



THE REPUBLIC OF KENYA

LAWS OF KENYA

HIRE PURCHASE ACT

CHAPTER 507

Revised Edition 2017 [2012]

Published by the National Council for Law Reporting
with the Authority of the Attorney-General

www.kenyalaw.org

CHAPTER 507

HIRE PURCHASE ACT
ARRANGEMENT OF SECTIONS

PART I – PRELIMINARY

Section

1. Short title.
2. Interpretation.
3. Application.

PART II – REGISTRATION

4. Establishment of registry.
5. Agreements to be registered.

PART III – PROVISIONS AS TO HIRE-PURCHASE AGREEMENTS

6. Requirements relating to agreements.
7. Avoidance of certain provisions in agreements.
8. Conditions and warranties implied in agreements

PART IV – CHANGE OF ADDRESS AND REMOVAL OF GOODS

9. Change of address and removal of goods from premises.
10. Removal of goods from Kenya.
11. Court may allow goods to be removed.

PART V – TERMINATION AND COMPLETION OF AGREEMENT

12. Hirer may terminate agreement.
13. Hirer may complete agreement.

PART VI – RECOVERY OF POSSESSION BY SUIT

14. Adverse possession.
15. Recovery of possession where two-thirds of price paid.
16. Provisions where suit instituted.
17. Where order for delivery of goods postponed.

PART VII – LICENSING OF HIRE-PURCHASE BUSINESSES

18. Licence required to carry on hire-purchase business.
19. Licensing officer.
20. Granting of licences.
21. Where renewal of licence refused.
22. Appeals.
23. Licence to be displayed.

PART VIII – MISCELLANEOUS

24. Successive agreements between same parties.
25. Owner to account for proceeds of sale.
26. Hirer's refusal to surrender goods not conversion.

Hire Purchase

Section

- 27. Hirer may require information.
 - 28. Appropriation of payments where more than one agreement.
 - 29. Limitation on enforcement of agreement.
 - 30. Agreement binding on trustee or liquidator of owner.
 - 31. Bankruptcy of hirer.
 - 32. Service of notices.
 - 32A. Minister may determine interest rates, etc.
 - 33. Minister's power to obtain information.
 - 34. False information.
 - 35. Minister's power to make rules.
-

CHAPTER 507

HIRE PURCHASE ACT

[Date of assent: 26th June, 1968.]

[Date of commencement: 2nd November, 1970.]

An Act of Parliament to make provision for the regulation of certain hire-purchase agreements, and for the licensing of hire-purchase concerns, and for purposes connected therewith

[Act No. 42 of 1968, Act No. 11 of 1970, L.N. 181/1970, L.N. 224/1970, Act No. 12 of 1984, Act No. 8 of 1985, Act No. 11 of 1992, Act No. 5 of 2007, Act No. 7 of 2007, Act No. 19 of 2015, Act No. 13 of 2017, L.N. 77/2017, L.N. 105/2017.]

PART I – PRELIMINARY

1. Short title

This Act may be cited as the Hire-Purchase Act.

2. Interpretation

(1) In this Act, except where the context otherwise requires—

“**the appointed day**”, means such day as the Minister may, by notice in the Gazette, appoint to be the appointed day for the purpose of section 18 of this Act;

“**contract of guarantee**”, in relation to a hire-purchase agreement, means a contract, made at the express or implied request of the hirer, to guarantee the performance of the hirer’s obligations under the hire-purchase agreement, and “guarantor” shall be construed accordingly;

“**delivery**”, “**goods**” and “**warranty**” have the same meanings as in the Sale of Goods Act (Cap. 31);

“**hire-purchase agreement**” means an agreement for the bailment of goods under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee; and, where by virtue of two or more agreements none of which by itself constitutes a hire-purchase agreement there is a bailment of goods and either the bailee may buy the goods or the property therein will or may pass to the bailee, the agreement shall be treated for the purposes of this Act as a single agreement made at the time when the last of those agreements was made;

“**hire-purchase business**” means a business, whether carried on alone or with other business, of entering into hire-purchase agreements, whatever the hire-purchase price under any agreement;

“**hire-purchase price**” means the total sum payable by the hirer under a hire-purchase agreement in order to complete the purchase of goods to which the agreement relates, including any sum payable by the hirer by way of a deposit or other initial payment or credited or to be credited to him under the agreement on account of any such deposit or payment, whether that sum is to be or has been paid to the owner or to any other person or is to be or has been discharged by a payment of money or by the transfer or delivery of goods or by any other means, but excludes any sum payable as penalty, compensation or damages for a breach of the agreement;