



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

VOL. IV NO. 52

THE HANSARD

Tuesday, 17th June 2025

The House met at 2.30 p.m.

[The Speaker (Hon. Moses Wetang'ula) in the Chair]

PRAYERS

QUORUM

Hon. Speaker: Hon. Members, there is no quorum in the House. Serjeant-at-Arms, ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

Order, Hon. Members. We have quorum to transact business. Clerk-at-the-Table, proceed.

PAPERS

Hon. Speaker: Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, I was merely alerting the Serjeant-at-Arms that this Chamber is freezing cold. The office of the Serjeant-at-Arms should be aware of the changing weather patterns. So, that when we enter the cold season like now, they raise the temperatures slightly to help keep it a bit warmer.

Hon. Speaker, I beg to lay the following papers on the Table:

1. The following documents submitted together with the Budget Statement from the National Treasury:
 - (a) Budget Highlights – The “Mwananchi” Guide for the FY 2025/26 Budget; and
 - (b) Statistical Annex to the Budget Statement for the FY 2025/26.
2. Parliamentary Service Commission Annual Report for the Financial Year 2023/2024;
3. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2024 and the certificates therein in respect of:
 - (a) Loreto High School Matunda
 - (b) Mbita High School
 - (c) Santa Maria Girls’ Secondary School;
 - (d) Loreto High School Limuru-Kiambu.
 - (e) Kilgoris Boys High School.
 - (f) Ole Tipis Girls’ Secondary School.
 - (g) Kiambogo Secondary School.
 - (h) Mary Mount Secondary School.
 - (i) AIC Morop Girls’ Secondary School.
 - (j) Maai-Mahiu Girls’ Secondary School. and
 - (k) St. Joseph’s High School Githunguri.

4. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2024 and the certificates therein in respect of the following Training Institutes:
 - (a) Nairobi Technical
 - (b) Mitunguu Technical
 - (c) Ramogi Institute of Advanced Technology
 - (d) Siaya Institute of Technology
 - (e) Kitutu Chache
 - (f) Mukiria
 - (g) Kiirua
5. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2024 and the certificates therein in respect of the following Technical and Vocational Colleges:
 - (a) Lang'ata
 - (b) Sirisia
 - (c) Chuka
 - (d) Kaelo
 - (e) Mabera
6. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2023 and 30th June 2024 and the certificates therein in respect of the following Technical and Vocational Colleges:
 - (a) Sabatia
 - (b) Gatundu South
 - (c) Ugunja
 - (d) Mbeere North
 - (e) Ugenya
 - (f) Riragia
 - (g) Seme
 - (h) Siruti
 - (i) Rangwe
 - (j) Runyenes
7. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2023 and 30th June 2024 and the certificates therein in respect of the following Technical Training Institutes:
 - (a) St. Joseph's for the Deaf - Nyang'oma.
 - (b) Murang'a
 - (c) Nkubu
 - (d) Muraga

Thank you, Hon. Speaker.

Hon. Speaker: The Chairperson of the Departmental Committee on Justice and Legal Affairs.

Hon. George Murugara (Tharaka, UDA): Hon. Speaker, I beg to lay the following papers on the Table:

Reports of the Departmental Committee on Justice and Legal Affairs on its Consideration of:

- (a) Nominees for Appointment as Chairperson and Members of the Public Benefit Organisation Dispute Tribunal
- (b) The Constitution of Kenya (Amendment) Bill (National Assembly Bill No. 4 of 2025)

Allow me to highlight that the second document is the Report on public participation which we all engaged in including members of the public. We have now produced a comprehensive report. I encourage Members to obtain a copy, read, internalise, and prepare for debate once the Bill is introduced in the House.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order. Hon. Murugara.

NOTICE OF MOTION

APPROVAL OF NOMINEES FOR APPOINTMENT AS CHAIRPERSON AND MEMBERS OF THE PUBLIC BENEFIT ORGANISATION DISPUTE TRIBUNAL

Hon. George Murugara (Tharaka, UDA): Hon. Speaker, I beg to give notice of the following Motion:

THAT, taking into consideration the findings of the Departmental Committee on Justice and Legal Affairs in its report on the Approval Hearing of Nominees for Appointment as the Chairperson and Members of the Public Benefit Organisation Dispute Tribunal, laid on the Table of the House on Tuesday, 17th June 2025, and pursuant to the provisions of section 50 of the Public Benefit Organisation Dispute Tribunal Act, 2013 and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, Cap 7F, approves the appointment of the following persons to the Public Benefit Organisation Dispute Tribunal—

- | | | |
|--------------------------------|---|-------------|
| 1. Ms Eunice Adoyo Otieno Arwa | — | Chairperson |
| 2. Ms Christabel Mideva Eboso | — | Member |
| 3. Ms Elizabeth Mbithe Mulwa | — | Member |
| 4. Dr Leonard Kinyulusi | — | Member |
| 5. Mr Mohamed Sheikh Noor | — | Member |

Thank you, Hon. Speaker.

Hon. Speaker: Next Order. Before that, Hon. Members, allow me to acknowledge the following schools in the Speaker's Gallery: Kamune Secondary School from Mathioya Constituency, Murang'a County and Gilgil Garrison School from Gilgil Constituency, Nakuru County.

In the Public Gallery, we have Lorubae Primary School from Samburu East Constituency, Samburu County; Rubiri Secondary School from Naivasha Constituency, Nakuru County; Mariaini Secondary School from Gatundu North Constituency, Kiambu County; Kirirwa Secondary School from Kinangop Constituency, Nyandarua County; and, Migwani Boys Secondary School from Mwingi West Constituency, Kitui County.

I have been requested by two Members, Hon. Kururia and Hon. CNN, to welcome schools from their constituencies. I shall give each of you one minute. Hon. Kururia, you have one minute.

Hon. Elijah Kururia (Gatundu North, Independent): Thank you, Hon. Speaker. I wish to take this opportunity to welcome our students to Parliament of Kenya and specifically Mariaini Secondary School which is in my constituency, Gatundu North. Recently, students from this school informed me that they are planning to produce the next Member of Parliament. Therefore, I welcome them. This is the House where you will represent the people of Gatundu North, as future leaders of this nation.

Thank you very much, Hon. Speaker. With those few remarks, I welcome you. Feel free. This is your House.

Hon. Speaker: Hon. Nguni, you have one minute.

Hon. Charles Nguna (Mwingi West, WDM): Thank you, Hon. Speaker. I take this opportunity to welcome all the students who have visited Parliament this afternoon specifically, Migwani Boys. Hon. Speaker, you passed by this school when we were conducting the empowerment programme in my constituency. In the last examination, every student from this school qualified to join the university. That is why they deserve to be in this Parliament.

(Applause)

Therefore, I welcome Migwani Boys. I am proud of what they are doing for my constituency and for the nation. You are the future leaders of this country.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Members. On behalf of the whole House, we welcome the students, their teachers and those accompanying them to the House of Parliament.

Hon. Members, I also wish to welcome four members of staff drawn from the Procurement Department of the Parliament of Ghana. The four officers are on a visit to the National Assembly to engage with their counterparts on enhancing their knowledge and skills. Specifically, in the application of technology and digital tools in procurement operations, mechanisms for contract management, dispute resolution and strategies in managing public procurement within a parliamentary setting.

On my behalf and that of the House, I welcome all of them to the House to observe the proceedings of the National Assembly. As you say in your country, *Akwaaba*.

Thank you.

Next Order.

(*The Clerk-at-the-Table consulted the Hon. Speaker*)

You had called it out already. Yes, we will go to Statements.

Statement in response to Hon. Michael Muchira's request. Hon. Gabriel Tongoyo?

(*Hon. Michael Muchira spoke off the record*)

QUESTIONS AND STATEMENTS

Hon. Speaker: Is it a request?

(*Hon. Michael Muchira nodded*)

Okay. Hon. Michael Muchira. Sorry.

REQUEST FOR STATEMENTS

DISAPPEARANCE OF IDENTITY CARDS FROM THE NATIONAL REGISTRATION BUREAU OFFICE

Hon. Michael Muchira (Ol Jorok, UDA): Hon. Speaker, pursuant to the provision of Starting Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Administration and Internal Security regarding the disappearance of identity cards from the National Registration Bureau office in Nyandarua West, Ol Jorok Constituency.

Hon. Speaker, on 29 May 2025, over 2,000 national identity cards that were awaiting collection by applicants, together with the collection register, reportedly disappeared from the National Registration Bureau office in Nyandarua West, Ol Jorok constituency, under unclear circumstances. The matter was reported to the Ol Jorok Police Station under Occurrence Book (OB) No.08/29/5/2025. This incident has triggered serious concerns among residents, particularly the youth, over the safety of their personal information, hindrance to accessing critical governance services and participation in the democratic process. Notably, the affected residents are concerned that their identity cards are likely to be used for illegal activities.

Hon. Speaker, it is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Administration and Internal Security on the following:

1. A report on the circumstances leading to the reported loss of the 2,000 national Identity Cards and the collection register from the National Registration Bureau office in Nyandarua West, Ol Jorok Constituency on 29 May 2025.
2. The status of the investigation into the incident as reported at the Ol Jorok Police Station under OB No.08/29/5/2025 and the findings of those investigations.
3. Measures put in place to ensure that the serial numbers of the missing identity cards are not flagged out to mitigate the risk of being used for illegal activities.
4. The steps that are being taken to replace the identity cards and issue them to the beneficiaries free of charge and without delay.

I thank you, Hon. Speaker.

Hon. Speaker: Hon. Gabriel Tongoyo, when can you bring a response?

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Speaker. As I indicated last week, we have invited the Cabinet Secretary to respond to other Statements from Members. He will appear before us on Thursday, 19th June 2025. So, if you approve, I can also put the Member's Statement together with the others.

Hon. Speaker: Hon. Michael Muchiri you can join them on Thursday and interrogate the Cabinet Secretary before the Committee. That notwithstanding, the request is to the Plenary. You will still bring a response to the Plenary.

Hon. Joseph Munyoro, Member for Kigumo.

REVIEW OF WATER TARIFFS IN KIGUMO CONSTITUENCY

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Speaker. I rise to request for a Statement regarding the review of water tariffs charged by Murang'a South Water and Sanitation Company Limited (MUSWASCO) in Murang'a County.

Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation regarding reluctance by the Water Services Regulatory Board, (WASREB) to the review of water tariffs by the Murang'a South Water and Sanitation Company Limited (MUSWASCO).

Hon. Speaker, on 12th May 2025, the Water Services Regulatory Board (WASREB) issued a notification of tariff reviews that affected the Gatamathi Water and Sanitation Company, Murang'a West Water and Sanitation Company (MUWASCO) and Gatanga Water and Sanitation Company (GATAWASCO) in Murang'a County. Shockingly, and without any explanation, MUSWASCO, a water services provider in Kigumo, Kandara and parts of Maragua constituencies, was excluded from the review despite charging the highest water tariffs in the county.

Presently, residents served by MUSWASCO are being charged Ksh107 per unit of water supplied, which is significantly higher than their counterparts supplied by other water

companies in the region. Notably, following the tariff reduction by WASREB, MUWASCO reduced its charges from Ksh90 to Ksh76 per unit and GATAWASCO reduced its tariff from Ksh120 to Ksh70 per unit. It is also noted that the Gatamathi Water Company charges Ksh60 per unit.

Despite repeated complaints from residents about the notably higher tariffs charged by MUSWASCO, WASREB seemed non-committal to reviewing rates. This inaction places an unfair financial burden on the affected residents and points towards an apparent regulatory discrimination against MUSWASCO consumers in Kigumo, Kandara and Maragua constituencies.

Hon. Speaker, it is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation on the following:

1. The basis of the exclusion of MUSWASCO Limited from the recent downward review of tariffs from WASREB, despite having the highest rates in the region.
2. The immediate measures being taken by WASREB to review MUSWASCO's water tariffs to ensure fairness and equity in water service provision across Murang'a County.

I thank you, Hon. Speaker.

Hon. Speaker: Hon. Kangogo Bowen, when can you bring a response?

Hon. Kangogo Bowen (Marakwet East, UDA): Hon. Speaker, I will bring a Report in two weeks.

Hon. Speaker: Two weeks. Hon. Farah Yakub, Fafi.

NON-MEDICAL USE OF DRUGS IN NORTHERN KENYA

Hon. Farah Yakub (Fafi, UDA): Thank you, Hon. Speaker. Pursuant to Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Health regarding the non-medical use of Tramadol and Benzodiazepine drugs in Northern Kenya.

Hon. Speaker, the Northern Kenya region, particularly Garissa, Wajir and Mandera counties, has been experiencing a growing public health and social crisis stemming from the rampant non-medical use and abuse of prescription drugs, notably Tramadol and Benzodiazepines, such as Diazepam.

Tramadol is a static opioid painkiller intended for moderate to severe pain management, while Benzodiazepines, such as Diazepam are prescribed to treat anxiety, seizures and insomnia. Although these drugs serve a legitimate medical purpose, they are highly addictive and when misused, can lead to profound cognitive and behavioural effects, including physical dependency, mental disorientation, aggressive behaviour and in extreme cases, respiratory depression and death. When abused in combination with other substances such as alcohol and Miraa (*khat*), these drugs severely impair judgement and reaction time, leading to increased risk of accidents, violence, criminal behaviour and mental health disorders.

Hon. Speaker, according to a 2021-2023 rapid assessment conducted by the National Authority for Campaign Against Alcohol and Drug Abuse (NACADA), one out of every five males between the age of 15 to 30 years in Wajir County admitted to having used Tramadol or a related sedative without a prescription. It is also reported that over 35 per cent of all drug-related hospital admissions in Wajir County are directly tied to Tramadol and Benzodiazepines misuse. Schools in the region have reportedly been reporting escalating cases of truancy, violence and mental breakdowns among students.

This crisis is compounded by the unregulated sale of homocycle drugs by chemists and informal vendors in porous borders, especially with Somalia and Ethiopia, which facilitate

unchecked cross-border smuggling of controlled substances. The situation is not only a public health emergency but also a security and socio-economic threat, with a generation of young people at risk of being lost to addiction.

Hon. Speaker, it is against this background that I request a Statement from the Chairperson of the Departmental Committee on Health on the following:

1. A comprehensive Report on the non-medical use of Tramadol and Benzodiazepine in Garissa, Wajir and Mandera counties.
2. The regulatory measures in place to control the sale and distribution of Tramadol and Benzodiazepine, including enforcement actions against unlicensed vendors and pharmacists.
3. The measures being taken by the Cabinet Secretary of Health to prevent the non-medical use of Tramadol and Benzodiazepine in the country.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. The Chairperson of the Departmental Committee on Health, Hon. (Dr) James Nyikal.

Hon. James Nyikal (Seme, ODM): Yes, Hon. Speaker, we will give a response in two weeks.

Hon. Speaker: In two weeks' time. Thank you.

STATEMENTS

Hon. Speaker: Responses to Statements.

DEMISE OF MR. ALBERT OJWANG'

Hon. Gabriel Tongoyo? Is Hon. Jared Okello in the House? Jared Okello! You can deal with that tomorrow. Next, Omboko Milemba's request. Yes, Hon. Gabriel Tongoyo.

Hon. Gabriel Tongoyo (Narok West, UDA): Hon. Speaker, in regard to the Statement sought by Hon. Jared Okello, I think it is more than just his Statement. You remember that before he asked for it, the Committee had already written to the Inspector General (IG) and the Independent Police Oversight Authority (IPOA), given the gravity of the matter with regards to the death of the late Albert Ojwang'. So, I need your guidance because I think this is of interest to Kenyans and the House. It is not just merely about Hon. Jared Okello's Statement.

Hon. Speaker: I agree with you, but in fairness to the person who brought the issue to the Floor, tomorrow is not too far. I think it is good to be fair to your colleagues also. However, Hon. Mark Mwenje advise Hon. Jared Okello that his Statement will be responded to tomorrow afternoon.

(Response to Statement deferred)

DELAY IN THE DISBURSEMENT OF FUNDS FOR TEACHERS' MEDICAL SCHEME

Hon. Speaker: Hon. Omboko Milemba's request for Statement on Education? Who is responding from the Departmental Committee on Education? *Omon'gina*. Go ahead.

Hon. Jerusha Momanyi (Nyamira County, JP): Thank you, Hon. Speaker. This is a response to a Statement by Hon. Omboko Milemba, MP, on the Teachers Service Commission (TSC)'s delay in disbursement of funds for teachers' medical scheme.

Hon. Speaker, TSC is a Constitutional Commission established under Article 237 of the Constitution with a mandate to manage teachers in the public service. This mandate

encompasses the teachers' registration, recruitment, assignment, promotion, disciplinary control and the overall well-being of teachers. In fulfilling its mandate in line with the Government's commitment to achieving universal health care coverage. The Commission has established a teachers' medical scheme aimed at providing comprehensive health insurance to all teachers employed by the Commission, along with their immediate dependents. To implement this, the Commission has engaged a consortium led by Minet Insurance Brokers Kenya Limited through a competitive procurement process in accordance with the Public Procurement and Asset Disposal Act, 2015. The consortium was awarded a three-year renewable framework contract effective 1st December 2022 to 30th November 2025, subject to annual performance review and funding availability.

The Commission explained that the medical scheme is structured in two parts:

1. The capitation model. Under this model, the Commission stated that a fixed payment per member is made quarterly in advance to health facilities, covering:
 - (a) Outpatient care.
 - (b) Inpatient services.
 - (c) Maternity.
 - (d) Dental and optical services.

TSC emphasised that capitation payments are quarterly-based and not annual, and are crucial for enabling facilities to deliver uninterrupted service to teachers and their families.

2. A fully insured model. This component covers:
 - (a) Last expense.
 - (b) Medical evacuation.
 - (c) International treatment and referral services.
 - (d) Excess-of-loss coverage.

The Commission indicated that each covered a family consisting of six members: The teacher, who is the principal member, one spouse, and up to four children. Eligibility for the cover is restricted to teachers actively in service and aged between 18 and 65 years.

In response to the delays in disbursement of funds to the scheme, the Commission clarified that no monthly deductions are made from teachers' salaries. So, their salaries are not cut. However, the entire scheme limits the funds through the Exchequer and is based on allocation approved by the National Assembly.

The Commission reported that it had successfully remitted all payments due for the first and second policy years, ending 30th November 2024. However, the delay in disbursing funds for the first quarter of the third policy year, 1st December 2024 to 28th February 2025 was due to the late Exchequer release. TSC assured the Committee that once the Supplementary Budget II is approved by Parliament and the funds disbursed by the National Treasury, the outstanding amounts will be settled immediately to ensure continuity of the scheme.

On the alleged Ksh18 billion debt to hospitals, the Commission clarified that hospitals are not contracted directly by TSC, but rather by the insurance consortium led by Minet Insurance Brokers Kenya Limited. Therefore, payments to service providers are the responsibility of the consortium. TSC stated that as of the date of reporting, it had fully settled premiums for the second policy year and was awaiting funding to settle the pending Ksh6 billion for the third policy year.

On measures to prevent...

Hon. Speaker: Hon. Mong'ina, that statement is too long. Can you paraphrase it? We have many other statements. How much more do you have to go?

Hon. Jerusha Momanyi (Nyamira County, JP): Hon. Speaker, I am finishing. This is almost the last paragraph.

Hon. Speaker: Go ahead.

Hon. Jerusha Momanyi (Nyamira County, JP): On measures to prevent future delays, the Commission indicated that it has always ensured that the implementation of the Teachers' Medical Scheme is successful. However, on a few occasions, it has experienced challenges mainly associated with the disbursement of funds due to budgetary constraints.

Hon. Speaker, I beg to respond.

Hon. Speaker: If you are satisfied, you do not need to ask anything.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Speaker. There are gaps; therefore, I am not satisfied. One, the respondent took a long time speaking about the mandate of TSC but you have directed accordingly. As it is now, the truth of the matter is that the so-called monies owed to the hospitals have not been paid. In the statement...

(*Loud consultations*)

Hon. Speaker, can I be protected? The consultations are a bit too loud.

Hon. Speaker: Order, Hon. Members. Reduce your consultations.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you. Regarding the so-called money that was supposed to be paid to the hospitals, TSC says that it is the responsibility of the consortium led by Minet Insurance Brokers Kenya Limited to pay. However, earlier on in their statement read here, it indicated that there has been a delay in the disbursement of the money from the National Treasury.

So, passing the buck to the consortium while the Statement stated very well that the monies need to come from the Exchequer. This is an attempt by TSC to run away from its responsibility. Teachers signed that deal with the Commission not the consortium. The consortium is only known to TSC, but teachers know the Commission.

The second gap is that TSC acknowledges that it has not paid for the last quarter, from 1st December 2024 to 28th February 2025. They are saying that we should wait for Supplementary Budget II. I want to tell Parliamentarians here that you are all affected by the teachers' medical cover. They are suffering today because currently, hospitals have stopped providing services to them.

Hon. Speaker: Hon. Milemba, you are making a speech. Seek clarification.

Hon. Omboko Milemba (Emuhaya, ANC): I have sought two clarifications. Why are they passing the buck to the consortium? Yet, it is TSC that should deal with the monies. As it stands today, hospitals have stopped providing services to teachers. Above all, teachers have lost their medical cover. It is not free because they are making payments to this particular scheme. Therefore, can the Member clarify why this money cannot be given to the consortium? Given that, the teachers themselves surrendered their medical allowance, which formerly was on their pay slips?

Thank you, Hon. Speaker.

(*Loud Consultations*)

Hon. Speaker: Order, Hon. Members. Your consultations are too loud. Hon. Mong'ina.

Hon. Jerusha Momanyi (Nyamira County, JP): Hon. Speaker, the question was why the TSC has delayed the disbursement of funds. TSC tried to explain, but together with the Committee we will seek further clarification from them on whether they are the ones supposed to disburse the money to the service provider. They will clarify this to us.

Hon. Speaker: Hon. Mong'ina the reason you are here to respond is give the facts that you sought from your principals.

Hon. Jerusha Momanyi (Nyamira County, JP): Yes, Hon. Speaker. I already clarified that when the Exchequer releases the funds to TSC the money will be released to the

consortium. At the time the question was asked, the Exchequer had not released money to TSC. The contract was for three years; the last two years were fully paid. It is only the first and second quarters that they have not remitted the funds.

Hon. Speaker: Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Yes, Hon. Omboko Milemba.

Hon. Omboko Milemba (Emuhaya, ANC): One minute, Hon. Speaker. So, can we get clarification on why the money cannot be paid on time yet the teachers surrendered their medical allowance?

Hon. Speaker: She said they have paid.

Hon. Omboko Milemba (Emuhaya, ANC): It used to be recovered from their salaries. Then, they surrendered it to a pool which provides medical cover. Thank you.

Hon. Speaker: Hold on, Hon. Jerusha Momanyi. Yes, Hon. Dorothy Muthoni.

Hon. Dorothy Muthoni (Nominated, UDA): Thank you, Hon. Speaker. I just want to weigh in on this matter. It is evident that teachers' medical scheme is recovered from their salaries every month. Diseases cannot wait for release of the Exchequer so teachers pay from their salary every month. What measures has TSC taken to ensure that the service providers are paid on time? So, that our teachers and their dependents access medical cover seamlessly.

Thank you, Hon. Speaker.

Hon. Jerusha Momanyi (Nyamira County, JP): Hon. Speaker, according to the reply, the money is not directly deducted from teachers. It is from TSC to the Exchequer so the delays are from the Exchequer. So, it is this House...

Hon. Speaker: Order. Exchequer to TSC or TSC to Exchequer?

Hon. Jerusha Momanyi (Nyamira County, JP): It is from Exchequer to TSC. So, all of us should ask why the teachers are in this situation because of delays from the Exchequer.

Hon. Speaker: Departmental Committee on Energy. Is Hon. Tom Mboya in the House? Yes. Hon. David Gikaria? Do you have a response?

KENYA POWER INFRASTRUCTURE IN NYATIKE CONSTITUENCY

Hon. David Gikaria (Nakuru Town East, UDA): Yes, Hon. Speaker. This was a request that was sought by Hon. Tom Mboya, Member of Parliament for Nyatike Constituency. The first question, was on the status of replacement and maintenance of dilapidated power transmission and distribution infrastructure including collapsed power poles and hanging live wires in Nyatike Constituency.

KPLC carries out continuous maintenance on the medium and low voltage network and inspections of power network with the most recent being done in the months of March and April. This way, they identified the weak areas and came up with an immediate action plan. The recent inspection identified the following:

1. Rotten, leaning wooden poles.
2. The line passes through private land, thus limiting accessibility.
3. Very many trees encroach the power line.
4. A large number of illegal connections.

All these contribute towards the inefficiencies of the power supply in that area. KPLC has initiated a rapid response initiative which is projected for June and July. This involves:

1. Immediate replacement of the faulty transformers.
2. Replacement of 800 wooden poles with concrete ones.
3. Full maintenance of the existing 300 transformers.
4. Safety campaigns which was done through Remy FM on the 7th May 2025 and a physical baraza on the 22nd May 2025.

Second question, was a report on the causes of frequent and prolonged power outages in Nyatike Constituency. Nyatike Constituency is served by Gogo 33KV feeder line. The rapid growth in the new project from Rural Electrification and Renewable Energy Cooperation (REREC) and Government of Kenya last mile connectivity has seen a span of 350 kilometres of the transmission line with over 40 branches sparse.

We have 310 transformers which serve 5,961 customers and the number is growing. KenGen Gogo Falls Power Station is the one that serves Nyatike area. Also, third party interference with power lines, vandalism, illegal connections and tree cutting by members of the public has also contributed towards power outages. Lastly, is the conducive wind corridor, there are so many trees and the place is flat, so the wind causes trees to fall, thus affecting the transmission line.

The mid-term initiatives are that Ketraco Masaba 132/33 Substation in Migori is in the final stages of completion. Also, a dedicated feeder tee-off at Stella to Gogo generation is ongoing and is expected to be completed by December 2025.

The third question was on the measures that the ministry has put in place to compensate Mr. William Onyango including reimbursements for medical expenses and consequent loss suffered by his family and to provide specific timelines. On the case of William Onyango, the accident happened on 22nd April 2025 and the claim was lodged at KPLC on 12th May 2025 and reported to KPLC insurance services provider the next day that is, 13th May 2025. KPLC was served with court summons on 26th May 2025 and the same reported to KPLC insurance service providers. The insurance investigator has commenced the investigation with a view to conclude the matter after all legal formalities are provided.

The last question was a report on the number of victims or deaths that have occurred due to faulty power infrastructure since 2017. The number of Energy and Petroleum Regulatory Authority (EPRA) reportable incidences for 2017 to date are 16, out of which nine cases were fatal in nature, five cases were non-fatal, one case involving livestock and another case being a non-injury incident where a pole fell near a shop.

Among the nine fatal cases, four cases involved illegal and substandard extensions beyond the KPLC metering points by the customers leading to electrocution accidents. The remaining five cases were due to compromised ground clearance of the power infrastructure. Out of the 16, six cases are in court and have claims in different stages of investigation, two cases have been settled and eight cases do not have any claims. Thank you.

Hon. Speaker: Hon. Tom Odege, are you satisfied with that?

Hon. Tom Odege (Nyatike, ODM): Thank you, the response is fairly good. The only area of concern is the speed - how Kenya Power is responding to replace the faulty lines. This was also reported at Masaba and they said they will improve power connectivity in Nyatike. If this is completed on time, it will help the business people in my constituency. Regarding, William Onyango who was injured in May, I wish to report that he died and was buried last week. The kind of power we are receiving in my constituency cannot enhance investment or businesses in that area. We can have a blackout for over one week. So, no serious businessman can invest his money in Nyatike Constituency because of power outages. He has given a fairly good report and I appreciate it.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Let it lie there. Hon. Beatrice Adagala? She is not in the House. That is stayed to tomorrow afternoon.

POWER OUTAGES IN THE COUNTRY

(Response to Request for Statement deferred)

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Is Hon. Mark Mwenje in the House? Proceed, Chairman of the Departmental Committee on Health, Dr Nyikal.

**SHORTAGE OF POLIO AND BCG
VACCINES IN THE COUNTRY**

Hon. (Dr) James Nyikal (Seme, ODM): Hon. Speaker, I wish to respond to a request for Statement by Hon. Mark Mwenje regarding the shortage of polio and Bacillus Calmette-Guerin (BCG) vaccines in the country.

Hon. Mark Mwenje sought to know the immediate measures the Ministry of Health is taking to address the current shortage of polio and BCG vaccines in the country, including specific timelines. The following is the response from the Ministry of Health. The Ministry is fully aware that the recent disruption in vaccine availability has caused great anxiety in the country. To address the shortage, the Ministry has implemented the following immediate measures:

1. Emergency Procurement Support: The Government, through the Ministry of Health, has disbursed Ksh1 billion to support procurement of essential vaccines, namely, BCG, Oral Polio Vaccine (OPV), tetanus and diphtheria through UNICEF. These quantities are sufficient to sustain the country's routine immunisation programme for three months.
2. Vaccine Arrival and Distribution Timelines: The OPV consignment arrived on 4th June 2025, followed by BCG vaccines on 11th June 2025. The vaccines were dispatched to nine regional depots on 12th June 2025. The regional depots are Kisumu, Kakamega, Nakuru, Eldoret, Garissa, Meru, Nyeri, Nairobi and Mombasa.

In line with the devolved health system, the Ministry, in coordination with the Council of Governors (CoG), issued a communication instructing counties to collect their allocated vaccines for onward distribution. A summary of the quantities distributed is as follows:

Regional Stores	BCG Doses	Polio (OPV) Doses	Tetanus/Diphtheria Doses
Eldoret	264,000	264,000	147,000
Garissa	114,000	114,000	63,000
Kakamega	216,000	216,000	118,000
Kisumu	270,000	270,000	150,000
Meru	96,000	96,000	54,000
Mombasa	192,000	192,000	105,000
Nakuru	192,000	192,000	105,000
Nyeri	78,000	78,000	45,000
Total	1,944,000	1,944,000	1,075,000
Stock Status at the CVS	3,200,000	3,001,000	1,770,000
Balance at CVS after Dispatch	1,256,000	1,057,000	695,000

This stock is sufficient to cover national demand in the period indicated.

In regard to the long-term strategy for vaccine supply resilience, there is a bit of history to it. Since 2001, Kenya has been a valued beneficiary of support from Global Alliance for Vaccines and Immunisation (GAVI) to the tune of approximately US\$950 million to strengthen

its immunisation programme. Under the GAVI co-financing framework, the Government of Kenya is required to make an annual financial contribution towards vaccine procurement. This agreement is based on a shared responsibility model and continued compliance is essential for Kenya to remain eligible for this support.

In the current financial year, the total amount required by the Government to meet the country's vaccine procurement is Ksh4.2 billion: Ksh2 billion for procurement of traditional vaccines, Ksh1.62 billion for GAVI co-financing (due in June 2025) and Ksh585 million for replacement vaccine independent initiative procurement through UNICEF. So, as of now, we have adequate vaccines. To address the outstanding shortfall, the Ministry secured an additional Ksh930 million through the Supplementary Budget III, earmarked specifically to cover the Ksh620 million balance pending. We need to put some money for GAVI to support us, and that amount has been made available.

The Ministry continues to actively engage the National Treasury to ensure timely release of funds and full compliance with our financial obligations under the co-financing agreement. These efforts are particularly focused on meeting the June 2025 deadline to avoid any further disruption. The disruption arose because we did not meet the deadline. The allocation of the money will now enable us to meet the deadline and forestall any shortages.

There is a long-term strategy put in place to strengthen national vaccine supply chain so as to build resilience against future disruptions in vaccine availability. The Ministry is looking for increased budget allocations, ring-fencing vaccine funds against other budget provisions and timely disbursement of funds. The most difficult challenge has been timely disbursement of funds. The Ministry wishes to assure the House and the Kenyan public that the Government, through the Ministry of Health, is fully committed to making every effort to prevent stock-outs and sustain high levels of immunisation coverage. Our goal is clear: no child or eligible person should ever miss a life-saving vaccine due to preventable supply-chain failures. We will continue to work closely with partners, including the UNICEF, GAVI and county governments, to ensure that long-term plans translate into consistent availability of vaccines across all regions of the country.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Chairman. Hon. Mwenje I think your worries are largely responded to.

Hon. Mark Mwenje (Embakasi West, JP): Yes, Hon. Speaker. I thank the Chairman and yourself for your intervention on this matter. The only issue I have is that before 11th June when the vaccines were made available, children were born in various hospitals, including in my own constituency, but they did not receive the vaccines. I expected the Chairman to give guidance to Kenyans. What should happen to the children who missed their vaccinations? Some mothers took their children back home without getting the vaccines. Getting those children back to hospitals in very marginalised areas might be an issue. Perhaps, the Ministry could give guidelines or advisories to parents with children born in May and June.

Hon. Speaker: The response is sufficiently comprehensive. Children are given vaccines every month from the time they are born until they are weaned. The Chairman of the Departmental Committee on Health and the Ministry of Health should engage in advocacy across the country. So, that children who were born in hospitals but missed BCG vaccine can go back and get it.

Hon. (Dr) James Nyikal (Seme, ODM): Hon. Speaker, although that is not specifically indicated in the response, I had discussed it with the Ministry and they have done that. If children miss the vaccines, they are encouraged to visit the clinics once the vaccines are available.

Hon. Speaker, I have a brief story. My domestic worker has a child who missed the vaccines. He told me that he travelled to Uganda to get the vaccines. That is how seriously parents take vaccinations.

Hon. Speaker: Getting the vaccines in Nairobi is one thing but getting them in hospitals in far-flung areas like Turkana and Mandera is another. Ensure that each hospital gets its rightful share of the vaccines to administer to children born in our country.

Hon. (Dr) James Nyikal (Seme, ODM): Hon. Speaker, that has been done through the distribution channels.

Hon. Speaker: Next is Hon. Murugara who will respond to a request for a Statement from Hon. Umulkher Harun. Are you ready?

Hon. George Murugara (Tharaka, UDA): Thank you, Hon. Speaker. I have not received a response. However, I will make an enquiry so that we can respond to the request for a Statement. It should not take long.

Hon. Speaker: Speak louder. I cannot hear you.

Hon. George Murugara (Tharaka, UDA): Thank you, Hon. Speaker. I have not received a response. In fact, I was not notified. I will make enquiries so that we can respond to the request for Statement as soon as we can.

Hon. Speaker: Okay. Hon. Umulkher.

Hon. Umulkher Harun (Nominated, ODM): Thank you, Hon. Speaker.

Hon. Speaker: You are listed to get a response to your request for Statement. The Chairman of the Committee has said that he was not aware of that request. Now that he is, we will slot your response for Thursday afternoon.

Hon. Umulkher Harun (Nominated, ODM): Okay.

Hon. Speaker: Get the response, Hon. Murugara. Is Hon. Beatrice Adagala in the House? Yes, Hon. Gikaria. Do you have a response for Hon. Keynan?

Hon. David Gikaria (Nakuru Town East, UDA): Yes, I do, Hon. Speaker.

Hon. Speaker: Go ahead.

STATUS OF EXTENSION OF THE NATIONAL GRID TO GARISSA, WAJIR AND MANDERA COUNTIES

Hon. David Gikaria (Nakuru Town East, UDA): Thank you, Hon. Speaker. The Committee received a request for Statement and asked the Cabinet Secretary for Energy and Petroleum for a response.

The first question was on a report on the current status of funding, planning and implementation of the extension of the national grid from Garissa to Wajir and Mandera counties. The response is as follows:

The Ministry of Energy and Petroleum has planned to ensure all counties are connected to the national grid by 2035. This is indicated in the Least Cost Power Development Plan (LCPDP) and the Kenya Electricity Transmission Company (KETRACO) Transmission Master Plan. Table 1 summarises the planned projects in Garissa, Mandera, and Wajir counties.

The feasibility study for the Garissa-Wajir transmission line has been done and the Ministry is in the process of sourcing for funds. The supply of power to Mandera County is to be effected either by a new 220 KV line from Wajir, which is approximately 250 kilometres of transmission line of 220 KV, or a new inter-connector from Ethiopia's grid. KETRACO is in the process of analysing the options.

Support requests have been submitted to development partners to assist with financing the pre-feasibility and feasibility studies. It is noteworthy that due to the long distance from the nearest grid supply location in Kenya and to mitigate risks in voltage instability related to lightly loaded long high voltage lines. KETRACO is considering an option to be analysed

during the feasibility study, which is the possibility of Mandera being supplied with electricity through a proposed cross-border high voltage transmission line from Ethiopia. Deliberations have been initiated with the Ethiopian Electric Power on the possibility of connectivity. Once the studies are complete and the projects are deemed feasible, the Ministry will embark on the process of sourcing for financing.

The second question was on the immediate and long-term measures the Government is putting into place to ensure residents of the North Eastern region access reliable and affordable power. The response is as follows:

The Ministry is cognisant of the suffering of the residents of the North Eastern region. The overall target of the Ministry is to connect every Kenyan to the national grid. To this effect, the Ministry has been proactive in offering alternative solutions through distributed sources like solar home systems mini-grids. Tables 2 and 3 show the off-grid solutions to the three areas under the solar PV mini-grids and the diesel stations.

To actualise those plans, the Ministry needs more funding as most of the projects are pending under the implementation stage. For example, in the 2024/2025 Financial Year, the Rural Electrification and Renewable Energy Corporation (REREC) was allocated Ksh400 million for operational activities while the budgeted maintenance cost was Ksh300 million. However, the maintenance cost budget was reduced by 60 per cent. Hence, the actual budget availed for maintenance was only Ksh120 million. The major cost of operation of the off-grid station is procurement of fuel as the average annual cost is Ksh7 billion. A description of items and the cost of off-grid fuel, diesel, operational costs for staff and equipment maintenance are provided.

It is noteworthy that over time, the demands of areas served by the mini-grids and diesel stations have been growing and require upgrade. REREC has proposed to upgrade 27 mini-grids at an estimated cost of Ksh1,214,000,000. The hybridisation of 20 diesel stations at an estimated cost of Ksh7 billion for counties in Northern Kenya is demonstrated. On the other hand, Kenya Power needs an additional Ksh1,553,000,000 for off-grid stations as annexed in Annexures 4, 5 and 6.

The third question was on the Government's plans to address the gap in provision of power in the region, including alternatives for provision of off-grid solar access. The response is as follows:

The Ministry is undertaking a vigorous exercise of power provision in the North Eastern region through the Kenya Off-Grid Solar Access Programme at an approximate cost of Ksh5.66 billion. The Kenya Off-Grid Solar Access Programme has the following key components: US\$ 40 million for mini-grids for community facilities, US\$48 million for a stand-alone solar system, US\$40 million for a stand-alone solar system and solar water pumps for community facilities.

Hon. Speaker: Hon. Gikaria, how long to go? Paraphrase.

Hon. David Gikaria (Nakuru Town East, UDA): I am just about to conclude.

Under the Kenya Off-Grid Solar Access Project (KOSAP) mini-grid and stand-alone solar facilities, Mandera has been allocated US\$15.1 million. That is approximately Ksh2 billion. Wajir has an allocation of US\$20 million, approximately Ksh2.5 billion. Lastly, Garissa has approximately Ksh1.4 billion. Table 4 states the number of sites under KOSAP per county. We have 28 for Mandera, 15 for Wajir and 20 for Garissa. The total number is 63.

Further, through KPLC, the ministry is undertaking hybridisation of the substations listed in table 5 below under the Agence Française de Développement (AFD) funding. The table is marked "AFD-funded mini-grids".

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Keynan.

Hon. Adan Keynan (Eldas, JP): I requested for a Statement regarding the extension of the national grid from Garissa to Wajir to Mandera. Hon. Speaker, I know at one time, as a young lawyer you worked in that part of Kenya. The answer given by the Chairman is a continuation of Sessional Paper No.10 of 1965.

(Hon. Speaker consulted with Hon. George Murugara)

Hon. Speaker, I want to get your attention. The good lawyer can wait for the wise counsel from the Speaker when he is free. As I was saying, this Statement is a product of Sessional Paper No.10 of 1965. I am glad that as a young lawyer you worked in that region. The Question was about the plan the Government of Kenya has to extend the national grid from Garissa to Wajir to Mandera. The three counties combined constitute over 70 per cent of the landmass of the Republic of Kenya.

The first question was on the current status of funding, planning and implementation of the extension. He has said that the Ministry has planned to ensure all counties are connected by 2035 as espoused in the Least Cost Power Development Plan. “The most efficient power plan” is missing. Cost effectiveness is one thing; efficiency is another.

As I look at this plan, I sought the same Question in 2012, from the then Minister of Energy, Hon. Kiraitu Murungi. Unfortunately, I did not come with the Hansard Report. The Answer is the same. That, there is no plan by the Government of Kenya 30 years down the line. Particularly, by the Ministry of Energy to connect a third of the landmass of the Republic of Kenya to the national grid.

In this modern-day Kenya, we are being told to continue living and accept the discriminatory provisions or tenets of Sessional Paper No.10 of 1965. The Paper completely rubbed and excluded Northern Kenya as part of the Republic of Kenya.

Hon. Speaker: You have made your point. Hon. Gikaria.

Hon. Adan Keynan (Eldas, JP): Secondly, there are rights under REREC that every constituency is entitled. I am asking about connection and extension of the national grid. The national grid has ended in Garbatulla. It reached Garissa and its environs.

The Government is telling us that it has plans to consult the Ethiopian Energy Generation Company. That answer was also given in 2012. Has it taken them 13 years to consult with the Ethiopian Energy Generation Company? Has it taken 13 years for the Ministry of Energy to even devise an implementable and cost-effective energy plan for Northern Kenya?

Hon. Speaker: You have made your point.

Hon. Adan Keynan (Eldas, JP): Allow me to say that this answer is insufficient. I know the Chairman is innocent just like the innocent lady you saw responding on behalf of the TSC. The answer that the Chairman was given to read, lacks every substance. I urge my good friend to know that there is a reason the owners of the system decided to bring him back as the Chairman of the Departmental Committee on Energy.

We want him to invoke that inherent right and ensure that Northern Kenya is connected to the national grid under his leadership. As it is, this answer is wanting. It lacks substance, vision and does not meet our expectations. Therefore, the only place it deserves is the dustbin. We expect you to provide leadership.

Hon. Speaker: Hon. Gikaria, is that answer a plagiarism of an answer given 13 years ago?

Hon. David Gikaria (Nakuru Town East, UDA): Hon. Speaker, I do not want to answer about 13 years ago. I want to agree with him that it is true, this is not a proper concrete answer.

As the Report indicates, this country cannot operate unilaterally on its own. We have the Kenya-Ethiopia connection line and there is a talk between the Kenyan Government and

the Ethiopian Government to enable use of the transmission line from Ethiopia. That will be cost-effective and cheaper for this country. It is the most appropriate because it will be done in a shorter time.

Otherwise, as Hon. Keynan has put it, getting a transmission line of power to the North Eastern region is quite costly. Of course, as the Ministry has indicated it is will take time because of the distance. However, the Ministry has done some interventions by bringing in mini-grids like solar. This has worked very well in Garissa where the Government commissioned a 50-megawatt solar plant. The Ministry has indicated that they are sourcing development partners for funding. These funds have been stipulated in the very last page, indicating exactly how much each county is sourcing for so as to address this matter.

Thank you, Hon. Speaker.

Hon. Hussein Weytan (Mandera East, ODM): Thank you, Hon. Speaker. This issue is very critical, especially in Northern Kenya. The grid is one of the most important things that we require as Northerners. It is now in Garissa and Mandera is over 700 kilometres. Unfortunately, vehicles carrying fuel to Mandera, Wajir and Garissa get stuck on the way during rainy seasons as the roads are impassable.

In Mandera vehicles get stuck on the road for over seven days. So, there is usually a total blackout. Unfortunately, we are in the stone-age era because Mandera, Garissa and Wajir are the only areas that use generators up to date. These old generators always fail and during the last Ramadhan there was a blackout.

Hon. Speaker: Hon. Ruweida, what is your point of order? What is out of order?

Hon. Ruweida Mohamed (Lamu East, JP): Lamu pia inatumia jenereta huko Kiunga na Faza. Kwa hivyo, wasiseme ni *North Eastern* pekee. *It is not the only place.* Kwa hivyo, alikuwa anadanganya, arekebishe. Hawa wenzetu wa *North Eastern* huwa ni wao pekee wakati wa mapato na wanatushau. Wakijittea wanasahau sisi watu wa Lamu.

Hon. Speaker: Hon. Weytan.

Hon. Hussein Weytan (Mandera East, ODM): Thank you, Hon. Speaker. In fact, Lamu is included in the North Eastern region most of the time. It is always included in areas with insecurity.

Hon. Speaker: Seek your clarification.

Hon. Hussein Weytan (Mandera East, ODM): I have corrected that. Although Lamu is part of the Coastal Region, it is also part of North Eastern Region. I apologise to my colleague. It was very unfortunate that during the last Ramadan, my people in Mandera fasted in the dark. Throughout the 30 days of Ramadan, we were in total blackout. The reason was that all the generators failed. There is no reason the Kenyan Government....

Hon. Speaker: You have made your point. Hon. Gikaria when in terms of timelines, do you hope our compatriots in the Northern parts of Kenya can taste the national grid?

(*Loud consultations*)

(*Hon. Ruweida Mohamed spoke off the record*)

Hon. Speaker: And Lamu.

Hon. David Gikaria (Nakuru Town East, UDA): Thank you, Hon. Speaker. For example, there was a planned project in Lamu where we were to use an underground cable through the sea to take the off-grid power to Lamu. Because of lack of funding, this has not been done. The current administration's ambitious programme for the country intends to have a mini-grid in the North Eastern Region. We should have it within three or four years.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Members, allow me to acknowledge, in the Speaker's Gallery, Migwani Boys' Secondary School from Mwingi West Constituency, Kitui County. I thought we had acknowledged them, but I have been told it is a second batch. We also have Bahati PCEA Girls from Bahati Constituency, Nakuru County.

In the Public Gallery, we have Kirarwa Secondary School from Kinangop Constituency, Nyandarua County and Kivaa Secondary School from Masinga Constituency, Machakos County. On my behalf and that of the House, we welcome the students, their teachers and those accompanying them to the House.

Next is Hon. Jematiah.

(*Hon. Adan Keynan spoke off the record*)

I have already given direction. Hon. Jematiah, proceed.

Hon. Adan Keynan (Eldas, JP): On a point of order, Hon. Speaker.

Hon. Speaker: No. We have spent 20 minutes on that Statement.

Hon. Adan Keynan (Eldas, JP): Point of order, Hon. Speaker, please.

Hon. Speaker: Hon. Gikaria, cross over to the questioner and satisfy him.

Hon. Jematiah Sergon (Baringo County, UDA): Thank you, Hon. Speaker.

Hon. Speaker: Hon. Jematiah, hold your horses. Hon. Keynan, take one minute.

Hon. Adan Keynan (Eldas, JP): Thank you, Hon. Speaker. Every region or community has certain expectations from every regime. We, as Northerners, have three critical expectations from the current regime. One has been solved. It was training, recruitment and posting of teachers which has been solved by His Excellency the President.

Two more critical issues are remaining. You may be part of the solution because you are a major stakeholder in the current Government. One of them is extension of the national grid from Garissa to Wajir and Madera. This has yet to get the attention of the Government at the planning stage.

The third one which I want it to go on record is the construction of Isiolo-Modogashe-Wajir-Mandera-Samatar Road. Unless the planners are seized with this matter, it is difficult even to get a donor. I agree with the Chairman that there is no time when resources will be enough. We have been excluded from the national planning by the discriminatory Sessional Paper No.10 of 1965.

Under your leadership, can you include this in the next budgetary framework, so that Northern Kenya is connected to the national grid? I request you to use your administrative, parliamentary and legal skills to assist us, as a stakeholder of the current regime. Please, push this so that for once in our lifetime, we see connection to the national grid just like we are waiting for that critical road connection to our region.

Thank you very much.

Hon. Speaker: You have made your point. I will be your champion for that. Hon. Jematiah, proceed.

(*Loud consultations*)

UNLAWFUL OCCUPATION OF COLLEGE OF INSURANCE LAND

Hon. Jematiah Sergon (Baringo County, UDA): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Finance and National Planning regarding unlawful occupation of land LR No. 209/10210 (IR No. 66157) belonging to the College of Insurance.

In 1992, the Insurance Training and Education Trust (ITET) established the College of Insurance in Nairobi South C to offer insurance training. In 1995, the ITET acquired a 5-acre

piece of land adjacent to the College of Insurance for purposes of future expansion. The land, which is registered as LR No.209/10210 (IR No. 66157) under Deed Plan No.193902), remained known property of ITET, until 2011 when one Rajab Ahmed Karume claimed to have been issued an allotment letter in 1998 for the same parcel of land. Suspiciously, his allotment letter was obtained three years after the ITET's possession, raising questions of authenticity of his allotment letter.

The Land Act, Cap.280 provides for mandatory procedures during eviction from any property. Notably, Section 152G of the Act provides that such action must be preceded by proper identification of those taking part, presentation of formal authorisations and special measures to ensure that there is no arbitrary deprivation of property or possessions. In disregard of the law, on 6th June 2025, goons believed to have been hired by Mr Rajab raided the College, destroyed the fence and gates and began erecting the perimeter wall around the disputed land. This land grabbing scheme has blocked access to the College and the Convention Centre, threatening the very existence of this premier public institution that has been providing insurance training to government entities, the private sector and other stakeholders in the insurance industry since 1992.

Hon. Speaker, it is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Finance and National Planning on the following—

1. A report on the rightful ownership of LR No.209/10210 (IR No.66157), including all entries entered under the said land, and the authenticity of the allotment letters issued to the parties.
2. The steps being taken by the National Treasury to secure the land ownership rights of the ITET, being a public institution.
3. The measures being undertaken to protect the ITET and the College of Insurance from harassment and intimidation by persons claiming ownership of the land, including deployment of more police officers.
4. Clarification on the development approvals, if any, for the activities being undertaken on the disputed parcel of land.

Thank you, Hon. Speaker.

Hon. Speaker: Chairman of the Departmental Committee on Finance and National Planning, when can we get a response?

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, bearing the sensitivity of this particular matter, we will endeavour to reply to this House within seven days. Further delay in this matter will mean that the Government will lose a very strategic investment that is made by the College of Insurance and the hotel they own called the Edge Convention Centre. As you may recall, this is where we did the public participation on the Finance Bill. It is such a great facility and we should not allow it to be grabbed by private individuals.

Give us seven days, Hon. Speaker.

Hon. Speaker: Okay. Do so.

Next Order.

(Hon. Owen Baya spoke off the record)

Yes, Hon. Owen Baya. You had requested to....

Hon. Dekow Mohamed (Garissa Township, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Dekow. What is it?

Hon. Dekow Mohamed (Garissa Township, UDA): Thank you, Hon. Speaker. I want to raise a fundamental issue that was raised by Hon. Keynan, on the issue of---

Hon. Speaker: Order! You are out of order. *Hiyo tumeaita*. Take your seat.

Hon. Owen Baya (Kilifi North, UDA): Thank you, Hon. Speaker. I rise on Standing Order 209(2), on a matter of great importance to the people of Kilifi County and the Coast region in general regarding water. The people of Kilifi and Mombasa Counties get water from Baricho Water Works (BWW). Offtake of this water must be done using electricity and we have to pay electricity bills. However, Kenya Power charges a very high tariff on production of water from the source to the ultimate destination. This has caused a lot of pain to the people of Kilifi and Mombasa Counties because they pay hefty electricity bills and are always disconnected.

Hon. Speaker, in the 12th Parliament, we approved a Report by the Departmental Committee on Energy which was shared by Hon. Gikaria, on a public petition regarding water supply constraints caused by Kenya Power Tariffs in Kilifi County. I presented that petition and the Report which I am holding was Tabled in this House and approved. One of the key recommendations of the Committee was that, the Energy and Petroleum Regulatory Authority (EPRA).

If I may quote, “must undertake and engage in a consultative forum with water works development agencies, water companies and water services boards to come up with a non-commercial tariff for water pumping for public water utilities including the Baricho Water Works.” Hon. Speaker, you know where Baricho is. A report from EPRA was expected in 90 days but that never happened. EPRA did not do it and either did the Ministry of Energy and Petroleum or Kenya Power.

Today, as I speak in this Chamber, water has been disconnected for the last one week in Kilifi County and people are suffering. Schools are closing, hospitals cannot operate because Kenya Power disconnected water. Water is a fundamental human right under Article 43(2) of the Constitution. It is important that this House enforces the attainment of the rights by ensuring that EPRA and other state agencies act to ensure that the constitutional rights are upheld. We cannot continue to have the people of Kilifi County suffer from water shortage because of wrong tariffs. Yet, there is plenty of water.

Kenya Power is one of the thorns in the enjoyment of our right. We must pay for electricity, which we agree to do. However, it should not be at the detriment of denying people water for two weeks. Hon. Speaker, I pray that you direct the Committee on Implementation to call EPRA, the Cabinet Secretary for Energy and Petroleum and everybody in this sector to answer to one fundamental question, why are they denying the people of Kilifi County their basic constitutional right of water?

Secondly, that the Ministry of Energy and Petroleum, Kenya Power and other relevant players mentioned in the Report, forthwith implement the resolution to guard against curtailment of our right. That they connect the power as they sort out this issue to avoid the continuous suffering of the people of Kilifi County. I beg you Hon. Speaker.

Hon. Speaker: Thank you. Clerks-at-the-Table, you can pass that concern to the Committee on Implementation to deal with.

(Hon. Adan Keynan spoke off record)

The concern he has raised was loud enough; it does not need an additional voice.
Next Order.

PROCEDURAL MOTION

Hon. Speaker: Hon. Leader of the Majority Party.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Yes, what is it?

Hon. Speaker: Who is prosecuting Order No. 8?

Hon. Owen Baya (Kilifi North, UDA): Hon. Speaker, give me one minute so that I can consult with the Leader of the Majority Party. He moved away with everything.

(*Laughter*)

(*Hon. Owen Baya consulted Hon. Kimani Ichung’wah*)

REDUCTION OF THE PUBLICATION PERIOD OF SPECIFIED BILLS

Hon. Owen Baya (Kilifi North, UDA): Hon. Speaker, I beg to move the following Motion:

THAT, pursuant to the provisions of Standing Order 120, this House resolves to reduce the publication period of the following Bills—

- (i) The Equalisation Fund Appropriation Bill (National Assembly Bill No. 21 of 2025 from seven days to six days; and
- (ii) The Appropriation Bill (National Assembly Bill No. 23 of 2025) from seven days to five days.

This is a straight forward Procedural Motion and as you know we have constitutional timelines to meet as we move towards finalising the issues of the Budget. Therefore, it is important that we finalise the appropriation of the Equalisation Fund Bill and the Appropriations Bill within this time. Therefore, we want to reduce the publication period by only one day. So, that we can catch up with constitutional timelines.

Having moved the Motion, I would like to request the substantive Leader of the Majority Party, to second.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Thank you Hon. Speaker. I beg to second.

As my able deputy has said, reduction of timelines on these budget-related Bills is important for us to be able to conclude this business before the end of the financial year. Bearing in mind, that we are about to progress on recess. Therefore, I beg to second.

Being a Procedural Motion, I request Hon. Members to support so that you can put the question.

(*Hon. Caroli Omondi and other
Hon. Members stood in their places*)

Hon. Speaker: Order, Hon. Members on their feet. Take your seats. Hon. Caroli Omondi and group take your seats. Thank you.

(*Question proposed*)

(*Question put and agreed to*)

BILLS

First Readings

THE EQUALISATION FUND APPROPRIATION BILL
(National Assembly Bill No.21 of 2025)

THE APPROPRIATION BILL
(National Assembly Bill No.23 of 2025)

*(The Bills were read a First Time
and referred to the relevant Committees)*

SPECIAL MOTION

APPROVAL OF NOMINEES FOR APPOINTMENT AS MEMBERS OF THE NATIONAL POLICE SERVICE COMMISSION

Hon. Speaker: Hon. Tongoyo.

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Speaker. I beg to move the following Motion:

THAT, taking into consideration the findings of the Departmental Committee on Administration and Internal Security in its report on the Approval Hearing of Nominees for Appointment as Members of the National Police Service Commission, laid on the Table of the House on Thursday, 12th June 2025, and pursuant to the provisions of Article 246(2) and 250(2) of the Constitution and sections 3 and 8 of the Public Appointments (Parliamentary Approval) Act, Cap 7F, approves the appointment of the following nominees as Members of National Police Service Commission –

1. Ms Peris Muthoni Kimani;
2. Mr Benjamin Juma Imai; and
3. Prof. Collette A. Suda.

Hon. Speaker, the nomination of the three was communicated to the Speaker of the National Assembly on 21st May 2025. Enclosed with the communication were their curriculum vitae, testimonials, and the selection panel's report.

Pursuant to Standing Order 42, on 27th May 2025, the Hon. Speaker conveyed to the House the message from His Excellency the President regarding the nomination of the three individuals. The names were subsequently referred to the Departmental Committee on Administration and Internal Security for vetting and approval hearings. Upon conclusion, the Committee tabled its report as required.

In compliance with Article 118 of the Constitution, Section 6(4) of the Public Appointments (Parliamentary Approval) Act, and Standing Order 45(3), the Clerk of the National Assembly published a notice in the print media on Thursday, 29th May 2025, informing the public of the scheduled approval hearings to be held on Monday, 9th June 2025. Further, in line with Sections 6(3) and 6(9) of the same Act, the public was invited to submit memoranda under oath on the suitability or otherwise of the nominees. The deadline for submissions was Thursday, 5th June 2025.

Additionally, on 28th May 2025, the Clerk of the National Assembly issued letters to the nominees and placed a public notice in the print media confirming the date and venue of the approval hearings. Letters were also dispatched to the Office of the Director of Public Prosecutions (ODPP), the Ethics and Anti-Corruption Commission (EACC), the Kenya Revenue Authority (KRA), the Higher Education Loans Board (HELB), the Directorate of Criminal Investigations (DCI), and the Office of the Registrar of Political Parties (ORPP) seeking background checks and reference information on the nominees.

The nominees appeared before the Committee on Monday, 9th June 2025. The Committee conducted the hearings in accordance with the Constitution, the National Police Service Act (Cap. 85), the Public Appointments (Parliamentary Approval) Act, and the Standing Orders of this House.

The Committee carefully examined the nominees' academic qualifications, training, professional experience, and career trajectories. We were duly impressed by all three nominees. They all have long-standing service in the public sector and bring with them vast experience. Notably, no objections or adverse submissions were received from the public concerning any of the nominees. Their nomination was in full compliance with Article 246 of the Constitution and Section 6(5) of the National Police Service Act.

[The Speaker (Hon. (Dr) Moses Wetang'ula) left the Chair]

[The Deputy Speaker (Hon. Gladys Boss) took the Chair]

The Committee commenced with Ms Peris Muthoni Kimani, who has had a commendable and distinguished career in the National Police Service. She joined the service as a constable and rose through the ranks to the position of Assistant Inspector General (AIG), which is only three ranks below the Inspector General. Ms Kimani served the nation for nearly four decades.

Hon. Deputy Speaker, during her 39 years of service, she worked across virtually every region of the country, including areas afflicted by insecurity and banditry, despite being a woman. She consistently exhibited patriotism, discipline, and exemplary leadership. She is a team player, and we are confident that she will add great value to the National Police Service Commission.

The second nominee, Mr Benjamin Juma Imai, is also a distinguished Kenyan who began his career in the police service as a constable and rose through the ranks to the level of Assistant Inspector General. His experience and leadership will similarly benefit the Commission.

Hon. Cynthia Muge (Nandi County, UDA): On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: What is your point of order, Hon. Muge?

Hon. Cynthia Muge: Thank you, Hon. Deputy Speaker. Is the Hon. Member on the Floor in order to state that Peris Muthoni achieved so much "despite being a woman"? Is being a woman a disability? The Hon. Member should tell us if it is a disability, and if it is supposed to prevent women from being the best that they can be. That is very derogatory.

The Deputy Speaker: Hon. Tongoyo, kindly apologise.

Hon. Gabriel Tongoyo (Narok West, UDA): For what? Hon. Deputy Speaker, I think...

(Loud consultations)

No, listen, Hon. Members. I had said it on a positive note. I said that despite being a lady, she had worked even in the hardest, banditry-prone areas in this country and demonstrated leadership.

(Loud consultations)

Hon. Deputy Speaker: Hold on. Women have been known to even serve in Iraq and Afghanistan with distinction. So, you should not say that despite being women, they do well. Women ordinarily do well. Just apologise.

Hon. Gabriel Tongoyo (Narok West, UDA): If it pleases them, so may it be.

Hon. Deputy Speaker: Just apologise.

Hon. Members: Apologise.

Hon. Gabriel Tongoyo (Narok West, UDA): I apologise for saying that she is an outstanding woman who served this country with distinction and ability.

(*Loud consultations*)

Hon. Deputy Speaker: Order, Hon. Members. Hon. Jematiah, you have something to say?

Hon. Jematiah Sergon (Baringo County, UDA): I support what Hon. Cynthia is saying. It cannot be “despite”. What do you mean by despite? Here, I earn the same salary as Hon. Tongoyo. It does not mean it is despite being a woman, that is why I am here with him.

Hon. Deputy Speaker: Member for Kericho.

Hon. Beatrice Kemei (Kericho County, UDA): Hon. Deputy Speaker, I respect the Chairman but he is behaving like a real Maasai man. When he tells us “despite being a woman”, is that not discriminatory? What is “despite”? What does that mean? He should withdraw and apologise.

Hon. Deputy Speaker: Hon. Members, we would like to finish this topic. Hon. Tongoyo, apologise or else I will read to you the dictionary meaning.

Hon. Gabriel Tongoyo (Narok West, UDA): Okay.

Hon. Deputy Speaker: If I read to you the dictionary meaning, it is a condescending statement. Apologise.

Hon. Gabriel Tongoyo (Narok West, UDA): Since it seems to have been misunderstood, I withdraw the statement and apologise. Hon. Deputy Speaker, should I proceed?

Hon. Deputy Speaker: Proceed, Hon. Tongoyo.

(*Loud consultations*)

Hon. Gabriel Tongoyo (Narok West, UDA): I have said I have withdrawn and apologised and I should be allowed to proceed. It was all in good faith.

(*Loud consultations*)

Hon. Deputy Speaker, I deserve to be heard in silence. Kindly protect me from the Members. Regarding Benjamin Juma, I mentioned that he is a distinguished Kenyan who served in the Police Service Commission for close to 40 years. Just like our very gracious lady, Peris, throughout his 40 years of service, he demonstrated patriotism and the ability to serve with dedication and commitment. He has also virtually worked in every part of this country, including hardship areas like parts of Lamu. He convinced the Committee that, once approved by this House, he will bring the needed expertise and commitment to the National Police Service Commission, where it is needed most, more importantly, as we approach police recruitment.

On the part of Prof. Collete Suda, she is a great lady who has served this country in many capacities, including serving as a Principal Secretary. She also served as a Chief Administrative Secretary (CAS) an abolished position, and held high leadership positions in this country and globally. She is a distinguished scholar and has taught in several universities nationally and internationally. Generally, the three nominees demonstrated a deep understanding of topical, administrative and technical issues touching on governance and the role of a member of the National Police Service Commission. They possess the requisite abilities, qualifications and experience to serve in state capacities.

Hon. Deputy Speaker, having considered the suitability, capabilities, qualifications and integrity of the nominees during the approval hearing, the Committee recommended that the House approves the nomination of all the three: Ms Peris Muthoni Kimani, Mr Benjamin Juma

Imai and Prof Collete Suda, for appointment as Commissioners of the National Police Service Commission.

I beg to move and request my able Vice-Chairman, Hon. (Rtd) Colonel Dido Raso, to second this Motion.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Tongoyo, I have searched my dictionary just so I can educate you. It says, “Using the phrase, ‘despite being a woman’, can indeed be considered problematic, patronising and in fact, condescending to women.” Why is it potentially derogatory? One, being a woman is not an obstacle to serve in any service at all. Two, a woman’s service is not unusual or surprising, no matter how tough it is. Three, it implies that her gender makes her achievement exceptional, not because of the achievement itself, but because she is a woman. A better, more respectful alternative you should have used is that you do not highlight her gender and limit it to the service to merit, but say in the context and the things that she has achieved”.

Hon. Tongoyo, I am sorry, but as a woman, I take great exception. Let us proceed. Who is seconding?

(*Loud consultations*)

(*Hon. Kimani Ichung’wah spoke off the record*)

Leader of the Majority Party, I will not give you a chance to clarify because you will say something that might give you worse repercussions. Let us proceed. Who is seconding?

(*Loud consultations*)

Hon. Millie, are you the one seconding? Hon. Tongoyo, who is seconding? Hon. Raso, you may proceed.

(*Loud consultations*)

Hon. Ali Raso (Saku, UDA): Thank you, Hon. Deputy Speaker. I think the ladies in the House have accepted our apologies.

(*Loud consultations*)

Hon. Deputy Speaker: Order, Hon. Members. Proceed, Hon. Raso.

Hon. Ali Raso (Saku, UDA): I rise to second this Motion.

(*Hon. TJ Kajwang’ and other Hon. Members spoke off the record*)

Hon. Deputy Speaker: Hon. T.J. Kajwang’, you are actually shouting from your seat. Proceed, Hon. Raso.

Hon. Ali Raso (Saku, UDA): Thank you, Hon. Deputy Speaker. I rise to support this Motion. I wish to associate with the good bits that my chairman has covered, particularly on these three nominees. Article 246(2)(a)(ii) clearly states appointment of two retired senior police officers, Muthoni Kimani and Benjamin Juma Imai, representing the Kenya Police Service and the Administration Police Service, respectively. Article 246(2)(a)(iii) refers to persons of integrity who have served the public with distinction, referring to Prof. Colette Suda.

To that extent, this meets the constitutional threshold that is required in appointing the members of National Police Service Commission.

Hon. Deputy Speaker, the functions of the National Police Service are to recruit, appoint persons to post, confirm appointments, promotions, transfers, disciplinary control and remove persons. Currently, Kenya is facing difficulties, and we should not look away. The work of the National Police Service Commission is cut out, particularly in accountability and transparency in addressing the citizens of our country.

Secondly, is the issue of human rights and fundamental freedoms. Our police officers must not only be seen but must walk the talk. The idea of politicising everything is as a result of the Police Service going down professionally. The relationship between the National Police Service and the people of Kenya must be restored. That confidence and trust must exist.

Hon. Deputy Speaker, we have been watching the events of the last two days on television. The people of Kenya must respect law enforcement. The police officers put their lives on the line so that we can transact in this House and feel safe when we are on the road, that somebody has our backs.

However, when we accost an armed young man or woman, then it means we are being provocative and reckless as a country. This must be called by its name. Kenyans must respect those who enforce the law and protect them. On the flip side, the National Police Service Commission must take full control of the discipline of their ranks and file.

With those remarks, Hon. Deputy Speaker, I beg to second.

Hon. Deputy Speaker: Hon. TJ Kajwang', in case you did not know, that is called positive discrimination, and I will exercise it.

(*Question proposed*)

Hon. Members, before I sit down, I would like to recognise the following guests who are seated in the Public Gallery: Kilo Junior School from Njoro Constituency, Nakuru County, and Migori *Bunge la Mwananchi* from Suna East Constituency, Migori County. I will give the Member of Parliament for Migori County, Hon. Fatuma Mohammed, the opportunity to welcome our guests.

Hon. Fatuma Mohammed (Migori County, Independent): Thank you, Hon. Deputy Speaker, for this opportunity. First, I want to thank God for letting my people reach Nairobi safely. *Bunge la Mwananchi* is from both Suna East and Suna West. They are very active young female and male members of their assembly. *Bunge la Mwananchi* is just for the purpose of correcting leaders. All they do is discuss their Members of Parliament and those of the County Assembly. They discuss our conduct and the *maendeleo* that we take to them.

It is a very active group. I recommend that each and every county and sub-county should have a *Bunge la Mwananchi*. All they do is oversee their leaders. They are aware of what is in the Budget and Finance Bill. If you happen to go against their wish, which is the wish of the *wananchi*, they correct you.

So, I welcome you from Migori County. I thank you for taking your time to visit the National Assembly and see how we conduct our business here. Welcome, and safe journey back home.

Hon. Deputy Speaker: Hon. Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Deputy Speaker. I rise to support this Motion for the approval of Ms Peris Muthoni Kimani, Benjamin Juma Imai and Prof. Colette Suda

I am very careful not to use the word "despite." Despite this list having only one man, I support.

(*Laughter*)

Despite this list having two women and one man, and despite me being a father of girls. I know that we must accord equal opportunity to everybody, including our daughters and sisters. So, I support this list.

Many of these nominees, as has been said by the Chairman... I know he was slightly misunderstood and I think it is largely because of where he comes from. There are those who have the misconception that Hon. Tongoyo comes from the Maa community and has no regard for women. I can ascertain and prove that I have known him for a few years. He is also a father of girls. In line with their culture, you do not count them, but he is a father to a number of girls and has very high respect for women.

He was saying it on a positive note that these ladies have served in very crucial dockets. Ms Peris Muthoni served in the police service as a senior police officer. She rose through the ranks from a junior officer to the rank of regional or county commander which was her last posting. The same applies to Prof Colette Suda. As has been said, she served as a Chief Administrative Secretary (CAS). I think, at some point also as a Principal Secretary in the Ministry of Education - the Higher Education Department.

(Hon. T.J. Kajwang' spoke off the record)

I hear people inviting me to the discussion of these lady's age. Hon. T.J. Kajwang' knows that our Constitution obligates us not to discriminate anybody on the account of either gender. That is why you had the Hon. ladies led by the distinguished Member for Nandi County, Hon. Cynthia Muge, rise in their places. So, that nobody is discriminated against on the basis of age, gender or even religion. Therefore, these ladies and this gentleman at whatever age are Kenyans who have been vetted and ascertained by the Committee.

Hon. Kaluma sits in that Committee and is a very serious and senior lawyer. You heard him the other day when he was discussing the Law of the Sea. He can tell you, even legally, that they vetted and ascertained that these people merit to serve in these positions. They have very good experience. With age, comes experience. A commission is like a Board of Trustees or a Board of Governors in a company or institution. They are not the secretariat in the Commission.

The secretariat has a very able young person; I think called Mr Lelei who is a Chief Executive Officer (CEO). He has a very able team of young, energetic Kenyans who are very productive at their prime age. It is also good to marry that with a board or a commission that has both experience and wisdom. I say that because all these officers have served in senior positions in government and outside government. Therefore, they have the requisite experience and wisdom to guide the Commission.

In closing, I think the Vice-Chairman alluded that we must call on this Commission to ensure they work towards completely professionalising our police service. Yesterday, the Cabinet Secretary in charge of Interior and National Security, pronounced himself on a number of reforms within the National Police Service. Part of those reforms must be implemented and their implementation is supervised by the National Police Service Commission. I want to call on these nominees, as they join the Commission to ensure that these reforms are fully implemented. That, they professionalise our police service and support our police officers.

As Hon. Raso has said and I know he came from the uniformed forces. These are men and women who give their lives in service to our nation. In other jurisdictions and many of you who travel outside see it, those who have served in the military or police forces are accorded very high respect, even in retirement or when still in service. When you go to the United States (US), they do not even queue in banks or at airports.

Why do we not treat our servicemen and women with the same honour and dignity? Yet, we expect the same in return. If we expect to be treated with courtesy, honour and respect by uniformed officers, let us also treat them with the same respect and honour that comes with the offices they serve in. These are the officers who salute you and me and everybody else, as we pass them in the streets. Many of us never bother to take time to even know how they are doing. They are Kenyans like other Kenyans.

Hon. Deputy Speaker, in as much as, we condemn excessive use of force by any officer, whatever happens in our country where the rule of law is at the core of its operations is something that this House must pay attention to. In spite of the sad happenings of the death of Albert Ojwang', I must commend the police for doing their work to ensure that those responsible are brought to book. That is how civilised nations and democracies work. You allow investigative agencies to do their work and take action against those involved in any breach of the law. It is not all officers, but a few. Even in this House, we are not all angels; many of us have our own shortcomings. Therefore, in every institution, even within the police service, there are officers who will have excesses.

The law must be allowed to take its course. However, that must never be a justification for members of the public to take the law into their own hands, if an officer or two does not meet their expectations. This would be courting disaster and chaos in the country. I have seen activists in the streets, taunting policemen; an armed police officer and you are touting them? I must take this opportunity to commend that officer in Nakuru, who was being taunted with a *panga*. His life or that of other Kenyans would have been at risk, but he maintained his cool. That is the kind of spirit we want to see. We must also speak to our people to treat our policemen and women with respect, honour and the dignity that they deserve.

It is said that if you want to know the cost of education, try ignorance. If you want to know the cost of chaos, withdraw the police from the streets and allow everybody to roam and do what they want to - whether they are picketing or are mobilised looters. In the recent past, what is being described as demonstrations are organised groups of goons. I heard a leader shamelessly purport that even the cars that were burnt last week, were nowhere in the register of vehicles at the National Transport and Safety Authority (NTSA).

I want to dare the former Deputy President, it is okay to go and incite people on vernacular radio. However, you must have the decency to adduce evidence of every allegation and claim that you make. Otherwise, you continue to exhibit the sort of ignorance that you served with in office, even when you are out of office.

Kenyans witnessed those cars being burned down. It only took me five minutes to zoom in, look at the number plate and check the owners at the NTSA. One of the cars belongs to a security company. The officers in the escort car are allowed to use brutal force to protect what they are escorting and most of the time, it is cash in transit. They did not know why people were stopping them in the streets when on transit with cash. If you saw the video clips, the officers fired in the air to scare the people who were blocking the van that was transporting the valuables, and they were able to sail through. Unfortunately, the one that had unarmed officers ended up being torched.

I want to appeal to members of the public, not to taunt our officers. Let us not throw our hands at them. I have seen people just brandishing their hands at officers and some restrain themselves. It is not every day you come across an officer who will be able to restrain themselves. Therefore, let us conduct ourselves in a dignified way when we want to protest. When we want to protest, let us do it in a way that we are not provoking these officers and those who are running businesses in our towns.

This chaos comes with a huge cost to business people, especially those in the Central Business District (CBD) who lost their property last year and this year. May I dare say, as I said here, that you will find many people causing and mobilising chaos are not in pursuit of

justice. Some have not even had the decency and courtesy to say *pole* to *Mzee Ojwang'* and the family of the deceased young man from Homa Bay. They will want to use his name for politics, and mobilise all manner of shenanigans.

In conclusion, I support these names, despite there being only one man. These are very able officers who will serve this Commission.

Thank you, Hon. Deputy Speaker. I support.

Hon. Deputy Speaker: Hon. Members, because we have very important business to transact, I would like to close this Motion so that we can move to the next business. As a woman leader, it would not be right for me not to correct your Report. I propose that you change it to read that "Ms Peris Muthoni Kimani has served with distinction in the police forces, including in hardship areas", that is a nicer way. If you must mention her gender, I would have preferred if you said, "as one of the few women in the police force at the time, Ms Peris Muthoni Kimani served diligently including in hardship areas, demonstrating her resilience and commitment".

Thank you. You want to speak? I will give the first chance to Hon. Kaluma.

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Deputy Speaker. I know all the nominees. I know Madam Peris Muthoni Kimani, a lady who has risen from very humble beginnings and served up to very high echelons of the security apparatus. I also know Benjamin Imai, I worked with him in the security sector when serving in this Committee since 2013. He is a very capable man who will ably serve in this important Commission. Additionally, Madam Collette A. Suda was a sociology lecturer at the University of Nairobi for a very long time. She is an amazing lady who has served previously as a Principal Secretary (PS) in the Ministry of Education and a Chief Administrative Secretary (CAS). I know them all.

I want to emphasize that we have a team of nominees here who will perform the functions and roles of the National Police Service Commission (NPSC). This Commission has four main roles under the Constitution: recruitment, transfer, promotion and control over the processes of discipline of police officers. Seeing their orientation and where they come from - Ms Peris is from the Kenya Police, Benjamin Imai is from the Administration Police, and of course, Collette A. Suda from the public, having been a sociology lecturer, this is a great team.

Allow me to also emphasize one point which has been spoken to by the Leader of the Majority Party. In this country, we have the best Bill of Rights. We must allow our people to enjoy those provisions in our human rights and fundamental freedoms to the full. We need to remind all Kenyans and foreigners in this country, that we can only enjoy those fundamental freedoms and human rights within the confines of the Constitution and the law. We need to underline the fact that ultimately, we need a stable state.

I was very sad when I saw a video of a person, now confirmed to be a foreigner, wielding a *panga* at our police officers on the main street in Nakuru. He was wielding the *panga* and charging at the police officers who were armed. He was sharpening the *panga* on the tarmac as he walked. Such an individual is lucky because of the richness of our Bill of Rights. In the country he comes from, which I hear is Uganda, I do not think he would have reached with that *panga* on the streets. We must avoid situations where we over-provoke our police officers. These police officers are almost at the level where they will be saying they will sit back and let people do as they wish. That will be the birth of chaos and anarchy.

The other day when we were discussing the Budget, I saw a young Kenyan lady from Western, an activist who has been performing remarkably well. There were more than six police officers, all armed, present to control the demonstration. I do not know if Members have watched that video. The girl charged at a police officer and pulled her neck. That is not acceptable.

Shortly thereafter, you would have seen what a law and order officer in the United States stated: "If you abuse our police officers, you will go to jail, but you will first pass through

the hospital. If you spit on our police officers, you will go to jail, but you will also visit the hospital because our beautiful dogs will bite you. If you touch our police officers, your relatives will be called to collect the remains, wherever they maybe.”

I am not suggesting that we should resort to such extremes, but I recognise a challenge: we must begin to consider how we can enjoy these fundamental freedoms while also understanding that we have limits. We must also acknowledge that if these police officers do not maintain law and order, there will be significant problems. This is not to say our police should misbehave. Indeed, those who misbehave must be held accountable as we are doing with others, and this must happen expeditiously. This is why we are sending this gentleman and these remarkable ladies of Kenya to address disciplinary control. If they are approved, let them balance the scales to enable our police officers to act while allowing Kenyans to enjoy human rights and fundamental freedoms without fear or favour.

I thank you, Hon. Deputy Speaker and I support their appointment.

Hon. Deputy Speaker: Some people on this other side have their hands up. Kindly speak for three minutes so that we close this matter. Hon. TJ, are you still interested? You look like you have zoned off. Next is the Member for Ndhiwa, then Hon. (Dr) Oundo and Hon. Kajwang' in that order.

Hon. Martin Owino (Ndhiwa, ODM): Thank you, Hon. Deputy Speaker.

I rise to support the nomination of these individuals. One of the nominees, Prof. Colette A. Suda, hails from my Constituency and has previously served well as a Principal Secretary. While we commend their appointment, it is important to address the issues within the police force that require their attention. We spend Ksh1.3 billion every year in this area. So, these individuals have their jobs cut out. So, they should transform this into an accountable, transparent, professional and disciplined police service.

Today, we witnessed young people on the streets of Nairobi carrying *rungus*. This country is well respected, and such scenes are not welcome. As their responsibilities include recruitment—an area that has faced ongoing challenges—I hope they will work to strengthen this process.

On the issue of promotion, some police officers take years before they are promoted. I hope they will address that squarely as well. There are also pressing matters regarding discipline, transfers, and particularly the need for capacity building. Police officers must understand that the rule of law is their guiding principle, rather than directives from above.

Hon. Deputy Speaker, I believe that the three individuals are up to the task and I wish them well. I ask Members to approve them so that they can get to work.

Thank you, and I support.

Hon. Deputy Speaker: Hon. (Dr) Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Deputy Speaker.

Allow me also to join in supporting the Report of the Committee and their proposals to appoint the three Kenyans: Peris Muthoni Kimani, Benjamin Juma Imani, and Prof. Colette A. Suda. Regardless of the fact that the gender rule has not been complied with, our ladies have been very passionate about these issues.

Hon. Deputy Speaker: It is one-third. So that meets it. One of three is 30 per cent.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Okay, fine. Let us not lose focus. When we inaugurated the new Constitution, it gave us a very elaborate Bill of Rights, coming out of repressive regimes over the past years since independence. At the centre of any democracy, are law enforcement agencies. Our Kenyan police and our entire security systems are respected bodies all over the world, and every Kenyan expects them to uphold the rule of law, integrity, accountability, and respect for human rights.

As we stand here today, the truth, without bias, is that the relationship between the Kenyan Police Service and the general public, could be considered to be at its lowest ebb ever.

Why is this the case? There are two issues. Firstly, there is a general lack of motivation within the police force. Their level of empowerment, welfare, salary, living conditions, and working conditions are deplorable and, at the very best, unacceptable for any working individual.

The Chairperson knows that in many places, even at this time and in this age, there are no vehicles available to transport policemen to their duty stations. At this moment, many police stations, even those that possess police cars, do not have fuel allocations. They have to rely on members of the public. When you call a police officer to come and rescue you, the first question they will ask you is, “*Nitumie pesa ya mafuta.*” This situation diminishes their morale. There is also the issue of mental health, which could be linked to their working conditions.

On the other hand, the police are trained to serve the people of Kenya. It is unacceptable for a policeman to brutalise an individual. It is unacceptable for a policeman to shoot and kill a harmless person. I saw it with my own eyes, during the *Sufria* and *Ugali Maandamano*.

We just pray that the new Commissioners will truly transform the service into a service for the public, rather than a brutal force used to settle political scores or resolve other unknown issues.

Hon. Deputy Speaker: Thank you. Next is Hon. Ngogoyo.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Deputy Speaker.

I rise to support the three individuals who were vetted by the Committee to be members of the National Police Service.

As I support this Motion before the Floor, I wish to say that the work of the National Police Service (NPS) is well cut out. Firstly, they are responsible for recruitment and appointments to the National Police Service. We have always had problems of unfair appointments within the National Police Service. In certain regions, recruitment has often been skewed, particularly concerning the formula employed by the National Police Service. One of the roles of this Commission is to develop fairer processes that can address the issue of inequality for individuals who aspire to serve in the National Police Service. Additionally, they will manage promotions and confirm appointments.

Importantly, they also have a vital role in disciplinary control within the National Police Service. We have encountered incidents such as the recent case of Ojwang’, who tragically died in a police station. Disciplinary control is a responsibility that the National Police Service holds for the officers who serve, as well as for the management of institutions that are designated as police posts and police stations. We look forward to welcoming new brains and innovative ideas, ensuring that they do not merely replicate the practices of their predecessors but instead enhance the Commission’s effectiveness in serving this country. I agree with the Leader of the Majority Party on this matter. A country is held together by institutions such as NPS. But we must agree on one thing about what has happened today, where a young man selling face masks in town has been shot by a police officer. The young man did not run. He was unarmed. It is just worrying. One of the roles of NPS is to bring our country together.

The greatest threat is when an institution or leadership loses touch with the people they lead. Where I come from, we rear cattle. The worst shepherd is the one who cannot look back and see where his cattle are. Let us be careful not to lose touch with Kenyans. A good shepherd looks back to see whether he still has his flock. Let us not lose Kenyans in the race of leading Kenya.

For us elected on the Kenya Kwanza ticket, we promised that we would improve the working conditions of the police. We promised to improve three things: remuneration, working conditions and benefits. Most of those promises have not been met to date. As we approve the appointment of the nominees - and I agree they are competent individuals - they need to work so that the police get the benefits. Some of the nominees are people I know and they are competent. They can serve this country and make it better. I thank Hon. Kimani Ichung’wah for listening to the ground. Now you have changed your tone.

Thank you very much.

Hon. Deputy Speaker: Thank you, Hon. Members. Let us have the Mover to reply.

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Deputy Speaker.

I beg to reply. Despite the fact that none of our great ladies in the House has spoken, I know all of them are in support. I thank all Members who have contributed to this debate.

Hon. Deputy Speaker: Hon. Tongoyo, you can donate some of your time to Hon. Millie; she was here from the beginning.

Hon. Gabriel Tongoyo (Narok West, UDA): I donate two minutes each to Hon. Irene and Hon. Millie.

Hon. Deputy Speaker: Thank you, Hon. Chairman.

(*Loud consultations*)

Hon. Millie, please proceed. You see how they trivialise issues.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Have you seen how they have trivialised issues?

Hon. Millie Odhiambo Mabona (Suba North, ODM): Thank you, Hon. Deputy Speaker for this opportunity.

I am a lady. It is wonderful that you are presiding as the Speaker. The nominees we are considering consist of two women and a man. Let the male Members feel what it is like. They are complaining using words like ‘despite’. We can give you more English words to use to complain, because we have been complaining all our lives.

That aside, I support the Motion. Madam Collette’s age has come up and I wish someone younger had been nominated. But she still has competence. We cannot also do away with older people. We will also be 70 years one day.

Members have spoken to the need to respect our police, but the police also need to restrain themselves. Just now, a young man has been shot dead. It is unfortunate. The police have a higher duty of care. As Members of Parliament, we are abused daily and even attacked physically, but we restrain ourselves. To whom much is given, much is expected. Even if the public goes against you, please restrain yourself.

I support.

Hon. Deputy Speaker: Hon. Mayaka.

Hon. Irene Mayaka (Nominated, ODM): Thank you, Hon. Deputy Speaker.

I stand to support these nominees. It is very refreshing that this time round, we have the two-thirds gender rule favouring the female gender. We believe in the competence of the three nominees. It is the role of NPSC to ensure that the police uphold the highest standards especially in discipline. I join my colleagues in condemning the shooting of a young man today because he was selling masks. He was not armed. We urge our police to exercise restraint. It is very important for them to do that. We are here to support them and ensure the Service gets the best people to strive towards the highest level of excellence and discipline.

With those few remarks, Hon. Deputy Speaker, I do support. Thank you.

Hon. Deputy Speaker: Proceed, Hon. Tongoyo.

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Deputy Speaker.

Once again, I appreciate all Members in this House who have contributed to this Motion and supported it. As I said earlier, I have a lot of confidence in the three nominees we are approving this evening to join NPSC. They are people who have demonstrated a high level of competence. Their work is well cut out. Police recruitment is just around the corner.

Hon. Millie Odhiambo Mabona (Suba North, ODM): On a point of order, Hon. Speaker.

Hon. Deputy Speaker: Hon. Millie, what is your point of order?

Hon. Millie Odhiambo Mabona (Suba North, ODM): Hon. Deputy Speaker, it would be careless on my part if I do not say that I have just learnt that the young man I was talking about is, again, from Suba in Homa Bay. That is why we must always stand on principle. Can you imagine if I were speaking carelessly, saying how it is nice for the police to kill people? I have said that the police must restrain themselves, without knowing this is a person from Suba. He was selling masks to demonstrating people. I have actually watched that clip. What that police officer has done is totally reckless and irresponsible. They are doing a disservice to this government.

When it makes 10 steps forward, they take you 50 steps back. We need to be moving forward as a country. We cannot be moving back all the time. What do I go and tell the Suba people? I do not know whether he is from Suba North or Suba South. It is unfortunate. Homa Bay people are tired of mourning. We are dying of natural causes. Just yesterday, I lost my nursery school teacher, Atwech.

Today, it is because of the police. Let us die of natural causes and not by being killed. It is now Homa Bay, Homa Bay. Please, we have had Ong'ondo Were, Albert Ojwang' and now another person. Surely, all of us are being killed. Who will remain in Homa Bay? Please.

Hon. Deputy Speaker: Hon. Tongoyo.

Hon. Gabriel Tongoyo (Narok West, UDA): My condolences to the family of the young Kenyan.

Hon. Deputy Speaker, I have confidence in the three nominees we are approving this evening to join NPSC. I know they will bring the much-needed reform to the police service and modernise it. Their work is cut out. The first assignment is the upcoming NPS recruitment. We want to assure the country that, with the support of this House, the recruitment is going to be transparent. I also want to confirm that the Service has confirmed that recruitment centres are going to be four or five. It is good for that to be on record.

Hon. Deputy Speaker, I reply.

Hon. Deputy Speaker: Thank you, Hon. Members. We shall put the question at a later time.

(Putting of the Question deferred)

Next Order.

BILL

Second Reading

THE FINANCE BILL (National Assembly Bill No.19 of 2025)

Hon. Kuria Kimani (Molo, UDA): Hon. Deputy Speaker, I beg to move that the Finance Bill (National Assembly Bill No.19 of 2025) be now read a Second Time.

For the last 32 days, the Departmental Committee on Finance and National Planning has dutifully and diligently discharged its mandate in accordance with Standing Order 245 through a comprehensive review and consideration of the Finance Bill, 2025. These men and women have worked during weekends and holidays, from 9.00 a.m. to midnight every day, traversing 20 different counties of this great Republic to ensure that this House has a comprehensive report on the Bill.

The task now rests with this House to dutifully deliberate on the Committee's Report and the proposed tax measures with a view to ensuring that this country has a prudent balance between revenue mobilisation and expenditure obligations. It is our collective responsibility to ensure that the Bill supports sustainable economic growth while remaining responsive to the needs of the people.

Unlike previous Finance Bills presented to this House, the Finance Bill, 2025 is not merely a revenue-raising tool but a vital policy-making instrument that will reform the broader tax landscape. Its central focus is to enhance tax revenue collection through strategic administrative reforms and improve taxpayer compliance. Rather than introducing new taxes, the Bill proposes the simplification of existing tax laws to make them clearer, more predictable and accessible to all taxpayers. This simplification includes consolidating overlapping provisions and eliminating outdated or redundant clauses that continue to burden the current legal framework.

The Finance Bill, 2025 embodies the Government's commitment to modernising tax administration and fostering a culture of trust and cooperation between the Kenya Revenue Authority (KRA) and the citizens. It introduces a range of policy measures designed to strengthen the efficiency of revenue collection, including the use of technology, improved data analysis and risk-based audits. These reforms are aimed at curbing tax evasion, expanding the tax base and ensuring that all eligible taxpayers contribute their fair share of tax.

[The Deputy Speaker (Hon. Gladys Boss) left the Chair]

[The Temporary Speaker (Hon. Peter Kaluma) took the Chair]

The decision by the Committee on the Finance Bill, 2025 is anchored on a well-established framework and past legislative measures. Since the enactment of the Finance Act, 2023, the Committee has operated under a consistent set of guiding principles and policies that have shaped its review of various tax measures, including the Finance Bill, 2024, The Tax Laws (Amendment) Act, 2024, The Business Laws (Amendment) Act, 2024, The Tax Procedures (Amendment) Act, 2024, The National Tax Policy as an overarching framework, together with the Medium-Term Revenue Strategy, which has been very central to these efforts. These policies aim to ensure predictability and sustainability within the tax system, thereby, fostering a more conducive environment for business.

Since the enactment of the Finance Act, 2024, this House has approved a series of tax measures aimed at achieving specific revenue targets that support fiscal sustainability.

The Finance Act, 2022 had a projected revenue of Ksh22 billion, The Finance Act, 2023 had a projected revenue of Ksh211 billion, whereas the Finance Bill, 2024 had intentions of raising Ksh344 billion. The Tax Laws (Amendment) Act, 2024 projected revenue of Ksh49 billion, but the Finance Bill, 2024 only projects revenue of Ksh24 billion. Therefore, through the rationalisation of tax incentives, improved compliance and ongoing legislative reforms, the Government projects to generate an additional Ksh24 billion in revenue for the 2025/2026 Financial Year, underscoring the commitment to building a fair, transparent and efficient tax system.

After reviewing the Finance Bill, 2025, the Committee proposed a series of amendments aimed at enhancing the efficiency of the country's tax framework. In its deliberations, the Committee carefully considered stakeholders' submissions, along with the strategic guidance provided by the Medium-Term Revenue Strategy and the National Tax Policy. Further, the Pigouvian Tax Principle, one of the works of the great British economist Arthur Cecil Pigou, is also reflected in this Bill. Measures such as maintaining tax exemption for renewable energy products and electric mobility companies correct negative externalities.

Rewarding consumable practices aligns with Kenya's commitment to climate change under the Paris Agreement and the Kenya Vision 2030.

Many of the proposals draw from the Keynesian Fiscal Stimulus Principle, which argues for proactive government intervention to spur aggregate demand during times of economic slack. By incentivising sectors such as housing, green energy and manufacturing, the Bill aims to create jobs, increase household incomes and drive long-term economic growth while preserving fiscal discipline. As Richard Musgrave said in his book, *The Theory of Public Finance* in 1959, public finance is not just about raising revenue, but about shaping the economy and the society that we, the just people of Kenya, want.

Further, the primary objective of the Bill is guided by stakeholder input with the views of Kenyans and established policy frameworks to streamline tax expenditures, reduce revenue leakage and promote fairness through targeted tax incentives aligned with the national development goals.

In addition, the amendments proposed by the Committee aim to enhance predictability and stability within the tax regime, critical factors in fostering a conducive and competitive business environment that supports long-term investment and effective economic planning. A consistent and transparent tax framework empowers investors to make informed, long-term decisions with greater confidence by reducing the uncertainty often associated with frequent unpredictable legislative changes.

The Committee conducted extensive public participation and based on the views received, proposed far-reaching amendments to the Bill while also expressing support for certain provisions as originally drafted.

The definition of the word “software” in Clause 2 includes both the software itself and its distribution within the meaning of royalty. The Committee observed that the distribution of software does not by itself constitute a royalty-generating activity and, therefore, including it in a search could lead to unintended tax implications for distributors. In line with international best practices, the Organisation for Economic Co-operation and Development (OECD) guidelines and to safeguard the interests of stakeholders and Kenyans operating in the sector, the Committee recommended the deletion of the phrase to exclude the distribution of software from the definition. This amendment seeks to provide clarity amid misinterpretation and ensure a fair and accurate tax framework for software-related transactions.

Clause 4 of the Finance Bill proposes a clean-up of the amendments introduced under the Tax (Amendment) Act, 2024, which exempted all pension payments, including lump-sum withdrawals from Income Tax. However, certain provisions that previously granted separate exemptions for lump-sum pension payments were not repealed, resulting in a potential ambiguity. To address this, the Bill seeks to repeal those redundant provisions and rated exemptions. The Committee supported this proposal noting that the amendment enhances clarity and affirms that all pension payments, whether received as a lump-sum or monthly, are fully exempt from Income Tax as originally intended.

The Committee carefully considered Clause 6, which proposes to remove the Ksh5 million threshold for the Significant Economic Presence Tax (SEPT). The Committee observed that the existence of the threshold creates loopholes for revenue leakage, particularly because non-resident entities or individuals are not required to file tax returns. This makes it difficult for the KRA to verify compliance. As a result, the KRA is unable to confirm whether the threshold has been met, therefore, hindering effective enforcement. To address this challenge, the Committee supported the proposal to remove the SEPT threshold altogether as a means of enhancing compliance and reducing opportunities of tax avoidance.

On Clause 8(a)(v) and (vi) that pertains tax deductions for construction of stadia, the Committee welcomes the proposal as a progressive step that aligns with the government’s agenda of promoting sports infrastructure and youth development across the country. Investing

in modern sports facilities not only supports talent development but also, fosters social cohesion, community engagement, and economic activity through sports tourism and related enterprises.

However, the Committee raised concerns over the proposal to delete the provision that allows tax deductions for sponsorship of sports activities. The Committee noted that this move would likely discourage private sector involvement in sports sponsorship that has been instrumental in nurturing athletes, supporting local teams, and elevating Kenya's profile on the global sports stage.

Retaining this incentive is in line with the government's broader objectives under the Bottom-Up Economic Transformation Agenda (BETA) that prioritises youth empowerment, job creation, and expanding opportunities in creative and sports industries. As such, the Committee recommends that the provision on sports sponsorship be retained to ensure continued collaboration between the public sector and the private sector in driving growth and excellence in the sports of this country.

It is interesting to note the growth of our sports sector and especially, the love Kenyans have for our local teams. Both provisions allow the private sector to invest in stadiums and make it an investment deduction on their income tax and sponsoring these sporting activities. It is a great step to ensuring that we further enhance our local sports. Hopefully, we will fill our stadia and watch our television sets as much as we watch small teams like Arsenal play.

The Committee reviewed and supported Clause 8(b)(i) that proposes to amend the Income Tax Act to allow interest deductions on mortgages taken for construction of residential houses. Under current legal framework, the Committee noted that such deductions are limited to mortgages used to purchase or improve primary residences, with no express provision permitting deductions for home construction.

The gap excludes individuals who opt to construct their own homes from benefiting mortgage interest relief. The Bill explicitly seeks to include mortgage interest deductions for residential construction. Thereby, reducing the tax burden for individuals financing home construction. The Committee supported this proposal noting that it promotes fairness and encourages investment in home ownership.

The role of taxation is not to punish wealth but to fund common good and correct market blind spots.

The Committee carefully considered Clause 8(c) and (d) that proposes to introduce a time limit on the carry-forward of business losses. Currently, businesses may carry forward losses indefinitely yet they are only required to retain records for five years. It creates verification challenges. To address this, the Bill is proposing a five-year cap.

However, after listening to stakeholders, the Committee amended the proposal to allow for additional five years extension upon application and approval. The approach balances administrative efficiency with business flexibility. It aligns with the public finance principle of time consistency and fair tax policing outlined by Richard Musgrave. It reduces the abuse of indefinite carry forwards and promotes simplicity, predictability and equity in tax systems.

Clause 16 introduces a withholding tax on payments to non-resident ship owners. The Committee supported the proposal as a strategic move to enhance tax compliance and revenue collection from foreign entities that operate in Kenya without a physical presence. The measure reduces dependency on self-reporting and ensures earlier and more reliable tax remittances through withholding at source.

With proper implementation guidelines and digital systems, the Committee noted that the measure could be administered efficiently and fairly. It aligns with the Benefit Principle of Taxation that holds that those who benefit from operating in a particular market should contribute to its tax base. Moreover, this is consistent with the UN Model Double Tax

Convention that permits source-based taxation of international transport services. This reinforces Kenya's commitment to a fair, modern, and globally aligned tax system.

Clause 26(e) that addresses taxation framework for Special Economic Zones (SEZs) proposes to limit tax incentives strictly to licensed SEZ developers, operators, and enterprises, rather than these benefits broadly across all entities within the zone. The Committee observed that the current approach has enabled excessive access to incentives. It has been abused in some instances, resulting to high fiscal costs without commensurate economic benefits.

The proposed adjustments seek to align with broader policy objectives of reducing tax base erosion and profit shifting while promoting fairness, neutrality, and targeted support within the tax system. The Committee supported this proposal noting that a more focused incentive structure will enhance accountability and ensure intended beneficiaries are those generally contributing to the economic objectives of the SEZ framework.

Clause 27 proposes to remove the provision in the Income Tax Act that grants a special accelerated investment deduction of up to 100 per cent for capital investments located outside Nairobi and Mombasa. This deduction currently allows businesses such as buildings, machinery, and industrial equipment to claim substantial tax relief on qualifying capital expenditures.

However, the Committee expressed concern that removing this incentive could discourage investment in regions outside the two major urban centres. The accelerated deduction has been a deliberate policy tool to promote equitable regional development, industrial decentralisation, and job creation in underserved areas. Eliminating it may inadvertently widen regional disparities, slow down infrastructure expansion, and hinder government's efforts under BETA that prioritise inclusion in economic growth across all counties.

Clause 28 is providing for incentives to companies certified by the Nairobi International Financial Centre Authority. An investment of Ksh3 billion will get 15 per cent preferential income tax rate for the first 10 years and 20 per cent for subsequent 10 years. However, there is a provision that they must have a particular percentage of their senior management being Kenyans.

For start-up, they will get a preferential income tax rate of 15 per cent for the first three years and a 20 per cent preferential tax rate for subsequent five years. This provision will lead to increased attraction of foreign direct investments and grow our manufacturing as a percentage of GDP. Most importantly, it will attract fintech companies into this country. We have seen Kenya take lead in fintech business. Even during Covid-19 and post Covid-19, while all other sectors of the economy were contracting, we saw financial services sector continue to grow. We must make Kenya the hub of financial services growth across the globe and across Africa.

Notice that I will be tabling a Report on Virtual Assets Providers Bill Next week. That will make Kenya the fourth country in Africa to provide a legal framework for trading in virtual assets. They are cryptos, bitcoins, virtual assets, and blockchain technology. If this honourable House passes the Bill, we will see many of these institutions set up base in Kenya and operate in the rest of Africa.

The Committee carefully, reviewed Clause 28(b)(ii) and (iii) that proposes to eliminate the preferential 15 per cent corporate tax rate extended to companies involved in the local assembly of motor vehicles and those undertaking construction of at least 100 residential housing units. After comprehensive consultations with stakeholders and members of the public, the Committee resolved to reject the proposal. The Committee recognised that this lower tax rate is a crucial policy tool in supporting strategic sectors that play a significant role in job creation, industrial growth, and addressing the national housing deficit.

The Committee further noted that retaining the 15 per cent corporate tax rate is grounded on the principle of strategic economic support that emphasises targeted incentives to sectors with high multiplier effects. These incentives are well aligned with modern industrial policy thinking, such as Ha-Joon Chang's theory of the developmental state that advocates state-led support to build competitive industries and Michael Porter's cluster-based approach that promotes growth of sectoral ecosystems through focused policy and fiscal incentives.

Supporting local vehicle assembly and affordable housing not only inspires direct employment but also, stimulates ancillary industries, support chains, and service providers. It creates a broader economic impact. Therefore, maintaining this incentive ensures there is policy certainty. It strengthens investor confidence and sustains momentum in key sectors central to Kenya's industrialisation and the inclusive economic development agenda.

Clause 34 proposes to remove the word "taxable" from the relevant provisions, which was considered by the Committee in the context of strengthening tax administration. The Committee observed that this amendment is intended to mandate the issuance of tax invoices for both taxable and exempt supplies, thereby addressing existing challenges in the accurate determination of total turnover.

It also aligns with the current requirement under the Electronic Tax Invoice Management System (eTIMS), which mandates invoicing for all transactions, except where specifically exempted under the Tax Procedures Act, Cap 469 B. The Committee supported the proposal, noting that it will enhance transparency, improve record-keeping, and contribute to more effective and consistent tax enforcement across all sectors of the economy.

Clauses 36 and 37, which sought to reclassify certain supplies from zero-rated to exempt status were thoroughly, scrutinised by the Committee. The affected items included: Locally assembled and manufactured mobile phones; electric buses, motorcycles, and electric bicycles; lithium-ion and solar batteries; raw materials for the production of fertilisers and animal feeds; and Bioethanol Vapour (BEV) stoves, classified under HS Code 12.00.

These are all critical areas in this country's industrialisation, food security, and green energy transition agendas. The Committee observed that these items had only recently been granted zero-rated status under the Finance Act, 2023, in a deliberate policy shift aimed at incentivising local manufacturing, promoting the adoption of sustainable technologies, and lowering the cost of essential goods and services. Reverting them to exempt status would not only reverse these gains, but also disrupt market confidence, increase input costs, and undermine private sector growth. Particularly in emerging and job-rich sectors such as mobile device assembly and electric mobility.

The Committee recommends to retain the zero-rated status of these key inputs. This is well-aligned with the Government's broader policy objectives under the Bottom-Up Economic Transformation Agenda (BETA) and Vision 2030. These policy frameworks prioritise industrial growth, climate resilience, affordable energy solutions, job creation, and sustainable agriculture.

For example, local mobile phone assembly has created thousands of jobs. While the electric mobility sector, including electric buses and bicycles, supports green transport initiatives and offers affordable transport alternatives. Lithium-ion battery production and the uptake of BEV stoves further contribute to environmental sustainability and reduced reliance on fossil fuels. For example, for lithium-ion batteries, Kenya is one of the largest manufacturers of lithium batteries. This allows us to even export to other countries including Tanzania. This has only been made possible through this zero-rating status.

As much as we understand the strategy by The National Treasury to try to reduce tax expenditures which have been in excess of Ksh500 billion every year, remember our development budget is partly around Ksh650 billion, whereas our tax expenditure is around Ksh550 billion shillings. This means that our tax expenditure is almost as much as our

development budget. But in as much as there is need to clean up the First and Second Schedule of the Value Added Tax (VAT) Act on the zero-rated and exempt status, it is also important to realise that we also operate under other protocols across the region. Like the East African Community (EAC) protocol and the African Trade Protocol. If we do not have these incentives in our local market, the African Trade Protocol would enable manufacturers to move to a different country, manufacture there, and we end up importing those products.

It is therefore, very important that we are very deliberate to continue with the incentives that support our local manufacturing. Most importantly, we have provided another clause where this abuse of exempt status or zero-rate status will now be punishable. There are administrative measures to make sure that these incentives of zero-rating and exempt status are used properly administratively, rather than punishing a whole sector and making us uncompetitive in the region.

Clause 36 proposes subjecting several strategically important goods to the standard 16 per cent VAT rate. However, after careful consideration, the Committee recommends that these goods remain listed under the First Schedule and continue to enjoy VAT-exempt status due to their critical role in advancing key national development priorities. The goods in question include items used in the construction of tourism infrastructure, such as recreational parks and conference centers, and sectors that contribute significantly to foreign exchange earnings and job creation. In 2023 alone, tourism contributed over 10 per cent to the Gross Domestic Product (GDP), and supported more than 1.6 million jobs. Similarly, the exemption for goods used in hospital construction and equipment, especially for specialised hospitals with at least 50 beds, is very crucial in strengthening healthcare infrastructure and in line with our Universal Health Coverage (UHC) agenda.

Furthermore, the exemption of aircraft spare parts and tourist transport vehicles aligns with Kenya's ambition to solidify its status as the aviation hub of the region, and boost high-value tourism. The VAT exemption for inputs used in affordable housing projects directly supports the Government's housing agenda by lowering construction costs and accelerating project delivery for low and middle-income earners. Exempting renewable energy equipment also reinforces Kenya's commitment to transitioning to clean energy, in line with national climate goals and global sustainability commitments. Additionally, exempting weighing machinery for hospitals ensures that healthcare providers are not burdened with additional costs for critical diagnostic tools. The Committee's recommendation to preserve VAT exemption for these items reflects a deliberate effort to align fiscal policy with the Government's overarching development agenda. This will ensure that tax measures promote, not hinder, progress in sectors that are vital for economic transformation and social well-being.

Clause 52, which proposes to grant the Kenya Revenue Authority (KRA) broad access to personal data...

The Temporary Speaker (Hon. Peter Kaluma): Order, Hon. Chairman. These are very technical things. Just before you move from Clause 36, you mentioned something about tax expenditure. You are also talking about zero-rating exempt. Could you explain them to Members, because I see you are losing so many Members in terms of the effect thereof.

(Hon. John Kiarie spoke off the record)

Hon. KJ is following. You can proceed.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, there are three VAT rates in Kenya. A product can be valuable under the standard rate of 16 per cent, exempt from VAT, or zero-rated. The difference between a zero-rated and exempt product is that, for a zero-rated product the manufacturer is allowed to claim the amount of VAT they spent during input.

Just to demonstrate, if a manufacturer is manufacturing this bottle of water, there are costs involved in the plastic container and the electricity bill that are vatable.

Therefore, the final outcome of this like the water, is vatable. That means that if this product was zero-rated, then the manufacturer is allowed to claim the amount of tax they spent on their inputs. Whereas in exempt, although there is no VAT in an exempt product, they are not allowed to claim the amount of tax they spent as input in manufacturing of that particular item. This is why ideally, a zero-rated product is meant to be cheaper than an exempt or a standard product.

However, tax expenditure is when you allow claiming of input VAT, and it means that this is foregone tax by the government. That where your input tax could be higher than your output tax, you should go to KRA and ask for a refund. But there is a challenge with this and that is why you can see a deliberate effort by The National Treasury in trying to clean up the First and the Second Schedule of the VAT Act; which is our zero-rated products and exempt products.

The challenge is that we have very many fictitious claims of input VAT. Where we have some entities that employ more accountants than the officers who actually run it. For example, in hospitals you find ... I do not want to give an example of a particular institution. That would be to dispatch them. But you have seen institutions that are manufacturing X product but the number of accountants they have in that business is more than anyone else. All they do is process refunds for VAT.

Another issue is that the budget that we provide in The National Treasury and through KRA for those refunds is only Ksh5 billion, against a demand of excess of Ksh50 billion at any particular time. That also creates a loophole, because how do you determine who gets refunded and when? The ideal situation in future for the products that we must protect, is probably to introduce a lower VAT rate of maybe around two, three or four per cent, so that we do away with this issue of zero-rating. However, this Bill has now provided for a recourse where Kenya Revenue Authority (KRA) is able to satisfy itself that a particular entity is misusing a product that is supposed to be zero-rated or exempted from Value Added Tax (VAT). In such cases, there is a penalty for it.

Another good example is one of the debates we have had even with you, as a Member of our Committee on zero-rating of the transportation of sugarcane in sugar belt areas. This is a very huge cost to these particular areas. When you zero-rate it, you allow them to claim that fuel, for example, used by the tractor. How do you verify that it was used for the transportation of sugarcane? What if that fuel is bought and ends up supporting other activities, but it is said to have been used for transportation of sugarcane? Those are the complications we deal with products which are exempted from VAT. This is what accounts to tax expenditures. I hope I have explained to you, Hon. Temporary Speaker.

Clause 52 of the Bill proposes to grant KRA broad access to personal data for tax compliance purposes. This includes access to trade secrets and confidential customer information. The Committee thoroughly scrutinised this provision. After extensive public engagement and consultation with stakeholders, we found that this proposal fails to meet the constitutional standards set under Article 31(c) and (d) of the Constitution of Kenya, which guarantee the right to privacy.

The Committee also noted that Section 51 of Data Protection Act sets out clear and limited grounds under which access to personal data may be exempted from certain protections. Furthermore, Section 60 of The Tax Procedures Act already provides the Commissioner or an authorised officer with sufficient powers to obtain necessary information for tax administration, subject to a court-issued warrant. This safeguard strikes a balance between tax enforcement and protection of individuals.

The Tax Procedures Act also expressly, gives power to KRA to require a business to integrate with their system. They can even, through a court order, access any information they want from a taxpayer. However, we amended the Act to exempt the following two categories from KRA's access:

1. Trade secrets
2. Private and personal data.

The current Tax Procedures Act states that the Commissioner shall not require the taxpayer to provide information relating to trade secrets, and private and personal data. The new proposal seeks to delete that protection. This means KRA can access all private and personal data, including trade secrets. Some institutions have recipes for beverages which should never be shared with the members of the public. What happens if you give access to such data? There is sufficient provision in the Tax Procedures Act on access to data. We do not need to expressly, provide for absolute access to trade secrets, and private and personal data held by taxpayers.

(Applause)

In view of the existing legal framework and concerns raised by Kenyans, the Committee concludes that the proposed amendment is both unnecessary and potentially unconstitutional. The Committee has remained consistent on this matter in previous finance-related measures brought before this House. This decision aligns with global best practices, including the General Data Protection Regulation (GDPR), a landmark privacy law that took effect in the European Union in May, 2018.

Although GDPR is a European law, its principles have set global standards for data protection. They have also directly influenced Kenya's Data Protection Act. These principles emphasise individual control, transparency and strict conditions for data processing. Upholding these standards is vital for protecting citizens' privacy, maintaining public trust and ensuring that Kenyans regulatory environment remains credible, secure and investor-friendly in an increasingly digital world. The Committee proposes the introduction of a New Clause 28A to amend Paragraph 1 (c) of the Second Schedule of the Income Tax Act. It will allow telecommunication operators to claim investment allowance on the cost of spectrum licences, just as they currently do for items like optic cables. For spectrum licences acquired before 1st July 2025, the reduction will only apply to the remaining unclaimed portion and will be spread over the remaining useful life of the licence.

The Committee fully supports this proposal, as it aligns with our agenda to access digital transformation and youth empowerment. Spectrum licences are a key investment for telecommunication companies. Allowing tax reduction will ease the cost burden and encourage further investment in digital infrastructure. This expansion will create opportunities for young people by improving access to digital services, supporting digital entrepreneurship and driving job creation in the technology and innovation sectors.

Despite Kenya being one of the countries with the highest mobile connectivity, there are still some places in this country without network. Therefore, this particular incentive will incentivise our telecommunication companies to have more mobile connectivity, including some places in my Constituency like some lower parts of Mariashoni. This Committee's proposals reflect not only stakeholders' input, but also a sound economic reasoning grounded in fiscal stimulus principles. By incentivising housing, manufacturing and green energy, the Finance Bill supports aggregate demand, promotes employment and stimulates growth in all, while preserving fiscal discipline.

As we deliberate the Finance Bill, 2025, it is crucial to prioritise measures that effectively, expand our tax base and enhance revenue generation. This may involve innovative

tax policy approaches such as incentivising compliance, simplifying tax procedures and overreaching barriers that hinder our revenue growth. Addressing this issue proactively and implementing them effectively, tax policies will ensure that we increase our tax revenue collection, in line with our economic potential. This will strengthen our fiscal position, allowing for investment in key sectors, social welfare programmes and infrastructure development that will foster economic growth to benefit all Kenyans.

This huge task would not have been completed without the efforts of our dedicated and most professional secretarial staff. These unsung heroes worked day and night, without any supervision, to ensure that the Committee's Report before the House comprehensively, responds to each of the 5,000 plus submissions received by this Committee. Production of this Report would also not have been possible were it not for the commitment of Members of the Departmental Committee on Finance and National Planning. I am proud to be one among the equals who lead a very effective and committed team of Members of this particular Committee. We divided ourselves into groups. With a record 10 days, we covered public participation in 10 different counties across this Republic.

In conclusion, in your inaugural speech in this House as the newly appointed Speaker in 2023, you indicated that one of our key visions for the National Assembly was e-Parliament. I am proud that consideration of the Finance Bill, 2025 was a paperless exercise. The only paper in the process was a copy of the Report we tabled last week. This was an invention of a young man, an intern in the Departmental Committee on Finance and National Planning, called Mr Alan Kimani. He is a Computer Science graduate of Kenyatta University. He developed a QR code. When stakeholders came to submit their proposals, they would just come and register without jumping the queue, and we would know who came first and then give them a first chance.

In addition, stakeholders do not have to bring photocopies of their submissions. They were able to just scan the QR code and access the Bill itself. They were also given an option to comment clause by clause over the Bill and they also accessed the explainer that this Honourable House had published.

If they had any general comments, they were able to give them. This made the process seamless and paperless. I want to laud this young man called Alan Kimani because that is how we should grow our technology and use our energies as young people. I challenge young people in this country.

(Applause)

Many people have texted me asking if it is true we are taxing new babies and other similar questions. It is unfortunate that some of these people are very learned people. The Finance Bill and the explainer are publicly available documents. Just by a simple Google search or a simple access of the Parliament website, one can access this particular information. But they do not bother to read. The deliberate misinformation and disinformation are sickening, and must stop. These people will deliberately create stories whereas, they know it is lies.

(Applause)

They say that there is a tax for new babies and they know for sure there is nothing like that. They should be ashamed. Instead, they should use their knowledge for better purposes.

With that, I beg to move and request, Hon. CPA Julius Ruto, the great Member of Parliament (MP) of Kesses to second.

Thank you.

The Temporary Speaker (Hon. Peter Kaluma): Hon. CPA Julius Ruto, proceed.

Hon. Julius Rutto (Kesses, UDA): Thank you so much, Hon. Temporary Speaker.

I believe the Leader of the Majority Party can confirm that the Committee is very professional and that is why the report goes beyond any reproach.

I stand to second the Report Tabled by the Chairperson of the Departmental Committee on Finance and National Planning Committee, Hon. CPA Kuria Kimani, and to express our joy as a Committee.

As we stand before the House, this particular Finance Bill, 2025 as it is said, is one of the best Finance Bills because it did not focus on the vertical adjustment as traditionally done, but rather, stressed on the horizontal adjustment – broadening the base of tax collection and ensuring that it makes it easy for Kenyans to participate in tax payment, unlike the complexities that were there before.

Most of the Tax Acts that are in existence had a lot of duplications and complexities in terms of redundancy of some laws. If you remember, technology has changed the business world. Technology could also bring a lot of issues by complicating and duplicating what could otherwise be obtained, technically, through paperwork. For instance, the filing of tax returns as it has been done before. This particular Finance Bill serves to adjust such issues.

Again, we need to remember that this particular House recently passed the National Tax Policy which has never been there before and if you look at the flow of this particular Finance Bill, it is trying to respond to the requirements of the Tax Policy by encouraging the business world in a manner that is so predictable. This will help business people to plan their businesses knowing that the tax regimes that are in place, can accommodate a certain monetary threshold, and they can plan their profits and strategies well.

Looking at these particular proposals in the Finance Bill, I want to laud the Cabinet Secretary for The National Treasury and Economic Planning because most of the issues as I have said, tries to mitigate the challenges that for quite some time, have been ignored. The issue of tax expenditure as we have said. The Committee's 2023 Report indicated that we have lost the tune of Ksh510 to Ksh560 billion.

When we talk of tax expenditure, these are tax exemptions, remissions and reimbursements that we give that are claimed by the business owners, manufacturers and those who trade in the zero-rated inputs. Most of them have no clear line of transferring the final benefit to the consumer because most of this happens in the context of professional engagement; but if you look at some products and their pricing in the market, you will see the benefit. I know that most of us have recently visited our health facilities. When we access healthcare, especially those of us who are covered by insurance, the cost you see when you sign is so huge that at times you are unable to identify those benefits provided by this honourable House through the tax laws that we pass here. How do they affect the consumer? Those are the issues that we want to minimise so that, in future, we stop increasing taxes and instead, collect enough from available tools and finance our Budget accordingly.

It is also important to note that we already have sufficient laws to support tax collection in this country. The challenge is in the tools and systems being used by our Kenya Revenue Authority (KRA) team. This particular Finance Bill speaks about it and encourages the Commissioner General of KRA to put in place proper systems and mechanisms. The other day, I noted that in the budget, they were asking for additional funding to improve their systems to enable them reduce on leakages, corruption and losses arising from the weak systems currently in place. If we do that, we will reduce under collection and maximise the revenue targets that we give every year without stressing Kenyans. In my view, that is the main issue that this Finance Bill is speaking about.

As a Committee, we wish to invite members of the public, especially the stake holders who had the opportunity to engage with us, to read today's Report from the Chairman. This Report reflects more than 80 per cent of what members of the public proposed on Value Added

Tax (VAT), Excise Duty and Income Tax during public participation. We request members of the public to give their own House, the National Assembly, time before reacting to a proposal tabled by the Cabinet Secretary. It is through the procedures of the National Assembly that laws are made.

Article 118 of the Constitution of Kenya guides this honourable House to seek the views of Kenyans before legislating on any Bill before it. This is a good example that has onboarded that Article.

That is why most of the clauses, such as Clause 28 of the Bill, are important. Hon. Temporary Speaker, it is just two years or less since we passed the law, Finance Act, which zero-rated most of the locally manufactured items needed by Kenyans, especially items like mobile telephones, in response to climate change mitigation. These are steps that this country and others around the world are adopting to address the challenges brought about by climate change. We passed a law to give leeway for these ones. This proposal was made to take out the advantage that had been given to the manufacturing concerns. After listening to members of the public, the Committee decided to protect them and deleted that particular proposal.

Another critical issue is data protection as mentioned by the Chairman. While KRA is trying to give justification as to why they are facing challenges, there are enough laws under Section 51 of the Data Protection Act that give limited grounds on which the Commissioner General can operate. Section 6 of the Tax Procedures Act also gives limited powers to the Commissioner General to go beyond some limits to obtain the information needed, especially during assessment or when they are carrying out audit on taxpayers. However, giving a blanket leeway for them to access personal data is a question of insecurity. Most members of the public are worried about it. Therefore, as a Committee, we decided to leave out this particular clause until KRA can prove they have any other limitations beyond what the law has provided.

Hon. Speaker, another issue that is coming out is the tax levied under Clause 6 of the Bill, which is trying to address the Significant Economic Presence Tax. The last Finance Act gave a threshold limitation of Ksh5 million. However, it became clear that most practitioners in this space of business are not within the boundaries of the Republic. As you are aware, non-residents do not file taxes. Therefore, the proposal to eliminate this particular threshold was welcome, so that everybody who derives income within the boundaries of Kenya would be required to pay tax despite the limits of whatever income they derive in this Republic.

I support this Finance Bill. I call upon Kenyans to be patient and, for once, consume the right message that has been tabled in the House. I saw a Cabinet Secretary at a public forum the other day. A Kenyan asked whether there was a proposal to increase the VAT rate from 16 to 18 per cent. For the record, out of all the 52 Clauses, there is no mention of an adjustment to the VAT rate. But look at the information circulating out there. All the distorted information is intended to incite Kenyans, driven by a few quarters, some individuals who are enemies of economic progress.

We need to call out such individuals, but also urge Kenyans to remain calm and exercise goodwill. Let them follow the procedures of the National Assembly and refer to the reports and Bills that are tabled here. These documents can be accessed through the Parliament's website or requested through the Table Office. Even through their representatives, who are the Members of Parliament, Kenyans can obtain accurate information to enable them to understand these critical Bills and contribute meaningfully to them.

With that, I second the Bill. Thank you.

(*Question proposed*)

The Temporary Speaker (Hon. Peter Kaluma): The Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Temporary Speaker.

I rise to support this Bill in its Second Reading.

Hon. Temporary Speaker, before I proceed with my remarks on the Bill, allow me to express my disappointment with the recent shooting incident. I had not seen the video earlier, but I have just watched it. It is unfortunate. As we have said before, our police officers must exercise restraint in the execution of their duties. They must remember that they are dealing with fellow human beings. We must not lose lives or limbs, even during demonstrations.

Moving on, let me begin by commending the Committee, led by Hon. Kimani Kuria, and the other 14 Members, including CPA Julius Rutto, who questions whether I am aware that the Committee is professionally constituted. Hon. Julius may not know that I was already a Certified Public Accountant (CPA) when he was still in high school. I qualified as a CPA in 1999, while still a university student, long before graduating from the University of Nairobi. At that time, the Chairman of the Committee must have still been in primary school.

Hon. Temporary Speaker, a lot has already been said about this Bill by the Chairman, so I will avoid repetition. However, it is important to underscore a few points.

Over the past two years, the Finance Bill has been labelled a tool that punishes Kenyans through over-taxation and worsens their economic conditions. Listening to the Chairman's presentation reminded me of the events of April last year, when a widespread campaign of disinformation and misinformation took place.

This year, a similar campaign began again in April. As the Chairman noted, much negativity has been spread about the Finance Bill. Many Kenyans believe that it is designed to punish them or make them poorer. But I wish to highlight that the Finance Bill is not solely about taxation. It is also a tool for improving the lives of Kenyans.

Allow me to illustrate just one provision from the Income Tax Act. For those who have taken the time to read the Report, as the Chairman pointed out, many people comment on the Finance Bill without reading it or seeking an informed interpretation. There is a proposal to increase the tax-free cash benefit, or what is commonly referred to as per diem, paid to employees in both the public and private sectors. The proposed amendment increases the tax-exempt threshold from Ksh2,000 to Ksh10,000 per night. Therefore, those who enjoy per diems when they work outside their station, including Members of Parliament, are only allowed a tax-free amount of up to Ksh2,000. Now you can enjoy a tax-free per diem of up to Ksh10,000. This means that if you are out of your station for 30 days and you are paid Ksh300,000, it will be tax-free. It is a direct benefit to employees and workers in our country. Remember, in our 2024 Bill, which was demonised with disinformation, there was a proposal which we later passed in December. But because Kenyans never paid attention, they never got to know.

I have spoken about cash benefits, but regarding non-cash benefits, there are many people who work in factories, in industrial areas, who get non-cash benefits like lunch or free transport and are taxed. Last year, we elevated non-cash benefits from Ksh36,000 to Ksh60,000. Currently, one enjoys up to Ksh60,000, which is equivalent to about Khs5,000 per month. If your employer is facilitating you with company transport or lunch, up to Ksh5,000 a month is tax-free while up to Ksh300,000 or Ksh10,000 a day of per diem, is tax-free.

On the Income Tax Act, a tax relief has been introduced on mortgage interest on residential home construction. Again, in our 2024 Bill, we revised a tax deduction on interest paid on purchase of a house from Ksh300,000 to Ksh360,000. That fell with the Finance Bill of 2024. When we did the tax amendment laws in December, to the benefit of Kenyans, we reintroduced that particular provision, and today, Kenyans can enjoy tax reliefs of up to Ksh360,000, up from Ksh300,000, on mortgage interest.

That means you do not pay tax or you can claim tax against every Ksh30,000 you pay as interest on your mortgage. I can see Hon. Kwenya nodding because I know he is enjoying a mortgage from the National Assembly that he is paying heavily. Members of Parliament and many other Kenyans who choose to take a mortgage facility to construct their own house

instead of buying a constructed unit, will enjoy the same benefit of up to Ksh30,000 per month or Ksh360,000 a year.

Therefore, Kenyans who are borrowing mortgage facilities from their Savings and Credit Cooperatives (SACCOs), banks and mortgage finance companies will now benefit from this, including us. When I took my mortgage in this current Parliament, I did not buy a house. I sought to renovate an existing house and I have been paying a heavy interest of up to about Ksh180,000 a month. I can now get up to Ksh360,000 a year tax-free.

Hon. Temporary Speaker, if you look at other provisions on Pay As You Earn (PAYE), many Kenyans have been overtaxed, largely on account of their employers not allowing them to claim all the deductible expenses ahead of PAYE deductions. This Bill, in one of the Clauses, is now making it mandatory for employers to correctly apply all the deductions that may occasion such over taxation. Therefore, employees will not have to wait until the end of June or in the course of June, when filling their tax returns, to claim tax refunds from the Kenya Revenue Authority (KRA). Now, that will be checked by this particular provision that allows all deductions, exemptions and tax reliefs that were previously unclaimed, to be claimed ahead of paying PAYE. This will not only ease the tax burden but also reduce the workload on Kenyans.

Another important aspect is the advance pricing agreements contained in this Bill relating to multinationals operating in the country or that have permanent establishments in Kenya. You can now have an advance pricing agreement between a multinational and its subsidiary, if that multinational is operating in Kenya, to create certainty. Certified Public Accountants (CPAs) will tell you that one of the cardinal principles of taxation is certainty. Multinationals will know at what pricing levels they are able to claim losses for its subsidiary in or outside the country.

Many businesses are allowed to carry on their losses. When you make a loss up to five years, you are allowed to carry forward a loss against future taxes. The Bill had proposed to limit this to a five-year period, so that at the end of five years you are stopped from claiming losses against your tax obligations. As the Chair has said, the Committee listened to Kenyans.

This is important because Kenyans were asking last year: “Do parliamentarians ever listen to us?” We were accused of not listening. It is actually Kenyans that were not listening to Parliament. Because last year, when the Bill came to this House, the Chair went through the rigorous process he has gone through today on public participation and proposed amendments to the Bill. He has just said that this particular provision is one of the provisions that elicited a lot of reactions from Kenyans through public participation.

I must commend the Committee because they did not just do public participation in Nairobi; they went to other counties. From their Report, they went to Kwale, Migori, Nandi, Busia, Trans Nzoia, Mombasa and Kilifi Counties in addition to the public participation they conducted in Nairobi. Across these counties, one of the provisions that elicited a lot of reactions from Kenyans was the provision to stop Kenyans from carrying forward losses.

The Committee, in cognisance of the issues that were raised by Kenyans, again like last year, is proposing that we amend and allow losses, on application, to be carried forward beyond the five years. If you set up a business today and make losses for five years, and the sixth year you think you still qualify to claim the losses against future tax obligations, on application to the Cabinet Secretary for the National Treasury, you will be allowed a further period of five years. That is to check the abuse of that process. There are people who make profits but use tax avoidance measures to claim losses into perpetuity. Therefore, the capping of five years can be extended.

There was also the issue of income tax exemptions for public and private sector gratuity. We had this provision in the Finance Bill, 2024. When Kenyans said, “Do not amend. Reject” it was rejected. In The Tax Laws (Amendment) Act, 2024, we brought in the provision to cover

any person who enjoys gratuity, whether in the private or public sector. The Bill is clarifying that the provision applies to retirees or people getting gratuity, both from the private and public sectors, to enjoy income tax exemption. Whatever gratuity you are paid, you will not pay income tax on it. This is to put money back into the pockets of retirees or people ending their contractual work for those who work on contracts, like Members of Parliament, who have a five-year tenure. This will ensure that retirees keep their gratuity to support their financial security and dignity beyond their working life.

The Temporary Speaker (Hon. Peter Kaluma): I add you two minutes.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I am mentioning these things because they are important and because of the misinformation and disinformation campaign that the Chair alluded to. Kenyans are made to believe that there is nothing in the Finance Bill to benefit them.

In conclusion, there are tax incentives that we have put in The Tax Laws (Amendment) Act of 2024, which were declined in the Finance Bill of 2024. Again, because of the campaign of misinformation, Kenyans did not know that these were incentives that were coming to help them create jobs for our young people. For instance, in the 2024 Tax Laws (Amendment) Act, we reduced the rate of Capital Gains Tax (CGT) from 15 per cent to five per cent for firms that are certified by the Nairobi International Financial Centre (NIFC), and further reduced the threshold of investments that qualify for the lower rate from an investment of Ksh5 billion down to Ksh3 billion.

This year again, the Committee through the Bill, is proposing that for companies that invest Ksh3 billion in new capital, within the first three years, they will enjoy a reduced Corporate Tax Rate of 15 per cent for the first 10 years, and 20 per cent for the next 10 years. To qualify, these companies must have 70 per cent Kenyans as senior management employees. Additionally, for regional headquarters, 60 per cent of senior management must be Kenyans. This aims at sensitising multinationals and companies that are investing those huge amounts in Kenya to employ Kenyans in senior management.

Also, start-ups that are certified by the NIFC will benefit from a lower tax rate of 15 per cent for the first three years, and 20 per cent for the next four years, to support their earlier growth. As I said, this is aimed at supporting the growth of new industry and investments that will create jobs for our young Kenyans, Hon. Speaker. Even as people incite others out there, I thought it was important not to be very technical, but just highlight a few of the very good provisions that are in this Bill, some of which were lost last year because of the misinformation.

As I congratulate the young intern, I plead with the management of Parliament, led by the Speaker as the Chairman of the Parliamentary Service Commission (PSC), to consider hiring Mr Allan Kimani permanently as a staff member of Parliament when he graduates from college. It is such genius and innovative young Kenyans who are utilising their intellect for the benefit of Kenyans, and not utilising their time on social media to demonise, disinform, and misinform other Kenyans. The platform and the Quick Response (QR) code that this young man created, as you have heard, enabled Parliament as an institution to engage more meaningfully with Kenyans. Unlike the other lady who was arrested, I cannot remember her name, for creating a platform that was disinforming Kenyans...

The Temporary Speaker (Hon. Peter Kaluma): Add him a minute.

(Hon. (Dr) Makali Mulu spoke off the record)

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, you need to inform the Hon. Member for Kitui Central that I am not ‘this guy’. I am the Member for Kikuyu Constituency. My name is Hon. Kimani Ichung'wah, and the Leader of the Majority Party. I am more senior than Kalonzo Musyoka, today.

(*Laughter*)

I was saying that the lady who had created a platform that simply at the click of a button, was sending a lot of emails to the Parliamentary website to clog the system and stop Kenyans from giving valid views. I must congratulate Mr Allan Kimani, a very innovative and a genius young Kenyan. I plead with the PSC to consider him at the right time. Those who are fond of praising young people in this country and stratifying them into generations, like Hon. Makali Mulu's party leader, to know that it is the intellect of such young people that we need to learn from. Some of those people who praise those young people and stratify them into generations do not have children in the generations that they keep talking about in political rallies. They do not even understand or comprehend the kind of intellect that these young people have...

(*Hon. Kimani Ichung'wah's microphone went off*)

The Temporary Speaker (Hon. Peter Kaluma): Hon. David Mboni.

Hon. David Mwalika (Kitui Rural, WDM): Thank you very much, Hon. Temporary Speaker.

I wish Hon. Kimani Ichung'wah would stick to the issue of the Finance Bill instead of politicking.

The Temporary Speaker (Hon. Peter Kaluma): Hon. David Mboni, I am the one running the House. Can you make your contribution?

Hon. David Mwalika (Kitui Rural, WDM): Very well. As a Member of the Departmental Committee and National Planning, I associate myself with the Finance Bill and the amendments proposed by the Committee.

Hon. Temporary Speaker, people mistake the Finance Bill as solely a document aimed at raising revenue. However, the Finance Bill encompasses three main components: Firstly, it seeks to raise revenue to finance the budget. Secondly, it introduces incentives to target sectors in order to attract investment. Lastly, it aims to provide tax relief to income earners, thereby increasing their incomes.

The current Finance Bill under discussion is one of the fairest we have had since the last Parliament. The last two Finance Bills aimed to raise over Ksh200 billion each; whereas, this one targets only Ksh24 billion, which is quite fair to the economy.

This Bill proposes comprehensive tax reforms aimed at improving efficiency and fairness in the tax system. Key among them is to overhaul tax incentives, which have traditionally favoured few sectors in the economy. If you look at what has been happening, some sectors have been really favoured to the extent that we have state capture in this country; but I will talk about that later. The Bill proposes to align these incentives by limiting VAT ratings strictly to exports, with exceptions only for essential and unprocessed goods. Additionally, it proposes to introduce incentives to priority areas like the tea and coffee sectors.

Foreign direct investment in this country has been alarmingly low compared to our neighbouring nations. In 2023, our foreign direct investment amounted to US\$750 million, whereas Uganda attracted US\$2.3 billion and Tanzania received US\$1.5 billion. Given that Kenya boasts a significantly large economy, it is concerning to see such limited foreign direct investment. This Bill seeks to encourage foreign direct investment through the Nairobi International Finance Centre. Individuals investing US\$3 billion and above will be entitled to a 50 per cent corporate tax relief for ten years, followed by a 20 per cent relief over the subsequent twenty years. This is a commendable initiative, as it will attract individuals who wish to invest in our country and consequently, creating jobs and increasing income and thereby, fostering economic growth.

Furthermore, the Bill proposes tax relief on retirement benefits, which includes gratuity and pensions. Those earning pensions and gratuities have served this country. They have spent their lives working and giving them relief on their pensions and gratuities which will increase their disposable income and help them to live a better life.

The Bill also proposes to increase the tax-free per diem from Ksh2,000 to Ksh10,000. Currently, Ksh2,000 per diem is tax-free. You are supposed to remit Pay As You Earn (PAYE) for anything above Ksh2,000 because it is considered disposable income. The Bill proposes to increase the limit to Ksh10,000. You will be expected to pay Income Tax on per diem above Ksh10,000.

The Bill proposes major clean-ups in Value Added Tax (VAT) on several items, which are being converted from zero-rated to tax-exempt. These include pharmaceuticals supplies, sugarcane, electric bicycles, among others. The effect is that the prices of those products are likely to go up because manufacturers and suppliers are likely to transfer that cost to the final consumer. However, this is aimed at reducing tax expenditure. Tax expenditure in this country has been very high. In 2023, tax expenditure was Ksh510 billion, of which Ksh332 billion was VAT refunds. Our deficit currently stands at Ksh925 billion. If you remove the Ksh510 billion tax expenditure, for example, our deficit will be lower than expected. Tax expenditures are important because they are incentives for manufacturers and investors who come to invest in our country. Therefore, we can still earn income revenues from VAT, but we need to ensure that our tax expenditures are reduced.

The Bill proposes access to financial and business secrets. The National Treasury has been including that provision in all Finance Bills since the Finance Bill, 2023. This is a very dangerous provision because if you sleep in a hotel, KRA can get your data to know where you slept and with whom. KRA will know how much money you are depositing in your accounts. Given that there are other provisions in the Bill, especially on the Tax Procedures Act, which give KRA authority to access that data, as my Chairman and the Committee Members said, this provision and data can be misused. Therefore, we declined that provision.

Another ongoing issue is the Export and Investment Promotion Levy, which has not been beneficial to exporters. Exports in the last year increased by 2.5 per cent. If you gross it up using inflation, it does not make sense. The Bill proposes a reduction of the Export and Investment Promotion Levy on iron and steel from 17.5 per cent to 10 per cent. We need to further reduce it to five per cent because when we increased the rates on imported billets and clinker, the prices of cement and steel increased. The price of cement rose from Ksh650 to around Ksh900. The Annual Economic Survey indicates that the construction industry shrunk by 0.7 per cent. The building and construction industry shrank by negative 0.7 per cent. These are the effects of the Export and Investment Promotion Levy which is not helping the country. We also understand that money is not reinvested. Rather, it goes to the Treasury where these people cannot access it. Therefore, we need a further reduction of this.

On the five-year cap, the Committee has pronounced itself on tax loss due to carry forwards. It takes five years for somebody to invest in putting up a factory worth Ksh2 billion.

The Temporary Speaker (Hon. Peter Kaluma): Hon. John Kiarie.

(Hon. John Kiarie spoke off the record)

Hon. John Kiarie (Dagoretti South, UDA): Thank you, Hon. Temporary Speaker.

Before contributing to the Bill, allow me to say that the events in the streets of Nairobi this afternoon were tragic. The death was needless. I will say no more.

At the outset, I thank the Departmental Committee on Finance and National Planning. I congratulate Hon. Kimani Kuria and all the esteemed Members of the Committee. They have burned the midnight oil to present to us a Finance Bill that is generally agreeable and mostly

favourable to Kenyans. Much work goes into preparing a Finance Bill. We know that a Finance Bill is new every year. It amends quite a number of laws. We have to commend the Committee for the judicious work they have done in combing through our laws: The Income Tax Act, The Value Added Tax, The Excise Duty Act, The Tax Procedures Act, and all other miscellaneous laws that exist, for them to compile such a good Report that we are debating this afternoon.

I see reason to celebrate. That is why I support this Bill. Those of us in the ICT and digital economy sector see a reason to smile. The proposals being made here are going to issue tax incentives on spectrum licence. As you would understand, connectivity as of today, is not a luxury. Even what we used to think of a utility like mobile connectivity, telephony or computer connection through the internet is no longer a luxury. Today, connectivity is a matter of life and death.

Even more importantly, the investment that goes to allow connectivity is a very heavy capital investment. We know that a telecommunication company putting up a mast, a tower or anything that has to do with connectivity and even broadband fibre will transfer to the end user who is the public. That is if they could get some relief through tax incentives. For that reason, I stand to support this Finance Bill.

Combing through this Report and looking at the proposals made in this Finance Bill, I see that we seek to zero-rate local assembly of mobile phones. Many might not know but we in Kenya today, are moving towards being a device manufacturer. If you visit Dedan Kimathi University of Technology, you shall find young Kenyans assembling mobile phones and tablets. Those will be accessible to Kenyans. Some at a cost lower than Ksh5,000. When this Finance Bill zero-rates local assembly of mobile phones, not only are we increasing accessibility to these devices, but we are also connecting our country further and growing the digital and creative economy by availing affordable gadgets to the hands of local content creators and developers who develop applications.

Some of the young people are doing an amazing job of coding solutions for the country to benefit from this Finance Bill if we as a House agree to zero rate local assembly of mobile phones. I can assure you that by that one act of zero-rating the local assembly of mobile phones, we will drastically lower the cost of those that shall be assembled in this country.

Hon. Temporary Speaker, this Finance Bill, 2025 proposes that we zero-rate the local assembly of electric motorcycles, bicycles and buses. We do not produce oil. We do not have oil wells in this country. The oil we depend on for fuel is imported at a premium price, at a time when we need to secure our foreign exchange. If we move towards this drive of electric vehicles, we will produce unlimited power. This country produces green power from geothermal.

We also produce power from hydroelectricity. So, electric vehicles are a solution today and in the future of this country. I commend the Committee for the judicious work they have done, and listening to Kenyans. They heard some of these extremely innovative and progressive ideas like zero-rating the local assembly of electric motor vehicles, motorcycles, bicycles and buses.

When the Chairman of the Committee was moving the Report, I noted the proposal to delete Clause 52 of the Bill. It says that Section 59A of the Tax Procedures Act is amended by deleting subsection (1B). I support the Committee's move in their Report to delete Clause 52 of the Bill. There is a good reason for it. It seeks to delete from our laws a provision in the data management and reporting system. Our laws provide that the Commissioner may establish a data management reporting system for the submission of electronic documents, including detailed transactional data pertaining to these documents.

Subsection (1B) of the Tax Procedures Act provide that the Commissioner shall not require a person to integrate or share data relating to trade secrets, and private or personal data held on behalf of customers or collected in the course of business.

There are two reasons I support the Committee to delete Clause 52 of the Bill. Even if they succeeded in going in this direction, they would not have raised the taxes by allowing the Commissioner to require a person to integrate or share their data relating to trade secrets, and private or personal data that is held on behalf of customers or collected in the course of business.

I was part of the formulation of an important Act of Parliament, that is, the Data Protection Act, 2019. I have to report to this House that it is lauded across the globe as one of the most robust data protection laws that is in existence.

The Chairperson of the Departmental Committee on Finance and National Planning talked about General Data Protection Regulation (GDPR). It is a standard setter and the data law in the European Union (EU). However, the Data Protection Act, 2019 is even better than GDPR. When we were crafting the law, we looked, searched and spun across the world to see how data laws sat in other jurisdictions, and then integrate the nuances of the Kenyan situation. That is how we came up with such a robust law—Data Protection Act, 2019. We have no business offending what is working. If it is working, there is no reason to fix it. I, therefore, support the Committee's move to delete Clause 52, so that the Commissioner does not require any person to integrate or share data that is relating to trade secrets, but most importantly, to private or personal data. We have gained such good reputation out there because of a matter called adequacy in data laws. Our laws are considered to be adequate. By diluting our laws, we shall run the risk of running into adequacy problems with our data laws. As such, I believe that the move towards allowing the commissioner to access private data shall be faulting our laws, and shall not benefit tax collection.

With those many remarks, I support this Finance Bill. I also recommend that any Kenyan who has any issue with this, to first get the facts. This is because the disinformation is rife. The misinformation and the mal-information are out there...

The Temporary Speaker (Hon. Peter Kaluma): Let us have Hon. Wilberforce Oundo followed by Hon. (Dr) Makali Mulu. I request that you take under five minutes each because of time.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Temporary Speaker. I stand here to support the Finance Bill, 2025.

(Applause)

You guys are worried?

(Laughter)

Compared to the Finance Bill, 2023 and Finance Bill, 2024, whatever shortcomings are in this Bill are curable, unlike the past two that were incurably defective.

As we stand here today, the Finance Bill here is published as due for debate. The Report of the Committee is only material at the Committee of the whole House. That is the point when this Finance Bill can be amended. I want Kenyans to be very clear in their minds, that what we are discussing here today, is what has been published. That the Report of the Committee based on the results of public participation, will only be of material effect during the Committee of the whole House, when a Bill read and published can be amended.

I have perused through the Report of the Committee. I must say the young guys of last year, 2024, have forced us, Parliamentarians, to start listening. In the previous years, we were impervious. We were immune to common *mwananchi*'s views. But because of the events of June 2025, the hubris is dropped. We have humbled ourselves. We can purport and pretend to

listen. I hope whatever we have listened to, will find its way through the Committee of the whole House as we amend to make matters clearer and good for us.

Allow me to go through a few issues that have been placed here...

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): What is out of order, Leader of the Majority Party? Remember Hon. Oundo has barely two minutes to go.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Yes, Hon. Temporary Speaker. It is because of the kind of unpalatable things he is saying about the House which are untrue.

As a Member of Parliament, he is aware that last year, the Committee listened to people and brought amendments. I can ascertain that. It is such careless talk by leaders that incites Kenyans. I beg that Hon. Oundo withdraws and apologises to the House. Because he cannot say that, knowing very well the process that that Bill underwent last year; the same process this Bill has undergone this year. I beg that he withdraws and apologises to the House.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Oundo is very right to make the presentation he made.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Allow me to continue.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Oundo, continue. Your time was frozen. You have two minutes.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Hon. Temporary Speaker, we need to be very clear at the opportune time.

I also think the Chair will need to clarify. I need Kenyans to be very clear and listen clearly. Let us look at Clause 26 of the Bill that is published here, on the incentives or the waiver of income tax on gratuity and pension payments. In deleting paragraph (a) and substituting the following new paragraph:

First, payment of gratuity. That means gratuity both in the public sector and in the private sector. Hon. Temporary Speaker, my time has been interfered with; you will have to add me.

Secondly, other allowances paid under public pension scheme, the constructive word here is public pension scheme and I hope the Hon. Chairman is listening. He needs to clarify because he referred to all pension schemes, but the constructive words used in this Bill are public pension schemes. We need to be very clear, so that we avoid that misconception out there.

My time has been stolen, but I hope it would be added so I can have a second to complete. The Bill, under Clause 36, proposes to exempt very critical ingredients, raw materials in the manufacturing sector.

The Temporary Speaker (Hon. Peter Kaluma): Add him a minute to conclude that point.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Hon. Temporary Speaker, that includes raw materials in Kenya for manufacturing medicaments, as approved from time to time by the Cabinet Secretary. I just hope and pray that the Committee of the whole House will carry the amendments that they propose, so that we remove exempt and take them back to zero rating.

I attended a meeting with the Kenya Private Sector Alliance and the Kenya Association of Manufacturers. One of their greatest challenges was an unpredictable and ever-changing tax environment. I hope we now have an element of consistency, so that Kenyans can be sure that if I invest today, this is what I expect going forward.

Since time is up, I cannot respond to the Hon. Leader of the Majority Party. Probably when I have more time, I will explain to him what I meant. But luckily enough, there has not been much objection to the current Finance Bill.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Hon. Temporary Speaker, I would have liked to say very good things about the Bill under the title of preliminaries. But with the time you have given me now, you will excuse me. I salute the Majority Bench, led by Hon. Kimani Ichung'wah, Hon. Baya and Hon. Waqo. Hon. Temporary Speaker, when I look at you, I see leadership. Look at what is happening on our side. We have empty seats. I do not think this is what we want to do. We have said we have no minority leadership and you keep on telling us we have a minority leadership. Such an important Bill is not being debated by this side, led by the leadership, it is a shame to this House. You had 15 minutes to debate, Hon. Kimani. Our leader would have taken 15 minutes. I have five minutes, but I will do justice to this Bill.

The issue of tax zero rating versus tax exemption is a very critical issue. Even though the Chairman of the Committee has tried to get some things back to zero rating, in his own words, he did say we have fictitious claims.

My own research has shown tax refunds are about Ksh400 billion. Out of that, almost 50 per cent are fictitious claims. How I wish we could come up with a methodology to ensure we do not provide these manufacturers an opportunity to hire smart accountants to make more money other than doing the actual job.

Secondly, I appreciate the issue of personal data and trade secrets. The Committee has done justice to ensure that does not appear in our laws. It is already adequately covered by the Constitution.

The other issue is that of aircraft taxation. If I remember well, this is the third time that The National Treasury has proposed that we impose some tax on aircraft spare parts. The argument has always been that if we do that, it will increase operational expenses and result in higher ticket prices. How come, every year, we get this proposal in the Finance Bill? Could it be that some people are enjoying a monopoly and as a result, The National Treasury wants to sort out that issue, yet we keep on blocking them?

How I wish the Chairman of the Departmental Committee on Finance and National Planning would take time and sit with The National Treasury and find out why, year in year out, we get this proposal coming into the Finance Bill. It is unfortunate that someone with a PhD in Economics is given three minutes while a Certified Public Accountant of Kenya (CPA-K) is given 10 to 15 minutes. But let us continue.

(Laughter)

Hon. Temporary Speaker, these are my three recommendations. First, if we want to be right on this journey, we must broaden the tax base. We must think about how to achieve that. Secondly, we must seal any tax leakages in terms of collection. Thirdly, we must have a predictable tax regime in this country; if I am investing in Kenya, I can know how the tax regime will look like over the next 10 years.

I have read the report and I have seen a very good proposal from the think tanks that we need to review our Pay As You Earn (PAYE) rate bands. That is good for the country, and we need to take it seriously as a House and encourage our people.

As I conclude, the Chairman of Departmental Committee on Finance and National Planning must take note that Hon. Mbadi read a Budget with a deficit of Ksh923 billion. As the Budget and Appropriations Committee, we approved a Budget deficit of Ksh876 billion. We must be told where the difference of Ksh47 billion will come from. I hope it will not be from additional taxation.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Irene Mayaka will be followed by Hon. Julius Melly and Hon. Basil. They will each have three minutes.

Hon. Irene Mayaka (Nominated, ODM): Thank you, Hon. Temporary Speaker for giving me this opportunity to support the Finance Bill, 2025.

At the outset, I thank the Committee for doing a very fantastic job. One of the things that has emerged from this particular Finance Bill is that it is not merely a revenue collecting tool. It is more of policy-driven, and I believe this is the way to go. As a country, we want a tax system that is clear, predictable and accessible.

We also need to tell the country that this particular Finance Bill is modest in terms of ensuring that the local *mwananchi* has not been affected. There are a couple of clauses that I have taken particular interest in, and I would like to express my support for them and especially, the amendments proposed by the Committee.

Clause 2 of the Bill is on exemptions of pension payment, not only for the monthly payments but also, for lump sum payments. That proposal is welcome because we operate in a world that revolves around black tax. In my view, enabling our pensioners to be exempt from paying taxes on their earnings goes a long way in terms of trickling down to even those who depend on them.

Clause 8 of the Bill speaks about incentives to people who are building stadiums as well as those who support our sports, especially sponsors. This is very important because it speaks about the need to nurture talent. I also commend the young man who spoke about e-Committee. As Parliament, this is a direction we should all take because it will help us save on using paper.

With those few remarks, I support the Finance Bill, 2025. I thank the Committee for doing a fantastic job.

I, thank you.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Julius Melly.

Hon. Julius Melly (Tinderet, UDA): Thank you, Hon. Temporary Speaker. I want to thank and congratulate the Chairman of the Departmental Committee on Finance and National Planning. The Committee has done a very good job. In fact, this time, the Bill provides a lot of incentivisation for producers, farmers and more importantly, transporters.

I would like to talk about the construction industry. By reducing the Export and Investment Promotion Levy from 17.5 to 10 per cent, the cost of cement, clinker and steel will go down. This will create many jobs in the construction industry. More importantly, the Bill has also proposed a number of incentives to the software industry that will promote the production and assembling of software devices. I shall be proposing a number of amendments, especially on how to incentivise tea packaging, how to enable the tea farmer to get enough money and also to promote the export of tea in this country and across the globe.

I support this Bill and I ask the House to give the correct information about the Finance Bill, 2025 so that the public can get to know and read the right figures and not to be wrongfully informed through social media.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Basil, make your submissions under three minutes.

Hon. Robert Basil (Yatta, WDM): Thank you, Hon. Temporary Speaker.

I want to thank the Chairperson for the Departmental Committee on Finance and National Planning. Finance Bill, 2025 is not a bad Bill compared to its 2023 and 2024 versions. It is a fairly good Bill.

For example, with regard to the pensioners and the retirees, majority of whom are an aging population with a lot of related ailments that come with age, the Bill provides a tax-free for gratuity and pension funds for them. Majority of them are actually grappling with age-related ailments, and will benefit greatly through this proposal.

The mortgage relief expansion is another good proposal that will support new house owners to get loans for house constructions. Since we have so many young people who are

trying to be house owners, the mortgage house expansion will support them. The Bill has reduced taxation of the steel and iron imports from 17.5 per cent to 5 per cent. This means that the construction and real estate sector will grow and as a result generate employment for many young people particularly, skilled and unskilled labourers.

The only flaws I have with the Bill include the issues of data privacy because we need to protect data privacy. Allowing the Kenya Revenue Authority (KRA) access to our data is not a good thing.

Lastly, when it comes to taxes, the 16 per cent VAT on issues with solar energy and affordable housing inputs is going to slow solarisation when it comes to solarising our boreholes, as well as issues to do with job creation when it comes to tourists, because there is...

(Hon. Kimani Ichung'wah spoke off the record)

The Temporary Speaker (Hon. Peter Kaluma): The Mover to reply, there being no more interest.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, with your indulgence, I beg to donate...

The Temporary Speaker (Hon. Peter Kaluma): You want to donate some time?

Hon. Kuria Kimani (Molo, UDA): Yes, please.

The Temporary Speaker (Hon. Peter Kaluma): There is Hon. Omboko Milemba behind you and Hon. Zamzam Chimba.

Hon. Kuria Kimani (Molo, UDA): Yes, I would like to donate a minute to Hon. Omboko, another to my comrade, Hon. Karembe, and the same to Hon. Zamzam.

Hon. Omboko Milemba (Emuhaya, ANC): Thank you, Hon. Temporary Speaker.

Last year's Finance Bill, having received the kind of reception it got, was courtesy of partly what the workers indicated as a drain in their pay slips in terms of several tax deductions. But I am happy for them since there is some tax relief this time. The mortgage clause that increases and expands tax-free mortgages not only for commercial property but also homes, is an advantage to workers. The clause that indicates that multinationals that invest in Kenya must have a certain per centum of Kenyan workers reminds me of the Africanisation policy of 1965, which is great for workers. The expansion of tax-free per diem from Ksh2,000 to Ksh10,000 is an advantage to workers. The proposal on pension and gratuity has been emphasised and I thank the Committee for it.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Eric Muchangi.

Hon. Muchangi Karembe (Runyenjes, UDA): Thank you, Hon. Temporary Speaker.

The Finance Bill, 2025 is a very good document done by the Departmental Committee on Finance and National Planning. It does not propose new taxes. The only proposal in it is to expand the tax bracket and ensure that all people pay taxes as required. It especially, seeks to ensure there is no tax evasion.

In the Bill, there is a proposal to exempt raw materials used to make animal feeds. This will help farmers in a big way especially now that the price of milk is going down.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Zamzam.

Hon. Zamzam Mohammed (Mombasa County, ODM): Ahsante, Mhe. Spika wa Muda.

Kwa uwepesi, ninaipongeza huu Mswada. Kwa Wakenya, mambo yamekuwa shwari kabisa. Hakuna utoaji ushuru kwa chakula cha binadamu na cha wanyama. Hii inaonyesha kuwa wakenya watakuwa na chakula cha kutosha na mifuko yao haitateseka tena.

Pia, nimeona wameanzisha Nairobi International Financial Centre Authority (NIFC) ambayo itaruhusu wawekezaji kuwekeza nchini Kenya. Wakenya wengi walipoteza kampuni zao hapo awali. Hivi sasa, wataweza kujenga kampuni hapa nchini na vijana watapata ajira.

Zamani, wazee wetu walikuwa wakitozwa ushuru kwa malipo ya uzeeni. Hiyo ushuru imetolewa sasa. Ninaomba wakenya wote waunge mkono huu Mswada ili Kenya iende mbele. Nawasihi wote waliokuwa wanakwepa kulipa ushuru, walipe ili Kenya iende mbele.

Ahsante sana, Mhe. Spika wa Muda.

The Temporary Speaker (Hon. Peter Kaluma): Mover to conclude.

Hon. Kuria Kimani (Molo, UDA): Thank you very much, Hon. Temporary Speaker.

I thank Members who have contributed to this discussion. I would like to respond to two particular matters: The first one was raised by Hon. Oundo. Clause 26 amending paragraph 53 of the First Schedule of the Income Tax Act says that:

Provided that this exemption shall only apply to payment of gratuity or other allowance paid in public schemes.

We are deleting that particular paragraph and replacing it with the words “only gratuity.” It means the gratuity will include even the ones that are not in public pension schemes, and not only those in public schemes.

Secondly, there would be amendments at the Committee of the whole House on tea packaging. For a very long time, coffee and tea farmers have been getting very low returns for one reason. There has never been a good framework to allow value addition to our tea and coffee. We have the best tea in the country. It is harvested, put in a sack and taken to Dubai or Sri Lanka for value addition. It then comes back to this country at almost a thousand times more than the initial cost. We are proposing a range of exemptions on packaging materials for tea so that it is exported in good packaging for better value. That way, farmers will get good returns. It is quite unfortunate that farmers have spent many years growing and maintaining tea, yet they earn the least, while brokers and middlemen, who simply export and re-import, make significant profits.

In addition, I have mixed feelings about some of the recent amendments to the East African Community Tariffs. One of the recommendations we should include in the National Tax Policy – and which The National Treasury should adhere to – is that all stays, and applications for stays of customs duty, be brought before this House for public participation and approval.

One positive development is the introduction of a duty on imported tea. This will make our local tea more competitive in the market. However, some of the newly introduced rates may negatively impact our local industries. It is therefore, important that we provide oversight and ensure that these Common External Tariff (CET) rates are presented to this House for approval and subjected to public participation.

Furthermore, I wish to correct a misconception raised by my good friend, Hon. Oundo. Last year, we conducted extensive public participation, and he knows for a fact that the report we tabled in this House was thorough and well-received. The same proposals contained in that report were adopted in the four laws that were passed. In essence, the content of the Finance Bill aligned with our final report. It is, therefore, important to clarify and state the facts as they are.

I wish to thank all Members who contributed to the debate on this Bill. I look forward to engaging further during the Committee of the whole House tomorrow, where we shall consider the proposed amendments.

Thank you.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Chairman, I heard Hon. Oundo say that although last year’s public participation was commendable, this year’s was even more intensive and extensive. That is what he stated. You will agree, Chairman, that this year, members of the public are receiving a Quick Response (QR) Code. This allows anyone, anywhere, including Kenyans outside the jurisdiction, to submit feedback. I did not hear Hon.

Oundo claim there was inadequate public participation last year, and he has since confirmed that position.

Hon. Members, unlike the other House, this is a decision-making and action-oriented House. Allow me to thank you for engaging up to this late hour to ensure that we can make decisions. The Question on this Bill shall be put at a future sitting tomorrow or any other date that the House Business Committee may schedule.

Order, Hon. Members. Be upstanding.

ADJOURNMENT

The Temporary Speaker (Hon. Peter Kaluma): Hon. Members, the time being 7.07 p.m., this House stands adjourned until Wednesday, 18th June 2025, at 9.30 a.m.

The House rose at 7.07 p.m.

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