

SPECIAL ISSUE

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REPUBLIC OF KENYA

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NATIONAL ASSEMBLY BILLS, 2021

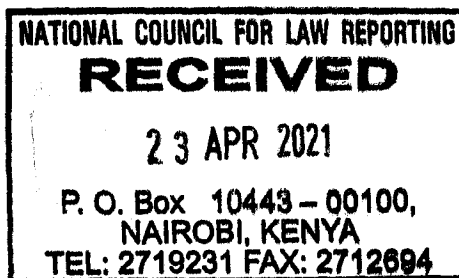
NAIROBI, 6th April, 2021

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**THE CENTRAL BANK OF KENYA (AMENDMENT)
BILL, 2021**

A Bill for

AN ACT of Parliament to amend the Central Bank of Kenya Act and for connected purposes.

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Central Bank of Kenya (Amendment) Act, 2021. Short title.

2. Section 2 of the Central Bank of Kenya Act (hereinafter referred to as the principal Act) is amended by inserting the following new definitions in the proper alphabetical sequence — Amendment of section 2 of Cap 490.

“digital channel” means the internet, mobile devices, computer devices, applications and any other digital systems as maybe prescribed by The Bank;

“digital credit” means a credit facility or arrangement where money is lent or borrowed through a digital channel;

“digital credit business” means the business of providing credit facilities or loan services through a digital channel;

“digital credit provider” means a person licensed by The Bank to carry on digital credit business;

“specified digital credit provider” means a licensed digital credit provider within the meaning of section 33R;

3. Section 4A of the principal Act is amended in subsection (1) by inserting the following new paragraph immediately after paragraph (d) — Amendment of section 4A of Cap. 490.

(da) license and supervise digital credit providers not regulated under any other written law;

4. The principal Act is amended by inserting the following new Part immediately after Part VI B — Insertion of new Part in Cap. 490.

PART VI C -REGULATION OF DIGITAL LENDERS

Regulation of digital lenders.

33R. Without prejudice to the generality of section 4A (da), The Bank shall have power to—

- (a) license digital credit providers;
- (b) determine capital adequacy requirements for digital credit providers;
- (c) determine the minimum liquidity requirements for digital credit providers;
- (d) approve digital channels and business models through which digital credit business may be conducted;
- (e) supervise digital credit providers;
- (f) suspend or revoke a license; and
- (g) direct or require such changes as The Bank may consider necessary.

Licensing.

33S. (1) A person shall not carry on any digital credit business unless that person has been licensed by The Bank under this Act or is permitted to do so under any other written law.

(2) An application for a license under subsection (1) shall be made to The Bank in such form and shall be accompanied by such information and fee as may be prescribed.

(3) A person who contravenes the provisions of this section commits an offence and shall be liable upon conviction to imprisonment for a term not exceeding three years or to a fine not exceeding five million shillings or to both.

5. Section 43 of the principal Act is amended in subsection (1) by inserting the following words “specified digital credit providers” immediately after the words “specified mortgage refinance companies.”

Amendment of
section 43 of Cap.
490.

6. Section 57 of the principal Act is amended by inserting the following new subsection immediately after subsection (2)—

Amendment of
section 57 of Cap.
490.