

Council, in consultation with the Cabinet Secretary for Health makes the following Regulations—

THE NUTRITIONISTS AND DIETICIANS (ENTRY REQUIREMENTS) (TRAINING INSTITUTIONS) (AMENDMENT) REGULATIONS, 2020

1. These Regulations may be cited as the Nutritionists and Dieticians (Entry Requirements) (Training Institutions) (Amendment) Regulations, 2020. Citation.

2. The Nutritionists and Dieticians (Entry Requirements) (Training Institutions) Regulations, 2019 are amended by deleting the Schedule and substituting therefor the following new Schedule— L.N. 215/2019

SCHEDULE

Part A Minimum requirements for a Certificate

A mean grade of D (plain) in the Kenya Certificate of Secondary Education with—

- (a) a grade of D (plain) in the following mandatory subjects—
  - (i) chemistry or physical sciences;
  - (ii) biology or biological sciences; and
  - (iii) English or Kiswahili; and
- (b) a grade of D (plain) in any of the following subjects—
  - (i) Physics;
  - (ii) Mathematics;
  - (iii) Home science;
  - (iv) Agriculture; or
  - (v) General science.

Part B Minimum requirements for a Diploma

A mean grade of C- (minus) in the Kenya Certificate of Secondary Education with—

- (a) a grade of D+ (plus) in the following mandatory subjects—
  - (i) Chemistry or Physical sciences;
  - (ii) Biology or Biological sciences; and
  - (iii) English or Kiswahili; and
- (b) a grade of D (plain) in any of the following subjects—
  - (i) Physics;

- (ii) Mathematics;
- (iii) Home science;
- (iv) Agriculture; or
- (v) General science.

**Part C****Minimum requirements for a Degree**

A mean grade of C+ (plus) in the Kenya Certificate of Secondary Education with—

- (a) a grade of C (plain) in the following subjects—
  - (i) chemistry or physical sciences;
  - (ii) biology or biological sciences; and
  - (iii) English or Kiswahili; and
- (b) a grade of C (plain) in any of the following subjects—
  - (i) Physics;
  - (ii) Mathematics; or
  - (iii) Geography.

Made on the 13th July, 2020.

EVAYLINE M. NKIRIGACHA,  
*Chairperson,*  
*Kenya Nutritionists and Dieticians Council.*

DAVID OMONDI OKEYO,  
*Chief Executive Officer,*  
*Kenya Nutritionists and Dieticians Institute.*

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## LEGAL NOTICE No. 161

## THE COMPETITION ACT

(No. 12 of 2010)

## EXCLUSION

THE PROPOSED PURCHASE OF ASSETS OF SLUMBERLAND KENYA  
LIMITED BY SIMBA FOAM LIMITED

IN EXERCISE of the powers conferred by section 42 (1) of the Competition Act, 2010, the Competition Authority of Kenya excludes the proposed purchase of assets of Slumberland Kenya Limited by Simba Foam Limited from the provisions of Part IV of the Act due to the following reasons—

- (a) the merger will not affect competition negatively;
- (b) the acquirer had no turnover nor assets while the turnover of the target was KSh. 877,255,924; and

- (c) the transaction meets the thresholds for exclusion as provided under the Competition (General) Rules, 2019.

Made on the 6th July, 2020.

WANG'OMBE KARIUKI,  
*Director-General.*

LEGAL NOTICE No. 162

THE COMPETITION ACT

(No. 12 of 2010)

EXCLUSION

THE PROPOSED ACQUISITION AND SOLE CONTROL OF BARKLY WHARF  
LIMITED BY PAN AFRICAN HOUSING LLC

IN EXERCISE of the powers conferred by section 42 (1) of the Competition Act, 2010, the Competition Authority of Kenya excludes the proposed acquisition and sole control of Barkly Wharf Limited by Pan African Housing LLC from the provisions of Part IV of the Act due to the following reasons—

- (a) the merger will not affect competition negatively;
- (b) the acquirer had an assets value of KSh. 2,335,136,000 for the preceding year 2019 while the target's asset value was KSh. 299,500,000 which is below 500 Million; and
- (c) the transaction meets the thresholds for exclusion based on the target's turnover which is below 500 Million as provided for in the Competition (General) Rules, 2019.

Made on the 6th July, 2020.

WANG'OMBE KARIUKI,  
*Director-General.*

## EXPLANATORY MEMORANDUM

### EXPLANATORY MEMORANDUM TO THE KENYA DEPOSIT INSURANCE ACT, 2012

#### **PART I**

Name of the Statutory Instrument	:	Legal Gazette Notice No. 159
Name of the Parent Act	:	Kenya Deposit Insurance Act, 2012
Enact Pursuant to	:	S.28(1) Kenya Deposit Insurance Act, 2012
Name of Ministry/Department	:	Kenya Deposit Insurance Corporation
Gazetted on	:	28 <sup>th</sup> August 2020
Tabled	:	

#### **PART II**

##### **1. Purpose of the Statutory Instrument**

The Statutory Instrument seeks to provide an administrative environment for the Corporation to revise and implement the insured coverage limit from current Kshs. 100,000 to Kshs. 500,000 for protected deposits. In particular, the Instrument seeks to operationalize the new coverage limit of Kshs. 500,000 which has received the requisite approvals.

##### **2. Legislative Context**

Deposit Protection Fund Board (DPFB), which was formed as a department in Central Bank of Kenya, and a predecessor of Kenya Deposit Insurance Corporation (KDIC), was given a core mandate to provide protection to depositors in the event of a failure of a bank, through a payout of protected deposits. To implement this mandate, DPFB set a coverage limit of Kshs. 100,000 in 1986 through regulation 9 of the Banking (Deposit Protection Fund) regulation, 1986 (Legal Notice No 214 of September 1986). This was affirmed by maintaining the same amount in regulation 9 of the Banking (Deposit Protection Fund) regulation, 2003 (Legal Notice No 10 of January 2003).

Since 1986 this coverage limit has remained unchanged. In 1986 when the coverage limit was set to Kshs. 100,000 (USD 5,445), the GDP per capita was USD 350. The ratio of coverage to GDP per capita was therefore 1,555%. In 2019, the GDP per capita was USD 2010 while the coverage limit remained Kshs. 100,000 (USD 1,000). This gives coverage to GDP per capita ratio of 50%. You will notice that value of the Kshs.

100,000 which was equivalent to USD 5,445 in 1986 is now equivalent to less than USD 1,000. This value has been eroded by inflations and other economic factors. To enable the Corporation, continue to deliver on its mandate of protecting depositors, it was necessary to revise this coverage limit and restore the lost value. A limit of Kshs. 500,000 (USD 5,000) was found reasonable to restore this lost value. However, Section 28(1) of the Parent Instrument from which the Corporation draws the powers for revising this coverage limit states as follows: -

*“The Corporation shall insure each deposit placed with an institution, provided that the maximum amount payable to a customer in respect of the aggregate credit balance of any deposit accounts maintained by the customer with the institution shall not exceed one hundred thousand shillings or such higher amount as the Corporation may from time to time determine.”*

As you will notice, the section sets a ceiling on the maximum amount payable at **Kshs 100,000** (original coverage limit) while at the same time empowering the Corporation to review and set a higher limit in line with the economic changes. It therefore follows that this provision is inherently contradictory and cannot be relied upon on its own to determine the limit.

To remedy this inconsistency and ambiguity in the Parent Act, it became necessary to develop a new Statutory Instrument (Legal Notice No.159 of 2020). The Instrument sets the coverage limit to Kshs. 500,000 a value that was found to be in tandem with the economic changes since 1986.

### **3. Policy Background**

According to the International Association of Deposit Insurers (IADI), an institution that sets standards for deposit insurance, the predominant function of coverage limit is to promote confidence, financial stability and prevent chaotic depositor runs. Deposit insurance coverage limits should be set, given the policy objectives, so that most individual retail depositors in insured institutions that are at risk of being resolved are fully protected, while leaving a significant portion of the value of deposits unprotected. The standards expect that a deposit insurer review the level and scope of coverage limit periodically to ensure that the public policy objectives of the deposit insurance system is maintained.

From the legislative context above, the current coverage limit was set more than 30 years ago and this limit does not adequately meet IADI criteria of an effective coverage limit set in the above paragraph.

In March 2017, KDIC engaged consultants M/s. Fit & Proper (hereinafter “the Consultants”) for a medium-term advice for the optimal Target Fund, Coverage Limit and Risk Based Premium. The Consultants completed the review in May 2018 and submitted a report thereafter.

In their review, the consultants analyzed, among others, the Target Fund of the Corporation, the economic trend of the country, International best practice (IADI practices), other deposit insurances in various jurisdictions and consulted key stakeholders. The Consultants recommended as follows:

1. **Target Fund Ratio (Total Fund/Total Deposits):** The Target Fund was found to be 2.6% against an international standard of above 3.5%. The consultants recommended a Target Fund of 4% creating a 0.5% buffer over the minimum requirement. To achieve the desired Target Fund ratio, the Consultants proposed that the Corporation adopts a Risk Based Premium assessment model or increase the flat premium assessment rate from 0.15% to 0.18%. This will enable the Corporation to achieve the Target Fund within 13-14 years.
2. **Risk Based Premium Assessment:** The Consultants recommended risk-based contribution framework and model to be adopted in compliance with the law (Kenya Deposit Insurance Act, 2012).
3. **Deposit Coverage Limit:** The Consultants established that the current limit was Kshs. 100,000 which was currently equivalent to USD 1,000. This coverage level has been maintained constant since the establishment of the Deposit Protection Fund Board -DPFB- (which preceded the KDIC) in 1986 when the same amount was equivalent to USD 5,445; thus, the real value of the protection to Kenyan depositors has been eroded. In this regard, the evolution of the coverage to GDP per capita in Kenya since 1986 shows that coverage to GDP per capita decreased from 1,475% in 1988 to 50% in 2019. Subsequently, the Consultants recommended a new coverage limit of Kshs. 500,000 in order to restore the lost value as well as strike the right balance between protecting depositors and ensuring market discipline.

They emphasized that the increase in coverage limit will affect the Target Fund which will be applied to resolve institutions including the protected deposits in the event of a failure of an institution. Thus, a higher coverage limit, will need a higher Target Fund, to manage the Risk of failure as more value of deposits is protected and would contingently be payable. To firm his recommendations, the Consultants engaged stakeholders at a meeting on 9<sup>th</sup> May 2018, at the Crown Plaza Hotel Nairobi.

#### 4. Consultation Outcome

The Corporation, thereafter, further engaged stakeholders on the same matter. This was done through several public participation and sensitization programs to ensure stakeholders appreciate and understand the suggested changes in accordance with the provisions of the law. Those sensitization programs which accorded the stakeholders a chance to participate and give their input are as summarized below:-

Date	Venue	Group Targeted	Discussions	Recommendation
May 9 <sup>th</sup> 2018	Crown Plaza	Member institutions, Academicians, Media, Heads of selected institutions,	Revised Coverage Limit, Risk Based Premium and Target	Coverage limit to be revised Kshs. 500,000 as a starting point.

Date	Venue	Group Targeted	Discussions	Recommendation
		representative institutions, CBK	Fund for optimal Deposit insurance.	Risk based Premium, more sensitization to be conducted.
Jan 9 <sup>th</sup> 2019	Hotel Intercontinental	CEOs from Deposit Taking Micro Finance Banks	Revised Coverage Limits, Risk Based Premium and desired interventions for stable banking system	Review the coverage limit and update the risk measure of CAMEL for risk-based premium
Jan 16 <sup>th</sup> 2019	Hotel Intercontinental	CEOs for ALL member Institutions (Banks & Micro- Finance Banks)	Revised Coverage Limits, Risk Based Premium and desired interventions for stable banking system	To revise the coverage limit to reflect economic changes, and address the issues around CAMEL rating where the rating is not always up-to date
9 <sup>th</sup> May 2019	Hotel Intercontinental	CEOs from Deposit Taking Micro Finance Banks, CEOs from Commercial Banks, CBK, National Treasury and Central Bank of Kenya	Risk Based Premium, Revised Coverage Limits  Banks raised concern on the risk based premium because the risk measures that is based on Inspection of banks that needs to be updated frequently. CBK confirmed that at any time, the risk measure can be provided for all banks.	Review the coverage limit and update the risk measure of CAMEL for risk-based premium
1 <sup>st</sup> Oct 2019	Radisson Blu	Member institutions, Media houses and selected heads of institutions, National Treasury, CBK	Launch of Revised Coverage Limit.	Positively received by the public and media as well.

## 5. Guidance

In the implementation of the Legal Notice No. 159 of 2020, KDIC will carry out the Public awareness program to inform stakeholders on the new coverage limit. On 30<sup>th</sup>

June, 2020, the Corporation placed an advert on two Newspapers of the national circulation advising the depositors on the implementation of the revised coverage limit. The Corporation further wrote to all Member Institutions (Banks) on the new change of limit in addition to the awareness campaign which has been going from the time of consultations. Further, the Corporation has developed a communication strategy which will be rolled out through various media channels including Television and radio stations to reach depositors across the country.

## **6. Impact of revised deposit coverage limit**

### **6.1 The Impact on Fundamental Rights and Freedoms**

The new coverage limit seeks to enhance and promote the rights of persons (natural and corporate depositors) by increasing their payout in the most unfortunate event of a bank failure. With an enhanced payout, depositors will have more confidence in our banking system and this is instrumental in creating a stable financial system in line with our public policy objective. The increased coverage limit will enhance rights and Freedom of Depositors and Banks through an improved compensation.

### **6.2 The Impact on the Private Sector**

The limit enhancement is expected to promote stability in our financial sector as more member institutions (banks) will be able to mobilize more cheap deposits due to depositor confidence. These deposits will form the main source of funding for cheap loans instrumental for our economic growth. Our Micro, Small and Medium Enterprise (MSME) sector which contributes a significant percentage in our economy will greatly benefit from this enhanced coverage. The ultimate objective of increased coverage limit is to foster financial stability by creating public confidence in the banking sector in line with our public policy objectives.

### **6.3 The Impact on the Public Sector**

The new limit will ensure that the general public which forms the large source of deposits in the country are better protected in case of a bank failure.

## **7. Monitoring and Review**

The coverage limits should be reviewed on a regular basis in order to take into account inflation, changes in real income, the composition and size of deposits, additional funding requirements, and other factors that could affect the public-policy objectives of the Deposit Insurance system in our country.

## **8. Contact**

**Mohamud A. Mohamud**

Chief Executive Officer

Kenya Deposit Insurance Corporation

UAP Tower 17<sup>th</sup> Floor, Upper Hill Road; TEL: 0709 043 000





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## CONTENTS

### GAZETTE NOTICES

	PAGE
The Insurance Act—Appointment .....	3334
The State Corporations Act—Appointment .....	3334
National Steering Committee on the Revitalization and Revival of Cotton and Pyrethrum—Extension of Term .....	3334
County Governments Notices .....	3334–3336, 3377–3382
The Criminal Procedure Code—Revocation of Appointment .....	3336
The Land Registration Act—Issue of Provisional Certificates, etc .....	3336–3354
The Central Bank of Kenya Act—Notice of Change of Name, etc .....	3354
The Land Act—Addendum, Deletion and Corrigendum, etc .....	3354–3377
The Energy Act—Amended Schedule of Tariffs .....	3382
The Kenya Information and Communications Act—Application for review of Postage Rates, etc .....	3382–3385
The Political Parties Act—Change of Political Party Details, etc .....	3385–3386
The Insolvency Act—Final Meeting, etc .....	3386–3388
The Transfer of Business Act—Business Transfer, etc .....	3388
The Physical and Land Use Planning Act—Completion of Part Development Plans .....	3388–3390
The Environmental Management and Co-ordination Act—Environmental Impact Assessment Study Reports .....	3390–3396
Disposal of Uncollected Goods .....	3396
Change of Names .....	3397–3398

### SUPPLEMENT Nos. 146, 150 and 151

*Legislative Supplements, 2020*

LEGAL NOTICE NO.	PAGE
156–157— The Public Service Superannuation Scheme Act—Commencement .....	1877
158— The Income Tax Act—Exemption .....	1877
159— The Kenya Deposit Insurance Act—Amount Payable as Protected Deposit .....	1878
160— The Nutritionists and Dieticians (Entry Requirements) (Training Institutions) (Amendment) Regulations, 2020 .....	1879
161–162— The Competition Act—Exclusion .....	1880
163— The Public Health (Covid-19 Sale of Alcoholic Drinks) Rules, 2020 .....	1883
164— The Crops (Nuts and Oil Crops) Regulations, 2020 .....	1885

### SUPPLEMENT Nos. 147 and 148

*Senate Bills, 2020*

	PAGE
The County Vocational Education and Training Bill, 2020 .....	289
The Persons with Disabilities (Amendment) Bill, 2020 .....	313

### SUPPLEMENT No. 149

*National Assembly Bills, 2020*

	PAGE
The Sexual Offences (Amendment) Bill, 2020 .....	731

## CORRIGENDA

IN Gazette Notice No. 5662 of 2020, Cause No. 111 of 2020, *amend* the expression printed as “the deceased’s widower and son, respectively” to *read* “the deceased’s widower and cousin, respectively”.

GAZETTE NOTICE NO. 6232

## THE INSURANCE ACT

(Cap. 487)

## APPOINTMENT

IN EXERCISE of the powers conferred by section 179 (5A) of the Insurance Act, the Cabinet Secretary for National Treasury and Planning appoints—

WILLIAM OKARI MASITA

to be the Managing Trustee of the Policy Holders Compensation Fund, for a period of three (3) years, with effect from the 6th July, 2020. The appointment\* of the Retirement Benefits Authority is revoked.

Dated the 24th August, 2020.

UKUR YATANI,  
Cabinet Secretary,  
National Treasury and Planning.

\*G.N. 3357/2005

GAZETTE NOTICE NO. 6233

## THE COUNTY GOVERNMENTS ACT

(No. 17 of 2012)

## THE LOCAL AUTHORITIES PENSIONS TRUST RULES, 2007

(L. N. 50 of 2007)

## APPOINTMENT

IN EXERCISE of the powers conferred by rule 14 (a) of the Local Authorities Pensions Trust Rules, 2007, the Cabinet Secretary for Devolution and Arid and Semi-Arid Lands appoints—

*Under paragraph 14(b)(ii):*

Winfred Syombua Mbai

*Under paragraph 14(b)(iv):*

Joseph Kaberia Isaac

*Under paragraph 14(b)(vi):*

Lucy Njugu Munjuga

to be members of the Board of Trustees of the Local Authorities Pension Trust, for a period of three (3) years, with effect from the date of publication of this Notice.

Dated the 25th August, 2020.

EUGENE WAMALWA,  
Cabinet Secretary for Devolution and Arid and Semi-Arid Lands.

GAZETTE NOTICE NO. 6234

## THE STATE CORPORATIONS ACT

(Cap. 446)

## THE KENYA ANIMAL GENETICS RESOURCE CENTRE

ORDER, 2011

(KAGRC)

## APPOINTMENT

IN EXERCISE of the powers conferred by section 5 (1) (f) of the Kenya Animal Genetic Resource Centre Order, 2011, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Co-operatives, appoints—

RUTH NASHIPAE MUIGAI (MS.)

to be a member of the Board of Kenya Animal Genetics Resource Centre, for a period of three (3) years, with effect from the 24th August, 2020.

Dated the 27th August, 2020.

PETER G. MUNYA,  
Cabinet Secretary,  
Ministry of Agriculture, Livestock, Fisheries and Co-operatives.

GAZETTE NOTICE NO. 6235

## APPOINTMENT OF MEMBERS TO THE NATIONAL STEERING COMMITTEE ON THE REVITALIZATION AND REVIVAL OF COTTON AND PYRETHRUM VALUE CHAINS

## EXTENSION OF TERM

IT IS notified for general information to the public that, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Co-operatives, has extended the term of the National Steering Committee on the Revitalization and Revival of Cotton and Pyrethrum Value Chains appointed *vide* Gazette Notice No. 3375 of 2020, for a further period of three (3) months, with effect from the 27th August, 2020.

Dated the 26th August, 2020.

PETER G. MUNYA,  
Cabinet Secretary,  
Ministry of Agriculture, Livestock, Fisheries and Co-operatives.

GAZETTE NOTICE NO. 6236

## THE CONSTITUTION OF KENYA

## THE COUNTY GOVERNMENTS ACT

(No. 17 of 2012)

## WEST POKOT COUNTY EXECUTIVE COMMITTEE

## APPOINTMENT

*Corrigenda*

IN Gazette Notice No. 5762 *amend* the name of the County Executive Committee Member for Finance and Economic planning printed as “Christine Apokoreng” to *read* “Christine Apakoreng”.

Dated the 24th August, 2020.

MR/1164601 JOHN LONYANGAPUO,  
Governor, West Pokot County.

GAZETTE NOTICE NO. 6237

## THE URBAN AREAS AND CITIES (AMENDMENT) ACT

## COUNTY GOVERNMENT OF MIGORI

## APPOINTMENT

IN EXERCISE of the powers conferred by sections 14 and 15 of the Urban Areas and Cities (Amendment) Act, 2019 and all enabling provisions of the law, and upon approval by the County Assembly of Migori on the 17th October, 2019, I, Zakaria Okoth Obado, Governor of Migori County, appoint—

JOSIAH ARENDE NGOJE

to be a member of the Rongo Municipal Board, for a period of five (5) years, with effect from the 3rd March, 2020.

MR/1164505 ZAKARIA OKOTH OBADO,  
Governor, Migori County.

GAZETTE NOTICE NO. 6238

## THE CONSTITUTION OF KENYA

## THE COUNTY GOVERNMENTS ACT

(No. 17 of 2012)

## THE CO-OPERATIVE SOCIETIES ACT

(Cap. 490)

## APPOINTMENT

IT IS notified that pursuant to the provisions of Fourth Schedule Part II 7 (e) of the Constitution of Kenya 2010, section 30 of the

# REPUBLIC OF KENYA

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PARLIAMENT

## OFFICE OF THE CLERK NATIONAL ASSEMBLY

NA/DL&P.1/GEN/2020(027)

September 10, 2020

Mr. Mohamud A. Mohamud  
The Chief Executive Officer,  
Kenya Deposit Insurance Corporation  
P. O. BOX 45983-00100,  
NAIROBI.

Dear *Mohamud,*

**RE: LEGAL NOTICE NO. 159 OF 2020-INCREASE OF AMOUNT PAYABLE AS PROTECTED DEPOSIT UNDER SECTION 28(1) OF THE KENYA DEPOSIT INSURANCE ACT 2012**

We acknowledge receipt of your letter dated *3<sup>rd</sup> September*, 2020, on the above subject matter.

From our records, we have not received Legal Notice No. 159 of 2020 for consideration by the National Assembly in terms of the Statutory Instruments Act No. 23 of 2013.

Further, please also note that, pursuant to the provisions of section 11 of the Statutory Instruments Act, 2013, every statutory instrument together with the accompanying explanatory memorandum is required to be submitted to the National Assembly by the **Cabinet Secretary** responsible for a regulation-making authority.

In this regard, we request you to have the particular Legal Notice together with all other relevant documentations submitted in accordance with the said law to enable my office to cause its tabling before the National Assembly.

Yours Faithfully,

**MICHAEL SIALAI, EBS**  
**CLERK OF THE NATIONAL ASSEMBLY**

Copy to: Dr. Julius M. Muia, EBS  
Principal Secretary  
The National Treasury and Planning  
**NAIROBI**