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REPUBLIC OF KENYA  
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026  
PUBLIC PETITIONS COMMITTEE


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REPORT ON-

CONSIDERATION OF P/NO.14 of 2025 REGARDING PROPOSAL TO AMEND THE  
CONSUMER PROTECTION ACT TO PROVIDE FOR THE IN DUPLUM RULE BY  
MR. ALLEN WAIYAKI GICHUHI, EBS, SC, C.Arb



Directorate of Audit Appropriations &  
General-Purpose Committees  
Clerk's Chambers  
Main Parliament Buildings  
NAIROBI

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>01 APR 2026</b> DAY: <b>Wed</b>	
TABLED BY:	<i>Hon. Muchangi Karumba, MP Chair, Public Petitions Com</i>
CLERK-AT-TABLE:	<i>Mado Miniam</i>

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## **CHAIRPERSON'S FOREWORD**

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the Public Petition No. 1 P/No.14 of 2025 regarding proposal to amend the Consumer Protection Act to provide for the in Duplum Rule by Mr. Allen Waiyaki Gichuhi, EBS, SC, C.Arb.

The petition was presented to the House pursuant to Standing Order No. 225 (2) (a) by the Honourable Speaker on behalf of the Petitioner.

The Committee considered the Petition and observed that In-duplum rule is a legal principle that limits the amount of interest that can be recovered by a creditor. The core principle of the rule, is that interest stops running when the unpaid interest equals the outstanding principal amount. This prevents the accumulation of interest to an amount that is more than double the outstanding principal sum, protecting borrowers from excessive debt.

The Committee undertook this inquiry by engaging the petitioner, the Office of the Attorney General and the Central Bank of Kenya.

The Committee observed that the petition has merit and recommends the amendment of the Consumer Protection Act Cap. 501 to entrench the In-duplum Rule.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members and secretariat for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

**HON. MUCHANGI KAREMBA, CBS, M.P.**  
**CHAIRPERSON, PUBLIC PETITIONS COMMITTEE**

## **PART ONE**

### **1. PREFACE**

#### **1.1 Establishment and Mandate of the Committee**

1. The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:
  - a) considering all public petitions tabled in the House;
  - b) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
  - c) recommending whether the findings arising from consideration of a petition should be debated; and
  - d) advising the House and reporting on all public petitions committed to it.

## 1.2 Committee Membership

2. The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

### **Chairperson**

Hon. Muchangi Karemba, CBS, M.P.  
Runyenjes Constituency

**United Democratic Alliance (UDA)**

### **Vice Chairperson**

Hon. Janet Jepkemboi Sitienei, M.P.  
Turbo Constituency

**United Democratic Alliance (UDA)**

Hon. Patrick Makau King'ola, M.P.  
Mavoko Constituency

**Wiper Democratic Movement-Kenya  
(WDM-K)**

Hon. Edith Vethi Nyenze, M.P.  
Kitui West Constituency

**Wiper Democratic Movement-Kenya (WDM-  
K)**

Hon. Ntwiga Patrick Munene, M.P.  
Chuka Igambang'ombe Constituency

**United Democratic Alliance (UDA)**

Hon. Maisori Marwa Kitayama, M.P.  
Kuria East Constituency

**United Democratic Alliance (UDA)**

Hon. Joshua Chepyegon Kandie, M.P.  
Baringo Central Constituency

**United Democratic Alliance (UDA)**

Hon. Beatrice Kadeveresia Elachi, M.P.  
Dagoretti North Constituency

**Orange Democratic Movement (ODM)**

Hon. Bernard Muriuki Nebart, M.P.  
Mbeere South Constituency

**Independent**

Hon. Biego Paul Kibichy, M.P.  
Chesumei

**United Democratic Alliance (UDA)**

Hon. Peter Irungu Kihungi, M.P.  
Kangema Constituency

**Maendeleo Chap Chap Party (MCCP)**

Hon. John Bwire Okano, M.P.  
Taveta Constituency

**Wiper Democratic Movement-Kenya (WDM-  
K)**

Hon. Peter Mbogho Shake, M.P.  
Mwatate Constituency

**Jubilee Party (JP)**

Hon. Sloya Clement Logova, M.P.  
Sabatia Constituency

**United Democratic Alliance (UDA)**

Hon. Suzanne Ndunge Kiamba, M.P.  
Makueni Constituency

**Wiper Democratic Movement-Kenya  
(WDM-K)**

### **1.3 Committee Secretariat**

3. The Public Petitions Committee is facilitated by the following members of the secretariat:

**Lead Clerk**  
Mr. Victor Weke  
**Principal Clerk Assistant II**

Ms. Miriam Modo  
**First Clerk Assistant**

Ms. Kafuyai Wamae  
**Third Clerk Assistant**

Ms. Nancy Akinyi  
**Research Officer III**

Ms. Roselyne Njuki  
**Principal Serjeant-at-Arms**

Mr. Pascal Valerian  
**Hansard Officer III**

Ms. Felistus Muiya  
**Public Communication Officer**

Mr. Benard Toroitich  
**Third Clerk Assistant**

Mr. Clinton Sindiga  
**Legal Counsel II**

Mr. Arkan Mumin  
**Research Officer III**

Mr. Paul Shana  
**Serjeant-at-Arms**

Mr. Collins Mahamba  
**Audio Officer III**

Mr. Calvin Karungo  
**Media Relations Officer III**

## PART TWO

### 2. BACKGROUND OF THE PETITION

#### 2.1 Introduction

4. Public Petition No. 14 of 2025 regarding proposal to amend the Consumer Protection Act to provide for the in duplum Rule was presented to the House by the Honourable Speaker on behalf of The Petitioner, Mr. Allen Waiyaki Gichuhi, EBS, SC, C. Arb. of Wamae & Allen Advocates,
5. The Petitioner calls for the House to consider amending the Consumer Protection Act, Cap. 501 to codify the in duplum rule.
6. The purpose of the rule is to protect borrowers from exploitation, prevent endless accumulation of interest, and encourage fair lending practices. Section 44A of the Banking Act codifies the in duplum rule, which provides that interest on a loan ceases to accrue once it equals the outstanding principal amount when a loan becomes non-performing.
7. Despite the existence of this law, many borrowers continue to suffer from banks, financial institutions, unscrupulous lenders and shylocks charging interest and penalties beyond the principal loan amount. These practices have resulted in violation of consumer rights under Article 46 of the Constitution and have exposed Kenyans to unfair deprivation of property.
8. The inconsistent judicial interpretations on the scope and timing of application of the rule, whether before or after restructuring a loan, or whether penalties count as “interest” further lead to harassment of borrowers by debt collectors even after repayment obligations have exceeded the statutory threshold. The lack of clarity and enforcement undermines public confidence in the financial sector and violates national values under Article 10, especially transparency, accountability, and social justice.
9. The issues in respect of which this Petition is raised are not pending before any Court of law or any constitutional or legal body.

#### 2.2 Prayers

10. The Petitioner, therefore, prays that the National Assembly considers amending the Consumer Protection Act, Cap.501 to provide for when the in duplum rule takes effect; whether it applies to penalties, default charges, and other costs in addition to interest; uniform mechanisms for debt restructuring and recovery in compliance with the rule; redress mechanisms for borrowers who have been subjected to unlawful interest charges, including refunds or setoffs; and any other mechanisms that will secure borrowers from exploitation, enhance consumer protection, and uphold the Constitution.

## PART THREE

### 3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION

#### 3.1 The Petitioner

The Petitioner appeared before the Committee on Thursday, 17<sup>th</sup> April 2025, and submitted as follows—

11. The Petition prays to the National Assembly to consider amendments to the Consumer Protection Act, 2012, to incorporate the in duplum rule, making it universally applicable to all credit providers and agreements in Kenya. The core of this Petition is a matter of constitutional equality, social justice, and consumer protection as enshrined in Article 46 and Article 10(2) of the Constitution.
12. The in duplum rule (from Latin, meaning "in double") is a long-standing legal principle of public policy. It is a common-sense safeguard designed to protect borrowers from being crushed by accumulating interest. In its simplest form, the rule dictates that interest on a debt must stop running when the total accrued interest equals the unpaid principal amount.
13. For example, if a citizen borrows a principal of Ksh. 10,000/= the total interest that can ever be charged on this loan (while in default) cannot and should not exceed Ksh. 10,000/=. This caps the lender's total claim, preventing a Ksh 10,000/= loan from spiralling into a Ksh. 100,000/= debt. The rule thus restricts lenders from charging more interest than double the principal amount outstanding at the time of default.;
14. The key proposals are:
  - a) Universal Application: The rule shall apply to all credit agreements in Kenya, regardless of the lender. This includes banks, microfinance institutions, SACCOs, digital/mobile lenders, and informal lenders ("shylocks").
  - b) The "Cap": The maximum amount a lender can recover from a non-performing loan is the sum of:
    - i. The principal amount owing when the loan became non-performing;
    - ii. Accrued interest; and
    - iii. Lawful recovery expenses.
  - c) The Core Protection: The total sum of the interest in (ii) and expenses in (iii) above combined may not, in aggregate, exceed the principal amount in (i).
  - d) Clarity on Operation: The amendment clarifies that interest stops running and accruing when it equals the unpaid principal. If the borrower makes a partial payment that reduces the outstanding interest, interest can begin to run again, but only until it once again reaches the ceiling of the unpaid principal.

15. Currently, the in duplum rule is only clearly codified in Section 44A of the Banking Act. This provision offers vital protection to bank customers by limiting their exposure to spiraling interest. However, this law only applies to institutions licensed under the Banking Act. This creates a massive legislative gap. The vast majority of Kenyans, particularly those in the "bottom-up" economy (MSMEs, "hustlers"), do not get their primary credit from formal banks. They are forced to rely on:
  - a) Digital and Mobile Lenders
  - b) Microfinance Institutions
  - c) SACCOs
  - d) Unregulated "Shylocks"

None of these entities are bound by Section 44A of the Banking Act. This exclusion is the root of the problem.
16. The current legal framework is unjust and inequitable. It provides protection for citizens who borrow from banks while leaving the most vulnerable, the "hustlers," the MSMEs, the financially distressed, at the mercy of predatory lenders.
17. This Petition is not radical. It is a simple plea for fairness and equality.
  - a) The Constitution (Article 46) demands consumer protection. Article 10(2) elevates equity to an express constitutional standard/value. Equity abhors oppression and unjust enrichment.
  - b) The Judiciary (Mugure v. HELB) has confirmed the in duplum rule is a universal public policy.
  - c) 3. International Best Practice (South Africa's NCA) provides a clear and proven legislative blueprint.
18. By amending the Consumer Protection Act, this discriminatory loophole will be closed, end the widespread exploitation of the citizens/borrowers, and enact a fair, just, and constitutional framework for all borrowers in the Republic of Kenya.

### **3.2 The Attorney General**

The Office of the Attorney General vide letter reference AG/LDD/685/2/4 Submitted as follows;

19. The In duplum rule is a legal principle that limits the amount of interest that can be recovered by a creditor. The core principle of the rule, is that interest stops running when the unpaid interest equals the outstanding principal amount. This prevents the accumulation of interest to an amount that is more than double the outstanding principal sum, protecting borrowers from excessive debt.
20. According to section 44A of the Banking Act, a loan becomes non-performing (where the borrower does not service the loan for at least 90 days), the lender may not recover from the borrower more than the sum of:
  - a) the principal owing when the loan became non-performing;
  - b) accrued interest on that principal, not exceeding the principal amount; and

c) recovery expenses reasonably incurred in pursuing the debt.

21. This statutory scope has given rise to debate and litigation on whether the in duplum protection only benefits bank borrowers or whether it extends to all lending arrangements outside the Banking Act such as loans by SACCOS, microfinance institutions, digital lenders, hire purchase arrangements and other lenders.
22. Kenyan courts have grappled with the issue of whether the in duplum rule applies to non-regulated lenders and other institutional lenders that do not qualify as financial institutions under the Banking Act. There have been divergent opinions on the issue;  
In *Anne J. Mugure & 2 Others v Higher Education* (Petition No. E002 of 2021) KLR the court declared that the in duplum rule applies to all persons involved in the lending business. The petitioners were beneficiaries of the Higher Education Loans Board (HELB) loan to finance their university studies.
23. They argued that HELB was charging them exorbitant interest rates and penalties which went beyond the principal amount borrowed hence a violation to their constitutional rights. The Petitioners prayed that the court declare that the rates and penalties charged violated their constitutional rights and the in duplum rule. HELB argued that the in duplum rule does not apply to them and that the Higher Education Loans Board Act allowed for the imposition of penalties for default and late payment of loans on top of interest.
24. The court ruled that that the interests and penalties imposed by HELB that exceeded the principal amounts violated the in duplum rule and the Petitioners' constitutional rights. The court also stated that the in duplum rule would apply to institutions in the business of lending money, as it applies to banks.
36. In contrast however, in *Momentum Credit Limited v Kabuiya* (Civil Appeal E035 of 2022) KLR, the High Court ruled that section 44A of the Banking Act which enshrines the in duplum rule, only applies to financial institutions as defined under the Banking Act. This limits the application of the rule to formal loans issued by banks and financial institutions which fall within the definition of banks under the Banking Act. In this particular case, it was held that the in duplum rule does not apply to microfinance institutions.
37. In *Mbobu & another v Hypac Investments Ltd* (Commercial Suit E144 of 2023) the High Court held that the in duplum rule also applies to unregistered lenders. The matter concerned a loan of 11 million advanced to the borrower. The borrower had repaid 24.5 million which is more than double the loan but the lender still demanded an additional Ksh. 69.4 million, claiming compounded interest and penalties. The court ruled that that the interest and penalty clauses were 'manifestly oppressive' and contrary to public policy. The court declared the debt fully settled by the Ksh. 24.5 million already repaid. It ordered the lender to discharge and retransfer the property title that Mbobu had used as security to his estate within 30 days.
38. The uncertainty concerning the rule's application beyond financial institutions licensed under the Banking Act, highlighted in the cases cited above, demonstrates a clear need for legislative clarification.

39. There is need to balance contractual freedom against the necessity of consumer protection. Legislation should explicitly extend in duplum protections beyond banks, creating uniformity and certainty. The in duplum rule should offer protection to all borrowers and grant equal relief from oppressive interest rates regardless of the lender's identity. This would enhance consumer protection across the board and potentially encourage more borrowing from informal sources with less fear of excessive interest accumulation. Providing for the in duplum rule in the Consumer Protection Act will ensure that the role applies to all lenders irrespective of the legislative framework that governs them.

### **3.3 The Central Bank of Kenya**

The Central Bank of Kenya vide a letter dated 10<sup>th</sup> December 2025 submitted as follows;

40. The CBK legal and regulatory framework has, in large measure, entrenched the In Duplum rule.
41. Section 44 A of the Banking Act provides that an institution shall be limited in what it may recover from a debtor with respect to a non-performing loan to the maximum amount.
42. The maximum amount shall include the principal owing when the loan becomes non-performing, interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan becomes non-performing and expenses incurred in the recovery of any amounts owed by the debtor.
43. In effect, therefore, the lender cannot recover at any one given time an amount that is more than double the outstanding principal. The amendment was brought about through the Banking (Amendment) Act, 2006.
44. Similar provisions have been replicated in other regulatory frameworks under the CBK Regulation 19 of the CBK (Digital Credit Providers) Regulations, 2022 which provides that 'A digital credit provider shall be limited in what it may recover from a customer with respect to a non-performing loan to the maximum amount'.
45. The maximum amount shall include the principal owing when the loan becomes non-performing, interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan becomes non performing and expenses incurred in the recovery of any amounts owed by the debtor.
46. Clause 56 of the Microfinance Bill, 2025, replicates this. It provides that 'An institution shall not recover from a debtor, with respect to a non-performing loan, more than the maximum amount'.
47. The maximum amount shall include the principal owing when the loan becomes non-performing, interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan becomes non performing and expenses incurred in the recovery of any amounts owed by the debtor.

48. Once the Microfinance Bill, 2025, is enacted, this will afford protection to borrowers under this framework. In large measure, it improves upon Regulation 48 of the Microfinance (Deposit Taking Microfinance Institutions) Regulations which states that Where a loan is classified as non-performing every institution shall suspend any interest on such loans and advances and the interest in suspense shall not be treated as income ,all interest in suspense shall be taken into account in the computation of provisions for non-performing accounts and reverse any interest on non-performing loans or credit facilities accrued into income but uncollected and credit into the interest in suspense account until paid in cash by the borrower.
49. It further provides that every institution shall ensure that a non-performing loan or credit facility is returned to accrual basis only when all outstanding dues and unpaid obligations have been paid up to date.
50. Additionally, every Institution shall ensure that all interest on non-performing loan or credit facilities previously accrued into income but uncollected is reversed and credited into the interest in suspense account until paid in cash by the borrower.
51. Institutions that contravenes this regulation will liable to such administrative sanction as may be prescribed by the Central Bank.
52. In the circumstances, the Central Bank of Kenya is amenable to the proposals in the petition to anchor the In Duplum rule in the Consumer Protection Act.

## PART FOUR

### 4. COMMITTEE OBSERVATIONS

Upon hearing from the Petitioner, The Office of the Attorney General and the Central Bank of Kenya, the Committee observes that—

53. The In duplum rule is a legal principle that limits the amount of interest that can be recovered by a creditor. The core principle of the rule, is that interest stops running when the unpaid interest equals the outstanding principal- amount. This prevents the accumulation of interest to an amount that is more than double the outstanding principal sum, protecting borrowers from excessive debt.
54. This statutory scope has given rise to debate and litigation on whether the in duplum protection only benefits bank borrowers or whether it extends to all lending arrangements outside the Banking Act such as loans by SACCOS, microfinance institutions, digital lenders, hire purchase arrangements and other lenders.
55. The uncertainty concerning the rule's application beyond financial institutions licensed under the Banking Act, highlighted in different cases cited, demonstrates a clear need for legislative clarification.

## PART FIVE

### 5. COMMITTEE RECOMMENDATIONS

56. Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—
- i. On the prayer that that the National Assembly considers amending the Consumer Protection Act, Cap.501 to provide for when the in duplum rule takes effect; whether it applies to penalties, default charges, and other costs in addition to interest; uniform mechanisms for debt restructuring and recovery in compliance with the rule; redress mechanisms for borrowers who have been subjected to unlawful interest charges, including refunds or setoffs; and any other mechanisms that will secure borrowers from exploitation, enhance consumer protection, and uphold the Constitution; **the Committee recommends that the Consumer Protection Act, Cap 501, be amended to entrench the In Duplum Rule, as per Annexure 4 of this report.**
  - ii. **The Committee thus recommends that this report be debated by the House as per Standing Order 208A (c), and in line with Standing Order 114A (b).**

Signed: \_\_\_\_\_



Date: \_\_\_\_\_

01/04/2020

**HON. MUCHANGI KAREMBA, CBS, M.P.**  
**CHAIRPERSON, PUBLIC PETITIONS COMMITTEE**

## **ANNEXURES**

- Annex 1: The Adoption List
- Annex 2: Public Petition No. 14 of 2025 regarding proposal to amend the Consumer Protection Act to provide for the In Duplum Rule
- Annex 3: Minutes of proceedings
- Annex 4: Draft Proposal to amend the Consumer Protection Act, Cap 501, to entrench the In Duplum Rule



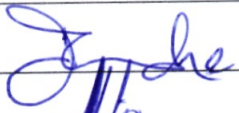
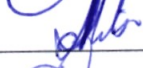
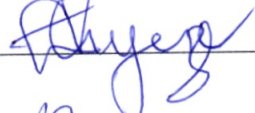
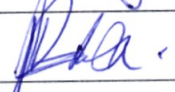



**PUBLIC PETITIONS COMMITTEE**

**ADOPTION LIST**

- (i) **Consideration and adoption of the Report on Public Petition No. 14 of 2025 by Mr. Allen Waiyaki Gichuhi, EBS, SC, C.Arb. regarding a proposal to amend the Consumer Protection Act to provide for the in Duplum Rule**

**We, the undersigned, hereby affix our signatures to this Report to affirm our approval:**

DATE: 17/3/2026.

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P. (Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P. (Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	



**THE NATIONAL ASSEMBLY  
THIRTHEENTH PARLIAMENT (FOURTH SESSION)**

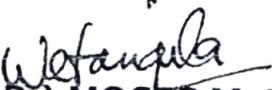
**CONVEYANCE OF PUBLIC PETITION**  
*(No. 14 of 2025)*

**REGARDING A PROPOSAL TO AMEND THE CONSUMER  
PROTECTION ACT TO PROVIDE FOR THE *IN DUPLUM RULE***

- 1. Honourable Members,** Article 119 of the Constitution accords any person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than those presented by a Member.
- 2. Hon. Members,** in this regard, I wish to report to the House that my Office has received a Petition from Mr. Allen Waiyaki Gichuhi, EBS, SC, C.Arb. of *Wamae & Allen Advocates*, calling for the House to consider amending the Consumer Protection Act, Cap.501 to codify the *in duplum rule*.
- 3.** The Petitioner avers that the purpose of the rule is to protect borrowers from exploitation, prevent endless accumulation of interest, and encourage fair lending practices. Section 44A of the Banking Act codifies the *in duplum rule*, which provides that interest on a loan ceases to accrue once it equals the outstanding principal amount when a loan becomes non-performing.
- 4.** The Petitioner further states that despite the existence of this law, many borrowers continue to suffer from banks, financial institutions, unscrupulous lenders and shylocks charging interest and penalties beyond the principal loan amount. These practices have resulted in violation of consumer rights under Article 46 of the Constitution and have exposed Kenyans to unfair deprivation of property.

5. Additionally, the inconsistent judicial interpretations on the scope and timing of application of the rule, whether before or after restructuring a loan, or whether penalties count as "*interest*", further lead to harassment of borrowers by debt collectors even after repayment obligations have exceeded the statutory threshold. The lack of clarity and enforcement undermines public confidence in the financial sector and violates national values under Article 10, especially transparency, accountability, and social justice.
6. **Honourable Members**, the Petitioner, therefore, prays that the National Assembly considers amending the Consumer Protection Act, Cap.501 to provide for when the *in duplum rule* takes effect; whether it applies to penalties, default charges, and other costs in addition to interest; uniform mechanisms for debt restructuring and recovery in compliance with the rule; redress mechanisms for borrowers who have been subjected to unlawful interest charges, including refunds or set-offs; and any other mechanisms that will secure borrowers from exploitation, enhance consumer protection, and uphold the Constitution.
7. **Honorable Members**, having established that the matter raised in the Petition is well within the authority of this House; and further, that the matters raised in this Petition are not pending before any court of law, constitutional or legal body, I hereby commit the Petition to the Public Petitions Committee for consideration pursuant to Standing Order 208A.
8. The Committee is required to consider the Petition and report its findings to the House and to the Petitioner in accordance with Standing Order 227(2).

I thank you.

  
THE RT. HON. (DR.) MOSES M. WETANGULA, EGH, MP  
SPEAKER OF THE NATIONAL ASSEMBLY

23<sup>rd</sup> September, 2025

**MINUTES OF THE 15<sup>TH</sup> SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON TUESDAY, 17<sup>TH</sup> MARCH, 2026 IN FRANGAPINI CONFERENCE ROOM, SERENA HOTEL, MOMBASA COUNTY AT 10.00 A.M.**

**PRESENT**

- |   |   |                         |
|---|---|-------------------------|
| 1. Hon. Eric Muchangi Karemba, CBS M.P.     | - | <b>Chairperson</b>      |
| 2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. | - | <b>Vice-Chairperson</b> |
| 3. Hon. Joshua Chepyegon Kandie, M.P.       |   |                         |
| 4. Hon. Maisori Marwa Kitayama, M.P.        |   |                         |
| 5. Hon. Edith Vethi Nyenze, M.P.            |   |                         |
| 6. Hon. (Eng.) Bernard Nebart Muriuki, M.P. |   |                         |
| 7. Peter Mbogho Shake, M.P.                 |   |                         |
| 8. Hon. Suzanne Ndunge Kiamba, M.P.         |   |                         |
| 9. Hon. Paul Biego Kibichiy, M.P.           |   |                         |
| 10. Hon. Peter Irungu Kihungi, M.P.         |   |                         |
| 11. Hon. Sloya Clement Logova, M.P.         |   |                         |

**APOLOGIES**

1. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
2. Hon. Patrick Makau King'ola, M.P.
3. Hon. Patrick Ntwiga Munene, CBS, M.P.
4. Hon. John Bwire Okano, M.P.

**IN-ATTENDANCE**

**SECRETARIAT**

- |                          |   |                               |
|--------------------------|---|-------------------------------|
| 1. Mr. Victor Weke       | - | Principal Clerk Assistant II  |
| 2. Ms. Miriam Modo       | - | Clerk Assistant I             |
| 3. Mr. Bernard Toroitich | - | Clerk Assistant III           |
| 4. Ms. Kafuyai Wamae     | - | Clerk Assistant III           |
| 5. Mr. Clinton Sindiga   | - | Legal Counsel II              |
| 6. Ms. Nancy Akinyi      | - | Research Officer III          |
| 7. Mr. Arkan Mumin       | - | Research Officer III          |
| 8. Mr. Collins Mahamba   | - | Audio Officer                 |
| 9. Mr. Calvin Karungo    | - | Media Relations Officer III   |
| 10. Ms. Felistus Muiya   | - | Public Communications Officer |
| 11. Mr. Paul Shana       | - | Serjeant at Arm               |

**MIN./PPC/2026/079:**

**PRELIMINARIES**

The Chairperson called the meeting to order at 11:30 am and said a word of prayer.

**MIN./PPC/2026/080:**

**ADOPTION OF AGENDA**

The proposed agenda was adopted having been proposed by Hon. Eng Nerbart Muriuki, M.P and seconded by, Hon. Peter Irungu Kihungi, M.P

## **AGENDA**

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of previous Minutes
4. Matters Arising
5. **Consideration and adoption of the following Public Petition Reports: -**
  - i. **P/No.4/2023 regarding delayed adjudication and settlement of squatters on Macalder Mines Ltd. Land by Hon. Tom Mboya Odege, M.P;**
  - ii. **P/No.59 /2023 regarding Settlement of Ontulili Mount Kenya Forest Squatters by Mr. Patrick and Mr. Robert Wanjau;**
  - iii. **P/No.14/2025 regarding the proposal to amend the Consumer Protection Act to provide for the *In Duplum* Rule by Mr. Allen Waiyaki, EBS, SC, C.Arb; and**
  - iv. **P/No.19/2025 regarding policy and legislative interventions to reverse the decline in uptake of STEM subjects in the country by Computer Science Teachers Association of Kenya.**
6. Any Other Business
7. Adjournment.

### **MIN./PPC/2026/081: CONFIRMATION OF MINUTES**

This agenda item was deferred to the next sitting.

### **MIN./PPC/2026/082: CONSIDERATION AND ADOPTION OF PUBLIC PETITIONS**

1. **P/No.4/2023 regarding delayed adjudication and settlement of squatters on Macalder Mines Ltd. Land by Hon. Tom Mboya Odege, M.P**

The Committee recommended that the CS Ministry of Environment and the County Government of Migori proceed to have the said title subdivided to demarcate the forested area and to give the Kenya Forest Service its own title and the remaining residents of Migori County their own titles within six months on tabling of this report and have it registered by the Ministry of Lands.
2. **P/No.59 /2023 regarding Settlement of Ontulili Mount Kenya Forest Squatters by Mr. Patrick and Mr. Robert Wanjau**

The Committee considered the draft report and it recommended that the Land Settlement Fund Boards of Trustees identifies and acquires appropriate land for the resettlement of verified claimants and that the genuine squatters are identified by the Ministry of Interior.
3. **P/No.14/2025 regarding the proposal to amend the Consumer Protection Act to provide for the *In Duplum* Rule by Mr. Allen Waiyaki, EBS, SC, C.Arb ;**

The Committee considered the draft report and recommended that the departmental committee on Finance and National Planning amends the Consumer Protection Act to entrench the *In Duplum* rule.
4. **P/No.19/2025 regarding policy and legislative interventions to reverse the decline in uptake of STEM subjects in the country by computer science teachers association of Kenya.**

The Committee considered the draft report and recommended that the Ministry of Education in collaboration with the National Treasury, Kenya Institute of Curriculum Development and the Centre for Mathematics, Science and Technology Education in Africa strengthens policy coordination and resource allocation towards the expansion of STEM education programmes, including infrastructure, digital learning resources and teacher capacity development particularly in underserved and marginalized areas.

**Adoption**

The Committee unanimously adopted the following reports having been proposed by Hon. Paul Biego, M.P and seconded by Hon. Peter Irungu Kihungi, M.P:

- a) P/No.4/2023 regarding delayed adjudication and settlement of squatters on Macalder Mines Ltd. Land by Hon. Tom Mboya Odege, M.P;
- b) P/No.14/2025 regarding the proposal to amend the Consumer Protection Act to provide for the *In Duplum* Rule by Mr. Allen Waiyak, EBS, SC, C.Arb; and
- c) P/No.19/2025 regarding policy and legislative interventions to reverse the decline in uptake of STEM subjects in the country by Computer Science Teachers Association of Kenya.

Concerning, P/No.59/2023 regarding settlement of Ontulili Mount Kenya Forest Squatters by Mr. Patrick and Mr. Robert Wanjau, the committee did not adopt this report. It awaits further clarifications from the Estate of Angaine.

**MIN./PPC/2026/083: ADJOURNMENT**

There being no other business, the meeting was adjourned at 2:00 p.m.

Sign:  .....  
**HON. MUCHANGI KAREMBA, CBS, M.P.**  
**CHAIRPERSON, PUBLIC PETITIONS COMMITTEE**

Date 01/04/2026 .....

**MINUTES OF THE 5<sup>TH</sup> SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 24<sup>TH</sup> FEBRUARY, 2026 IN COMMITTEE ROOM ON THE 5<sup>TH</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 11:40 AM.**

**PRESENT**

- |  |   |                         |
|--|---|-------------------------|
| 1. Hon. Eric Muchangi Karemba, CBS M.P.        | - | <b>Chairperson</b>      |
| 2. Hon. Janet Jepkemboi Sitienei, CBS, M.P.    | - | <b>Vice-Chairperson</b> |
| 3. Hon. John Bwire Okano, M.P.                 |   |                         |
| 4. Hon. Edith Vethi Nyenze, M.P.               |   |                         |
| 5. Hon. Beatrice Kadeveresia Elachi, CBS, M.P. |   |                         |
| 6. Hon. Peter Irungu Kihungi, M.P.             |   |                         |
| 7. Hon. Maisori Marwa Kitayama, M.P.           |   |                         |

**APOLOGIES**

1. Hon. Patrick Ntwiga Munene, CBS, M.P.
2. Hon. Patrick Makau King'ola, M.P.
3. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Suzanne Ndunge Kiamba, M.P.
6. Hon. Peter Mbogho Shake, M.P.
7. Hon. Sloya Clement Logova, M.P.

**IN-ATTENDANCE**

**SECRETARIAT**

- |                          |   |                              |
|--------------------------|---|------------------------------|
| 1. Ms. Victor Weke       | - | Principal Clerk Assistant II |
| 2. Mr. Bernard Toroitich | - | Clerk Assistant III          |
| 3. Ms. Kafuyai Wamae     | - | Clerk Assistant III          |
| 4. Mr. Clinton Sindiga   | - | Legal Counsel II             |
| 5. Mr. Arkan Mumin       | - | Research Officer III         |
| 6. Mr. Collins Mahamba   | - | Audio Officer III            |
| 7. Mr. Paul Shana        | - | Serjeant-at-Arms             |
| 8. Ms. Felistus Muiya    | - | Public Communication Officer |

**OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE**

- |                        |   |                               |
|------------------------|---|-------------------------------|
| 1. Mr. James Nduna     | - | Registrar of Marriages        |
| 2. Mr. Victor Wabutube | - | Deputy Registrar of Marriages |
| 3. Ms. Susan Chelagat  | - | Deputy Registrar of Marriages |
| 4. Ms. Mary Kitegi     | - | Deputy Chief State Counsel    |

**MIN./PPC/2026/024: PRELIMINARIES**

The Chairperson called the meeting to order at 11:40 am, followed by a word of Prayer.

**MIN./PPC/2026/025: ADOPTION OF AGENDA**

The proposed agenda was adopted having been proposed by Hon. Beatrice Kadeveresia Elachi, M.P and seconded by Hon. Edith Vethi Nyenze, M.P.

## **AGENDA**

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of minutes
4. **Meeting with the Attorney General on -**
  - i. **Public Petition No. 17 of 2025 by Hon Danson Mwashako, MP, regarding delivery of original marriage certificates to the Registrar of Marriages in Nairobi; and**
  - ii. **Public Petition No. 14 of 2025 by Mr. Allen Waiyaki Gichuhi regarding a proposal to amend the Consumer Protection Act to provide for the *In Duplum Rule*.**
5. Any Other Business
6. Adjournment

### **MIN./PPC/2026/026: CONFIRMATION OF MINUTES**

This agenda item was deferred to the next sitting.

### **MIN./PPC/2026/027: MEETING WITH THE ATTORNEY GENERAL PUBLIC PETITION NO. 17 OF 2025 BY HON DANSON MWASHAKO, MP, REGARDING DELIVERY OF ORIGINAL MARRIAGE CERTIFICATES TO THE REGISTRAR OF MARRIAGES IN NAIROBI**

Mr. James Nduna, the Registrar of Marriages, appeared before the Committee on behalf of the Attorney General alongside other officials from the office of the Attorney General and submitted as follows, that -

On 3<sup>rd</sup> September, 2024, the Office of the Attorney General issued a Notice that required all Registrars and Marriages Officers (Licensed Minister of Faith) to be submitting marriage certificates to the Registrar of Marriages, Nairobi within 14 days which resulted in the filing of the current Petition.

He averred that Section. 53 of the Marriage Act, Cap 150 provides for the process of registering a Christian marriage and it states that -

*“(1) Where a marriage is celebrated under Part III of this Act, the person officiating at the marriage shall forward a copy of the certificate of marriage to the Registrar within fourteen days of the celebration of the marriage for the registration of that marriage.*

*(2) Before the Registrar registers a marriage under subsection (1) the Registrar shall confirm that the marriage complies with the provisions of this Act.”*

Based on section 53 of the Act above, the requirement to submit marriage certificates is statutory. Consequently, the contested Notice dated 3<sup>rd</sup> September, 2024 was just a reproduction of already codified provisions under the Marriage Act, Cap 150, namely: section 2, 50 and 53 of the Act. Lifting established provisions of the Marriage Act, Cap 150 into a Notice to be published in a daily newspaper does not require public participation as the Notice was not introducing new laws, guidelines or provisions

The averment by the Petitioner that the Notice undermined the constitutional principle of devolution and decentralization which the AG's Office strongly disagrees with as the Notice only relates to submission of marriage certificates while the rest of services related to marriage are still available and offered at county levels.

Further and in practice, the Ministers of Faith are allowed to either submit in person, through courier/postage services or through their representatives hence saving on time and cost. These proposed options of submissions are better than the proposal to make submissions via county offices. The Registrar of Marriages is yet to establish marriage offices in all sub-counties.

He also clarified that the Attorney General's Office had assisted the public to comply with the law. He reiterated that -

- a) The Notice was a reproduction of Sections 2, 50 and 53 of the Marriage Act, Cap 150 and was issued as a reminder to all the gazetted Registrars and Licensed Ministers of Faith.
- b) It was imperative that the records be submitted to Nairobi to enable the Registrar of Marriages register the marriages and establish a centralized marriage register.
- c) The Notice and Section 53 of the Marriage Act, Cap 150 do not require the Ministers of Faith to physically travel to Nairobi. Other viable options of submitting include use of courier/postage services or church representatives.
- d) Prompt submission of marriage certificates to Nairobi was essential in enabling the Registrar of Marriages register marriages on time and maintain accurate up to-date records.

The prayer that the Notice be quashed should be reconsidered by this Committee and not be granted since it may amount to amending Sections 2, 50 and 53 of the Marriage Act, Cap 150. Further, any attempt to amend these provisions could only be done through review of the Marriage Act, Cap 150. The Office of the Attorney General will endeavour to support the Ministers of Faith comply with the Act.

#### **Committee Concerns**

- i. **Limited County Presence:** The Committee questioned why marriage certificates must be submitted to Nairobi rather than county-level AG offices. The Registrar explained that AG offices are only present in **23 of Kenya's 47 counties**, with plans to expand to the remaining 24 counties
- ii. **Manual Systems and Delays:** The Committee expressed concern about delays in marriage certificate transmission despite government digitization efforts. The Registrar admitted that the Registry was still manual, though automation was underway to improve on the said service delivery.
- iii. **Non-utilization of Huduma Centres:** The Committee inquired about non-utilization of Huduma Centres to offer services and the Registrar cited cost implications as Huduma Centres charge higher fees that could disadvantage citizens.

### **Committee Resolutions**

The Committee resolved that -

1. The Office of the Attorney General issues another Clarification Notice to the public on the Notice that it had issued on 3<sup>rd</sup> September, 2024 that required all Registrars and Marriages officers (Licensed Minister of Faith) to be submitting marriage certificates to the Registrar of Marriages in Nairobi within 14 days;
2. The clarification Notice to list the names and locations of the remaining 23 counties where services are not yet available; and
3. The AG fastracks digitization of marriage registration systems to allow remote submission by Ministers of Faith in the FY 2026/2027.

### **MIN./PPC/2026/028:**

### **MEETING WITH THE ATTORNEY GENERAL ON PUBLIC PETITION NO. 17 OF 2025 BY MR. ALLEN WAIYAKI GICHUI REGARDING A PROPOSAL TO AMEND THE CONSUMER PROTECTION ACT TO PROVIDE FOR THE *IN DUPLUM* RULE**

Upon invitation, Ms. Mary Kitegi, the Deputy Chief State Counsel, Office of the Attorney General, submitted as follows-

The In Duplum Rule is a legal principle that limits the amount of interest that can be recovered by a creditor. The core principle of the rule is that , interest stops running when the unpaid interest equals the outstanding principal amount. This prevents the accumulation of interest to an amount that is more than double the original or outstanding principle sum protection borrowers from excessive debt accumulation.

She stated that in Kenya, the In-Duplum Rule is codified under Section 44 of the Banking Act (Cap 488) which states that -

*"No institution shall increase its rate of banking or other charges except with the prior approval of of the Cabient Secretary".*

It therefore follows that, this provision applies to all licensed banks and financial institutions in Kenya and is designed to ensure regulatory oversight and over challenges in fees, charges or interest rates that affect customers.

The uncertainty concerning the In-Duplum Rule's application beyond financial institutions licensed under the Banking Act demonstrated a clear need for legislative clarification. There was need to balance contractual freedom against the necessity of the consumer protection.

She further explained that Legislation should explicitly extend in duplum protections beyond banks, creating uniformity and certainty. The in duplum rule should offer protection to all borrowers and grant equal relief from oppressive interest rates regardless of the lender's identity. This would enhance consumer protection across the board and potentially encourage more borrowing from informal sources with less fear of excessive interest accumulation. Providing for the in duplum rule in the Consumer Protection Act will ensure that the roles applies to all lenders irrespective of the legislative framework that governs them.

She further submitted that there was need to exhaustively define the word “Creditor” in the Banking Act to include banks, sacco and other micro and macro lending institutions. Expanding the definition of who a creditor is will result to the in duplum rule being applied effectively. The Office of the Attorney General was in support of the petition and was of the opinion that the in duplum rule ought to be anchored both in the Banking Act and the Consumer Protection Act.

**Committee Concerns**

- i. The Committee inquired whether it was possible to introduce an amendment to the Consumer Protection Act with reference to the In-Duplum Rule to protect small scale borrowers especially Boda Boda Sector from exploitation by the lending institutions who charge high interest rates. The Chief State Counsel responded that, currently, the In-Duplum Rule is only limited to the Banking Sector and does not apply to the small scale lending institutions. She agreed that the Consumer Protection Act can be amended by expanding the word “Creditor” to include micro-financial institutions or shy-locks.

**Committee Observations**

The Committee observed that -

- i. The In Duplum Rule currently protects only formal banking sector borrowers. Small-scale borrowers (Boda Boda operators, micro-finance clients, informal sector) fall outside this protection.; and
- ii. Review/revision of relevant Acts to incorporate small lending institutions specifically, the Banking Act and the Consumer Protection Act.

**Committee Resolutions**

The Committee resolved to engage -



- a) The Ministry of Trade, Investments and Industry; and
- b) The Central Bank of Kenya.

**MIN./PPC/2026/029: ANY OTHER BUSINESS**

It was reported that the Clerk had approved the proposed Report Writing Retreat to be held after the short recess in Mombasa from 15<sup>th</sup> to 22<sup>nd</sup> March, 2022.

**MIN./PPC/2026/030: ADJOURNMENT AND DATE OF THE NEXT MEETING**

There being no other business, the meeting was adjourned at 12.20 p.m. The Next Meeting Next meeting will be held on Wednesday, 25<sup>th</sup> February, 2026 at the same venue.

Sign: .....  ..... Date .....  .....

**HON. MUCHANGI KAREMBA, CBS, M.P.**  
**CHAIRPERSON, PUBLIC PETITIONS COMMITTEE**

D/AAGPC  
Please deal  
Governor  
16/12/25

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 4254 20 286, 1003

December 10, 2025

Mr. Samuel Njoroge, CBS  
Clerk of the National Assembly  
Office of the Clerk, Parliament Buildings  
P.O. Box 41842 - 00100  
NAIROBI

Dear

CNA, Njoroge



**REQUEST BY NATIONAL ASSEMBLY FOR WRITTEN SUBMISSIONS ON A PUBLIC PETITION**

Thank you for your letter of November 3, 2025, requesting the Central Bank of Kenya (CBK) to respond to a petition to amend the Consumer Protection Act to provide for the *In Duplum* rule.

We note that the CBK legal and regulatory framework has, in large measure, entrenched the *In Duplum* rule. In particular, section 44A of the Banking Act, states as follows:

- “44A (1) An institution shall be limited in what it may recover from a debtor with respect to a non-performing loan to the maximum amount under subsection (2).**
- (2) The maximum amount referred to in subsection (1) is the sum of the following—**
- (a) the principal owing when the loan becomes non-performing;**
  - (b) interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan becomes non-performing; and**
  - (c) expenses incurred in the recovery of any amounts owed by the debtor”.**

In effect, therefore, the lender cannot recover at any one given time an amount that is more than double the outstanding principal. The amendment was brought about through the Banking (Amendment) Act, 2006.

Similar provisions have been replicated in other regulatory frameworks under the CBK. Regulation 19 of the CBK (Digital Credit Providers) Regulations, 2022, states as follows:

- “19. (1) A digital credit provider shall be limited in what it may recover from a customer with respect to a non-performing loan to the maximum amount under paragraph (2).**
- (2) The maximum amount referred to in paragraph (1) is the sum of the following—**
- (a) the principal owing when the loan becomes non-performing;**
  - (b) interest in accordance with the contract between the customer and the digital credit provider, not exceeding the principal owing when the loan becomes non-performing; and**
  - (c) reasonable expenses incurred in the recovery of any amounts owed by the customer”.**

Mr. Machira

Please deal

24.12.2025

Clause 56 of the Microfinance Bill, 2025, replicates this. It states that:

**“56. (1) An institution shall not recover from a debtor, with respect to a non-performing loan, more than the maximum amount specified in subsection (2).**

**(2) The maximum amount recoverable from a debtor, with respect to a non-performing loan shall be—**

- (a) the principal owing when the loan becomes non-performing;**
- (b) interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan became non-performing; and**
- (c) expenses incurred in the recovery of any amounts owed by the debtor.”**

Once the Microfinance Bill, 2025, is enacted, this will afford protection to borrowers under this framework. In large measure, it improves upon Regulation 48 of the Microfinance (Deposit-Taking Microfinance Institutions) Regulations which states that:

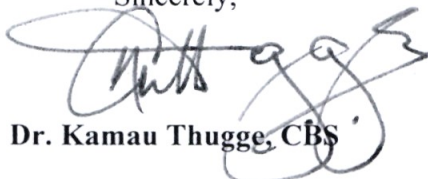
**“48 (1) “Where a loan is classified as non-performing every institution shall suspend any interest on such loans and advances and—**

- (a) the interest in suspense shall not be treated as income; and**
  - (b) all interest in suspense shall be taken into account in the computation of provisions for non-performing accounts; and**
  - (c) reverse any interest on non-performing loans or credit facilities accrued into income but uncollected and credit into the interest in suspense account until paid in cash by the borrower.**
- (2) Every institution shall ensure that a non-performing loan or credit facility is returned to accrual basis only when all outstanding dues and unpaid obligations have been paid up to date.**
- (3) Every Institution shall ensure that all interest on non-performing loan or credit facilities previously accrued into income but uncollected is reversed and credited into the interest in suspense account until paid in cash by the borrower.**
- (4) An institution that contravenes this Regulation is liable to such administrative sanction as may be prescribed by the Central Bank.”**

In the circumstances, CBK is amenable to the proposals in the petition to anchor the *In Duplum* rule in the Consumer Protection Act.

The purpose of this letter is to forward our comments for your appropriate action.

Sincerely,



**Dr. Kamau Thugge, CBS**

Cc. Dr. Chris Kiptoo, CBS  
Principal Secretary,  
The National Treasury  
P.O. Box 30007 - 00100  
**NAIROBI**



REPUBLIC OF KENYA

AMEX(5)

D/AAGPC

Please deal

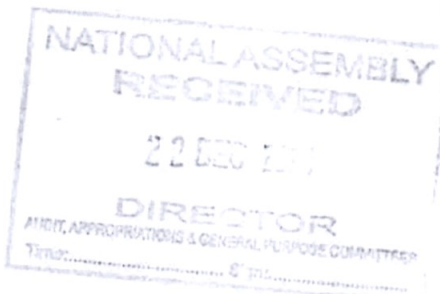
*[Handwritten signature]*

OFFICE OF THE ATTORNEY-GENERAL  
&  
DEPARTMENT OF JUSTICE

Our Ref: AG/LDD/685/2/4

9<sup>th</sup> December 2025

Mr. Samuel Njoroge, CBS  
Clerk of the National Assembly  
National Assembly  
Parliament Buildings  
P.O. Box 41842-00100  
NAIROBI



**RE: LEGAL OPINION ON PETITION NO. 14 OF 2025 REGARDING A PROPOSAL TO AMEND THE CONSUMER PROTECTION ACT TO PROVIDE FOR THE IN DUPLUM RULE**

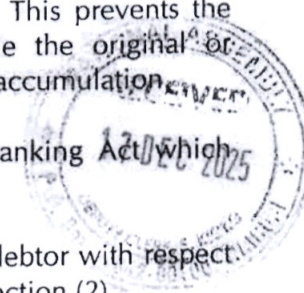
Reference is made to your letter under Reference Number: NA/DAA&GPC/PPC/2025/045 dated 3<sup>rd</sup> November, 2025 requesting this Office to provide written submissions on Petition No. 14 of 2025, presented by Mr. Allen Waiyaki Gichuhi, proposing amendments to the Consumer Protection Act, Cap 501. We have reviewed the petition and wish to respond as follows:

**The *In duplum* rule principle**

The *in duplum* rule is a legal principle that limits the amount of interest that can be recovered by a creditor. The core principle of the rule, is that interest stops running when the unpaid interest equals the outstanding principal amount. This prevents the accumulation of interest to an amount that is more than double the original or outstanding principal sum, protecting borrowers from excessive debt accumulation.

In Kenya the *in duplum* rule is codified in section 44A of the Banking Act which provides as follows—

- (1) An institution shall be limited in what it may recover from a debtor with respect to a non-performing loan to the maximum amount under subsection (2).
- (2) The maximum amount referred to in subsection (1) is the sum of the following—
  - (a) the principal owing when the loan becomes non-performing;
  - (b) interest, in accordance with the contract between the debtor and the institution, not exceeding the principal owing when the loan becomes non-performing; and
  - (c) expenses incurred in the recovery of any amounts owed by the debtor.



SHERIA HOUSE, HARAMBEE AVENUE  
P.O. Box 40112-00100, NAIROBI, KENYA. TEL: +254 20 2227461/2251355/07119445555/0732529995  
E-MAIL: [info.statelawoffice@kenya.go.ke](mailto:info.statelawoffice@kenya.go.ke) WEBSITE: [www.attorney-general.go.ke](http://www.attorney-general.go.ke)

DEPARTMENT OF JUSTICE  
CO-OPERATIVE BANK HOUSE, HAILLE SELLASIE AVENUE P.O. Box 56037-00200, Nairobi-Kenya TEL: Nairobi 2224029/ 2240337  
E-MAIL: [legal@justice.go.ke](mailto:legal@justice.go.ke) WEBSITE: [www.justice.go.ke](http://www.justice.go.ke)

Mr. Macharia - Public Debt Committee

Plse deal  
24.12.2025

ISO 9001:2008 Certified



- (3) If a loan becomes non-performing and then the debtor resumes payments on the loan and then the loan becomes non-performing again, the limitation under paragraphs (a) and (b) of subsection (1) shall be determined with respect to the time the loan last became non-performing.
- (4) This section shall not apply to limit any interest under a court order accruing after the order is made.
- (5) In this section—
  - (a) "debtor" includes a person who becomes indebted to an institution because of a guarantee made with respect to the repayment of an amount owed by another person;
  - (b) "loan" includes any advance, credit facility, financial guarantee or any other liability incurred on behalf of any person; and
  - (c) a loan becomes non-performing in such manner as may, from time to time, be stipulated in guidelines prescribed by the Central Bank.
- (6) This section shall apply with respect to loans made before this section comes into operation, including loans that have become non-performing before this section comes into operation:

Provided that where loans become non-performing before this section comes into operation, the maximum amount referred to in subsection (1) shall be the following—

- (a) the principal and interest owing on the day this section comes into operation; and
- (b) interest, in accordance with the contract between the debtor and the institution, accruing after the day this section comes into operation, not exceeding the principal and interest owing on the day this section comes into operation; and
- (c) expenses incurred in the recovery of any amounts owed by the debtor.

According to section 44A of the Banking Act, when a loan becomes non-performing (where the borrower does not service the loan for at least 90 days), the lender may not recover from the borrower more than the sum of:

- (a) the principal owing when the loan became non-performing;
- (b) accrued interest on that principal, not exceeding the principal amount; and
- (c) recovery expenses reasonably incurred in pursuing the debt.

This statutory scope has given rise to debate and litigation on whether the *in duplum* protection only benefits bank borrowers or whether it extends to all lending arrangements outside the Banking Act such as loans by SACCOS, microfinance institutions, digital lenders, hire purchase arrangements and other lenders.

### Case Law

Kenyan courts have grappled with the issue of whether the *in duplum* rule applies to non-regulated lenders and other institutional lenders that do not qualify as financial institutions under the Banking Act. There have been divergent opinions on the issue.

In **Anne J. Mugure & 2 Others v Higher Education Loans Board (Petition No. E002 of 2021) KLR** the court declared that the *in duplum* rule applies to all persons involved in

the lending business. The petitioners were beneficiaries of the Higher Education Loans Board (HELB) loan to finance their university studies. They argued that HELB was charging them exorbitant interest rates and penalties which went beyond the principal amount borrowed hence a violation to their constitutional rights. The Petitioners prayed that the court declare that the rates and penalties charged violated their constitutional rights and the *in duplum* rule. HELB argued that the *in duplum* rule does not apply to them and that the Higher Education Loans Board Act allowed for the imposition of penalties for default and late payment of loans on top of interest. The court ruled that that the interests and penalties imposed by HELB that exceeded the principal amounts violated the *in duplum* rule and the Petitioners' constitutional rights. The court also stated that the *in duplum* rule would apply to institutions in the business of lending money, as it applies to banks.

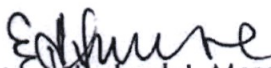
In contrast however, in **Momentum Credit Limited v Kabuiya (Civil Appeal E035 of 2022) KLR**, the High Court ruled that section 44A of the Banking Act which enshrines the *in duplum* rule, only applies to financial institutions as defined under the Banking Act. This limits the application of the rule to formal loans issued by banks and financial institutions which fall within the definition of banks under the Banking Act. In this particular case, it was held that the *in duplum* rule does not apply to microfinance institutions.

In **Mbobu & another v Hypac Investments Ltd (Commercial Suit E144 of 2023)** the High Court held that the *in duplum* rule also applies to unregistered lenders. The matter concerned a loan of 11 million advanced to the borrower. The borrower had repaid 24.5 million which is more than double the amount of the loan but the lender still demanded an additional Ksh 69.4 million, claiming compounded interest and penalties. The court ruled that that the interest and penalty clauses were "manifestly oppressive" and contrary to public policy. The court declared the debt fully settled by the Ksh 24.5 million already repaid. It ordered the lender to discharge and retransfer the property title that Mbobu had used as security to his estate within 30 days. The *in duplum* rule was applied as a matter of public policy in this matter.

### **Conclusion**

The uncertainty concerning the rule's application beyond financial institutions licensed under the Banking Act, highlighted in the cases cited above, demonstrates a clear need for legislative clarification.

There is need to balance contractual freedom against the necessity of consumer protection. Legislation should explicitly extend *in duplum* protections beyond banks, creating uniformity and certainty. The *in duplum* rule should offer protection to all borrowers and grant equal relief from oppressive interest rates regardless of the lender's identity. This would enhance consumer protection across the board and potentially encourage more borrowing from informal sources with less fear of excessive interest accumulation. Providing for the *in duplum* rule in the Consumer Protection Act will ensure that the rule applies to all lenders irrespective of the legislative framework that governs them.

  
Hon. Ghadrack J. Mose, CBS  
SOLICITOR-GENERAL

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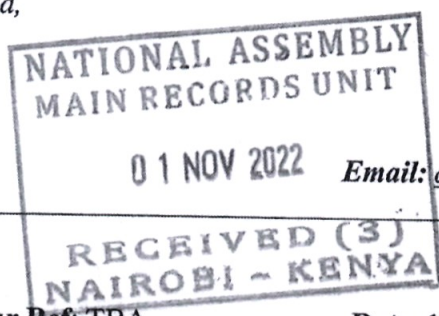
AMPEX (6)

**ALLEN WAIYAKI GICHUHI EBS, SC, C.Arb.**

*Advocate, Commissioner for Oaths & Notary Public*

*C/o Wamae & Allen Advocates,  
Top Plaza, 3<sup>rd</sup> Floor,  
Kindaruma Road, Off Ngong Road,  
P.O. Box 4132-00200,  
NAIROBI.*

**Tel:** 020-22222293 / 2222294



**Email:** allen@wamaeallen.com

**Our Ref:** 146/Gen

**Your Ref:** TBA

**Date:** 1<sup>st</sup> November 2022

**Attention: Ms. Serah Kioko**  
The Clerk,  
National Assembly,  
Main Parliament Buildings,  
NAIROBI.

Dear Madam,

**RE: PETITION – IN DUPLUM RULE**

We make reference to the above matter.

Please find enclosed herewith a humble Petition advocating for the extended application of the *in duplum rule* for your perusal and further action.

I look forward to a further deliberation on the subject matter.

Yours faithfully,

A handwritten signature in black ink, appearing to be "Allen Waiyaki Gichuhi".

**ALLEN WAIYAKI GICHUHI EBS, SC, C.Arb.**



## PETITION

(Under Article 10 2(b) and Article 119(1) of the Constitution, 2010 and Section 3 of the  
Petition to Parliament (Procedure) Act No. 22 of 2012, Laws of Kenya)

**TO: THE NATIONAL ASSEMBLY  
MAIN PARLIAMENT BUILDINGS  
NAIROBI**

I, **ALLEN WAIYAKI GICHUHI, EBS., SC., C.Arb**, the undersigned, a citizen of Kenya  
**DRAW** the attention of the House to the following:

1. Cognizant of the constitutionality of consumer protection as enshrined in Article 46 of the Constitution;
2. Conscious of the inherent failure of the Consumer Protection Act's Part VII to adequately and comprehensively protect consumers in respect of the interest charged;
3. Aware of the inherent unfairness in protecting borrowers from banking institutions but not from other financial institutions including mobile lenders and microfinance institutions and the need for equity, proportionality and social justice as envisaged by Article 10(2) of the Constitution;
4. Further cognizant, of the inherent limitations of **Section 44A of the Banking Act** in respect to automatic application, debt recovery litigation, and method of application;
5. Taking into account, the necessity of uniform regulation of the credit industry so as to universally protect consumers from oppressive lending practices in line with Article 46 of the Constitution;
6. Recognizing that ordinary citizens are suffering at the hands of unscrupulous lenders and shylocks who in many instances have been seen to charge high interest rates of about 5% monthly with no *in duplum* protection for innocent borrowers;
7. With the hope of the promulgation and propagation of the "Hustler" manifesto where Micro Small Medium Enterprises (MSMEs) business owners are empowered to realize economic growth without inhibiting conditions;
8. Further to the above, majority of this lenders take advantage of those citizens who are either financial illiterate or don't have access to lending from regulated financial institution majority of whom are 'hustlers';

9. With the hope of protecting MSMEs achieve their economic dreams and true to the words that every dream matters, devoid of unconscionable credit facilities interests' rates;
10. Keeping in mind the novel intention of protecting all consumers across board despite the financial assistance received from a plethora of establishments including shylocks;
11. Keeping in mind the inequitable, unjustified, unconscionable, unscrupulous, excessive, imprudent nature and adverse effects of unregulated interest rates charged on MSMEs creating a direct conflict with the government's intention to uplift the economic standards of the "hustlers";
12. Taking into account that, several statutes already embody the *in duplum* rule. For instance, **Section 38(8) of the Tax Procedures Act 2015**, which governs late payment interest upon a taxpayer failing to pay a tax on or before the due date for the payment of the tax, provides that "The accrued late payment interest shall not, in aggregate, exceed the principal tax liability." Similarly, **Section 16 of the Rating Act CAP. 267**, which governs the imposition of rates on land and buildings in Kenya, provides that upon late payment of the assessed rate by the rating authority, the interest charged shall not exceed the principal amount of the rate owing.
13. Taking into account the inequitable, unjustified, unconscionable, unscrupulous, excessive, imprudent nature and adverse effect of the unregulated interest rates on the economic agenda of the government;
14. To help in the realization of the "bottom-up" economic model for the creation of job opportunities and the betterment of the society;
15. With the commitment of effectively regulating the business sector and essentially aiming at the protection of all consumers of financial credit facilities notwithstanding the issuers of the said facilities and the regimes governing the transactions;
16. Further recognizing that the various Acts under which credit services are provided including the Microfinance Act, 2006 and The Housing Act Cap 117 do not adequately protect borrowers and mobile lending which is the fastest growing market segment remains largely unregulated;
17. Further noting, that the Money Lenders Act was repealed in 1984 and has not been replaced with any other act to regulate individuals who provide credit services; and
18. Respectful of the need to ensure equity and equality for all Kenyan Citizens before the law.

19. The amendment will be in line with the High Court judgement in **Anne J. Mugure & 2 Others – Versus- Higher Education Loans Board (HELB)** wherein **Hon. Mabeya** held that the *in duplum* rule applies to all lending transactions and held *inter-alia*:

*“From the foregoing, the Court of Appeal was alive to the fact that the rule was concerned with public interest. In my view, the rule was introduced in our Laws to tame the appetite of Lenders who had made recovery of interest on advances a cash cow. Simply put, the Legislature was expressing its displeasure with lenders who left amounts of advances to go over the roof due to interest before pouncing on the hapless borrowers.*

*24. It was intended to protect borrowers from exorbitant interest accumulation on loans and limit the amount recoverable by a lender on a defaulted facility to no more than double the principal owing when the loan has become non-performing plus recovery expenses.*

*25. In this regard, I hold that being of public interest, the in duplum rule will be applicable for those lending monies as it does to banks”*

**THAT** this being a legislative matter solely within the purview and province of Parliament, the matter is hereby submitted for first consideration to Parliament and **THAT** the issues in respect of which this petition is made are not pending before any court of law, constitutional, or legal body to the Petitioner’s best belief and knowledge **HEREFORE your humble Petitioner prays that Parliament:**

Do consider the following amendments with respect to the Consumer Protection Act for the inclusion of *in duplum* provisions in the following terms:

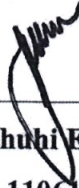
1. *In duplum* provisions shall be applicable to all credit providers and credit agreements notwithstanding nature of the parties to the credit agreement. These provisions shall, for the avoidance of doubt, apply equally to mortgage service providers and mobile lending and or credit facilities advanced within the Republic of Kenya
2. Any lender shall be limited in what may be recovered from a debtor with respect to a non-performing loan to the maximum amount under Section 3.
3. The maximum amount referred to in subsection ii is the sum of the following:
  - i. The principal owing when the loan becomes non-performing;
  - ii. Interest, in accordance with the contract between the debtor and the institution and in accordance with the prevailing law; AND
  - iii. Expenses lawfully incurred in the recovery of any amounts owed by the debtor;

Provided that despite any provision of any other law or statute, or a credit agreement to the contrary, the amounts in 3(ii) and (iii) above that accrue during the time that a consumer is in default may not, in aggregate, exceed the unpaid balance of the principal debt under that credit agreement as at the time the default occurs.

4. In all credit agreements, interest shall automatically stop to run when it equals the unpaid principal, and where the accrued interest or a part thereof is paid, it shall start to run again but only until it is again as high as the unpaid principal.
5. As long as the rule in (iv) above, suspends the running of interest, all credits to the account shall be appropriated to accrued interest before principal.
6. Recapitalization of interest shall not in any way affect compliance with rules (i) to (v) hereinabove.

**And your Petitioner will ever Pray.**

**DATED at NAIROBI this 1<sup>st</sup> day of November 2022.**



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**Allen Waiyaki Gichuhi EBS, SC, C.Arb.**

**ID No. 11061762**

**C/o Wamae & Allen Advocates, Top Plaza, 3<sup>rd</sup> Floor**

**Kindaruma Road, Off Ngong Road, P.O. Box 4132 - 00200, NAIROBI**

## BRIEFING NOTES FOR THE PUBLIC PETITIONS COMMITTEE

### RE: PETITION FOR THE ENACTMENT OF THE *IN DUPLUM* RULE IN THE CONSUMER PROTECTION ACT

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#### INTRODUCTION TO THE PETITION AND THE *IN DUPLUM* RULE

##### **The Petition**

The Petition prays to the National Assembly to consider amendments to the **Consumer Protection Act, 2012**, to incorporate the *in duplum* rule, making it universally applicable to all credit providers and agreements in Kenya.

The core of this Petition is a matter of constitutional equality, social justice, and consumer protection as enshrined in **Article 46** and **Article 10(2)** of the Constitution.

##### **What is the *In Duplum* Rule?**

The *in duplum* rule (from Latin, meaning "in double") is a long-standing legal principle of public policy. It is a common-sense safeguard designed to protect borrowers from being crushed by accumulating interest.

In its simplest form, the rule dictates that **interest on a debt must stop running when the total accrued interest equals the unpaid principal amount.**

For example, if a citizen borrows a principal of Ksh. 10,000/= the total interest that can ever be charged on this loan (while in default) cannot and should not exceed Ksh. 10,000/=. This caps the lender's total claim, preventing a Ksh 10,000/= loan from spiralling into a Ksh. 100,000/= debt. The rule thus restricts lenders from charging more interest than double the principal amount outstanding at the time of default.

##### **The Key Proposals of the Petition**

The Petition (on pages 4-5) proposes a clear and unambiguous statutory amendment. The key proposals are:

- a) **Universal Application:** The rule shall apply to **all** credit agreements in Kenya, regardless of the lender. This includes banks, microfinance institutions, SACCOs, digital/mobile lenders, and informal lenders ("shylocks").
- b) **The "Cap":** The maximum amount a lender can recover from a non-performing loan is the sum of:

- i. The principal amount owing when the loan became non-performing;
  - ii. Accrued interest; and
  - iii. Lawful recovery expenses.
- c) **The Core Protection:** The total sum of the interest in (ii) and expenses in (iii) above combined **may not, in aggregate, exceed the principal amount** in (i).
- d) **Clarity on Operation:** The amendment clarifies that interest stops running and accruing when it equals the unpaid principal. If the borrower makes a partial payment that reduces the outstanding interest, interest can begin to run again, but *only* until it once again reaches the ceiling of the unpaid principal.

### **THE DIRE NEED FOR REFORM: EXPLOITATION OF KENYANS**

The current legal framework in Kenya has created a discriminatory, two-tiered system of justice that protects the financially secure while abandoning the most vulnerable.

#### **The Legislative Gap (Section 44A of the Banking Act)**

Currently, the *in duplum* rule is only clearly codified in **Section 44A of the Banking Act**. This provision offers vital protection to bank customers by limiting their exposure to spiralling interest. However, this law only applies to institutions licensed under the Banking Act. This creates a massive legislative gap. The vast majority of Kenyans, particularly those in the "bottom-up" economy (MSMEs, "hustlers"), do not get their primary credit from formal banks. They are forced to rely on:

- a) Digital and Mobile Lenders
- b) Microfinance Institutions
- c) SACCOs
- d) Unregulated "Shylocks"

None of these entities are bound by Section 44A of the Banking Act. This exclusion is the root of the problem.

#### **The Exploitation of the Vulnerable**

By failing to apply the rule universally, Parliament has inadvertently sanctioned the exploitation of the poor. As the Petition notes, unscrupulous lenders target financially illiterate or desperate citizens with "unconscionable" and "imprudent" credit facilities.

**Exorbitant Rates:** The Petition cites interest rates as high as 5% *per month* (60% per year, un-compounded).

**Predatory Penalties:** Hefty default penalties are piled on, which are then charged interest, creating a debt trap from which escape is impossible.

**Interest Exceeding Principal:** It is now commonplace for a Kenyan to default on a small loan of Ksh 20,000/= and, within a few months/ years, be pursued for Ksh 100,000/= or more.

This is not a "free market"; it is a market failure. It is extortion. This practice directly undermines the Government's own economic empowerment agenda by trapping MSMEs in a cycle of debt rather than allowing them to grow. The Petition seeks to close this gap and extend the same, sensible protection enjoyed by bank customers to *all* Kenyans.

#### **JUDICIAL PRECEDENT & RECOGNITION IN KENYA**

The Kenyan Judiciary is already aware of this crisis and has begun to provide a path forward, which this Petition asks Parliament to codify into clear law.

#### **Judicial Condemnation of Exorbitant Interest (The Problem)**

Our courts have repeatedly expressed their distress at predatory lending practices, establishing that they have the power to intervene when contracts are "unconscionable."

#### **Dhiman v Shah (Civil Appeal E380 of 2023) [2025] KECA 1264 (KLR) (11 July 2025) (Judgment)**

In the very recent decision, the Court of Appeal invalidated a loan agreement, finding a 36% interest rate (compounded quarterly) to be "exorbitant, oppressive, and unconscionable." **This interest would have inflated a Kshs. 4,000,000 balance to over Kshs. 69 billion**, which was deemed oppressive and unconscionable. The Court affirmed that it would not enforce agreements that are "contrary to equity and public policy." This is one of the cases that demonstrate that the judiciary is actively seeking to protect borrowers from extortionate contracts.

These cases show the *problem*. The judiciary is forced to deal with these cases one by one. A universal *in duplum* rule would solve the problem proactively and at once.

## **Judicial Support for a Universal Rule (The Solution)**

### **Anne J. Mugure & 2 Others v. Higher Education Loans Board (HELB) [2021] eKLR**

In this case, the High Court (Hon. Justice Mabeya) was asked to interpret as to whether the *in duplum* rule applied to HELB, which is not a bank under the Banking Act.

The court's finding was clear and profound. Justice Mabeya held that the *in duplum* rule is a matter of **public interest** intended to "tame the appetite of Lenders" and "protect borrowers from exorbitant interest accumulation." He concluded with the following powerful holding, which is the cornerstone of this Petition: **"In this regard, I hold that being of public interest, the *in duplum* rule will be applicable for those lending monies as it does to banks."**

In **Francis Mbaria Wambugu v Jijenge Credit Limited [2020] eKLR**, Hon. Meoli held that the *in duplum* rule is concerned with public interest and its key aim was to protect borrowers from exploitation by lenders who permit interest to accumulate to astronomical figures. It was also meant to safeguard the equity of redemption and safeguard against banks making it impossible to redeem a charged property. In essence, a clear understanding and appreciation of the *in duplum* rule is meant to protect both sides.

These judgments provide the legal and moral foundation for this Petition. The judiciary has already declared that the *in duplum* rule is a universal principle of public interest. The Petition now humbly asks the National Assembly to do its part and codify this essential public policy into a clear, unambiguous statute.

## **COMPARATIVE JURISPRUDENCE & CONCLUSION**

Kenya would not be acting in isolation. Enacting a universal *in duplum* rule aligns our nation with international best practices for modern consumer protection.

### **1. The South African Model: The National Credit Act**

The most direct and successful comparison is the Republic of South Africa. Like Kenya, South Africa faced widespread predatory lending. Their solution was not to place the rule in their Banking Act, but to place it at the heart of their consumer protection framework.

**Law: The National Credit Act (NCA) 34 of 2005**

**Mechanism: Section 103(5)** of the NCA codifies the *in duplum* rule.

**Scope:** This statutory rule is *universal*. It applies to all credit agreements governed by the Act, which covers the entire credit market, from banks to micro-lenders.

**Strength:** The South African statutory rule is even stronger than the common law version. It states that the *total cost of credit* (including interest, fees, collection charges, etc.) that accrues *while a consumer is in default* cannot exceed the principal debt at the time of default.

This model has been highly effective. It has provided a clear, predictable, and fair playing field for the entire credit industry while protecting millions of consumers from the debt trap. This is precisely what the Petition proposes for Kenya.

### **Conclusion and Prayer**

Honourable Members, the current legal framework is unjust and inequitable. It provides protection for citizens who borrow from banks while leaving the most vulnerable, the "hustlers," the MSMEs, the financially distressed, at the mercy of predatory lenders.

This Petition is not radical. It is a simple plea for fairness and equality.

1. **The Constitution** (Article 46) demands consumer protection. Article 10(2) elevates equity to an express constitutional standard/value. Equity abhors oppression and unjust enrichment.
2. **The Judiciary** (*Mugure v. HELB*) has confirmed the *in duplum* rule is a universal public policy.
3. **International Best Practice** (*South Africa's NCA*) provides a clear and proven legislative blueprint.

We humbly pray that this Committee and the National Assembly heed this call. By amending the **Consumer Protection Act**, you can close this discriminatory loophole, end the widespread exploitation of the citizens/borrowers, and enact a fair, just, and constitutional framework for *all* borrowers in the Republic of Kenya. The time is ripe for the National Assembly to enforce the constitutional principle of equity and equality before the law by codifying the *in duplum*.

**ANNEXURE SUMMARIES: THE EXPLOITATIVE NATURE OF SHYLOCKS IN KENYA**

The media coverage on the ruthless nature of shylocks and the debt traps they create is extensive and provides compelling, real-world evidence to support the Petition.

These articles provide anecdotal and analytical evidence that unregulated lenders (shylocks, mobile apps) employ predatory practices that necessitate the immediate implementation of a universal *in duplum* rule.

<b>Source</b>	<b>Title / Focus</b>	<b>Key Evidence of Exploitation</b>	<b>Relevance to Petition</b>
<b>People Daily</b> (Mar 2021)	<b>"Shylocks leave a trail of tears, misery, shame"</b>	Directly compares modern Kenyan shylocks to Shakespeare's character, highlighting their "greed and ruthlessness." It details case studies of borrowers who are quickly trapped by exorbitant interest, often securing the loan after a predatory assessment of their home/workplace.	Shows that the practice is deeply rooted in extortion and intimidation, requiring a strong legislative deterrent like the <i>in duplum</i> rule.

<p>NTV Kenya (Sep 2023)</p>	<p><b>"How man risked losing Sh1.4m land over Sh30,000 shylock drama"</b></p>	<p>Recounts the story of a businessman who put up KSh 1.4 million worth of land as security for a KSh 30,000 loan. The agreement stipulated an interest of KSh 25,000 after just one month. The case illustrates the <b>massive disproportion</b> between the principal, the interest charged, and the collateral seized.</p>	<p>Provides a high-value, recent example of asset seizure based on a debt that quickly doubled the principal, demonstrating the urgent need for capping interest.</p>
<p>Nation Africa (May 2025)</p>	<p><b>"Is it illegal to run a shylock business?"</b></p>	<p>Defines shylocking as "one of the most exploitative loan schemes" due to "exorbitantly negotiated interest rates." It confirms that these activities are largely unlicensed and</p>	<p>Highlights the existing regulatory void and the fact that even illegal lenders continue to operate with impunity, thereby requiring a law that voids their excess claims (like the <i>in</i></p>

		prohibited by the Central Bank of Kenya (CBK) regulations, yet they persist due to the high demand for quick loans.	<i>duplum</i> rule).
<b>Daily Nation Editorial</b> (Aug 2023)	<b>"Curb extortion by shylocks"</b>	Notes that the <b>Money Lenders Act, 1933, was repealed in 1984</b> , leaving the sector unregulated for nearly 40 years. It states that shylocks survive through <b>"extortion and intimidation"</b> and are popular because they require little documentation, holding tangible assets (logbooks, title deeds, TV sets) as collateral.	Establishes the clear historical failure of regulation (the repealed Act) and links shylock extortion directly to the absence of a legal framework for consumer protection.
<b>Quartz</b> (Feb 2021)	<b>"Kenya is preparing to crack down on a flood of</b>	States that some apps offer Annual Percentage Rates	Provides direct evidence of the extremely high

	<b>high-interest loan apps"</b>	(APR) of <b>up to 400%</b> , and quotes the CBK Governor who has previously criticized the practices of digital lenders, comparing the apps to <b>shylocks</b> and calling them "fleas."	interest rates employed by the <i>new generation of shylocks</i> (digital lenders) and shows the Executive's (CBK) concern over their exploitative nature.
<b>IOSR Journal of Economics, Commerce &amp; Management</b>	<b>"The Impact of Predatory Lending on Household Financial Health in Kenya"</b>	A scholarly report noting that predatory lending leads to <b>"significantly higher debt-to-income ratios, elevated loan default rates, increased incidences of asset liquidation, and frequent disruptions in meeting essential needs."</b>	Offers independent, analytical confirmation that predatory lending destroys household financial health and undermines national goals of financial inclusion.

The following YouTube video further demonstrates the severity of the situation by detailing how ruthless shylocks seize property over unpaid loans.

Kenyans decry ruthless shylocks seizing property over unpaid loans

This video is relevant as it visually documents and provides testimonials on the exact problem—the seizing of property due to unpaid loans—that the *in duplum* rule is designed to prevent by capping the recoverable debt.

**Fees or charges**

- 102.** (1) If a credit agreement is an instalment agreement, a mortgage agreement, a secured loan or a lease, the credit provider may include in the principal debt deferred under the agreement any of the following items to the extent that they are applicable in respect of any goods that are the subject of the agreement — **5**
- (a) an initiation fee as contemplated in section 101(1)(b), if the consumer has been offered and declined the option of paying that fee separately;
  - (b) the cost of an extended warranty agreement;
  - (c) delivery, installation and initial fuelling charges;
  - (d) connection fees, levies or charges; **10**
  - (e) taxes, licence or registration fees; or
  - (f) subject to section 106, the premiums of any credit insurance payable in respect of that credit agreement.
- (2)** A credit provider must not—
- (a) charge an amount in terms of subsection (1) unless the consumer chooses to have the credit provider act as the consumer's agent in arranging for the service concerned; **15**
  - (b) require the consumer to appoint the credit provider as the consumer's agent for the purpose of arranging any service mentioned in subsection (1); or
  - (c) charge the consumer an amount under subsection (1) in excess of— **20**
    - (i) the actual amount payable by the credit provider for the service, as determined after taking into account any discount or other rebate or other applicable allowance received or receivable by the credit provider; or
    - (ii) the fair market value of a service contemplated in subsection (1), if the credit provider delivers that service directly without paying a charge to a third party. **25**
- (3)** If the actual amount paid by a credit provider to another person is not ascertainable when the consumer pays an amount to the credit provider for a fee or charge contemplated in subsection (1) and if, when it is ascertained, it is less than the amount paid by the consumer, the credit provider must refund or credit the difference to the consumer. **30**

**Interest**

- 103.** (1) Subject to subsection (5), the interest rate applicable to an amount in default or an overdue payment under a credit agreement may not exceed the highest interest rate applicable to any part of the principal debt under that agreement. **35**
- (2)** A credit agreement may provide for an interest charge to become payable or be debited at any time after the day to which it applies.
- (3)** A credit provider must not, at any time before the end of a day to which an interest charge applies, require payment of or debit the interest charge.
- (4)** A credit agreement may provide for the interest rate to vary during the term of the agreement only if the variation is by fixed relationship to a reference rate stipulated in the agreement, which reference rate must be the same as that used by that credit provider in respect of any similar credit agreements currently being issued by it. **40**
- (5)** Despite any provision of the common law or a credit agreement to the contrary, the amounts contemplated in section 101(1)(b) to (g) that accrue during the time that a consumer is in default under the credit agreement may not, in aggregate, exceed the unpaid balance of the principal debt under that credit agreement as at the time that the default occurs. **45**

(6) The Minister may make regulations prescribing the manner in which interest is to be calculated and disclosed for the purposes of this Act.

(7) Subject to the review and approval of the National Credit Regulator, subsection (4) does not apply in respect of developmental credit agreements.

#### Changes to interest, credit fees or charges

5

**104.** (1) A credit provider must not unilaterally increase—

- (a) the periodic or incidental service fees, or the method of calculating such fees, that may be charged under the credit agreement; or
- (b) the rate of interest applicable to a credit agreement, except with respect to a credit agreement with a variable interest rate.

10

(2) Except as otherwise provided for in this section, a credit provider must give written notice of at least five business days to the consumer setting out particulars of a change concerning—

- (a) the rate of interest;
- (b) the amount of a credit fee or charge; or
- (c) a change in the frequency or time for payment of a credit fee or charge.

15

(3) In respect of a credit agreement that has a variable interest rate, the credit provider must give written notice to the consumer, no later than 30 business days after the day on which a change in the variable interest rate takes effect, setting out—

- (a) the new rate and any further prescribed information; or
- (b) if a rate is determined by referring to a reference rate as contemplated in section 103(4), the new reference rate.

20

#### Maximum rates of interest, fees and charges

**105.** (1) The Minister, after consulting the National Credit Regulator, may prescribe a method for calculating—

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(a) a maximum rate of interest; and  
 (b) the maximum fees contemplated in this Part, applicable to each subsector of the consumer credit market, as determined by the Minister.

(2) When prescribing a matter contemplated in subsection (1), the Minister must consider, among other things—

30

- (a) the need to make credit available to persons contemplated in section 13(a);
- (b) conditions prevailing in the credit market, including the cost of credit and the optimal functioning of the consumer credit market; and
- (c) the social impact on low income consumers.

35

(3) When establishing regulations contemplated in this section, the Minister—

- (a) must establish different maximums for credit agreements within each subsector of the consumer credit market; and
- (b) may prescribe the method, consistent with section 101(3), for allocating service fees between the provision of credit and the provision of related financial services, in circumstances in which a credit provider offers multiple financial services under a single agreement.

40

#### Credit insurance

**106.** (1) A credit provider may require a consumer to maintain during the term of their credit agreement—

45

- (a) credit life insurance not exceeding, at any time during the life of the credit agreement, the total of the consumer's outstanding obligations to the credit provider in terms of their agreement; and
- (b) either—

**THE CONSUMER PROTECTION (AMENDMENT) BILL, 2026**

**A Bill for**

**AN ACT of Parliament to amend the Consumer Protection Act**

**ENACTED** by the Parliament of Kenya as follows—

1. This Act may be cited as the Consumer Protection (Amendment) Act, 2026.

Short title.

2. The Consumer Protection Act is amended by inserting the following new section immediately after section 39—

Insertion of new section 39A in Cap. 501.

Limit on interest recovered on defaulted loans.

**39A.** (1) An institution shall be limited in what it may recover from a debtor with respect to a non-performing loan to the maximum amount under subsection (2).

(2) The maximum amount referred to in subsection (1) is the sum of—

- (a) the principal owing when a loan becomes non-performing;
- (b) interest, in accordance with the contract between a debtor and the institution, not exceeding the principal owing when the loan becomes non-performing; and
- (c) expenses incurred in the recovery of the amount owed by the debtor.

(3) The limitation under subsection (1) (a) and (b) apply with respect to the time a loan last became non-performing.

(4) This section shall not apply to any interest under a court order.

- (5) In this section—
- (a) “debtor” includes a person who becomes indebted to an institution because of a guarantee made with respect to the repayment of an amount owed by another person;
  - (b) “loan” includes any advance, credit facility, financial guarantee or any other liability incurred on behalf of any person; and
  - (c) a loan becomes non-performing in such manner as may, from time to time, be stipulated in guidelines prescribed by the Central Bank of Kenya.

## MEMORANDUM OF OBJECTS AND REASONS

### **Statement of the Objects and Reasons for the Bill**

The principal object of this Bill is to amend the Consumer Protection Act, Cap. 501 to provide for the *in duplum* rule to make it universally applicable to all credit providers and agreements in Kenya. The *in duplum* rule dictates that interest on a debt must stop running when the total accrued interest equals the unpaid principal amount.

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

This Bill delegates powers to the Central Bank of Kenya to prescribe guidelines on the manner in which a loan becomes non-performing. It does not limit fundamental rights and freedoms.

### **Statement of how the Bill concerns county governments**

The Bill does not concern county governments in terms of Article 110(1) (a) of the Constitution as it does not contain provisions that affect the functions and powers of the county governments as set out in the Fourth Schedule to the Constitution.

### **Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution**

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

Dated the ....., 2026.

**MUCHANGI KAREMBA,**  
*Chairperson, Public Petitions Committee.*