

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DIRECTORATE OF DEPARTMENTAL COMMITTEES

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL
PLANNING**

REPORT ON:

**THE CONSIDERATION OF THE KENYA REVENUE AUTHORITY
(AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 28 OF 2026)**

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CLERK-AT THE-TABLE:	Lomale
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TABLE OF CONTENTS

ANNEXURES	4
CHAIRPERSON'S FOREWORD	5
CHAPTER ONE.....	7
I PREFACE	7
1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE	7
1.2 COMMITTEE MEMBERSHIP	9
1.3 COMMITTEE SECRETARIAT	10
CHAPTER TWO.....	11
2.0 OVERVIEW OF THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO. 28 OF 2026)	11
2.1 Background	11
2.2 Summary of Legal Provisions	11
CHAPTER THREE.....	13
3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL.....	13
3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION.....	13
3.2 MEMORANDA RECEIVED ON THE BILL	13
3.3 Submissions from Stakeholders	13
3.3.1 Submission by the Office of the Attorney General and Department of Justice.....	13
3.3.2 Submission by Kenya Revenue Authority	15
3.3.3 Submissions from County Public Hearings	17
CHAPTER FOUR.....	Error! Bookmark not defined.
4 COMMITTEE OBSERVATIONS	Error! Bookmark not defined.
CHAPTER FIVE.....	Error! Bookmark not defined.
5 COMMITTEE RECOMMENDATION.....	Error! Bookmark not defined.

LIST OF ABBREVIATIONS AND ACRONYMS

AG	-	Attorney General
COK	-	Constitution of Kenya
KRA	-	Kenya Revenue Authority
MP	-	Member of Parliament
OCOB	-	Office of the Controller of Budget
ODM	-	Orange Democratic Movement
UDA	-	United Democratic Alliance

ANNEXURES

Annexure 1: Adoption Schedule.

Annexure 2: Minutes.

Annexure 3: The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026)

Annexure 4: Advertisement inviting the public to submit memoranda on the Bill and attend Public Hearings in various Counties.

Annexure 5: Letter from the Clerk of the National Assembly inviting relevant stakeholders to attend the public participation forum.

Annexure 6: Memoranda by Stakeholders

CHAIRPERSON'S FOREWORD

This Report contains the proceedings of the Departmental Committee on Finance and National Planning on its consideration of the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026). The Bill was published in the Kenya Gazette on 19th May 2026 and read a First Time on 26th May 2026. The Bill was thereafter committed to the Committee for consideration and tabling of the report to the House pursuant to Standing Order 127.

The principal object of the Bill is to amend the Kenya Revenue Authority Act, Cap. 469, to clean up redundant expressions and align the Act to current laws in the statute book that are provided for in the Act in order to tidy up the statute. These are minor amendments.

The Bill seek to delete the words “other than an *ex-officio member*” as the words are no longer applicable to the current composition and structure of the Board and the Authority’s operations. The membership of the Board as currently provided for in section 6 of the Act does not have *ex officio* members, hence the amendment.

The Bill also seeks to update some of the laws referred to in the First Schedule which are no longer applicable. They are as follows:

- (a) *Replacement of the Standards Levy Order, 1990 (LN 267 of 1990) with the Standards (Standards Levy) Order, 2025:* This is an Order made pursuant to powers conferred by section 10B of the Standards Act, Cap. 496. It is the successor to the Standards Levy Order, 1990. Therefore, the amendment seeks to refer to the Standards (Standards Levy) Order, 2025 which is the current, accurate law.
- (b) *Replacement of the Sugar Act (No. 10 of 2001) (repealed) with the Sugar Act, 2024 (No. 11 of 2024)*
- (c) *Insertion of the Retirement Benefits Act, Cap. 197, as one of the written laws applicable to revenue-* Section 16 of the Retirement Benefits Act, Cap. 197, provides for the Retirement Benefits Levy imposed by the Cabinet Secretary. Section 16(1) of the Act provides that, “*The Cabinet Secretary may, in consultation with the Board, by order published in the Gazette, impose a levy to be known as the Retirement Benefits Levy on the contributions made to scheme funds, or on the assets of such funds, or on such other base as he may determine.*” The Bill therefore seeks to include the Act as one of the written laws applicable to revenue within the ambit of the Kenya Revenue Authority as the Collector.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly placed an advertisement in the print media on 30th May 2026 inviting the public to submit memoranda by way of written statements on the Bill and also attend Public Hearings in Thirteen Counties from 2nd June 2026 to 8th June 2026.

In addition, the Clerk of the National Assembly vide letter Ref. No. NA/DDC/F&NP/2026/092 dated 5th June 2026 invited key stakeholders to submit views on the Bill and attend a public participation forum on Tuesday, 9th June 2026. The memoranda were to be received on or before Monday, 8th June 2026 at 5.00 pm (East African Time).

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its consideration of the Bill. Similarly, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made invaluable contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to the provisions of Standing Order 199(6), it is my pleasure to report that the Committee has considered the The Kenya revenue Authority (Amendment) Bill, (National Assembly Bill No. 28 of 2026) and wish to report to this august House with the recommendation that the House approves the Bill with amendments.

Hon. FCPA. Kuria Kimani, CBS, M.P.

Chairperson, Departmental Committee on Finance and National Planning

CHAPTER ONE

I PREFACE

I.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

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

- c) State Department for Public Investments and Asset Management.
- d) The Commission on Revenue Allocation (CRA)
- e) Office of the Controller of Budget

I.2 COMMITTEE MEMBERSHIP

I. The Departmental Committee on Finance and National Planning was constituted by the House on 27th October 2022 and reconstituted on Wednesday, 5th March 2025 and comprises the following Members:

Chairperson

Hon. FCPA Kuria Kimani, CBS, MP
Molo Constituency
UDA Party

Vice-Chairperson

Hon. (Amb.) FCPA Langat Benjamin Kipkirui, CBS, MP
Ainamoi Constituency
UDA Party

Members

Hon. Peter Kaluma, CBS, MP
Homa Bay Town Constituency
ODM Party

Hon. Sunkuyia, R. George, MP
Kajiado West Constituency
UDA Party

Hon. FCPA Oyula, Joseph H. Maero, MP
Butula Constituency
ODM Party

Hon. Dr. Gathoni Wamuchomba HSC, MP
Githunguri Constituency
UDA Party

Hon. Mboni, David Mwalika, MP
Kitui Rural Constituency
WDM Party

Hon. Sheikh Umul Sheikh, MP
Mandera County
UDM Party

Hon. Okuome Adipo Andrew, MP
Karachuonyo Constituency
ODM Party

Hon. (Dr.) Shadrack Mwiti, MP
South Imenti Constituency
Jubilee Party

Hon. Chiforomodo, Munga, MP
Lunga Lunga Constituency
UDM Party

Hon. (Dr.) Ariko John Namoit, MP
Turkana South Constituency
ODM Party

Hon. CPA Rutto Julius Kipletting, MP
Kesses Constituency
UDA Party

Hon. Machele M. Soud, MP
Mvita Constituency
ODM Party

Hon. Paul Biego, MP
Chesumei Constituency
UDA Party

1.3 COMMITTEE SECRETARIAT

4. The Committee is facilitated by the following staff:

Ms. Tracy Chebet
Principal Clerk Assistant II

Ms. Jennifer Ndeto
Deputy Director Legal Services

Mr. Benson Kamande
Clerk Assistant III

Ms. Winfred Kambua
Clerk Assistant III

Mr. Salem Lorot
Senior Legal Counsel

Mr. Eugene Luteshi
Audio Officer III

Ms. Nelly W. Ondieki
Research Officer III

Mr. George Ndenjeshe
Fiscal Analyst II

Mr. James Macharia
Media Relations Officer

Ms. Joyce Wachera
Hansard Reporter II

Mr. Benson Muthuri
Assistant Serjeant-At-Arms

Mr. Jared Onyancha
Protocol Officer

Mr. Allan Ngugi
Administrative Officer III

CHAPTER TWO

2.0 OVERVIEW OF THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO. 28 OF 2026)

2.1 Background

5. The Kenya Revenue Authority (Amendment) Bill (National Assembly Bills No. 28 of 2026) is a National Assembly Bill sponsored by the Leader of Majority Party of the National Assembly. It was published on 19th May, 2026 and it was read for a first time on 28th May, 2026. It was then committed to the Departmental Committee on Finance and National Planning for its consideration and tabling of report.

2.2 Summary of Legal Provisions

6. The principal object of the Bill is to amend the Kenya Revenue Authority Act, Cap. 469, to clean up redundant expressions and align the Act to current laws in the statute book that are provided for in the Act in order to tidy up the statute.

Clean-up of the expression “ex officio member” which is no longer applicable

7. Clause 2 of the Bill amends section 7 of the Kenya Revenue Authority Act (*Tenure of office of Chairperson and members*) to delete the words “other than an ex-officio member” as the words are no longer applicable to the current composition and structure of the Board and the Authority’s operations.
8. Section 6 of the Kenya Revenue Authority Act provides for the composition of the Board in the following terms:

6. (2) The Board shall comprise the following members—

(a) a Chairperson to be appointed by the President;

(b) the Commissioner-General;

(c) the Principal Secretary in the Ministry responsible for finance or his representative;

(d) the Attorney-General or his representative;

(e) six other persons appointed by the Cabinet Secretary by virtue of their knowledge and experience in accountancy, commerce, law, taxation, business administration or public administration.

9. Therefore, the membership of the Board as currently provided for in section 6 of the Act does not have ex officio members, hence the amendment.
10. Clause 3 of the Bill also contains a similar amendment to clause 3 of the Bill as it seeks to delete the words “other than an ex-officio member” as the words are no longer

applicable to the current composition and structure of the Board and the Authority's operations. The amendment is proposed to section 8 of the Act (*Termination of appointment of Chairperson and members*) where those redundant words have been used.

Amendments to the First Schedule to update the written laws applicable to revenue

11. Clause 4 of the Bill seeks to amend Part II of the First Schedule to the Kenya Revenue Authority Act to include the Retirements Benefits Authority Act, Cap 197 and to delete the reference to the Standards Levy Order, 1990 (L.N. 267 of 1990) and replace with the Standards (Standards Levy) Order of 2025 (Legal Notice 136 of 2025) and to delete the reference to the Sugar Act (No. 10 of 2001) (repealed) and replace with the Sugar Act, 2024.
12. The First Schedule to the Kenya Revenue Authority Act provides for the written laws applicable to revenue. Some of the laws referred to in the First Schedule are no longer applicable, hence the amendment. They are as follows:
 - (a) *Replacement of the Standards Levy Order, 1990 (LN 267 of 1990) with the Standards (Standards Levy) Order, 2025*
13. The Standards (Standards Levy) Order, 2025 is an Order made pursuant to powers conferred by section 10B of the Standards Act, Cap. 496. It is the successor to the Standards Levy Order, 1990. Therefore, the amendment seeks to refer to the Standards (Standards Levy) Order, 2025 which is the current, accurate law.
 - (b) *Replacement of the Sugar Act (No. 10 of 2001) (repealed) with the Sugar Act, 2024 (No. 11 of 2024)*
14. The Sugar Act (No. 10 of 2001) is a repealed law. The Sugar Act, 2024 (No. 11 of 2024) is the current law, hence the amendment.
 - (c) *Insertion of the Retirement Benefits Act, Cap. 197, as one of the written laws applicable to revenue*
15. Section 16 of the Retirement Benefits Act, Cap. 197, provides for the Retirement Benefits Levy imposed by the Cabinet Secretary. Section 16(1) of the Act provides that, "*The Cabinet Secretary may, in consultation with the Board, by order published in the Gazette, impose a levy to be known as the Retirement Benefits Levy on the contributions made to scheme funds, or on the assets of such funds, or on such other base as he may determine.*" The Bill therefore seeks to include the Act as one of the written laws applicable to revenue within the ambit of the Kenya Revenue Authority as the Collector.

CHAPTER THREE

3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL

3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION

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

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

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

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

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

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

3.2 MEMORANDA RECEIVED ON THE BILL

18. Pursuant to the aforementioned provisions of law, the Clerk of the National Assembly placed an advertisement in the print media on 30th May 2026 inviting the public to submit memoranda on the Bill and participate in public hearings in thirteen different Counties. Further, the Clerk of the National Assembly vide letter Ref NA/DDC/F&NP/2026/092 dated 5th June 2026 invited key stakeholders to submit views on the Bill and attend a public participation forum on 9th June 2026 respectively.

19. The Committee received memoranda from the Office of the Attorney General and the Department of Justice, and the Kenya Revenue Authority.

3.3 Submissions from Stakeholders

3.3.1 Submission by the Office of the Attorney General and Department of Justice

Clause 2 (a)

20. The **Office of the Attorney General** proposed amending the provision by inserting the following expression to paragraph (a)

“and substituting therefor the expression ‘appointed under section 6(2)(a) or (e)’”.

21. They noted that this will provide clarity on the distinction between the tenure of the appointive members of the Board and the *ex officio* members.

Committee Observation

The Committee agreed to the proposed amendment.

Clause 2 (b)

22. The **Office of the Attorney General** proposed amending the proposal by deleting the expression
 “subsection (1)” appearing in paragraph (b) and substituting therefor the expression “subsection (2)”
23. This will provide clarity on the referenced subsection of the Act, which the Bill proposes to amend.

Committee Observation

The Committee agreed to the proposed amendment.

24. Further, the stakeholder proposed amending the proposal by adding the following expression at the end of paragraph (b)
 “and substituting therefor the expression ‘appointed under section 6(2)(e)’”
25. This will ensure that a member of the Board, who is appointed by the Cabinet Secretary submits a notice of resignation to the appointing authority.

Committee Observation

The Committee agreed to the proposed amendment.

26. Amend the proposal immediately after paragraph (b) to ensure that the Chairperson of the Board, who is appointed by the President submits a notice of resignation to the appointing authority. The new subsection should read as follows;
 (c) adding the following new subsection immediately after subsection (3)—
 (4) The Chairperson of the Board may resign his office by written notification addressed to the President.

Committee Observation

The Committee agreed with the Office of the Attorney General.

Clause 3

27. The **AG** proposed amending the clause to ensure that the application of section 8 of the Act is only to appointive members of the Board. The new sub section should read as follows;

3. Section 8 of the principal Act is amended in the opening statement—

(a) by deleting the words “other than an ex-officio member”;

(b) by deleting the words “any other member” and substituting therefor the expression “a member of the Board appointed under section 6(2)(e)”

Committee Observation

The Committee agreed with the Office of the Attorney General.

Clause 4 (b)

28. The **AG** proposed amending the proposal by deleting the word “Act” and substituting therefor the expression “Sugar (Sugar Development Levy) Order, 2025” to provide the proper reference to the written law imposing the Sugar Development Levy.

Committee Observation

The Committee agreed with the Office of the Attorney General.

3.3.2 Submission by Kenya Revenue Authority

29. **KRA** supported the Bill as it sought to clean-up any references to ‘ex-officio’ as the same is no longer applicable.
30. **KRA** proposed amending section 8(b) to read as follows;
- (d) *if, without reasonable cause to the satisfaction of the Cabinet Secretary, he is absent from two meetings of the Board in any financial year;*
31. They stated that this will provide for quarterly instead of monthly Board meetings. Therefore, if a Board member misses two meetings in a year without justifiable cause, it forms a ground for termination.

Committee Observation

The Committee agreed with Kenya Revenue Authority.

32. **KRA** further proposed amending Section 16(1) of the KRA Act to read as follows:

1. The funds of the Authority shall consist of—

- (a) At least two percent of the revenue estimated in the financial estimates for each financial year.
 - (b) Such sums as may be appropriated by Parliament for the purposes of the Authority in each financial year;
 - (c) Grants, loans and donations received by the Authority, with approval of the Cabinet Secretary responsible for finance and subject to disclosure to Parliament;
 - (d) Any other monies made available to the Authority with the approval of Parliament.
- 1. No expenditure shall be made out of the funds of the Authority except in accordance with estimates approved by Parliament and the budget approved by the Board.
 - 2. The Authority may maintain a reserve fund to hold unexpended balances from appropriations for the ensuing financial year; use of the reserve fund shall be subject to approval by the Board and disclosure in the Authority's annual financial statements and to Parliament.
 - 3. The Cabinet Secretary may, by Regulations, make provisions on transitional arrangements for moving from the previous revenue-percentage funding formula to the Parliamentary appropriations model, including protection of staff emoluments and committed multiyear contracts.
 - 4. Without prejudice to subsection (1), the Authority may establish and maintain employee welfare schemes including staff mortgage funds, car loan schemes, computer and mobile phone loan schemes, and other incentives necessary for staff motivation and retention. Such schemes shall be funded through appropriations, supplemented by staff contributions and managed in accordance with policies approved by the Board.

33. **KRA** stated that the Constitution of Kenya, Article 206, permits Parliament to authorize a State organ to retain funds collected for its operations. The proposal seeks to overhaul the funding model and align KRA financing with Parliamentary appropriations and constitutional principles of public finance management.

Committee Observation

The Committee noted the stakeholder's proposal but was of the view that the proposal needed further consultation.

34. **KRA** proposed amendment of Clause 4 of the Bill to replace the Government Lands Act, Cap. 280, with the Lands Act and to insert the following Acts in Part II of the Kenya Revenue Authority Act: Tobacco Control Act, Cap 245A, and the Tea Act.

35. They noted that the schedule still contains statutes that have been repealed and statutes that KRA no longer administers.

Committee Observation

The Committee agreed with the KRA.

36. **KRA** proposed amending the Second Schedule Paragraph 1(1) to the KRA Act reads as follows:

(1) The first meeting of the board shall be convened by the chairperson and subsequently the board shall meet quarterly. However, the board may hold special meetings on any occasion the chairperson in consultation with the commissioner general shall decide that a meeting is necessary.

37. They highlighted that there is a need to align the frequency of Committee Meetings with that of the Board Meetings in order to ensure optimal utilization of the Board's functions. Quarterly Meetings will enable the Board to focus on long-term goals, performance trends, risk management, and major decisions instead of short-term operational issues.

Committee Observation

The Committee agreed with KRA.

3.3.3 Submissions from County Public Hearings

VIHIGA COUNTY

38. The Committee engaged residents of Vihiga County on 2nd June 2026 at Praise Centre Church, Mbale. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill. They submitted as follows:



Figure 1: Public Participation in Vihiga County

39. Support the proposal because it is aimed at modernizing tax administration. However, the participants called for greater taxpayer education on compliance requirements, invoicing obligations, and tax administration procedures.

KIAMBU COUNTY

40. The Committee engaged residents of Kiambu County on 2nd June 2026 at Kiambu National Polytechnic, Kiambu. The stakeholders supported the Bill, noting that the amendments sought to clean up the Act.



Figure 2: Public Participation in Kiambu County

WAJIR COUNTY

The Committee engaged the residents of Wajir County on 2nd June 2026 at the ICT Hall in Wajir town. The public was sensitised to the bill and thereafter allowed to give their views.



Figure 3: Public Participation in Wajir County

41. The majority of the residents supported the proposed Bill, stating it is a progressive bill, but some participants raised concerns, including about taxpayers' privacy, which KRA, as an authority, may infringe upon. They called for a guarantee of taxpayers' privacy and for Parliament to appropriately excise its oversight powers and mechanisms.

SIAYA COUNTY

42. The Committee engaged residents of Siaya County on 3rd June 2026 at Siaya Institute of Technology, Siaya. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill. They submitted as follows:



Figure 4: Public Participation in Siaya County

43. Support the proposal because it is aimed at modernizing tax administration. However, the participants called for greater taxpayer education on compliance requirements, invoicing obligations, and tax administration procedures.

44. Amend the Bill to expressly provide for KRA to conduct awareness programmes on tax procedures to improve voluntary compliance rather than relying solely on enforcement measures and increased taxation.

Committee Observation

The Committee observed that _____

MAKUENI COUNTY

45. The Committee engaged residents of Makueni County on 3rd June 2026 at Wote Green Public Park, Wote. The participants supported the proposed Bill, noting that it is a progressive bill.



Figure 5: Public Participation in Makueni County

NAIROBI COUNTY

46. The Committee engaged the residents of Nairobi County on 3rd June 2026 at the College of Insurance in South C, Nairobi. The public was sensitized on the bill and thereafter allowed to air their views on the bill.



Figure 6: Public Participation in Nairobi County

47. Most of the participants supported the proposed Bill with a view to enhancing the operations of the Authority charged with collecting revenue in the country. The residents acknowledged that KRA has been missing its set targets on revenue collection, leading to shortfalls and gaps in the budget that necessitate debt acquisition. Some participants, however, called for a check on the extensive enforcement granted to the authority, which can otherwise lead to infringement of taxpayers' rights. They insisted that Parliament should ensure that such extensive powers are put to check.

NYAMIRA COUNTY

48. The Committee engaged residents of Nyamira County on 4th June 2026 at West Mugirango NGCDF Hall, Nyamira. Although the public was sensitized on the clauses of the Bill, they proposed lengthening the period of public hearings on complex Bills for informed decision making.



Figure 7: Public Participation in Nyamira County

BOMET COUNTY

49. The Committee engaged residents of Bomet County on 5th June 2026 at St. Bakhita Youth Training Hall, Bomet. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill. They submitted as follows:



Figure 8: Public Participation in Bomet County

50. Support the proposal because it is aimed at modernizing tax administration. However, the participants called for greater taxpayer education on compliance requirements, invoicing obligations, and tax administration procedures.

TAITA TAVETA

51. The Committee engaged residents of Taita Taveta County on 5th June 2026 at Mwatate NG-CDF Hall, Mwatate. The stakeholders supported the proposed amendments.



Figure 9: Public Participation in Taita Taveta

TURKANA COUNTY

52. The Committee engaged the residents of Turkana County on 5th June 2026 at the Turkana University in Lodwar. The public were sensitized on the bill and thereafter allowed to air their views.



Figure 10: Public Participation in Turkana County

53. The majority of the residents supported the provisions of the bill, stating several reasons, including allowing the Authority to maximise collection of revenue for the country. The residents observed that the Bill granted extensive enforcement powers to the Kenya Revenue Authority (KRA), which could create conflicts between taxpayers and the tax authority and potentially infringe on taxpayers' privacy. They recommended that taxpayer protections and parliamentary oversight mechanisms be strengthened.

TANA RIVER COUNTY

54. The Committee engaged residents of Taita Taveta County on 6th June 2026 at County Hall, Tana River. The stakeholders supported the proposed amendments.



Figure 11: Public Participation in Tana River County

MOMBASA COUNTY

55. The Committee engaged the residents of Mombasa County on 8th June 2026 at the Tononoka Hall in Mombasa town. The public was sensitised to the bill and thereafter allowed to give their views.



Figure 12: *Public Participation in Mombasa County*

56. The residents acknowledged the importance of the proposed Bill to the operations of the Authority. They supported the Bill but pointed out that there is need to ensure that the enforcement powers granted to the Authority do not lead to conflict with taxpayers' privacy. They further asked Parliament to ensure they oversee the Authority to ensure they do not go beyond the reach of their enforcement powers.

KILIFI COUNTY

57. The Committee engaged residents of Kilifi County on 8th June 2026 at Coast Development Authority Hall, Kilifi. The public was sensitized on the clauses of the Bill and thereafter allowed to give their views on the Bill. They submitted as follows:



Figure 13: Public Participation in Kilifi County

58. Support the proposal because it is aimed at modernizing tax administration but were of the view that KRA should conduct adequate training and public education to create awareness among ordinary

CHAPTER FOUR

4 COMMITTEE OBSERVATIONS

59. The Committee made the following observations:

Principal object of the Bill

60. The principal object of the Bill is to amend the Kenya Revenue Authority Act, Cap. 469, to clean up redundant expressions and align the Act to current laws in the statute book that are provided for in the Act in order to tidy up the statute. These are minor amendments.

Clean-up of the expression “ex officio member” which is no longer applicable

61. Clauses 2 and 3 of the Bill seek to delete the words “other than an *ex-officio member*” as the words are no longer applicable to the current composition and structure of the Board and the Authority’s operations. The membership of the Board as currently provided for in section 6 of the Act does not have *ex officio* members, hence the amendment.

Amendments to the First Schedule to update the written laws applicable to revenue

62. Clause 4 of the Bill seeks to update some of the laws referred to in the First Schedule which are no longer applicable. They are as follows:

(d) *Replacement of the Standards Levy Order, 1990 (LN 267 of 1990) with the Standards (Standards Levy) Order, 2025*

63. The Standards (Standards Levy) Order, 2025 is an Order made pursuant to powers conferred by section 10B of the Standards Act, Cap. 496. It is the successor to the Standards Levy Order, 1990. Therefore, the amendment seeks to refer to the Standards (Standards Levy) Order, 2025 which is the current, accurate law.

(e) *Replacement of the Sugar Act (No. 10 of 2001) (repealed) with the Sugar Act, 2024 (No. 11 of 2024)*

64. The Sugar Act (No. 10 of 2001) is a repealed law. The Sugar Act, 2024 (No. 11 of 2024) is the current law, hence the amendment.

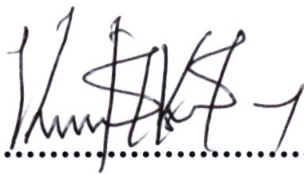
(f) *Insertion of the Retirement Benefits Act, Cap. 197, as one of the written laws applicable to revenue*

65. Section 16 of the Retirement Benefits Act, Cap. 197, provides for the Retirement Benefits Levy imposed by the Cabinet Secretary. Section 16(1) of the Act provides that, “The Cabinet Secretary may, in consultation with the Board, by order published in the Gazette, impose a levy to be known as the Retirement Benefits Levy on the contributions made to scheme funds, or on the assets of such funds, or on such other base as he may determine.” The Bill therefore seeks to include the Act as one of the written laws applicable to revenue within the ambit of the Kenya Revenue Authority as the Collector.

CHAPTER FIVE

5 COMMITTEE RECOMMENDATION

66. The Committee, having considered the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) recommends that the House approves the Bill with amendments.

SIGNED..........DATE 16th June 2024

HON. FCPA KURIA KIMANI, CBS, MP
CHAIRPERSON
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL
PLANNING

 THE NATIONAL ASSEMBLY PAPERS L.AID	
DATE: 16 JUN 2026	
DAY: <u>Tuesday</u>	
TABLED BY:	Hon. FCPA Kuria Kimani (Chairperson, Finance & National Planning Committee)
CLERK-AT THE-TABLE:	Lornale

 THE NATIONAL ASSEMBLY PAPER NO. 1	
DATE: 19 JUN 1958	DAY: _____
BY: _____	FOR: _____
SUBMITTED TO: _____	



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT – FIFTH SESSION - 2026
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

ADOPTION LIST

**REPORT ON THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL
(NATIONAL ASSEMBLY NO.28 OF 2026)**

We, the Members of the Departmental Committee on Finance and National Planning have pursuant to Standing Order 199, adopted this Report and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, **Monday, 15th June 2026.**

S/NO.	NAME	SIGNATURE
1.	HON. FCPA. KURIA KIMANI, CBS, MP - CHAIRPERSON	
2.	HON. FCPA (AMB). BENJAMIN KIPKIRUI LANGAT, MP – VICE CHAIRPERSON	
3.	HON. KALUMA PETER OPONDO, CBS, MP	
4.	HON. GEORGE SUNKUYIA RISA, MP	
5.	HON. FCPA JOSEPH MAERO OYULA, OGW, MP	
6.	HON. ANDREW ADIPO OKUOME, MP	
7.	HON. DAVID MWALIKA MBONI, MP	
8.	HON. CHIFOROMODO MANGALE MUNGA, MP	
9.	HON. GATHONI WA MUCHOMBA, HSC, MP	
10.	HON. (CPA) JULIUS KIPLETING RUTTO, MP	
11.	HON. PAUL KIBICHIY BIEGO, MP	
12.	HON. UMUL KER SHEIKH KASSIM, MP	
13.	HON. DR. SHADRACK MWITI ITHINJI, MP	
14.	HON. DR. JOHN ARIKO NAMOIT, MP	
15.	HON. MOHAMED SOUD MACHELE, MP	



THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - FIFTH SESSION-2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES

**MINUTES OF THE 70TH SITTING OF DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD ON MONDAY, 15TH JUNE 2026
AT THE GLEE HOTEL, NAIROBI AT 4:00 P.M**

PRESENT

- | | | |
|--|---|------------------|
| 1. Hon. FCPA. Kuria Kimani, CBS, MP | - | Chairperson |
| 2. Hon. (Amb.) Benjamin Kipkirui Langat, CBS, MP | - | Vice-Chairperson |
| 3. Hon. Kaluma Peter Opondo, CBS MP | | |
| 4. Hon. David Mwalika Mboni, MP | | |
| 5. Hon. Umul Ker Sheikh Kassim, MP | | |
| 6. Hon. George Sunkuyia Risa, MP | | |
| 7. Hon. FCPA. Joseph Maero Oyula, MP | | |
| 8. Hon. CPA Julius Kipletting Rutto, MP | | |
| 9. Hon. Paul Kibichiy Biego, MP | | |
| 10. Hon. (Dr.) John Ariko Namoit, MP | | |
| 11. Hon. (Dr.) Shadrack Mwiti Ithinji, MP | | |
| 12. Hon. Chiforomodo Mangale Munga, MP | | |
| 13. Hon. Mohamed Soud Machele, MP | | |
| 14. Hon. Gathoni Wamuchomba, MP | | |

ABSENT WITH APOLOGY

1. Hon. Andrew Adipo Okuome, MP

COMMITTEE SECRETARIAT

- | | | |
|-------------------------|---|---------------------------------|
| 1. Ms. Jenniffer Ndeto | - | Deputy Director, Legal Services |
| 2. Mr. Robert Nyagah | - | Deputy Director, PBO |
| 3. Ms. Tracy Chebet | - | Principal Clerk Assistant II |
| 4. Ms. Winfred Kambua | - | Clerk Assistant III |
| 5. Mr. Benson Kamande | - | Clerk Assistant III |
| 6. Mr. James Macharia | - | Senior Media Relations Officer |
| 7. Mr. George Ndenjeshe | - | Fiscal Analyst II |
| 8. Ms. Nelly Ondieki | - | Research Officer III |
| 9. Ms. Vivianne Ogega | - | Research Officer III |

10. Mr. Timothy Chiko	-	Research Officer III
11. Ms. Joyce Wachera	-	Hansard Reporter III
12. Ms. Joy Kyalo	-	Fiscal Analyst II
13. Mr. Jared Onyanja	-	Public Communications Officer III
14. Ms. Penninah Simiren	-	Legal Counsel II
15. Ms. Patricia Gichane	-	Legal Counsel II
16. Mr. Cyrille Mutali	-	Fiscal Analyst II
17. Mr. Benson Muthuri	-	Serjeant-At-Arms
18. Mr. Luteshi Eugene	-	Audio officer
19. Mr. Allan Kimani	-	Administrative officer
20. Ms. Anne Kang'ethe	-	Administrative Officer
21. Mr. Stephen Kamau	-	Intern

IN-ATTENDANCE

AGENDA

1. Prayers
2. Preliminaries;
3. Confirmation of Minutes/Matters Arising;
4. **Consideration and adoption of the report on The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026)**
5. Any Other Business
6. Adjournment

MIN No. NA/F & NP/2026/281: PRELIMINARIES

The Chairperson welcomed all members to the meeting emphasizing the significance of the The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026)

The Chairperson underscored the importance of public participation, as mandated by Article 118 of the Constitution, and thanked Kenyans for their submissions during the stakeholder engagement period.

MIN No. NA/F & NP/2026/282: CONFIRMATION OF MINUTES

This agenda was deferred.

MIN No. NA/F & NP/2026/283: CONSIDERATION AND ADOPTION OF THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 28 OF 2026)

The meeting deliberated at length and agreed on the observations and recommendations contained in Chapter four and five of the Report. The Report was thereafter adopted with amendments having been proposed by Hon. Kaluma Peter Opondo, CBS MP and seconded by Hon. George Sunkuyia Risa, MP.

MIN No. NA/F & NP/2026/284: ADJOURNMENT/DATE OF THE NEXT MEETING

The meeting was adjourned at fifteen minutes past seven in the evening. The next meeting will be held on notice.

SIGNED: DATE: 15th June, 2026

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



REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION (2026)

IN THE MATTER OF ARTICLE 118 (1)(b) OF THE CONSTITUTION
AND

In THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF:

- (1) THE SOVEREIGN WEALTH FUND BILL (NATIONAL ASSEMBLY BILL NO. 7 OF 2026);
- (2) THE FINANCE BILL (NATIONAL ASSEMBLY BILL NO. 26 OF 2026);
- (3) THE CENTRAL BANK (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 27 OF 2026); AND
- (4) THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 28 OF 2026).

INVITATION TO SUBMIT MEMORANDA AND NOTIFICATION OF PUBLIC HEARINGS

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

AND WHEREAS, the Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026) and the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) were read a First Time and referred to the Departmental Committee on Finance and National Planning for consideration and reporting back to the House.

IT IS NOTIFIED that—

- (1) The Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026) is a Bill sponsored by the Hon. Kuria Kimani, MP, that seeks to amend the Central Bank of Kenya Act, Cap. 491 to provide for the approval of the Deputy Governors of the Central Bank by the National Assembly; to allow the Central Bank to buy, sell, import and export additional precious metals including bullion, silver, and platinum; and to empower the Central Bank to lend to banks or microfinance institutions for the purpose of financial stability and emergency liquidity.
- (2) The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) is a Bill sponsored by the Leader of Majority Party, which seeks to amend the Kenya Revenue Authority Act, Cap. 469 to delete references to the term “*ex-officio*” and to update the laws relating to revenue under the First Schedule to the Act.

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 Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026) and the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) to the Departmental Committee on Finance and National Planning.

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 Building, Nairobi; or emailed to financecommittee@parliament.go.ke to be received on or before Monday, 8th June 2026 at 5.00 p.m.

IT IS ALSO NOTIFIED that, in addition to receipt of written memoranda, engaging relevant stakeholders and consulting experts, the Departmental Committee on Finance and National Planning has resolved to hold Public Hearings on the Sovereign Wealth Fund Bill (National Assembly Bill No. 7 of 2026); the Finance Bill (National Assembly Bill No. 26 of 2026); the Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026); and the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) in the Counties as per the schedule below—

S/No.	COUNTY	DATE	VENUE	TIME
1.	Vihiga County	Tuesday, 2 nd June 2026	Praise Centre Church, Mbale	10.00 am
2.	Wajir County	Tuesday, 2 nd June 2026	ICT Hall, Wajir Town	10.00 am
3.	Kiambu County	Tuesday, 2 nd June 2026	Kiambu National Polytechnic (KINAP)	10.00 am
4.	Nairobi County	Wednesday, 3 rd June 2026	The College of Insurance, South C	10.00 am
5.	Siaya County	Wednesday, 3 rd June 2026	Siaya Institute of Technology	10.00 am
6.	Makueni County	Wednesday, 3 rd June 2026	Wote Greenpark Gardens	10.00 am
7.	Nyamira County	Thursday, 4 th June 2026	West Mugirango NGCDF Hall	10.00 am
8.	Bomet County	Friday, 5 th June 2026	St. Bakhita Youth Training Hall	10.00 am
9.	Taita Taveta County	Friday, 5 th June 2026	Mwatate CDF Hall	10.00 am
10.	Turkana County	Friday, 5 th June 2026	Turkana University, Lodwar	10.00 am
11.	Tana River County	Saturday, 6 th June 2026	County Hall, Hola	10.00 am
12.	Kilifi County	Monday, 8 th June 2026	Coast Development Authority Hall	10.00 am
13.	Mombasa County	Monday, 8 th June 2026	Tononoka Social Hall	10.00 am

Members of the public and stakeholders are invited to attend and make oral representations and submit written memoranda on the four (4) Bills to the Departmental Committee on Finance and National Planning during the Public Hearings. Views on any of the Bills may also be submitted by scanning the QR code below.



Copies of the Bills are available at the National Assembly Table Office and the Parliament Website <http://www.parliament.go.ke/the-national-assembly/house-business/bills>.

S. NJORGE, CBS
CLERK OF THE NATIONAL ASSEMBLY
30th May, 2026

“For the Welfare of Society and the Just Government of the People”



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/F&NP/2026/092

3rd June, 2026

Dr. Chris K. Kiptoo, CBS

Principal Secretary
The National Treasury
Treasury Buildings
NAIROBI

Hon. Shadrack John Mose, CBS

Solicitor General
Office of the Attorney-General and Department
of Justice, Sheria House, Harambee Avenue
NAIROBI

Dr Kamau Thugge, CBS

Governor
Central Bank of Kenya
Haile Selassie Avenue
NAIROBI

Dr. Lilian Nyawanda

Ag. Commissioner General
Kenya Revenue Authority
Times Tower, Haile Selassie Avenue
NAIROBI

Dear *D. Thugge*

**RE: STAKEHOLDER ENGAGEMENT ON THE CENTRAL BANK
(AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 27 OF 2026) AND
THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 28 OF 2026)**

The Departmental Committee on Finance and National Planning is established pursuant to National Assembly Standing Order 216 which mandates it inter alia, to ***study and review all the legislation referred to it.***

The Committee is considering the Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026) and the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026), which were read a First Time and referred to the Committee for consideration and reporting back to the House.

The Central Bank (Amendment) Bill (National Assembly Bill No. 27 of 2026) seeks to amend the Central Bank of Kenya Act, Cap. 491 to provide for the approval of the Deputy Governors of the Central Bank by the National Assembly; to allow the Central Bank to buy, sell, import and export additional precious metals, including bullion, silver, and platinum; and to empower the Central Bank to lend to banks or microfinance institutions for the purpose of financial stability and emergency liquidity.

The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026) seeks to amend the Kenya Revenue Authority Act, Cap. 469 to delete references to the term "ex-officio" and to update the laws relating to revenue under the First Schedule to the Act.

The Committee hereby invites you to make submissions on the Bills, depending on your area of interest, expertise, or concern, alongside the Finance Bill (National Assembly Bill No. 26 of 2026). The meetings will be held on **Tuesday, 9th June, 2026 at 10.00 am at the Serena Beach Resort & Spa in Mombasa County**. The schedule of appearance remains as earlier communicated in our letters Ref. NA/DDC/F&NP/2026/083 and NA/DDC/F&NP/2026/083.

We request that you send your submissions to cna@parliament.go.ke and financecommitteena@parliament.go.ke and copy the liaison officers indicated below, prior to the meeting.

The Committee's Liaison Officers for the meetings are Ms. Tracy Chebet, Principal Clerk Assistant, who may be contacted on Tel. No. **0726416794** or email address: tracy.koskei@parliament.go.ke, Mr. Benson Kamande of Tel. No. **0723972670** or email address benson.kamande@parliament.go.ke and ddc@parliament.go.ke, and Ms. Winfred Kambua Kilonzo of Tel. No. **0720571777** or email address winfred.kilonzo@parliament.go.ke.

Yours



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

Copy to: **Hon. FCPA John Mbadi Ng'ongo, EGH**
Cabinet Secretary
Ministry of National Treasury and Economic Planning
Treasury Buildings
NAIROBI

Hon, Dorcas Oduor, OGW, EBS, SC
Attorney General of the Republic of Kenya
Office of the Attorney General and Department of Justice
State Law Office
Sheria House, Harambee Avenue
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Hon. Ndiritu Muriithi
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3rd June, 2026

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For: CLERK OF THE NATIONAL ASSEMBLY

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3rd June, 2026

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Dr. Lilian Nyawanda
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Times Tower, Haile Selassie Avenue
NAIROBI

Dear

**RE: STAKEHOLDER ENGAGEMENT ON THE CENTRAL BANK
(AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 27 OF 2026) AND
THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (NATIONAL
ASSEMBLY BILL NO. 28 OF 2026)**

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The Committee hereby invites you to make submissions on the Bills, depending on your area of interest, expertise, or concern, alongside the Finance Bill (National Assembly Bill No. 26 of 2026). The meetings will be held on **Tuesday, 9th June, 2026 at 10.00 am at the Serena Beach Resort & Spa in Mombasa County**. The schedule of appearance remains as earlier communicated in our letters Ref. NA/DDC/F&NP/2026/083 and NA/DDC/F&NP/2026/083.

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Yours

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

Copy to: **Hon. FCPA John Mbadi Ng'ongo, EGH**
Cabinet Secretary
Ministry of National Treasury and Economic Planning
Treasury Buildings
NAIROBI



Hon. Dorcas Oduor, OGW, EBS, SC
Attorney General of the Republic of Kenya
Office of the Attorney General and Department of Justice
State Law Office
Sheria House, Harambee Avenue
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Hon. Ndiritu Muriithi
Chairperson
Kenya Revenue Authority Board of Directors
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When replying, please quote
REF: NA/DDC/F&NP/2026/092

3rd June, 2026

Dr. Chris K. Kiptoo, CBS

Principal Secretary
The National Treasury
Treasury Buildings
NAIROBI

Hon. Shadrack John Mose, CBS

Solicitor General
Office of the Attorney-General and Department
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Governor
Central Bank of Kenya
Haile Selassie Avenue
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Dr. Lilian Nyawanda

Ag. Commissioner General
Kenya Revenue Authority
Times Tower, Haile Selassie Avenue
NAIROBI

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**MATRIX OF THE OFFICE OF THE ATTORNEY-GENERAL AND DEPARTMENT OF JUSTICE ON THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL, 2026
(NA BILL NO.28 OF 2026)**

NO	CLAUSE	ISSUE	RECOMMENDATION	RATIONALE
1.	2—Amendment of section 7— Tenure of office of Chairperson and members.	Paragraph (a) creates a concurrent tenure of office for both the appointive members of the Board and the <i>ex-officio</i> members.	Amend the Bill by inserting the following expression to paragraph (a) “and substituting therefor the expression ‘appointed under section 6(2)(a) or (e)’”.	To provide clarity on the distinction of the tenure of the appointive members of the Board and the <i>ex-officio</i> members.
2.		Paragraph (b) erroneously refers to an amendment to subsection (1) and creates a concurrent manner of submitting a resignation notice for both the appointed members of the Board and the <i>ex-officio</i> members of the Board.	Amend the Bill by deleting the expression “subsection (1)” appearing in paragraph (b) and substituting therefor the expression “subsection (2)” Amend the Bill by adding the following expression at the end of paragraph (b) “and substituting therefor the expression ‘appointed under section 6(2)(e)’”.	To provide clarity on the referenced subsection of the Act which the Bill proposes to amend. To ensure that a member of the Board, who is appointed by the Cabinet Secretary submits a notice of resignation to the appointing authority.

			Amend the Bill by inserting the following new paragraph immediately after paragraph (b)— (c) adding the following new subsection immediately after subsection (3)— (4) The Chairperson of the Board may resign his office by written notification addressed to the President.	To ensure that the Chairperson of the Board, who is appointed by the President submits a notice of resignation to the appointing authority.		
3.	3—Amendment of section 8—Termination of appointment of Chairperson and members.	Paragraph (a) creates a concurrent manner of termination of the appointment for both the appointive members of the Board and the <i>ex-officio</i> members.	Amend the Bill by replacing clause 3 with the following new clause— <table><tr><td> Amendment of section 8 of Cap. 469. </td><td> 3. Section 8 of the principal Act is amended in the opening statement— (a) by deleting the words “other than an <i>ex-officio</i> member”; (b) by deleting the words “any other member” and substituting therefor the expression “a member of the Board appointed </td></tr></table>	Amendment of section 8 of Cap. 469.	3. Section 8 of the principal Act is amended in the opening statement— (a) by deleting the words “other than an <i>ex-officio</i> member”; (b) by deleting the words “any other member” and substituting therefor the expression “a member of the Board appointed	To ensure that the application of section 8 of the Act is only to appointive members of the Board.
Amendment of section 8 of Cap. 469.	3. Section 8 of the principal Act is amended in the opening statement— (a) by deleting the words “other than an <i>ex-officio</i> member”; (b) by deleting the words “any other member” and substituting therefor the expression “a member of the Board appointed					

				under section 6(2)(e)”	
4.	4—Amendment to the First Schedule—Written Laws Relating to Revenue	Paragraph (b) does not correctly reference the written law which imposes a levy.	Amend clause 4 (b) of the Bill by deleting the word “Act” and substituting therefor the expression “(Sugar Development Levy) Order, 2025.		To provide the proper reference to the written law imposing the Sugar Development Levy.

**KENYA REVENUE AUTHORITY SUBMISSION TO THE DEPARTMENTAL
COMMITTEE ON FINANCE AND NATIONAL PLANNING ON THE
FINANCE BILL (NATIONAL ASSEMBLY BILLS NO. 26 OF 2026) & KENYA
REVENUE AUTHORITY BILL (NATIONAL ASSEMBLY BILL NO. 28 OF
2026)**

JUNE 2026

1.0 INTRODUCTION

The Clerk of the National Assembly, vide letter Ref: NA/DDC/F&NP/2026/083 dated 13th May 2026 and Ref: NA/DDC/F&NP/2026/092 dated 5th June 2026 requested KRA to provide written submissions on the Kenya Revenue Authority Bill (National Assembly Bills No. 28 of 2026) and the Finance Bill (National Assembly Bills No. 26 of 2026).

In this regard, **Chair and Honourable Members**, we submit comments as follows:

2.0 KRA's VIEWS AND COMMENTS OF THE BILLS

Details of the Clauses are explained in table 1 and table 2 below:

Table 1: Comments on the Finance Bill (National Assembly Bills No. 26 of 2026)

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
VALUE ADDED TAX ACT					
1.	31	First Schedule to the VAT Act	(a)(ix) 170. The supply of goods for the direct and exclusive use in the implementation of infrastructure projects undertaken under a public private partnership framework, upon approval by the Cabinet Secretary on the recommendation of the Cabinet Secretary for the Ministry responsible for the implementation of the project.	If the proposal is adopted, we expect about 50% abuse. The National Treasury should consider funding the MDAs to account for the tax to safeguard against risk of loss of revenue.	To be removed from the Finance Bill 2026
			(b)(iv) 39. The supply of services for the direct and exclusive use in the implementation of infrastructure projects undertaken under a public private partnership framework, upon approval by the Cabinet Secretary on the recommendation of the	If the proposal is adopted, we expect about 50% abuse. The National Treasury should consider funding the MDAs to account for the tax to safeguard against risk of loss of revenue.	To be removed from the Finance Bill 2026

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			Cabinet Secretary for the Ministry responsible for the implementation of the project.		
2.	31(a)(ix)	First Schedule - Paragraph 163	163. The supply of imported or locally purchased telephones for cellular networks and other wireless networks.	This will ensure that VAT remains chargeable on mobile phones at the point of importation. The supply of locally assembled or manufactured mobile phones is currently zero-rated.	Remove from the Finance Bill the proposal to exempt from VAT the supply of imported or locally purchased telephones for cellular networks and other wireless networks.
EXCISE DUTY ACT					
3.	36 (a)	First Schedule	(x) in the description “imported ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures of tariff heading 6910” by deleting the corresponding rate of excise duty and substituting therefor the following new rate of excise duty— “5% of the excisable value”	There is need to provide for a specific rate in addition to the ad valorem rate to curb mis-declaration by importers.	Amend the clause to insert the words “or Ksh. 50 per kg, whichever is higher”; after the words “5% of the excisable value”

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
	36 (a)	First Schedule	(xii) in the description "Imported ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics of tariff 6907" by deleting the corresponding rate of excise duty and substituting therefor the following new rate of excise duty— "5% of the excisable value"	There is need to provide for a specific rate in addition to the ad valorem rate to curb mis-declaration by importers.	Amend the clause to insert the words "or Ksh. 300 per kg, whichever is higher"; after the words "5% of the excisable value"
INCOME TAX ACT					
4.	Clause 19	Section 52B(1) – Final Return with self-assessment	by deleting the words "including a self-assessment of his tax from all sources of income, not later than the last day of the sixth month following the end of his year of come" appearing in paragraph (i) and substituting therefor the words "by the last y of the fourth month following the end of e person's year of income";	His amendment was meant to: a) stagger the return filing deadlines for different categories of taxpayers to avoid filling of all the returns which overwhelms the system. b) provide for the issuance of pre-populated returns by the Commissioner for the Income Tax purposes. However, as captured it does not stagger.	Amend the Income Tax Act to read as follows; 52B. (1) Notwithstanding any other provision of this Act – a) (i) every individual chargeable to tax under this Act shall for any year of income, furnish to the Commissioner a return of income, including a self-assessment of their tax from all sources of income, not later than the last day of

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			of his tax from all sources of come, not later than the last day of the sixth month following the end of his year of income" appearing in paragraph (ii) and substituting therefor the words "by the last	c) The referencing of subsections i) & (ii) in the provision is erroneous and should instead be, (a) and (b). d) Retain the words Deletion of the words "...including a self-assessment of his tax from all sources of income..." is problematic since a self-assessment return is not just about income but should also be a self-assessment of the tax due on that income. e) Change of filing date for corporates to sixth month following the end of the person's year of income beats the purpose of staggering the filing dates for different categories of taxpayers. The filing date for corporates should be retained as the 6th month following the person's end of year.	the third month following the end of their year of income; (ii) the Commissioner may issue a pre populated income tax return to an individual, using information available to him; (iii) the pre-populated return issued under subparagraph (ii) shall be issued on or before end of January of each year of income; (iv) an individual issued with a pre-populated return under this section may confirm or amend the return: Provided that such confirmation or amendment shall be made within two months from the date of issuance by the Commissioner; failure to which, the commissioner's prepopulated return shall be deemed to be acceptable to the individual as his self-assessment (b) every person, other than an individual chargeable to tax under the Act, shall for any accounting period furnish to the Commissioner a return of income, including a self-assessment of

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
					his tax on such income, not later than the last day of the sixth month following the end of his accounting period.
REST OF FINANCE BILL					
1.	1	N/A	This Act may be cited as the Finance Act, 2026, and shall come into operation as follows— (a) on 1st January, 2027, sections 19, 20, 25, 35, 36, 37(a)(i), 59(a)(ii), 59(b)(ii), 32(a)(x) new paragraph 163; (b) all other sections, 1st July, 2027.	There is need to revise the referenced sections in the commencement clause following the deletion of several proposed amendments in the Bill. These include the proposed amendment to the definition of “import” for purposes of excise duty, the proposed amendment touching on exemption for the National Intelligence Service, among others. As a result of these deletions, there is need to amend the Bill to reflect the correct sequencing of clauses and corresponding effective dates.	The Bill should provide: This Act may be cited as the Finance Act, 2026, and shall come into operation as follows— (a) on 1st January, 2027, sections 18,19, 24, 31(a)(ix) new paragraph 163, 34, 35, 36(a)(i), 55(a)(ii), 55(b)(ii). (b) all other sections, 1st July, 2026.
VALUE ADDED TAX ACT					

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
2.	27	New Section 17A	Section 17A (2) When accounting for input tax under subsection (2), the person shall use the method used when input tax was deducted in respect of the supplies before the date the supplies became exempt	The section 17A (2) should refer to subsection (1) and not (2)	Amend to read..."Section 17A (2) When accounting for input tax under subsection (1), the person shall use the method used when input tax was deducted in respect of the supplies before the date the supplies became exempt"
3.	29	Section 42(1)	Deletion of "registered person" and replace with "person" who makes a supply shall, at the time of the supply furnish the purchaser with the tax invoice containing the prescribed details for the supply.	It is not clear what this amendment is supposed to cure as only VAT registered persons are required to issue invoices for supplies under the VAT Act. Non-VAT registered persons are not in the scope of the VAT Act.	Remove the proposal from the Finance Bill
4.	31(a)(ix)	Section A of the First Schedule	Adding Paragraphs 165 and 166 which will exempt from VAT supply of electric bicycles and supply of solar and lithium-ion batteries respectively.	The descriptions do not include the Tariff headings which could lead to lack of clarity on the scope of goods being exempted.	Include the Tariff codes of electric bicycles and supply of solar and lithium-ion batteries in the description in line with Section 2(2) of VAT Act as below: Electric bicycle - 8712.00.00 Lithium -ion batteries - 8507.60.0

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
5.	31(a)(ix)	Section A of the First Schedule	Adding Paragraph 162 under Section A of Part I of the First Schedule exempting Transportation of sugarcane from farms to milling factories.	Part I of Section A of the First Schedule deals with "Exempt Goods". Transportation of sugarcane from farms to milling factories is not a good but a service and should instead be listed in Part II of the First Schedule.	Move this provision to Part II of the First Schedule under Exempt Services
6.	26	13(6)(a)	"in the case of a supply of goods from a person licensed to carry on hire purchase business under a hire purchase agreement registered in accordance with the Hire Purchase Act, any financial charge payable in relation to the supply of credit under the agreement."	It has been noted that Section 13(6)(a) the Act has led to tax leakages and avoidance risks that has led significantly reduction government revenue collection. In particular sellers artificially lower the cash price of a taxable good and simultaneously increase the "financial charge" or interest rate of the hire purchase agreement. The total amount collected remains the same. It is Therefore necessary that the section should be deleted.	Delete Section 13(6)(a) of the VAT Act

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EXCISE DUTY ACT					
7.	36	First Schedule	The First Schedule to the Excise Duty Act is amended— (a) in Part I, in the second table— (v) in the description “spirits of undenatured extra neutral alcohol of alcoholic strength exceeding 90% purchased by licensed manufacturers of spirituous beverages” by deleting the words “purchased by licensed manufacturers of spirituous beverages”;	The proposal was meant to clarify that ENA used for manufacture of spirituous beverages enjoys the special rate whether bought locally or imported. However the drafting inadvertently proposes to delete the words “purchased by licensed manufacturers of spirituous beverages”, yet the manufacturers of spirituous beverages are the main target of this provision. To avoid ambiguity, it is proposed that this be addressed administratively and therefore should be deleted from the Bill.	Delete from the Bill.
INCOME TAX ACT					
8.	2	Section 2	Definition of "withdrawals"	Clean-up	Delete the word "issued" appearing after the word "licensed"

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
9.	3(a)	Section 5(4)(g)	Addition of new proviso to Section 5(4)(g) to restrict the payment of gratuity into a pension scheme that is excluded from taxation as employment income to cases where the contract of service is for a continuous period of 3 years.	The restriction on the exemption to a continuous period of 3 years will disadvantage those whose contracts are less than 3 years due to natural exigencies such as upon retirement or upon death.	Delete from the Bill
	3(b)	Section 5(4)	Addition of a new sub-section (ga) to Section 5(4) providing that: ga) any gratuity in respect of employment or services rendered: Provided that- (i) the gratuity was for a contract of service for a continuous period of at least three years;	This provision does not exempt gratuity paid for an employment contract that is less than 3 years due to circumstances beyond the employee such as retirement. This would lead to discrimination of a category of employees.	insert the words: “or renewal or extension of such contract beyond three years” after the words “three years”.

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			(ii) the total contributions does not exceed thirty-one per cent of the basic salary of the employee; and	Gratuity is not a contribution by an employee but rather an amount set aside by the employer. This makes the provision as worded, erroneous.	Delete the provision and substitute with: The amount paid as gratuity does not exceed thirty-one per cent of the cash emoluments, earned by the employee for the period of the contract.
			(iii) this paragraph shall not apply to any person who is eligible for deductions under section 22A.	The payment of gratuity and pension contributions are mutually exclusive.	Delete from the Bill
10.	8	Section 11	Repeal and replacing with new section 11 on taxation of trust income	A confirmation that the income so received by a trustee, executor or administrator, belongs to a person whose income from dividends or interest is not subject to further taxation; that is the qualifying dividends or qualifying interest	Amend the proposed section 11(b) to read: "(2) Qualifying dividend or qualifying interest which is included in the income of the trustee, executor or administrator under subsection (1) shall not be subject to further tax under this Act."
11.	20	First Schedule - paragraph 76	CGT exemption from transfer of asset to a REIT registered under section 20	The proposed exemption lacks safeguards hence the risk of being exploited through artificial restructurings, quick cash-outs, or related-party transactions. To align with international best	"Proposed drafting as follows - (1) Gains accruing from the transfer of real estate shall be exempt from capital gains tax, where such transfer forms part of a restructuring, asset transfer arrangement,

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
				practice, the exemption should be conditioned on clear anti abuse measures: requiring that transfers be for bona fide commercial purposes, specify that consideration should be in REIT units, that transferred property remain in the REIT for a minimum period, and restricts transferor's control post transfer.	or acquisition
TAX PROCEDURES ACT					
12.	40	Section 12	Exemption of non-residents from the requirement of PIN when opening an account with an investment bank.	The proposed exemption is very wide and should be subject to checks. Further, any bottlenecks in the issuance of PINs to be addressed administratively.	Remove this proposal from the Finance Bill
	None	23B Electronic invoices for imported goods	(1) Notwithstanding any other provision of this Act or any other written law, each importer of goods into Kenya		

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			shall submit an electronic invoice to the Commissioner in respect of the imported goods. (2) An invoice submitted under subsection (1) shall be— (a) in the prescribed form; and (b) submitted electronically. (3) The Commissioner-General may, by notice in the Gazette, prescribe guidelines for the submission of invoices under subsection (1). Effecive date 1st January 2027		
		23C Production of Export Declaration	SProduction of Export Declaration for Imported Goods (1) A person who imports, or claims to have imported, goods into Kenya shall obtain and retain the export declaration, export entry, customs export certificate, or such other customs document issued by		

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			the competent authority in the country of export evidencing the lawful exportation of the goods from that country. (2) The export declaration or other document referred to in subsection (1) shall contain such particulars as may be prescribed, including— (a) the name and address of the exporter; (b) the name and address of the importer; (c) a description of the goods exported; (d) the quantity, value and tariff classification of the goods; (e) the country of export and country of destination; (f) the date of exportation; and (g) the reference number assigned by the customs		

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			authority of the country of export. (3) An importer shall retain the export declaration and supporting documents for a period of not less than five years from the date of importation and shall, upon request by the Commissioner, produce the documents within the period specified in the request. (4) Where an importer fails to produce an export declaration or other satisfactory evidence of exportation from the country of origin or export, the Commissioner may— (a) reject any claim relating to the importation, value, origin, cost or ownership of the goods; (b) determine the customs value, tax liability or any claim for deduction, exemption, refund or relief on the basis of		

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			the information available to the Commissioner; and (c) impose such administrative penalties as may be prescribed. (5) The Commissioner may waive the requirement for production of an export declaration where the customs administration of the country of export does not issue export declarations for the category of goods concerned; (6) The Cabinet Secretary may make regulations prescribing the form, manner of production and categories of acceptable export declarations and equivalent customs documents for purposes of this section. Effective date from 1st Sept 2026		
13.		Section 56(3)	In an appeal by a taxpayer to the Tribunal, High Court or Court of Appeal in relation to	The amendment will—	In an appeal by a taxpayer to the Tribunal, High Court or Court of Appeal

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			an appealable decision, the taxpayer shall rely only on the grounds stated in the objection to which the decision relates unless the Tribunal or Court allows the person to add new grounds.	(a) reinforce the objection process as the primary forum for productions of documents and records; (b) encourage full and timely disclosure of all relevant information and documents during audits and objection proceedings; (c) prevent the withholding of documents and information related to the tax period for strategic use during appeals; (d) ensure that the Commissioner makes decisions based on a complete factual record; (e) reduce disputes arising from late production of documents and records and the resultant delays in proceedings; and	in relation to an appealable decision, the taxpayer shall be limited to— (a) the grounds stated in the notice of objection to which the decision relates; and (b) the facts, records, documents and evidence submitted to the Commissioner during the audit, investigation, review or objection proceedings relating to the decision, and shall not introduce any new ground, fact, record, document or evidence that was not presented to the Commissioner before the objection decision was made.

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
				(f) improve efficiency, consistency and predictability in the administration of tax laws where documents are produced at the earliest.	
14.		New Section 56A		The proposed amendments will— (a) safeguard government revenue during the pendency of lengthy appellate proceedings; (b) discourage frivolous and dilatory appeals intended solely to postpone payment of tax; (c) promote expeditious resolution of tax disputes; (d) enhance certainty in revenue forecasting and cash-flow management by Government; (e) ensure that only genuine disputes proceed to the superior courts;	Insert the following new section immediately after section 56— 56A. Payment of Principal Tax Pending Appeals (1) Where a taxpayer appeals from the Tribunal to the High Court, from the High Court to the Court of Appeal, or from the Court of Appeal to the Supreme Court, the taxpayer shall, before filing the appeal, pay the full amount of the principal tax determined by the decision being appealed against. (2) Proof of payment of the principal tax shall accompany the notice.

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
				(f) preserve the taxpayer's rights by providing a statutory mechanism for refund where the appeal succeeds wholly or partially; and (g) strengthen effective tax administration by balancing the taxpayer's right of appeal with the Government's legitimate interest in the timely collection of taxes.	(3) Where the taxpayer succeeds wholly or partially in the appeal and no further appeal is preferred within the period prescribed by law, the Commissioner shall refund the whole or part of the principal tax paid under subsection (1) or on election of the taxpayer, utilize it to offset outstanding or future taxes. (4) A refund or offset under this section shall be made within ninety days after the decision becomes final and shall be administered in accordance with this Act.
TAX APPEALS TRIBUNAL ACT, CAP. 469A					
15.		Section 13(6)	The appellant shall, unless the Tribunal orders otherwise, be limited to the grounds stated	The amendment will—	The appellant shall be limited to the grounds stated in the notice of appeal and the documents submitted in

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
			in the appeal or documents to which the decision relates.	(a) promote certainty and finality in tax disputes by ensuring that appeals are conducted on clearly defined issues; (b) enhance procedural fairness by enabling Kenya Revenue Authority to adequately prepare and respond to the facts presented; (c) reduce delays, adjournments and unnecessary litigation costs arising from the introduction of new grounds or documents during proceedings; (d) discourage piecemeal case management and tactical introduction of documents; and (e) strengthen case management and	support of the appeal and shall not introduce any additional ground, fact, record, document or evidence after the filing of the appeal.

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
				facilitate expeditious determination of appeals.	
16.		Section 32(1)	A party to proceedings before the Tribunal may, within thirty days after being notified of the decision or within such further period as the High Court may allow, appeal to the High Court, and the party so appealing shall serve a copy of the notice of appeal on the other party. The Tax Appeals Tribunal Act and the Tax Procedures Act presently do not require a taxpayer to pay the principal tax confirmed by the Tribunal, High Court or Court of Appeal as a condition precedent to filing a further appeal to a higher court. Consequently, tax disputes may remain unresolved for prolonged periods while substantial amounts of assessed tax remain unpaid.	Justification The proposed amendments will— (a) safeguard government revenue during the pendency of lengthy appellate proceedings; (b) discourage frivolous and dilatory appeals intended solely to postpone payment of tax; (c) promote expeditious resolution of tax disputes; (d) enhance certainty in revenue forecasting and cash-flow management by Government; (e) ensure that only genuine disputes proceed to the superior courts;	Insert the following new subsections immediately after section 32(2)— "32(3) A taxpayer who intends to appeal against a decision of the Tribunal to the High Court, Court of Appeal or the Supreme Court shall, before filing the appeal, pay the full amount of the principal tax in dispute as determined by the Tribunal. 32(4) An appeal filed in contravention of subsections (3), shall be incompetent and shall not be admitted unless proof of payment of the principal tax is furnished. 32(5) Where a taxpayer succeeds wholly or partially in an appeal before the High Court, Court of Appeal or Supreme Court and no further appeal is lodged within the period prescribed by law, the Commissioner shall either refund the whole or part of the principal tax paid under this section or utilize the amount

No.	Clause of the Finance Bill	Section of the law to be amended	Current provision in the Finance Bill	Issue/Observation	Proposed amendment to the Finance Bill 2026
				(f) preserve the taxpayer's rights by providing a statutory mechanism for refund where the appeal succeeds wholly or partially; and (g) strengthen effective tax administration by balancing the taxpayer's right of appeal with the Government's legitimate interest in the timely collection of taxes.	to offset outstanding or future taxes within ninety days after the determination becomes final. 32(6) Any refund arising under subsection (7) shall be treated as an overpaid tax and shall be refunded or offset in accordance with the provisions of the Tax Procedures Act."

Table 2: Comments on the Kenya Revenue Authority Bill (National Assembly Bills No. 28 of 2026)

Clause	Description of the Clause	Proposed Amendment	Justification
1	Various sections of the KRA Act have the word “ex-officio”	Amend various sections of the KRA Act referring to the term ex-official and delete the word as it is no longer applicable.	Clean-up the KRA Act and remove any references to ‘<i>ex-officio</i>’ as the same is no longer applicable as it is no longer relevant. Section 6(5) of the KRA Act was amended by the Finance Act 2014 to allow the Hon. Attorney General, the Principal Secretary in Charge of the National Treasury and the Commissioner General of the Kenya Revenue Authority to be substantive members of the Board with voting rights. The justification is that the Board constitutes of the Chairperson appointed by the President; the Commissioner-General; the Principal Secretary in the Ministry responsible for finance or his representative; the Attorney-General or his representative and six other persons appointed by the Cabinet Secretary by virtue of their knowledge and experience in accountancy, commerce, law, taxation, business administration or public administration. All members have voting rights. The change has subsisted from the year 2014 to date but the references to the terms ‘<i>ex-officio members</i>’ in both section 7 and section 8 of the Kenya Revenue Authority Act was inadvertently left in the law. The proposed amendment is therefore a consequential clean-up following the amendments effected through the Finance Act 2014

Clause	Description of the Clause	Proposed Amendment	Justification
2.	Section 8 (b)	Section 8 of the KRA Act provides as follows 8. Termination of appointment of Chairperson and members The appointment of a member, other than an <i>ex officio</i> member, may be terminated, in the case of the Chairperson, by the President, and in the case of any other member, by the Cabinet Secretary, on any of the following grounds— (a) for his inability to perform the functions of his office by reason of mental or physical infirmity; (b) if he is declared or becomes bankrupt or insolvent; (c) if he is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months; (d) if, without reasonable cause to the satisfaction of the Cabinet Secretary, he is absent from six meetings of the Board in any financial year; (e) if in any particular case, he fails to comply with the provisions of section 9;	It is proposed below that Paragraph 1(1) of the Second Schedule to the KRA Act be amended to provide for Quarterly instead of Monthly Board meetings. Previously, it was provided that is a Board member misses without justifiable cause six meetings, it can be a ground for termination. These meetings are now proposed to be held quartley and would be a maximum of four per year. The consequential amendment therefore is that is a Board member misses two meetings in a year wihoiu justifiable cause, it forms a ground for termination.

Clause	Description of the Clause	Proposed Amendment	Justification
		(f) for such other sufficient cause as the Cabinet Secretary may, by notice in the <i>Gazette</i>, specify. It is proposed that section 8(b) be amended to read as follows; <i>(d) if, without reasonable cause to the satisfaction of the Cabinet Secretary, he is absent from two meetings of the Board in any financial year;</i>	
3.	Section 16 (1) (a)	Amend Section 16(1) of the KRA Act to read as follows: (1) The funds of the Authority shall consist of— (a) At least two percent of the revenue estimated in the financial estimates for each financial year. (b) Such sums as may be appropriated by Parliament for the purposes of the Authority in each financial year; (c) Grants, loans and donations received by the Authority, with approval of the Cabinet Secretary responsible for finance and subject to disclosure to Parliament; (d) Any other monies made available to the Authority with the approval of Parliament. (2) No expenditure shall be made out of the funds of the Authority except in accordance with estimates approved by Parliament and the budget approved by the Board.	The Constitution of Kenya, Article 206, permits Parliament to authorize a State organ to retain funds collected for its operations. The proposal seeks to overhaul the funding model and align KRA financing with Parliamentary appropriations and constitutional principles of public finance management. Parliamentary appropriation enhances accountability, democratic oversight and alignment with national priorities.

Clause	Description of the Clause	Proposed Amendment	Justification
		(3) The Authority may maintain a reserve fund to hold unexpended balances from appropriations for the ensuing financial year; use of the reserve fund shall be subject to approval by the Board and disclosure in the Authority's annual financial statements and to Parliament. (4) The Cabinet Secretary may, by Regulations, make provisions on transitional arrangements for moving from the previous revenue-percentage funding formula to the Parliamentary appropriations model, including protection of staff emoluments and committed multiyear contracts. (5) Without prejudice to subsection (1), the Authority may establish and maintain employee welfare schemes including staff mortgage funds, car loan schemes, computer and mobile phone loan schemes, and other incentives necessary for staff motivation and retention. Such schemes shall be funded through appropriations, supplemented by staff contributions and managed in accordance with policies approved by the Board.	
4.	First Schedule, Part 2 The Standards Levy Order, 1990 (L.N. 267	Delete the following Acts that have been repealed or the KRA no longer administers:	The schedule still contains statutes that have been repealed and statutes that KRA no longer administers. Alignment with current laws and statutes.

Clause	Description of the Clause	Proposed Amendment	Justification
	of 1990) is still listed in First Schedule, Part 2	1. The Standards Levy Order, 1990 (L.N. 267 of 1990) The Government Land Act to be replaced with the Land Act Include the following Acts in Part II of the Kenya Revenue Authority Act, Cap 469 2. Tobacco Control Act, Cap 245A 3. Tea Act	On Collection of Solatium Levy by KRA On Collection of the Tea Levy
5.	Second Schedule Paragraph 1(1)	Paragraph 1(1) of the Second Schedule to the KRA Act reads as follows SECOND SCHEDULE [s. 10] Conduct of the meetings of the board 1. Meetings of the Board (1) The first meeting of the Board shall be convened by the Chairperson and, subsequently, the Board shall meet as often as necessary for the transaction of business at such places and at such times as may	In matters relating to governance and the conduct of Meetings, KRA is guided by the Kenya Revenue Authority Act, the Mwongozo Code of Governance for State Corporations which became effective in January 2015, the Constitution of Kenya, Government Circulars issued from time to time, and applicable best practices. Currently, Meetings of the Board of Kenya Revenue Authority are held at least once every month, while Board Committee Meetings are convened once every quarter. The Board of Kenya Revenue Authority has established four (4) Committees that convene on a quarterly basis.

Clause	Description of the Clause	Proposed Amendment	Justification
		be decided upon by the Board but it shall meet at least once every month. Amend paragraph 1(1) of the Second schedule to read as follows; 1. Meetings of the Board 1. The first meeting of the board shall be convened by the chairperson and subsequently the board shall meet quarterly. However, the board may hold special meetings on any occasion the chairperson in consultation with the commissioner general shall decide that a meeting is necessary.	The primary role of these Committees is to make recommendations to the Board for consideration and approval. Currently, a maximum of two (2) Committees present reports during each monthly Board Meeting, with some Board Meetings receiving reports from only one (1) Committee, which is underutilization of the Board's capacity and functions. In this regard, there is therefore a need to align the frequency of Committee Meetings with that of the Board Meetings in order to ensure optimal utilization of the Board's functions. Adequate Time for Management to Implement Board Directives and Resolutions: With the current frequency of monthly Meetings, Management allocates substantial time and resources to the preparation of Board Meeting papers for subsequent Meetings, thereby limiting the time available for the implementation of Board directives and the execution of the overall organizational strategy for revenue mobilization and collection. Further, quarterly reporting provides sufficient financial and operational data to enable the accurate identification of trends and measurement of

Clause	Description of the Clause	Proposed Amendment	Justification
			performance progress. It also allows Management adequate time to prepare more comprehensive analyses and informed recommendations, whereas monthly data may at times be too limited or volatile to support meaningful assessment. Existence of alternative means of transacting Board business The Second Schedule of the KRA Act empowers the Board to make decisions without convening a formal meeting through the circulation of relevant papers among Board Members and the expression of the views of the majority of Members in writing. Members shall, however, retain the right to require that any such decision be deferred and that the matter be considered at a formal Meeting of the Board. In light of the foregoing, the Board will continue to be able to transact any urgent business arising between the quarterly Meetings through circulation. Better strategic focus by the Board Quarterly Meetings will enable the Board to focus on long-term goals, performance trends, risk management, and major decisions instead of short-term operational issues.

Clause	Description of the Clause	Proposed Amendment	Justification
			Alignment with best practice for the frequency of Board Meetings Global and local corporate governance standards generally consider quarterly meetings to be the most effective cadence for established organizations.

3.0 CONCLUSION

KRA remains fully committed to executing its mandate of tax administration and trade facilitation in strict adherence to the applicable laws and regulations. Furthermore, KRA stands ready to provide any additional information or clarification required in connection with these proposals.