REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILLS, 2014

NAIROBI, 21st July, 2014

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THE CENTRAL BANK (AMENDMENT) BILL, 2014

A Bill for

AN ACT of Parliament to amend the Central Bank Act and for connected purposes

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Central Bank (Amendment) Act, 2014.

2. The Central Bank Act is amended in section 45 by—

(a) re-numbering the existing provision as sub-section (1); and

(b) inserting the following new sub-section immediately after subsection (1)—

“(2) Subject to subsection 1(c), the Bank shall put in place mechanisms to enable the public to participate in Government securities through—

(a) electronic means; and

(b) lower minimum investment denominations.
MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Central Bank Act to facilitate improved access to Government securities by Kenyans, particularly low income earners. The Bill requires the Bank to put in place mechanisms to establish lower minimum denominations and electronic transactions in the issuance of public debt instruments.

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

The Bill does not concern governments in terms of Article 109 (3) of the Constitution and it does not affect the functions and powers of county governments recognized in the Fourth Schedule to the Constitution.

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

Dated the 16th July, 2014.

KABANDO WA KABANDO,
Member of Parliament.
Section 45 which it is proposed to amend—

45. The Bank in its capacity as fiscal agent and banker to any public entity may, subject to the instructions of that public entity, have power—

(a) be the official depository of the public entity concerned and accept deposits and effect payments for the account of that public entity:

Provided that the Bank may, after consultation with the Minister, select any specified bank to act in its name and for its account as the official depository of that public entity in places where the Bank has no office or branch;

(b) maintain and operate special official accounts in accordance with arrangements made between the Bank and the public entity concerned;

(c) as an agent of the Government, administer the public debt including the issuance of, payment of return on, and redemption of, bonds and other securities of the Government;

(d) pay, remit, collect or accept for deposit or custody funds in Kenya or abroad;

(e) purchase, sell, transfer or accept for custody cheques, bills of exchange and securities;

(f) collect the proceeds, whether principal or interest or return, resulting from the sale for, or accruing to the interest of, a public entity of securities or other property;

(g) purchase, sell, transfer or accept for custody gold or foreign exchange.