



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026


Approved
SAA
7/4/26

DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

PARLIAMENT
OF KENYA
LIBRARY

REPORT ON:

THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL
NO. 8 OF 2026)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 APR 2026	DAY: Tuesday
TABLED BY:	<i>Hon. Bernard Shinya MP Chairperson</i>
CLERK-AT-THE-TABLE:	<i>Archibuko</i>

CLERKS CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

APRIL 2026



TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS.....	4
LIST OF ANNEXURES	6
CHAIRPERSON'S FOREWORD	7
CHAPTER ONE	9
1.0 PREFACE	9
1.1 Establishment of the Committee.....	9
1.2 Mandate of the Committee.....	9
1.3 Committee Membership.....	10
1.4 Committee Secretariat	11
CHAPTER TWO.....	12
2.0 BACKGROUND OF THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)	12
2.1 Legislative Background and Purpose of the Bill.....	12
2.2 Challenges Faced by Petroleum Companies in Upstream and Midstream Operations	12
2.3 Benefits to Companies under the SEZ Framework in Kenya	13
2.4 Historical Context of the Non-Inclusion of Petroleum Operations in the SEZ Framework	14
2.5 Comparative Analysis.....	14
CHAPTER THREE.....	16
3.0 OVERVIEW OF THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)	16
3.1 Introduction.....	16
3.2 Objective of the Bill	17
3.3 Potential Impact of the Bill.....	17
3.4 Clause by Clause Provisions of the Bill	17
CHAPTER FOUR.....	20
4.0 STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)	20
4.1 STAKEHOLDER SUBMISSIONS ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)	21
4.1.1 Viva Africa Consulting LLP.....	21
4.1.2 Anjarwalla and Khanna LLP/African Legal Network (ALN)	21
4.1.3 Association of Special Economic Zones (ASEZ).....	21
4.1.4 Kenya Private Sector Alliance (KEPSA)	22
4.1.5 TRIFIC Special Economic Zone.....	22
4.1.6 Kenya Association of Manufacturers (KAM)	22
4.1.7 National Environment Management Authority (NEMA).....	22
4.1.8 Oil and Gas Contractors Association of Kenya (OGCA-K)	23
4.1.9 Petroleum Institute of East Africa (PIEA).....	23

4.1.10 Tsavo Oilfied Services	23
4.1.11 Petroleum Outlets Association of Kenya (POAK)	23
4.1.12 Gulf Energy.....	23
4.1.13 Special Economic Zones Authority (SEZA).....	24
4.1.14 State Department for Investment Promotion.....	24
4.1.15 Kenya Revenue Authority (KRA).....	24
4.1.16 State Department for Lands and Physical Planning	24
4.1.17 Kenya National Chamber of Commerce and Industry (KNCCI)	24
4.1.18 Council of Governors (CoG)	25
4.1.19 Kenya Oil and Gas Association (KOGA).....	25
4.1.20 Eni Kenya	25
4.1.21 Independent Continental Youth Advisory Council on AfCTA (ICOYACA).....	25
4.1.22 Emsi Associates	26
4.1.23 Bureau of Special Services Limited	26
4.1.24 Blue Logistics Group.....	26
4.1.25 Bhachu Industries Limited.....	26
4.1.26 Mo Rapid Solutions Limited	26
4.1.27 Idar Groups Security Services Limited	26
4.1.28 Etom Services Limited	27
4.2 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON STAKEHOLDER COMMENTS.....	27
CHAPTER FIVE	37
5.0 COMMITTEE OBSERVATIONS.....	37
CHAPTER SIX	38
6.0 COMMITTEE RECOMMENDATION.....	38
REFERENCES.....	39

LIST OF ABBREVIATIONS AND ACRONYMS

AfCFTA	-	African Continental Free Trade Area
ALN	-	African Legal Network
ASEZ	-	Association of Special Economic Zones
BPO	-	Business Process Outsourcing
BV	-	<i>Besloten Vennootschap</i>
Cap.	-	Chapter
Capt.	-	Captain
CBS	-	Chief of the Burning Spear
CEO	-	Chief Executive Officer
CoG	-	Council of Governors
CS	-	Cabinet Secretary
DDC	-	Directorate of Departmental Committees
EACOP	-	East African Crude Oil Pipeline
EGH	-	Elder of the Golden Heart
EITI	-	Extractive Industries Transparency Initiative
EMCA	-	Environmental Management and Co-ordination Act
EPRA	-	Energy and Petroleum Regulatory Authority
EPZs	-	Export Processing Zones
FDI	-	Foreign Direct Investment
FTZ	-	Free Trade Zone
FZEs	-	Free Zone Enterprises
ICOYACA	-	Independent Continental Youth Advisory Council on AfCTA
ICT	-	Information, Communication and Technology
ITA	-	Income Tax Act
KAM	-	Kenya Association of Manufacturers
KANU	-	Kenya African Union
KEBS	-	Kenya Bureau of Standards
KEPSA	-	Kenya Private Sector Alliance
KNCCI	-	Kenya National Chamber of Commerce and Industry
KOGA	-	Kenya Oil and Gas Association
KRA	-	Kenya Revenue Authority
LLP	-	Limited Liability Partnership
LPG	-	Liquefied Petroleum Gas
MSME	-	Micro, Small and Medium Enterprise
NEMA	-	National Environment Management Authority
NEPZA	-	Nigeria Export Processing Zones Authority
ODM	-	Orange Democratic Movement
OGCA-K	-	Oil and Gas Contractors Association of Kenya
OGFZA	-	Oil and Gas Free Zones Authority
PIEA	-	Petroleum Institute of East Africa
PINs	-	Personal Identification Numbers
POAK	-	Petroleum Outlets Association of Kenya
RDL	-	Railway Development Levy

Rtd.	-	Retired
SEZA	-	Special Economic Zones Authority
SEZs	-	Special Economic Zones
TIC	-	Trade, Industry and Cooperatives
TRIFIC	-	Two Rivers International Finance & Innovation Centre
UDA	-	United Democratic Alliance
USD	-	United States Dollar
VAT	-	Value Added Tax
WDM-K	-	Wiper Democratic Movement Kenya
WHT	-	Withholding Tax

LIST OF ANNEXURES

1. Adoption Schedule of the Report
2. Minutes
 - Minutes of the 25th Sitting
 - Minutes of the 24th Sitting
 - Minutes of the 23rd Sitting
 - Minutes of the 21st Sitting
3. Copy of the Newspaper Advertisement
4. Copy of the Letters Inviting Stakeholders for the Meeting
 - Ref: NA/DDC/TIC/2026/011
 - Ref: NA/DDC/TIC/2026/012
 - Ref: NA/DDC/TIC/2026/010
 - Ref: NA/DDC/TIC/2026/013
 - Ref: NA/DDC/TIC/2026/014
 - Ref: NA/DDC/TIC/2026/015
 - Ref: NA/DDC/TIC/2026/016
 - Ref: NA/DDC/TIC/2026/017
 - Ref: NA/DDC/TIC/2026/018
 - Ref: NA/DDC/TIC/2026/019; and
 - Ref: NA/DDC/TIC/2026/020
5. A Copy of the Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*)
6. Matrix of the Bill
7. Witness Attendance Register for the Stakeholder Engagement Meetings

CHAIRPERSON'S FOREWORD

This report presents the proceedings of the Departmental Committee on Trade, Industry and Cooperatives on its consideration of the Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*), which was published on 26th February 2026. The Bill underwent its First Reading on 12th March 2026 and was subsequently committed to the Departmental Committee on Trade, Industry and Cooperatives for consideration and reporting to the House, pursuant to the provisions of Standing Order 127.

Comprising seven (7) clauses, the Bill seeks to implement resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to: strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations; facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects; expand the scope of SEZs to include oil and gas sector activities; allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In accordance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Committee placed advertisements in the print media on 16th March 2026 requesting for comments on the Bill from the public and relevant stakeholders. Further, through letters Ref: NA/DDC/TIC/2026/011 and NA/DDC/TIC/2026/012 dated 24th March 2026; Ref: NA/DDC/TIC/2026/010, NA/DDC/TIC/2026/013, NA/DDC/TIC/2026/014, NA/DDC/TIC/2026/015, NA/DDC/TIC/2026/016 and NA/DDC/TIC/2026/017 dated 25th March 2026; and NA/DDC/TIC/2026/018, NA/DDC/TIC/2026/019 and NA/DDC/TIC/2026/020 dated 27th March 2026, the Committee invited stakeholders to a public engagement session on Wednesday, 1st and Thursday, 2nd April 2026. During this meetings, sixteen (16) stakeholders made oral submissions before the Committee.

The Committee wishes to extend its sincere appreciation to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support extended throughout its sessions. We also acknowledge the valuable input from all the stakeholders that submitted their memoranda and attended

the stakeholder engagement meeting. Lastly, I express my deep gratitude to the Honourable Members of the Committee and the Committee Secretariat for their dedication and contributions to the development and production of this report.

On behalf of the Departmental Committee on Trade, Industry and Cooperatives, and pursuant to Standing Order 199(6), it is my privilege and honour to present to this House the Committee's Report on the Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*).

Having considered the Bill, the Committee recommends that the House **PASSES THE BILL WITHOUT AMENDMENTS.**

Hon. Bernard Masaka Shinali, CBS, MP
Chairperson,
Departmental Committee on Trade, Industry and Cooperatives

CHAPTER ONE

I.0 PREFACE

I.1 Establishment of the Committee

- I. The Departmental Committee on Trade, Industry and Cooperatives is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to **Standing Order 216 (5)** is as follows:
 - i. *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;*
 - ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
 - iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
 - iv. **To study and review all the legislation referred to it;**
 - v. *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;*
 - vi. *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;*
 - vii. *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);*
 - viii. *To examine treaties, agreements and conventions;*
 - ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
 - x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - xi. *To examine any questions raised by Members on a matter within its mandate.*

I.2 Mandate of the Committee

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider trade, including securities exchange, consumer protection, pricing policies, commerce, industrialisation including special economic zones, enterprise promotion & development including micro, small & medium enterprises (MSMEs), and small and medium enterprises (SMEs), intellectual property, industrial standards, anti-counterfeit policies and cooperatives development.
3. In executing its mandate, the Committee oversees the Ministry of Investment, Trade and Industry; and the Ministry of Cooperatives and MSMEs Development.

I.3 Committee Membership

4. The Departmental Committee on Trade, Industry and Cooperatives was reconstituted by the House on 5th March 2025 and comprises the following Members:

Chairperson

Hon. Bernard Masaka Shinali, CBS, MP
Ikolomani Constituency

ODM Party

Vice-Chairperson

Hon. Marianne Jebet Kitany, MP
Aldai Constituency

UDA Party

Hon. Adhe Wario Guyo, MP
North Horr Constituency
KANU

Hon. Anthony Tom Oluoch, MP
Mathare Constituency
ODM Party

Hon. (Dr.) Beatrice Kahai Adagala, MP
Vihiga County
ANC Party

Hon. Joshua Mbithi Mutua Mwalyo, MP
Masinga Constituency
Independent Member

Hon. Joyce Kamene, MP
Machakos County
WDM-K Party

Hon. Robert Githinji Gichimu, MP
Gichugu Constituency
UDA Party

Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
Funyula Constituency
ODM Party

Hon. Adams Korir Kipsanai, MP
Keiyo North Constituency
UDA Party

Hon. Alfred Kiprono Mutai, MP
Kuresoi North Constituency
UDA Party

Hon. Amos Maina Mwago, MP
Starehe Constituency
Jubilee Party

Hon. John Okano Bwire, MP
Taveta Constituency
WDM-K Party

Hon. Samuel Parashina Sakimba, MP
Kajiado South Constituency
ODM Party

Hon. Michael Wainaina Wambugu, MP
Othaya Constituency
UDA Party

I.4 Committee Secretariat

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omta Wesonga
Clerk Assistant I/Head of Secretariat

Ms. Carolyn Musyoka
Hansard Reporter II (Clerk Assistant)

Ms. Doreen Karani
Principal Legal Counsel II

Ms. Priscilla Saidi
Research Officer II

Mr. Ambrose Nguti
Media Relations Officer III

Ms. Peris Kaburi
Assistant Serjeant-at-Arms

Ms. Priscilla Wangu
Fiscal Analyst II

Ms. Pauline Sifuma
Hansard Officer II

Ms. Margaret Wainaina
Protocol Officer III

Mr. Kelvin Lengasi
Audio Assistant

CHAPTER TWO

2.0 BACKGROUND OF THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

2.1 Legislative Background and Purpose of the Bill

6. The proposed Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*) seeks to implement the observations and recommendations contained in the Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.
7. The Report made proposals on the need to extend the ambit of special economic zones legal and regulatory regime to midstream and upstream petroleum operations, and extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations.
8. The Petroleum Act, 2019 defines the terms “*midstream and upstream petroleum operations*” by reference to the stage of the petroleum value chain at which operations occur. Upstream petroleum operations means the exploration for, and the development and production, separation and treatment, storage and transportation of petroleum up to the agreed delivery point. This covers everything that happens before petroleum leaves the ground or wellhead such as seismic surveys, exploratory drilling, appraisal of discoveries, field development planning, and actual extraction of crude oil or natural gas. In the Lokichar Basin context, Gulf Energy and any companies conducting drilling operations under the Production Sharing Contracts for Blocks T6 and T7 are engaged in upstream operations. Midstream petroleum operations means all or any of the operations related to petroleum transportation, storage, refining operations, or natural gas processing operations that are related to multiple development areas including operations for the liquefaction of natural gas. This covers pipelines, storage tanks, primary separation facilities. In the Lokichar Basin context, the current transportation in phase I is via specialised steam heated road tankers, this is a midstream asset.
9. Downstream petroleum operations, cover distribution of petroleum to end users including retail sale but the Bill deliberately excludes these. Petrol stations, refineries, and LPG bottling plants are downstream. This is an important point to note because the Bill is not extending SEZ benefits to refineries or fuel retailers. The immediate policy need as identified in the Joint Committee Report is to facilitate the Lokichar Basin development, that is, getting oil out of the ground in Turkana and transporting it, from the wellhead to the export terminal (upstream and midstream).

2.2 Challenges Faced by Petroleum Companies in Upstream and Midstream Operations

10. The core operational challenge that has held back the Lokichar Basin development is infrastructure, specifically the absence of a pipeline to move crude oil from Turkana to an export point. The Lokichar crude oil is waxy and solidifies at ambient temperature, requiring the pipeline or tankers transporting it to be heated and heavily insulated to remain fluid during the journey. The capital cost

for construction of a pipeline from Lamu to Lokichar has been estimated at around Kshs. 113 to 121 billion. For perspective, the East African Crude Oil Pipeline (EACOP) which is longer (1,443 km) and also heated has an estimated cost of USD 5 billion to USD 5.8 billion. Financing a project of this scale requires bankable offtake agreements, stable fiscal terms, government guarantees, and a regulatory framework that gives lenders confidence over the project's life.

11. On the fiscal side, petroleum companies have consistently raised concerns about the cost recovery and profit-sharing terms under the Production Sharing Contracts, which were negotiated when oil prices and development cost assumptions were different. The tax and royalty regime applicable to upstream petroleum under the Income Tax Act and the Petroleum Act has been a subject of ongoing negotiation between the government and contractors. Companies have argued that the overall government take (combining royalties, corporation tax, profit petroleum share, and other levies) makes marginal fields economically unviable at realistic oil price scenarios.
12. On the regulatory side, the multiplicity of agencies with overlapping jurisdiction over petroleum operations has been a persistent complaint. The Petroleum Act brought some rationalisation but companies still navigate EPRA, NEMA, county governments with land jurisdiction, the National Land Commission, and the national government simultaneously. Each has approval requirements that do not run on coordinated timelines. The social licence dimension has also been significant. Communities in Turkana County have at various points disrupted operations over grievances related to local content, employment, land compensation, and benefit-sharing. These disruptions have caused delays to drilling programmes and field development activities.
13. The absence of an SEZ framework for petroleum has meant that companies cannot access the fiscal incentives in terms of duty exemptions on capital equipment, VAT zero-rating on inputs, reduced corporate tax rates that the SEZ regime offers. Every piece of drilling equipment, every tanker, every pumping unit imported for the Lokichar development has been subject to standard import duty treatment. For a project of this capital intensity, the cumulative duty and tax burden on imports is material. As earlier observed, competitors in other jurisdictions have benefited from more tailored fiscal incentive frameworks for their petroleum sectors.

2.3 Benefits to Companies under the SEZ Framework in Kenya

14. The SEZ regime under the SEZ Act, Cap. 517A offers a comprehensive package of fiscal and non-fiscal incentives designed to make operating within the zones significantly more attractive than operating in the general Kenyan economy.
15. On the tax side, SEZ enterprises enjoy a corporate income tax rate of ten percent for the first ten years of operation, rising to fifteen percent thereafter compared to the standard rate of thirty percent applicable outside the zones. WHT on dividends paid to non-residents is exempt for the first ten years. As established under paragraph 73 of the First Schedule to the ITA, royalties, management fees, professional fees, and similar payments to non-resident persons are exempt from WHT for the first ten years of operation. Stamp Duty is exempt on transactions within the zone. VAT is zero-rated on supplies made to SEZ enterprises, meaning their inputs carry no VAT burden.

16. On the customs side, goods introduced into the customs-controlled area of an SEZ are exempt from import duties. Capital equipment, construction materials, and raw materials brought into the zone for use in zone activities are not subject to customs duties. The zone effectively sits outside the customs territory for duty purposes.
17. On the non-fiscal side, SEZ enterprises benefit from streamlined licensing and permitting through a one-stop-shop administered by the Special Economic Zones Authority, dedicated infrastructure within the zone, and a more predictable regulatory environment than the general economy.

2.4 Historical Context of the Non-Inclusion of Petroleum Operations in the SEZ Framework

18. At the time of the enactment of the Special Economic Zones Act in 2015, the SEZ programme appears to have been primarily oriented towards advancing manufacturing and export services. This may be understood in the context of the earlier Export Processing Zones programme, which had attracted investment in sectors such as garment manufacturing and horticultural processing but faced structural limitations, including its restriction to export-oriented manufacturing, limited accommodation of services, and administrative constraints. The SEZ Act was designed to create a more flexible and comprehensive regime for industrialisation broadly defined to include manufacturing, ICT, business process outsourcing, logistics, and agro-processing. In this context, the policy focus appears to have been on light industry and services rather than extractive industries.
19. At the same time, the petroleum sector in 2015 was, at a fundamentally different stage. The first major oil discovery in the South Lokichar Basin had been made by Tullow Oil from 2012 but the sector was still in early appraisal and exploration. Commercial development was not imminent, no Field Development Plan had been approved, no Final Investment Decision had been taken, and the pipeline project was at a very early conceptual stage. It may therefore be inferred that petroleum sector investments were not yet a central consideration in the design of the SEZ framework.
20. Comparative experience suggests that jurisdictions such as Angola, Mozambique, and Nigeria which have integrated petroleum operations into special economic zone-type frameworks typically developed tailored regimes that respond to the specific infrastructure, regulatory, and fiscal requirements of the oil and gas sector.
21. In light of the foregoing, the proposed Bill therefore seeks to amend the Special Economic Zones Act to accommodate midstream and upstream petroleum operations within the SEZ framework. The amendment is intended to enhance the responsiveness of the SEZ regime to evolving investment priorities and to align it with the operational requirements of large-scale capital-intensive sectors, including oil and gas.

2.5 Comparative Analysis

22. In **Nigeria**, SEZs are regulated by the Nigeria Export Processing Zones Authority (NEPZA) and the Oil and Gas Free Zones Authority (OGFZA) which oversee industrial, manufacturing and commercial free zones as well as zones dedicated to the oil and gas sector. Major operational hubs

include the Lekki Free Trade Zone in Lagos, Calabar Free Trade Zone in Cross River, Kano Free Trade Zone, and various oil and gas zones such as Onne.

23. Businesses operating within these zones typically benefit from: tax incentives (exemption from federal, state and local government taxes, levies and rates); customs (duty-free import of raw materials, components, and equipment for production); repatriation (freedom to repatriate capital, profits and dividends); and regulatory support (simplified licencing and one-stop-shop administrative processes).
24. To operate in a SEZ or Free Trade Zone (FTZ) in Nigeria, businesses need one of two primary licences issued by the NEPZA, the Free Zone Developers' Licence for entities (public, private or public-private partnership) establishing or developing a free zone or the Free Zone Enterprise Licence for businesses conducting approved activities (manufacturing, trading, and services) within an existing Free Zone. The licences are generally valid for 5 years.
25. To obtain a licence to operate in a SEZ or FTZ, a company must be duly incorporated in Nigeria by the Corporate Affairs Commission (CAC).
26. Prior to the Nigeria Tax Act, 2025, FZEs under both the NEPZA and OGFZA enjoyed broad exemption from all federal, state and local taxes. However, the Act provides that profit from these entities is fully exempt from tax only where the entity's sales are wholly derived from export activities.
27. In **Malaysia**, the Johor-Singapore SEZ is a significant bilateral initiative, established between Malaysia and Singapore in 2025, aimed at transforming Johor into a high-tech, sustainable economic hub. Operators and developers within the zone can take advantage of various incentives, including a 5% corporate tax rate for companies in high-growth sectors like AI and aerospace for up to 15 years. Eligible skilled professionals working in the zone can benefit from a reduced personal income tax rate of up to 15% for 10 years, and designated areas within the zone have duty-free status.
28. The Malaysia Investment Development Authority (MIDA) offers renewable licences valid for periods ranging from 10 to 20 years. Malaysia has successfully utilised its specialised SEZ framework to attract billions in FDI, particularly in the oil refining sector.
29. In **Rwanda**, the law governing SEZs regulates the establishment, development, operation, and maintenance of SEZs in the country. The Special Economic Zones Regulatory Authority of Rwanda (SEZAR) oversees the licencing process, which is designed to attract investments in manufacturing, exports, and technology.
30. Zone developers or operators must be legal entities incorporated in Rwanda and must demonstrate both financial and technical capabilities, in line with the provisions of the Principal Act. Licenced investors can benefit from incentives such as reduced corporate income tax, customs duty exemptions on raw materials and facilitated work permits, provided they hold valid licences.

CHAPTER THREE

3.0 OVERVIEW OF THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

3.1 Introduction

31. The Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*) is sponsored by Hon. Kimani Ichung'wah, EGH, MP, Leader of the Majority Party. The Bill was read a First Time on 12th March 2026 and subsequently referred to the Departmental Committee on Trade, Industry and Cooperatives for consideration and to facilitate public participation pursuant to Standing Order 127.
32. The principal objective of the Bill is to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.
33. The Bill seeks to amend the Special Economic Zones Act, Cap. 517A to:
- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
 - b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
 - c) expand the scope of SEZs to include oil and gas sector activities;
 - d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
 - e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.
34. The Bill also seeks to make consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

3.2 Objective of the Bill

35. The objective of the Bill is to:

- a) expand the scope of Special Economic Zones to include oil and gas sector activities (midstream and upstream petroleum operations);
- b) remove legal inconsistencies relating to the eligibility of companies operating within Special Economic Zones;
- c) allow SEZ developers and operators to undertake enterprise activities within the zone;
- d) harmonise tax incentives applicable to Special Economic Zone entities; and
- e) make consequential amendments to the Value Added Tax Act (Cap. 476), the Income Tax Act (Cap. 470), and the Miscellaneous Fees and Levies Act (Cap. 469C).

3.3 Potential Impact of the Bill

The Bill is likely to have the following impact if enacted:

36. Enhanced business environment. By eliminating rigid statutory limits, particularly regarding incentives that may deter potential investors, the bill will boost capital inflows and liquidity, ultimately contributing to economic growth;
37. Regional integration: Opening up licenses to companies and not incorporated in Kenya will expand market access for SEZ-based industries and promote the development of regional value chains; and
38. Resource Endowments and Comparative Advantages: SEZs should align strategically with the country's existing resource endowments and comparative advantages. Focusing on sectors like oil and gas, where Kenya has natural advantages, can enhance competitiveness and attract investment.

3.4 Clause by Clause Provisions of the Bill

39. **Clause 1** of the Bill provides for the short title of the Bill.
40. **Clause 2** amends section 2 of the SEZ Act, Cap. 517A (interpretation and definitions) by inserting definitions of "*midstream petroleum operations*" and "*upstream petroleum operations*" both cross-referencing the definitions in the Petroleum Act, Cap. 308. This is with a view to expand the SEZ framework to cover midstream and upstream petroleum operations in order to facilitate commercial development of oil discoveries in the Lokichar Basin.
41. **Clause 3** amends section 4 of the SEZ Act, Cap. 517A (on declaration of special economic zones) in subsection 6 by adding two new zone types, that is, midstream petroleum operations zones and upstream petroleum operations zones, to the list of permissible SEZ designations.

42. **Clause 4** of the Bill proposes to amend section 27 of the SEZ Act, Cap. 517A (on application and issue of licence) by:
- a) replacing paragraph (d) of subsection (5) with provision that the duration of licence issued to a SEZ developer, operator or enterprise in the zones designated midstream and upstream petroleum operations shall be subject to the new subsection (5A). Currently, subsection (5)(d) simply provides that a licence shall be valid for the period SEZA decides to prescribe. This could be a one-year licence or a twenty-year licence depending on what the Authority deems appropriate. In practice, it issues annual licences;
 - b) inserting a new subsection 5A prescribing a 10-year minimum licence for petroleum zone operations to enhance investor certainty in this capital-intensive sector; and
 - c) requiring the Authority to conduct annual compliance audits for the duration of such licences, with annual audit fees payable by licensees. This is the accountability mechanism for the long licence allowing SEZA to run regular checks on whether a licence holder is complying with the terms and conditions of the licence.
43. **Clause 5** amends section 28(a) of the SEZ Act, Cap. 517A (on other qualifications of a SEZ developer) by deleting the requirement that a SEZ developer be "*incorporated in Kenya*", to create harmony with the definition of a company under section 2 of the SEZ Act. In that definition, the Act cross-references section 2 of the Companies Act, Cap. 486 and therefore includes a company incorporated outside Kenya and registered under that Act. A foreign company registered in Kenya under the Companies Act would now qualify as an SEZ developer without needing to be locally incorporated as a separate Kenyan legal entity as currently required in section 28.
44. **Clause 6** amends section 29 of the SEZ Act, Cap. 517A (on Special Economic Zone enterprises) in two respects:
- a) replacing "*is incorporated in Kenya*" with "*is a company*" in subsection (2)(a); and
 - b) inserting a new subsection (3) enabling petroleum zone developers and operators to apply for an enterprise licence to undertake activities within petroleum-designated zones.
45. **Clause 7** contains the consequential amendments to three tax related Acts:
- a) The first is the removal of the ten-year time limitation in Paragraph 73 of Part I of the First Schedule to the **Income Tax Act, Cap. 470** to effectively extend withholding tax exemptions on royalties and management fees paid to non-residents beyond the current ten-year limit.
 - b) The second is the proposed amendment to the **Value Added Tax Act, Cap. 476** to expand zero-rating to cover supplies made to SEZ developers and operators (not just enterprises) in order to address an existing gap in the law.

- c) The third one is the amendment to the **Miscellaneous Fees and Levies Act, Cap. 469C** to exempt goods destined for petroleum SEZs from the Railway Development Levy (RDL) thus reducing the cost of importing goods for oil and gas operations and making the SEZ regime more commercially attractive.
46. The Bill neither delegates legislative powers nor limits fundamental rights and freedoms.
47. The Bill relates to matters of energy and fiscal policy, regarding zoning of areas of economic purposes, and the concessions and incentives, both monetary and non-monetary, which may be granted to investors engaged in midstream and upstream petroleum operations in the zoned areas. These matters fall within the mandate of the National Government under the Fourth Schedule to the Constitution. Consequently, the Bill does not concern county governments in terms of Article 110(1) (a) of the Constitution as functions relating to regulation of SEZs and grant of fiscal incentives are functions of the National Government.
48. Enactment of the Bill will not occasion additional expenditure of public funds.

CHAPTER FOUR

4.0 STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

Following the call for memoranda from the public through placement of an advertisement in the print media on 16th March 2026 and vide letters Ref: NA/DDC/TIC/2026/011 and NA/DDC/TIC/2026/012 dated 24th March 2026; Ref: NA/DDC/TIC/2026/010, NA/DDC/TIC/2026/013, NA/DDC/TIC/2026/014, NA/DDC/TIC/2026/015, NA/DDC/TIC/2026/016 and NA/DDC/TIC/2026/017 dated 25th March 2026; and NA/DDC/TIC/2026/018, NA/DDC/TIC/2026/019 and NA/DDC/TIC/2026/020 dated 27th March 2026, inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders on the Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*):

- i. Viva Africa Consulting LLP;
- ii. Anjarwalla and Khanna LLP/African Legal Network (ALN);
- iii. Association of Special Economic Zones (ASEZ);
- iv. Kenya Private Sector Alliance (KEPSA);
- v. TRIFIC Special Economic Zone;
- vi. Kenya Association of Manufacturers (KAM);
- vii. National Environment Management Authority (NEMA);
- viii. Oil and Gas Contractors Association of Kenya (OGCA-K);
- ix. Petroleum Institute of East Africa (PIEA);
- x. Tsavo Oilfield Services;
- xi. Petroleum Outlets Association of Kenya (POAK);
- xii. Gulf Energy BV;
- xiii. Special Economic Zones Authority (SEZA);
- xiv. State Department for Investment Promotion;
- xv. Kenya Revenue Authority (KRA);
- xvi. State Department for Lands and Physical Planning;
- xvii. Kenya National Chamber of Commerce and Industry (KNCCI);
- xviii. Council of Governors (CoG);
- xix. Kenya Oil and Gas Association (KOGA);
- xx. Eni Kenya;
- xxi. Independent Continental Youth Advisory Council on AfCTA;
- xxii. Emsi Associates;
- xxiii. Bureau of Special Services Limited;
- xxiv. Blue Logistics Group;
- xxv. Bhachu Industries Limited;
- xxvi. Mo Rapid Solutions Limited;
- xxvii. Idar Groups Security Services Limited; and
- xxviii. Etom Services Limited

4.1 STAKEHOLDER SUBMISSIONS ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

4.1.1 Viva Africa Consulting LLP

49. In a meeting with the Committee held on Wednesday, 1st April 2026, Ms. Anne Mubia-Murungi, a Partner at Viva Africa LLP informed the Committee that the Company supports the amendments proposed to the SEZ framework as they present a positive step towards strengthening Kenya's investment environment. The amendments will enhance attractiveness and operational efficiency of the SEZ regime and provide clarity for investors undertaking large scale projects. They proposed that the Bill be amended to provide for the ten-year licensing of all companies under the SEZ regime and not just to developers, operators or enterprises undertaking activities in zones designated for midstream or upstream petroleum operations. Additionally, other companies under the SEZ regime should be allowed to apply for enterprise licenses and not just developers or operators undertaking midstream or upstream petroleum operations.

4.1.2 Anjarwalla and Khanna LLP/African Legal Network (ALN)

50. In a meeting with the Committee held on Wednesday, 1st April 2026, Mr. Dennis Chiruba proposed that that the Bill be amended to provide for the ten-year licensing of all companies under the SEZ regime and not just to developers, operators or enterprises undertaking activities in zones designated for midstream or upstream petroleum operations; the operating license of a company should not be suspended without giving the company a fair hearing; clause 7 should be amended to provide for upstream and midstream petroleum operation zones instead of oil and gas zones; and all companies under the SEZ and EPZ regime should be exempted from RDL and not just those undertaking activities in zones designated for midstream and upstream petroleum operations.

4.1.3 Association of Special Economic Zones (ASEZ)

51. In a meeting with the Committee held on Wednesday, 1st April 2026, Mr. Phillip Nderitu, CEO of ASEZ proposed the following amendments to the Bill: the definition of "*midstream petroleum*" be amended by deleting the words "*transportation and storage*" to avoid designating existing standalone transportation and storage facilities which delays collection of revenue by the Government; paragraph 4(d) of the Bill be deleted because it is covered under the new subclause 5A; new subclause 5A be amended by providing that all companies under the SEZ regime benefit from the 10-year licensing; new subclause 5B be amended by deleting the words, "*terms and conditions of license as the Authority may prescribe*" and substituting with the words, "*terms and conditions of the license*"; new subclause 5A be amended by deleting the words, "*and the developer, operator or enterprise shall pay such annual audit fees to the Authority as may be prescribed*" because audit fees should be part of operational costs for the Authority and not unpredictable expenses to investors; and incentives under the Miscellaneous Fees and Levies Act should apply to all companies under the SEZ regime.

52. He proposed the following new amendments to the Bill: new amendments to section 24 of the Act to give developers rights to develop housing for staff with fiscal benefits and introducing a 2.5%

surcharge at sale to the customs territory; and new amendments to section 35 of the Act to provide that where goods are removed from a zone to a domestic market, any standards related levy shall be assessed only on the value of domestic sales and not on the annual turnover. They further proposed deletion of subsection 35(5) of the Act.

4.1.4 Kenya Private Sector Alliance (KEPSA)

53. In a meeting with the Committee held on Wednesday, 1st April 2026, Mr. Emmanuel Otieno, a Manager at KEPSA supported the amendments proposed in the Bill. However, he proposed that Clause 4 should be amended because there may be delays and cost hurdles on the conducting of audits by the Authority. This may make the environment uncondusive to investors.

4.1.5 TRIFIC Special Economic Zone

54. In a meeting with the Committee held on Wednesday, 1st April 2026, Mr. Brian Mwau, Head of Business Development submitted that the focus of the Bill should not only be on the oil and gas sector. He proposed the following amendments to the Bill: the 10-year license period is discriminatory if it does not include other sectors in the SEZ regime; and investors should be allowed to operate in the country without being incorporated in Kenya to encourage investment in the country.

4.1.6 Kenya Association of Manufacturers (KAM)

55. In a meeting with the Committee held on Wednesday, 1st April 2026, the Head of Trade Policy, Mr. Walter Kamau, proposed the following amendments to the Bill: amend definitions of midstream and upstream by replicating definitions the Petroleum Act or adopting definitions limited to the scope relevant to the Bill to avoid overreach; the 10-year license should apply to all companies under the SEZ regime; amend paragraph 4(b) to allow the CS National Treasury and Economic Planning to have powers to provide exemptions and other incentives to oil and gas operators and developers; delete clause 5 because mandating all companies to be incorporated in Kenya will enhance regulatory oversight and accountability and protects government revenue as locally incorporated companies pay various taxes; delete paragraph 6(a) because Kenyan taxpayers will provide extensive incentives to foreign companies that do not have any tax obligations in Kenya; amend clause 8 to restrict provision to oil and gas operators, allow residents to benefit from the exemption and allow the CS National Treasury and Economic Planning power to include other sectors in the exemption on a case-by-case basis; insert a new clause to maintain the legal and territorial integrity of SEZs as foreign customs territory; and insert a new clause providing that customs and duties payable by goods from SEZs be less of local content to encourage integration between the domestic market and SEZs/EPZs.

4.1.7 National Environment Management Authority (NEMA)

56. In a meeting with the Committee held on Thursday, 2nd April 2026, Mr. David Ong'are, Director of Compliance informed the Committee that NEMA supports the Bill subject to strict adherence to the environmental safeguard framework established under EMCA. He reiterated that all

developments under SEZs are subject to rigorous environmental assessment, monitoring, and enforcement.

4.1.8 Oil and Gas Contractors Association of Kenya (OGCA-K)

57. In a meeting with the Committee held on Thursday, 2nd April 2026, Mr. Mwendia Nyaga, Director at OGCA-K submitted that OGCA-K supports the amendments proposed in the Bill. He proposed that the Bill be amended to widen parameters of SEZs to incorporate regions where midstream and upstream petroleum sector operations in Kenya are conducted.

4.1.9 Petroleum Institute of East Africa (PIEA)

58. In a meeting with the Committee held on Thursday, 2nd April 2026, the General Manager, Ms. Wanjiku Manyara submitted that the Bill should be amended to expand the scope of SEZs to include areas where midstream and upstream petroleum operations are being carried out.

4.1.10 Tsavo Oilfied Services

59. In a meeting with the Committee held on Thursday, 2nd April 2026, Eng. Elizabeth Rogo, Founder and CEO proposed that the Bill be amended to: expand the concept of petroleum-related SEZ activities to include the full services ecosystem; require a local content and Kenyan participation plan; add safeguards to the broader eligibility language; tie the ten-year licence period to performance review; protect independent enterprises from discriminatory treatment; require reporting on fiscal incentives and economic outcomes; and provide for county and host-area consultation.

4.1.11 Petroleum Outlets Association of Kenya (POAK)

60. In a meeting with the Committee held on Thursday, 2nd April 2026, the CEO and National Coordinator, Mr. John Njogu proposed the following amendments to the Bill: amend section 29 of the Act to provide that fiscal incentives given to licenced petroleum SEZ enterprises shall remain unchanged for the duration of the initial licence period, notwithstanding changes in the ITA and VAT Act; introduce a “Local Sourcing Preference” clause in Regulations; and provide for a joint audit framework between SEZA, KRA and EPRA.

4.1.12 Gulf Energy

61. In a meeting with the Committee held on Thursday, 2nd April 2026, Mr. Paul Limo, Group CEO informed the Committee that Gulf Energy supports all amendments proposed in the Bill because they reinforce the National Investment Policy 2019 with regard to predictable incentives and simplified licencing; Vision 2030 with regard to manufacturing-led growth, logistics expansion and energy security; and Kenya’s industrialisation and regional competitiveness objectives.

4.1.13 Special Economic Zones Authority (SEZA)

62. In a meeting with the Committee held on Thursday, 2nd April 2026, the CEO, Dr. Kenneth Chelule proposed the following amendments to the Bill: Amend definition of “industrial parks” to include “upstream petroleum operations and midstream petroleum operations”; maintain definition of upstream and downstream petroleum operations as provided in the Petroleum Act; delete clause 3; allow 10-year licence to all industrial park SEZ developers, operators and enterprises; substitute annual audit fees with licence fees; insert provision for penalty to a developer, operator or enterprise that fails to pay the prescribed annual fees within sixty days; and provide for suspension of a license for an enterprise or developer that violates the SEZ Act or the East African Community Customs Management Act, 2004 or any other applicable law.

4.1.14 State Department for Investment Promotion

63. In a meeting with the Committee held on Thursday, 2nd April 2026, Mr. Joseph Nguyo, Senior Deputy Secretary, informed the Committee that the State Departments supports all the amendments proposed in the Bill.

4.1.15 Kenya Revenue Authority (KRA)

64. In a meeting with the Committee held on Thursday, 2nd April 2026, Mr. David Ontweka, Ag. Deputy Commissioner submitted that companies should comply with registration under section 974 of the Companies Act to enable them obtain PINs for accounting of tax incentives.

4.1.16 State Department for Lands and Physical Planning

65. In a meeting with the Committee held on Thursday, 2nd April 2026, Ms. Sarah Maina, Secretary, Lands, informed the Committee that the State Department had reviewed the amendments proposed in the Bill and were in agreement with both form and content of the Bill.

4.1.17 Kenya National Chamber of Commerce and Industry (KNCCI)

66. In a memorandum dated 31st March 2026, Mr. K. K. Mutai, Chief Executive Officer proposed that: petroleum-zone terminology across section 4(6), the First Schedule and fiscal provisions should be harmonised to eliminate the three term mismatch created by the Bill; clarity should be provided that the 10 year minimum licence period does not curtail the Authority’s powers to revoke licences for non-compliance; replace blanket annual audits with risk-based proportionate audit frameworks; provide that companies should be registered in Kenya under the Companies Act; provide a clearly bounded period from the date of first operation to benefit from income tax exemption; the VAT zero-rating and levy exemptions should only be given to certified, authorised SEZ activities backed by SEZ Authority certification and KRA verification controls; require a Local Content and MSME Linkages Plan as a mandatory condition of every petroleum zone licence; and establish annual reporting obligations and publish an MSME participation dashboard to ensure domestic value creation.

4.1.18 Council of Governors (CoG)

67. In a letter, Ref: COG/6/50/IA Vo.22 (111) dated 25th March 2026, Ms. Mary Mwiti, Chief Executive officer submitted that the Bill should explicitly provide for the role of county governments within the SEZs framework, particularly where such zones are domiciled on county land. The resources provided under the SEZ Act result in county governments foregoing certain own-source revenues, including those that would ordinarily accrue from licencing regimes like business permits. Host counties should therefore derive equitable socio-economic benefits, including revenue sharing arrangements and community benefits.

4.1.19 Kenya Oil and Gas Association (KOGA)

68. In a letter, Ref: Gen-001-2026 dated 23rd March 2026, the Chairman, Mr. Franklin Juma, submitted that: the National Assembly should pass the Bill as drafted; SEZA to publish energy-SEZ regulations within 90 days of assent of the Act to give effect to licence tenure, audits and fiscal alignment; the National Treasury and KRA to issue practice notes clarifying VAT zero-rating for developers/operators, withholding-tax treatment and RDL exemption workflows for petroleum SEZ cargo; and align SEZ spatial planning with various state port authorities to ensure bonded corridors, liquid bulk jetties and shared utilities are delivered on bankable schedules.

4.1.20 Eni Kenya

69. In their letter, Ref. MD/DM/132/2026.O dated 25th March 2026, Ms. Daniela Morra, Managing Director, proposed that geothermal zones be included in the First Schedule to the SEZ Act to integrate geothermal energy into the national SEZ classification framework which is consistent with the designation of the Olkaria geothermal area as an SEZ, thereby supporting a consistent framework applicable to the sector for future projects.

4.1.21 Independent Continental Youth Advisory Council on AfCTA (ICOYACA)

70. In their memorandum dated 25th March 2026, ICOYACA proposed that the Bill be amended to: clarify the incentive position after ten years; specify that licence conditions for petroleum zone licensees shall include at a minimum (i) all payments to the national and county governments, (ii) cost recovery amounts claimed and approved, (iii) payments into the local community trust fund under section 58 of the Petroleum Act, 2019, and (iv) compliance with the EITI standards as adopted by Kenya; restore the 10 year limitation in paragraph 73 of the ITA or confine the perpetual exemption to petroleum zone entities in a new standalone paragraph with mandatory annual transfer pricing compliance reporting; amend the new paragraph (xix) of the Miscellaneous Fees and Levies Act to cross reference the EPZ Act, Cap. 517 and SEZ Act, Cap. 517A and specify the certifying authority for each zone type; and provide that the incentives and benefits available to licenced petroleum SEZ enterprise, developer or operator under this Act shall apply in addition to and not in substitution for the terms of any petroleum agreement entered into under the Petroleum Act, 2019.

4.1.22 Emsi Associates

71. In a letter dated 25th March 2026, Ms. Mary Chege, Managing Partner, proposed the following amendments to the Bill: amend the Bill to consolidate all proposed zones i.e. BPO zones, service focused zones, educational zones, midstream petroleum operations zones and upstream petroleum operations zones, and such other sectors as may be prescribed by the CS responsible for SEZs; provide that a licence shall remain valid from the date of issue subject to payment of prescribed fees and inspection by the Authority; delete subclause 5B; and amend section 28 and 29 of the Act to require that foreign companies register a branch or incorporate a subsidiary in Kenya in accordance with provisions of the Companies Act, Cap. 486.

4.1.23 Bureau of Special Services Limited

72. In a letter, Ref: Bss/Adm/vol ii/016/26 dated 23rd March 2026, the CEO, IP Rtd. Ekai Lomoru Nicholas, HSC proposed that the Bill be amended by widening parameters of SEZs to incorporate regions where midstream and upstream petroleum operations are currently conducted.

4.1.24 Blue Logistics Group

73. In a letter dated 23rd March 2026, Mr. Duncan Wagura, Managing Director, East Africa supported the Bill because its enactment will enhance efficiency in cargo movement, lower the cost of doing business, attract investment and technology transfer, improve infrastructure and logistics capacity, promote compliance and transparency, and create employment and build local capacity.

4.1.25 Bhachu Industries Limited

74. In a letter dated 25th March 2026, Mr. Gurveer Bhachu proposed that the Bill be amended to expand the scope of special economic zones to include regions where upstream and midstream petroleum operations are currently underway as they are not covered by the SEZ Act, Cap. 517A.

4.1.26 Mo Rapid Solutions Limited

75. In a letter, Ref: mo/25/2026 dated 23rd March 2026, the Director, Mr. Amos Cheruiyot proposed that the Bill be amended to expand SEZs to include areas where midstream and upstream petroleum operations are taking place.

4.1.27 Idar Groups Security Services Limited

76. In their letter, Ref: 001/03/EPZ/NA dated 23rd March 2026, the Director, Capt. (Rtd.) Augustine Ekitela proposed that the Bill be amended to widen the parameters of SEZs to incorporate regions where midstream and upstream petroleum operations are currently conducted.

4.1.28 Etom Services Limited

77. In their letter, Ref: Etom-005-2026 dated 26th March 2026, Mr. Fredrick Ejore, Managing Director, supported the amendments proposed in the Bill because incorporating the area in the SEZ framework will create jobs, improve infrastructure, develop skills and retain talent, create opportunities for local suppliers, improve the quality of life and diversify the economy.

4.2 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON STAKEHOLDER COMMENTS

Clause 2

78. Clause 2 amends section 2 of the Special Economic Zones Act, Cap. 517A by inserting definitions of "midstream petroleum operations" and "upstream petroleum operations," both cross-referencing the Petroleum Act (Cap. 308).
79. **KAM** proposed either replicating the Petroleum Act definitions directly in section 2 of the SEZ Act, or adopting tailored definitions limited strictly to the scope relevant to this Bill to avoid overreach. **KNCCI** proposed an explicit cross-reference to section 2 of the Petroleum Act by chapter number, and an implementing note clarifying that SEZ licensing does not substitute for Petroleum Act approvals. **KNCCI** further proposed a harmonisation clause confirming that definitions in section 2 of the SEZ Act apply for purposes of all consequential fiscal amendments in the Bill's Schedule thereby addressing the risk that KRA and courts construe the same terms differently under tax and SEZ statutes. The **ASEZ** proposed deleting the words transport and storage from the definition of midstream petroleum operations to avoid the inadvertent designation of existing standalone transportation and storage facilities as petroleum zones, which would delay government revenue and distort the application of the zone regime to infrastructure already operating outside the SEZ framework. **SEZA** proposed accommodating midstream and upstream operations under industrial parks.

Committee observations/Recommendation

The definitions of midstream petroleum operations and upstream petroleum operations by cross-reference to the Petroleum Act, Cap. 308 are in order. They are consistent with the sector's primary legislation and avoids duplication. The Committee accordingly approved Clause 2 as proposed in the Bill.

Clause 3

80. Clause 3 amends section 4(6) of the Special Economic Zones Act, Cap. 517A by adding two new zone types, that is, midstream petroleum operations zones (k) and upstream petroleum operations zones (l) to the list of permissible SEZ designations.
81. **SEZA** proposed accommodating petroleum activities within the existing industrial scheme framework by expanding the definition of industrial park to include upstream and midstream

petroleum operations rather than creating new zone types. This is consistent with SEZA's ongoing policy review proposing consolidation of all zone types into three broad schemes: Industrial, Services, and Trade-Related. Multiple stakeholders supported this approach. **TRIFIC Special Economic Zone** proposed designating oil and gas activities as a sub-category within industrial parks with an explicit cross-reference to ensure petroleum zone operators benefit from the same infrastructure, fiscal, and regulatory frameworks applicable to industrial parks. **Eni Kenya** proposed insertion of a new paragraph (m) geothermal resource zones into section 4(6) of the SEZ Act, alongside the petroleum zone types introduced by the Bill. The justification is that Kenya has significant geothermal resources as a strategic priority under the renewable energy agenda, and that geothermal development faces similar large-scale capital investment and long development cycle challenges as upstream and midstream petroleum operations.

Committee observations/Recommendation

The committee observed that midstream and upstream operations will be designated special economic zones. This amendment is the operational heart of the Bill. The designation of midstream and upstream petroleum operations zones within the SEZ framework is a targeted and deliberate policy response to the specific investment characteristics of the Lokichar Basin development. Upstream petroleum operations and midstream petroleum operations are capital-intensive, technically complex, and long-cycle activities that require a stable, predictable, and comprehensive regulatory and fiscal environment over periods of twenty years or more.

The Committee acknowledged the coherence of SEZA's proposal in the context of its ongoing policy review and the consolidation agenda it represents. However, the Committee resolved not to adopt this approach since routing petroleum operations through the industrial park framework would conflate two fundamentally different categories of economic activity, that is petroleum extraction and transportation on the one hand and manufacturing and processing on the other hand within a single zone type that was not designed to accommodate the technical, environmental, safety, and infrastructure requirements of petroleum operations. The industrial park framework also does not carry the same legal and regulatory specificity that the dedicated petroleum zone types provide, and investors seeking project financing for large-scale petroleum infrastructure require the legal certainty of a distinct and unambiguous regulatory designation. Further while the Committee acknowledged the strategic importance of geothermal resources the insertion of geothermal zone types goes beyond the subject matter of the Bill which is confined to midstream and upstream petroleum operations in the Lokichar Basin. The proposal to extend the SEZ framework to geothermal operations should be advanced through the ongoing SEZA policy review or through a separate legislative process informed by equivalent sector-specific analysis.

The Committee accordingly approved Clause 3 as proposed in the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026).

Clause 4

82. Clause 4 amends section 27 of the SEZ Act, Cap. 517A by replacing paragraph (d) of subsection (5) with a validity provision subject to new subsection (5A), and inserting two new subsections: (5A) mandating a minimum licence duration of ten years for petroleum zone operators, and (5B) requiring the Authority to conduct annual compliance audits for the duration of such licences, with annual audit fees payable by licensees.
83. The policy rationale is that petroleum projects involve enormous upfront capital investment over long development cycles, and investors need confidence that their licence will not be shortened or revoked before they have had a reasonable opportunity to recover that investment. The current Act provides for a twelve-month licence validity, after which an investor has no legal certainty of continued operation until renewal.
84. **SEZA** opposed restricting the ten-year minimum licence duration to petroleum zones and proposed extending it to all industrial park SEZ developers, operators, and enterprises. **ASEZ, KAM, TRIFIC SEZ, KEPSA, ALN, and VIVA Africa Consulting** supported extending the ten-year minimum licence duration to all SEZ sectors, on the basis that the capital intensity and long investment cycle arguments are not unique to petroleum operations and that limiting the guarantee to petroleum creates an unjustified asymmetry across the SEZ programme.
85. **SEZA** proposed that the extended licence period be accompanied by strengthened enforcement powers for SEZA, including express grounds and procedures for licence suspension and revocation, a formal redress mechanism, including the right to a fair hearing and appeal, and a penalty for delayed payment of annual licence fees. SEZA proposed a new section 27(5C) imposing double the annual fee where payment is not made within sixty days of the due date. **TRIFIC SEZ** specifically proposed insertion of an express clause providing that tax incentives run independently of licence validity and renewal. **POAK** proposed a provision that fiscal incentives granted to a licensed petroleum SEZ enterprise remain applicable for the duration of the licence notwithstanding amendments to tax laws effectively a fiscal stabilisation clause protecting investors from adverse changes introduced through annual Finance Acts during the licence period.
86. Several stakeholders challenged the imposition of audit fees on licensees. **ASEZ, KAM, TRIFIC SEZ,** and **KEPSA** argued that compliance audit costs should be borne by SEZA as an operational cost of the Authority, already captured within the annual licensing fee paid by the investor. They proposed deletion of the audit fee provision and suggested that if a fee is necessary, it should be prescribed through regulations for flexibility rather than fixed in primary legislation. **SEZA** proposed substituting annual audit fees with annual licence fees, and inserting a new subsection expressly providing for the payment and consequences of non-payment of annual licence fees.
87. **Emsi & Associates** proposed deletion of section 27(5B) on the basis that EPRA's existing audit regime under the Petroleum Act is sufficient and the additional SEZA audit constitutes unjustified jurisdictional duplication. **POAK** proposed a joint institutional audit mechanism involving SEZA, KRA, and EPRA as an alternative. The **KNCCI** proposed that the Bill includes an express clarification that SEZ licensing operates alongside and does not substitute for petroleum sector approvals under

the Petroleum Act, and that SEZA be required to publish a joint licensing guide with petroleum regulators within twelve months of commencement of this Act.

Committee observations/Recommendation

The Committee considered whether the mandatory minimum ten-year licence tenure should be extended to all SEZ sectors or retained as petroleum-specific. Upon careful consideration, the Committee resolved that the provision should remain confined to petroleum zones as proposed in the Bill.

The Committee observed that while the policy case for longer licence tenures is broadly applicable across capital-intensive investment sectors, the extension of a mandatory minimum tenure across the entire SEZ programme is not a decision that can be made without a proper risk-benefit analysis. Long-term licences carry inherent risks, particularly speculative licence holding, where investors secure access to land, infrastructure, and fiscal incentives without genuine development. This can lock up scarce resources and delay economic activity, employment, and revenue that the SEZ programme is intended to generate.

The Committee observed that the case for a minimum licence tenure in the petroleum sector is grounded in well-documented, sector-specific characteristics namely the scale of capital investment, long development timelines, and technical complexity of upstream and midstream operations established through the Joint Committee process preceding this Bill. No comparable analysis has been undertaken for other SEZ sectors. Extending a minimum tenure in the absence of such analysis would therefore be premature and potentially undermine the integrity of the broader SEZ framework.

The Committee accordingly resolved that the question of extending the minimum licence tenure to other SEZ sectors be referred to the Cabinet Secretary responsible for investment, the Special Economic Zones Authority, and the Cabinet Secretary responsible for finance for consideration within the ongoing comprehensive review of the SEZ policy and legal framework, to be informed by a proper sector-by-sector needs analysis that weighs the investment certainty benefits of longer tenures against the regulatory flexibility and anti-speculation risks specific to each zone type. In the interim, the Bill maintains a focused and proportionate objective: to support investment in the petroleum sector through targeted interventions that address gaps in the existing SEZ framework without disrupting the broader architecture of the SEZ programme.

On the proposed annual audit obligation under section 27(5B), the Committee observed that this requirement serves as a necessary regulatory counterbalance to the ten-year minimum licence tenure as the extended licence tenure limits the Authority's ability to rely on non-renewal or early revocation, continuous oversight becomes essential. The annual audit provides this oversight by enabling regular monitoring of compliance and development progress, early detection of non-performance, and a

sound evidentiary basis for enforcement where required. The Committee therefore affirmed the annual audit as a critical safeguard within the petroleum zone licensing framework.

The Committee accordingly approved Clause 4 as proposed in the **SEZ (Amendment) Bill, 2026**.

CLAUSE 5

88. Clause 5 deletes the expression "*incorporated in Kenya*" from section 28(a) of the principal Act, replacing it with the broader term "*company*". The existing definition of "*company*" in section 2 of the principal Act adopts the meaning assigned by the Companies Act (Cap. 486) and expressly includes a company incorporated outside Kenya but registered in Kenya under that Act. The effect of this amendment is to extend eligibility as an SEZ developer or operator to foreign-incorporated entities operating through registered branches in Kenya, without requiring the establishment of a locally incorporated subsidiary.
89. **TSAVO Oilfield Services** proposed requiring foreign companies to register a branch or subsidiary in Kenya under the Companies Act as a condition of SEZ participation. **ICOYACA** raised beneficial ownership transparency as a gap in the Bill that allows foreign-incorporated entities to qualify without introducing compensating disclosure obligations or requirements for substantive local presence. Tsavo further proposed that where the Bill uses the term a company, conditions should require tax compliance, beneficial ownership disclosure, a substantive local presence, and implementation of local participation obligations. **KRA** did not object to the removal of the local incorporation requirement and proposed that any company seeking to benefit under the amended provision complies with section 974 of the Tax Procedures Act by obtaining a Personal Identification Number as a condition of accessing SEZ benefits so that KRA can identify it, track its transactions, issue assessments, and administer its tax obligations.

Committee Observations/Recommendation

90. The Committee observed that the amendment accommodates the corporate structures typically used by international petroleum investors who would not readily establish a new Kenyan subsidiary purely to qualify as an SEZ participant. The Committee noted that the policy justification for the removal is well-founded in the context of this Bill. Large-scale international petroleum investors including the companies currently engaged in the Lokichar Basin under Production Sharing Contracts typically operate through complex multi-jurisdictional corporate structures involving holding companies, project vehicles, and operating entities incorporated across several jurisdictions. The Committee resolved that the amendment as proposed is necessary and appropriate to achieve the Bill's objective of attracting large-scale international petroleum investment into the Lokichar Basin. **SEZA**, in its licensing regulations, may expressly require proof of PIN registration as a condition precedent to the issuance of the SEZ developer, operator or enterprise licences proposed in this Bill.

The Committee accordingly approved Clause 5 as proposed in the Bill.

Clause 6

91. Clause 6 amends section 29 in two respects: replacing "*is incorporated in Kenya*" with "*is a company*" in subsection (2)(a), and inserting a new subsection (3) enabling petroleum zone developers and operators to apply for an enterprise licence to undertake activities within petroleum-designated zones.

Committee Observations

The Committee observed that the change accommodates the corporate structures typically used by international petroleum investors who would not readily establish a new Kenyan subsidiary purely to qualify as an SEZ participant. The Committee noted that the policy justification for the removal is well-founded in the context of this Bill. Large-scale international petroleum investors including the companies currently engaged in the Lokichar Basin under Production Sharing Contracts typically operate through complex multi-jurisdictional corporate structures involving holding companies, project vehicles, and operating entities incorporated across several jurisdictions. The Committee resolved that the amendment as proposed is necessary and appropriate to achieve the Bill's objective of attracting large-scale international petroleum investment into the Lokichar Basin. SEZA, in its licensing regulations, may expressly require proof of PIN registration as a condition precedent to the issuance of the SEZ developer, operator or enterprise licences proposed in this Bill.

The Committee accordingly approved Clause 6 as proposed in the SEZ (Amendment) Bill, 2026.

Clause 7

92. Clause 7 amends the First Schedule to the SEZ Act, Cap. 517A by adding "*oil and gas zones*" as paragraph (i) to the enumerated zone types.

Committee Observation/Recommendation

93. The Committee observed that the amendment enables the Authority to permit oil and gas zones within the SEZ programme, anchoring this new zone type to the declaration framework under section 4 of the principal Act. The Committee accordingly approved clause 7 as proposed in the Bill.

Clause 8

94. The Bill makes the following three consequential amendments under clause 8:

- a) under the Income Tax Act, Cap. 470, it deletes the ten-year establishment cap in paragraph 73 of Part I of the First Schedule, effectively extending withholding tax exemptions on royalties and management fees paid to non-residents beyond the current ten-year limit;
- b) under the VAT Act, Cap. 476, it extends zero-rating to supplies made to SEZ developers and operators (not only enterprises); and
- c) under the Miscellaneous Fees and Levies Act, Cap. 469C, it exempts goods destined for EPZs or SEZs designated for petroleum operations from the Railway Development Levy.

Committee Observations/Recommendation

The Committee observed that the amendment to the Income Tax Act was necessary to harmonise the withholding tax incentive with the long investment and production cycles characteristic of petroleum operations and to make the SEZ regime genuinely competitive for the scale of investment the Lokichar Basin requires. The Committee accordingly approved the deletion of the ten-year cap in paragraph 73 of Part I of the First Schedule to the Income Tax Act.

The Committee further observed that extension of zero-rating to developers and operators, is consistent with the intentions of the Bill and harmonises the tax incentives applicable to SEZ entities across all licence categories. In the context of petroleum operations, developers and operators are the entities that incur the heaviest capital expenditure in establishing and equipping zone infrastructure. The Committee accordingly approved the extension of VAT zero-rating to SEZ developers and operators as proposed.

The amendments to the Miscellaneous Fees and Levies Act are consistent with the broader objective of harmonising the fiscal incentive regime applicable to petroleum zone activities and removing fiscal burdens that would otherwise impede the capital investment flows the Bill is designed to attract.

The Committee observed that the three consequential amendments form an integrated fiscal package that, read together with the substantive amendments in the entire Bill constitutes a coherent and proportionate response to the investment barriers facing petroleum operators in the South Lokichar Basin. The Committee accordingly approved clause 8 and the Schedule of consequential amendments as proposed in the Bill.

Proposed New Provisions

95. **KNCCI** proposed inserting definitions of local enterprise cross-referenced to the MSME Act No. 55 of 2012 and local content aligned to the Petroleum Act's local content concepts into section 2. This would create the statutory basis for MSME-linkage licensing conditions across the Act. **TSAVO Oilfield Services** proposed a more detailed Local Participation Plan requirement for all applicants

for petroleum SEZ licences, covering employment of Kenyan nationals, technical training and skills development, collaboration with local institutions, procurement from Kenyan firms, SME supplier development, technology transfer, inclusion of women, youth, and regional enterprises, and periodic reporting of outcomes.

96. **POAK** proposed an express minimum local procurement requirement for SEZ petroleum enterprises. **ASEZ** made a proposal to introduce an express provision entitling SEZ enterprises to develop housing facilities for their staff within the zone. The proposal further introduces a surcharge of 2.5 percent payable on sale of goods from the SEZ into the customs territory. **ASEZ** also proposed to amend section 35 of the SEZ Act, Cap. 517A to provide that where an SEZ enterprise is liable to pay the standards levy in respect of exports, that levy be assessed on the value of domestic sales only and not on the enterprise's annual turnover. **ASEZ** further requested the Committee to delete the ten-year cap in section 35(5) of the SEZ Act, Cap. 517A, which currently limits the period during which SEZ enterprises may enjoy the benefits conferred under that section.
97. **KNCCI** proposed for a statutory orientation of petroleum SEZs toward regional export hubs within the African Continental Free Trade Area trade regime. **KNCCI** proposed a Single-Window Licensing System, statutory thirty-day decision timelines for licensing determinations, a joint SEZ-KRA-NEMA-EPRA inter-agency committee, and a performance monitoring framework incorporating key performance indicators covering FDI inflow, employment creation, export volumes and MSME participation share. **KNCCI** requested integration of zone declarations with National and County Spatial Plans under the Physical and Land Use Planning Act, 2019 and on the consequential amendments, a bounded withholding tax exemption of ten years from the date of first operation with a maximum of fifteen years for petroleum zones.

Committee Observations/Recommendation

98. **The Committee considered the proposals submitted during public participation and rejected them for the following reasons:**
- a) **The Petroleum Act already provides for local content. Introducing parallel provisions through the SEZ (Amendment) Bill, 2026 would risk regulatory duplication, inconsistency, and compliance confusion. Any enhancement of local content requirements should be pursued under the Petroleum Act or through the ongoing SEZA policy review.**
 - b) **The proposal to amend the standards levy basis engages the Kenya Bureau of Standards Act and KEBS's administrative framework, which fall outside the scope of this Bill. It was not supported with evidence of consultation with KEBS or by a fiscal impact assessment of the potential revenue implications.**
 - c) **The proposed deletion of the ten-year benefits cap under section 35(5) constitutes a cross-cutting reform of the SEZ incentive framework affecting all sectors and zone types. It is a matter of general policy that should be addressed through the ongoing SEZA policy review.**

- d) On staff housing, the Committee observed that the proposal poses a significant risk to the integrity of the SEZ regime. While the existing framework already permits developers to provide staff housing as part of zone infrastructure, extending an express entitlement to SEZ enterprises would create a risk of abuse. Enterprises benefiting from SEZ fiscal incentives could develop housing for sale or lease to persons outside the zone, effectively turning SEZs into vehicles for subsidised real estate development unrelated to their export-oriented purpose. In the absence of clear safeguards on occupancy, use, and applicable incentives, such provisions would be vulnerable to exploitation and could divert scarce zone resources from productive investment. The Committee further noted that housing development is comprehensively addressed under existing government policy and legal frameworks, and expanding SEZ enterprise activities to housing would dilute the programme's focus by extending fiscal concessions beyond their intended purpose.
- e) On AfCFTA alignment, the Committee acknowledged the strategic merit of orienting petroleum zones toward the continental trade architecture under Kenya's AfCFTA commitments and Article 2(6) of the Constitution. However, this is a matter of implementing policy and regulatory strategy rather than primary legislation, and goes beyond the Bill's scope.
- f) On regulatory efficiency, digital licensing, and inter-agency coordination, the Committee endorsed the substance of these proposals as sound regulatory practice but observed that they engage the broader regulatory architecture of multiple agencies beyond the scope of this Bill and carry institutional resource implications that attract money Bill considerations under Article 114 of the Constitution.
- g) The Committee further noted that Standing Order 133(5) prohibits amendments that expand a Bill beyond its subject matter. This Bill is narrowly focused on extending the SEZ framework to upstream and midstream petroleum operations in the Lokichar Basin, as mandated by the Joint Committee Report adopted on 25th February 2026. The proposals considered were not directed at this objective and would constitute an expansion of scope.
- h) In addition, several proposals carry direct fiscal implications including the removal of the benefits cap, introduction of a 2.5% surcharge on domestic sales, and changes to the standards levy base yet these were not accompanied by fiscal impact assessments or recommendations from the Cabinet Secretary responsible for finance, as required under Article 114 of the Constitution.

General Observations on Proposed Stakeholder Amendments

99. The Committee considered all proposed amendments submitted by stakeholders during the public participation process. Having done so, the Committee makes the following fundamental observations which apply uniformly to all proposed amendments:
- a) Upon careful consideration, the Committee observed that majority of the proposed amendments sought to reform the broader SEZ programme, extend incentives to sectors not contemplated by the Bill, introduce local content frameworks, address MSME participation, create new zone types unrelated to petroleum, and resolve structural issues that predate and are independent of the Lokichar Basin development objective.
 - b) Standing Order 133(5) prohibits amendments that go beyond the subject matter of a Bill or expand it unreasonably. While meritorious in their own right, the proposals fall outside the Bill's defined scope and their incorporation would constitute an unreasonable expansion contrary to Standing Order 133(5).
 - c) The Committee further noted that proposals with money Bill implications had not been accompanied by the recommendations of the Cabinet Secretary responsible for finance, as required under Article 114 of the Constitution.
 - d) The Committee recognised that several broader reform proposals, particularly those relating to incentive continuity on licence renewal, extension of fiscal corrections across all SEZ sectors, local content frameworks, and zone type rationalisation, raise legitimate policy concerns. It recommends that these be considered within the ongoing comprehensive review of the SEZ policy and legal framework by the Cabinet Secretary responsible for industrialisation, in consultation with SEZA and the National Treasury, informed by stakeholder submissions.
 - e) For the foregoing reasons, the Committee rejects all proposed stakeholder amendments. In the interim, the Bill maintains a focused and proportionate objective: to support investment in the petroleum sector through targeted interventions that address gaps in the existing SEZ framework without disrupting the broader architecture of the SEZ programme.

CHAPTER FIVE

5.0 COMMITTEE OBSERVATIONS

Having considered the Bill, the Committee made the following observations on the Special Economic Zones (Amendment) Bill (*National Assembly Bill No. 8 of 2026*):


1. The Special Economic Zones (Amendment) Bill, 2026 represents a timely and necessary intervention to strengthen Kenya's investment and industrialisation framework. The Bill seeks to address longstanding constraints in the SEZ regime, particularly in relation to regulatory inefficiencies, fragmented institutional coordination, and limited investor facilitation. By refining the mandate of the Special Economic Zones Authority and enhancing licensing, administration, and incentive structures, the proposed amendments provide a foundation for a more responsive and competitive SEZ ecosystem.
2. The Bill is premised on a resolution of both Houses of Parliament adopting the Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County, adopted on 25th February 2026.
3. The absence of an SEZ framework for petroleum has meant that companies cannot access the fiscal incentives in terms of duty exemptions on capital equipment, VAT zero-rating on inputs, reduced corporate tax rates that the SEZ regime offers. Every piece of drilling equipment, every tanker, every pumping unit imported for the Lokichar Basin development has been subject to standard import duty treatment. For a project of this capital intensity, the cumulative duty and tax burden on imports is material. Competitors in other jurisdictions have benefited from more tailored fiscal incentive frameworks for their petroleum sectors.

CHAPTER SIX

6.0 COMMITTEE RECOMMENDATION

The Committee having reviewed the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) recommends that the House **PASSES THE BILL WITHOUT AMENDMENTS.**

SIGNED.....  DATE 07/04/2026.....
HON. BERNARD MASAKA SHINALI, CBS, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 APR 2026 DAY: <u>Tuesday</u>	
TABLED BY:	<u>Hon. Bernard Shinali, MP</u>
CLERK-AT-THE-TABLE:	<u>A. Shibusko</u>

REFERENCES

1. Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.
2. [https://kenyalaw.org/kl/fileadmin/pdfdownloads/IncomeTaxAct\(Cap.470\).pdf](https://kenyalaw.org/kl/fileadmin/pdfdownloads/IncomeTaxAct(Cap.470).pdf)
3. <https://new.kenyalaw.org/akn/ke/act/2013/35/eng@2024-12-27accessedon19-03-2026>
4. <https://rwandalii.org/akn/rw/act/law/2011/5/eng@2011-03-30/source>
5. <https://www.investmalaysia.gov.my/media/r00jypsc/free-zones-act-1990.pdf>



THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

ADOPTION SCHEDULE

We, the undersigned Honorable Members of the Departmental Committee on Trade, Industry and Cooperatives today, **Saturday, 4th April 2026** do hereby affix our signatures to this **Report on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)** to affirm our approval and confirm its accuracy, validity and authenticity:

S/NO.	NAME	SIGNATURE
1.	Hon. Benard Masaka Shinali, CBS, MP - Chairperson	
2.	Hon. Marianne Jebet Kitany, MP - Vice-Chairperson	
3.	Hon. Adhe Wario Guyo, MP	
4.	Hon. Anthony Tom Oluoch, MP	
5.	Hon. (Dr.) Beatrice Kahai Adagala, MP	
6.	Hon. Joshua Mbithi Mutua Mwalyo, MP	
7.	Hon. Joyce Kamene, MP	
8.	Hon. Robert Githinji Gichimu, MP	
9.	Hon. (Dr.) Wilberforce Ojiambo Oundo, MP	
10.	Hon. Adams Korir Kipsanai, MP	
11.	Hon. Alfred Kiprono Mutai, MP	
12.	Hon. Amos Maina Mwago, MP	
13.	Hon. John Okano Bwire, MP	
14.	Hon. Samuel Sakimba Parashina, MP	
15.	Hon. Michael Wainaina Wambugu, MP	



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 25TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES HELD ON SATURDAY, 4TH APRIL
2026 IN AMBER CONFERENCE ROOM, GLEE NAIROBI HOTEL AT 10.00 A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Bernard Masaka Shinali, CBS, MP | - | Chairperson |
| 2. Hon. Marianne Jebet Kitany, MP | - | Vice-Chairperson |
| 3. Hon. (Dr.) Beatrice Kahai Adagala, MP | | |
| 4. Hon. Joshua Mbithi Mwalyo, MP | | |
| 5. Hon. Joyce Kamene, MP | | |
| 6. Hon. Robert Githinji Gichimu, MP | | |
| 7. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 8. Hon. Adams Korir Kipsanai, MP | | |
| 9. Hon. Samuel Sakimba Parashina, MP | | |
| 10. Hon. Michael Wainaina Wambugu, MP | | |

ABSENT WITH APOLOGY

1. Hon. Adhe Wario Guyo, MP
2. Hon. Anthony Tom Oluoch, MP
3. Hon. Alfred Kiprono Mutai MP
4. Hon. Amos Maina Mwago, MP
5. Hon. John Okano Bwire, MP

IN ATTENDANCE

A. COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|---------------------------------------|
| 1. Ms. Laureen Wesonga | - | Clerk Assistant I |
| 2. Ms. Carolyn Musyoka | - | Hansard Reporter II (Clerk Assistant) |
| 3. Ms. Doreen Karani | - | Principal Legal Counsel II |
| 4. Ms. Brigitta Mati | - | Senior Legal Counsel |
| 5. Ms. Priscilla Wangu | - | Fiscal Analyst I |
| 6. Ms. Nancy Chepkemoi | - | Legal Counsel II |
| 7. Ms. Priscilla Saidi | - | Research Officer III |
| 8. Ms. Maragaret Wainaina | - | Protocol Officer III |
| 9. Mr. Ambrose Nguti | - | Media Relations Officer III |
| 10. Ms. Peris Kaburi | - | Assistant Serjeant-at-Arms II |
| 11. Mr. Kelvin Lengasi | - | Audio Assistant II |
| 12. Ms. Moureen Kendi | - | Intern |

AGENDA

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Clause by Clause Consideration of the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)**
7. **Adoption of the Report on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)**
8. Any other Business
9. Adjournment/Date of the Next Sitting

MIN. NO. NA/DDC/TIC/2026/104: PRELIMINARIES/ADOPTION OF THE AGENDA

The meeting was called to order at quarter past to ten O'clock with prayer by Hon. Adams Korir Kipsanai, MP.

MIN. NO. NA/DDC/TIC/2026/105: CONFIRMATION OF MINUTES

This Agenda item was deferred.

MIN. NO. NA/DDC/TIC/2026/106: CLAUSE BY CLAUSE CONSIDERATION OF THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

Members deliberated and resolved as follows on the clauses of the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026):

1. Clause 1: Agreed to
2. Clause 2: Agreed to

Hon. Dr. Wilberforce Ojiambo Oundo, MP expressed his dissent on the decision of the Committee to adopt the definitions of midstream and upstream petroleum operations as proposed in the Bill. He observed that it would be proper to include midstream and upstream petroleum operations in the definition of industrial parks as proposed by the Special Economic Zones Authority.

3. Clause 3: Agreed to
4. Clause 4: Agreed to

Hon. Dr. Wilberforce Ojiambo Oundo, MP expressed his dissent on the decision of the Committee to adopt subclause (5A) as proposed in the Bill. He observed that it would be proper for all investors in the SEZ framework to be subject to the 10-year minimum licence duration and not just petroleum developers, operators and enterprises.

5. Clause 5: Agreed to
6. Clause 6: Agreed to

On paragraph 6(b) Hon. Dr. Wilberforce Ojiambo Oundo, MP dissented from the Committee's decision to adopt new section 29(3), which enables enterprise licensing for

midstream and upstream petroleum operations. In his opinion, this provision is conceptually flawed and inconsistent with the nature of upstream and midstream petroleum operations which are predominantly extractive, infrastructure-based and transportation-oriented and do not constitute “enterprise activity” in the traditional sense of the SEZ framework.

- 7. Clause 7: Agreed to
- 8. Clause 8: Agreed to

MIN. NO. NA/DDC/TIC/2026/107: ADOPTION OF THE REPORT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

The Report on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) was adopted having been proposed by Hon. Samuel Sakimba Parashina, MP and seconded by Hon. Adams Korir Kipsanai, MP.

MIN. NO. NA/DDC/TIC/2026/108: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at thirteen minutes past two O'clock. The next meeting will be held on Tuesday, 7th April 2026 at ten O'clock.

SIGNED:  DATE: 07/04/2026
HON. BERNARD MASAKA SHINALI, CBS, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 24TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY, 2ND APRIL
2026 IN AMBER CONFERENCE ROOM, GLEE NAIROBI HOTEL AT 3.15 P.M.**

PRESENT

1. Hon. Bernard Masaka Shinali, CBS, MP - **Chairperson**
2. Hon. Marianne Jebet Kitany, MP - **Vice-Chairperson**
3. Hon. (Dr.) Beatrice Kahai Adagala, MP
4. Hon. Joshua Mbithi Mwalyo, MP
5. Hon. Joyce Kamene, MP
6. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP
7. Hon. Adams Korir Kipsanai, MP
8. Hon. Samuel Sakimba Parashina, MP

ABSENT WITH APOLOGY

1. Hon. Adhe Wario Guyo, MP
2. Hon. Anthony Tom Oluoch, MP
3. Hon. Robert Githinji Gichimu, MP
4. Hon. Alfred Kiprono Mutai MP
5. Hon. John Okano Bwire, MP
6. Hon. Michael Wainaina Wambugu, MP
7. Hon. Amos Maina Mwago, MP

IN ATTENDANCE

A. COMMITTEE SECRETARIAT

1. Ms. Laureen Wesonga - Clerk Assistant I
2. Ms. Carolynne Musyoka - Hansard Reporter II (Clerk Assistant)
3. Ms. Doreen Karani - Principal Legal Counsel II
4. Ms. Brigitta Mati - Senior Legal Counsel
5. Ms. Priscilla Wangu - Fiscal Analyst I
6. Ms. Nancy Chepkemoi - Legal Counsel II
7. Ms. Priscilla Saidi - Research Officer III
8. Ms. Maragaret Wainaina - Protocol Officer III
9. Mr. Ambrose Nguti - Media Relations Officer III
10. Ms. Peris Kaburi - Assistant Serjeant-at-Arms II
11. Mr. Kelvin Lengasi - Audio Assistant II
12. Ms. Moureen Kendi - Intern

B. STAKEHOLDERS

1. Mr. Joseph Nguyo - Senior Deputy Secretary, SD for Investment Promotion
2. Ms. Rose Ngare - Senior State Counsel, SD for Investment Promotion
3. Mr. David Ontweka - Ag. Deputy Commissioner, KRA
4. Ms. May Muthama - Parliamentary Liaison Officer, KRA
5. Ms. Sarah Maina - Secretary Lands, SD for Lands & Physical Planning
6. Mr. Tom Abuta - DCSC, SD for Lands & Physical Planning
7. Mr. Paul Wanjama - Public Communications, SD for Lands

AGENDA

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Stakeholder Engagement on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)**
7. Any other Business
8. Adjournment/Date of the Next Sitting

MIN. NO. NA/DDC/TIC/2026/100: PRELIMINARIES/ADOPTION OF THE AGENDA

The meeting was called to order at twenty minutes to four O'clock with prayer by Hon. Samuel Sakimba Parashina, MP.

MIN. NO. NA/DDC/TIC/2026/101: CONFIRMATION OF MINUTES

This Agenda item was deferred.

MIN. NO. NA/DDC/TIC/2026/102: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

The Chairperson requested everyone present in the meeting to introduce themselves before inviting stakeholders to make their submissions on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026). The stakeholders submitted as follows:

I. State Department for Investment Promotion

Mr. Joseph Nguyo, Senior Deputy Secretary, informed the Committee that the State Departments supports all the amendments proposed in the Bill.

Deliberations

Currently, investors under the SEZ framework that are not compliant to the requirements are penalised. There are times when licences are revoked.

2. Kenya Revenue Authority (KRA)

Mr. David Ontweka, Ag. Deputy Commissioner submitted that companies should comply with registration under section 974 of the Companies Act to enable them obtain PINs for accounting of tax incentives.

3. State Department for Lands and Physical Planning

Ms. Sarah Maina, Secretary, Lands, informed the Committee that the State Department had reviewed the amendments proposed in the Bill and were in agreement with both form and content of the Bill.

MIN. NO. NA/DDC/TIC/2026/103: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at quarter past five O'clock. The next meeting will be held on Saturday, 4th April 2026 at ten O'clock.

SIGNED:  DATE: 07/04/2026
HON. BERNARD MASAKA SHINALI, CBS, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY
AND COOPERATIVES



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 23RD SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES HELD ON THURSDAY, 2ND APRIL
2026 IN AMBER CONFERENCE ROOM, GLEE NAIROBI HOTEL AT 9.30 A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Bernard Masaka Shinali, CBS, MP | - | Chairperson |
| 2. Hon. Marianne Jebet Kitany, MP | - | Vice-Chairperson |
| 3. Hon. (Dr.) Beatrice Kahai Adagala, MP | | |
| 4. Hon. Joshua Mbithi Mwalyo, MP | | |
| 5. Hon. Joyce Kamene, MP | | |
| 6. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 7. Hon. Adams Korir Kipsanai, MP | | |
| 8. Hon. Samuel Sakimba Parashina, MP | | |

ABSENT WITH APOLOGY

1. Hon. Adhe Wario Guyo, MP
2. Hon. Anthony Tom Oluoch, MP
3. Hon. Robert Githinji Gichimu, MP
4. Hon. Alfred Kiprono Mutai MP
5. Hon. John Okano Bwire, MP
6. Hon. Michael Wainaina Wambugu, MP
7. Hon. Amos Maina Mwago, MP

IN ATTENDANCE

A. COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|---------------------------------------|
| 1. Ms. Lauren Wesonga | - | Clerk Assistant I |
| 2. Ms. Carolyn Musyoka | - | Hansard Reporter II (Clerk Assistant) |
| 3. Ms. Doreen Karani | - | Principal Legal Counsel II |
| 4. Ms. Brigitta Mati | - | Senior Legal Counsel |
| 5. Ms. Priscilla Wangu | - | Fiscal Analyst I |
| 6. Ms. Nancy Chepkemioi | - | Legal Counsel II |
| 7. Ms. Priscilla Saidi | - | Research Officer III |
| 8. Ms. Maragaret Wainaina | - | Protocol Officer III |
| 9. Mr. Ambrose Nguti | - | Media Relations Officer III |
| 10. Ms. Peris Kaburi | - | Assistant Serjeant-at-Arms II |
| 11. Mr. Kelvin Lengasi | - | Audio Assistant II |
| 12. Ms. Moureen Kendi | - | Intern |

B. STAKEHOLDERS

1. Mr. David Ong'ane	-	Director Compliance, NEMA
2. Mr. Mwendia Nyaga	-	Director, OGCA-K
3. Ms. Lynette Nyagah	-	Project Manager, OGCA-K
4. Ms. Wanjiku Manyara	-	General Manager, PIEA
5. Ms. Ayuma Likhanga	-	Business Analyst, PIEA
6. Eng. Elizabeth Rogo	-	CEO, Tsavo Oilfield Services
7. Mr. John Njogu	-	CEO, POAK
8. Mr. Peter Mecha	-	Member, POAK
9. Ms. Everlyne Muge	-	General Manager, POAK
10. Mr. Paul Limo	-	Group CEO, Gulf Energy
11. Mr. Frankline Juma	-	Country Manager, Gulf Energy
12. Ms. Sandra Gikundi	-	Corporate Affairs and Brand Lead, Gulf Energy
13. Mr. Edward Kasaine	-	General Counsel, Gulf Energy
14. Mr. Paul Sila	-	Group CFO, Gulf Energy
15. Dr. Kenneth Chelule	-	CEO, SEZA
16. Mr. Ibrahim Issack	-	Manager Licensing, SEZA
17. Ms. Daisy Ajima	-	Director Legal, SEZA
18. Mr. Francis Gitau	-	Manager S & C, SEZA
19. Ms. Mary Siyiapei	-	Intern, SEZA
20. Ms. Anne Mubia-Murungi	-	Partner, Viva Consulting
21. Ms. Christine Nkatha	-	Consultant, Viva Consulting

AGENDA

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Stakeholder Engagement on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)**
7. Any other Business
8. Adjournment/Date of the Next Sitting

MIN. NO. NA/DDC/TIC/2026/96: PRELIMINARIES/ADOPTION OF THE AGENDA

The meeting was called to order at eleven minutes to ten O'clock with prayer by Hon. Marianne Jebet Kitany, MP.

MIN. NO. NA/DDC/TIC/2026/97: CONFIRMATION OF MINUTES

This Agenda item was deferred.

MIN. NO. NA/DDC/TIC/2026/98: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

The Chairperson requested everyone present in the meeting to introduce themselves before inviting stakeholders to make their submissions on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026). The stakeholders submitted as follows:

1. National Environment Management Authority (NEMA)

Mr. David Ong'are, Director of Compliance informed the Committee that NEMA supports the Bill subject to strict adherence to the environmental safeguard framework established under EMCA. He reiterated that all developments under SEZs are subject to rigorous environmental assessment, monitoring, and enforcement.

2. Oil and Gas Contractors Association of Kenya (OGCA-K)

Mr. Mwendia Nyaga, Director at OGCA-K submitted that OGCA-K supports the amendments proposed in the Bill. He proposed that the Bill be amended to widen parameters of SEZs to incorporate regions where midstream and upstream petroleum sector operations in Kenya are conducted.

Deliberations

- a) 10 years is very short because oil extraction takes a long period of time. The first 10 years are for exploration and appraisal, development is then done before production begins.
- b) Minimum investments in oil extraction activities may cost close to USD 1 billion.

3. Petroleum Institute of East Africa (PIEA)

The General Manager, Ms. Wanjiku Manyara submitted that the Bill should be amended to expand the scope of SEZs to include areas where midstream and upstream petroleum operations are being carried out.

Deliberations

Incorporating midstream and upstream petroleum operations in the SEZ framework will provide a predictable legal environment and investor protection as investors will be able to know the period within which to expect their return on investment.

4. Tsavo Oilfied Services

Eng. Elizabeth Rogo, Founder and CEO proposed that the Bill be amended to: expand the concept of petroleum-related SEZ activities to include the full services ecosystem; require a local content and Kenyan participation plan; add safeguards to the broader eligibility language; tie the ten-year licence period to performance review; protect independent enterprises from discriminatory treatment; require reporting on fiscal incentives and economic outcomes; and provide for county and host-area consultation.

5. Petroleum Outlets Association of Kenya (POAK)

The CEO and National Coordinator, Mr. John Njogu proposed the following amendments to the Bill: amend section 29 of the Act to provide that fiscal incentives given to licenced petroleum SEZ enterprises shall remain unchanged for the duration of the initial licence period, notwithstanding changes in the ITA and VAT Act; introduce a "Local Sourcing Preference" clause in Regulations; and provide for a joint audit framework between SEZA, KRA and EPRA.

Deliberations

- a) 20,000 barrels of oil will be extracted per day which is too little to be transported by the pipeline hence the transportation by trucks.
- b) Setting up a refinery requires about USD 4 billion hence doesn't make financial sense to refine 20,000 barrels locally.

6. Gulf Energy

Mr. Paul Limo, Group CEO informed the Committee that Gulf Energy supports all amendments proposed in the Bill because they reinforce the National Investment Policy 2019 with regard to predictable incentives and simplified licencing; Vision 2030 with regard to manufacturing-led growth, logistics expansion and energy security; and Kenya's industrialisation and regional competitiveness objectives.

Deliberations

- a) 20,000 barrels are not enough to recover their investment in the first few years. The incentives will reduce the cost of investment hence a shorter time to recover their investment.
- b) They will appreciate if the licence period is increased to twenty-five (25) years.
- c) Gulf Energy is registered in Kenya as a branch and incorporated in Netherlands. The ultimate beneficial owners are in Kenya.
- d) Tullow experienced financial and governance challenges hence the exit from Kenya.
- e) Gulf Energy will subcontract the transportation business to Kenyan companies.

7. Special Economic Zones Authority (SEZA)

The CEO, Dr. Kenneth Chelule proposed the following amendments to the Bill: Amend definition of "industrial parks" to include "upstream petroleum operations and midstream petroleum operations"; maintain definition of upstream and downstream petroleum operations as provided in the Petroleum Act; delete clause 3; allow 10-year licence to all industrial park SEZ developers, operators and enterprises; substitute annual audit fees with licence fees; insert provision for penalty to a developer, operator or enterprise that fails to pay the prescribed annual fees within sixty days; and provide for suspension of a license for an enterprise or developer that violates the SEZ Act or the East African Community Customs Management Act, 2004 or any other applicable law.

MIN. NO. NA/DDC/TIC/2026/99: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty-four minutes to three O'clock. The next meeting will be held at quarter past three O'clock.

SIGNED:  DATE: 07/04/2026

HON. BERNARD MASAKA SHINALI, CBS, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 21ST SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES HELD ON WEDNESDAY, 1ST
APRIL 2026 IN AMBER CONFERENCE ROOM, GLEE NAIROBI HOTEL AT 9.00
A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Bernard Masaka Shinali, CBS, MP | - | Chairperson |
| 2. Hon. Marianne Jebet Kitany, MP | - | Vice-Chairperson |
| 3. Hon. (Dr.) Beatrice Kahai Adagala, MP | | |
| 4. Hon. Joshua Mbithi Mwalyo, MP | | |
| 5. Hon. Joyce Kamene, MP | | |
| 6. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 7. Hon. Adams Korir Kipsanai, MP | | |
| 8. Hon. Samuel Sakimba Parashina, MP | | |

ABSENT WITH APOLOGY

1. Hon. Adhe Wario Guyo, MP
2. Hon. Anthony Tom Oluoch, MP
3. Hon. Robert Githinji Gichimu, MP
4. Hon. Alfred Kiprono Mutai MP
5. Hon. John Okano Bwire, MP
6. Hon. Michael Wainaina Wambugu, MP
7. Hon. Amos Maina Mwago, MP

IN ATTENDANCE

A. COMMITTEE SECRETARIAT

- | | | |
|---------------------------|---|---------------------------------------|
| 1. Ms. Lauren Wesonga | - | Clerk Assistant I |
| 2. Ms. Carolyn Musyoka | - | Hansard Reporter II (Clerk Assistant) |
| 3. Ms. Doreen Karani | - | Principal Legal Counsel II |
| 4. Ms. Brigitta Mati | - | Senior Legal Counsel |
| 5. Ms. Priscilla Wangu | - | Fiscal Analyst I |
| 6. Ms. Nancy Chepkemioi | - | Legal Counsel II |
| 7. Ms. Priscilla Saidi | - | Research Officer III |
| 8. Ms. Maragaret Wainaina | - | Protocol Officer III |
| 9. Mr. Ambrose Nguti | - | Media Relations Officer III |
| 10. Ms. Peris Kaburi | - | Assistant Serjeant-at-Arms II |
| 11. Mr. Kelvin Lengasi | - | Audio Assistant II |
| 12. Ms. Moureen Kendi | - | Intern |

B. STAKEHOLDERS

1. Ms. Anne Mubia-Murungi - Partner, Viva Africa Consulting LLP
2. Ms. Christine Nkatha - Consultant, Viva Africa Consulting LLP
3. Mr. Dennis Chiruba - Anjarwalla and Khanna LLP
4. Ms. Cindy Modure - Anjarwalla and Khanna LLP
5. Mr. Caleb Weiriko - Anjarwalla and Khanna LLP
6. Mr. Phillip Nderitu - CEO, Association for ASEZs
7. Mr. Solomon Mahinda - Vice Chairman, Association of ASEZs
8. Mr. Thomas Mwaengo - Head of SEZ Operations, Tatu City
9. Mr. Emmanuel Otieno - Manager, KEPSA
10. Ms. Patience Karanja - Public Policy Development Officer, KEPSA
11. Mr. Ferdinand Musungu - Communications Officer, KEPSA
12. Mr. Brian Mwau - Head of Business Development, TRIFIC SEZ
13. Ms. Magda Baghazal - BD/Marketing TRIFIC SEZ
14. Mr. Walter Kamau - Head of Trade Policy, KAM
15. Ms. Ruth Lemlem - Legal Officer, KAM
16. Mr. Malcolm Mwangi - Legal Officer, KAM

AGENDA

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Stakeholder Engagement on the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)**
7. Any other Business
8. Adjournment/Date of the Next Sitting

MIN. NO. NA/DDC/TIC/2026/88: PRELIMINARIES/ADOPTION OF THE AGENDA

The meeting was called to order at twenty-seven minutes past nine O'clock with prayer by Hon. Marianne Jebet Kitany, MP.

The Programme of the retreat was adopted having been proposed by Hon. Dr. Wilberforce Ojiambo Oundo, MP and seconded by Hon. Samuel Sakimba Parashina, MP.

MIN. NO. NA/DDC/TIC/2026/89: CONFIRMATION OF MINUTES

This Agenda item was deferred.

MIN. NO. NA/DDC/TIC/2026/90: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

The Chairperson requested everyone present in the meeting to introduce themselves before inviting the stakeholders to make their submissions. The stakeholders submitted as follows on the SEZ (Amendment) Bill (National Assembly Bill No. 8 of 2026):

1. Viva Africa Consulting LLP

Ms. Anne Mubia-Murungi, a Partner at Viva Africa LLP informed the Committee that the Company supports the amendments proposed to the SEZ framework as they present a positive step towards strengthening Kenya's investment environment. The amendments will enhance attractiveness and operational efficiency of the SEZ regime and provide clarity for investors undertaking large scale projects. They proposed the following amendments to the Bill:

- a) provide for the ten-year licensing of all companies under the SEZ regime and not just to developers, operators or enterprises undertaking activities in zones designated for midstream or upstream petroleum operations.
- b) other companies under the SEZ regime should be allowed to apply for enterprise licenses and not just developers or operators undertaking midstream or upstream petroleum operations.

2. Anjarwalla and Khanna LLP

Mr. Dennis Chiruba proposed that that the Bill be amended as follows:

- a) to provide for the ten-year licensing of all companies under the SEZ regime and not just to developers, operators or enterprises undertaking activities in zones designated for midstream or upstream petroleum operations.
- b) the operating license of a company should not be suspended without giving the company a fair hearing.
- c) clause 7 should be amended to provide for upstream and midstream petroleum operation zones instead of oil and gas zones.
- d) all companies under the SEZ and EPZ regime should be exempted from RDL and not just those undertaking activities in zones designated for midstream and upstream petroleum operations.

3. Association of Special Economic Zones (ASEZ)

Mr. Phillip Nderitu, CEO of ASEZ proposed the following amendments to the Bill:

- a) the definition of "midstream petroleum" be amended by deleting the words "transportation and storage" to avoid designating existing standalone transportation and storage facilities which delays collection of revenue by the Government.
- b) paragraph 4(d) of the Bill be deleted because it is covered under the new subclause 5A.
- c) new subclause 5A be amended by providing that all companies under the SEZ regime benefit from the 10-year licensing.
- d) new subclause 5B be amended by deleting the words, "terms and conditions of license as the Authority may prescribe" and substituting with the words, "terms and conditions of the license".
- e) new subclause 5A be amended by deleting the words, "and the developer, operator or enterprise shall pay such annual audit fees to the Authority as may be prescribed" because audit fees should be part of operational costs for the Authority and not unpredictable expenses to investors.
- f) incentives under the Miscellaneous Fees and Levies Act should apply to all companies under the SEZ regime.

- g) new amendments to section 24 of the Act to give developers rights to develop housing for staff with fiscal benefits and introducing a 2.5% surcharge at sale to the customs territory.
- h) new amendments to section 35 of the Act to provide that where goods are removed from a zone to a domestic market, any standards related levy shall be assessed only on the value of domestic sales and not on the annual turnover. They further proposed deletion of subsection 35(5) of the Act.

4. Kenya Private Sector Alliance (KEPSA)

Mr. Emmanuel Otieno, a Manager at KEPSA supported the amendments proposed in the Bill. Clause 4 should be amended because there may be delays and cost hurdles on the conducting of audits by the Authority. This may make the environment uncondusive to investors.

5. TRIFIC Special Economic Zone

Mr. Brian Mwau, Head of Business Development submitted that the focus of the Bill should not only be on the oil and gas sector. He proposed the following amendments to the Bill:

- a) The 10-year license period is discriminatory if it does not include other sectors in the SEZ regime.
- b) Investors should be allowed to operate in the country without being incorporated in Kenya to encourage investment in the country.

6. Kenya Association of Manufacturers (KAM)

The Head of Trade Policy, Mr. Walter Kamau, proposed the following amendments to the Bill:

- a) Amend definitions of midstream and upstream by replicating definitions the Petroleum Act or adopting definitions limited to the scope relevant to the Bill to avoid overreach.
- b) The 10-year license should apply to all companies under the SEZ regime.
- c) Amend paragraph 4(b) to allow the CS National Treasury and Economic Planning to have powers to provide exemptions and other incentives to oil and gas operators and developers.
- d) Delete clause 5 because mandating all companies to be incorporated in Kenya will enhance regulatory oversight and accountability and protects government revenue as locally incorporated companies pay various taxes.
- e) Delete paragraph 6(a) because Kenyan taxpayers will provide extensive incentives to foreign companies that do not have any tax obligations in Kenya.
- f) Amend clause 8 to restrict provision to oil and gas operators, allow residents to benefit from the exemption and allow the CS National Treasury and Economic Planning power to include other sectors in the exemption on a case-by-case basis.
- g) Insert a new clause to maintain the legal and territorial integrity of SEZs as foreign customs territory.
- h) Insert a new clause providing that customs and duties payable by goods from SEZs be less of local content to encourage integration between the domestic market and SEZs/EPZs.

MIN. NO. NA/DDC/TIC/2026/91:

ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at twenty-seven minutes to two O'clock. The next meeting will be held at half past two O'clock.

SIGNED:  DATE: 07/04/2026

**HON. BERNARD MASAKA SHINALI, CBS, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY
AND COOPERATIVES**



REPUBLIC OF KENYA

13TH PARLIAMENT – FIFTH SESSION (2026)
THE NATIONAL ASSEMBLY

IN THE MATTER OF ARTICLE 118(1) (b) OF THE CONSTITUTION
AND
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF
THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL
(NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution of Kenya requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees, and National Assembly Standing Order 127(3) requires House Committees considering Bills to facilitate public participation;

AND WHEREAS, the **Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)** was read a First Time on 12th March 2026 and referred to the **Departmental Committee on Trade, Industry and Cooperatives** for consideration and reporting to the House;

IT IS NOTIFIED that the **Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026)** is a Bill sponsored by the **Leader of the Majority Party** which seeks to—

- (1) Implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County* on 25th March 2026. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin;
- (2) Amend the Special Economic Zones Act, Cap. 517A to—
 - (a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
 - (b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
 - (c) expand the scope of SEZs to include oil and gas sector activities;
 - (d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
 - (e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones; and
- (3) Make consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

NOW THEREFORE, in compliance with Article 118(1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the Bill to the **Departmental Committee on Trade, Industry and Cooperatives**.

Copies of the Bill are available at the National Assembly Table Office, Main Parliament Buildings and on

www.parliament.go.ke/the-national-assembly/house-business/bills.

The memoranda may be forwarded to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi**; hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi**; or emailed to cna@parliament.go.ke to be received on or before **Wednesday, 25th March 2026 at 5.00 p.m.**

S. NJORGE, CBS
CLERK OF THE NATIONAL ASSEMBLY

16th March 2026



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/010

25th March, 2026

Mr. Benson Ndung'u

Chief Executive Officer/Senior Partner
KPMG East Africa
8th Floor, ABC Towers
Waiyaki Way

NAIROBI

info@kpmg.co.ke/pnjoga@kpmg.co.ke

Mr. Karim Anjarwalla

Senior Partner
ALN Kenya/Anjarwalla & Khanna
ALN House, Eldama Ravine Close
Off Eldama Ravine Road

NAIROBI

karim.anjarwalla@aln.africa

Mr. Kang'e Saiti

Chief Executive Officer
PricewaterhouseCoopers (PWC)
PWC Tower, Waiyaki Way
Westlands

NAIROBI

edna.gitachu@pwc.com

Ms. Nancy Mweru Muhoya

Cluster Leader
Ernst & Young East Africa (EY)
Kenya Re Towers
Off Ragati Road

NAIROBI

✓ **Mr. Tobias Alando**

Chief Executive Officer
Kenya Association of Manufacturers
15 Mwanzi Road, Opp Westgate Mall
Westlands

NAIROBI

info@kam.co.ke

Ms. Anne Muraya

Chief Executive Officer
Deloitte East Africa
Deloitte Place, Parklands/Highridge
Waiyaki Way

NAIROBI

admin@deloitte.co.ke

Mr. Ahmed Farah, HSC

Chief Executive Officer
Kenya National Chamber of
Commerce and Industry
2nd Floor, Telkom Plaza-Orange House
Ralph Bunche Road

NAIROBI

info@kenyachamber.or.ke

Ms. Florence W. Muturi

Chief Executive Officer
Law Society of Kenya (LSK)
Gitanga Road
Lavington

NAIROBI

lsk@lsk.or.ke

CPA Dr. Grace Kamau

Chief Executive Officer

Institute of Certified Public Accountants of Kenya

CPA Centre, Ruaraka

Thika Road

NAIROBI

icpak@icpak.com

Dear *Sir,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

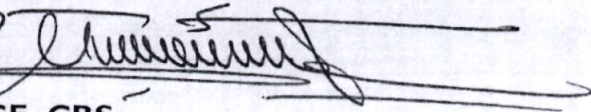
In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

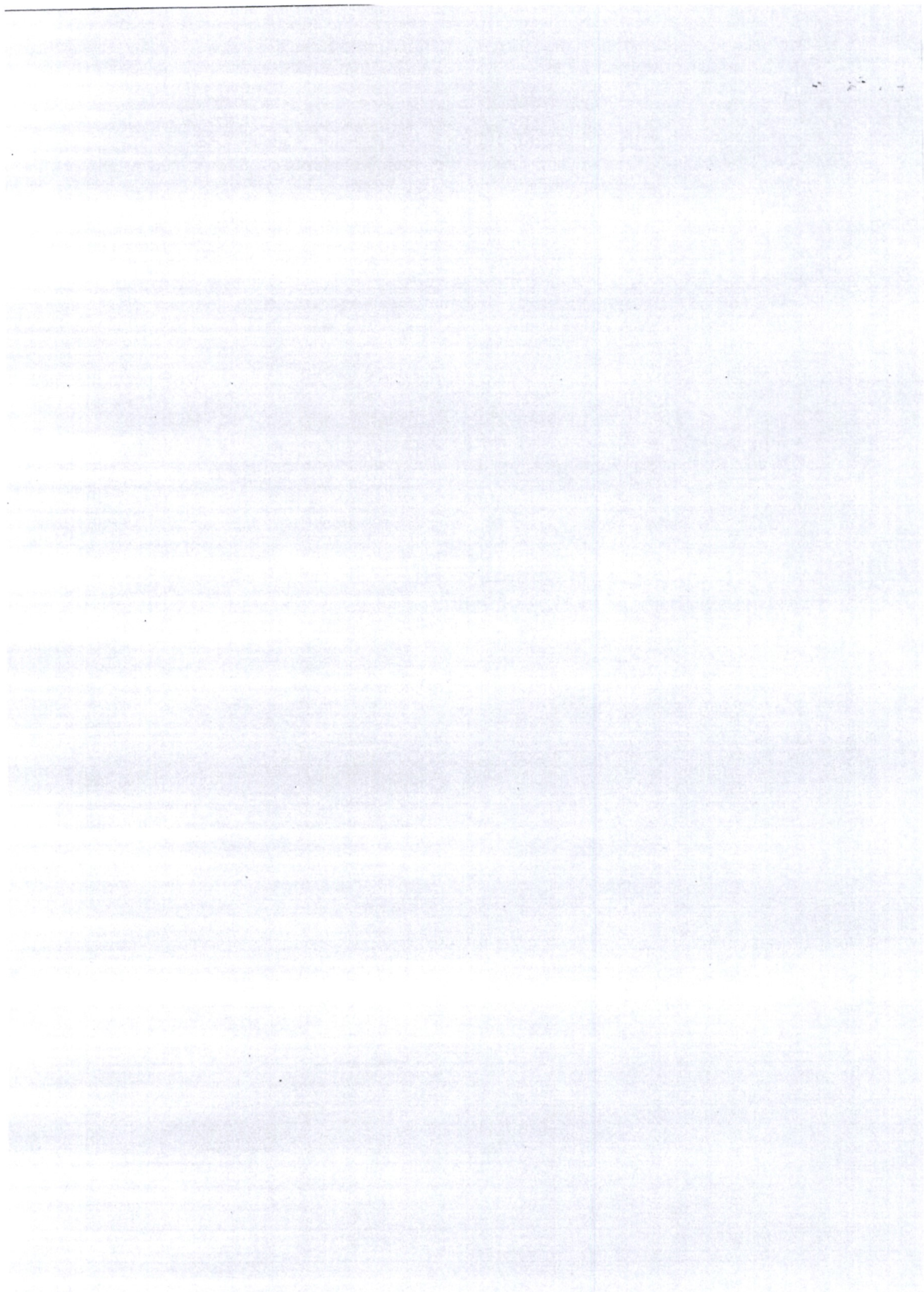
The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours

Sincerely,



SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY





**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/011

24th March, 2026

Mr. Davis Malombe
Executive Director
Kenya Human Rights Commission
849 Amboseli Road
Opp Gracefield Kindergarten
NAIROBI
admin@khrc.or.ke

Ms. Dorothy Asuza
Chief Executive Officer
The Green Belt Movement
Adams Arcade, Kilimani Road
Off Elgeyo Marakwet Road
NAIROBI
gbm@greenbeltmovement.org

✓ **Dr. Paul Matiku**
Executive Director/CEO
Nature Kenya
National Museum of Kenya
Museum Hill
NAIROBI
office@naturekenya.org

Ms. Nora Mbagathi
Executive Director
Katiba Institute
House No. 5, the Crescent
Off Parklands Road
NAIROBI
info@katibainstitute.org

Mr. Kwame Owino
Chief Executive Officer
Institute for Economic Affairs (IEA)
5th Floor, ACK Garden House
1st Ngong Avenue
NAIROBI
admin@ieakenya.or.ke

Dear *Dr. Mutuku,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

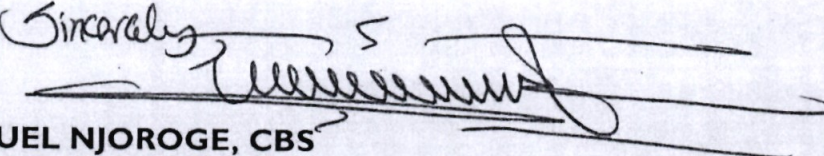
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

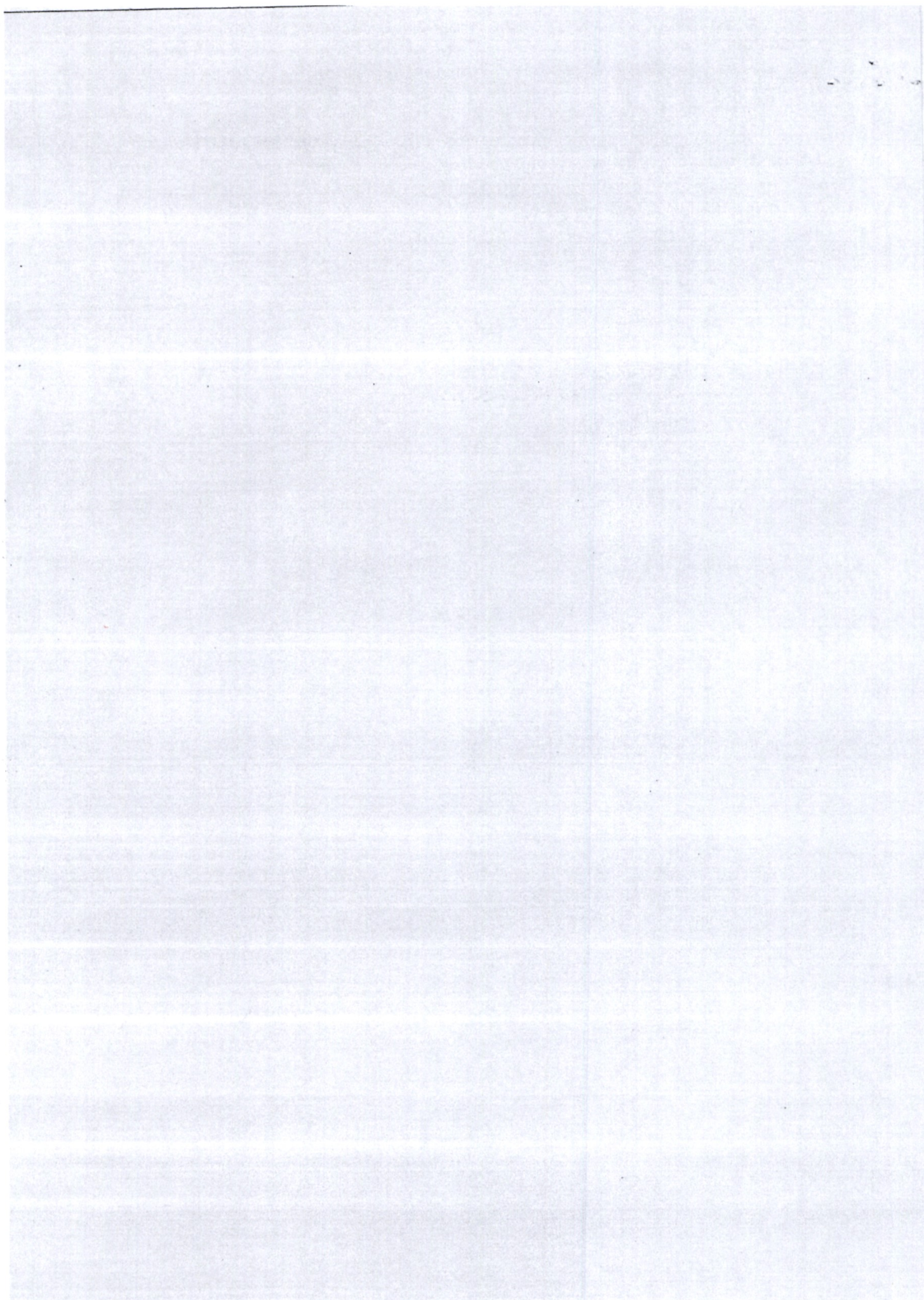
You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours



SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY





**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/012

24th March, 2026

Mr. Joe K. Sang
Managing Director
Kenya Pipeline Company (KPC)
Kenpipe Plaza, Sekondi Road
Off Nanyuki Road, Industrial Area
NAIROBI
info@kpc.co.ke

Mr. Duncan Waziri
Ag. Chief Executive Officer
National Oil Corporation of Kenya
Kawi House, South C, Popo Lane
Off Red Cross Road
NAIROBI
ceo@nockenya.co.ke

Mr. Francis Njogu
Chief Executive Officer
Gulf Energy Limited
105 Manyani East Road
NAIROBI
info@gulfenergy.co.ke

Mr. Joel Kamau
Chief Executive Officer
Petroleum Institute of East Africa (PIEA)
Bruce House, Standard Street
NAIROBI
admin@petroleum.co.ke

Ms. Elizabeth Rogo
Chief Executive Officer
Tsavo Oilfield Services
Tsavo House, Riara Close
Off Riara Road
NAIROBI
info@tsavooilfieldservices.com

✓ **Mr. Abdihakim Ibrahim**
Chief Executive Officer
Texas Energy Limited
13th Floor, Barclays Plaza
Loita Street
NAIROBI
info@texasenergy.co.ke

Ms. Michelle Mwambela
Chief Executive Officer
Association for Women in Energy
and Extractives in Kenya
Madini House, Industrial Area
NAIROBI
admin@aweik.or.ke

Mr. John Njogu
Chief Executive Officer
Petroleum Outlets Association of Kenya
Lunga Lunga Square
Lunga Lunga Road, Industrial Area
NAIROBI
office@poak.co.ke

Dear Sir,

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (copy attached).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

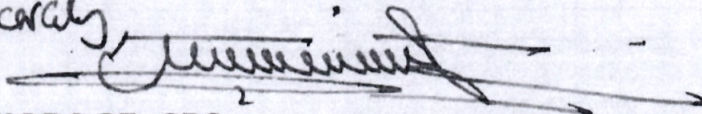
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118(1)(b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Thursday, 2nd April, 2026** at a venue to be communicated as per the attached programme.

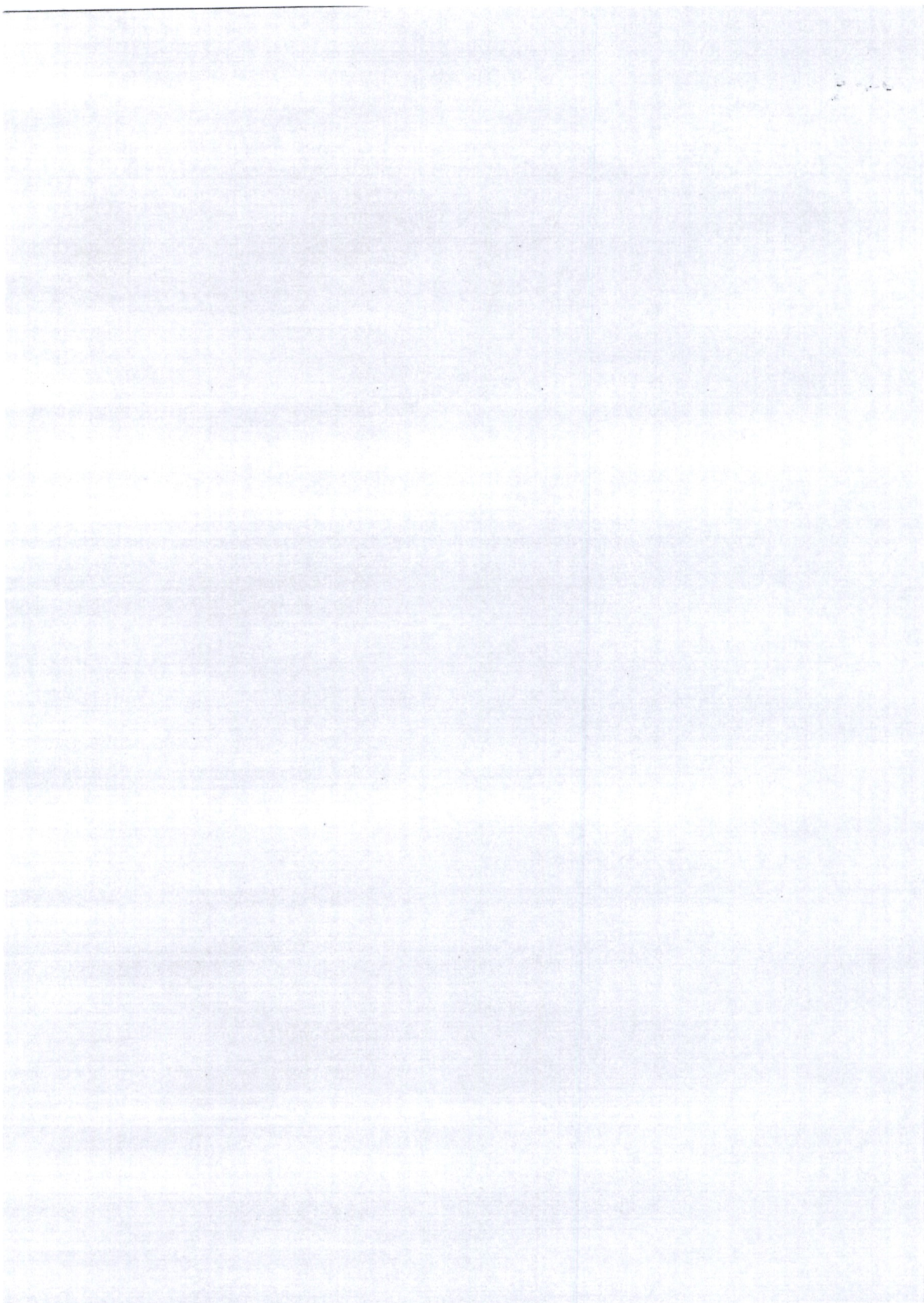
You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours Sincerely,



SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY





**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/013

25th March, 2026

Ms. Mary Mwiti

Chief Executive Officer/Senior Partner
The Council of Governors
2nd Floor, Delta Corner, Off Waiyaki Way
Westlands
NAIROBI
info@cog.go.ke

Dear *Nalam,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

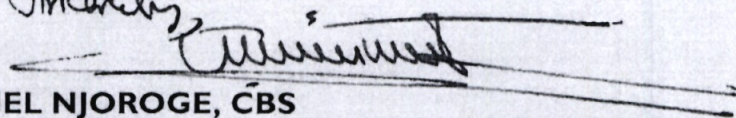
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours

Sincerely,


SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842 - 00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 Ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/014

25th March, 2026

Dr. Mamo Boru Mamo, PhD, EBS
Director General
National Environmental
Management Authority
Popo Road, South C
Off Mombasa Road
NAIROBI
info@nema.go.ke

Ms. Kabale Tache Arero, MBS
Chief Executive Officer
National Lands Commission (NLC)
316 Upper Hill Chambers
2nd Ngong Avenue, Off Ngong Road
NAIROBI
info@landcommission.go.ke

Mr. Kenneth Chelule, EBS
Chief Executive Officer
Special Economic Zones Authority (SEZA)
8th Floor, UAP Old Mutual Tower
Upper Hill Road
NAIROBI
info@sezauthority.go.ke

Dear *Nalam,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

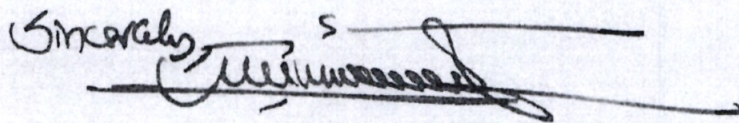
- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Thursday, 2nd April, 2026** at a venue to be communicated later, as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Lauren Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours *Sincerely,* 

SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842 - 00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 Ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026 (015)

25th March, 2026

Dr. Chris Kiptoo, PhD, CBS

Principal Secretary
The National Treasury
The National Treasury & Economic Planning
Treasury Building
Harambee Avenue
NAIROBI

Mr. Abubakar Hassan Abubakar

Principal Secretary
State Department for Investment Promotion
Ministry of Investments, Trade & Industry
17th Floor, Block A
NSSF Building
NAIROBI

Hon Generali Nixon Korir, CBS

Principal Secretary
State Department for Lands
& Physical Planning
Ministry of Lands, Public Works
& Urban Development
Ardhi House
1st Ngong Road Avenue
NAIROBI

Hon. Shadrack J. Mose, CBS

Solicitor General
Office of the Attorney General/
State Law Office &
State Department for Justice
Sheria House
Harambee Avenue
NAIROBI

Dr. (Eng.) Festus K. Ngeno, PhD, CBS

Principal Secretary
State Department for Environment
& Climate Change
Ministry of Environment, Climate
Change & Forestry
NHIF Building, Ragati Road, Upper Hill
NAIROBI

Mr. Mohamed Liban, CBS

Principal Secretary
State Department for Petroleum
Ministry of Energy & Petroleum
4th Floor, Block A
Kawi House
Popo Road, South C
NAIROBI

Mr. Humphrey Wattanga Mulongo

Commissioner General
Kenya Revenue Authority
Times Tower Building
Haile Selassie Avenue
NAIROBI

Mr. Daniel Kiptoo Bargoria, OGW

Director General
Energy & Petroleum Regulatory Authority
Eagle Africa Centre
Longonot Road, Upper Hill
NAIROBI

Dear *Hon. Wabiri,*

RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

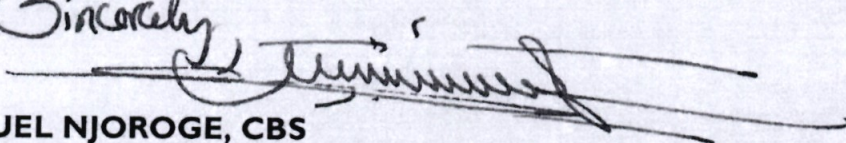
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Thursday, 2nd April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours

Sincerely


SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY

Copy to:

Hon. FCPA John Mbadi Ng'ong'o, EGH

Cabinet Secretary
The National Treasury and
Economic Planning
Treasury Building
Harambee Avenue
NAIROBI

Hon. Alice M. Wahome, EGH

Cabinet Secretary
Ministry of Lands, Public Works,
Housing and Urban Development
Ardhi House
1st Ngong Road Avenue
NAIROBI

Hon. Lee Kinyanjui

Cabinet Secretary
Ministry of Investments,
Trade and Industry
17th Floor, Block A
NSSF Building, Bishops Road
NAIROBI

Dr. Deborah Mulongo Barasa

Cabinet Secretary
Ministry of Environment,
Climate Change & Forestry
NHIF Building
Ragati Road, Upper Hill
NAIROBI

Hon. James Opiyo Wandayi, EGH

Cabinet Secretary
Ministry of Energy and Petroleum
Kawi House
Popo Road, South C
NAIROBI

CPA Dr. Aurelia Rono, CBS

Principal Secretary
State Department for Parliamentary
Parliamentary Affairs
Office of the Prime Cabinet Secretary
Kenya Railways, Haile Selassie Avenue
NAIROBI

100



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842 - 00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 Ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote:

Ref: NA/DDC/TIC/2026 (016)

25th March, 2026

Ms. Carole Kariuki
Chief Executive Officer
Kenya Private Sector Alliance (KEPSA)
7th Floor, South Tower
Two Rivers Mall
NAIROBI
info@kepsa.or.ke

Dear *Madam,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

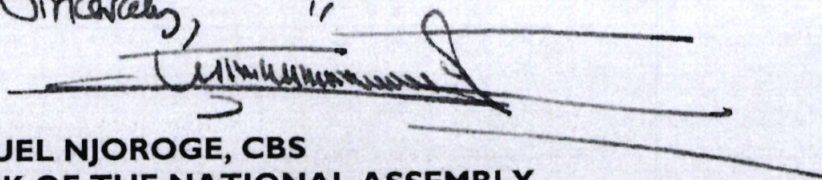
In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours

Sincerely,



SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842 - 00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 Ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote:

Ref: NA/DDC/TIC/2026 (017)

25th March, 2026

Mr. Kairo Thuo
Managing Partner
Viva Consulting LLP
3rd Floor, Kiganjo House
Dennis Pritt Road
NAIROBI
info@vivaafricallp.com

Dear *Sir,*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES TO DISCUSS THE
SPECIAL ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

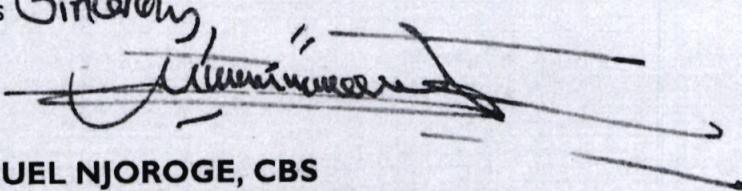
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours

Sincerely,


SAMUEL NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/019

27th March, 2026

Mr. David Langat
Chairman
Association of Special Economic Zones (ASEZ)
Tatu City, Off Ruiru-Kamiti Road
NAIROBI
info@KenyaZones.org

Dear *Mr. Langat*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON TRADE,
INDUSTRY AND COOPERATIVES TO DISCUSS THE SPECIAL
ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY
BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.

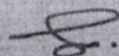
The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Wednesday, 1st April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Lauren Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: lauren.wesonga@parliament.go.ke.

Yours



JEREMIAH W. NDOMBI, MBS
For: CLERK OF THE NATIONAL ASSEMBLY



**THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK**

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

Ref: NA/DDC/TIC/2026/020

27th March, 2026

Mr. James Mbote
Chairman
Oil and Gas Contractors
Association of Kenya (OGC-K)
Suite 2C, Commodore Office Suites
Kindaruma Road, Kilimani
NAIROBI
jmbote@omlafricalogistics.com

Dear *Mr Mbote*

**RE: MEETING WITH THE DEPARTMENTAL COMMITTEE ON TRADE,
INDUSTRY AND COOPERATIVES TO DISCUSS THE SPECIAL
ECONOMIC ZONES (AMENDMENT) BILL (NATIONAL ASSEMBLY
BILL NO. 8 OF 2026)**

The Departmental Committee on Trade, Industry and Cooperatives is established pursuant to Standing Order 216 of the National Assembly Standing Orders, and mandated *inter alia* 'to study and review all the legislation referred to it'.

Pursuant to the cited mandate, the Committee is in the process of considering the Special Economic Zones (Amendment) Bill (National Assembly Bill No. 8 of 2026) (*copy attached*).

The Bill seeks to implement the resolutions made by the Houses of Parliament upon consideration and adoption of the *Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County*. The Report recommended the need to extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations. To actualise the resolutions by Parliament, it has become necessary for the National Assembly to formulate a legal framework to address identifiable gaps in the prevailing legal framework, and thereby facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill also seeks to amend the Special Economic Zones Act, Cap. 517A to—

- a) strengthen the Special Economic Zones (SEZs) framework and align it with the operational requirements of large-scale capital investments, including in midstream and upstream petroleum operations;
- b) facilitate strategic investments in midstream and upstream petroleum by ensuring that the SEZ regime accommodates the structure and operational needs of capital-intensive projects;
- c) expand the scope of SEZs to include oil and gas sector activities;
- d) allow SEZ developers and operators in oil and gas zones to undertake enterprise activities within the SEZ; and
- e) harmonise tax incentives applicable to SEZ entities undertaking activities in oil and gas zones.


The Bill further makes consequential amendments to the Miscellaneous Fees and Levies Act, Cap. 469C, the Income Tax Act, Cap. 470, and the Value Added Tax Act, Cap. 476 to align the fiscal incentives available under those laws with the proposed amendments to the SEZ framework.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127 (3) of the National Assembly Standing Orders, the Committee invites you for a meeting to discuss the said Bill. The meeting will be held on **Thursday, 2nd April, 2026** at a venue to be communicated as per the attached programme.

You are requested to submit electronic copies of your submissions to the Committee through the Office of the Clerk of the National Assembly via email address cna@parliament.go.ke by **Tuesday, 31st March, 2026** and provide twenty (20) hard copies of the submissions during the meeting.

The liaison officers for this meeting are **Mr. Benjamin Magut, Head of Department (Economic Sector)** who may be contacted on tel. no. **0712974966** or email address: benjamin.magut@parliament.go.ke and **Ms. Laureen Wesonga, Clerk Assistant I** who may be contacted on tel. no. **0710820442** or email address: laureen.wesonga@parliament.go.ke.

Yours



JEREMIAH W. NDOMBI, MBS
For: CLERK OF THE NATIONAL ASSEMBLY

SPECIAL ISSUE

Kenya Gazette Supplement No. 53 (National Assembly Bills No. 8)



REPUBLIC OF KENYA

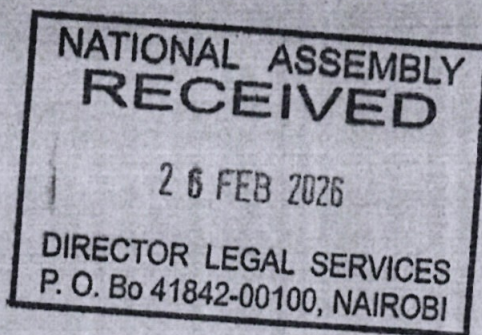
KENYA GAZETTE SUPPLEMENT

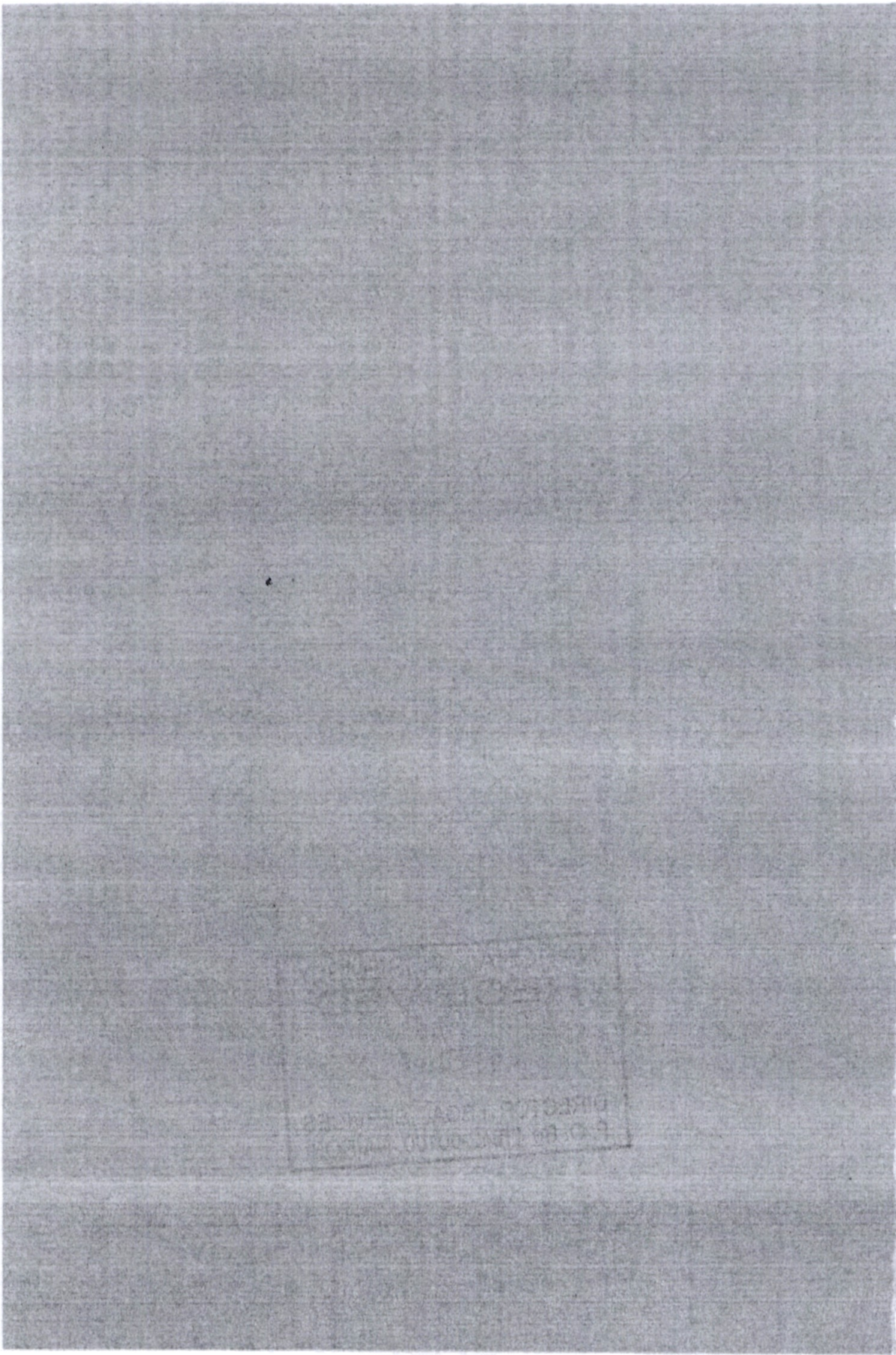
NATIONAL ASSEMBLY BILLS, 2026

NAIROBI, 26th February, 2026

CONTENT

Bill for Introduction into the National Assembly —	PAGE
The Special Economic Zones (Amendment) Bill, 2026.....	187





**THE SPECIAL ECONOMIC ZONES (AMENDMENT)
BILL, 2026**

A Bill for

**AN ACT of Parliament to amend the Special Economic
Zones Act and for connected purposes**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Special Economic Zones (Amendment) Act, 2026.

Short title.

2. Section 2 of the Special Economic Zones Act (in this Act referred to as “the principal Act”) is amended by inserting the following new definition in its proper alphabetical sequence—

Amendment of section 2 of Cap. 517A.

“midstream petroleum operations” and “upstream petroleum operations” have the meaning assigned to them respectively in the Petroleum Act.

Cap. 308

3. Section 4 of the principal Act is amended in subsection (6) by inserting the following new paragraphs immediately after paragraph (j)—

Amendment of section 4 of Cap. 517A.

“(k) midstream petroleum operations zones;

(l) upstream petroleum operations zones”.

4. Section 27 of the principal Act is amended—

Amendment of section 27 of Cap. 517A.

(a) in subsection (5) by deleting paragraph (d) and substituting therefor the following new paragraph (d)—

“(d) subject to subsection (5A), be valid for such period as the Authority may prescribe”;

(b) by inserting the following new subsections immediately after subsection (5)—

“(5A) A licence issued under this Act to a special economic zone developer, operator or enterprise carrying on business or undertaking activities in zones designated for midstream petroleum operations or upstream petroleum operations shall be valid for a minimum period of ten years.”

“(5B) The Authority shall, on an annual basis, and for the entire period during which a licence remains valid, audit a special economic zone developer, operator or enterprise to whom a license is issued pursuant to subsection (5A) to ensure compliance with such terms and conditions of license as the Authority may prescribe, and the developer, operator or enterprise shall pay such annual audit fees to the Authority as may be prescribed.”:

5. Section 28 of the principal Act is amended in paragraph (a), by deleting the expression “incorporated in Kenya”.

Amendment of section 28 of Cap. 517A.

6. Section 29 of the principal Act is amended—

Amendment of section 29 of Cap. 517A.

(a) in subsection (2), by deleting the expression “is incorporated in Kenya” appearing in paragraph (a) and substituting therefor the expression “is a company”;

(b) by inserting the following new paragraph immediately after subsection (2)—

“(3) A special economic zone developer or operator undertaking, or intending to undertake, activities in a zone designated for midstream or upstream petroleum operations may apply, in the prescribed manner, for a special economic zone enterprise licence under subsection (2) for purposes of undertaking an activity or activities under this Act.”

7. The principal Act is amended in the First Schedule by inserting the following new paragraph immediately after paragraph (h)—

Amendment of the First Schedule to Cap. 517A.

“(i) oil and gas zones”.

8. The laws specified in the first column of the Schedule are amended in the provisions respectively specified in the second column, in the manner respectively specified in the third column.

Consequential amendments.

SCHEDULE

CONSEQUENTIAL AMENDMENTS

<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>
Income Tax Act, Cap. 470	First Schedule, Part I, para. 73	Delete the expression “in the first ten years of its establishment”.
Value Added Tax Act, Cap. 476	Second Schedule, Part A, para. 12	Insert the expression “developer, operator or” immediately after the expression “special economic zone”.
Miscellaneous Fees and Levies Act, Cap. 469C	Second Schedule, Part B, New	Insert the following new paragraph immediately after paragraph (xviii)— “(xix) goods destined for approved Export Processing Zones or Special Economic Zones designated for midstream petroleum operations or upstream petroleum operations.”

MEMORANDUM OF OBJECTS AND REASONS

Statement of Objects and Reasons for the Bill

The principal object of this Bill is to amend the Special Economic Zones Act (Cap. 517A) in order to strengthen the Special Economic Zones (SEZ) framework and align it with the operational requirements of large-scale capital investments, including investments in midstream and upstream petroleum operations.

The Bill seeks to implement the observations and recommendations contained in the Report of the Joint Committee of the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy on Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County. The Report, which made proposals on the need to extend the ambit of special economic zones legal and regulatory regime to midstream and upstream petroleum operations, and extend fiscal incentives and concessions to investors in midstream and upstream petroleum operations, was adopted by the Houses of Parliament on 25th February, 2026. In so doing, Parliament recognised the need for the formulation of a legal framework in order to actualise the proposals and observations made in the Report, and address identifiable gaps in the prevailing legal framework, in order to facilitate commercial development of oil discoveries and exploratory activities in the Lokichar Basin.

The Bill therefore is intended to facilitate strategic investments in midstream and upstream petroleum operations by improving the legal and fiscal environment within Special Economic Zones. In particular, the Bill seeks to ensure that the SEZ regime accommodates the structure and operational needs of capital-intensive projects, including those undertaken under petroleum exploration agreements.

The Bill further proposes consequential amendments to the Value Added Tax Act, the Income Tax Act and the Miscellaneous Fees and Levies Act in order to align the fiscal incentives available under those laws with the Special Economic Zones legal and regulatory regime.

The amendments are intended to—

- (a) expand the scope of Special Economic Zones to include oil and gas sector activities;
- (b) remove certain legal inconsistencies relating to the eligibility of companies operating within the Special Economic Zones;

- (c) allow Special Economic Zone developers and operators to undertake enterprise activities within the zone;
- (d) harmonise tax incentives applicable to Special Economic Zone entities.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill does not delegate legislative powers nor does it limit fundamental rights and freedoms.

Statement of on whether the Bill concerns county governments

This Bill relates to matters of energy and fiscal policy, regarding zoning of areas for economic purposes, and the concessions and incentives, both monetary and non-monetary, which may be granted to investors engaged in midstream and upstream petroleum operations in the zoned areas. These matters fall within the mandate of the national government under the Fourth Schedule to the Constitution. Consequently, this Bill does not concern county governments in terms of Article 110(1) (a) of the Constitution as functions relating to the regulations of special economic zones and grant of fiscal incentives are functions of the national government. The Bill may accordingly be considered by the National Assembly only pursuant to Article 109(3) of the Constitution.

Statement the financial implications of the Bill

The enactment of this Bill shall not occasion additional expenditure of public funds.

Dated the 26th February, 2026.

KIMANI ICHUNG'WAH,
Leader of the Majority Party.

Section 2 of Cap. 517A which it is proposed to amend—

2. Interpretation

In this Act, unless the context otherwise requires—

"agricultural zone" means a special economic zone declared as such under section 4 to facilitate the agricultural sector, its services and associated activities;

"Authority" means the Special Economic Zones Authority established under section 10;

"Board" means the Board of Directors of the Authority established under section 12;

"business processing outsourcing" means the provision of outsourcing services to business for specific business functions or processes such as back office support services in human resources, finance, accounting and procurement amongst other services, and includes the delegation of one or more information technology-intensive business processes to an external provider;

"business service park" means a special economic zone declared as such under section 4 to facilitate the provision of services including but not limited to regional headquarters, business processing outsourcing centres, call centres, shared service centres, management consulting and advisory services and other associated services;

"business service permit" means an administrative grant of authority to operate services within a special economic zone for which no benefits accruing under this Act are granted;

"Cabinet Secretary" means the Cabinet Secretary for the time being responsible for matters relating to industrialization;

"company" has the meaning assigned to it by section 2 of the Companies Act (Cap. 486) and includes a company incorporated outside Kenya but registered in Kenya under that Act;

"customs control" means the measures applied to ensure compliance with the laws and regulations under the East African Community Customs Management Act, 2004;

"customs-controlled area" means the special economic zone where certain enterprises carry out customs controlled operations;

"customs territory" means the geographical area of the Republic of Uganda, the Republic of Kenya and the United Republic of Tanzania and any other country granted membership of the East African Community

under Article 3 of the Treaty for the Establishment of the East African Community, but does not include a special economic zone;

"duty" means duty as defined under the East African Community Customs Management Act;

"export" means to take or cause to be taken out of the customs territory or into a special economic zone;

"export duties" means customs duties and other charges having an effect equivalent to customs duties payable on the exportation of goods;

"Freeport zone" means a designated area placed at the disposal of the special economic zone or freeport authority where goods introduced into the designated area are generally regarded, in so far as import duties are concerned, as being outside the customs territory;

"free trade zone" means a special economic zone customs-controlled area where goods are off-loaded for transshipment, storage and may include bulk breaking, repacking, sorting, mixing, trading or other forms of handling excluding manufacturing and processing;

"Fund" means the General Fund established under section 21;

"goods" include all kinds of wares, articles, merchandise, animals, matter, baggage, stores, materials, currency and includes postal items other than personal correspondence and where any such goods are sold under this Act, the proceeds of such sale;

"import" means to bring or cause to be brought into the customs territory or a special economic zone;

"import duties" means any customs duties and other charges of equivalent effect levied on imported goods;

"industrial park" means a special economic zone declared as such under section 4 with integrated infrastructure to facilitate the needs of manufacturing and processing industries;

"information communication technology park" means a special economic zone declared as such under section 4 to facilitate the information communication technology sector, its services and associated activities;

"infrastructure" means roads, power, water, drainage, telecommunication, sanitation or water treatment plants, networks, buildings or other facilities, necessary for the development and operations of special economic zones and appropriate to their particular sector or cluster focus;

"Kenya Revenue Authority" means the Authority established by section 3 of the Kenya Revenue Authority Act (Cap. 469);

"licence" means a licence issued under this Act;

"livestock zone" means a special economic zone declared as such under section 4, in which the following activities are carried out: livestock marshalling and inspection; livestock feeding or fattening, abattoir and refrigeration; deboning; value addition; manufacture of veterinary products, and other related activities;

"manufacture" means to make, produce, fabricate, assemble, process or bring into existence by manual, mechanical, chemical or biochemical methods into a new product having a distinctive name, character or use and includes processes such as refrigeration, cutting, polishing, blending, beneficiation, re-making and re-engineering;

"negative list" means a list of activities not allowed to be undertaken by special economic zone enterprises under the laws of Kenya and those of the East African Community;

"proper officer" means any officer whose right or duty is to perform or require the performance of the acts referred to in the East African Community Customs Management Act, 2004;"regional headquarters" means a special economic zone enterprise engaged in headquarters management activities to oversee, manage and control their local, regional and global operations by providing managerial, supervisory, shared services centre and other support services to affiliate companies;

"science and technology park" means a special economic zone declared as such under section 4 to facilitate the science and technology sector, its services and its associated activities;

"services" means tradable services which are covered under the General Agreement on Trade in Services annexed as 1B to the Agreement establishing the World Trade Organisation concluded at Marrakesh on the 15th day of April, 1994 and any successor agreements or amendments thereto;

"special economic zone" means a zone declared as such under section 4;"special economic zone enterprise" means a corporate body which has been licensed under this Act;

"special economic zone developer" means a corporate body which is engaged in or plans on developing, and which may or may not also operate or plan to operate, a special economic zone under this Act;

"special economic zones operator" means a corporate body engaged in the management of a special economic zone and designated as such under the provisions of this Act; and

"tourist and recreation centre" means a special economic zone declared as such under section 4 to facilitate tourism and recreation sector, its services and associated activities.

Section 4 of Cap. 517A which it is proposed to amend—

4. Declaration of special economic zones

(1) The Cabinet Secretary shall, on the recommendation of the Authority, and in consultation with the Cabinet Secretary responsible for matters relating to finance declare, by notice in the *Gazette*, any area as a Special Economic Zone as set out in the First Schedule.

(2) A declaration of a special economic zone under subsection (1) shall—

(a) define the limits of the zone; and

(b) remain in force until revoked by an order in the *Gazette* by the Cabinet Secretary and on the recommendation of the Authority.

(3) Where upon receipt of a recommendation under subsection (1), the Cabinet Secretary considers that gazettment of a special economic zone would infringe upon the public interest, the Cabinet Secretary may refer the recommendation back to the Authority to ensure the protection of that public interest.

(4) A special economic zone shall be a designated geographical area which may include both customs controlled area and on-customs controlled area where business enabling policies, integrated land uses and sector-appropriate on - site and off-site infrastructure and utilities shall be provided, or which has the potential to be developed, whether on a public, private or public-private partnership basis, where development of zone infrastructure and goods introduced in customs-controlled area are exempted from customs duties in accordance with customs laws.

(5) Any public land declared as a special economic zone shall not be alienated for private use except to special economic zone developers, operators or enterprises or other bodies established within a special economic zone.

(5A) The Cabinet Secretary shall, on the recommendation of the Authority, set the minimum amount to be invested in an area declared as a special economic zone.

(6) An area declared as a special economic zone under this section may be designated as a single sector or multiple sector special economic zone, and may include, but not limited to—

- (a) free trade zones;
- (b) industrial parks;
- (c) free ports;
- (d) information communication technology parks;
- (e) science and technology parks;
- (f) agricultural zones;
- (g) tourist and recreational zones;
- (h) business service parks;
- (i) livestock zones;
- (j) convention and conference facilities.

Section 27 of Cap. 517A which it is proposed to amend—

27. Application and issue of licence

(1) A person who, intends to carry on business as a special economic zone developer, operator or enterprise, shall apply in the prescribed form to the Authority for an appropriate licence or for a renewal of the licence.

(2) On receiving an application for licence or for a renewal of a licence, the Authority, may on the recommendation of the Commissioner of Customs and upon payment of the prescribed fee, issue to the applicant the appropriate licence or renew the licence.

(3) In evaluating applications for special economic zone developer, operator and enterprise licences, the Authority shall assess the specific engineering and financial plans, financial viability, and environmental and social impact of the applicant's proposed special economic zone project, as appropriate.

(4) The Authority shall expeditiously render its decisions on licensing under this Act within one month from the date on which the duly completed application form is submitted together with relevant supporting documents.

(5) A licence issued under this section shall—

- (a) be in the prescribed form;

- (b) authorize the licensee to carry on business as a special economic zone developer, operator or enterprise;
 - (c) be specific with regard to the activity to be carried out under the licence;
 - (d) be valid for such period as the Authority may prescribe;
 - (e) contain such other conditions as the Authority deems necessary.
- (6) A licence issued under this section may —
- (a) be amended at any time on written notice to the holder by the authority, if in its opinion the amendment is necessary; or
 - (b) be suspended or revoked by the Authority if the holder fails to comply with the conditions contained in the licence laid down in this Act or in any regulations made thereunder and where a licence is suspended or revoked, the holder shall take such steps as may be recommended by the Authority.
- (7) The Cabinet Secretary shall —
- (a) publish in the Kenya Gazette all approved applications to establish a special economic zone; and
 - (b) within one hundred and eighty days of the coming into force of this Act, publish regulations on the application, issuance, suspension, revocation and appeal process on licensing of special economic zones.

Section 28 of Cap. 517A which it is proposed to amend—

28. Qualifications of a special economic zone developer and operator

A special economic zone developer shall, in addition to such other criteria and requirements as may be prescribed —

- (a) be a company incorporated in Kenya or a public entity, for the purpose of undertaking special economic zone activities;
- (b) have the financial capacity, technical and managerial expertise, and associated track record of relevant development or operational projects, required for developing or operating the special economic zone; and
- (c) own or lease land or premises within the special economic zone as stipulated under the Special Economic Zones (Land Use) Regulations to be enacted within one hundred and eighty days of the coming into force of this Act.

Section 29 of Cap. 517A which it is proposed to amend—

29. Special economic zone enterprises

(1) The benefits prescribed in Part VI of this Act shall not accrue to any enterprise unless it holds a valid licence issued by the Authority.

(2) The Authority shall grant a licence if the application meets the objectives of this Act, and if the proposed business enterprise—

- (a) is incorporated in Kenya whether or not it is one hundred per cent foreign owned;
- (b) proposes to engage in any activity or activities eligible to be undertaken by a special economic zone enterprise in the special economic zone;
- (c) does not have a negative impact on the environment or engage in activities impinging on national security or presenting a health hazard; and
- (d) conducts business in accordance with the laws for the time being in force save for any exemptions under this Act.

The First Schedule to Cap. 517A which it is proposed to amend—

FIRST SCHEDULE [s. 4]

TYPES OF SPECIAL ECONOMIC ZONES

The Authority shall permit multiple sector or single sector Special Economic Zones including but not limited to the following—

- (a) Free Trade Zones (FTZ)
- (b) Industrial Parks
- (c) Free Ports
- (d) Information Communication and Technology Parks (ICT Parks)
- (e) Science and Technology Parks
- (f) Agricultural Zones
- (g) Tourist and Recreational Zones
- (h) Business Service Parks.

Paragraph 73 of Part I of the First Schedule to Cap. 470 which it is proposed to amend—

73. Royalties, interest, management fees, professional fees, training fees, consultancy fee, agency or contractual fees paid by a special economic zone developer, operator or enterprise, in the first ten years of its establishment, to a non-resident person.

Paragraph 12 of Part A of the Second Schedule to Cap. 476 which it is proposed to amend—

12. The supply of goods or taxable services to a special economic zone enterprise.

Part B of the Second Schedule to Cap. 469C which it is proposed to amend—

SECOND SCHEDULE

[s. 7(3)(a)]

**GOODS EXEMPT FROM IMPORT DECLARATION FEE AND
RAILWAY DEVELOPMENT LEVY**

PART B(s. 8(6))

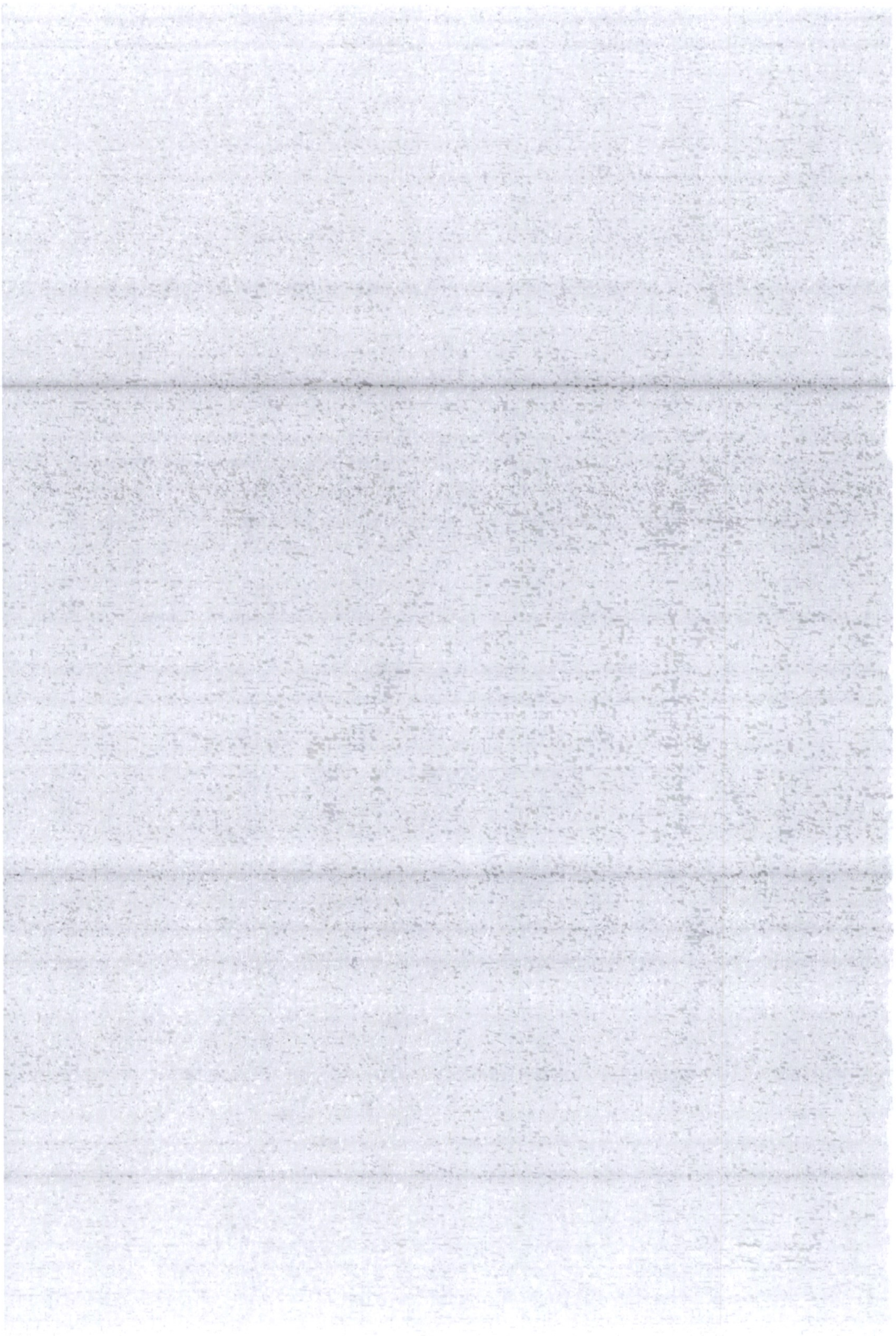
**GOODS EXEMPT FROM THE RAILWAY DEVELOPMENT
LEVY WHEN IMPORTED OR PURCHASED BEFORE
CLEARANCE THROUGH CUSTOMS**

The railway development levy shall not apply to goods imported or purchased before clearance through customs—

- (i) for the implementation of an official aid funded project;
- (ii) goods imported for official use by diplomatic and consular missions, United Nations and its agencies, and institutions or organizations exempted under the Privileges and Immunities Act;
- (iii) *deleted by Act No. 4 of 2023, s.73;*
- (iv) from the East African Community Partner States provided that they meet the East African Community Rules of origin;
- (v) *deleted by Act No. 2 of 2020, Sch.;*
 - (va) *deleted by Act No. 2 of 2020, Sch.;*
 - (vb) goods imported or purchased for the construction of bulk storage facilities for supporting the Standard Gauge Railway operations with a minimum storage capacity of one hundred thousand metric tonnes of supplies as approved by the Cabinet Secretary responsible for transport;
- (vi) *deleted by Act No. 8 of 2020, s. 22(b)(i);*
- (vii) *deleted by Act No. 2 of 2020, Sch.;*

- (viii) currency notes and coins imported by the Central Bank of Kenya;
- (viii a) inputs and raw materials imported by manufacturers of pharmaceutical products on the recommendation of the Cabinet Secretary responsible for matters relating to health;
- (viii b) goods imported for use in the construction and maintenance of human vaccine manufacturing plants as approved by the Cabinet Secretary for the National Treasury on recommendation of the Cabinet Secretary for Health;
- (viii c) goods, inputs and raw materials imported by a company which is—
 - (a) engaged in business under a special operating framework arrangement with the Government; and
 - (b) incorporated for purposes of undertaking the manufacture of human vaccines or other manufacturing activities including refining; and whose capital investment is at least ten billion shillings, subject to approval of the Cabinet Secretary for the National Treasury, on recommendation of the Cabinet Secretary for health;
- (ix) All goods including material supplies, equipment, machinery and motor vehicles for the official use by the Kenya Defence Forces, the National Intelligence Service, the Defence Forces Welfare Services and National Police Service;
- (x) such other goods the exemption of which the Cabinet Secretary may determine is in the public interest, or to promote investment and the value of which shall not be less than five billion shillings.
- (xi) goods imported for official use by international and regional organizations that have bilateral or multilateral agreements with Kenya;
- (xii) liquefied petroleum gas;
- (xiii) all goods and parts thereof of Chapter 88;
- (xiv) the supply of denatured ethanol of tariff number 2207.20.00;

-
- (xv) bioethanol vapour (BEV) stoves classified under HS Code 7321.12.00 (cooking appliances and plate warmers for liquid fuel);
 - (xvi) any other aircraft spare parts including aircraft engines imported by aircraft operators or persons engaged in the business of aircraft maintenance upon recommendation by the competent authority responsible for civil aviation;
 - (xxvii) goods of chapter 5407 and 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for investment, trade and industry; and
 - (xviii) inputs, raw materials and machinery used in the manufacture of mosquito repellents upon recommendation by the Cabinet Secretary responsible for matters relating to health;



CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

Clause 2	No provision	Insert a new definition- “Midstream petroleum operations” and “upstream petroleum operations” have the meaning assigned to them respectively in the Petroleum Act.	<p>Special Economic Zones Authority</p> <p>Delete clause 2 and substitute with the following-</p> <p>Clause 2 2. Section 2 of the Special Economic Zones Act is amended-</p> <p>(a) By deleting the definition of “industrial park and substituting with the following new definition- “Industrial Park” means a Special Economic Zone declared as such under section 4 and comprising integrated infrastructure intended to support manufacturing, agro-processing, upstream petroleum operations, midstream petroleum operations, mineral and natural resource-based industrial activities, and advanced technology-driven production activities.</p> <p>(b) by inserting the following new</p>	<p>The proliferation of multiple schemes within the SEZ framework may result in regulatory fragmentation, administrative inconsistencies, and increased compliance, monitoring, and oversight challenges. Consolidating oil and gas-related activities within the industrial scheme will ensure alignment with existing infrastructure planning, licensing frameworks, and regulatory oversight mechanisms, while still effectively achieving the intended policy objectives.</p> <p>However, for purposes of preserving simplicity and administrative efficiency of the SEZ regime, activities relating to the oil and gas value chain may be more appropriately accommodated within the existing framework under the industrial schemes, rather than through the creation or designation of a distinct or parallel oil and gas scheme.</p> <p>Lastly, this approach is consistent with the proposals under the ongoing SEZ Policy Review, which is considering the recategorization of the SEZ schemes currently provided for under Section 4(6) of the Special Economic Zones Act, Cap. 517A, into three (3) broad schemes aimed at enhancing clarity, policy coherence, and ease of implementation of the SEZ Programme, namely:</p> <p>1. Industrial Scheme – to cover manufacturing, Agro-</p>
----------	--------------	---	---	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			definition in its proper alphabetical sequence- “Midstream petroleum operations” and “upstream petroleum operations” have the meaning assigned to them respectively in the Petroleum Act.	processing, natural resource-based industrial activities, and advanced technology-driven production activities; 2. Services Scheme; and 3. Trade-Related Scheme.
Clause 2			Association of Special Economic Zones Delete the words “transport and storage” from the definition of “midstream petroleum operation”.	To avoid designated existing stand-alone transportation and storage facilities hence delaying government revenue.
Clause 2			Petroleum Outlets Association of Kenya (POAK) Retain and operationalise the inclusion of upstream petroleum operations and midstream petroleum operations.	Improve bankability of projects. Support commercialisation of discoveries. Attract large-scale capital investment.
Clause 2			Kenya Manufacturers Association Replicate the definitions from Petroleum Act in section 2 of the principal Act; or (a) Adopt tailored definitions	Including the definitions directly in the Bill ensures clarity, accessibility and ease of interpretation. This will avoid any confusion that may arise when referring to a separate Act for the definitions. Stable, precise cross-references are critical for

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>limited strictly to the scope relevant to this Bill, to avoid over reach.</p> <p>Kenya National Chamber of Commerce and Industry Redraft to reference ' section 2 of the Petroleum Act (Cap.308) explicitly; "Midstream petroleum operations" has the meaning assigned to it in section 2 of the Petroleum Act (Cap. 308)" add " implementing note: SEZ licensing does not substitute for petroleum Act approvals.</p> <p>Regulatory Overlap Insert a clarification: SEZ licensing operates alongside and does not substitute for petroleum-sector approvals under the Petroleum Act <i>Require the SEZ Authority to publish a joint licensing guide with Petroleum regulators within 12 months of commencement.</i></p> <p>Harmonisation</p>	<p>investor certainty and consistent interpretation across KRA, SEZ Authority and sector petroleum regulators.</p> <p>Risk of conflicting and overlapping regulatory requirements from the SEZ Authority and petroleum regulators over the same licensed activities, increasing investor compliance costs and approval delays.</p> <p>Protects investor rights, reduces regulatory unpredictability, and aligns with Kenya's single-window regulatory commitment for SEZs.</p> <p>Risk of conflicting interpretations: KRA and courts may construe the same terms differently under tax and SEZ statutes, creating compliance burden and legal disputes for petroleum zone investors.</p> <p>Consistent definitions across statutes lower transaction costs, improve regulatory predictability, reduce investor compliance risk.</p> <p>Without a definitional foundation for 'local enterprise', 'MSME', or 'local content' in section 2, any downstream licensing conditions referencing these concepts will be legally ambiguous and potentially unenforceable.</p>
--	--	--	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>Insert a harmonization clause confirming that definitions in section 2 of the SEZ Act apply for purposes of all consequential fiscal amendments in the Bill's Schedule</p> <p>No MSME recognition Insert definitions of 'local enterprise' (cross-referenced to MSME Act No. 55 of 2012) and 'local content' (aligned to the Petroleum Act local content concepts) into section 2. → This creates the statutory basis for MSME-linkage licensing conditions across the Act.</p> <p>Scope Distortion Add a policy statement: inclusion of petroleum zone definitions does not diminish the primacy of manufacturing, agro-processing, ICT, and services zones in the SEZ framework. → Require the Cabinet Secretary to publish an annual zone</p>	<p>African SEZs frequently fail due to weak domestic linkages. A targeted definitional foundation enables targeted licensing conditions, supplier development requirements, and MSME participation measurement.</p> <p>Risk of skewing the SEZ Act's orientation toward extractives. Fiscal and regulatory attention may concentrate on petroleum zones at the expense of sectors historically generating more employment.</p> <p>SEZs are not industrialization tools, not extractive enclaves. Kenya's BETA agenda and 2030 Vision prioritize manufacturing, value addition, and export diversification.</p> <p>Definitions legislated without community and private sector input risk failing to reflect operational realities. Affected counties have a constitutional interest in legislation affecting petroleum-zone activities within their boundaries.</p>
--	--	--	---	---

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>portfolio balance report.</p> <p>Consultation Gap Introduce a structured stakeholder consultation requirement in the Bill for any future amendment to or implementing regulations for zone definitions or zone types. → Require county government concurrence for petroleum zone designation, consistent with Articles 115 and 118 of the Constitution.</p>	<p>Improves policy legitimacy, implementation quality, and alignment with the constitutional principle of public participation.</p>
Clause 2			<p>Viva Africa Consulting LLP (VACL) Supports insertion of: “Upstream petroleum operations” “Midstream petroleum operations”</p>	<p>Ensures clarity and consistency in interpretation Provides a clear legal basis for petroleum activities within SEZs</p>
Clause 2			<p>Anjarwala & Khanna LLP Supports the introduction of petroleum-related definitions and the alignment of definitions with the Petroleum Act.</p>	<p>The reference to the Petroleum Act ensures consistency and reduces ambiguity on the activities that will qualify for SEZ licensing.</p>
Clause 3			<p>Viva Africa Consulting LLP (VACL) Support inclusion of upstream petroleum zones and midstream</p>	<p>Including the midstream and upstream petroleum operations zones within the list of activities permitted in a Special Economic Zone is a</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			petroleum zones in clause 3.	progressive step that promotes investment and development in the petroleum sector. By explicitly recognizing these zones, the amendment encourages infrastructure development and attracts investors to participate in the petroleum value chain, fostering economic growth and employment creation.
Clause 2		“midstream petroleum operations” and “upstream petroleum operations” have the meaning assigned to them respectively in the Petroleum Act.	KAM a) Replicate the definitions from the Petroleum Act in section 2 of the principal Act; or b) Adopt tailored definitions, limited strictly to the scope relevant to this Bill, to avoid overreach.	Including the definitions directly in the Bill ensures clarity, accessibility, and ease of interpretation. This will avoid any confusion that may arise when referring to a separate Act for the definitions. If the Petroleum Act is amended in the future, the meaning of “midstream” or “upstream” operations could change. Such amendments could unintentionally alter the scope and application of this Bill.
Clause 3	4. Declaration of special economic zones (1) The Cabinet Secretary shall, on the recommendation of the	Section 4 of the principal Act is amended in subsection (6) by inserting the following new	KNCCI Option A (preferred): Amend Clause 7 to insert 'midstream petroleum operations zones' in Clause 2 as an umbrella inclusive of both types and revise section 4(6) accordingly.	Section 4(1) ties formal zone declaration to the First Schedule. Mismatch between section 4(6) and the First Schedule creates ambiguity in zone declaration, licensing, and application of fiscal incentives — especially for multi-party petroleum infrastructure deals

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>Authority, and in consultation with the Cabinet Secretary responsible for matters relating to finance declare, by notice in the Gazette, any area as a Special Economic Zone as set out in the First Schedule.</p> <p>(2) A declaration of a special economic zone under subsection (1) shall—</p> <p>(a) define the limits of the zone; and</p> <p>(b) remain in force until revoked by an order in the Gazette by the Cabinet Secretary and on the recommendation of the Authority.</p> <p>(3) Where upon receipt of a recommendation under subsection (1), the</p>	<p>paragraphs immediately after paragraph (j)—</p> <p>“(k) midstream petroleum operations zones; (l) upstream petroleum operations zones”.</p>	<p>Option B: Define 'oil and gas zones' in section 2 as an umbrella inclusive of both types and revise Clause 3 and section 4(6) accordingly. → Ensure consistent terminology across section 4(6), Clause 4, Schedule, Clause 2 and Schedule fiscal amendments.</p>	<p>Legal coherence between section 4(1) declaration, section 4(6) zone types, First Schedule declaration, the First Schedule essential for validity, licensing and investor confidence.</p>
--	--	--	---	---

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>Cabinet Secretary considers that gazettelement of a special economic zone would infringe upon the public interest, the Cabinet Secretary may refer the recommendation back to the Authority to ensure the protection of that public interest.</p> <p>(4) A special economic zone shall be a designated geographical area which may include both customs controlled area and on-customs controlled area where business enabling policies, integrated land uses and sector-appropriate on - site and off-site infrastructure and utilities shall be provided, or which has the potential to be developed, whether on a</p>			
--	---	--	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>public, private or public-private partnership basis, where development of zone infrastructure and goods introduced in customs-controlled area are exempted from customs duties in accordance with customs laws.</p> <p>(5) Any public land declared as a special economic zone shall not be alienated for private use except to special economic zone developers, operators or enterprises or other bodies established within a special economic zone.</p> <p>(5A) The Cabinet Secretary shall, on the recommendation of the Authority, set the minimum amount to</p>			
--	--	--	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
---------------	---	--	--------------------------	---------------------------------

	<p>be invested in an area declared as a special economic zone.</p> <p>(6) An area declared as a special economic zone under this section may be designated as a single sector or multiple sector special economic zone, and may include, but not limited to—</p> <ul style="list-style-type: none"> (a) free trade zones; (b) industrial parks; (c) free ports; (d) information communication technology parks; (e) science and technology parks; (f) agricultural zones; (g) tourist and recreational zones; (h) business service parks; (i) livestock zones; (j) convention and conference facilities. 			
--	--	--	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

Clause 3			<p>Eni Kenya Insert new paragraph “(m) geothermal resource zones”</p>	<p>Kenya has significant geothermal resources which are a strategic priority under the renewable energy agenda.</p> <p>Geothermal development faces similar investment and capital intensity challenges as petroleum (upstream and midstream operations).</p> <p>Its inclusion would help attract large-scale investment and accelerate development of geothermal resources</p>
Clause 3			<p>KNCCI KNCCI proposes a subsection requiring every petroleum operations zone designation to include a Local Content and MSME Linkages Plan, aligned to Petroleum Act concepts and the MSME Act.</p>	<p>The reason is to ensure local participation is built in at the start, not left to administrative discretion later.</p>
Clause 3			<p>KNCCI Add a sector-balance policy statement to section 4(6) or the Bill's objects and reasons: petroleum zones are not to complement manufacturing, agro-processing, ICT, and services zones. → Require</p>	<p>Capital, regulatory, and fiscal attention and incentives may concentrate on petroleum zones, undermining manufacturing and services zones that historically generate more jobs and broader economic value. Petroleum zone types inserted without reinforcing or protecting existing zone types for manufacturing, agro-processing, ICT, and services.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			the Cabinet Secretary to publish an annual zone portfolio balance report.	No sector balance safeguard included.
Clause 3			<p>KNCCI</p> <p>KNCCI proposes amendment of section 4 to require consultation with, and concurrence of, the relevant county government before a petroleum zone is designated, and proposes a community impact assessment before declaration.</p>	Consistent with the devolution framework under Chapter Eleven of the Constitution of Kenya. Reduces post-designation litigation risk and community opposition. Clause 3 adds petroleum zones without a county consultative step.
Clause 4	<p>27. Application and issue of licence</p> <p>(1) A person who, intends to carry on business as a special economic zone developer, operator or enterprise, shall apply in the prescribed form to the Authority for an appropriate licence or for a renewal of the licence.</p> <p>(2) On receiving an application for licence or</p>	<p>Section 27 of the principal Act is amended—</p> <p>(a) in subsection (5) by deleting paragraph (d) and substituting therefor the following new paragraph (d)—</p> <p>“(d) subject to subsection (5A), be valid for such period as the Authority may</p>	<p>Special Economic Zones Authority (SEZA)</p> <p>Propose to amend section 5(A) to allow 10-year license to all industrial park SEZ developers, operators, and enterprises.</p> <p>“(5A) A license issued under this Act to a special economic zone developer, operator or enterprise carrying on business or undertaking activities within the industrial parks shall be valid for a minimum period of ten years.</p>	<p>1. The proposed mandatory minimum licence duration of ten (10) years for petroleum developers, operators, and enterprises is discriminatory against other industrial investors who also undertake significant capital outlays in infrastructure and industrial investments.</p> <p>We therefore propose that the ten (10) year minimum license duration be extended to apply to all investors operating under the industrial scheme within the Special Economic Zones regime.</p> <p>2. However, in order to mitigate the risk of non-performance and to safeguard the SEZ regime from being burdened by speculative investors, the proposed extended licence duration should be accompanied by strengthened compliance and</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>for a renewal of a licence, the Authority, may on the recommendation of the Commissioner of Customs and upon payment of the prescribed fee, issue to the applicant the appropriate licence or renew the licence.</p> <p>(3) In evaluating applications for special economic zone developer, operator and enterprise licences, the Authority shall assess the specific engineering and financial plans, financial viability, and environmental and social impact of the applicant's proposed special economic zone project, as appropriate.</p> <p>(4) The Authority shall expeditiously render its</p>	<p>prescribe";</p> <p>(b) by inserting the following new subsections immediately after subsection (5)—</p> <p>"(5A) A licence issued under this Act to a special economic zone developer, operator or enterprise carrying on business or undertaking activities in zones designated for midstream petroleum operations or upstream petroleum operations shall be valid for a minimum period of ten years."</p> <p>"(5B) The</p>	<p>Propose to amend section 5(B) to allow for clarity by substituting annual audit fees to annual license fees inclusion of compliance audits to read as follows:</p> <p>(5B) The Authority shall, on an annual basis, and for the entire period during which a license remains valid, compliance audit a special economic zone developer, operator or enterprise to whom a license is issued pursuant to subsection (5A) to ensure compliance with such terms and conditions of license as the Authority may prescribe, and the developer, operator or enterprise shall pay such annual license fees to the Authority as may be prescribed."</p> <p>To strengthen compliance with annual license fee obligations, it is proposed that a new subsection 5(C) be inserted to expressly provide for the payment of annual license fees by investors.</p> <p>(5C) a special economic zone</p>	<p>enforcement powers.</p> <p>In this regard, we recommend that the Authority's mandate to monitor compliance, and to suspend or revoke non-compliant licences, be enhanced to align with the proposed change. Accordingly, we propose amendments to section 11(m) of the Act and section 27 to expressly provide for the suspension and revocation of licences where warranted.</p> <p>Further, to ensure fairness and provide an avenue for administrative redress, we propose the inclusion of a formal redress mechanism for persons whose licences have been suspended or revoked.</p> <p>Specifically, we recommend that section 27 be amended to provide for an appeal or review process through the Office of the Cabinet Secretary in respect of decisions relating to the suspension or revocation of licenses.</p> <p>4. The proposed amendment introducing a penalty for delayed payment of annual licence fees is necessary to promote compliance, improve regulatory efficiency, and protect the integrity of the SEZ regime. Requiring a licensee to pay double the prescribed annual fee after a sixty-day grace period is a proportionate and reasonable measure, as it allows adequate flexibility while creating a meaningful deterrent against late payment. In the absence of such a sanction, some licensed SEZ developers, operators,</p>
--	---	---	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>decisions on licensing under this Act within one month from the date on which the duly completed application form is submitted together with relevant supporting documents.</p> <p>(5) A licence issued under this section shall—</p> <p>(a) be in the prescribed form;</p> <p>(b) authorize the licensee to carry on business as a special economic zone developer, operator or enterprise;</p> <p>(c) be specific with regard to the activity to be carried out under the licence;</p> <p>(d) be valid for such period as the Authority may prescribe;</p>	<p>Authority shall, on an annual basis, and for the entire period during which a licence remains valid, audit a special economic zone developer, operator or enterprise to whom a license is issued pursuant to subsection (5A) to ensure compliance with such terms and conditions of license as the Authority may prescribe, and the developer, operator or enterprise shall pay such annual audit fees to the Authority as may be prescribed.”:</p>	<p>developer, operator or enterprise that fails to pay the prescribed annual fees within sixty days following each twelve-month following the date issuance of the first license shall be required to pay double the amount of the annual fee;</p> <p>4. To enhance regulatory oversight, the Authority proposed to amend the section 11 (m) of the SEZ Act Cap 517(A) by deleting and replacing it with the following:</p> <p>“(m) to suspend or cancel the license of a special economic zone enterprise or a special economic zone developer which is in violation of this Act, the East African Community Customs Management Act, 2004 or any other applicable law”</p> <p>5. The Authority also proposes a new Section 27 subsection 8 or 27 (A) to provide for suspension and cancelation as below: (Borrowed from CMA Act)</p>	<p>and enterprises have delayed payment without consequence, resulting in revenue uncertainty, speculative holding of licences, unfairness to compliant licensees, and administrative enforcement challenges. The amendment is therefore supported as a practical and necessary measure consistent with sound regulatory and international best practice.</p> <p>The Special Economic Zone Act currently provides for 12 months validity period, after which, until renewal, the investor has no legal right or basis of carrying out business. This situation discourages investors due the unpredictability of the license authorization.</p> <p>By giving a 10 year validity period potential investors will feel more confident to invest since the initial license gives them a certain 10 year period with legal right to conduct their business in special economic zones, provided they fulfil their obligations, as set out in the license.</p> <p>Payment of audit fees by the investors need to be omitted since this is expected to be an operational cost to the Authority. The expectation is that this cost is already built in the license fees.</p>
--	---	--	---	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>(e) contain such other conditions as the Authority deems necessary.</p> <p>(6) A licence issued under this section may—</p> <p>(a) be amended at any time on written notice to the holder by the authority, if in its opinion the amendment is necessary; or</p> <p>(b) be suspended or revoked by the Authority if the holder fails to comply with the conditions contained in the licence laid down in this Act or in any regulations made thereunder and where a licence is suspended or revoked, the holder shall take such steps as may be recommended by the Authority.</p>		<p>Suspension Revocation of Licenses</p> <p>(1) The Authority may suspend or revoke a license or designation granted to a Special Economic Zone Developer, Operator, or Enterprise, for such period or until the occurrence of such event as the Authority may specify, if the licensed or designated person:</p> <p>(a) Nonpayment of annual license fees;</p> <p>(b) enters into liquidation, has a winding-up order issued against it, or otherwise ceases to be a going concern;</p> <p>(c) conducts any activity or business outside the scope of the specific activities authorized under its SEZ license or the declaration of the respective Special Economic Zone;</p> <p>(d) has a receiver, administrator, or manager appointed over all or a substantial part of its assets or undertaking;</p> <p>(e) ceases to carry out its authorized SEZ activities for a continuous period of more than sixty (60) days</p>	
--	--	--	---	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	<p>(7) The Cabinet Secretary shall—</p> <p>(a) publish in the Kenya Gazette all approved applications to establish a special economic zone; and</p> <p>(b) within one hundred and eighty days of the coming into force of this Act, publish regulations on the application, issuance, suspension, revocation and appeal process on licensing of special economic zones.</p>		<p>without prior written approval from the Authority;</p> <p>(f) has a director, shareholder with a controlling interest, or key officer who has been convicted of a felony or an offense involving fraud or dishonesty;</p> <p>(g) fails to comply with any specific conditions or performance benchmarks attached to the license or the SEZ development agreement;</p> <p>(h) fails to comply with a lawful directive or compliance notice issued by the Authority;</p> <p>(i) fails to provide the Authority with required periodic reports, financial statements, or other information as prescribed under this Act or its Regulations;</p> <p>(j) provides information to the Authority that is false, misleading, or fraudulent in a material particular;</p> <p>(k) fails to maintain the minimum investment thresholds or infrastructure standards prescribed for its category of license; or</p>	<p>The Special Economic Zone Act currently provides</p>
--	---	--	---	---

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>(1) is in material breach of any other provision of this Act, the Investment Agreement, or applicable Tax and EACCMA 2004 and its regulations.</p> <p>(2) Before suspending or revoking a license under subsection (1), the Authority shall give the licensed or designated person a written notice of at least thirty (30) days, specifying the grounds for the intended action and requiring the person to show cause why the license should not be suspended or revoked.</p> <p>(3) Where a license is revoked, the Authority shall, in consultation with the relevant Cabinet Secretary, provide for the protection of third-party interests and the orderly exit or transfer of assets within the Special Economic Zone.</p> <p>(4) where a license is suspended or revoked, the affected SEZ developer, operator or enterprise shall be open to appeal to the Cabinet Secretary in charge of Special Economic Zones</p>	<p>for 12 months validity period, after which, until renewal, the investor has no legal right or basis of carrying out business. This situation discourages investors due the unpredictability of the license authorization.</p> <p>By giving a 10 year validity period potential investors will feel more confident to invest since the initial license gives them a certain 10 year period with legal right to conduct their business in special economic zones, provided they fulfil their obligations, as set out in the license.</p> <p>This amendment also assures the investors that no terms or conditions shall be introduced in course of 10 years.</p> <p>Payment of audit fees by the investors need to be omitted since this is expected to be an operational cost to the Authority. The expectation is that this cost is already built in the license fees.</p>
--	--	--	--	---

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>within thirty days 30 days</p> <p>Association of Special Economic Zones (ASEZ) Clause 4 be amended- "in subsection (5) by inserting the following new subsections immediately after subsection (5)- "(5A). A license issued under this Act to a Special Economic zone Developer, Operator or Enterprise carrying on business or undertaking activities in a special economic zone shall be valid for a minimum period of ten years." "(5B) The Authority shall on an annual basis and for the entire period during which a license remains valid, audit a special economic zone developer, operator or enterprise to whom a license is issued pursuant to subsection (5A) to ensure compliance with such</p>	
--	--	--	--	--

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			terms and conditions of the license.”	
Clause 4			<p>Trific proposed</p> <p>a) the introduction of an express clause that tax incentives run independently of licence validity and renewal</p> <p>b) Introduction of an express clause that tax incentives run independently of licence validity and renewal</p>	<p>investors across all SEZ types, including those in petroleum operations, make multi-year financial commitments premised on incentive certainty. Ambiguity on incentive continuity upon renewal introduces avoidable risk that undermines both oil and gas and broader SEZ investment. Petroleum operations involve long gestation periods and capital recovery cycles that may span multiple licence terms. Tying tax incentives to licence validity creates uncertainty that could deter investors</p>
Clause 4			<p>Anjarwala & Khanna LLP</p> <p>Propose that section 27 of the SEZ Act be amended by-</p> <p>a. in subsection (5) by deleting paragraph (d);</p>	<p>Prescribing a minimum period of ten years for licences to special economic zone developers, operators or enterprises would enhance the certainty available to investors, which is critical in supporting long-term investment decisions.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
			<p>b. by inserting the following new subsection immediately after subsection (5). “(5A) A licence issued under this Act to a special economic zone developer, operator or enterprise shall be valid for a minimum period of ten years.”</p> <p>Anjarwala & Khanna LLP Propose the deletion of the part of the proposed amendment to section 27 of the SEZ Act that refer to subsection (5A). The proposed amendment to read “(5B) The Authority may, on annual and a licence remains valid, audit a special economic zone compliance with such terms and conditions of the licence as the Authority may prescribe.”</p> <p>Anjarwala & Khanna LLP Propose the insertion of a new subsection immediately after</p>	<p>The period of 10 years would not prejudice the Authority’s oversight and enforcement powers, as subsection (6) grants the Authority power to suspend or revoke a licence where the holder fails to comply with the prescribed conditions. The proposed period of 10 years should not be limited to petroleum zones as this will fragment the SEZ regime and weaken investor confidence due to lack of uniformity in its implementation. A predictable licensing framework enhances investor confidence, supports project financing and aligns with international practice.</p> <p>While 5B empowers the Authority to monitor compliance, 5C ensures that the exercise of enforcement powers flowing from that monitoring is fair, proportionate and legally robust.</p> <p>The two provisions create a balanced the integrity of the licensing regime whilst safeguarding the rights and legitimate expectations of licensed entities.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>subsection (5B) “(5C) The Authority shall not suspend, refuse to renew or cancel a licence solely on the basis of audit findings unless the licensee has been given prior written notice of the breach and a reasonable opportunity to remedy it, except where the breach poses an immediate threat to safety, the environment or national security.”</p>	
			<p>Emsi & Associates propose the deletion of Section 27.</p>	<p>Licenses under the Petroleum Act are audited by EPRA as a sector regulator in accordance with Section 24 and Part VII of the Petroleum Act. The additional audit under Special Economic Zones Act by a non-sector regulator, plus payment of audit fees is a duplicity hence creating jurisdictional overlaps between the Special Economic Zones Authority and Energy and Petroleum Regulatory Authority for oil and gas sector. This is therefore an unnecessary additional administrative and monetary burden on the investors which should be avoided.</p>
			<p>Association of Special Economic Zones</p>	<p>This aspect is covered in the new subsection “(5A)” on the 10 year licence.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>Propose an amendment to Section 27(5) by “deleting paragraph (d)”</p> <p>Propose the deletion of the expression “terms and conditions of the license as the Authority may prescribe” and insert the words “terms and conditions of the licence.”</p> <p>Deletion of the expression “and the developer, operator or enterprise shall pay such annual audit fees to the Authority as may be prescribed.”</p>	<p>Audit fees should be part of the operational costs for the Authority and not unpredictable expenses to the investors.</p>
Clause 4			<p>Petroleum Outlets Association of Kenya (POAK)</p> <p>Propose an amendment to the Bill requiring a joint institutional audit mechanism involving SEZ Authority, Kenya Revenue Authority (KRA) and Energy and Petroleum Regulatory Authority (EPRA)</p>	<p>Ensure transparency in cost recovery regimes. Safeguard government revenue. Strengthen regulatory oversight.</p>
Clause 4			<p>TSAVO Oilfield Services Ltd.</p> <p>Retain the proposed minimum 10-year licence period, but introduce</p>	<p>To align licence stability with delivery of economic outcomes.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			mandatory performance benchmarks (investment, jobs, timelines, local content), periodic compliance reviews and powers to suspend, sanction, or revoke licences for non-performance.	
Clause 4		Introduces a minimum 10-year license validity for petroleum-zone developers, operators, and enterprises (new subsection 5A). General license validity for other zones remains 'as the Authority may prescribe'.	KNCCI Add a clarification sentence: 'The minimum period shall not limit the Authority's powers under subsection (6) to amend, suspend or revoke a license for non-compliance.' Define clear, transparent performance-based license renewal, suspension, and revocation regulations. Introduce performance-based renewal criteria tied to investment, employment, and export targets.	Minimum license terms improve investor confidence, improve bankability for 15-25-year capital-intensive petroleum infrastructure. Regulatory integrity requires that security enforcement coexist explicitly. Performance-based renewal ensures economic delivery.
Clause 4		Clause 4(b) – new section 27(5B): annual audits and fees	KNCCI Amend as follows; 'The Authority shall, on a risk-based basis and in accordance with regulations, audit a licensed petroleum-zone developer, operator,	Blanket annual audits significantly increase compliance costs; may duplicate KRA, NEMA, and petroleum regulator audits and fees without published schedules. Reduces fees resembling quasi-taxes. Reduces Kenya's competitiveness relative to peer SEZ jurisdictions.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			or enterprise.' → Fees must be prescribed in regulations, published in a fee schedule, and proportionate to audit scope and risk profile. → Require inter-agency audit coordination to prevent duplication (SEZ Authority, KRA, NEMA, petroleum regulators).	
Clause 4	Section 27 currently requires the Authority to assess engineering and financial plans, financial viability and environmental and social impact, but it does not prescribe periodic KPIs after licensing.		<p>KNCCI</p> <p>Introduce performance-based licensing tied to published KPIs: → Minimum investment thresholds by Year 3 and Year 7.</p> <p>Annual KPI reporting as a condition of continued license validity.</p> <p>Therefore link licence validity or renewal to investment, jobs or exports.</p>	Licenses granted for 10 years with no performance conditions risk creating long-term incentive entitlements without corresponding economic delivery. Parliament cannot assess value for money of petroleum-zone fiscal incentives
Clause 4		(5A) A licence issued under this Act to a special economic zone developer, operator or enterprise carrying on business or	<p>KAM</p> <p>We propose providing the 10 year minimum period to all operations of the special economic zones.</p>	Limiting the 10-year minimum validity to petroleum-related activities creates unequal treatment among SEZ investors. SEZs are designed to promote investment across multiple sectors including manufacturing, logistics, ICT, pharmaceuticals, agro-processing, etc. Providing the same minimum licence tenure ensures fairness, neutrality, and non-discrimination across

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

		undertaking activities in zones designated for midstream petroleum operations or upstream petroleum operations shall be valid for a minimum period of ten years.		sectors. It would therefore be more consistent with the overarching objectives of the SEZ framework to apply the minimum licence tenure uniformly across all sectors operating within Special Economic Zones.
			KAM Proposed to grant the Cabinet Secretary for National Treasury powers to provide exemptions and other incentives to oil and gas operators and developers.	This will enable the government to target the oil and gas sector specifically without diluting the other special economic zone sectors.
Clause 4			Viva Africa Consulting LLP (VACL) Supports the proposed amendment to section 27(5) of the SEZ Act to have a minimum 10-year licence validity and to introduce the annual audits by the Authority (with fees payable).	Provides long-term investor certainty. It aligns with the capital-intensive nature of petroleum projects. Ensures ongoing regulatory oversight.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

Clause 5		Section 28 of the Act is amended in paragraph (a) by deleting the expression “incorporated in Kenya”.	KAM Proposal to delete this clause	<p>Mandating all companies to be incorporated in Kenya will enhance regulatory oversight and accountability. A locally incorporated company is fully subject to Kenyan laws, reporting standards, and enforcement mechanisms.</p> <p>It also protects government revenue as locally incorporated companies pay various taxes. Furthermore, it will reduce profit shifting, base erosion and aggressive tax structuring through offshore vehicles</p> <p>Kenyan taxpayers will end up providing extensive incentives to foreign companies that do not have any tax obligations in Kenya.</p>
Clause 5			KNNCI Replace the deletion with a full substitution: → <i>'is a company (including a foreign company) registered in Kenya under the Companies Act (Cap. 486), or a public undertaking special economic zone activities.'</i> → This maintains openness to foreign developers	<p>A bare deletion leaves no requirement for a Kenyan legal presence. Contract enforcement, fee recovery, and regulatory accountability become significantly harder. Risk of foreign developers with no Kenyan presence winning zone development licenses, effectively outside Kenya's tax and regulatory jurisdiction.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			while ensuring Kenyan registration for enforcement.	The SEZ Act's definition of 'company' already accommodates foreign companies registered in Kenya. making this substitution legally coherent. Enforceability of license conditions, fees, penalties, and contracts requires a Kenyan legal nexus.
Clause 5			KNCCI Introduce a preferential framework for Kenyan-owned businesses and MSMEs in zone infrastructure development: → Require a specified percentage of sub-contracting in zone infrastructure construction to be allocated to registered local enterprises. → Align to the Public Procurement and Asset Disposal Act's reservation scheme.	Removing the incorporation requirement without adding preferential frameworks risks large foreign developers crowding out Kenyan-owned businesses from zone development opportunities. Local enterprises — particularly in Turkana County have a legitimate expectation of participation in petroleum infrastructure development. Absent preferential frameworks, this expectation will not be met through market forces alone.
Clause 5			KNCCI Define minimum eligibility criteria for petroleum-zone developers in regulations: Minimum paid-up capital or financial capacity threshold. → Demonstrated sector expertise (track record in petroleum zone or infrastructure development).	Absence of objective eligibility thresholds creates risk of under-capitalized or shell entities obtaining zone developer licenses. Discretionary approvals without objective criteria increase governance risk.
Clause 5			Viva Africa Consulting LLP	It removes inconsistencies in the law.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			(VACL) Support the deletion of the expression "incorporated in Kenya"	Enhances legal certainty for investors. Broadens eligibility without ambiguity.
Clause 5	Section 28 A special economic zone developer shall, in addition to such other criteria and requirements as may be prescribed—(a)be a company incorporated in Kenya or a public entity, for the purpose of undertaking special economic zone activities; (b)have the financial capacity, technical and managerial expertise, and associated track record of relevant development or operational projects, required for developing or operating the special economic zone; and (c)own or lease land or	Section 28 of the principal Act is amended in paragraph (a), by deleting the expression "incorporated in Kenya."	TSAVO Oilfield Services Ltd. Propose amendment of the principal Act to require that foreign companies register a branch or a subsidiary in Kenya in accordance with the provisions of the Companies Act.	It could cause potential challenges with enforcement of local laws against foreign-registered companies with no base in Kenya. This also presents risks to tax administration which may affect revenue collection unless carefully monitored thus adding further administrative burdens on already thinly stretched KRA. The proposed amendment could be deemed to constitute unequal treatment of investors in the oil and gas sectors which could be challenged as discriminatory.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	premises within the special economic zone as stipulated under the Special Economic Zones (Land Use) Regulations to be enacted within one hundred and eighty days of the coming into force of this Act.			
Clause 5			Kenya Revenue Authority (KRA) Oppose the deletion of the expression "incorporated in Kenya"	It will be difficult to identify the companies that are not incorporated in Kenya for tax purposes. For tax purposes various certain transactions require a Personal Identification Number (PIN) section 11 of the Tax Procedures Act. It is proposed that such a company should have a company PIN. The company should therefore be required to comply with registration under Section 974 of the Companies Act for it to benefit for tax incentives.
Clause 6	Section 29- Special Economic Zone Enterprises (1) The benefits prescribed in Part VI of	Section 29 of the principal Act is amended- (a) in subsection, by	Kenya Revenue Authority (KRA) Deletion of the expression "is incorporated in Kenya" appearing in paragraph (a) and substituting therefor the expression "is a company" will create challenges in identifying and administering tax	This will present a challenge to recognise transactions of the companies. It is proposed that the companies comply with registration under Section 974 of the Companies Act to facilitate the company obtain a PIN for accounting of tax incentives.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

Clause 6	<p>this Act shall not accrue to any enterprise unless it holds a valid licence issued by the Authority.</p> <p>(2) The Authority shall grant a licence if the application meets the objectives of this Act, and if the proposed business enterprise—</p> <p>(a) is incorporated in Kenya whether or not it is one hundred per cent foreign owned;</p> <p>(b) proposes to engage in any activity or activities eligible to be undertaken by a special economic zone enterprise in the</p>	<p>deleting the expression “is incorporated in Kenya” appearing in paragraph (a) and substituting therefor the expression “is a company”;</p> <p>(b) by inserting the following new paragraph immediately after subsection (2)-</p> <p>“(3) A special economic zone developer or operator undertaking, or intending to undertake, activities in a zone designated for midstream or upstream</p>	<p>obligations.</p> <p>Emsi & Associates</p> <p>Deletion of the proposed amendment.</p>	<p>The proposed amendments could cause potential challenges with enforcement of local laws against foreign-registered companies with no base in Kenya. This also presents risks to tax administration which may affect revenue collection unless carefully monitored thus adding further administrative burdens on already thinly stretched KRA.</p> <p>The proposed amendment could be deemed to constitute unequal treatment of investors in the oil and gas sectors which could be challenged as discriminatory.</p>
			<p>Independent Continental Youth Advisory Council On AfCFTA (ICOYACA)</p> <p>The amendment allows foreign-incorporated entities to qualify as SEZ developers/operators or enterprises, including those operating through branches</p>	<p>While this change may attract foreign investment (e.g., multinational petroleum companies), it introduces potential transparency and accountability risks if not accompanied by adequate disclosure requirements.</p> <p>The Bill does not introduce compensating safeguards, particularly regarding beneficial ownership transparency, disclosure obligations and regulatory visibility of foreign-registered entities operating in</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	special economic zone; (c)does not have a negative impact on the environment or engage in activities impinging on national security or presenting a health hazard; and	petroleum operations may apply, in the prescribed manner, for a special economic zone purposes of undertaking an activity or activities under this Act.”	registered in Kenya.	SEZs.
	(d)conducts business in accordance with the laws for the time being in force save for any exemptions under this Act.		<p>Eni kenya</p> <p>Propose to amend the new proposed paragraphs (k) and (l) in subsection 6 for “(k) midstream petroleum operations zones;</p> <p>(l) upstream petroleum operations zones”.</p> <p>Insertion of a new paragraph</p> <p>“(m) geothermal resource zones”</p>	<p>Kenya has significant geothermal resources which are a strategic priority under the renewable energy agenda.</p> <p>Geothermal development faces similar investment and capital intensity challenges as petroleum (upstream and midstream operations).</p> <p>Its inclusion would help attract large-scale investment and accelerate development of geothermal resources.</p> <p>The First Schedule to the Special Economic Zone Act is amended in paragraph 1, by inserting the following new paragraph immediately after paragraph (h)-</p> <p>(i) Oil and gas zones; and</p> <p>(ii) Any other zone that may be declared by the</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

				Cabinet Secretary, on the recommendation of the Authority, by a notice published in the Gazette.
Clause 6			<p>Petroleum Outlets Association of Kenya (POAK)</p> <p>Propose an amendment to clause 6 to read “Notwithstanding any provisions of the Income Tax Act or Value Added Tax Act, fiscal incentives granted to a licensed petroleum SEZ enterprise shall remain applicable for the duration of the licence</p>	<p>To provide that fiscal incentives granted to petroleum SEZ enterprises remain fixed (ring-fenced) for the duration of the initial licence period (10 years), notwithstanding amendments to tax laws.</p> <p>Provide certainty for high CAPEX investments.</p> <p>To support Final Investment Decisions (FID)</p> <p>Reduce regulatory risk from annual Finance Act</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>Insert a provision (or require regulations) establishing a minimum local procurement requirement for SEZ petroleum enterprises.</p>	<p>changes.</p> <p>Prevent SEZs from becoming import-dependent enclaves.</p> <p>Integrate local petroleum value chains.</p> <p>Support SMEs and domestic distributors.</p>
Clause 6			<p>TSAVO Oilfield Services Ltd.</p> <p>Propose an amendment to the Bill by inserting a provision requiring all applicants for petroleum SEZ licences to submit and implement a Local Participation Plan covering employment of Kenyan nationals, technical training and skills development, collaboration with local institution procurement from Kenyan firms, SME supplier development technology transfer, inclusion of women, youth, and regional enterprises and periodic reporting of outcomes</p>	<p>To secure Kenyan value capture and capacity development.</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			<p>Where the Bill uses the term “a company,” include conditions requiring that such a company should meet, be registered to operate in Kenya, tax compliant, disclose beneficial ownership, maintain a substantive local presence, comply with Kenyan laws and implement local participation obligations.</p>	<p>To prevent regulatory arbitrage and weak accountability.</p>
Clause 6			<p>Petroleum Institute of East Africa (PIEA)</p> <p>Propose an amendment to explicitly expand the scope of SEZ to include areas where midstream and upstream petroleum operations are being carried out, which are currently not covered by the SEZ Act(Cap. 517A).</p>	<p>The current legislation does not explicitly recognize oil and gas zones (upstream, midstream and downstream) operations as areas that can be engaged in midstream or upstream petroleum operations benefit from the incentives accrued to the holder of an enterprise license under the SEZ and at the same time enable the citizenry benefit from technology transfer on job transfer, job training as well as entrepreneurship benefits, particularly for MSMEs.</p> <p>The designator of midstream and upstream as SEZ will create a conducive environment for attracting foreign direct investment for attracting foreign</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
				<p>direct investment in these sectors.</p> <p>It will improve regulatory predictability, deliver high-quality industrial infrastructure and create technical employment opportunities, thereby enabling wealth creation and further boosting Kenya's overall investment competitiveness.</p> <p>The amendment is in line with the National Investment Policy (2019), which emphasizes attracting high-value-added, inclusive investments that support economic diversification and sustainable development.</p> <p>It prioritizes the development of bankable projects and targets international marketing. Further, the amendment aligns with the Investment Promotion Act (2004), which focuses on facilitating investment by streamlining licensing processes and providing targeted incentives and after care services for investors.</p>
Clause 6			<p>Viva Africa Consulting LLP (VACL)</p> <p>Supports the amendment to</p>	<p>This enhances operational flexibility by allowing SEZ developers or operators undertaking midstream or upstream petroleum activities to also obtain an enterprise license where necessary. This supports efficient execution of petroleum-related activities</p>

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			section 29 of the SEZ Act.	within SEZs and encourages greater investment in the sector.
			<p>KNCCI</p> <p>KNCCI proposes a more precise substitution: the enterprise should be a company, including a foreign company, registered in Kenya under the Companies Act, whether wholly or partly foreign owned.</p> <p>The proposal-</p> <p>'is a company (including a foreign company) registered in Kenya under the Companies Act (Cap. 486), whether it is wholly or partially or not foreign-owned.' This preserves the policy intent of allowing 100% foreign ownership while ensuring a legal compliance presence in Kenya for tax compliance and enforcement.</p>	'Is a company' without a Kenyan registration requirement leaves the license under-eligibility specified. Enterprises may obtain SEZ licenses without a Kenyan legal presence, effectively outside Kenya's tax enforcement and regulatory jurisdiction.
Clause 6		6(a)Deleting the expression "is	Tsavo Oilfield	Mandating all companies to be incorporated in Kenya will enhance regulatory oversight and

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

		incorporated in Kenya”	We propose to delete this Clause	<p>accountability. A locally incorporated company is fully subject to Kenyan laws, reporting standards, and enforcement mechanisms.</p> <p>It also protects government revenue as locally incorporated companies pay various taxes. Furthermore, it will reduce profit shifting, base erosion and aggressive tax structuring through offshore vehicles</p> <p>Kenyan taxpayers will end up providing extensive incentives to foreign companies that do not have any tax obligations in Kenya.</p>
Clause 7			<p>Viva Africa Consulting</p> <p>Support inclusion of oil and gas recognised SEZ. schemes</p>	It formalises petroleum within the SEZ regime and strengthens sector-specific investment frameworks.
Clause 7	<p>First Schedule</p> <p>1. The Authority shall permit multiple sector or single sector Special Economic Zones including but not limited to the following—</p> <p>(a) Free Trade Zones</p>	The principal Act is amended in the First Schedule by inserting the following new paragraph immediately after paragraph	<p>Trific SEZ</p> <p>Proposed an amendment to designate oil and gas SEZ activities as a sub-category within Industrial Parks, or alternatively create an explicit cross-reference between oil and gas zones and Industrial Park</p>	Midstream and upstream petroleum operations share significant operational characteristics with industrial parks, large-scale infrastructure, capital intensive plant and machinery, integrated utilities, and long investment cycles. Treating oil and gas zones as wholly separate creates regulatory silos, duplicates administrative structures, and denies petroleum zone developers access to

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	(FTZ) (b)Industrial Parks (c)Free Ports(d)Information Communication and Technology Parks (ICT Parks) (e)Science and Technology Parks (f)Agricultural Zones (g)Tourist and Recreational Zones (h)Business Service Parks	(h)- “(i) oil and gas zones”.	provisions, sothat petroleum zone operators benefit from the same Infrastructure fiscal, and regulatory frameworks as industrial parks	established industrial park
Clause 7			Eni kenya Propose that the First Schedule to the Special Economic Zone Act is amended in paragraph 1, by inserting the following new paragraph immediately after paragraph (h)- (i) Oil and gas zones; and (ii) Any other zone that may be declared by the Cabinet Secretary, on the recommendation of the Authority, by a notice published in the Gazette.	
Clause 7	Amendment of First		KNCCI notes terminology	

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

	Schedule – Zone Types		inconsistency with Clause 3 (midstream/upstream)Proposes harmonization as per Clause 3. -Recommends integration with National & County Spatial Plans and public register of zones.	
Clause 8		Income Tax Act Delete the expression “in the first 10 years of its establishment”	KAM a) Restrict this provision to oil and gas operators b) Allow residents to also benefit from this exemption. (c) Grant the Cabinet Secretary for National Treasury the power to include other sectors in this exemption on a case-by-case basis.	A permanent or open-ended income tax exemption significantly erodes the corporate tax base and shifts the tax burden to non-exempt sectors and individuals. Restricting the exemption to oil and gas operators ensures that the incentive is targeted at capital- intensive, high-risk sectors. This is because oil and gas projects typically involve long payback periods and high upfront exploration risk, which justifies differentiated treatment. If the exemption is opened to all sectors without limitation, businesses operating outside SEZs may relocate purely for tax reasons. This could weaken counties and industrial clusters outside designated zones. Granting the Cabinet Secretary for the National Treasury the authority to extend the exemption to additional sectors on a case-by-case basis allows evidence-based, sector-specific decision- making.

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

Clause 8	Schedule Consequential Amendments —		<p>KNCCI</p> <p>(a) KNCCI opposes open-ended income tax exemption; propose bounded 10-year period “from date of first operation” and explicit limit for petroleum zones (max 15 yrs if justified).</p> <p>(b) Supports VAT zero-rating extension but with SEZ Authority certification.</p> <p>(c) Supports levy exemption; advises verify correct paragraph numbering; narrow to certified SEZ licensees</p>	
	Cross-cutting: MSME / Local Content	No MSME clauses.	KNCCI demands Local Content and MSME Linkages Plan mandatory for all petroleum-zone licences; annual reporting dashboard on domestic participation.	
	Cross-cutting: AfCFTA alignment	none	KNCCI proposes statutory orientation of petroleum SEZs toward regional export hubs within AfCFTA trade regime.	
	Cross-cutting: Regulatory efficiency —	Bill silent on digital licensing and inter-agency coordination.	KNCCI calls for a Single-Window Licensing System, 30-day statutory decision timelines, joint SEZ-KRA-NEMA-EPRA committee, and	

CLAUSE	PRINCIPAL ACT (Original Provision)	AMENDMENT BILL (Proposed Provision)	STAKEHOLDER VIEWS	JUSTIFICATIONS/RATIONALE
--------	---------------------------------------	--	-------------------	--------------------------

			performance-monitoring framework (KPIs).	
	New Proposal Foreign customs territory		KAM Proposed to maintain the legal and territorial integrity of Special economic zones as foreign customs territory	This gives immunity to players in SEZ from changes in the mainland that have continuously affected players operating in SEZs. By maintaining foreign customs territory status, SEZ entities are governed by a specialized, long-term legal framework that usually includes stabilization clauses. This ensures that even if the mainland increases VAT, Corporate Income Tax, or Import Declaration Fees (IDF), the SEZ remains insulated, preserving the original financial models used by investors. The designation of SEZs as foreign customs territories ensures that the long-term contractual and fiscal expectations of investors are not subverted by the high frequency of legislative and administrative changes characteristic of the mainland economy, thereby providing the legal certainty required for large-scale industrial commitments.
		New Proposal Market Access	proposed that Customs Duties payable by goods from SEZs be less of local content.	This will encourage integration between the domestic market and SEZ/ EPZs.



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES





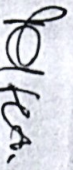
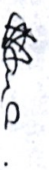

WITNESS ATTENDANCE REGISTER

AGENDA: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL
(NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

DATE: THURSDAY, 2ND APRIL, 2026

VENUE: GLEE NAIROBI HOTEL, KIAMBU COUNTY

1.	David Ontwels	Kenya Revenue Authority	Asst Deputy Commissioner	0722822264	
2.	May Muthama	Kenya Revenue Authority	Parliamentary liaison officer	0709018819	
3.	Paul Wanjama	Lands Dept	Public Communication	0702888766	
4.	Joseph K. Nguyo	State Dept for Investment Promotion	PLD / Senior Deputy Secretary	072239531	
5.	Rose Ngare	State dept for Inv promotion	Senior Counsellor	0710183995	
6.					
7.					
8.					
9.					

	NAME	INSTITUTION	DESIGNATION	MOBILE	SIGN
19.	FRANKLIN Juma	GULF ENERGY	COUNTRY MANAGER	072261877	
20.	Sandra Gitundi	Gulf Energy	Corporate Affairs & Brand Lead	072275145	
21.	EDWARD KASANT	GULF ENERGY	GENERAL COUNSEL	0724534873	
22.	Paul Sika	GULF ENERGY	GROUP CFO	0728582170	
23.	Aziso Nelson	"	COO	072279404	
24.	Sarah Maura	State Dept for Trade	Secretary	072401063	
25.	Tony Ayuma	SDC PP	DISC	0791628300	



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES









WITNESS ATTENDANCE REGISTER

AGENDA: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL
(NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

DATE: THURSDAY, 2ND APRIL, 2026

VENUE: GLEE NAIROBI HOTEL, KIAMBU COUNTY

1.	David W. Ong'oro	NEUA	Dir. Compliance	0722 849420	
2.	Lynette Nyagah	OGCA-K	PROJECT MANAGER	0796111048	
3.	Wanjiku Manyara	PIEA Secretariat	General Manager	0722221120	
4.	Ayuma Likhanga	PIEA Secretariat	Business Analyst	07221120	
5.	Dominica Nyaga	OGCA	Director	0720637717	
6.	Peter Meche	POAK	Member	0722514986	
7.	Anne Mubia-Murugi	Viva Africa Consulting	Partner	0721514100	
8.	ENG. ELIZABETH ROGO	TSavo OILFIELD SERVICES	CEO	0726 400 3571	E. ROGO
9.	JOHN NJOH	POAK	CEO	0721481680	J.

	NAME	INSTITUTION	DESIGNATION	TELEPHONE	SIGNATURE
11.	Christine Nkatha	Viva Africa Consulting LLP	Consultant	0725763726	
12.	EVERALINE MORGAN	DOAK	GM	0723254380	
13.	Dr Kenneth Odeku	SEZA	CEO	0705097614	
14.	Thokim Isaac	SEZA	Manager AA-Licensing	0722874322	
15.	DAISY ADIMA	SEZA	Director Legal	0721336606	
16.	F ^o FRANCIS Gilman	SEZA	Manager S & C	0722246295	
17.	Mary Sigiaperi	SEZA	INTERN	0797511974	
18.	PAUL LIMOH	GULF ENERGY	CEO	0728585255	



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

WITNESS ATTENDANCE REGISTER

AGENDA: STAKEHOLDER ENGAGEMENT ON THE SPECIAL ECONOMIC ZONES (AMENDMENT) BILL
(NATIONAL ASSEMBLY BILL NO. 8 OF 2026)

DATE: WEDNESDAY, 1ST APRIL, 2026

VENUE: GLEE NAIROBI HOTEL, KIAMBU COUNTY

1.	Anne Mubia - Murugi	Viva Africa Consulting LLP	Partner	0721514800	
2.	Christine Nkatha	Viva Africa Consulting LLP	Consultant	0725783726	
3.	Dennis Chiruba	dennis.chiruba@viva.africa	Lawyer	0721538914	
4.	Cindy Mochere	cindy.mochere@viva.africa	Lawyer	0103923046	
5.	Caleb Weiriko	caleb.keraka@viva.africa	Lawyer	0702846273	
6.	Philip Ndentse	ASSOCIATION FOR SPECIAL ECONOMIC ZONES	CEO	0711223354	
7.	Emmanuel Otieno	emotieno@kepsa.or.ke	Manager	0711819916	
8.	Patience Karanja	patience@kepsa.or.ke	PPD Officer	0727465009	
9.	Ferdinand Musungu	KEPSA	Communications officer	0718485686	

	NAME	INSTITUTION	DESIGNATION	TELEPHONE	SIGNATURE
11.	MUWA BRIAN	TRIFIC SEZ	HBD	070009070	
12.	Polu Ngua	TRIFIC SEZ	LEGAC	0787450091	
13.	Nagda Baghazal	TRIFIC SEZ	BD Marketing	0716548802	
14.	Rufk Kemlsem	KAM	Legal.	0722870446	
15.	Malcolm Mwangi	KAM	Legal	0729890628	
16.	Solomon Mathinda	ASSOCIATION OF SPECIAL ECONOMIC ZONES (ASEZ)	VICE CHAIRMAN	0721263420	
17.	Walter N. Komau	KAM	Trade Policy	0713460980	
18.	Thomas Mwaengo	TRIFU CITY LTD	HEAD OF SEZ OPS	0722869910	