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*Kenya Gazette Supplement No. 218 (National Assembly Bills No. 55)*



REPUBLIC OF KENYA

## ***KENYA GAZETTE SUPPLEMENT***

**NATIONAL ASSEMBLY BILLS, 2021**

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**NAIROBI, 26th November, 2021**

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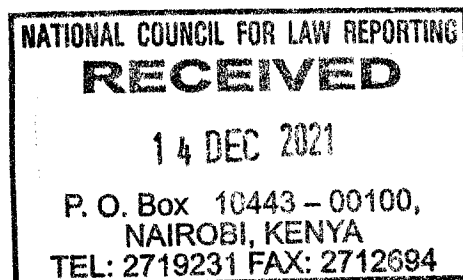
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PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

**THE SACCO SOCIETIES (AMENDMENT) BILL,  
2021**

**A Bill for**

**AN ACT of the Parliament to amend the Sacco Societies  
Act, 2008**

**ENACTED** by the Parliament of Kenya, as follows—

- |  |   |
|--|---|
| <p><b>1.</b> This Act may be cited as the Sacco Societies (Amendment) Act, 2021.</p>   | <p>Short title.</p>                               |
| <p><b>2.</b> The Sacco Societies Act, (in this Act referred to as the “principal Act”), is amended by deleting the word “Minister” wherever it appears and substituting therefor the words “Cabinet Secretary”.</p>  | <p>Amendment of No. 14 of 2008.</p>               |
| <p><b>3.</b> Section 6 of the principal Act is amended in subsection (4) by deleting paragraph (a) and substituting therefor the following new paragraphs—</p> <p>“(a) a Member of Parliament or a County Assembly;</p> <p>“(aa) one who does not meet the requirements of Chapter Six of the Constitution;”</p>   | <p>Amendment of section 6 of No. 14 of 2008.</p>  |
| <p><b>4.</b> Section 20 of the principal Act is amended—</p> <p>(a) in subsection (2) by deleting the words “Controller and”;</p> <p>(b) in subsection (3) by deleting the expression : “2003, (No. 12 of 2003)” and substituting therefor the expression, “2015, (No.34 of 2015)”</p>   | <p>Amendment of section 20 of No. 14 of 2008.</p> |
| <p><b>5.</b> Section 24 of the principal Act is amended in subsection (2) by deleting the words “Second Schedule” appearing in paragraph (b) and substituting therefor the word “regulations”.</p>   | <p>Amendment of section 24 of No. 14 of 2008.</p> |
| <p><b>6.</b> Section 27 of the principal Act is amended—</p> <p>(a) in subsection (1), by deleting the words “prescribed in section 30 and the Second Schedule” appearing in paragraph (d) and substituting therefor the words “as may be prescribed in the regulations”;</p> <p>(b) in subsection (7), by deleting the word “Tribunal” and substituting therefor the words “Cabinet Secretary”; and</p> | <p>Amendment of section 27 of No. 14 of 2008.</p> |

- (c) by inserting the following new subsection immediately after subsection (7)—

“(8) The registration of a Sacco Society, the license of which, is revoked under the provisions of this Act shall be cancelled in accordance with section 62 of the Co-operative Societies Act.”

7. Section 45 of the principal Act is amended by deleting the expression “Cap. 486” appearing in paragraph (a) and substituting therefor the expression “No. 17 of 2015”.

Amendment of  
section 45 of  
No. 14 of  
2008.

8. Section 51 of the principal Act is amended—

Amendment of  
section 51 of  
No. 14 of  
2008.

- (a) by inserting the following words “or any officer, director, committee member, employee or agent of the Society in such amounts as may be prescribed through regulations” immediately after the word “society” appearing in paragraph (m); and
- (b) by deleting the word “and” appearing at the end of paragraph (p) and substituting therefor the word “or”.

9. The principal Act is amended by inserting the following new section immediately after section 53—

Amendment of  
section 53 of  
No. 14 of  
2008.

Application of  
Information and  
Communications  
Technology.

**53A** (1) The Authority may establish and operate an electronic filing system for the purposes of electronic filing of the statutory returns and documents or other information required to be furnished to the Authority under the Act or any other written law.

(2) The Authority shall, in establishing an electronic filing system, issue general or specific guidelines and directions on the use and procedure of the system, including—

- (a) the registration of Sacco Societies to participate in the electronic filing system;
- (b) the issuing and cancellation of authentication of codes to the registered users of the electronic system;

- (c) statutory returns, documents or other information that may be transmitted through the electronic filing system;
- (d) the correction of errors in, or amendments to, statutory returns, documents or other information filed in the electronic filing system;
- (e) the use of the electronic filing system, including the procedure applicable if there is a breakdown or other interruption in the system;
- (f) the use, in any electronic transmission or filing, of symbols, codes, abbreviations or other notations to represent any particulars or information required under the Act or any other written law; and
- (g) any other matters for the better use and provision of the electronic filing system.

(3) A Sacco Society shall, subject to any directions or guidelines issued by the Authority, furnish any return, document or other information required to be furnished under the Act, these Regulations or any other written law through the use of the electronic filing system established by the Authority.

(4) The Authority may, in accordance with the directions or guidelines issued under subsection (3), serve a notice or any other document to the registered computer account of the Sacco Society.

## MEMORANDUM OF OBJECTS AND REASONS

### Statement of objects and reasons

The principal object of the Bill is to amend the Sacco Societies Act No. 14 of 2008 by providing for the usage of ICT in collecting and receiving of statutory reports. This is aimed at reducing the regulatory reporting burden on SACCOs and ensuring of a faster, efficient and accurate reporting, monitoring and analysis of SACCOs financial status at any time, being the cornerstone of Risk-Based Supervision (RBS). The Bill also seeks to realign the definition and roles of Minister to Cabinet Secretary and also the responsibility and office of the Controller of Budget as reflected in the Act, to be in line with the Constitution.

This Bill has been republished following the Court of Appeal judgment in *Civil Appeal No. E084 of 2021* which nullified the Sacco Societies (Amendment) Bill, No. 16 of 2018 for want of participation by the Senate. The Bill as passed by the National Assembly has therefore been republished in compliance with the judgment of the Court of Appeal to allow for consideration by both Houses in terms of Article 109(4) of the Constitution.

The Bill has a total of nine clauses which provide as follows—

**Clause 1** of the Bill is the short title.

**Clause 2** of the Bill amends the Act to align the definition of the term Minister with the Constitution.

**Clause 3** of the Bill amends section 4 of the Act to provide that a person shall not be qualified for appointment as a member of the Board of the Sacco Societies Regulatory Authority if the person is a Member of Parliament or a County Assembly or is one who does not meet the requirements of Chapter Six of the Constitution.

**Clause 4** of the Bill amends section 20 of the Act to provide that the Sacco Societies Regulatory Authority shall submit its statement of income, expenditure, assets and liabilities to the Auditor-General and not the Controller of Budget in line with the Constitution. The amendment also seeks to make reference to the correct citation of the Public Audit Act.

**Clause 5** of the Bill amends section 24 of the Act to require an application made by a Sacco Society intending to transact the deposit-taking business to be accompanied by evidence that the Sacco Society meets the minimum capital requirements prescribed in regulations.

**Clause 6** of the Bill amends section 27 of the Act to among other things provide that the registration of a Sacco Society, the license of which, is