

SPECIAL ISSUE

Kenya Gazette Supplement No. 3 (National Assembly Bills No. 1)



REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILLS, 2019

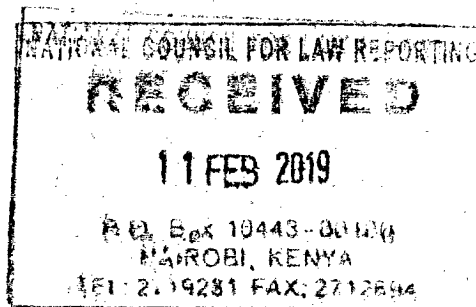
NAIROBI, 28th January, 2019

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**THE LAW OF CONTRACT (AMENDMENT) BILL,
2019**

A Bill for

**AN ACT of Parliament to amend the Law of Contract
Act**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Law of Contract (Amendment) Act, 2019.

Short title.

2. The Law of Contract Act is amended in section 3 by inserting the following new subsection immediately after subsection (1) –

Amendment of
section 3 of Cap.
23.

“(1A) Notwithstanding subsection (1), before a suit is brought against a defendant under subsection (1), the plaintiff shall first realise the security of the principal.

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Law of Contract Act, Cap. 23. It proposes to amend the law so that in case of a default by the principal borrower, the creditor should first realise the assets of the principal borrower before proceeding to realise the assets of the guarantor.

Clause 1 of the Bill provides for the short title.

Clause 2 of the Bill provides for the amendment to section 3 of the Act to provide that before a creditor pursues a guarantor in law, he or she should first realise the assets of the principal debtor.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill does not delegate legislative powers to the Cabinet Secretary. It does not limit fundamental rights and freedoms.

Statement that the Bill concerns county governments

The Bill does not affect the functions of the county governments and is therefore not a Bill concerning counties for purposes of the Standing Orders.

Statement that the Bill is a money Bill within the meaning of Article 114 of the Constitution

The enactment of this Bill shall not occasion additional expenditure of public funds.

Dated the 24th January, 2019.

WAITITU FRANCIS MUNYUA,
Member of Parliament.