Vellum Weekly

FRIDAY, 17TH APRIL 2020

OXYGÈNE

Disclaimer

The Governor is back, with consequences

Mike Sonko marked his return to Nairobi with a bizarre appearance on TV in the early days of the curfew.
He had on a headset worn by players of virtual video games and was supervising the cleaning and spraying of streets to limit the spread of the coronavirus.

A week later, he protested against the transfer of county government workers to the Nairobi Metropolitan Services and this week rejected a county Bill allocating more than KSh15 billion to the newly-formed unit. As politicians stepped in to help the urban poor, he caused a stir this week when he included miniature bottles of Hennessy in hampers donated to the urban poor.

His Sonko Rescue Team is back in action, deploying youths with branded overalls, caps and now face masks on various missions around the city. On social media, his troops are clearly back in action, taking on his critics and playing down criticism of his work.

He still faces corruption-related charges, and is out on bail and has his accounts frozen, but his revival appears to have been linked to his hold on the Finance Department at City Hall.

After weeks of frustration of his efforts to remove the County Executive Committee member in charge of Finance and the two Chief Officers under her, he accomplished the feat in a simple way.

As the functions were being transferred to the Nairobi Metropolitan Services, the Governor expressed his frustrations at not having a reliable Finance team. He was then granted the leeway to remove Pauline Kahiga and her team via a notice in the Kenya Gazette.
He has proceeded to wield his power, reviving the machinery that surrounded him and using the coronavirus crisis to flex his regrown muscle.

It is likely that once the crisis is over and some normalcy returns to the country, there will be more of the man to see.

What would worry investors and the country's administration is the effect the Governor's revival will have on the county's fortunes.
Of particular focus will be the effect on planning approvals, which he had taken over after the collapse of a school in Dagoretti, and then frozen. His relationships with suppliers have also been rocky, and the list of pending bills under his watch had grown.

It is likely that once the crisis is over and some normalcy returns to the country, there will be more of the man to see.

PAN'DEBT'MIC

POTENTIAL IMPACT OF THE COVID-19 PANDEMIC ON KENYA'S PUBLIC DEBT

By Jason Rosario Braganza[1]

The global Covid-19 pandemic is a medical crisis that brings with it a hangover that will last for years to come. As governments scramble resources to address the medical emergency, they are having to further delicately balance the books to buffer the economy and cushion citizens from a crisis worse than the 2007-09 financial crisis. Developing countries in particular are staring at multi-faced monster of crises that threatens to reverse a decade of progress and sink them further into a crippling debt spiral. In an integrated and globalised world, the measures to curb the spread of Covid-19 will undoubtedly have an impact on the global economic system as well as long lasting social consequences across different countries.

On the economic front, the continent is integrated into the global trading system and being a net importer, Covid-19 is likely to cause a deep recession in many countries including the larger economies like Kenya. This, coupled with growing indebtedness of many African countries is going to test the limits of policy to prevent countries falling over the edge into a recession and debt crisis. On the social front, fragile healthcare systems, vulnerable social protection systems, and large informal workers is likely to see countries like Kenya witness rise in unemployment, rising poverty, growing inequality, as well as higher fatality rate relative to confirmed cases as the pandemic continues to spread across the world.

The clarion calls for unilateral debt relief are getting louder as the deep impact of the crisis begins to take shape. A near halting of international trade; disruption of supply chains; near lockdowns; expected contractions in growth; lower revenues; and impending debt repayments, have made for a perfect debt storm. At the 2020 Spring Meetings of the IMF and World Bank, it was announced that 25 countries have been awarded debt service relief through the IMF's Catastrophe Containment and Relief Trust (CCRT). Afghanistan, Benin, Burkina Faso, Central African Republic, Chad, Comoros, Congo, D.R., The Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Tajikistan, Togo, and Yemen.

Although Kenya was not on the list, it is however in the process of negotiating terms with its creditors to restructure repayments in order to "release" the much needed funds to continue with its mitigating efforts of impact of the pandemic.

> **Public debt stands at over Ksh 5 trillion (US$50 billion) or 60.15% of Kenya GDP, a 4.97 percentage point rise from 2017, when it was 55.18% of GDP.**

Kenya's national debt has been a growing concern given the government's increased appetite for commercial and non-concessional loans that attract higher interest rates. A parallel concern is how this accrued debt especially from instruments such as the 'Eurobonds' is being used. In some cases, funds raised from these bonds are being used to pay off existing debts instead of investments in the country's national development agenda. Kenya finds itself borrowing to pay debt and not investment. The most recent figures indicate the country is headed towards a debt precipice. Public debt stands at over Ksh 5 trillion (US$50 billion) or 60.15% of Kenya GDP, a 4.97 percentage point rise from 2017, when it was 55.18% of GDP. According to the most recent debt sustainability assessment, the government has breached key debt service to revenue ratios, with concerns on the increased proportion of commercial loans with high interest rates.

To put this into perspective, the debt per capita or debt per Kenyan is has risen to US$1,029 in 2018 per inhabitant from US$865 in 2017. A further concern is the move by the government to underwrite debts of county governments; and provide debt guarantees to underperforming state institutions. These types of decisions are likely to add to the already bulging debt portfolio placing even more pressure on the underfunded government purse. The onset of Covid-19 in Kenya is likely to worsen the country's debt position due to a depreciation of the Kenya shilling which will increase the value of the national debt. Overall debt might also worsen from the borrowing the government will need to take to finance the stimulus packages planned to smooth over businesses and citizens during this period. With an anticipated contraction of the economy resulting in

reduced revenues, both the public and private (individual) debt situation is likely to worsen in the short and medium term.

As inter-governmental negotiations continue over restructuring of debt, it'll be against a backdrop that borrowing will be at the centre of any interventions the government needs to take in ensuring the economy is not crippled to its knees. With the red flags already flying high in the National Treasury's face over national debt, against reduced revenue projections thus reducing capacity to pay back loans, the government will need to assume a pragmatic approach with its creditors. Consolidating and restructuring the country's debt repayments will go a long way to freeing up resources to be used to cushion the economy. Negotiating a suspension or either a payment of the principal or interest amounts to creditors would go some way in easing the fiscal pressure the National Treasury is going to come under in the next few weeks and months in designing policy interventions. Similarly, the government will need to negotiate even less conditionalities on credit lines from institutions such as the IMF and the World Bank if it is to create the fiscal and monetary policy space to see itself through this crisis. The more proactive the government interventions are before the peak of the Covid-19 pandemic in Kenya, the softer the economic blow this crisis will have. The road to recovery will be long and because Kenya is about 3-4 months behind the pandemic curve, there will be an additional lag in recovery as other regions begin to flatten their curve.

What lies ahead?

As the Covid-19 disrupts life as we know it globally and nationally, it will test to the core the ability of the state to defend its citizens from experiencing the most holistic crisis we have ever faced as country. Kenya has lived through curfews, food shortages, economic difficulties but all at different stages and periods. With growth prospects reduced, lower than expected tax revenues, and Kenya's debt to GDP at worringly high levels, it may be important to explore how proposed measures aimed at cushioning the economy may be implemented. Covid-19 is a package of crises that promises disruption and guarantees a regression on social gains from the past decade. The cost of fixing these crises will require unorthodox policy decisions and approaches, and a radical role for the state in guaranteeing the protection of citizens and buffering of businesses. When the dust from Covid-19 begins to settle (whenever that will be), what will emerge is that Kenya will be facing a panDEBTmic.

Growth

The Kenyan economy has been stuttering for the past decade averaging between 5% and 6% growth rate but is likely to experience a reduced growth rate as a result of the pandemic. The National Treasury, in its 2020 Budget Policy Statement, noted a lower than expected growth in 2019 at 5.6% against a target of 6.2%. Following the onset of the Covid-19 virus and specifically now with reported cases in Kenya, this growth rate is likely to be revised further downwards to about 2% to 3%.

Its continued reliance on the export of primary commodities and inability to move up the value chain across all major economic and productive sectors make the economy extremely vulnerable to the spill-over effects of the Covid-19 virus. The export share of GDP has been on the decline for the past decade and strategies to develop export oriented strategies are yet to be fully integrated in any meaningful way.

Further, the Covid-19 pandemic shock could adversely affect Kenya's foreign reserves in the medium term. Being a net importer of raw materials, the Covid-19 virus is going to disrupt in a significant way the business operations in the Kenyan economy. MSMEs are likely to bear the brunt of this disruption from the slow-down of global supply chains and will see their business operations either grinding to a halt or go out of business altogether.

Revenues

The result of this lower than expected growth in 2019 will have a direct impact on the revenues raised in order to fund its next fiscal period. Revenue targets in Kenya have been missed for the past decade and according to the National Treasury ordinary revenue targets for the current fiscal year have been revised downwards by Kshs 33.4 billion to Ksh. 1.78 trillion. Despite this downward revision on revenues, the National Treasury has planned for an increase in recurrent expenditure and reduction of development expenditure. These measures are noted on account of increase in interest payments, wages & salaries as well as pensions payments. (Source: Budget Policy Statement 2020). The onset of the Covid-19 virus and resulting revision downwards of growth forecasts will undoubtedly lead to lower than expected revenues from all sources. Tax revenues in particular will be affected especially owing to businesses having to reduce their operations, their supply chains disrupted, and depressed consumption due to the restriction on movement of people to contain the spread of the Covid-19 virus. The anticipated lower tax revenue collection in the immediate to medium term is going to place even further pressure on tax policy and revenue as government implements measures to shore up citizens and businesses in order to mitigate the impact of Covid-19.

[1]The author is an Economist from Kenya writing in an independent capacity. The views expressed do not reflect those of any organisation or institutions he is affiliated to. At the time of writing, the fluid nature of the Covid-19 virus pandemic is understood and that data, statistics, and interventions might have changed.

Contact information: Email: jason.rosario.braganza@gmail.com and Twitter: @JasonBraganza1

SPECIAL FEATURE

> **While governments and institutions grapple with COVID-19, and the world slows down day by day, let us not forget that young people are watching**

THE PLACE OF THE YOUTH IN THE WAKE OF COVID-19

By Evalin Karijo[1]

The COVID-19 pandemic is the glaring rampant global health crisis of our time. Cases are rising daily in the world, in Africa and more specifically in Kenya. The pandemic is a poignant contagious wave neither choosing race, gender, age nor status. It affects us all.

Youth are as vulnerable as everybody else:

The corona virus was initially poised to be an "old persons" disease with increased reporting of elderly persons being acutely affected by the virus. This narrative has however changed over time with increasing numbers of young people getting infected and in some instances dying. In Italy, with one of the largest outbreaks in the world, 10% to 5% of all persons in intensive care are under 50. In Korea, one in six deaths have been people below the age of 60. A recent analysis by the U.S. Centers for Disease Control and Prevention indicates that about 1 in 5 people hospitalized for COVID-19 infections are between the ages of 20 to 44 years and more than 1 in 8 of the young people were admitted to intensive care in the United States. In an earlier study conducted in February, 2020 in China that looked at 2,143 cases of children with confirmed or suspected COVID-19 it was reported that more than 90% of the cases were asymptomatic, mild or moderate cases. However, nearly 6% of the children's cases were severe or critical, compared with 18.5% for adults.

It should be noted however that in many of the countries in the North, the elderly form a significantly larger proportion of the population in comparison to the global south. For instance, in countries such as Italy and Spain which have recorded a high number of fatalities among the elderly, they have a recorded average of 13% of the youth population.

Whereas these numbers may appear to be significantly lower in comparison to the overall number of people impacted by the disease, it should be an area of concern for young people who had previously adopted an almost dismissive attitude to their susceptibility to the virus.

Governments and world leaders must also factor this in their programming as they continue to develop measures to #flattenthecurve, especially in Africa, which has a significant young population. According to a report by the World Economic Forum published in January 2020, 77% of the population on the continent is below the age of 35. The United Nations World Population Prospects, 2019 indicates that the world's youngest countries are all in Africa, with forecasts for 2020 showing just one non-African country – Afghanistan – in the top 20. Niger is currently in the lead with a median age of 15.2 years. In Kenya, 75% of the population (34 million Kenyans) is aged below 35.

Therefore, owing to the numbers, the vulnerability of Africa's youth being directly infected or affected by the virus remains markedly high. Government institutions and other duty-bearers must ensure that their programming prioritizes young people; a population that is often left out, marginalized with their needs mostly unmet.

Mental Health

In addition to global warming, unemployment, student debt, political instability, terrorism and the great recession, the COVID-19 outbreak is the latest global crisis that young people have had to contend with. Currently, over 861 million children and youth globally have no access to formal education, according to the United Nations Educational, Social and Cultural Organization (UNESCO). The subsequent much-needed actions by governments for full or partial lockdowns have deprived young people of social engagement with their peers and educators. Prolonged periods of closures and movement restrictions may lead to additional emotional

[1] *Director, Youth Advocacy, Amref Health Africa can be contacted by evalin.karijo@amref.org*

unrest and anxieties and when those close to them are infected, quarantined or pass away, there is need for protection and psychosocial mechanisms to support them. According to the World Health Organization, Kenya ranked sixth among African countries with the highest rates of depression (at 1.9 million cases). In 2019, General Hospitals with psychiatric units in Kenya, reported high caseloads of youth- up to 300 per month- seeking help. While the Ministry of Health prioritized youth mental health as a key strategic action in the Kenya Mental Health policy (2015-2030) to enable youth to access user-friendly targeted interventions that would enhance their resilience and mitigate risk factors, the COVID-19 pandemic is a challenge to the Ministry to be innovative in their approach to addressing mental health squarely in the face of these restrained conditions.

Powerful agents to flatten the curve

While governments and institutions grapple with COVID-19, and the world slows down day by day, let us not forget that young people are watching. They are watching how their caregivers, parents, governments and institutions are acting in the face of the crisis. COVID-19 is now exposing some inabilities of large-scale institutions to address challenges. Consequently, distrust on institutions builds up and family or a close circle of friends become a default system that young people rely upon.

However, Kenya and Africa as a whole stands a chance to harness the power of youth to #flattenthecurve, by recognizing them as patriotic citizens and powerful change agents. Any crisis presents the opportunity for youth to learn and increase resilience while building a safer and more caring community. In this crisis, the youth can be an important resource in awareness creation, breaking misconceptions, mitigating risks and conducting community outreach. COVID-19 presents an opportunity for institutions, both governmental and non-governmental, to take advantage of this untapped resource by investing in their economic security and social protection, through employment opportunities during deployment, online jobs and in conducting the much-needed outreach interventions in their communities. Youth are richer in spirit and many choose to be beacons of hope, the strong in our society and the aide required by our communities during the crisis - let's harness this opportunity.

Kenya and Africa as a whole stands a chance to harness the power of youth to #flattenthecurve, by recognizing them as patriotic citizens and powerful change agents

I HAVE BEEN ASKED TO TAKE A PAY CUT AND/ OR PROCEED ON UNPAID LEAVE

WHAT DOES THIS MEAN? IS IT LEGAL?

CHANGES IN EMPLOYMENT TERMS IN THE WAKE OF COVID 19

[3]Elizabeth Koki

Following the COVID-19 attack on the world, there has been an unparalleled multi-layered impact on companies across different industries globally. According to a study by the International Labour Organization (ILO), COVID-19 and the World of Work expressed COVID-19 as the "worst global crisis since the World War II". The study estimates that **1.25 billion workers** are at risk of being paid off or face reductions in wages and working hours. Many are in low-paid, low-skilled jobs, where a sudden loss of income is devastating.

Looked at regionally, the proportion of at risk workers varies from 43 per cent in the Americas to 26 per cent in Africa.

As companies continue grapple with the adverse effects of supply chain and value chain disruptions, reduced manufacturing and lengthened cash flow cycles for a majority, the question has been how can they reduce costs to a bare minimum to ensure business survival beyond COVID-19.

A major re-current cost for a lot of companies other than stock/ direct cost of sales is generally human resource. With the priority being to **#flattenthecurve** a majority of Governments have called for people to **#Stayhome** except for those providing essential services and in instances absolute necessity e.g. emergencies.

As a result, many companies have sent their employees home with a number operating with a skeletal staff and where possible adopting online working as the new norm taking advantage of the free tools being offered by startups such as Slack and Zoom and established giants including Google and Microsoft; and expanded bandwidth services provided by internet service providers.

However, not all operations can be taken online for instance accommodation and food services, manufacturing, retail, and business and administrative activities. This has had a significant reduction in working hours with the International Labour Organization (ILO) predicting that at least 6.7 per cent of working hours globally will be wiped out in the second quarter of 2020 – equivalent to 195 million full-time workers.

Where operations are ongoing with a minimal number of staff, a lot of companies are realizing that they are potentially bloated and are beginning to relook at their organograms to potentially restructure. On the other hand, for those that have managed to seamlessly take a majority of their operations online, the question is, "Do staff need to come in to the office every day or can an alternative remote work schedules/ plans be adopted?". This would help reduce operation costs such as rent.

However, as these questions arise, for most instances companies' concerns have been related to how to put contingency plans in place that would ensure business continuity after the pandemic comes to an end. Unfortunately, for a quite a number, a large component of mitigating measures being put in place or explored involve changing or varying employment terms. Some of the proposals under consideration have included:

- Pay cuts / half pay;
- Pay for piece work;
- Withdrawal of benefits;
- Sending staff on unpaid leave;
- Change of working hours; and
- Transfers and relocation.

Whereas change in business operations was expected due to the vast impact that the pandemic is having economically, a lot of the changes in employment terms was not for a vast majority of people as they are not provided for in employment contracts or in company policy. It is understood that safeguarding business sustainability is paramount and as such difficult decisions need to be made but as employers continue with put measures in place, they must be cognizant of the legal framework and ensure that they are acting within the law.
In Kenya the supreme legal framework is the Constitution (2010) which in Article 41 provides for the rights of both employees and employers (albeit limited). The substantive law on employment in the country is the Employment Act (2007) which outlines the employment practices to be adhered to.

With regards to changes/ variations in contractual terms e.g. pay cuts/ half pay, t**here must be mutual agreement between the employer and employee** (or if their representatives where there is organized labour) otherwise it would be deemed unlawful and amounts to breach of contract. This means that both parties must consent to the changes and which consent should be express but can also be implied. An example of implied consent is where you continue to work/ perform without raising protest after the changes have been effected.

In order to avoid breach of terms, an employer should communicate to the employee(s) (in writing) the changes being effected and in consultation with the employee(s) revise the contract. Notably, an employee's consent should not be derived by duress, misrepresentation, undue influence or illegality.

What happens if staff do not consent to the proposed change of terms?
Without mutual agreement, neither party can lawfully vary the terms of employment. The employer must consider other alternatives. (*With exception to variations made in compliance with the law and government directives).

Notably, an employer cannot withhold salaries of employee(s) who have refused to consent and are deemed to be acting contrary to the law.
Where parties do agree to a variation, it should be made clear on how long the measures are to be effected and it is expected that normalcy would resume once business operations rebound. However, where the change is permanent, upon consent a new employment contract should be drawn up and signed by the parties outlining the new terms.

What options do employees have when an employer tries to impose a unilateral variation of employment contract terms?

Depending on the nature of the proposed change, employees have the following choices;

1. Agree to the variation (either expressly or by continuing to work without protest).
2. Resign and complain for an unfair constructive dismissal.
3. Refuse to work under the new terms and force the employer to take such steps as it thinks appropriate.
4. To stand and sue, i.e. Continue working under protest and seek damages.

Fact remains, we will get out of the COVID-19 quagmire but as we do so, we need to remember that history will judge us by the decisions that we make today. A balancing act is needed between capitalism and socialism to ensure that as we put business sustainability measures in place we do not do so at the extent of human lives.

Moving forward large-scale, integrated, policy measures are needed, focusing on four pillars: supporting enterprises, employment and incomes; stimulating the economy and jobs; protecting workers in the workplace; and, using social dialogue between government, workers and employers to find solutions.

[3]*Elizabeth Koki, Managing Partner at Koki & Associates Law Consultants.*

TAX MEASURES TO CUSHION THE EMPLOYED

WHAT CHANGES SHOULD I EXPECT IN MY PAYSLIP?

How the tax cuts will affect various salary bands

GROSS PAY	Apr'20 PAYE	Mar'20 PAYE	PAYE Difference	% PAYE Decrease	Apr'20 Net Pay	Mar'20 Net Pay	Net Pay Difference	% Net Pay Increase
20,000	-	947	(947)	-100%	21,450	18,103	3,347	18%
30,000	-	2,743	(2,743)	-100%	28,900	26,157	2,743	10%
40,000	-	4,959	(4,959)	-100%	38,800	33,841	4,959	15%
50,000	637	7,596	(6,960)	-92%	47,963	41,004	6,960	17%
80,000	7,383	16,596	(9,213)	-56%	70,917	61,704	9,213	15%
100,000	12,383	22,596	(10,213)	-45%	85,717	75,504	10,213	14%
150,000	24,883	37,596	(12,713)	-34%	123,217	110,504	12,713	12%
200,000	37,383	52,596	(15,213)	-29%	160,717	145,504	15,213	10%
500,000	112,383	142,596	(30,213)	-21%	385,717	355,504	30,213	8%
1,000,000	237,383	292,596	(55,213)	-19%	760,717	705,504	55,213	8%
2,000,000	487,383	592,596	(105,213)	-18%	1,510,717	1,405,504	105,213	7%

SPECIAL FEATURE

KEEPING YOUR FINGER ON THE PULSE
CURRENT STATISTICS

QUICK FACTS

Approximately
10,000
Persons have been tested so far

About **240** test positive out of which **53** turned negative

11
Total number of confirmed deaths so far

1000
are still in quarantine

156
in isolation facilities

It is understood that data represented here on Covid-19 is rapidly fluid and data may have changed at the time of its publication

SPECIAL FEATURE

GoK DIRECTIVES

UPDATE

NATIONAL

1. **The Kenya COVID-19 Emergency Response Fund** is racing towards realizing contributions amounting to some **One Billion Kenya Shillings**.
2. Ministry of Public Service and the Ministry of Health to develop a welfare package to cushion these frontline officers (medical doctors, nurses and other medical professionals). This should include actions by medical insurance companies to cover the health requirements of our hospital staff especially those dealing with the pandemic.
3. County Governments to receive **a 3 –month waiver from the Kenya Medical Supplies Agency (KEMSA)** requirements for the purchase of masks and PPEs to protect our citizens and healthcare workers from infection. This waiver applies to sourcing of these products locally
4. The National Government will also support the Counties response to the Corona virus crisis with **5 billion Shillings** that will supplement the savings that the Counties have generated. These monies will be devoted specifically to cushion the most vulnerable people, and to protect our healthcare workers.
5. To further cushion vulnerable Kenyans, we have identified needy households in Nairobi that will be the inaugural recipients of the weekly COVID-19 Support Stipend. The piloting of the programme started yesterday and some of the initial beneficiaries have received their stipend.
6. In addition, Government also released **8.5 billion shillings** to the elderly and vulnerable individuals under the Cash Transfer Programme run by the Ministry of Labour, for the months ahead. In addition, **500 million shillings,** which were in arrears, have also been released to persons with severe disabilities.

PREPAREDNESS AT COUNTY LEVEL:

1. All the forty-seven (47) County Governments in close collaboration with the respective Government agencies **have prepared 3156 beds for isolation** while ensuring that health and safety standards are met and gender considerations are prioritized. County Governments have opted to utilise facilities such as KMTCs and Universities which have cubicles to reduce mingling of isolated persons.
2. In order to increase the capacity of health workers, Counties have invested in **training of more than 9701 health workers** both at the County and sub-county level.
3. The Council of Governors has been convening weekly extra ordinary meetings through E-Conferencing to deal with emerging issues in Counties
4. Due to shortage of PPE kits in the Country, County Governments are now purchasing locally manufactured PPEs to mitigate the shortage. The local SMEs in **the Counties are producing an average of 300, 000 pieces of face masks per day.**
5. The UNDP are in the process of hiring 53 UNVs for the health sector for the County Governments to provide back up support on the fight against the pandemic.
6. County Governments have supported farmers by d**istributing 9.225 metric tonnes of fertilizer and 10060 metric tonnes of assorted seeds.** Farmers have therefore embarked on planting food crops.
7. Through the supplementary budgets **County Governments have committed an estimated total Kshs. Five billion** in the County Governments Emergency Fund to respond to COVID 19.

SPECIAL FEATURE

REGULATORY ACTION AGAINST ABSA BANK KENYA PLC

UPDATE

On April 09th, 2020 the Central Bank of Kenya (CBK) took regulatory action against Absa Bank Kenya Plc. (Absa Kenya).

The actions taken by CBK were premised on suspicions that Absa Kenya did not ensure the standard checks on anti-money laundering and combating the financing of terrorism (AML/CFT) and know-your-customer (KYC) requirements on transactions previously undertaken earlier in the year.

In its directive, CBK had instructed Absa Kenya to:

- Put in place a robust framework that ensures all relevant documents for such foreign exchange transactions are available as required, and also ensures the AML/CFT and KYC requirements are adhered to by Wednesday, April 15, 2020.
- Reverse the market positions that were created as a result of the flagged transactions.
- Cease to transact as an authorized foreign exchange dealer in the Kenyan market from Thursday, April 9, 2020, to Wednesday, April 15, 2020. During this time Absa Kenya cannot transact, inter alia, in the interbank foreign exchange market. However, all committed transactions as at April 8th, 2020 can be settled.

This meant that Absa could not be able to transact as an authorized foreign exchange dealer on Saturday 11th April and on Tuesday 14th April 2020 when the branches opened for business.

Since then CBK and Absa Kenya have worked through the concerns raised and effective Thursday, 16 April 2020, Absa Kenya resumed its foreign exchange operations as an authorized dealer.

BUSINESS LAWS (AMENDMENT) ACT, 2020

On 18th March, 2020 the President assented to the omnibus Business Laws (Amendment) Act, 2020 (hereinafter "the Act"). The Act, which came into force on its date of assent, **seeks to facilitate the ease of doing business in Kenya** by amending various statutes.

Kenya was ranked 56 in the World Bank Ease of Doing Business Index 2020. This was a significant improvement from 2019, 2018, 2017 and 2016 where Kenya was ranked 61st, 80th, 91st and 108th respectively. Rwanda (38th) and Morocco (53rd) are the only African countries ranked ahead of Kenya.

The Government's spirited efforts to ease processes in business transactions have been evidenced by the number of policy and legislative changes that have been made. Further, cognizance and adoption of technologies such as in the enhancement of the online tax systems has played a role in the same.

Through the Business Laws Amendment Act, Kenya aims to not only improve its ranking but also secure its place as the preferred business hub in the region.

Below is a summary of the changes brought about by the Act and their impact across various sectors:

1. **Digitization of land transactions in Kenya** by introducing amendments to the **Law of Contract Act** to provide for use of **advanced electronic signatures**; the **Registration of Documents Act (the RDA)** to provide that the Registry of Documents Register may now be kept in electronic form; the **Stamp Duty Act** to expand the scope and recognize marks embossed or impressed by electronic means; the **Land Registration Act (LRA)** now permits electronic processing of instruments relating to land in addition to providing for use of electronic signatures; and the **Survey Act** which now provides for electronic signatures, electronic processing of documents and electronic authentication of documents by the Director of Survey.

2. **Waiver of Registration of Workplaces for new businesses:** New businesses with less than one hundred (100) employees can now operate without registration of a workplace for a period of one year from the date of registration of the business. This provision is set to provide small and medium sized enterprises with more time to register their workplaces.

3. **Investment deductions,** exemption of supplies for bulk storage of Standard Gauge Railway raw materials and market protectionism: Companies that incur a capital expenditure of at least Kenya Shillings Five Billion (KES 5,000,000,000) on construction of bulk storage and handling facilities with a minimum capacity of one hundred thousand metric tonnes in relation to the Standard Gauge Railway (SGR), will be entitled to investment deductions equal to one hundred and fifty per cent (150%) of the capital expenditure incurred from the year of first use of the facility.

   Additionally, taxable supplies procured locally or imported for the construction of bulk storage in support of the SGR operations are exempted from paying import declaration fees. Further, a twenty-five per cent (25%) tax has been imposed on imported glass bottles under the Excise Duty Act.

   The adoption of these amendments is intended to boost businesses for local manufacturers and ultimately grow Kenyan brands.

4. **Abolishment of the use of common seals in execution:** The use of common seals in executing contracts by companies has been abolished. The adoption of this amendment broadens the scope for holding a company accountable for contracts as such contracts may be executed by any person acting under its authority, express or implied authority.

5. **Treatment of bearer shares:** Bearers of share warrants can now convert their warrants into registered shares. This provision is poised to recognize and protect the rights of bearers acquired before the coming into force of the Companies Act, 2015.

PANDEMIC RESPONSE AND MANAGEMENT BILL, 2020

The Pandemic Response and Management Bill 2020 is a legislative proposal yet to be officially published in the Kenya Gazette as required by law a head of parliamentary debate/review.

- Part of the Senate proposals in the Bill include labor relations interventions such as:
- preventing termination of employment by reason of economic realities occasioned by a pandemic.
- preventing employers from co-coercing employees to take pay cuts during the period of a pandemic.

In lieu of the above, the Bill allows employers to negotiate unpaid leave terms with the employees in case the business is not able to maintain its employees as a result of the pandemic/ during the pandemic period.

The Bill further provides for:

- business contract renegotiations;
- the renegotiation and deferral of rent, mortgage and interest payments; as well as
- the setup of National and County level co-ordination and response structures and infrastructure.
-

The Bill is scheduled to come for first reading in the forthcoming week and due to current circumstances parliamentary debate and timelines for public participation are expected to be fluid.

TAKE ON MEASURES ADOPTED BY GOVERNMENTS IN THE REGION

Countries in the region have taken different measures and approaches to cushion their citizens against the COVID-19 pandemic. Below is a brief analyses of measures from taken in Uganda and Rwanda as provided by KPMG.

In Uganda, NSSF Extends Amnesty to Ugandan Businesses Facing Economic Distress due to COVID-19

In support of the Government of Uganda's interventions to combat the effect of COVID-19, the National Social Security Fund (NSSF) has put in place measures to ease the cash flow burden of affected employers/ businesses in the private sector.

In its notice, NSSF indicated that with effect from 31st March 2020, it will allow Ugandan businesses facing economic distress to reschedule their NSSF contributions for three (3) months without accumulating penalty.

Affected businesses are advised to send an email to amnesty@nssfug.org to work out the detailed modalities.

A business that does not apply for this amnesty will be expected to continue honouring its statutory obligation to remit NSSF contributions by the 15th day of every month.

What this means for you

1. Businesses facing economic distress due to COVID- 19 can reschedule its NSSF contributions for three months without accumulating penalty.
2. A business that is eligible should apply to NSSF to work out the detailed modalities regarding rescheduling its NSSF contributions failure of which that business will be expected to continue honouring its monthly obligations.

Further, the Uganda Revenue Authority Extends Tax Return Filing Deadlines in the Wake of COVID-19

In recognition of the situation regarding the impact of COVID-19 on the Uganda business community and Uganda Revenue Authority (URA) services, URA has put in place measures of a tax administration nature to support taxpayers in meeting their obligations during this unprecedented time. These include;

i. Extension of time within which to file tax returns;
ii. Deferment of payments agreed upon by way of a Memorandum of Understanding;
iii. Encouragement of use of online services;
iv. Waiver of penalty and interest on voluntary disclosures; among others.

Detailed discussion

On 24 March 2020, URA issued a notice on business continuity measures amidst the COVID- 19 outbreak. These are detailed below;

Extension of return filing deadlines

In its notice, URA indicated that the tax payers whose accounting date is in September and are unable to file corporation income tax returns by 31 March 2020 have been granted an extension to file returns for a period of 2 months. That is to say, the deadline has been extended to May 2020. Taxpayers whose returns for March 2020 are due by 15 April 2020 and are unable to file, are granted an extension to file of up to 30 April 2020. These returns are Value Added Tax, Pay as You Earn, Local Excise Duty, withholding tax returns and returns pertaining to taxes under the Lotteries and Gaming Act.

All penalties related to late submission of these returns shall be remitted if the returns are filed on or before the newly designated deadlines.

Deferment of tax payments under instalment arrangements to May 2020

Taxpayers who executed Memoranda of Understanding (MoU) and who have payments due in the months of March and April 2020 will have the option to defer and reschedule those payments. In the same spirit, the terms of the MoU will accordingly be restructured for the payments to resume in May 2020.

It is important to note that this deferment will apply to taxpayers whose businesses have been affected by Government Directives on COVID – 19 and who are unable to meet their obligations during the period.

Waiver of penalty and interest upon voluntary disclosure

A taxpayer who makes any voluntary disclosure during the months of March and April 2020 and pays the principal tax, shall have their penalty and interest remitted in accordance with the law. Effective July 2019, Section 66 of the Tax Procedures Code Act was amended to the effect that the Commissioner has discretion to enter into an agreement for waiver of penalties and interest where a taxpayer makes a voluntary disclosure and agrees to settle the principal tax.

Border stations and Customs warehouses

All customs border stations and customs warehouses shall remain functional to facilitate movement and clearance of cargo subject to the Customs laws and guidelines.

Submission of physical documents using electronic channels

The URA encouraged taxpayers to utilise its online services and submission of physical documents through electronic channels. It will however be available to offer services that cannot be accessed online.

What this means for you

1. It is only the return filing deadlines that have been extended. Tax payment deadlines have not been extended.
2. It is important that tax returns are filed by their due date however, where this is not possible, the URA has provided for an extension of time within which to file the respective tax returns.
3. Individual income tax returns are to be filed within the timelines already provided by the law.

In Rwanda on the other hand, the Rwanda Revenue Authority (RRA) released a public notice on 20th March 2020 providing short term measures to support taxpayers.

These measures include:

1. **Suspension of Tax Audit:** Effective 18th March, post - clearance and comprehensive tax audits have been put on hold for a period of 30 days, exception is made to desk audits which remain as planned.
2. **Extension of Financial Statements Certification**: The revenue authority has provided a relief to taxpayers required to submit certified financial statements on 31 March 2020 by granting an extension to file the certified accounts by 31st May 2020. However, all taxpayers are still required to submit and settle their income tax obligations by 31 March 2020 based on draft financial statements.
   For taxpayers seeking for amicable settlements of their tax obligations arising from audits, the Tax Authority has waived the down payment requirement of 25% of the outstanding tax liability that ought to be paid before the case is accepted by the RRA.
3. **Availability of Online support Services:** various online platforms including contacts numbers and emails have been availed to support taxpayers on daily basis. Services that cannot be provided online such as transfer of assets, certification of ownership and request of duplicate vehicle (cycles) documents are suspended for a period of 2 weeks.

RRA services currently available online include:

- Domestic taxes declaration and payment
- Electronic Billing Machine (EBM) installation, technical and user training support;
- Submission of appeal to the Commissioner General
- Request for amicable settlement
- Request for tax assessment of motor vehicles /cycles
- Request of Tax Clearance Certificate
- Declaration of imports and exports
- Payment of all customs duties and fees
- Request of customs duties exemption.

Further, the RRA has released a public notice extending the deadline for submission of tax returns and payment of Corporate Income Tax for Financial Year 2019

The relief comes at a time when the country continues to face unprecedented challenges resulting from the COVID-19 pandemic.

Larger taxpayers filing deadline has been **extended by fifteen (15) days** and these taxpayers will be expected to file the returns and pay Corporate Income Tax due by 15th April 2020. Small and Medium Taxpayers have been granted an extension of one month and they will be expected to file the tax returns as well as pay their Corporate Income tax by **30th April 2020.**

The RRA authority encourages taxpayers to make use of the available online platform such as E-tax and M- Declaration for filing purposes. In addition to online support, RRA encourages taxpayers to nominate an individual to facilitate the filing of the income tax return during the lock down period.

FINANCIAL SERVICES AND TRADE SECTOR ROUND UP

Global Trends

Global financial markets remained volatile during the week, reflecting the growing concerns by investors about the intensity and duration of the coronavirus-induced global economic shock.

International oil prices remained depressed despite an agreement by Russia and OPEC to cut oil production by 10 million barrels per day. This is due to the expected further fall in demand in April.

Africa

A World Bank Group report recommends that countries in Africa should strive to maintain trade flows during the Corona crisis to secure access to medical goods and services, and food and other essential items such as farm inputs. This requires keeping borders open to the largest extent possible and avoiding measures such as export bans or taxes. Countries are encouraged to take action to reduce taxes and duties on trade, to streamline trade procedures and to support transport and logistics services in maintaining cross-border and international value chains.

Numerous competition authorities in Africa are aware of the effects of unjustified price hikes and excessive pricing on already vulnerable economies. They have responded by establishing specialised investigation teams, refocusing existing resources to COVID-19 specific complaints and introducing new competition regulations. African competition authorities have further noted that collaboration between themselves and consumer protection authorities, as well as between competing essential service providers, is essential in order to enable countries to adequately respond to the COVID-19 crisis.

Kenya

In a new report, the International Monetary Fund (IMF) expects Kenya's economy to rebound next year through growth by 6.1 per cent. This might be disrupted by the 2022 campaigns. As the COVID19 continues to disrupt our way of life, IMF says Kenya's economy will grow by a paltry one per cent this year — a performance far worse than the 2008 post-election violence. Kenya is expected to fall deeper into debt as the government borrows more heavily in response to the COVID outbreak.

Nearly a third or slightly more than one million borrowers will be removed from the country's credit reference bureaus (CRBs) following the central bank's order to spare defaulters with unpaid loans of less than KES 1,000 (approx. USD 9.37). The move will enhance the borrowers' chances of being able to borrow more in the latest cleanup of the CRBs' blacklist—which has about 3.2 million Kenyans that have been negatively listed.

The popular fish market in Gikomba is reeling from the effects of the coronavirus as demand for the commodity dips in the wake of a dawn-to-dusk curfew and diminishing purchasing power. Gikomba Fish Traders chairman Paul Oyimba says sellers get most of the customers in the evening but the curfew has disrupted this pattern when people rush to beat the 7pm deadline.

Insurance brokerage Minet Kenya and virtual medical clinic SASAdoctor have launched a telemedicine solution at a time of limited human interaction. Minet Kenya chief executive Sammy Muthui said the service was aimed at reducing instances where customers have to visit a clinic or a drugstore. The new service comes days after listed regional underwriter Jubilee launched a mobile-based doctor's app that facilitates virtual client-doctor engagement.

Saccos umbrella organisation Kuscco wants public institutions compelled to release withheld deductions now standing at KES 3 billion (approx. USD 28 million) to enable saccos survive the virus pandemic. Kuscco managing director George Ototo said ministries, parastatals and private employers must release the funds to improve cash flow to enable saccos respond to demand by members.

Key investment decisions by UK oil explorer Tullow regarding Kenya's oil project are expected to delay further due to the collapse in oil prices due to the pandemic and a geopolitical price war, analysts have projected.

The Kenya Tea Development Agency (KTDA) is set to lose its stranglehold of the 69 factories that it manages across the country in far-reaching measures announced by Agriculture Cabinet Secretary Peter Munya. The measures, meant to implement reforms issued by President Uhuru Kenyatta in January, will see all earnings from the tea auction being remitted directly to individual factories as opposed to the current practice where the returns are held centrally in KTDA accounts.

Importers are grappling with a sharp rise in freight charges as cargo operators hike the cost to compensate on reduced consignments and empty flights coming in from Europe and Asia to pick shipment in Africa. For instance, a trader importing cargo would now have to part with KES1 000 from KES200 for a kilo of freight transported by flight from China to Nairobi.

FINANCIAL SERVICES AND TRADE SECTOR ROUND UP

TANZANIA:

Tanzania is expected to celebrate the opening of its first wind farm next month, when a 2.4-MW wind power facility should finish testing and begin supplying the customers of a rapidly expanding private rural grid network.

UGANDA

Data from Uganda Coffee Development Authority released early this month, indicates that coffee, one of Uganda's largest foreign exchange earner, fetched USD 46.7 million in February compared to USD 32.5 million earned in the same period last year. Uganda produces and exports two brands of coffee mainly Robusta and Arabica. Robusta takes more than 80 per cent of the market share while Arabica takes the 20 percent share.

Telecoms have registered increased demand for both Internet and voice services in a period when other sectors of the economy have been suppressed. The growth could have been influenced by the stay-and-work from home approach that many companies have adopted amid a national-wide lockdown seeking to control the spread of Covid-19.

ETHIOPIA

Ethiopia signs PPA for Corbetti Geothermal

The Corbetti Geothermal project is seeing new life with the signing of a new power purchase agreement (PPA). The Ethiopian government and Ethiopian Electric Power (EEP) signed the agreement with developers including Reykjavik Geothermal Ltd, Iceland Drilling Co Ltd, the Berkeley Energy-managed African Renewable Energy Fund and InfraCo Africa. An implementation agreement was also signed. The geothermal project will have a capacity of 150 MW. According to InfraCo Africa, Corbetti Geothermal will be one of the first pair of privately developed, owned and operated geothermal IPPs in Ethiopia. Corbetti will be developed in two phases over a five-year period. The first phase will drill four to six exploratory wells, with support from the Geothermal Risk Mitigation Facility, to raise debt finance to drill a further four to seven wells and build a 50 MW power plant, which is expected to become operational in 2023. The second phase will consist of an additional 100 MW power plant and facilities. Whilst the overall size of the project has been reduced; totaling 150 MW, the full Corbetti program will enable the GoE to meet 18% of its 2025 geothermal generation target.

SÃO TOMÉ AND PRÍNCIPE

The Central Bank of São Tomé and Príncipe launched a series of measures to mitigate the effects of COVID-19, including a drop in the rate of the marginal lending facility from 11% to 9.5%, the governor of the central bank Américo Barros announced citing decisions by the bank's Monetary Policy Commission, the governor also announced the reduction of "minimum cash reserves from 18% to 14% in national currency and 21% to 17 % in foreign currency."

MALAWI

The decision by the Monetary Policy Committee (MPC) of the Reserve Bank of Malawi (RBM) to slash the Liquidity Reserve Requirement (LRR) has instantly made available MWK12-billion into the banking system. The Bankers Association of Malawi (BAM) says the development will ease liquidity pressures on banks, making more funds available to them.

A report on boosting intra-African investment flows towards Africa's transformation has stressed the need for a more liberalised trade environment in Malawi for greater economic efficiency and meaningful foreign direct investment (FDI). The study, conducted by the United Nations Economic Commission for Africa (UNECA) to establish the impact of FDI's on economic transformation in 49 African states, ranks Malawi among sought after investment destinations in sub-Saharan Africa. It notes that Southern Africa maintained its status of the most sought-after FDI destination on the continent but suffered a significant drop in the past three years although FDI flows to Malawi strengthened in the period. "The available figures indicate trade openness appears to have a positive and significant impact on investment. From this perspective, Malawi may need to consider that boosting intra-African investment could also bolster the regional integration agenda at the regional economic community level and provide opportunities for alignment with the continental integration agenda," reads the report in part. The report also indicates that though Malawi's investment policies have been principally dedicated to trade liberalisation, promotion and facilitation with a few investment conditions so as to reduce restrictions and promote sector-specific liberalisation, more can be done to improve political and policy environment.

MAURITIUS

In light of the widespread impact of COVID-19, various tax measures that companies and individuals should be aware of have been announced by the Mauritius authorities. These include the waiver of interests and penalties for late filings or late payments and tax relief for contributions/donations made to the COVID-19 solidarity fund.

MOZAMBIQUE

The final investment decision for the Rovuma LNG natural gas project, in Mozambique, which was scheduled for this year, has been postponed, announced US group ExxonMobil, on announcing the measures to respond to the economic consequences of the COVID-19 pandemic. The group, in a statement, added that the Coral LNG development project continues as planned. The group's board decided to reduce investment spending by 30%, or USD10-billion, a measure related to the low prices of energy products as a result of the fall in demand.

NIGERIA

The Association of Nigerian Electricity Distributors (ANED) has aligned with the federal government to provide a two-month period of free electricity supply to all customers nationwide. ANED's executive director in charge of research and advocacy, Sunday Oduntan, explained that the gesture was to help reduce the impacts of COVID-19 on Nigerians.

SADC

The Council of Ministers of the Southern African Development Community (SADC) held their emergency virtual meeting, where, among others, the Ministers adopted the regional Guidelines for the harmonisation and facilitation of movement of critical goods and services across SADC during the COVID-19 pandemic. The objectives of these guidelines are to: limit the spread of COVID-19 through transport across borders; facilitate the implementation of transport related national COVID-19 measures in cross border transportation; facilitate interstate flow of essential goods such as fuel, food, medicines and agricultural inputs; limit unnecessary and mass movement of passengers across borders; and balance, align, harmonise and coordinate COVID-19 response measures with the requirements for trade and transport facilitation.

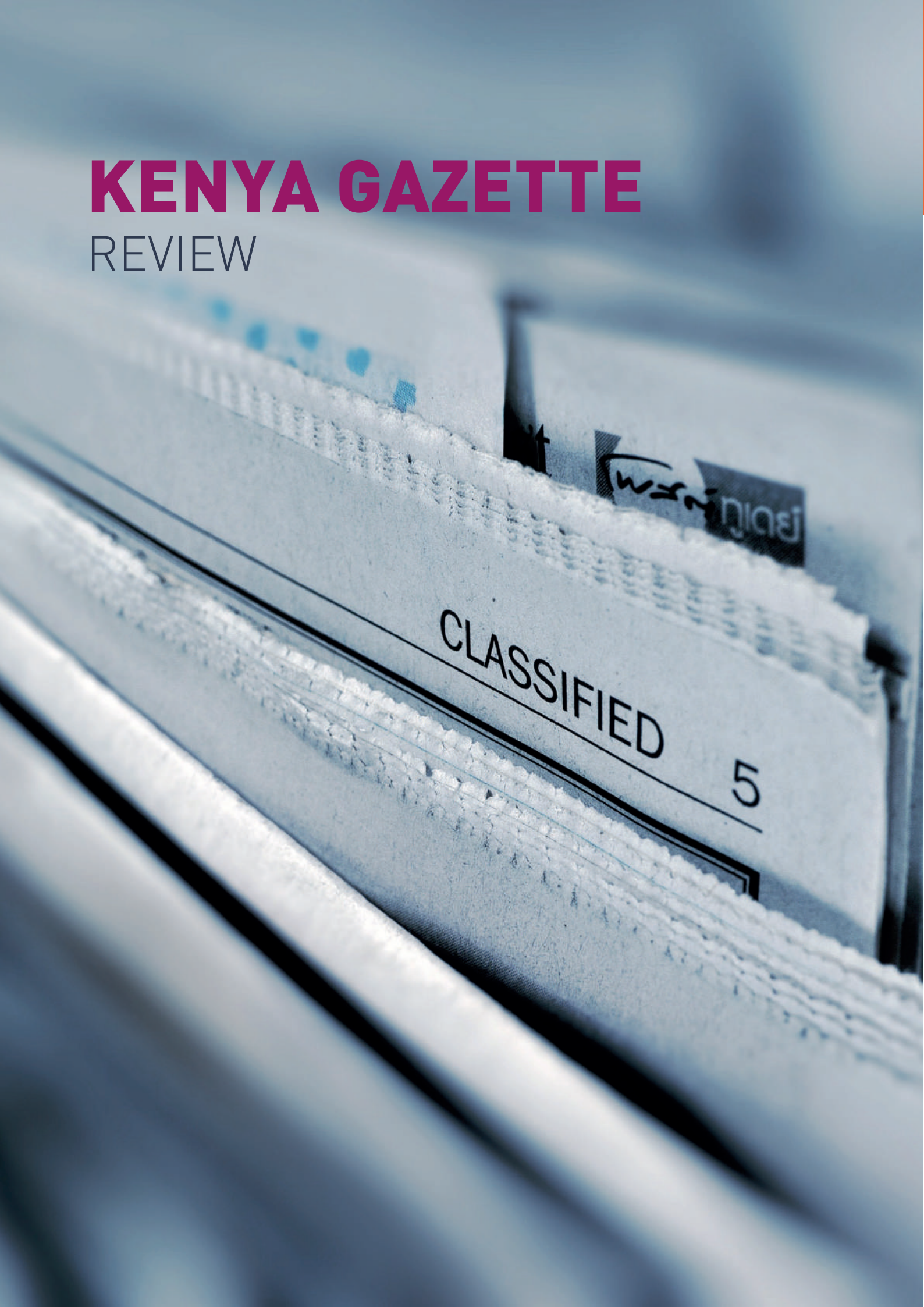
COMESA regional grading and classification system for livestock trade

The Common Market for Eastern and Southern Africa (COMESA) has developed a Manual for harmonised regional grading and classification system of beef cattle, goats and sheep. The Manual will be launched at the next meeting of Ministers of Agriculture and Livestock later this year. It will be used across COMESA member states to facilitate trade between livestock buyers and the sellers. Under the system, livestock importers from one country can make orders in another, based on the classification. According to Senior Livestock Officer at COMESA Secretariat Dr Yoseph Mamo, the system will create opportunities for long distance trade deals without the need for buyers and sellers to be physically present in the same market. In developing the grading and classification system, member states that export and import beef cattle, goat and sheep played a key role including its validation in July 2019. Dr Mamo described the Manual as an essential tool for stakeholders to enhance their capacities for cross-border trade.

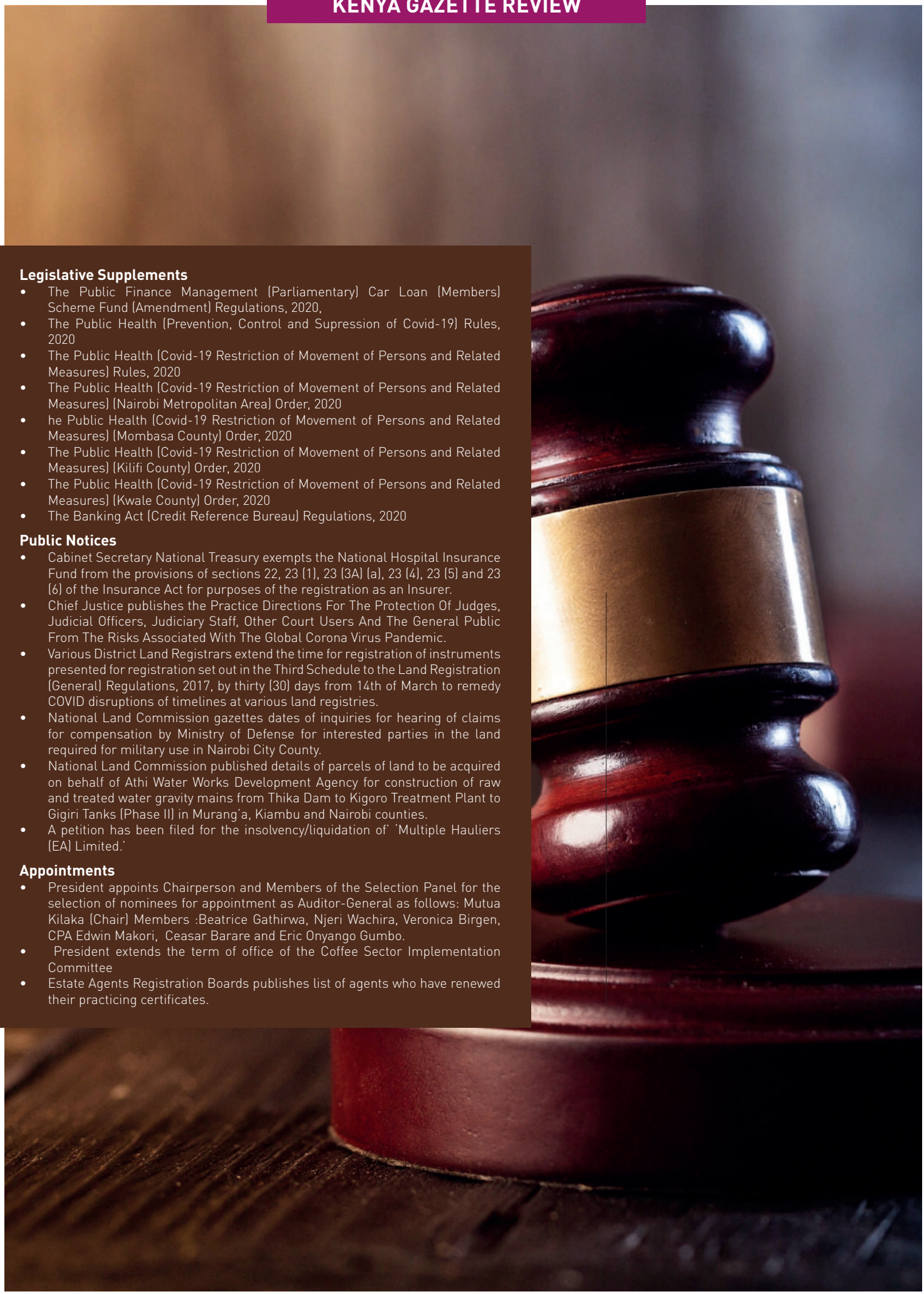
ECOWAS countries sign up for cleaner vehicles

Ministers of Environment and Energy of the fifteen countries of the Economic Community of West African States (ECOWAS) have adopted in February 2020 in Burkina Faso, regulations to introduce cleaner fuels and vehicles in the West African region. This initiative will reduce the level of air pollution in cities in the region. From 1 January 2021, all fuels imported by ECOWAS countries will have to have a standard of 50 parts per million (ppm) sulphur for petrol and diesel. Currently, some countries in the region still have fuel standards that allow diesel fuels up to 10,000 ppm to be imported. Local refineries have until 1 January 2025, to upgrade their operations to meet the new requirements and comply with other fuel parameters, including benzene and manganese. These new standards will improve air quality in the region. Only 20% of the region's fuel needs are currently refined locally, while 80% is imported. In addition, all imported vehicles, both new and used, as well as petrol and diesel, will have to comply with a minimum EURO 4/IV vehicle emission standard from 1 January 2021. These decisions will be submitted to a Council of Ministers to be held in June 2020 for formal adoption. Once adopted, the legally binding regulations will enter into force no later than 1 January 2021.

KENYA GAZETTE
REVIEW



KENYA GAZETTE REVIEW



Legislative Supplements

- The Public Finance Management (Parliamentary) Car Loan (Members) Scheme Fund (Amendment) Regulations, 2020,
- The Public Health (Prevention, Control and Supression of Covid-19) Rules, 2020
- The Public Health (Covid-19 Restriction of Movement of Persons and Related Measures) Rules, 2020
- The Public Health (Covid-19 Restriction of Movement of Persons and Related Measures) (Nairobi Metropolitan Area) Order, 2020
- he Public Health (Covid-19 Restriction of Movement of Persons and Related Measures) (Mombasa County) Order, 2020
- The Public Health (Covid-19 Restriction of Movement of Persons and Related Measures) (Kilifi County) Order, 2020
- The Public Health (Covid-19 Restriction of Movement of Persons and Related Measures) (Kwale County) Order, 2020
- The Banking Act (Credit Reference Bureau) Regulations, 2020

Public Notices

- Cabinet Secretary National Treasury exempts the National Hospital Insurance Fund from the provisions of sections 22, 23 (1), 23 (3A) (a), 23 (4), 23 (5) and 23 (6) of the Insurance Act for purposes of the registration as an Insurer.
- Chief Justice publishes the Practice Directions For The Protection Of Judges, Judicial Officers, Judiciary Staff, Other Court Users And The General Public From The Risks Associated With The Global Corona Virus Pandemic.
- Various District Land Registrars extend the time for registration of instruments presented for registration set out in the Third Schedule to the Land Registration (General) Regulations, 2017, by thirty (30) days from 14th of March to remedy COVID disruptions of timelines at various land registries.
- National Land Commission gazettes dates of inquiries for hearing of claims for compensation by Ministry of Defense for interested parties in the land required for military use in Nairobi City County.
- National Land Commission published details of parcels of land to be acquired on behalf of Athi Water Works Development Agency for construction of raw and treated water gravity mains from Thika Dam to Kigoro Treatment Plant to Gigiri Tanks (Phase II) in Murang'a, Kiambu and Nairobi counties.
- A petition has been filed for the insolvency/liquidation of' 'Multiple Hauliers (EA) Limited.'

Appointments

- President appoints Chairperson and Members of the Selection Panel for the selection of nominees for appointment as Auditor-General as follows: Mutua Kilaka (Chair) Members :Beatrice Gathirwa, Njeri Wachira, Veronica Birgen, CPA Edwin Makori, Ceasar Barare and Eric Onyango Gumbo.
- President extends the term of office of the Coffee Sector Implementation Committee
- Estate Agents Registration Boards publishes list of agents who have renewed their practicing certificates.

PARLIAMENTARY ROUND UP

NATIONAL ASSEMBLY ROUND UP

Quorum

Due to measures put in place to ensure social distancing in the National Assembly Chambers, admission to the Chambers for this plenary sitting was on first register-first-occupy basis as only 53 seats were available in the Chamber. A total of 198 members of Parliament had registered a desire to attend the Sitting and some who showed up to Parliament despite not being in the top 53, participated from the National Assembly's holding area.

Messages

The Speaker read a message dated 26th March, 2020 from the Cabinet Secretary for Treasury and Planning on the appointment of the nominated CEO of the National Government Constituency Development Fund Board, Mr. Yusuf Mbuno. The Speaker referred his name and resume to the Select Committee on National Government Constituency Development Fund.

Papers laid before the Table of the House

- Public Health Order (Declaration of Notifiable Disease) 2020
- Public Finance Management (Coffee Cherry Advancement Revolving Fund Regulations) 2020
- Value Added Tax (Amendment of the Rate of Tax) Order, 2020
- Public Order (State Curfew Order) 2020
- Public Health Order (Declaration of Formidable Disease) 2020
- Public Finance Management (COVID-19 Emergency Response Fund Regulations) 2020
- Public State Curfew Variation Order
- Civil Aviation (Unarmed Aircraft Systems) Regulations 2020
- Public Health (Prevention, Control and Suppression of COVID-19) Rules
- First Half National Government Budget Implementation Review Report 2020
- List of Nominees for appointment to 181Constituency Committees of the National Government Constituency Development Fund.
- Report of Delegated Legislation Committee on VAT Rate Order
- Report of Delegated Legislation Committee on Public Finance

Notices of Motion

1. The Leader of the Majority rose to give notice of the following motion: Alteration of the Calendar of the Fourth Session 2020 of the National Assembly to adjourn sittings of the House from Wednesday 15, April 2020.
   Parliament will sit on the following days:

   - Wednesday April, 22 2020 starting at 10.00 a.m
   - Wednesday April, 29 2020 starting at 10.00 a.m
   - Wednesday May, 9 2020 starting at 10.00 a.m
   - Parliament will resume its sittings during the Second Part of the Session on Tuesday, June 2, 2020 at 2:30 p.m as per the Calendar.

2. The Chairperson, Departmental Committee on Education and Research gave Notice to the Motion that the House rejects the appointment of Mr. Mbage Njuguna Ng'ang'a and Ms. Leila Abdi Ali as Members of the Teachers Service Commission.

3. The Chairperson, Select Committees on National Government Constituency Development Fund moved a motion that the House approves the appointment of 181 Constituency Committees of the National Government Constituency Development Fund.

Questions and Statements

The Chairperson of Health Committee requested to make on the type of masks Kenyans should use during this COVID -19 period. She (Hon. Sabina Chege) promised to submit the statement next week on Wednesday.

First Reading

- The Small Claims Court (Amendment) Bill (National Assembly Bill No. 4 of 2020)
- The Kenya National Library Service Bill (National Assembly Bill No. 5 of 2020)
- The Kenya National Blood Transfusion Service Bill (National Assembly Bill No. 6 of 2020)
- The Land Registration(Amendment) Bill (National Assembly Bill No. 7 of 2020)
- The Tax Laws (Amendment) Bill (National Assembly Bill No. 8 of 2020)

Motions

- The House voted to approve the Value Added Tax (Amendment of The Rate of Tax) Order, 2020.
- The House voted to approve the Public Finance Management (COVID-19 Emergency Response Fund) Regulations, 2020.
- The House voted to alter the Calendar of the Fourth Session 2020 of the National Assembly.
- The House voted to reject the appointment of Mr. Mbage Njuguna Ng'ang'a and Ms. Leila Abdi Ali as Members of the Teachers Service Commission.

The House was adjourned until Wednesday April, 22 2020 starting at 10.00 a.m.

**Whilst the House approved the VAT (Amendment of the Rate of Tax) Order, 2020, some members of Parliament such as Hon. Peter Kaluma and Hon. Amos Kimunya expressed their reservations with the latter stating that the amendments should have been part of the Tax Laws Amendment Bill. The Tax Laws Amendment Bill (2020) was read the first time and next Wednesday it will be a priority at Second reading.*

SENATE ROUND UP

Papers Laid

Report On The Division Of Revenue Bill (National Assembly Bills No. 3 Of 2020)

Progress Reports Of The Ad Hoc Committee On The Covid-19 Situation In Kenya

Statements

Plans By The County Government Of Machakos To Take A Credit Facility Of Kshs1 Billion

Notice Of Motion

Adoption Of Progress Reports Of The Ad-Hoc Committee On Covid-19 Situation In Kenya

Alteration Of The Senate Calendar For The 2020 Session- Senate resolved to alter its Calendar further in respect of Part I and Part II of the Calendar, to hold one sitting in each week on Tuesdays, beginning on Tuesday, 21st April, 2020 until Tuesday, 2nd June, 2020

First Reading

The County Resource Development Bill (Senate Bills No.2 Of 2020)

The Prompt Payment Bill (Senate Bills No.3 Of 2020

Second Reading

The Division Of Revenue Bill (National Assembly Bills No.3 Of 2020)

Committee Of The Whole

The Division Of Revenue Bill (National Assembly Bills No.3 Of 2020)

Report And Consideration Of Report

The Division Of Revenue Bill (National Assembly Bills No.3 Of 2020)

Third Reading

The Division Of Revenue Bill (National Assembly Bills No.3 Of 2020)

House was adjourned until Tuesday 21st April, 2020 at 2.30 p.m.

COUNTY ROUNDUP

COUNTY ROUND UP

NAIROBI COUNTY HIGHLIGHTS

This week, H.E Mike Mbuvi Sonko declined to assent to the Nairobi City County Supllementary Appropriation Bill, 2020 and rendered a memorandum to the County Assembly requesting an enhancement of the budget provision for Preventive & Promotive Health Services from KES 245,001,753 to a provision of KES745,001,723.

MAKUENI
Governor appoints Benjamin Mutie as County Secretary.

LAIKIPIA
Governor appoints members of the Laikipia County Government Covid-19 Emergency Response Fund Committee.

HOMA BAY
Governor appoints Lawrence Ayoo Oteng (Dr.) Sarah N. Waswa Owino (Mrs.) Elijah Odondi Kodoh to be members of the Homa Bay County Public Service Board for a non-renewal period of six (6) years with effect from the 9th April, 2020.
Governor reshuffles municipality board structures and composition appointing Salah Maalim Alio as Chairperson and Abdia Hussein Abdi as Vice-Chairperson.

NAROK
Narok County Assembly are suspended indefinitely due to the current corona virus pandemic.

NAIROBI
Special sitting of the Assembly on 17th April 2020 to consider the Governor's Memorandum on the Nairobi City County Supplementary (No.1) Appropriation Bill, 2020.

KISII
Regular sittings of the County Assembly shall resume in the County Assembly Chamber on Tuesdays (morning and afternoon) and Thursdays (morning and afternoon) beginning Tuesday, 21st April, 2020

WEST POKOT
County Assembly shall have a special sitting on Tuesday, 21st April, 2020 at 2.30 p.m. at the County Assembly Chamber, County Assembly Building, Kapenguria to report the receipt of the notification to the County Assembly of the nominee to the position of the Secretary to the West Pokot County Public Service Board.

ISIOLO
CECM, Finance and Economic Planning appoints of the County Government of Isiolo Pending Bills Committee— Amina Sheikh Abdulkadir — (Chairperson) Roba Abduba Qanchora, Stephen Muthomi ,Martin Nyadida and Daniel Kanyugo Lenyangume.

BOMET
County Assembly shall have a special sitting on Tuesday, 21st April, 2020 at 9.00 a.m for the morning sitting and at 2.30 p.m. for the afternoon sitting at the County Assembly Chambers in Bomet for the (a) Tabling and consideration of the Supplemantary Budget in view Covid-19 pandemic and other budget business. (b) Tabling of nominees for the position of County Executive Committee Members (CECM's) (c) Tabling of nominees for the position of Chief Officers (CO's) (d) Tabling of County Public Service Board Chief Executive Officer (CEO)

TURUKANA
the County Assembly published the approved its Calendar (Regular Session) for 2020 and notice of special sittings

MIGORI
The County Assembly published the approved House Calendar of the (Regular Session) for 2020

Vellum Weekly

OXYGÈNE