

THE BANKING (INCREASE OF RATE OF BANKING AND OTHER CHARGES) REGULATIONS

[Legal Notice 34 of 2006]

1. These Regulations may be cited as the Banking (Increase of Rate of Banking and Other Charges) Regulations.
2. An application for approval of increase in the rate of banking or other charges under section 44 of the Act, shall be in the form set out in the Schedule and shall be submitted to the Minister through the Governor of the Central Bank of Kenya.
3. The Governor of the Central Bank of Kenya shall consider every application submitted under regulation 2 and shall, in particular—
 - (a) consider whether the proposed increase is in conformity with the Government's policy of entrenching a market-oriented economy in Kenya; and
 - (b) take into account the average underlying inflation rate prevailing over the twelve months immediately preceding the application, together with his comments thereon, to the Minister.
4. The Minister shall consider every application forwarded under regulation 3 in the manner set out in regulation 5.
5. (1) Where—
 - (a) the increase in the rate of banking or other charges applied for is below the average underlying inflation rate prevailing over the preceding twelve months as determined by the Central Bank of Kenya, the Minister shall communicate his decision to the applicant within fourteen days of the date of receipt of the application;
 - (b) the increase in the rate of banking or other charges applied for is above the average underlying inflation rate prevailing over the preceding twelve months as determined by the Central Bank of Kenya, the Minister may, if he deems it necessary, hold consultations with the applicant on the rationale for the proposed increase in the rate of banking or other charges before either granting or denying approval.

(2) In the case of an application falling under subregulation (1)(b), the Minister shall communicate his decision to the applicant within thirty days of the receipt of the application.
6. Every institution shall post, in a conspicuous position at every place of the institution's business in Kenya, the rates of banking and other charges levied on the products offered by the institution and shall submit a copy of the document so displayed to the Minister.
7. An institution seeking to introduce a new product shall, prior to charging, levying or imposing any rate or charge on the new product, notify the Minister in writing of the rate or charge applicable to the new product.

SCHEDULE

[r. 2]

FORM

APPLICATION FOR INCREASE IN THE RATE OF BANKING AND OTHER CHARGES

1. Name of Institution
2. Date of application

Banking

[Subsidiary]

3. Proposed effective date of the proposed increase

4. Details of increase

Type of rate or charge	Effective date of current rate or charge	Current rate or charge	Proposed rate or charge	Percentage increase	Justification for increase*

Date

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 (Signature of the Chief Executive
 Officer or the Chief Operating Officer)

* Extra sheet may be attached. The application should clearly set out in detail, justification for the proposed increase.
