THE 2019/20 BUDGET HIGHLIGHTS

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Dear Esteemed Client,
The government has released the 2019/2020 fiscal strategy premised on the theme:
"Creating Jobs, Transforming Lives – Harnessing the "Big Four" Plan

This year's budget is anchored on the Government's focus on creating jobs, transforming lives to harness the Big Four plan. Published statistics indicate that the economy grew by 6.3% in 2018 up from 4.9% in 2017, and the highest rate recorded for the past 8 years. The expansion was anchored on strong macroeconomic fundamentals and driven by agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities.

In addition, inflation decreased from 8% in 2017 to 4.7% in 2018, while interest rates dropped as a result of the downward review of the Central Bank Rate due to the easing of monetary policy. The ease of doing business in Kenya moved up 19 places to rank 61 out of 190 Countries surveyed in the latest World Bank annual ratings. On this backdrop, the government aims to achieve its targets by continued implementation of prudent fiscal and monetary policies in order to achieve a low rate of inflation, low sustainable interest and a competitive exchange rate.

Notwithstanding the aforementioned positive macroeconomic indicators and the sustained growth in budgetary allocations to above KES. 2.8 trillion mark; there has been no corresponding growth for businesses and households. This can be attributed to expenditure lags. While there is a recorded improvement in ease of doing business, the private sector is facing challenges such as delays in payment of suppliers by the government and lengthy port clearance processes. Interest rate caps and government's increased appetite for commercial loans which has crowded out the private sector from accessing credit.

Despite the decrease in inflation from 8% in 2017 to 4.7% in 2019, households have continued to complain of increased cost of living. This is evidenced by the marginal decrease in growth in formal employment from 107,500 to only 65,600 thousand formal jobs

The 2019/20 budget seeks to unlock the economic potential by improving the business environment for MSMEs, enhance access to finance and market liquidity. It has also provided incentives to increase movement of goods and seeks to strengthen the governance framework. To address the access to finance barrier, the government seeks to operationalise the Biashara Kenya Fund which will enhance participation in the economy by marginalised groups. In addition, it aims to unlock the potential of small enterprises by providing access to unsecured loans through a mobile loan product - Stawi loans. This will be further buoyed by the proposed SME Credit Guarantee Scheme.

At the household level

To stimulate job creation the government has set aside KES 1 billion as seed capital to Ajira Digital Program. Similar employment programs have been initiated in countries like South Africa, Yemen, India and Scotland in partnership with development partners.

The Government is focused on stimulating growth of the informal sector which created about 83% of new jobs in 2018.

To increase the disposable income at household level, the government seeks to increase participation of youths, women and people living with disabilities in the economy through incentives such as fast tracking payment of KES 10.9 billion pending bills owed to those vulnerable groups.

1. THE BIG 4 AGENDA

1.1. Universal Health Coverage

The Constitution of Kenya 2010 strives for the highest standard of healthcare as a basic right, whilst devolving governance to the Counties, so as to ensure improved service delivery, greater accountability, improved citizen participation and equity in the distribution of resources. Kenya's vision 2030 aims to transform the country into a globally competitive and prosperous one with a high quality of life by 2030, and improved healthcare is a critical driver to the achievement of this vision.

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The Government of Kenya has committed to providing Universal Health Coverage under the "Big Four" agenda as part of its socioeconomic transformation by providing equitable, affordable and quality healthcare of the highest standard to all its citizenry. This will be achieved through implementation of appropriate policies and programmes that the health sector will undertake. From a budget perspective, there is no increase of the FY19/20 budgetary allocation of UHC from the previous financial year. The current allocation of KES 47.8billion is meant to scale up the UHC initiatives to all the 47 counties. The successes and lessons of the UHC agenda for the 4 pilot counties (Isiolo, Makueni, Kisumu and Nyeri) has not been evaluated and hence, the budget allocation in the current year may not be well informed. Meanwhile, NHIF is key to the implementation of UHC and it is meant to catalyse the outcomes.

Budgetary Allocation

Key allocations in the FY 2019/20 include:

- Kshs 6.0bn for scaling up Universal Health Coverage
- Kshs 4.9bn for transforming health systems for UHC
- Kshs 2.5bn for medical supplies to support UHC
- Kshs 3.2bn to cover the elderly and severely disabled
- Kshs 6.2bn for leasing of medical equipment
- Kshs 4.1bn for doctors, clinical officers and nurses internship
- Kshs 3.3bn for vaccines and immunization
- Kshs 0.4bn for regional cancer centres

1.2. Food Nutrition and Security

The Agriculture, Livestock, Fisheries and the Blue Economy sub-sectors contribute approximately 52% to GDP directly and indirectly (Kenya Economic Survey, 2019). The sectors further account for approximately 57 per cent of Kenya's total exports and 60 per cent of employment in the rural areas. This clearly demonstrates the significance of the sector in all the spheres of the economy and underscores the need for the government to spur growth in this sector. The sector is identified as one of the six sectors under the Vision 2030 and the government has identified it as one of its Big Four Agenda.

To implement these strategies, the government has largely been expanding irrigation schemes, increasing access to agricultural inputs, implementing programmes to support smallholder farmers, fishing and pastoralist communities to produce and market their commodities. The total allocation is KES 59.1 B, equivalent to 2.2 % of the total budget. This may not be considered adequate because of the following: One of the key focus for this year's budget is "creating jobs". The agricultural sector employs over 70% of the population, yet the allocation is not commensurate; The manufacturing sector heavily relies on this sector, therefore limited efforts in scaling up, may hamper manufacturing; Should risks related to weather shocks materialise, these risks have not been adequately funded; Kenya is a signatory to the 'African Union (AU) Malabo Declaration which requires the sector to be funded up-to at least 10% of national budget. Being one of the Big Four, food and nutrition security is very important to the government. At the same time, agriculture is one of the devolved functions, and therefore there is need to coordinate with the county governments to ensure optimal allocation of resources to spur growth and realise food security.

1.2.1. Budgetary Allocation

Key allocations in the FY 2019/20 include:

- Kshs 7.9bn for on-going irrigation programmes
- Kshs 3.0bn for cherry coffee revolving fund
- Kshs 1.8bn for Kenya cereal enhancement
- Kshs 1.0bn for crop diversification
- Kshs 0.6bn for fall army worm mitigation
- Kshs 20.bn for National value chain support
- Kshs 20.bn for issuance of title deeds
- Kshs 0.7bn for digitization of land registries
- Kshs 0.6bn for livestock and crop insurance scheme

Access to stable, reliable and affordable energy supply is critical to the realisation of the Big Four agenda. In an effort to reduce the cost of electricity to manufacturers, the government has developed a framework to grant income tax rebates on power costs. The incentive is expected to decrease the cost of electricity to manufacturers by about 20%. This will make our products competitive in the region and spur economic growth. Power for all .

The government has made significant progress in enhancing the electrification rate by connecting 73% of households to the national grid as at June 2018, compared to 29% five years ago. In line with achieving it's 100% electrification target by 2022, it has allocated KES 5.5billion towards the last mile connectivity initiative. This is a reduction of 18% compared to last year's allocation.

1.3.1. Green Energy

The government continues to focus on the development of green energy and has allocated KES 8.6billion towards the geothermal development. There was no budgetary allocation for other renewable energy sources such as wind and solar. This is an opportunity for private players to invest in this space. To promote the green energy technology, the government has reduced the excise duty on motor vehicles that are fully powered by electricity from 25% to 10%. However, it should put measures that will ensure the necessary infrastructure is in place to support the technology.

1.3.2. Transmission of Electricity

The government has budgeted for the construction of 1,432 km of transmission lines in the next three years. Private sector players are expected to play a crucial role in the development of transmission infrastructure under the Public Private Partnership (PPP) framework.

1.3.3. The Sovereign Wealth Fund (SWF) Bill

The SWF bill proposes the creation of a fund and provides a legal framework to guide investment of revenues from oil, gas and mineral resources. This legislation should be in place before commercial production of oil and gas. In the 2018/19 Budget Statement, the Cabinet Secretary noted that the SWF Bill was to be tabled in Parliament. However, from last year there has been minimal progress as the Cabinet Secretary indicated that the Bill is yet to be submitted to Parliament for approval.

1.4. Manufacturing

With an objective of increasing the contribution of the manufacturing sector to 15% of Gross Domestic Product (GDP) by 2022, the Cabinet Secretary has laid out several measures to boost manufacturing in Kenya. But despite his noble intentions, questions abound on whether the measures are effective and if there is tangible/ real progress on the ground. Growth in the manufacturing sector continues to be depressed due to a combination of local macroeconomic factors and increasing direct imports of finished goods.

1.4.2. Budgetary Allocation

Key allocations for the development of industries in the financial year 2019/20 include:

- Kshs 0.1bn for leather industrial park development
- Kshs 1.0bn for industrial research laboratories
- Kshs 1.7bn support to SME's in manufacturing sector
- Kshs 0.2bn for textile development EPZ hub
- Kshs 0.6bn for modernization of Rivatex
- Kshs 0.4bn for Constituency Industrial Development centres

1.4.1. The Liquidity Challenge

A combination of slowed payments from the government, delayed VAT refunds, and a general credit squeeze arising from interest rate cap has created a substantial liquidity challenge in the economy. This has generally depressed consumption, slowing down the growth of the manufacturing sector.

The government has issued a directive that pending bills be settled before end of June 2019 and KES 10.9 billion has been allocated for this. In addition, a team is to be set up to clear outstanding VAT refunds in the next two months. While these measures are welcome, they are reactive, short term in nature and unlikely to address the liquidity challenge. Their implementation tends to be sluggish, hence not achieving the desired effect.

1.4.2. Illicit Trade and Counterfeits

Illicit and counterfeit products continue to pose a big challenge to manufacturers in Kenya that results in loss of a significant portion of revenue and an unfair competitive landscape. In addition, the government loses tax revenue. Direction has been given to ensure all import and export consolidators undergo strict vetting, registration and Gazettement before they are allowed to operate at all the ports of entry and clearance which is expected to reduce tax evasion, curb the illegal importation of contraband and counterfeits goods in addition to reducing delays in cargo clearance into the country.

1.4.3. Delayed Policy Implementation

A number of policy measures included in this year's budget are a continuation of prior year promises, such as lowering the cost of electricity to manufacturers and, the revival of Rivatex. Not much seems to have been achieved in the past 12 months. Unless the government works on speeding up policy implementation, realisation of the targeted goal of growing manufacturing to 15% of GDP by 2022 will remain elusive.

1.5. Affordable Housing

Kenya's urban centres face a significant shortage of housing, which is expected to rise based on current construction rates. The government undertook, as part of its Big 4 agenda, to construct a total of 500,000 housing units within a period of 5 years, translating to an average of about 100,000 housing units annually. Such housing was primarily targeted at citizens earning below KES 100,000 per month.

1.5.1. Budgetary Allocation

In the FY 19/20 budget, the Cabinet Secretary Treasury made the following allocations with regard to the affordable housing project:

- KES 10.5billion was allocated toward the construction of Social Housing units, including housing units for the National Police Service and the Kenya Prisons Service.

- KES 5billion was set aside as the government's contribution to the National Housing Development Fund (NHDF) on behalf of its employees.

- KES 2.3billion for the Public Servants' Housing Mortgage Scheme.
- KES 1.0 billion as the government's injection of capital into the Kenya Mortgage Refinance Company (KMRC).

1.5.2. National Housing Development Fund

The fund has been envisioned as the key driver of the supply side within the Affordable Housing ecosystem. However, its ability is limited by its access to finance. With a court case pending regarding the employee contributions into the fund and the ambitious targets that the government set, it was expected that alternative funding options or additional allocations be made to the NHDF during the address.

1.5.3. Kenya Mortgage Refinance Company

The KMRC is a key cog in the demand side of the affordable housing framework and will be jointly owned by the government, Private sector and select development partners to create long-term liquidity in the mortgage market. The increased access to financing for banks that would result from this is intended to lower the cost of mortgage financing to house buyers. The KMRC, launched in May 2019 has attracted interest from local and international investors as can be seen from the total of KES 37.2billion already committed by the government, World Bank, AFDB and other private shareholders with an expected KES 400million from other Development Financial Institutions. Once operational, it is expected to lower interest rates for mortgages leading to a higher uptake of the mortgage facilities by Kenyans.

1.6. Technology

1.6.1. Digital Economy Blueprint

In May 2019 the government launched the digital economy blueprint which sets out the Government's priorities in development of ICT. The blueprint defines five key pillars namely continued digitisation of government services, facilitation of a digital businesses, improvement of infrastructure, innovation driven entrepreneurship and enhancement of digital skills. Key budget allocations in line with this blueprint are;

- Government Shared Services – 2.9billion.
- Digital Literacy Programme - 3.2billion.
- Internet- Based Network - 1.1billion.
- NOFBI Phase II - 2.8billion.
- Konza Technopolis - 7.2billion.
- Konza DC & Smart Cities - 5.1billion.

Significantly more investment is however required to achieve the vision of the blueprint.

Additional investments needed include:

- Expected funding for some of the digital economy initiatives through Public Private Partnerships.
- Capacity building through enhanced digital skills to supplement the Ajira Digital Program.
- Continued enhancement of the e-Citizen portal by making available other services online. •
- Creation of an inclusive monitoring framework for the various implementations.
- Partnership with private sector in the analysis of data in the numerous government systems, which will create valuable insights for informed decision making.

The government is also seeking to use technology to enhance revenue collection and increase transparency and accountability in the public sector:

1.6.2. Revenue Enhancement

- National treasury to implement an integrated revenue management system for counties.
- KRA is expected to continue to upgrade ICT systems including full roll out of the integrated customs management system.

- The government also intends to implement Regional electronic cargo tracking system to track transit diversions. In our view integration of systems across government and use of data and analytics has the potential to support expansion of the tax base, seal loopholes and support enhanced revenue collection

1.6.3. Transparency and Accountability

- The Government intends to support the cleansing of the wage bill to root out ghost workers by fast tracking migration from the current Integrated Payroll and Personnel Database System to IFMIS HR system.

- Plan for an end to end solution for procurement integrated to IFMIS to enhance efficiency, transparency and accountability.

- Recognition of the role data and analytics can play in helping to detect anomalies in public procurement.

1.6.4. Other Budget Proposals

- VAT exemption on all locally manufactured motherboards to encourage local assembly.

- Endorsement of Stawi loans, a mobile loan product to offer unsecured loans to small enterprises.

- All projects funded by the government will be available in a public investment management system portal.

- Measures to be put in place to tax income generated from the digital economy. Remains to be seen how this will be achieved and impact on growth of e-commerce.

1.7. Gross Domestic Product

Kenya registered economic growth of 6.3% in 2018 compared to 4.9% in 2017.This growth is the highest recorded for the past 8 years. The growth was anchored on a relatively stable macroeconomics and was attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities. Inflation remained low at 4.8% in 2018 compared to 8% in 2017 majorly as a result of considerable decline in prices of food. • Growth of economy is projected to remain strong in 2019 at almost same level as in 2018, with 7% growth expected over medium term.

1.8. TAX IMPLICATIONS OF THE 2019/20 FINANCIAL YEAR BUDGET

The budget which was characterized by government's commitment to the big four agenda contains various proposals in relation to income tax. Below are the key highlights.

1.8.1. Capital Gains Tax

(i) Tax Rate

The Cabinet Secretary has increased the rate of capital gains tax (CGT) on transfer of property from 5% to 12.5%. This brings the rate closer to that of other EAC jurisdictions such as Uganda, Tanzania and Rwanda that have a CGT rate of 30%.

(ii) Transfers by Group of companies

The CS now proposes to exempt from CGT the transfer of property and shares during restructuring of corporate entities. The proposed change is a welcome move given that group reorganisations will now be possible without incurring additional tax costs particularly where there is no change in beneficial ownership. This will also make Kenya an attractive holding company location.

1.8.2. Withholding Tax

In a bid to expand the tax base and increase revenue collection, additional services have been brought under the scope of withholding tax (WHT) at the rate of 5% for Residents and 20% for non-residents with effect from 1st October 2019.
These services include:

- Security services,
- Cleaning and fumigation services,
- Catering services offered outside hotel premises,
- Transportation of goods excluding air transport services,
- Sales promotion,
- Marketing and advertising services.

The Cs however did not indicate the threshold set like the one for management and professional services currently at Kshs 24,000 per month.

1.8.3. Corporation Tax:

(i) Plastic Recycling Plants

To encourage investment in plastic recycling, investors operating plastic recycling plants will enjoy reduced corporate income tax rate of 15% for the first five years. This is aimed to help reduce pollution and provide a clean environment. The attractiveness of this incentive will be limited by the fact that businesses make losses in initial years.

(i) Tax Amnesty for SME's Listing on GEMS

The Capital Markets Authority (CMA) introduced the Growth and Enterprise Market Segment (GEMS) on the NSE to encourage the listing of SMEs on the segment and help them raise capital from the capital markets. However, only few entities are currently listed on the segment. To spur growth of the segment, the Cabinet Secretary has proposed a tax amnesty on penalties and interest on outstanding taxes for two years prior to listing. The principal taxes outstanding will however be payable in full.

(ii) Taxation of Digital Economies

In order to keep up with technological advancements, the Cabinet Secretary proposes to introduce a raft of tax measures aimed at taxing income generated from the digital economy.

While the proposed changes should provide clarity on the taxation of income from the digital economy, care must be taken to avoid double taxation of companies or increasing the costs of doing business. This is a complex area to tax and one hopes that the CS has made sufficient consultations

(iii) New Income Tax Bill

The new Income Tax Bill is still a waiting game. In the 2018 budget statement, the Cabinet Secretary had indicated that the draft Income Tax Bill, 2018, would be submitted to Parliament for enactment following earlier failed promises. This did not happen and the CS has yet again promised that the bill is now in its final stages of drafting. Businesses should watch out for the bill as it is expected to contain substantial changes from the current law.

1.8.4. Employment and Personal Taxes

(i) Tax Exemption for Members of "Ajira Digital Program"

"Ajira Digital Program" is a government initiative to create employment opportunities. Under this project, the youth are engaged as freelance (self- employed) workers to earn income from online work and access relevant training and mentorship.

The Cabinet Secretary is proposing a one-off registration fee for members of KES 10,000 payable from 01 January 2020 in lieu of income taxes. Once registered, the youth will enjoy a tax exemption on income generated from the program for the subsequent three year period.

(ii) Affordable Housing Scheme

The government proposes to allocate KES 5 billion to the Affordable Housing Scheme as a contribution for its employees. Currently, the High Court has suspended the implementation of the housing levy pending the hearing of cases relating to petitions filed by various organisations opposing the levy. Whether the injection of the allocation will inspire the private sector to embrace the fund will depend on the outcome of the court cases, which may have a defining impact on the implementation of the program and the realisation of objectives under this program.

(iii) Exemption from PIN Requirements for Foreigners

The Government proposes to exempt foreigners from the requirement to supply a Personal Identification Number ("PIN") issued by the Kenya Revenue Authority ("KRA") when opening bank accounts in Kenya. Such exemption must be approved by the Commissioner. However, where such a foreigner is not exempt from income tax, he or she may still be required to obtain a PIN.

1.8.5. Value Added Tax

(i) Promoting the Manufacturing Sector

In a welcome move to promote local manufacturing, the Cabinet Secretary has proposed to exempt from VAT, inputs for the local manufacture of computer motherboards as well as all services and inputs for use in the set up and operation of plastic recycling plants.

(ii) Withholding Vat and VAT Refunds

To alleviate taxpayers' cash flow burden, the Cabinet Secretary intends to reduce withholding VAT (WH VAT) rate from 6% to 2%.

Similarly, the Cabinet Secretary has proposed to amend the current VAT refund formula per the VAT Regulations in a bid to ensure excess credits arising from zero rated supplies are fully refunded.
The Cs has also proposed the formation of a Committee to ensure to have all VAT refunds paid within 60 days.

18.6. Customs Duty

(i) Incentivizing manufacturers under the Big Four Agenda

The Cabinet Secretary has proposed the introduction of duty remission on:

- Raw materials of tariffs 7304.31.00 and 9401.90.00 for the manufacture of motorcycle components and motor vehicle seat recliners.
- Iron and steel products (7213.99.00) which are not available locally; and
- Raw materials used for manufacture of radiators.

Additionally, the Cabinet Secretary proposed an extension of duty remission on the following products for a period of one year:

- Wheat grain – Gazetted millers to apply a duty rate of 10% instead of 35%.
- Completely Knocked Down ("CKD") motorcycle kits – Gazetted motorcycle assemblers to apply a rate of 10%.
- Industrial sugar – import duty rates to be maintained at a reduced rate of 10%.
- Roofing tiles coated with acrylic paint – duty on inputs used in the manufacture of roofing tiles to be maintained at a rate of 0%.
- Aerosol cans used in packaging of insecticides and acaricides to be imported at a rate of 0%.
- Inputs and raw materials for energy saving stoves – Gazetted manufacturers to enjoy a duty rate of 0% on inputs for assembly, manufacture or repair of clean energy cooking stoves; and
- Materials used in the manufacture of leaf springs to be imported at a duty rate of 0%.

(ii) Measures to Protect Local Industry

The Cabinet Secretary has granted stays of application of import duty rates per the East African Community Common External Tariff (EACCET) as highlighted below for a period of one year:

- Paper and paper board – 25%.
- Textiles and apparels – 35% for all items under chapter 60, 61 and 62.
- Skillets, Free Hinge Lid Packets - 25%.

- Metal and allied sector – various rates ranging from 10% or USD 125/MT to 35% or USD 250/MT, whichever is higher.
- Leather and footwear – various rates ranging from 25% or USD 2.5/ pair to 25% or USD 5/ pair.
- Refined edible oil products - 25% or USD 500/MT whichever is higher.
- Raw timber – 0%; and
- Finished products of wood – various rates ranging from 25% or USD 110/MT to 35%.

Separately, the Cabinet Secretary proposes an extension of stays of application of import duty rates for a period of one year on the following:

- Road tractors or semi-trailers - 25%.
- Safety matches – 25% or USD1.35/Kg whichever is higher.
- Polymers of Styrene Acrylic – 10%.
- Rice - 35% or USD 200/MT whichever is higher.
- Polymers of Vinyl Acetate – 0%.
- Worn Clothing - 35% or USD 0.2/Kg; and
- Prefabricated Buildings - 35% or USD 250/MT.

1.8.7. Excise duty

(i) Introduction of excise duty on betting activities

The Cabinet Secretary has proposed an introduction of excise duty on betting activities at the rate of 10% of the amount staked. This measure is aimed at curtailing the negative social effects of betting activities on the nation's youth and other vulnerable members of society.

(ii) Reduced excise duty rate on importation of electric powered motor vehicles

Electric powered motor vehicles will now be imported at an excise duty rate of 10% down from 20%. This is a move aimed at embracing green energy technology to safeguard the environment.

(iii) Excise duty on cigarettes, wines and spirits goes up by 15%

The Cabinet Secretary noted with concern the gradual decline of excise duty revenue through the years. In a bid to address this, he proposed to increase excise duty on cigarettes, wines and spirits by 15% in addition to the inflationary increase effective 1 July 2019.

Assuming an inflation rate of 5.2% that is similar to last year's, the highlighted excisable products will suffer additional excise duty of +/- 20%, which in our view contravenes the 10% rate increase/decrease allowed in law.

1.8.8. Other legislative reforms

The Budget proposes a range of legislative reforms, some of which are set out below:

The following Bills have been submitted to the National Assembly for approval:

(i) The Competition (Amendment) Bill 2019, which empowers the Competition Authority to impose penalties for abuse of buyer power and ensures prompt payment of suppliers.

(ii) The Insurance Act (Amendment) Bill 2019, which brings clarity on the operations of the Policy Holder's Compensation Fund and enables the Fund to be used to compensate claimants.

(iii) The County Governments' Revenue Raising Process Bill 2018, which regulates the introduction of levies by County Governments. The following Bills are in advanced stages of legal drafting:

(iv) The National Electronic Single Window Bill 2019, which formalises the issuance of electronic permits through the National Single Window System.

(v) The Sovereign Wealth Fund Bill 2019, which establishes a fund for the investment of revenues from oil, gas and mineral resources.

The Cabinet Secretary has proposed changes to the following legislation:

- The Capital Markets Act 2013, to grant the Capital Markets Authority power to enforce penalties on players in the market violating rules and procedures.

- The Banking (Amendment) Act 2016, to repeal section 33B of the Act that introduced interest rate capping.

- The Retirement Benefits Act, 1997, the Occupational Benefits Regulations and the Retirement Benefits Regulations to reduce the transfer period for Retirement Benefit Schemes that invest in guaranteed funds to one year so as to allow members to access better returns.

The Cabinet Secretary gave an update on the following Regulations:

- The Government is in the final stages of issuing the Public Procurement and Asset Disposal Regulations, which will fully operationalize the Public Procurement and Asset Disposal Act, 2015.

- The Public Finance Management (Biashara Kenya Fund) Regulations 2019 has been submitted to the National Assembly. This consolidates three affirmative action funds; the Uwezo Fund, the Youth Enterprise Development Fund and the Women Enterprise Development Fund.

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