualification for registration.
Clause 17	Outline conditions of disqualification from registration.	Include sitting and failing ethics and integrity test administered by the Institute as one of the conditions for disqualification for registration.
Clause 18	Provides for keeping of a register of members.	This is proper and in line with the best practice
Clause 19	Outlines the circumstance for cancellation of the registration of a member.	Include sitting and failing annual ethics and integrity test administered by the institute as one of the conditions for cancellation.
Clause 20	Provide for restriction on authority to practice as a certified financial, securities and investment analyst.	The word "financial" in the wording of the professional practice is inconsistent with the bill. The fine of Kshs. 500,000. /- is okay
Clause 21	Provide for the definition of a practice and how a person can practice	The word "financial" in the title of the practice (certified financial, securities and investment analyst) should be deleted wherever it appears immediately before the words "Security and Investment Analyst" in the Bill.
Clause 22	Provide application of a practicing certificate.	This is in order
Clause 23	Provide for the issuance of practicing certificate by the Registration Board	This is in order

Clause 24	Issuance of annual license to a person who holds a practicing certificate and intends to practice as a firm.	This is in order
Clause 25	Certificate/annual license is a property of the Institute	This is in order
Part IV- Disciplinary Provisions		
Clause 26	Outlines what constitute a professional misconduct by a member	This is exhaustive and in order
Clause 27	Establishes a Disciplinary Board within the Council composed of seven members	Include in the Board, one member nominated by the Institute of Certified Public Secretaries of Kenya (ICPSK) which is the professional body that promotes corporate governance. The Chair of the Board should meet the minimum qualification for appointment as Judge of the High Court.
Clause 28	Provides that all matters of professional misconduct should be referred to the Disciplinary Board	This is in order The provisions of the fourth schedule guides the inquiry by the Board
Clause 29	Outlines the possible recommendations after inquiry by the Disciplinary Board	The inquiry period should be defined in the laws.
Clause 30	Provides for an appeal against Disciplinary Board decision.	This is in line with fair hearings as enshrined in the Constitution
Clause 31	Provides for the disciplinary provisions of the Act to apply to the previous holders of securities and investment analysts	This is necessary for avoidance of doubt and for transitional purposes.
Part V- Miscellaneous		
Clause 32	Provide for the staff of the Institute and the examination board	This is in order
Clause 33	This clause on protection from liability is skipped	Entire clause on protection from liability” is missing
Clause 34	The Institute to keep proper book of account and prepare for audit.	A new part need to be introduced in the Bill to take care of Financial Provisions with specific reference to: <i>funds of the Authority; financial year; annual estimates. Accounts and audit; and investment of funds.</i>

Clause 35	Define the offences	Fine not exceeding Kshs. 500,000/- and a further fine of not exceeding Kshs. 1 million each day for continuing offence is adequate.
Clause 36	Provide that a vacancy in the membership of the Council does not affect its function	This is in order
Clause 37	Outlines the appointment of interim manager where a member in private practice is incapacitated	This is in order
Clause 38	Provide for the Cabinet Secretary to make regulations	This is in order
Clause 39	Provides for transitional provision	This is in order
First Schedule:- Provisions Relating to the Institute		
Clause 1	Election and eligibility of the Chairperson of the institute.	The term of the office should not be limited to only two terms .
Clause 2	Provide for the appointment an acting Chairperson	The Council should have a Vice Chairperson who should automatically act in absence of the Chairperson
Clause 3	Provide for the annual /special general meeting meetings of the institute	Renumber the Clause to 3 and not 2.
Clause 4	Chairperson to preside all meeting and if not present the vice-chairperson	This is in order
Clause 5	Defines the quorum of the meetings of the institute	A quorum of 50% of members is good for the credibility of the decisions made.
Clause 6	Outlines the business to be transacted in the institute meetings	This is in order
Clause 7	Defines powers of the person presiding the meeting of the institute	This is in order
Clause 8	Voting procedure at the meetings of the institute.	This is in order
Second Schedule:- Provisions Relating to the Council		
Clause 1	Provide for the membership of the Council and disqualification to contest a position in the Council	This is in order

Clause 2	Provide for rotation of election of council members	This is in order to allow for smooth transition
Clause 3	Vacation of office by a member of the council.	Renumber this clause to 3 and not 2.
Clause 4	Filing of vacancy that arise from the members of the council	Renumber this clause to 4 and not 3
Clause 5	The Vice-chairperson of the Council and its term of office	Renumber this clause to 5 and not 4
Clause 6	Quorum and procedure of the Council meetings	The quorum should be defined and not left at the whim of the council
Clause 7	Chairperson to have a deliberative and casting vote	This is in order
Clause 8	Keeping of the minutes of Council meeting	The minutes of the Council should be in the custody of the Secretary

Third Schedule:- Provisions Relating to the Registration And Quality Assurance Board

Clause 1	Term of office of the members of Registration Board	This should be one term of three years
Clause 2	Procedure for quality assurance review	This is in order
Clause 3	Provide for the results of quality assurance review	This is in order
Clause 4	Registration Board to provide report on quality assurance reviews to the Council.	The report timelines should be defined
Clause 5	Define the penalty for unauthorized disclosure of information	A fine of fifty thousand may be too lenient
Clause 6	Define the quorum of the meeting of the Registration Board as four.	This is in order
Clause 7	Provide for voting by the Board and the chairperson to have a casting vote	This is in order
Clause 8	Provide for the validity of the proceedings of the Board.	This is in order
Clause 9	Record keeping of the proceeding of the Registration Board	This is in order

Fourth Schedule: Provisions Relating to the Disciplinary Board Proceedings On Inquiry

Clause 1	Statement of allegations of professional misconduct.	This is in order
Clause 2	Provision of notice of inquiry indicating the date, time and	This is in order

	place	
Clause 3	Representation by an advocate	This is in order
Clause 4	Powers of the disciplinary board	This is in order
Clause 5	Procedures for inquiry by the Disciplinary Board.	This is in order
Clause 6	Voting of the member of the Disciplinary Board in making decision.	Renumber the clause to 6 and not 5
Clause 7	Validity of the proceeding of inquiry	This is in order
Clause 8	Defines offences for a witness to the inquiry	The fine of not exceeding twenty thousand is reasonable.
Clause 9	Immunity and protection of the Member of the Disciplinary board.	This is in order
Clause 10	Proceeding of the Board is deemed judicial proceedings	This is in order
Fifth Schedule: Provision Relating to Interim Manager		
Clause 1	Incapacitation of a member in practice	This is in order
Clause 2	Nomination of interim manager in the event of incapacity or inability of a member of the institute.	This is in order
Clause 3	Council to nominate interim manager where a member fails to nominate.	This is in order
Clause 4	Outlines the obligations of the interim manager.	This is in order

COMMITTEE'S PROPOSED AMENDMENTS

Having considered the Bill, the Committee will introduce the following amendments during the Committee stage of the Bill:

CLAUSE 2

THAT, clause 2 be amended—

- (a) by deleting the definition “Registration Board” and substituting therefor the following definition—
“Registration Committee” means the registration and quality assurance committee established under section 13 of this Act;”

CLAUSE 4

THAT, clause 4 be amended—

- (a) in sub clause (1)—

- (i) by inserting the words “under section 16 of this Act” immediately after the word “Institute”;

CLAUSE 7

THAT, clause 7 be amended in sub clause (1) by deleting the word “matter” before the word “provided” and substituting therefor with the word “manner”.

CLAUSE 8

THAT, clause 8 be amended—

- (a) by deleting paragraph (a);

- (b) in paragraph (b) by inserting the word “ethical” before the word “practice”;

- (c) in paragraph (e) by deleting the words “financial, securities and investments” after the word “licensing” and substituting therefor the words “security and investments”;

- (d) in paragraph (g) by inserting the words “and integrity” immediately after the word “ethics”.

CLAUSE 10

THAT, clause 10 be amended in by deleting the word “Boards” and substituting therefor the following word “Committees”.

CLAUSE 12

THAT, clause 12 be amended by deleting sub clause (1) and substituting therefor with following new clause—

- “(1) There shall be a Secretary to the Council who shall be the Chief Executive Officer of the Institute and shall be appointed by the Council.”

CLAUSE 13

THAT, clause 13 be amended—

- (a) in sub clause (1) by deleting the words “ Registration and Quality Assurance Board” and substituting therefor the words “Registration Committee”;
- (b) in sub clause (2)—
 - (i) in paragraph (b) by inserting the word “for” immediately after the word “responsible”;
- (c) in sub clause (3)—
 - (i) by deleting the word “Board” and substituting therefor the word “Committee”;
 - (ii) in paragraph (a) by deleting the words “financial, securities and investments” after the word “certified’ and substituting therefor the words “securities and investments”.
- (d) in sub clause (4) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;
- (e) in sub clause (5) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;
- (f) in sub clause (6) by deleting the word “Board” and substituting therefor the word “Committee”;
- (g) in sub clause (7) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;
- (h) in sub clause (8) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;
- (i) in sub clause (9) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;
- (j) in sub clause (10) by deleting the word “Board” after the word “Registration” and substituting therefor the word “Committee”;

CLAUSE 14

THAT, clause 14 be amended—

- (a) in sub clause (1) by deleting the words “ financial, securities and investment” and substituting therefor the words “ Securities and investment” and by deleting the word “Board” after the word “Registration” wherever it occurs and substituting therefor the word “Committee”.
- (b) in sub clause (2) by deleting the words “ financial, securities and investment” and substituting therefor the words “ Securities and investment”.
- (c) in sub clause (3) by deleting the word “ Board” before the word “Registration” and substituting therefor the word “ Committee”.
- (d) in sub clause (5) by deleting the words “one million” and substituting therefor the words “two hundred thousand”.

CLAUSE 15

THAT, clause 15 be amended—

- (a) in sub clause (1) by deleting the words “ financial, securities and investment” and substituting therefor the words “ Securities and investment”.

- (e) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”.

CLAUSE 16

THAT, clause 16 be amended—

- (a) in sub clause (1)—
 - (i) by inserting the following new paragraph immediately after paragraph (a)—

“(aa) has satisfied the requirements of Chapter Six of the Constitution;”

- (b) in sub clause (3)—
 - (i) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”;

 - (ii) by deleting the words “ financial, securities and investment” and substituting therefor the words “securities and investment”.

CLAUSE 17

THAT, clause 17 be amended—

- (a) by inserting the following new paragraphs immediately after paragraph (c)—
 - “(ca) if such person does not meet the requirements of Chapter Six of the Constitution;

 - (cb) if such person sits and fails the annual ethics and integrity test administered by the Institute;”

- (b) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”.

CLAUSE 18

THAT, clause 18 be amended—

- (a) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”;

CLAUSE 19

THAT, clause 19 be amended—

- (a) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”;

- (b) by inserting the following new paragraph immediately after paragraph (c)—

“(ca) if such person does not meet the requirements of Chapter Six of the Constitution;

CLAUSE 20

THAT, clause 20 be amended—

(a) in sub clause (1)—

- (i) by deleting the words “ financial, securities and investment” and substituting therefor the words “securities and investment”;
- (ii) by deleting the word “Board” and substituting therefor the word “Committee”.

CLAUSE 21

THAT, clause 21 be amended—

- (a) by deleting the words “ financial, securities and investment” wherever they occur and substituting therefor the words “securities and investment”;
- (b) in sub clause (1) paragraph (c) by deleting the word “securities”.

CLAUSE 22

THAT, clause 22 be amended in sub clause (1) by deleting the word “Board” and substituting therefor the word “Committee”.

CLAUSE 23

THAT, clause 23 be amended in sub clause (1) —

- (a) by deleting the word “Board” and substituting therefor with the word “Committee”;

CLAUSE 24

THAT, clause 24 be amended by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”.

CLAUSE 26

THAT, clause 26 be amended in sub clause (1) —

- (a) in paragraph (a) by deleting the words “ financial, securities and investment” wherever they occur and substituting therefor the words “securities and investment”;
- (b) by deleting paragraph (p) and substituting therefor with following paragraph—
 - “(p) is an employee of an institution whose license is granted under the Capital Markets Act or any applicable law in Kenya, fails to keep the funds of a client in a separate account or uses such funds for purposes for which they are intended.”

CLAUSE 27

THAT, clause 27 be amended in sub clause (3)—

- (a) in paragraph (a)—
 - (i) by deleting the word “four” and substituting therefor the word “three”;
 - (ii) by inserting the words “who meets the minimum qualifications for appointment a judge of the High Court” immediately after the word “ chairperson”;
- (b) by deleting paragraph (d) and substituting therefor the following new paragraph—
 - “(d) one nominated by the Institute of Certified Public Secretaries of Kenya;”
- (c) by inserting the following new paragraph immediately after paragraph (d)—

“(da) one nominated by the Capital Markets Authority;” .

CLAUSE 29

THAT, clause 29 be amended in sub clause (1)

- (i) in paragraph (f) by deleting the words “one hundred” and substituting therefor the word “five hundred”.
- (ii) by deleting the word “Board” after the word “Disciplinary” wherever they occur in clause 29 and substituting therefor the word “Committee”

CLAUSE 30

THAT, clause 30 be amended

- (i) by deleting the word “Board” after the word “Disciplinary” wherever they occur in clause 30 and substituting therefor the word “Committee”

NEW PART

THAT, the Bill be amended by introducing a new PART IVA- FINANCIAL PROVISIONS immediately after Part IV.

PART IVA— FINANCIAL PROVISIONS

Funds of the Institute

31A. The funds of the Institute shall consist of —

- (a) such fees, monies or assets as may accrue to or vest in the Institute in the course of the exercise of its powers or the performance of its functions under this Act or under any other written law;
- (b) such gifts as may be given to the Institute; and
- (c) all monies from any other source provided for or donated to the Institute.

Financial year

31B. Unless otherwise provided, the financial year of the Institute shall be the period for twelve months ending on the thirty-first day of December in each year.

Annual estimates

31C. (1) At least three months before the commencement of each financial year, the Institute shall cause to be prepared estimates of revenue and expenditure for that year.

(2) The annual estimates shall be approved by the Council before the commencement of the financial year to which they relate.

(3) The Council shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the Institute.

(4) Within a period of four months from the end of each financial year, the Council shall submit to its auditors the accounts of the Institute for audit.

(5) Within six months before the end of the financial year, the Council shall lay the audited accounts before the annual general meeting of its members

together with any reports made by the auditors.

CLAUSE 34

THAT, clause 34 of the Bill be deleted.

CLAUSE 35

THAT, clause 35 be amended—

- (a) in sub clause (4) by deleting the word “five” and substituting therefor the word “one”.

SCHEDULE

THAT, the First Schedule of the Bill be amended in Clause (1) by deleting sub clause (3) and substituting therefor the following new sub clause —

(3) A person who holds the office of Chairperson is not eligible for re- election until after the expiry of a period of at least two years since he or she vacated the office.

THAT, the Third Schedule of the Bill be amended-

- (a) in the heading by deleting the words “ Registration and Quality Assurance Board” and substituting therefor the words “Registration Committee”;
- (b) by deleting the word “Board” wherever it occurs and substituting therefor the word “Committee”.

MINUTES OF THE 41ST SITTING OF THE DEPARTMENTAL COMMITTEE
ON FINANCE, PLANNING & TRADE HELD ON THURSDAY 26TH JUNE,
2014 IN THE MEDIA CENTRE, PARLIAMENT BUILDINGS , AT 10.00AM

Present

Hon. Benjamin Langat, MP	-	Chairperson
Hon. Nelson Gaichuhie, MP	-	Vice-Chairperson
Hon. Abdul Rahim Dawood ,MP		
Hon. Iringo Cyprian Kubai, MP		
Hon. Mary Emase, MP		
Hon. Anyanga Andrew Toboso, MP		
Hon. Dr. Oburu Oginga, MP		
Hon. Eng. Shadrack Manga, MP		
Hon. Timothy Bosire, MP		
Hon. Ogendo Rose Nyamunga, MP		
Hon. Shakeel Shabbir Ahmed, MP		
Hon. Ronald Tonui, MP		
Hon. Kirwa Stephen Bitok, MP		
Hon. Joseph Limo, MP		
Hon. Jones Mlolwa, MP		
Hon. Daniel Epuyo Nanok, MP		
Hon. Sammy Mwaita, MP		
Hon. Sammy Koech, MP		
Hon. Sakaja Johnson, MP		
Hon. Sakwa John Bunyasi, MP		
Hon. Patrick Makau King'ola, MP		

Absent with Apologies

Hon. Sumra Irshadali, MP
Hon. Alfred Sambu, MP
Hon. Abdullswamad Shariff, MP
Hon. Dennis Waweru, MP
Hon. Lati Lelelit, MP
Hon. Jimmy Nuru Angwenyi, MP
Hon. Tiras Ngahu, MP
Hon. Joash Olum, MP

IN ATTENDANCE

1. Mr. Evans Oanda - First Clerk Assistant
2. Esther Nginyo - Third Clerk Assistant
3. Mr. Nicodemus Maluki - Third Clerk Assistant
4. Mr. Joash Kosiba - Fiscal Analyst

NAIROBI SECURITIES EXCHANGE

1. Mr. David Irungu Wagemu - Manager, Information Technology
2. Mr. Rogito Nyangeri - Strategy Manager
3. Mr. Terry Adebese - Business Development Manager

MIN.NO. DCF/191/2014 PRELIMINARIES

The Chairperson called the meeting to order at 10. 30 a.m. followed by a word of prayer.

MIN.NO. DCF/192/2014 CONSIDERATION OF THE SECURITIES AND INVESTMENT ANALYSTS BILL, 2014

The Parliamentary Budget Office presented the following on the Bill:-

I. Background

1. The Securities and Investment Analyst Bill, 2014 is a bill for an Act of Parliament to provide for the establishment, powers and functions of the Institute of Certified Securities and Investment Analyst (ICSIA) as a body corporate that regulate security and investment analysts professionals.

II. Situational Analysis

2. The capital markets industry in Kenya is regulated by various legislations such as the Capital Markets Act, Central Bank of Kenya Act, Retirement Benefits Authority Act, and the Insurance Act. The legal frameworks for the industry have organized and strengthened the institutional framework of the capital markets in Kenya. However, these legislations do not provide a framework for regulation of the professionals in the capital market industry.

3. These professional work as pension fund managers; financial advisors in stock brokerage firms; investment advisors in firms listed at the Nairobi Securities Exchange; and managers in investment banks among others.
4. The capital markets in the recent past have been marred with challenges relating to professional ethics and integrity of market players such as stock brokers. This resulted into devastating collapse of some of the prominent stock brokers such as **Ngenye Kariuki Stock broker and Nyaga stock brokers.**
5. The collapse was attributed to poor management and fraud committed by some of the professionals who were engaged in malpractices such as secretly trading in investors' funds.
- ~~6. There have also been instances of lack of fiduciary responsibility among some members of the Boards of some of the listed trading institutions at the Nairobi Securities Exchange. This has led to loss of investors' funds, erosion of market confidence, and low saving rate resulting in low capital formation.~~
7. There is an existing similar institute with same names and objects as the proposed institute. The existing institute was first registered as the Institute of Investment Professionals for East Africa (IIPEA) on 22nd July 1997 under section 10 of the Societies Act (Cap.108) of the Laws of Kenya. It later changed its name to the Institute of Certified Securities and Investment Analysts (ICSIA) and held its last election on 4th March 2011.
8. The main objective of the institute as indicated in its website (www.icsia.co.ke) is to develop a professional designation to further enhance training for capital market participants in the East African Region.

III. International Comparative Analysis

9. The following section provides a brief overview of the international scene:
 - (a) **South Africa:** - There is the Investment Analyst Society of South Africa (IASSA) which was formed in 1969 as a liaison body of the financial analyst profession and it is based in Johannesburg with members from Cape Town and Durban. (IASSA) has 2100 members drawn from the analyst profession

that includes investment banks, insurances companies and it is managed by board and one full time executive officer

- (b) **United Kingdom (UK):-** The proposed institute is modeled on the London based Chartered Institute for Securities & Investment (CISI) which is the largest and most widely respected professional body for professionals in the securities and investment industry in the United Kingdom (UK) . To highlight the importance of acting with integrity at all times, the CISI London holds a membership requirement for all members to take and pass an online ethics test. This ethics test provision is not explicitly provided in the legislative proposal
- (c) **Japan: -** There is the Securities Analyst Association of Japan (SAAJ) which was established in 1962 with the aim of developing recognized standards for securities and investment professionals. As of 31st march 2009, individuals and corporate/associate members of SAAJ stood at 23,067.

IV. Key Issues and Proposed Draft Amendments

10. The following are the proposed amendments

- i) **Amend Clause 2 by:** (a) inserting the word "*Quality Assurance*" between the words "*Registration Board*". This is to provide emphasis on quality assurance. (b) Defining who is a "*Security and Investment Analyst*" (c) Inserting new interpretation for "*Cabinet Secretary*" means the *Cabinet Secretary responsible for matters relating to securities and investments.*
Justification: - This is to make the interpretations in tandem with the letter and spirit of the Bill.
- ii) **Delete:** - the term "*IA*" appearing in Clause (4)1) and replace with the words "*the relevant prefix as per the category of membership provided for in Clause (4) (2).*" Justification: This is to align the prefix to category of membership
- iii) **Introduce** "*A new Part V on Financial Provisions*" after Part IV. This is to consolidate all provisions on finances including specific clauses on: funds

of the institute; financial year; annual estimates. Accounts and audit; and investment of funds.

- iv) **Amend** Clause 8(g) by deleting the words "*continuous development programme for its members*" and replacing with "*ethics and integrity tests to be undertaken by its members annually*". This is to make ethics & integrity test an annual test for all members
- v) **Replace** the word "*Board*" in Clause 10 with the Word "*Committee*". This is to avoid the confusion that may arise.
- vi) **Amend** Clause 12 (1) by inserting the word "*and shall be the Chief Executive Officer of the Institute*" after the last word Council. This is it to clearly provide for the Secretary of the council as the Chief Executive of the Institute.
- vii) **Amend** Clause 14 (5) by deleting the "*one million*" and replacing with the words "*one hundred thousand*". This is to make the fine less punitive and realistic in line with other professional practice
- viii) **Insert** in Clause 16(1) a new sub clause (c) after (b) reading "*Sat and passed the initial ethics and integrity test administered by the institute*" This is to make ethics and integrity a mandatory test before registration.
- ix) **Insert** in Clause 17(1) a new sub clause (e) after (d) reading "*Sat and failed the annual ethics and integrity test administered by the institute*" This is to make ethics and integrity a mandatory test before renewal of registration.
- x) **Insert** in Clause 19(1) a new sub clause (d) after (c) reading "*Sat and failed the annual ethics and integrity test administered by the institute*" This is to failure of ethics and integrity a mandatory test a condition for cancelation off registration.
- xi) **Delete** the word "*financial*" where it appears in clause 20 and wherever it appears as an immediate word before the words "Security and Investment Analyst". The introduction of the word "*financial*" immediately before the words "Security and Investment Analyst" is inconsistent with the

provisions of the Bill and may infringe on other professional practices such as Accountants.

- xii) **Delete** in Clause 27(1) (d) the words “an organization that promotes corporate governance” and **replace** with the words “*Institute of Certified Public Secretaries of Kenya (ICPSK)*”. This is to incorporate ICSPK into the Board as the professional body that promotes corporate governance.
- xiii) **Add after** end of Clause 27(3) (a) the words “*The Chairperson of the Board shall meet the minimum qualification for appointment as Judge of the High Court.* This is to ensure the Chair has the capacity to conduct a judicial proceedings
- xiv) **Insert a new clause 33** on protection from liability” which is missing
- xv) **Renumber** clause 2, 3 & 4 in the Second Schedule to read clause 3, 4 & 5 respectively. This is for consistency purposes.
- xvi) **Renumber** the clause 5 in the Fourth Schedule to read clause 6. This is for consistency purposes.

V. Policy Options

11. The following policy options are available for the Committee’s consideration

No.	Policy Option	Impact
1.	Pass the Bill as Draft	The will lead to establishment of a professional body for securities and investment analyst and additional expenditure for the government. The flaws in the Bill will not have been corrected to make a better legislation
2.	Reject the Bill	The present situation where professionals in securities and investment analyst operate without proper legislation will continue.
3.	Pass the Draft Bill with the amendments.	The proposed amendments will enhance the effectiveness of the legislation by making it better for proper regulation of securities and investment professionals

VI. Clause by Clause Highlights and Review

12. This section provides a clause by clause analysis including highlights and review by the Parliamentary Budget Office.

Part I- Preliminary		
Clause	Highlights	PBO Review
Clause 1	Provide short title of the Act	This is in line with the Bill
Clause 2	Provides for interpretation of various terms used in the Act such as: <i>annual license, council, disciplinary board, examination board, registration board.</i>	The term " <i>Registration Board</i> " should include " <i>and Quality Assurance</i> " to emphasis on quality assurance as well There is no definition of a " <i>Security and Investment Analyst</i> " The Cabinet Secretary in this case should be the one responsible for matters relating to securities and investments
Part II- Establishment of Institute		
Clause 3	Establishes ICSIA and its capability in its corporate name.	The borrowing, acquisition, holding and disposal of investments should be subject to approval of the Cabinet Secretary.
Clause 4	Establishes categories of membership of the institute and allow each registered member to place the prefix term 'IA' before the person name.	The prefix term before the name of a registered member should be in line with the category of membership and NOT the term "IA".
Clause 5	Provide for the source of the funds of the institute.	The clause is totally misplaced and limits the funding of the institute to membership contribution which is inadequate. A new part need to be introduced in the Bill to take care of Financial Provisions with specific clauses on: <i>funds of the Institute; financial year; annual estimates. Accounts and audit; and investment of funds.</i>
Clause 6	Provides for invitation into Honorary Fellowship of the Institute.	This is in line with the international best practice

Clause 7	Sets qualifications of the Chairperson of the institute	The election procedure is provided for in the first schedule of the Bill
Clause 8	Outlines the functions of the institute.	Ethics and integrity test should be an annual requirement for renewal of membership and not only an entry test.
Clause 9	Establishes the Council as the governing body of the institute and its various powers.	Clause 9(4) on issuance of By-laws limits the extent of By-laws to operations. The By-laws, rules and regulations should cover operation of the institute and practice by members of the Institute.
Clause 10	Provide for the establishment of Boards of Councils to perform the functions of the institute	The use of the term Boards in this clause may be confusing. The clause should make reference to Committees and not Boards.
Clause 11	Provide for the membership of the council which shall be composed of eleven (11) members.	The election of non-nominated members is provided for in the second schedule. There may be need to include at least two members to represent a profession other than Security and Investments
Clause 12	Provide for a position of Secretary to the Council appointed by the Council and perform functions determined by the Council	Powers and roles of the secretary should be provided and the term of office of the Secretary clearly stipulated.
Clause 13	Establishes the Registration and Quality Assurance Board, its membership and the functions.	This is in order.

Part III- Registration and Practice

Clause 14	Provide for the process of application for registration as financial, securities and investment analyst	A fine of not exceeding Kshs. 1 million for an offence of making a false or misleading statement in application is highly punitive and contrary to the practice in other professional bodies.
Clause 15	Provides for a transition for holders of authority to	This is in line with the best practice

	practice prior to the commencement of the Act.	
Clause 16	Provides for conditions for qualification for registration as a member	Include sitting and passing ethics and integrity test administered by the institute as one of the conditions for qualification for registration.
Clause 17	Outline conditions of disqualification from registration.	Include sitting and failing ethics and integrity test administered by the institute as one of the conditions for disqualification for registration.
Clause 18	Provides for keeping of a register of members.	This is proper and in line with the best practice
Clause 19	Outlines the circumstance for cancellation of the registration of a member.	Include sitting and failing annual ethics and integrity test administered by the institute as one of the conditions for cancellation.
Clause 20	Provide for restriction on authority to practice as a certified financial, securities and investment analyst.	The word "financial" in the wording of the professional practice is inconsistent with the bill. The fine of Kshs. 500,000. /- is okay
Clause 21	Provide for the definition of a practice and how a person can practice	The word "financial" in the title of the practice (certified financial, securities and investment analyst) should be deleted wherever it appears immediately before the words "Security and Investment Analyst" in the bill.
Clause 22	Provide application of a practicing certificate.	This is in order
Clause 23	Provide for the issuance of practicing certificate by the Registration Board	This is in order
Clause 24	Issuance of annual license to a person who holds a practicing certificate and intends to practice as a firm.	This is in order
Clause 25	Certificate/annual license is a property of the institute	This is in order
Part IV- Disciplinary Provisions		

Clause 26	Outlines what constitute a professional misconduct by a member	This is exhaustive and in order
Clause 27	Establishes a Disciplinary Board within the Council composed of seven members	Include in the Board, one member nominated by the Institute of Certified Public Secretaries of Kenya (ICPSK) which is the professional body that promotes corporate governance. The Chair of the Board should meet the minimum qualification for appointment as Judge of the High Court.
Clause 28	Provides that all matters of professional misconduct should be referred to the Disciplinary Board	This is in order The provisions of the fourth schedule guides the inquiry by the Board
Clause 29	Outlines the possible recommendations after inquiry by the Disciplinary Board	The inquiry period should be defined in the laws.
Clause 30	Provides for an appeal against Disciplinary Board decision.	This is in line with fair hearings as enshrined in the Constitution
Clause 31	Provides for the disciplinary provisions of the Act to apply to the previous holders of securities and investment analysts	This is necessary for avoidance of doubt and for transitional purposes.
Part V- Miscellaneous		
Clause 32	Provide for the staff of the institute and the examination board	This is in order
Clause 33	This clause on protection from liability is skipped	Entire clause on protection from liability” is missing
Clause 34	The institute to keep proper book of account and prepare for audit.	A new part need to be introduced in the Bill to take care of Financial Provisions with specific reference to: <i>funds of the Authority; financial year; annual estimates. Accounts and audit; and investment of funds.</i>

Clause 35	Define the offences	Fine not exceeding Kshs. 500,000/- and a further fine of not exceeding Kshs. 1 million each day for continuing offence is adequate.
Clause 36	Provide that a vacancy in the membership of the Council does not affect its function	This is in order
Clause 37	Outlines the appointment of interim manager where a member in private practice is incapacitated	This is in order
Clause 38	Provide for the cabinet secretary to make regulations	This is in order
Clause 39	Provides for transitional provision	This is in order
First Schedule:- Provisions Relating to the Institute		
Clause 1	Election and eligibility of the Chairperson of the institute.	The term of the office should be not more than two terms of two years each.
Clause 2	Provide for the appointment an acting Chairperson	The Council should have a Vice Chairperson who should automatically act in absence of the Chairperson
Clause 3	Provide for the annual /special general meeting meetings of the institute	Renumber the Clause to 3 and not 2. The AGM should be held 4 months and not 6 months after the close of year
Clause 4	Chairperson to preside all meeting and if not present the vice-chairperson	This is in order
Clause 5	Defines the quorum of the meetings of the institute	A quorum of 50% of members is very high and may be unattainable as the membership grows
Clause 6	Outlines the business to be transacted in the institute meetings	This is in order
Clause 7	Defines powers of the person presiding the meeting of the institute	This is in order

Clause 8	Voting procedure at the meetings of the institute.	This is in order
Second Schedule:- Provisions Relating to the Council		
Clause 1	Provide for the membership of the council and disqualification to contest a position in the council	This is in order
Clause 2	Provide for rotation of election of council members	This is in order to allow for smooth transition
Clause 3	Vacation of office by a member of the council.	Renumber this clause to 3 and not 2.
Clause 4	Filing of vacancy that arise from the members of the council	Renumber this clause to 4 and not 3
Clause 5	The Vice-chairperson of the Council and its term of office	Renumber this clause to 5 and not 4
Clause 6	Quorum and procedure of the Council meetings	The quorum should be defined and not left at the whim of the council
Clause 7	Chairperson to have a deliberative and casting vote	This is in order
Clause 8	Keeping of the minutes of Council meeting	The minutes of the Council should be in the custody of the Secretary
Third Schedule:- Provisions Relating to the Registration And Quality Assurance Board		
Clause 1	Term of office of the members of Registration Board	This should be one term of three years
Clause 2	Procedure for quality assurance review	This is in order
Clause 3	Provide for the results of quality assurance review	This is in order
Clause 4	Registration Board to provide report on quality assurance reviews to the Council.	The report timelines should be defined

Clause 5	Define the penalty for unauthorized disclosure of information	A fine of fifty thousand may be too lenient
Clause 6	Define the quorum of the meeting of the Registration Board as four.	This is in order
Clause 7	Provide for voting by the Board and the chairperson to have a casting vote	This is in order
Clause 8	Provide for the validity of the proceedings of the Board.	This is in order
Clause 9	Record keeping of the proceeding of the Registration Board	This is in order
Fourth Schedule: Provisions Relating to the Disciplinary Board Proceedings On Inquiry		
Clause 1	Statement of allegations of professional misconduct.	This is in order
Clause 2	Provision of notice of inquiry indicating the date, time and place	This is in order
Clause 3	Representation by an advocate	This is in order
Clause 4	Powers of the disciplinary board	This is in order
Clause 5	Procedures for inquiry by the Disciplinary Board.	This is in order
Clause 6	Voting of the member of the Disciplinary Board in making decision.	Renumber the clause to 6 and not 5
Clause 7	Validity of the proceeding of inquiry	This is in order
Clause 8	Defines offences for a witness to the inquiry	The fine of not exceeding twenty thousand is reasonable.
Clause 9	Immunity and protection of the Member of the Disciplinary board.	This is in order

Clause 10	Proceeding of the Board is deemed judicial proceedings	This is in order
Fifth Schedule: Provision Relating to Interim Manager		
Clause 1	Incapacitation of a member in practice	This is in order
Clause 2	Nomination of interim manager in the event of incapacity or inability of a member of the institute.	This is in order
Clause 3	Council to nominate interim manager where a member fails to nominate.	This is in order
Clause 4	Outlines the obligations of the interim manager.	This is in order

MIN.NO. DCF/193/2014 COMMITTEE'S OBSERVATIONS

The Committee raised the following concerns from the presentation;

- i. There is need to provide a comparative analysis of the United States of America which has the strongest Securities Analyst Association in addition to the overview of South Africa, United Kingdom and Japan.
- ii. The proposed Bill should provide for a regulatory body and not as a parastatal.
- iii. In Clause 8(g), ethics and integrity test should be undertaken in addition to continuous development programme.
- iv. In Clause 12(1) to be amended by deleting the word 'Secretary' and replacing it with the words 'Chief Executive Officer' and to insert the word 'and shall be the Secretary to the Council'.
- v. In Clause 14(5) the fine for willfully making false or misleading statement for one to be registered should be Kshs. One million.
- vi. In Clause 29, the Council should not be empowered to take fines from its members as that are a preserve of the courts. The Committee directed that the Legal Counsel to advise further on that particular clause.

MIN.NO. DCF/194/2014 COMMITTEE RESOLUTIONS

The Committee resolved to meet with the Institute of Certified Securities and Investment Analysts to share further on the Bill at an opportune time.

MIN.NO. DCF/195/2014 ANY OTHER BUSINESS

The following issues were raised under this agenda item;

(1) Pending Statements

The Committee noted with concern that it has not responded to the statements sought in House pursuant to Standing Order 44(2)(c) due to delayed response from the executive. All the pending statements before the Committee were specifically being delayed by the National Treasury despite numerous requests done by the Clerk of The National Assembly to have them responded to. The Secretariat was asked to do a final letter to the National Treasury requesting for the same urgently. The Chair also undertook to speak to the Cabinet Secretary with a view to having the responses obtained.

(2) Pending Bills

The Committee further noted that the Ministry of Finance has not provided any comments on the Retirement Benefits (Deputy President and Designated State Officers) Bill, 2014 despite numerous requests from the Committee to have the same. Being a money Bill, the Committee can only proceed upon getting the comments of the Cabinet Secretary. The Secretariat was asked to do a final letter to the National Treasury requesting for the same and the Securities and Investment Analysts Bill urgently. The Chair also undertook to speak to the Cabinet Secretary with a view to having the responses obtained.

MIN.NO. DCF/196/2014 ADJOURNMENT

The chairperson adjourned the meeting at 12.25 p.m.

Signed.....
Chairperson

Date..... 26/08/2014

**MINUTES OF THE 54TH SITTING OF THE DEPARTMENTAL COMMITTEE
ON FINANCE, PLANNING & TRADE HELD ON TUESDAY 14TH OCTOBER,
2014 IN CONTINENTAL HOUSE, 4TH FLOOR, PARLIAMENT BUILDINGS,
AT 10.00AM**

Present

- | | | |
|-------------------------------------|---|-------------------------|
| 1. Hon. Nelson Gaichuhie, MP | - | Vice-Chairperson |
| 2. Hon. Abdul Rahim Dawood, MP | | |
| 3. Hon. Iringo Cyprian Kubai, MP | | |
| 4. Hon. Mary Emase, MP | | |
| 5. Hon. Anyanga Andrew Toboso, MP | | |
| 6. Hon. Dr. Oburu Oginga, MP | | |
| 7. Hon. Eng. Shadrack Manga, MP | | |
| 8. Hon. Timothy Bosire, MP | | |
| 9. Hon. Ogendo Rose Nyamunga, MP | | |
| 10. Hon. Shakeel Shabbir Ahmed, MP | | |
| 11. Hon. Ronald Tonui, MP | | |
| 12. Hon. Kirwa Stephen Bitok, MP | | |
| 13. Hon. Joseph Limo, MP | | |
| 14. Hon. Jones Mlolwa, MP | | |
| 15. Hon. Daniel Epuyo Nanok, MP | | |
| 16. Hon. Sammy Mwaita, MP | | |
| 17. Hon. Sammy Koech, MP | | |
| 18. Hon. Patrick Makau King'ola, MP | | |
| 19. Hon. Dennis Waweru, MP | | |
| 20. Hon. Lati Lelelit, MP | | |
| 21. Hon. Jimmy Nuru Angwenyi, MP | | |
| 22. Hon. Tiras Ngahu, MP | | |

Absent with Apologies

- | | | |
|----------------------------------|---|--------------------|
| 1. Hon. Benjamin Langat, MP | - | Chairperson |
| 2. Hon. Sumra Irshadali, MP | | |
| 3. Hon. Alfred Sambu, MP | | |
| 4. Hon. Abdullswamad Shariff, MP | | |
| 5. Hon. Joash Olum, MP | | |
| 6. Hon. Sakaja Johnson, MP | | |
| 7. Hon. Sakwa John Bunyasi, MP | | |

IN ATTENDANCE

- 1. Ms. Esther Nginyo - Third Clerk Assistant
- 2. Mr. Nicodemus Maluki - Third Clerk Assistant
- 3. Mr. Fredrick Otieno - Third Clerk Assistant
- 4. Mr. Joash Kosiba - Fiscal Analyst
- 5. Ms. Catherine Burure - Fiscal Analyst
- 6. Mr. Charles Atamba - Research Officer

MIN.NO. DCF/254/2014 PRELIMINARIES

The Vice-Chairperson called the meeting to order at 10. 30 a.m. followed by a word of prayer.

**MIN.NO. DCF/255/2014 CONSIDERATION OF THE REPORT ON
SECURITIES AND INVESTMENT ANALYSTS
BILL, 2014**

Members considered the report on Securities and Investment Analysts Bill, 2014 and it was adopted unanimously as proposed by Hon. Shakeel Shabbir, MP and seconded by Hon. Kubai Iringo, MP.

MIN.NO. DCF/196/2014 ADJOURNMENT

The chairperson adjourned the meeting at 12.25 p.m.

Signed.....
Chairperson

Date.....