

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 25th May, 2017

The House met at 2.30 p.m.

[The Speaker (Hon. Muturi) in the Chair]

PRAYERS

QUORUM

Hon. Speaker: Ring the Quorum Bell.

(The Quorum Bell was rung)

You can stop the Quorum Bell. Hon. Members, appreciate that going forward, the whips will have an increasingly difficult time to secure quorum.

COMMUNICATION FROM THE CHAIR

COMMISSIONING OF SGR BY HIS EXCELLENCY THE PRESIDENT

Hon. Members, as you may be aware, this House has over the years exercised its budget-making power by allocating funds for investment in the expansion and development of the country's transport infrastructure. One of the flagship infrastructure projects is the Standard Gauge Railway (SGR), which is earmarked to link the port of Mombasa to the Inland Port of Kisumu via Nairobi.

You may also recall that during the last Session, the Departmental Committee on Transport, Public Works and Housing tabled in this House a Report on the status of the implementation of SGR. True to the Committee's findings then, the Ministry of Transport, Infrastructure, Housing and Urban Development has notified my office that the said Phase 1 of the project is complete and ready for commissioning by His Excellency the President on Wednesday, 31st May, 2017.

Hon. Members, the Ministry has also extended an invitation to all members of the Departmental Committee on Transport, Public Works and Housing. In addition, the Ministry has invited a further 30 Members of this House to join His Excellency the President in commissioning that landmark transport project in Kenya. In this regard, hon. Members desirous of being part of the team that will take the maiden ride are advised to register their names at the Main Reception, Main Parliament Buildings, by the close of business today, Thursday, 25th May 2017.

I want to clarify that the ride will be from Mombasa to Nairobi. It will take almost the whole day. The necessity for registering is to enable the administration of Parliament to also provide transport to Mombasa, so as to take the ride back to Nairobi.

Thank you.

Hon. Members, before we proceed, allow me to recognise students from Moi High School, Kabarak, from Rongai Constituency, Nakuru County and Mus'ab Educational Centre from Kamukunji Constituency, Nairobi County, who are seated in the Speaker's Gallery.

In the Public Gallery, we have students from Uhuru Secondary School, from Embakasi West Constituency, Nairobi County; Sukari Presbyterian Academy, from Ruiru Constituency, Kiambu County and Lugumek Primary School from Chepalungu Constituency, Bomet County.

They are all welcome to observe the proceedings of the National Assembly this afternoon.

(Applause)

Next Order!

PAPERS LAID

Hon. A.B. Duale: Hon. Speaker, I beg to lay the following Papers on the Table of the House:

The Reports of the Auditor-General on the Financial Statements in respect of the following institutions for the year ended 30th June 2016 and the certificates therein:

- (i) Kenya Trade Network Agency;
- (ii) Registration of Certified Public Secretaries Board;
- (iii) Kenya Accountants and Secretaries National Examination Board;
- (iv) Policy Holders Compensation Fund; and,
- (v) Kenya Institute of Mass Communication.

Hon. Speaker: Next Order!

STATEMENTS

BUSINESS FOR THE WEEK COMMENCING 30TH MAY TO 1ST JUNE 2017

Hon. A. B. Duale: Hon. Speaker, pursuant to the provisions of Standing Order No. 44(2)(a), on behalf of the House Business Committee, I rise to give a Statement regarding the business appearing before the House for the week beginning 30th May 2017.

The House Business Committee met on Tuesday last week to give priority to business that will be considered this week and next week. Next week, the House is scheduled to consider, in the Second Reading, the following Bills:

The Constitution of Kenya (Amendment) (No.6) Bill (National Assembly Bill No.65 of 2015) should we not conclude it today;

The National Cohesion and Integration (Amendment) Bill;

The Companies (Amendment) Bill 2017, and;

The Parliamentary Service Bill of 25-05-2017.

Also listed for debate are the following Sessional Papers and Committee Reports, if not concluded today:

Sessional Paper No.3 of 2016 on the National Housing Policy;

Sessional Paper No.5 of 2016 on the National Climate Change Framework Policy;

The Twenty First Report of the Public Investments Committee on the Audited Accounts of State Corporations; and,

The Division of Revenue Bill (No.2) of 2017 at the Committee of the whole House.

Should we conclude the debate of the Joint Parliamentary Select Committee on the Election of Members to the East African Legislative Assembly (EALA) this afternoon, we shall undertake the exercise of voting for the Kenyan representative to the EALA in the coming week so as to conclude this matter within the stipulated timeline.

Finally, the House Business Committee will reconvene on 30th May 2017 at the rise of the House to consider business for the coming week.

I now wish to lay this Statement on the Table of the House.

(Hon. Duale laid the document on the Table)

Thank you, Hon. Speaker.

Hon. Speaker: Next Order!

BILLS

Second Readings

THE OCCUPATIONAL THERAPISTS (TRAINING, REGISTRATION AND LICENSING) BILL

(Hon. Sang on 24.5.2017)

(Debate concluded on 24.5.2017 – Morning Sitting)

Hon. Speaker: Order Members! As you know, debate on this Private Member's Motion, courtesy of the efforts of Hon. Leonard Sang, was concluded yesterday morning. What remains is for the Question to be put which, I hereby do.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

THE NATIONAL POLICE SERVICE (AMENDMENT) BILL

(Hon. Nassir on 5.4.2017)

(Debate concluded on 24.4.2017- Morning Sitting)

Hon. Speaker: Again, Hon. Members, debate on this Bill by Hon. Abdullswamad Sheriff Nassir was concluded yesterday. What remains is for the Question to be put, which I hereby do.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

Second Reading

THE DIVISION OF REVENUE (NO. 2) BILL

(Hon. Musyimi on 24.5.2017)

(Debate concluded on 24.5.2017 – Morning Sitting)

Hon. Speaker: Again, Hon. Members, we concluded debate on this Bill yesterday. I hereby put the Question.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

MOTION

REPORT OF THE MEDIATION COMMITTEE ON THE HEALTH BILL

THAT, pursuant to the provisions of Article 113 (2) of the Constitution and Standing Order 150, this House adopts the Report of the Mediation Committee on its consideration of the Health Bill (National Assembly Bill No. 14 of 2015), laid on the Table of the House on Wednesday, May 17, 2017, and approves the mediated version of the Bill.

(Hon. (Ms.) R. K. Nyamai on 24.5.2017)

(Debate concluded on 24.5.2017 – Afternoon Sitting)

Hon. Speaker: Debate was, indeed, concluded. I recall the others and I have also confirmed that the House quorates. I hereby put the Question.

(Question put and agreed to)

BILL

First Reading

THE COMPANIES (AMENDMENT) BILL

(Order for First Reading read - Read the First Time and ordered to be referred to the relevant Departmental Committee)

COMMUNICATION FROM THE CHAIRREASONS FOR DECLINED APPROVAL TO AMENDMENTS ON INSURANCE
(AMENDMENT) BILL AND FINANCE BILL

Hon. Speaker: Hon. Members, before we proceed to the next Order, I wish to make a Communication.

Hon. Members, as you may be aware, before we proceed to the next Order which is Committee of the whole House to consider the Insurance (Amendment) Bill, 2017 and the Finance Bill, 2017 at the Committee stage, I wish to remind the House of the provisions of Article 114(2) of the Constitution and Standing Order No. 133(2) and (5) relating to amendments. These provisions state as follows:

“Article 114 (2)

(2) If, in the opinion of the Speaker of the National Assembly, a motion makes provision for a matter listed in the definition of “a money Bill”, the Assembly may proceed only in accordance with the recommendation of the relevant Committee of the Assembly after taking into account the views of the Cabinet Secretary responsible for finance.”

Standing Order No. 133(2) states as follows:

“No amendment shall be moved to any part of a Bill by any Member, other than the Member in charge of the Bill, unless written notification of the amendment shall have been given to the Clerk twenty-four hours before the commencement of the sitting at which that part of the Bill is to be considered in Committee;

(5) No amendment shall be permitted to be moved if the amendment deals with a different subject or proposes to unreasonably or unduly expand the subject of the Bill, or is not appropriate or is not in logical sequence to the subject matter of the Bill.”

In this regard, I have declined to approve several amendments proposed by various Members to the Insurance (Amendment) Bill and the Finance Bill, 2017 that had a “money Bill” effect or expanded the scope of the Bill.

On the proposal by the Leader of the Majority Party to the Companies Act, I am of the view that the proposed amendments are better placed in the Companies (Amendment) Bill, 2017 which has just been read a First Time today.

On the amendment by Hon. Benjamin Langat, MP relating to the Public Procurement and Asset Disposal Act, it is because, notwithstanding the proposed amendments, the Auditor-General is still required, under the Constitution’s Article 229 to audit all pension funds. Therefore, removing them from the provisions of the Public Procurement and Asset Disposal Act will be in violation of the Constitution.

(Applause)

On the proposed amendment by Hon. Moses Kuria, MP relating to the Alcoholic Drinks Control Act and the Banking Act, it is because they are expanding the scope of the law.

On the proposals by Hon. Johnson Sakaja, MP relating to the Kenya Deposit Insurance Act, similarly, they have a “money Bill” effect and also tend to expand the scope of the Bill.

On the proposal by Hon. Kimani Ichung’wah, MP relating to the Betting, Lotteries and Gaming Act, they have a “money Bill” effect without complying with the provisions of Article 114(2) of the Constitution.

On the proposals by Hon. Patrick Musimba, MP relating to the Central Bank of Kenya Act, the Kenya Deposit Insurance Act, the Kenya Information & Communication Act, the Income Tax Act and the Value Added Tax Act, several of these have “money Bill” effects and have not been subjected to public participation. The views of the Cabinet Secretary in charge of the National Treasury have not been sought.

The others, particularly the Kenya Information and Communication Act, is not part of the Acts proposed to be amended by the Finance Act. Therefore, they squarely fall outside our provisions of the Standing Orders and the Constitution.

I have only, exceptionally, allowed amendments relating to the Kenya Deposit Insurance Act and the Proceeds of Crime and Anti-Money Laundering Act being moved by the Committee responsible for the Bill and the Leader of the Majority Party, respectively, as I am aware that there was sufficient consultations with relevant offices, including public participation on the proposed amendments and that they have no “money Bill” effects.

I, therefore, caution the Committee of the whole House to be vigilant and observe the provisions of Article 114 of the Constitution in considering the amendments that were approved, as shown in the Order Paper.

I thank you Hon. Members.

REARRANGEMENT OF BUSINESS

Further, before we proceed to the next Order, I wish to rearrange the business appearing on the Order Paper.

After the House completes consideration of the business appearing as Order No. 13 which is Committee of the whole House, the next business to be considered and as Members and Kenyans are all aware, should be the business appearing as Order No. 15 being: “The Constitution of Kenya (Amendment) (No. 6) Bill (National Assembly Bill No. 65 of 2015).”

Hon. Members, this House is complying with the court order whose extent is up to 29th May 2017 which date is Monday next week. I believe a number of you have expressed yourselves on this Bill.

This Bill is famously known out there as “*Duale Two*” and in swahili, I have heard it being referred to as *sheria inayohusu thuluthi mbili*. I expect the members of the *thuluthi* to be here in their groups because 29th May 2017 is Monday and it is not a sitting day. I expect that as members, you will not take too much time in considering the business appearing as Order No. 13, so that you can move to Order No. 15 and conclude, and then go back to Order No.14. Its effect is that you must conclude failing to which this country runs a risk of not being represented in the East African Legislative Assembly (EALA). EALA Sittings are scheduled to be from 2nd to 7th June.

As you all know, Hon. Members, the first business of any legislative house is to elect a speaker. Thereafter, there will follow other Motions that relate to elections or selections of persons to chair various committees of the Assembly.

Therefore Hon Members, I request you to fast-track the Constitution of Kenya (Amendment) Bill and if need be, you sit up to midnight to also conclude business appearing as Order No. 14, in that order. It is accordingly so directed. I thank you Hon, Members. Next Order!

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[The Speaker (Hon. Muturi) left the Chair]

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Hon. Cheboi) took the Chair]*

THE INSURANCE (AMENDMENT) BILL

The Temporary Deputy Chairman (Hon. Cheboi): Order Members!

(Clauses 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 agreed to)

Order Hon. Farah and the rest of the team! Can you please kindly resume your seats? Hon. Farah, you are an *alumni* of Moi High School Kabarak. I want you to resume your seats. I can even see that today you are in the--- Order Members! Order, Hon. Shill and Hon. Mwaura.
Let us proceed.

Clause 14

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 14 of the Bill be deleted and substituted therefor with the following new clause –

“14. Section 125 of the principal Act is amended by -

(a) deleting the number “(1)” appearing immediately before the words “where an insurer” in the opening statement; and,

(b) deleting the word “admitted” appearing in paragraph (b)”.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): I see Hon. Maanzo.

Hon. Maanzo: I want to support Hon. Langat for that particular amendment. It is a matter of reorganizing the text to conform to the way legal texts look like, so that it has got clarity.

I support.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wamalwa, Member for Kiminini.

Hon. Wakhungu: Sorry, Hon. Temporary Deputy Chairman, I was consulting my leader here.

(Question, that the words to be left be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 14 as amended agreed to)

(Clauses 15, 16, 17 and 18 agreed to)

New Clause 9A

The Temporary Deputy Chairman (Hon. Cheboi): Let me call the Mover to move Second Reading.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following clauses immediately after Clause 9-

9A. Section 41 of the principal Act is amended by inserting the following new subsection (3)-

(3) The following assets shall neither be included in the capital available computation nor be used for the purposes of determining the insurer's capital adequacy under this section-

- (a) goodwill and other intangible assets that exceed five per cent of total assets;
- (b) deferred tax income or expenses and deferred tax assets;
- (c) assets pledged to support credit facilities obtained by an insurer or other specific purposes;
- (d) assets over their concentration limits;
- (e) all credit facilities granted by an insurer and secured by its own shares;
- (f) prepayments;
- (g) one hundred per cent of fixed assets and computer equipment;
- (h) unsecured loans;
- (i) receivables from insurers;
- (j) merchandise inventory;
- (k) such other assets as may be prescribed.

The import of this amendment is to make sure that assets shall not be included in the capital available, computation nor be used for the purpose of determining the insurance capital adequacy. This includes among other things the goodwill and other intangible assets that exceed 5 per cent of the total assets, deferred tax income or expenses and deferred tax assets and assets pledged to support credit facilities obtained by an insurance for other special specific purpose.

(Question of the new clause proposed)

(New clause read the First Time)

*(Question, that the new clause be read
a Second Time, proposed)*

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wanga, do you want to say something on this one?

Hon. (Ms.) Nyasuna: No.

The Temporary Deputy Chairman (Hon. Cheboi): Let us have Hon. Benjamin Langat.

Hon. Langat: Thank you very much, Hon. Temporary Deputy Chairman. I want to support Hon. Nelson Gaichuhie on this amendment because if you look at the text, it actually clarifies how to compute capital adequacy of any insurance company. Therefore, it actually seeks to exclude those assets that may not give any value as capital of the company. Like goodwill, for example, you cannot determine its value. You may also not determine deferred tax income when it materialises. So, I support so that we further strengthen our insurance sector by having those assets that are valuable in their records.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Fatma. You want to speak to the next one.

*(Question, that the new clause be read
a Second Time, put and agreed to)*

(The new Clause was read a Second Time)

*(Question, that the new clause be added to
the Bill, put and agreed to)*

New Clause 9B

The Temporary Deputy Chairman (Hon. Cheboi): Let us have the Mover.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the principal Act is amended by inserting the following new section-

Admitted
liabilities

43A (1) For purposes of this Act, a reference to admitted liabilities of an insurer in computing available capital means liabilities shown as current, contingent and prospective liabilities in the accounts of an insurer, and includes, in the case of long term insurance business, the liabilities in respect of policies of long term insurance business.

(2) For purposes of this Act, a reference to admitted liabilities does not include -

(a) liability in respect of a share capital or reserve in lieu of

- capital approved by the Commissioner;
- (b) liability in respect of such matters as the Commissioner may by notice in writing direct;
- (c) tax liability arising from an un-appropriated or undistributed surplus of a statutory fund; such other liability as may be prescribed.
- (3) An insurer shall make adequate provision in the accounts for liabilities in respect of unexpired risks and outstanding or incurred claims including provision for claims incurred but not reported which shall be computed in accordance with a method approved by the Commissioner.

The import of this is to define “admitted liabilities” which the Act has not defined and they include liability in respect of share capital or reserve in lieu of capital approved by the commissioner; liability in respect of such matters as the Commissioner may by notice in writing direct; and, tax liability arising from the un-appropriated or undistributed surplus of a statutory fund.

The amendment also seeks to provide that an insurer shall make adequate provision in the accounts for liabilities in respect of an expired risks and outstanding or incurred claims including provision for claims that are already incurred.

Thank you.

(Question of the new clause proposed)

(New clause read the First Time)

*(Question, that the new clause
be read a Second Time, proposed)*

The Temporary Deputy Chairman (Hon. Cheboi): Let us have Hon. Ken Okoth.

Hon. Okoth: Hon. Temporary Deputy Chairman, I wanted to speak to the next one; not this one.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wandayi. He is absent.

*(Question, that the new clause be
read a Second Time, put and agreed to)*

(The new Clause was read a Second Time)

*(Question, that the new clause be
added to the Bill, put and agreed to)*

(Clause 2 agreed to)

(Title agreed to)

(Clause 1 agreed to)

The Temporary Deputy Chairman (Hon. Cheboi): We are through with this one. Let me call the Mover to move reporting.

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, I beg to move that the Committee doth report to the House its consideration of the Insurance (Amendment) Bill (National Assembly Bill No. 17 of 2017) and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

The Temporary Deputy Chairman (Hon. Cheboi): We will move to the next one, which is the Finance Bill (National Assembly Bill No.16) of 2017.

THE FINANCE BILL

(Clauses 2 and 3 agreed to)

Clause 4

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 4 of the Bill be amended in paragraph (a) by inserting the following new sub-paragraph immediately after subparagraph (ii) –

“(iii) by deleting the words “at the beginning of every financial year” in paragraph 2(1) and substituting therefor the words “every two years”.

This relates to inflation adjustment to the rates of excise duty. In the main Act, we had proposed that there shall be annual adjustment for inflation on the excise rates which have been proposed. After consultation between the private sector and the Committee, it was agreed that in order to allow the private sector and the companies to properly plan their operations, if rates are adjusted annually, it will be difficult to plan because you need to adjust every year. The private sector suggested that the adjustment be done after three years, but we came to a compromise position of every two years so that the companies can plan their budgets well.

(Question of the amendment proposed)

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 4 as amended agreed to)

(Clauses 5, 6 and 7 agreed to)

Clause 8

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 8 of the Bill be deleted.

The reason we are deleting is that it was a superfluous provision. Therefore, the Committee felt that it is some form of clean-up. If you read Clause 8, it says, “Section 43 of the Value Added Tax Act, 2013 is amended by numbering sub-section 6 as 5.” When we checked the actual Bill, it was okay.

(Question of amendment proposed)

*(Question, that the words to be left out,
be left out, put and agreed to)*

(Clause 8 deleted)

Clause 9

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 9 of the Bill be amended in paragraph (a) by -

(a) deleting sub-paragraphs (i), (ii) and (iii) and substituting the following new subparagraphs –

(i) by deleting paragraph 31 – Agricultural pest control products;

(ii) by deleting the word “blind” appearing in paragraph 39(1)(b) and substituting therefor the word “disabled”;

(iii) by deleting the following items –

1102.20.00 – Maize (corn) flour;

1101.00.00 – Wheat or meslin flour; and ordinary bread;

(iv) by inserting tariff no. 9619.00.90 diapers immediately after tariff no. 9619.00.10 sanitary towels (pads) and tampons in paragraph 39 (3);

(v) in paragraph 63 –

(a) by inserting the words “equipment and apparatus” immediately after the word “goods”;

(b) by inserting the words “with a minimum bed capacity of fifty” immediately after the word “hospitals”.

(b) re-numbering subparagraph (iv) as (vi); and,

(i) deleting the proposed paragraph 88; and

(ii) inserting the following new paragraph immediately after the proposed paragraph 93 -

“94. Transportation of cargo to destinations outside Kenya”.

That clause affects the First Schedule of VAT. The First Schedule, as Members know, deals with exemptions of various items from VAT. What we are doing are two main things. One, we are removing the agricultural pest control products from exempt status and have them as zero-rated products. Two, we are removing maize flour, wheat flour and ordinary bread from exempt status, so that we can take them to zero-rated status, in response to the cost of *unga*. “Zero-rated” status means that we are making them cheaper for Kenyans, same with the agricultural pest control products. We are also exempting diapers and sanitary pads and tampons in paragraph 39 from VAT in order to make them more affordable especially our girls in school. Finally, we are also exempting transportation of cargo to stations outside Kenya. That is again to make our transport of cargo outside Kenya competitive.

Thank you.

(Question of amendment proposed)

*(Question, that the words to be left out,
be left out, put and agreed to)*

*(Question, that the words to be inserted in place thereof
be inserted, put and agreed to)*

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Gaichuhie, I see you have some amendments. I am informed that you want to drop some. Which ones are you dropping and which ones are you retaining?

Hon. Gaichuhie: Thank you, Hon. Temporary Deputy Chairman. Since the Cabinet is a collective responsibility, I want to drop parts (a) and (d).

(Proposed amendments to parts (a) and (d) by Hon. Gaichuhie dropped)

The Temporary Deputy Chairman (Hon. Cheboi): So, which one are you proposing to move?

Hon. Gaichuhie: I am proposing to move the rest. That is (b) and (c).

Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 9 of the Bill be amended-

(b) by deleting sub-paragraph (iii)(b) and substituting therefor the following new subparagraph—

“(b) by inserting the words “with a minimum bed capacity of thirty in the case of public hospitals and two hundred in the case of private hospitals” immediately after the word “facilities”;

The import of this is that I am seeking to specify that the taxable goods for direct and exclusive use for construction of specialized hospitals and facilities, which will accommodate a minimum of 30 beds in public hospitals and a minimum of 200 beds in private hospitals be exempted from VAT. In the Act, it does not specify what types of hospitals are eligible for such exemptions. That is where I want to be very specific: 30 for public hospitals and 200 for private hospitals.

(Question of amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Let me start with the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, the Member for Subukia is very technical but when I look at that amendment, it seeks to specify that taxable goods for direct and exclusive use for the construction of specialised hospitals facilities with the accommodation facilities with a minimum bed capacity of 30 in case of public hospital and 200 in the case of private hospital shall be exempted from VAT. As it is now, the Act does not specify what type of hospital could be eligible for such exemptions.

What are we saying? If you go to India – I have never gone there but my constituents go there – you will find specialised hospitals with full accommodation where you can be treated. You will find a hospital with a hotel and everything. We are saying that if there are investors who can build similar hospitals, then they can gain from these VAT exemptions. The bed

capacity for the private sector is 200 and above but for the public sector, it is 30 beds and below. That is the import of this amendment.

I support.

The Temporary Deputy Chairman (Hon. Cheboi): Let us have Hon. Dawood.

Hon. Dawood: Thank you, Hon. Temporary Deputy Chairman. I disagree with this amendment. I wish it could have been 30 beds for public hospitals and 50 beds for private hospitals because these are the facilities we need to encourage in private investment. We need private investment in hospitals so that we do not have to travel all the way to India, South Africa or other places for treatment. So, I propose that the Vice-Chair comes down from 200 beds to 50 beds for private hospitals and 30 beds for public hospitals.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): We will proceed because I think what Hon. Dawood is doing is trying to amend the clause through the back door. If you really think there is something you need to amend you know the normal procedure. So, I am going to proceed because two Members have spoken to it. Hon. Langat, two Members have spoken to that. Let me just dispose of the matter. I think members can make their decision.

Hon. Langat: But Hon. Temporary Deputy Chairman---

The Temporary Deputy Chairman (Hon. Cheboi): What is burning, Hon. Langat?

Hon. Langat: Hon. Temporary Deputy Chairman, I request my Vice-Chair to drop this amendment because as it is in the Bill now, we are giving that advantage to all hospitals regardless of whether they are public or private. We are actually saying: "With a minimum bed capacity of 50." We need to encourage the private sector to play a bigger role in the health sector because when you say 200 beds and above, you are discouraging very many small investors who can actually contribute to the health sector in this country. So, I request my Vice-Chair to reconsider this amendment and leave it the way it is in the Bill, which is actually 50 per cent. It is not mentioning whether the hospital is public or private.

The Temporary Deputy Chairman (Hon. Cheboi): I have not seen him place the card. It means he is pursuing his amendment. Therefore, I am going to put the Question. Knowing the professional acumen of Hon. (Dr.) Nyikal, I think I will very reluctantly allow him to speak because we have already had too many Members speaking to this one. Let us have Hon. Nyikal.

Hon. (Dr.) Nyikal: Hon. Temporary Deputy Chairman, I request that this amendment be dropped. All hospitals should receive the same treatment as long as they have a bed capacity of above 50. The question is that when you give tax relief to hospitals in particular, the people you should really be looking at are not investors. You should presume that the relief that is given actually benefits the patients and in that case, the more patients who benefit the better.

Moreover, we are looking in a future where we should have universal health coverage based on insurance. At that time, there may not be much point in distinguishing between private and public because all should be paid from a universal insurance. So, I agree with the request that was being made that this be dropped.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): I now see you have inserted your card. Is it that you want to drop it, Hon. Gaichuhie? Then you should have done it a little earlier.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I am persuaded and in that case, I want to say that I drop the amendment on the 200 beds in private hospitals and say that it should just read: "30 beds for all hospitals."

The Temporary Deputy Chairman (Hon. Cheboi): That means you have dropped it. Go on record.

Hon. Gaichuhie: Yes, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Members, that is dropped. I do not know if Hon. Okoth wants to pursue his amendment.

Hon. Okoth: Thank you, Hon. Temporary Deputy Chairman. I do not think we have heard the Vice-Chair very clear because he says he wants to drop it.

The Temporary Deputy Chairman (Hon. Cheboi): Do not worry about that one. It is already dropped. He is the Mover of the amendment and he has withdrawn it.

Hon. Okoth: Hon. Temporary Deputy Chairman, the way the sentence reads, he sounds like he has dropped some words from that sentence and not the whole amendment.

The Temporary Deputy Chairman (Hon. Cheboi): What I want you to do, Hon. Okoth, is to actually move your own amendment.

Hon. Okoth: No, I support this amendment.

The Temporary Deputy Chairman (Hon. Cheboi): Which one?

Hon. Okoth: What he had already proposed. Hon. Temporary Deputy Chairman, just give me a chance to explain. It is a very good idea, as the Chair of the Committee has said.

The Temporary Deputy Chairman (Hon. Cheboi): Let us move in a systematic manner. Hon. Gaichuhie has dropped his amendment. So, it is not there. It is not with us anymore. That is gone. Actually, it is buried. Now, you are listed as a person who has a further insertion to paragraph (a). Do you want to proceed?

Hon. Okoth: Yes. Mine is about materials for producing and manufacturing cook stoves-

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The Temporary Deputy Chairman (Hon. Cheboi): Let us be clear a bit. Just hold on, Hon. Okoth. That is now not yours. Hon. Gaichuhie, have you dropped all your amendments?

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I have dropped that one about hospitals. This means that I have dropped paragraphs (a), (b) and (d).

The Temporary Deputy Chairman (Hon. Cheboi): Do you have anything that is pending or have you dropped everything?

Hon. Gaichuhie: Yes, but I have not dropped paragraph (c).

The Temporary Deputy Chairman (Hon. Cheboi): You have not dropped paragraph (c)?

Hon. Gaichuhie: Yes.

The Temporary Deputy Chairman (Hon. Cheboi): Then how could you sit down, Hon. Gaichuhie? You can see we are almost moving on to Hon. Okoth's amendment.

Hon. Gaichuhie: I thought Hon. Okoth was talking about my amendment.

The Temporary Deputy Chairman (Hon. Cheboi): So, you have not dropped that one and yet you had actually explained?

Hon. Gaichuhie: Yes.

The Temporary Deputy Chairman (Hon. Cheboi): Then I will put yours to Question. Can you explain again for Members to be with you?

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, for clarity, let me just say that I have dropped paragraphs (a), (b) and (d).

*(Proposed amendments to parts (a), (b)
and (d) by Hon. Gaichuhie dropped)*

So, I want to move that we amend paragraph (c), which says:

“in paragraph (a) (iv) by deleting paragraph 89;”

I am deleting paragraph 89.

The Temporary Deputy Chairman (Hon. Cheboi): What is the import of that deletion?

Hon. Gaichuhie: This is the one that we proposed earlier on to exempt materials for gas cylinders. Since we now have another amendment that exempts people who will invest over Kshs400 billion to put storage facilities, we are saying that we drop the earlier proposal by the National Treasury to exempt materials for gas cylinders.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Members, you have heard Hon. Gaichuhie. I will now put the Question.

(Question, that the words to be left out be left out, put and agreed to)

The Temporary Deputy Chairman (Hon. Cheboi): Let us now go to the one by Hon. Okoth.

Hon. Okoth: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 9 be amended in paragraph (a), by inserting the following new subparagraph immediately after subparagraph (iii)—

(iiiA) in paragraph 66, by inserting the following new sentence immediately after the word “energy”—

“Clean cook stoves” includes clean and energy saving cook stoves with tariff number 7321, as well as their parts and raw materials that are either imported or sourced locally, provided that the stoves meet ISO/IWA 11:2012 standards of tier 2-4 for fuel efficiency, as determined by the Kenya Bureau of Standards.

Hon. Temporary Deputy Chairman, mine is very simple. I know we are talking about what is going on in the country. The Chair mentioned something earlier on about reducing the costs and making food more available. He talked about things like *unga*. This has to do with the implements that you use to cook *ugali*. This is to make sure that the clean cook stoves and the materials for making them are more affordable. This will ensure that women in places like Kibra, Korogocho and Kawangware have cheaper cook stoves that are cleaner and more efficient. They will save on energy and they will cook better *ugali* at a lower cost.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): We have problems with your explanations because you have mixed all these things with *ugali* and the rest. It did not come out clearly.

Hon. Okoth: Hon. Temporary Deputy Chairman, you know there is hunger in this country. Let me explain slowly and clearly.

The Temporary Deputy Chairman (Hon. Cheboi): We are dealing with Finance Bill, and so what are you saying?

Hon. Okoth: Yes, you have to pay money to eat. This is the Finance Bill. The Chair started this session with amendments telling us about reducing the cost of flour with provisions which we have passed.

Mine has to do with implements you use in turning that flour into *ugali*. These are cooking stoves that are energy efficient; clean *jikos* which use little fuel. They are cleaner and better for our mothers who are mostly the people who cook in our communities.

In the low income communities, you want energy efficient *jikos* to be very affordable and accessible. That is the point. If we make raw materials for making these items cheap as per this amendment, then the finished products will be available to the poor people at a lower price.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): I will give the first shot to the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I want to support Hon. Ken Okoth and congratulate him for winning the ODM nominations. There was a time when he was going through very difficult moments. I used to tell him to pray. Prayers always help. He is raising a very important matter and I support it. Now that *unga* is Kshs90 courtesy of the Jubilee Government---

An Hon. Member: Where is it?

Hon. A.B. Duale: *Unga* cannot be in the Chamber. It is in the supermarket. Hon. Wandayi, go to the supermarket. Once we finish from here I am ready to buy you two packets. This is courtesy of Jubilee administration which always has solutions to the problems facing our people. Now, the Member wants to go further, exempt Value Added Tax (VAT) and make that stove cheaper for Kenyans mainly in the slums and low income settlement.

If you walk to Kibra, you will find the development record of Hon. Ken Okoth. He brings legislation here. This is the right thing. It follows the Kshs90 per two-kilogramme packet of flour of President Uhuru Kenyatta. It is not only Jubilee; there are other Members of the Opposition who want to move further and help Kenyans.

The Temporary Deputy Chairman (Hon. Cheboi): That is okay. Let me give Hon. Tonui, the Member for Bomet Central this chance.

Hon. Tonui: Thank you, Hon. Temporary Deputy Chairman. I also want to support this amendment because it does not make sense to reduce the cost of *unga*, and not lower the cost of cooking. By ensuring that the cost of cooking is lowered, the overall cost of *unga* will be taken care of. Unfortunately, I can see the Leader of Majority Party has already conceded that the seat of Kibra has gone to ODM. I thought Jubilee is vying for it.

(Laughter)

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 9 as amended agreed to)

Clause 10

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:
THAT, Clause 10 of the Bill be amended in paragraph (a) –
(a) by deleting subparagraph (i);

(b) by deleting subparagraph (ii) and substituting therefor the following new subparagraph—

“(ii) by inserting the following new paragraphs immediately after paragraph 12 -

“13. The supply of maize (corn) flour, ordinary bread and cassava flour, wheat or meslin flour and maize flour containing cassava flour by more than ten per-cent in weight.

14. Taxable goods supplied to marine fisheries and fish processors upon recommendation by the relevant state department.

“15. All inputs and raw materials whether produced locally or imported supplied to manufacturers of agricultural pest control products upon recommendation by the Cabinet Secretary for the time being responsible for agriculture.

16. Agricultural pest control products.”

If you read Clause 10 of the Bill, you will realise that you are dealing with zero-rating of items from VAT. What we are basically doing is that we are adding the list of zero-rated items as I had said earlier on to include the supply of maize flour, ordinary bread and cassava flour in the quest for cheaper cost of food.

We are also zero-rating taxable goods supplied to marine fisheries and fish processors upon recommendation by relevant State departments to encourage the fishing sector. We are also zero-rating taxable inputs and raw materials in the manufacture of original pest control products in the quest to lower the cost of food.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wamalwa, the Member for Kiminini, you have the Floor.

Hon. Wakhungu: Thank you, Hon. Temporary Deputy Chairman. I have been keenly following what Hon. Langat has mentioned, but I want more clarification. Since I come from Trans-Nzoia I am worried for farmers who will be harvesting at that particular time if we zero-rate maize. I would have, however, wished that he clarifies this further because the common farmer who is growing maize in Kitale and Uasin Gishu will have problems selling his maize. This is because we are likely to have cheap imports. This will affect farmers during the harvesting period.

Unfortunately the Member is not listening.

(Loud consultations)

The Temporary Deputy Chairman (Hon. Cheboi): Order Members! Order Hon. Tobiko! Hon. Tobiko, you are interfering with my---

(Laughter)

Let us proceed Hon. Members. Let us have Hon. Gaichuhie.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, maybe you should bring me upto speed since I was in a deep conversation here.

The Temporary Deputy Chairman (Hon. Cheboi): Okay. If you were in a deep conversation you can resume your seat.

*(Question, that the words to be left out be left out,
put and agreed to)*

*(Question, that the words to be inserted in place thereof
be inserted, put and agreed to)*

(Clause 10 as amended agreed to)

(Clauses 11, 12, 13, 14 and 15 agreed to)

Clause 16

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 16 of the Bill be amended by inserting the word “after” immediately before the expression “paragraph 24B”.

This is basically cleaning up the clause.

(Question of the amendment proposed)

*(Question, that the word to be inserted
be inserted, put and agreed to)*

(Clause 16 as amended agreed to)

Clause 17

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 17 of the Bill be amended in paragraph (b) (ii) (b) by inserting the following proviso in the proposed subparagraph (j) –

“provided that the rate of fifteen per cent shall be extended for a further period of five years if the company achieves a local content equivalent to fifty per cent of the ex-factory value of the motor vehicles.”

In Clause 17 of the Bill, we are encouraging local manufacturers and assemblers of vehicles in Kenya to use more local materials than imported materials. We are, therefore, saying that if you have a local content equivalent to 50 per cent of the ex-factory value of the motor vehicles, you will have the advantage of being exempted from tax.

(Question of the amendment proposed)

*(Question, that the words to be inserted be inserted,
put and agreed to)*

(Clause 17 as amended agreed to)

Clause 18

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Langat.

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 18 of the Bill be amended by inserting the words “in subsection (2)” immediately after the word “amended”.

This is just meant to clean up the Bill because of poor drafting.

Hon. A.B. Duale: On a point of order, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Cheboi): What is it, the Leader of the Majority Party?

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, this Committee Chair, who vied for the position of governor, knows that we are legislating. Even if you are cleaning up the Bill, tell us why you are cleaning it. You are not washing a carpet. We are dealing with a Bill. One word can change the meaning of a Bill. Therefore, if you want to clean up the Bill, tell us what you are cleaning up. I am not in the hotel industry. I am a legislator.

Hon. Langat: On a point of order, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Cheboi): Proceed, Hon. Langat. What is it?

Hon. Langat: Hon. Temporary Deputy Chairman, the words being used by the Leader of the Majority Party against me are unfair. We publish the Order Paper 12 or more hours before a sitting in order for Members to have time to read it. It is very simple. If you cannot understand what is in Clause 18, Hon. Duale, then you make us question your---

The Temporary Deputy Chairman (Hon. Cheboi): Let us leave it at that and proceed. Just to clarify in one word, Hon. Langat, what is it that you are cleaning? Members have a right to know. We should be brief, but you can tell us what you want us to clean. That will be fine. In one word, tell us Hon. Langat. This is because not all Members have time to go through all these papers.

Hon. Langat: Hon. Temporary Deputy Chairman, I am even shocked that Hon. Duale does not know that we are on Clause 18, which reads as follows:

18. Section 16 of the Tax Procedures Act, 2015 is amended by deleting the words “the of” appearing in paragraph (h) and substituting therefor with the words “of the”.

We are only saying that Clause 18 of the Bill be amended by inserting the words “in subsection (2)” immediately after the word “amended”. We are only adding the words “in subsection” after the word “amended”. That is all we are doing.

(Question of the amendment proposed)

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(Clause 18 as amended agreed to)

(Clause 19 agreed to)

Clause 20

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 20 of the Bill be amended by deleting the words “expression “(d)” and substituting therefor the words “paragraph “(d)”.

Again, this is a clean-up amendment so that we refer to paragraph (d) instead of only saying “d” as it is in the Bill.

(Question of the amendment proposed)

*(Question, that the words to be left out
be left out, put and agreed to)*

*(Question, that the words to be inserted in place
thereof be inserted, put and agreed to)*

(Clause 20 as amended agreed to)

(Clauses 21, 22 and 23 agreed to)

Clause 24

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 24 of the Bill be amended by deleting the opening statement to paragraph (b) and substituting therefor the following new opening statement—
“(b) inserting the following new paragraph immediately after paragraph (b)—”
Again, this is a matter of cleaning up the Bill.

(Question of the amendment proposed)

*(Question, that the words to be left out
be left out, put and agreed to)*

*(Question, that the words to be inserted in place
thereof be inserted, put and agreed to)*

(Clause 24 as amended agreed to)

Clause 25

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 25 of the Bill be amended—

(a) by deleting the proposed subsection (4B) and substituting therefor the following new subsection—

“(4B) The tax withheld under this section shall be remitted to the Commissioner on or before the twentieth day of the month following the month in which the deduction is made.”

(b) in the proposed subsection (4C) by deleting the words “within fourteen days following the time the withholding was made or ought to have been made” appearing in

paragraph (b) and substituting therefor the words “by the twentieth of the month following that in which the deduction was made”.

(c) by inserting the following new subsection immediately after the proposed subsection (4C)

“(4D) A person who commits an offence under subsection (4C) is liable on conviction to a penalty of ten per cent of the amount involved”.

Hon. Temporary Deputy Chairman, this deals with withheld VAT. The current law says that those who are withholding VAT must pay that money within fourteen days of that withholding. However, after consulting with stakeholders in the private sector and the National Treasury, we agreed that all the withheld VAT should be paid by the 20th day of the next month, just like the other normal VAT payments so that it becomes easier for VAT to be administered by the people withholding the money.

Under the current law, if it was 1st of May and you withheld some money, you would be expected to pay by the 14th. If you withheld another one on the 10th you would be expected to pay by the 24th. It is cumbersome. Through this amendment, we are making it convenient for people who withhold VAT by fixing the date at the 20th day of the next month after the withholding.

(Question of the amendment proposed)

Hon. Langat: On a point of order, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Cheboi): How can you raise a point of order? Were you out of order, Hon. Langat? I will deny you the opportunity to raise the point of order. You have been speaking, so you cannot say that you were out of order yourself.

Hon. Langat: Hon. Temporary Deputy Speaker, I have forgotten something important. In that amendment, there is Clause 4D; the last paragraph to that amendment. It was not a Committee amendment. I do not know how it found itself there. Therefore, I wish to drop the part of the amendment, which says:-

“4D A person who commits an offence under subsection 4C is liable on conviction to a penalty of ten per cent of the amount involved.”

The Temporary Deputy Chairman (Hon. Cheboi): What is it, the Leader of the Majority Party?

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, I want to ask the Departmental Committee Chair to agree with us. It is not my amendment. Clause 25(4)(c) says:

“A person who is required under this section to withhold---

(a) fails to withhold the whole amount of the tax---

Paragraph (4D) is the penalty for violating that provision. It says that a person who commits an offence under subsection (4C) is liable on conviction to a penalty of ten per cent of the amount involved. If you refuse to pay those taxes, there must be some consequences. It looks like a good amendment.

The Temporary Deputy Chairman (Hon. Cheboi): But the Chair has withdrawn it. That puts us in a very awkward position. What is it, Hon. Langat?

Hon. Langat: Hon. Temporary Deputy Chairman, I am convinced that we should bring it back. The only risk is that we normally provide under the Tax Procedures Act the offences, and they are already prescribed. But I see no harm in carrying this amendment.

The Temporary Deputy Chairman (Hon. Cheboi): In future, let us make our minds on what we do. You rose on a point of order to try and withdraw that part and now you are reinstating it. You are on record. It is your amendment anyway. The thinking of the Chair of the Committee of the whole House is that you must have gone through these amendments in the Departmental Committee, so that it cannot be something you can drop and reinstate at your will. Anyway, we will proceed.

*(Question, that the words to be left out
be left out, put and agreed to)*

*(Question, that the words to be inserted in place
thereof be inserted, put and agreed to)*

(Clause 25 as amended agreed to)

Clause 26

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 26 of the Bill be deleted.

Clause 26 of the Bill relates to the Betting, Lotteries and Gaming Act. It seeks to amend the Act by deleting the word “seven point five” and substituting therefor the word “fifty”. It was imposing a 50 per cent tax on betting, lotteries and gaming collections.

After consultations with the stakeholders and the regulator, the Betting Control Board; financial experts, PricewaterhouseCoopers and the National Treasury, the Committee felt that a 50 per cent tax is too high to make business sense.

Secondly, when we asked the National Assembly Directorate of Research to find out what happens in Uganda, Tanzania and the USA, we found that there is no tax rate of 50 per cent in any of those countries. Therefore, we agreed to maintain the *status quo* for now pending further consultations within the sector. Again, this arose from what the National Treasury said. If we want to discourage betting, we should use a different approach. I do not know what became of the Jakoyo Bill. The matter should have been addressed with a view to encourage or discourage the youth from betting. Levying a 50 per cent tax on gaming, lotteries and gaming collections will encourage the same in the black market.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Kenta, what is it?

Hon. ole Kenta: I have nothing, Hon. Chair.

Hon. Langat: We propose that we maintain the *status quo* pending further consultations. Maybe, this can be reviewed in the next financial year through the Finance Bill.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): I can see that this is a fairly contentious amendment.

I will give chance to four Members to contribute because I can see a lot of interest. We already have nine requests within a few minutes. We will start with the Leader of the Minority

Party, who will be followed by the Deputy Leader of the Minority Party, Hon. Ichung'wah and Hon. Mutura. Thereafter, I can give chance to more Members, probably starting with Hon. Kenta.

Let us proceed.

Hon. Nyenze: Hon. Temporary Deputy Chairman, I support the Committee's position. If we approve the 50 per cent tax, these people will be forced to go underground and the country will lose money. With all due respect, the right institutions to regulate this sector are the Betting Control and Licensing Board and the Ministry of Interior and Coordination of National Government and not the Ministry of Finance. There is no other country that charges 50 per cent tax in the world.

I agree with the Chairman of the Finance Committee that we have to be realistic. These are people who pay taxes. Last year, they paid Kshs3.5 million. This is a business like any other business. There is no need of bringing down such a big group. The regulated betting companies should pay taxes. What has spoilt betting are the Chinese lottery machines.

I want us to support the Departmental Committee and maintain the *status quo* because these are businesses like any other business.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Ichung'wah.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Chairman. Maintaining the *status quo* is killing this country. We are at a time when this country needs revenue. That revenue is in those very addictive habits. These types of taxes, in terms of economic balance, are referred to as 'punitive' or 'sin' taxes. Since this is in an industry where people get in, in droves, it presents a big opportunity for the Government to derive revenues that will help cure the social ills that have come with gambling in this country.

We were debating the Jakoyo Bill the other day. I have heard what the Chair of the Committee of the whole House said but the Jakoyo Bill will lapse at the end of this Session. There is no possibility of that Bill coming to this House within this last Session of the 11th Parliament.

One of the things we said then was that in addition to ethnicity and corruption, the third ill that bedevilled this country was betting. Therefore, if we are to cure these ills one by one, one of the ways of doing so is through taxation. We should have a fiscal policy that makes sure we punish the social ills that are not helping our society. As it is, we are treading on a very dangerous ground in terms of creating opportunity for huge business.

Betting in this country and the world over is big business for big business empires. However, it is killing peasants and poor people engaging in betting across the country. Let us use taxation to stop our people from getting into this very bad habit.

I beg to oppose.

The Temporary Deputy Chairman (Hon. Cheboi): Let us hear Hon. Midiwo.

Hon. Midiwo: Thank you, Hon. Temporary Deputy Chairman. Listening to my friend, Hon. Ichung'wah, I am a bit confused. When the Cabinet Secretary for the National Treasury read that thing in this House, I straightaway thought that he was being mischievous. Taxes must have a basis.

It would not be fair for this country to wake up one day and hear the Cabinet Secretary say that he is going to charge 100 per cent tax on your income. I do not know how the Committee runs. When I brought my Bill to the House, I wanted to deal with the issue of regulating the betting industry. I do not know how you regulate an industry when you drive people out of business through heavy taxation.

Levying a 50 per cent taxation from 7 per cent must be explained to this country. What will happen is that ordinary businesses will begin to live in fear, knowing that somebody can suggest a tax in that manner. I want us to regulate the betting industry but let us do so using a Bill. Some people here were against my Bill. Why can we not allow a structured Bill? My Bill is still alive and it is a property of this House. We can bring it next week and pass it, and it will comprehensively regulate the betting industry. We will then look like a civilised nation.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): Since I have given a chance to the Leader of the Minority Party, I will give a chance to the Leader of the Majority Party.

(Consultations)

Hon. A.B. Duale: Hon. Wanga and Hon. Fatuma, you need to try your luck. I only recognise the leaders in the House, and not leaders from counties and other areas. I understand there are many leaders in this now.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wanga is now a head of a campaign team. She is equivalent to the Leader of the Majority Party. Therefore, we will give her a chance.

Hon. A.B. Duale: First, I want to go on record that I have no business in this betting process because my religion does not subscribe to that. The Muslim Community does not believe in betting and lottery.

However, Hon. Jakoyo should tell us where his Bill is. The Cabinet Secretary had proposed 50 per cent, but when he appeared before the Committee he suggested 35 per cent in writing. It is the function of Parliament to decide on any figure, including deletion which I have no problem with.

However, we do not want to be taken in circus. Hon. Jakoyo must be given the microphone again and tell us because we have not seen his Bill for another one-and-a-half months. We must balance as a House in making the law between regulating industries and at the same time protecting investors in various sectors of our economy. So, let us not look at the 50 per cent and say that the CS has broken the law. Let us not look at protecting investors who in one way or the other might have in their business caused certain social issues. I am sure when the CS was suggesting that he was increasing taxation to reduce the clients who would go to this business. That was the spirit of the CS. So, at the end of the day, it is the House to decide, but we must be told---

The Temporary Deputy Chairman (Hon. Cheboi): I do not want you to ask too many questions. Why do you not---

Hon. A.B. Duale: You are part of the Speaker's panel. It will be okay if we delete the clause, but we should be told when the Bill on Regulations is coming to the Floor of the House.

The Temporary Deputy Chairman (Hon. Cheboi): At this point I will not ask that. Let me have Hon. Kenta. It will be the business of the House to either agree with the proposed amendment of the deletion or otherwise.

Hon. ole Kenta: Thank you. I would like to support the Committee on this. These are licensed businesses. Even if you put 90 per cent taxes on any business, it will not assist us because they will still take part in betting. The most important thing for us is to ensure that businesses are not killed by rivalry.

The Temporary Deputy Chairman (Hon. Cheboi): Okay, Let us have Hon. Fatuma.

Hon. (Ms.) F.I. Ali: Thank you, Hon. Temporary Deputy Chairman. I oppose this deletion that if you want to totally discourage people in investing heavily in a bad practice such as gambling, drinking alcohol and cigarette smoking, you need to raise taxation so that it is not favourable for people who are likely to indulge in that.

The Temporary Deputy Chairman (Hon. Cheboi): So, are you opposing or supporting?

Hon. (Ms.) F.I. Ali: I am opposing the deletion. We need to make it unfavourable. I do not know if we have owners of gambling firms in this House because people are concentrating too much.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): Is Hon. Mutura in the House? I had mentioned his name.

Hon. Kangara: Thank you, Hon. Temporary Deputy Chairman. At the outset, I oppose the deletion by the Chairman. I am seated right next to the Vice-Chairman of the Committee and I have been asking for the report of the Committee so that I can also make informed decision on how they reached at this.

Another issue is that we passed the law. It is hardly six months down the line and now we are trying to move an amendment. I read mischief in that. We cannot be used as a House to pass laws--- We delegated the mandate to the Committee on Labour and Social Welfare to come up with a well evaluated Bill where all stakeholders were to come in and give their input.

The Temporary Deputy Chairman (Hon. Cheboi): Okay. Hon. Members, make your decision loud and clear. No more Members will speak to it. I have already given six Members a chance with both leaderships involved. So Members, do not put up your hands, but make your decision the normal way.

(Question, that the words to be left out be left out, put and agreed to)

(Clause 26 deleted)

(Loud consultations)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Members, I can see how spirited you are in trying to oppose it but I do not think you have the requisite numbers. So, we have eight Members standing.

Hon. (Ms.) Nyasuna: *(Inaudible)*

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Wang, you are treading on very dangerous grounds. It is not right when you allege biases. We will move on to the next one.

Hon. Kangara: On a point of order.

The Temporary Deputy Chairman (Hon. Cheboi): What is it Hon. Mutura?

Hon. Kangara: Hon. Temporary Deputy Chairman, I want to notify you that we do not have the requisite quorum to pass any Bill.

The Temporary Deputy Chairman (Hon. Cheboi): Let me confirm the numbers.

QUORUM

The Temporary Deputy Chairman (Hon. Cheboi): Well the issue is that we do not have quorum. Is that not what you have raised Hon. Mutura? Well that has happened. I have no choice for as long as I see we are 39 Members. We are very close to attaining the quorum. I order that the Quorum Bell be rung for 10 minutes.

(The Quorum Bell was rung)

We now have quorum. Therefore, Hon. Members, we can now proceed. We had finished with Clause 26.

Clause 27

The Temporary Deputy Chairman (Hon. Cheboi): Proceed Hon. Gaichuhie.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 27 of the Bill be deleted.

The import of the deletion is the same as the one in Clause 26. You will recall that these taxes were effected less than six months ago. This clause will increase them to 50 per cent. Therefore, the Committee is trying to maintain the *status quo* of these taxes.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Gladys Wanga, you have the Floor.

Hon. (Ms.) Nyasuna: Thank you, Hon. Temporary Deputy Chairman. I oppose the attempt to delete these taxes for the reason that gambling is bringing down our young people. This is not the first time that taxation measures are being used in order to deter a bad habit. We do it with alcohol and cigarettes all the time.

I sit in the Departmental Committee on Labour and Social Welfare where we met all the gambling companies. We made a comparative analysis of taxes in other countries when we were looking at the “Jakoyo Bill” and ours is the lowest. Why should we retain it there? I think the Committee should disclose to us what happened in Mombasa and why they are treating us to this circus. What the Committee should be telling us is not the wholesome deletion of these taxes but propose to us if 50 per cent is too high. Why can it not be 40 or 35 per cent instead of retaining it at 7.5 per cent? This means we are closing our eyes towards our children who are dying from gambling or spending the whole day gambling.

The Temporary Deputy Chairman (Hon. Cheboi): Let me give another Member from this side and two from the other side a chance.

Hon. Wamalwa, you have the Floor.

Hon. Wakhungu: Thank you, Hon. Temporary Deputy Chairman. This matter went to the Committee on behalf of Parliament to do a proper scrutiny and give us a Report. The Committee’s Report shows there was a comparative analysis done with other jurisdictions.

An Hon. Member: Where is the Report?

Hon. Wakhungu: They have the Report. That is what we have been told.

The Temporary Deputy Chairman (Hon. Cheboi): Do not exchange amongst yourselves.

Hon. Wakhungu: In this context, I support the Committee’s Report.

The Temporary Deputy Chairman (Hon. Cheboi): Let me give Hon. Waititu of Juja a chance.

Hon. Francis Waititu: Thank you, Hon. Temporary Deputy Chairman. I rise to oppose. For the first time, I am agreeing with Hon. Gladys Wanga that we should not delete the 50 per cent taxation. I come from a coffee growing zone where farmers buy fertilisers and other farm inputs which are highly taxed. I do not know whether there are any costs involved in gambling. I know for sure that among us here there are gamblers and that is why they are not supporting the 50 per cent taxation. The people of this country are watching us to see if what we are saying is true. We are the people's representatives in this Parliament and they will judge us harshly if we allow this to happen. I agree with Hon. Wanga that we better go down from 50 to may be 40 or 35 per cent.

The Temporary Deputy Chairman (Hon. Cheboi): Let us now hear Hon. Dawood.

Hon. Dawood: Thank you, Hon. Temporary Deputy Chairman. I am a Member of the Departmental Committee on Finance, Planning and Trade but I disagree with my Chairman and this Report. We should leave the taxation at 50 per cent and not maintain the *status quo* because this country has gone down the drain because of gamblers and people who are making big money from the poor. We should not agree with this deletion. It should be 50 per cent taxation in all the clauses dealing with gambling and nothing less.

The Temporary Deputy Chairman (Hon. Cheboi): Let us have Hon. Akai, and that will be the last one. Hon. Members, be prepared to make your decision.

Hon. (Ms.) Emanikor: Thank you, Hon. Temporary Deputy Chairman. I rise to oppose this amendment. This is outright theft. It is evil because we have lost people. There have been many cases of suicide. If we do not tax them, they will steal from both the poor *mwananchi* and the Government. I am not an economist but as a representative of the poor people, we should protect the poor person and not the rich investors.

I oppose the amendment.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Members, make the decision loud and clear. Let us not open it up for debate, the Leader of the Majority Party. This is a deletion. Let us hear what you have to say, the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, I can see the House is divided down the middle. In that scenario, let us adopt the amendment the Cabinet Secretary of the National Treasury tabled before the Committee which was 35 per cent. I can see we are divided.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Leader, how do we bring it in because there is a proposal for deletion?

(Hon. A.B. Duale spoke off the microphone)

Hon. Members, since there seem to be disagreements, it is really up to you to make your decision. Let it be loud and clear. Hon. Members, let your decision be loud and clear.

(Loud consultations)

Hon. Members, for clarity, make your decision loud and clear.

*(Question, that the words to be left out
be left out, put and negatived)*

(Clause 27 agreed to)

Clause 28

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 28 of the Bill be deleted.

Again, this is for the same reasons. It is also very good to note that those companies also pay Corporation Tax at the rate of 30 per cent like any other company. Even as we want to correct the ills, if you want to control and prevent children from this menace, and this is what was discussed - the Cabinet Secretary for the National Treasury and the Cabinet Secretary for Interior and Coordination of National Government, in whose docket this lies, and the sector - should meet and come up with regulations that will prevent some of these issues. Otherwise, even if we passed the provision for a 50 per cent rate of taxation, we will not control the vice. We will make it worse because we will create backstreet betting companies which will not even contribute a shilling to the National Treasury.

I propose to delete the amendment pending further consultations.

(Question of the amendment proposed)

Hon. A.B. Duale: On a point of order, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Cheboi): What is your point of order, Hon. Duale?

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, I want to table a document from the CS for the National Treasury. He does not agree to the deletion. I want to make that very clear. The Chair must read the mood of the House. You need to save investors from a 50 per cent rate of taxation. Let us agree that we propose a further amendment and adopt the position of the stakeholders and the CS of 35 per cent taxation. Otherwise, you are not reading the mood of the House. You will subject the investors to 50 per cent tax which is not fair, in my opinion. It is good that you consult us. You should not become a dictator. Compromise. This is how a grand coalition was formed. It was formed through compromise. Consensus is what Moses did. Can you talk to me so that we propose a 35 per cent rate of taxation? Otherwise, you will burden other investors. We want to reach a middle ground.

(Hon. A. B. Duale and Hon. Langat consulted with the Clerks-at-the-Table and the Temporary Deputy Chairman)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Members, we will proceed. I will give an opportunity to two Members. Actually, let me just give an opportunity to one Member from both sides. I will give an opportunity to Members who have not spoken.

Let us have the Member for Konoin, Hon. Koech. I almost called you "Hon. Investor".

Hon. Koech: Hon. Temporary Deputy Chairman, thank you for giving me an opportunity but my question has been overtaken by events.

The Temporary Deputy Chairman (Hon. Cheboi): Who has not spoken from this other side? Let us give an opportunity to Hon. Maanzo.

Hon. Maanzo: Thank you, Hon. Temporary Deputy Chairman. I suggest that we go by the CS's proposal so that there is a balance between the two sides.

The Temporary Deputy Chairman (Hon. Cheboi): That can come in a different avenue. We need to either defeat or adopt the amendment. Let us proceed. I will put the Question so that you will have an avenue to ventilate on some of those issues.

*(Question, that the words to be left out
be left out, put and negatived)*

(Clause 28 agreed to)

Clause 29

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 29 of the Bill be deleted.

This is for the same reasons. I also remind the House that we can propose a 50 per cent rate of taxation but what is the overall effect in the sector and the country? I propose the deletion pending further consultations ahead of next year's Finance Bill and Regulations.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): I will give an opportunity to two Members. You have already put your cards in the intervention slot yourselves. Let me give an opportunity to Hon. Rasso.

Hon. Dido: Thank you very much, Hon. Temporary Deputy Chairman. The Chairman of the Committee should stay guided because as the Leader of the Majority Party has said, the mood of the House is very clear. This House is not about encouraging gambling. Gamblers must be warned that this is the end of their game. This country needs to raise revenue. While we are encouraging investors, at the same time the CS has given a policy position of 35 per cent. So we are just flogging a dead horse.

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Sakaja.

Hon. Sakaja: Hon. Temporary Deputy Chairman, first of all---

Hon. A.B. Duale: He is here for a few days!

The Temporary Deputy Chairman (Hon. Cheboi): Order, the Leader of the Majority Party! You cannot say that Hon. Sakaja is only here for the next few days, and that he is going to another House. That is not for this House today.

Hon. Sakaja: Unfortunately, I will not be here for long, but I will be just down the corridor in the Senate in a few months.

I am a Member of the Departmental Committee on Finance, Planning and Trade, but I wonder how we even call these people investors. This country invests in our children, education and healthcare, and yet we are saying that these people who are reaping billions from these young people are investors. If you walk in Kayole or in the slums in Nairobi, you will find there are these betting dens. I want to say "No".

The excuse that we will be building backstreet gambling does not hold water. That is like trying to cut off your nose to spite your face. Let us deal with that. That is the rule of law that must deal with that; that we cannot do anything that encourages young people to keep on

gambling. People are selling their destiny, stealing and committing suicide because of betting. In fact, if we could tax for not even doing anything we should do it.

(Question, that the words to be left out be left out put and negated)

(Clause 29 agreed to)

(Clauses 30, 31, 32, 33 and 34 agreed to)

Clause 35

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 35 of the Bill be amended by deleting the words “section 96” and substituting therefor the words “section 96A”.

This is basically a clean-up and tidying of the Bill.

(Question of the amendment proposed)

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 35 as amended agreed to)

(Clauses 36, 37 and 38 agreed to)

Clause 39

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 39 of the Bill be amended –

- a. in the opening statement by deleting the words “subsection 4(B)” and substituting therefor the words “subsection (4B)”;
- b. in the proviso to the proposed subsection (4C) by deleting the words “not be prosecuted” and substituting therefor the words “also be liable to prosecution”.

This is cleaning and tidying up of the Bill.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Let me give two Members a chance. I will start with Hon. Onyura.

Hon. Onyura: Hon. Temporary Deputy Chairman, I do not seem to follow this. They are deleting one and substituting with the same. Maybe Hon. Temporary Deputy Speaker, you can

assist me here. I do not know whether there is--- I have seen. It is just where the brackets are placed. Since it is that easy and straightforward---

The Temporary Deputy Chairman (Hon. Cheboi): You are probably right, Hon. Onyura because the Chair did not give a good explanation but I can give a Member who is in the same Committee a chance to explain. Hon. Dawood, let us hear if you have a better clarification because the Committee---

Hon. Dawood: Hon. Temporary Deputy Chairman, my Chairman needs to explain this more.

The Temporary Deputy Chairman (Hon. Cheboi): You can proceed because you are a Member of the Committee.

Hon. Dawood: My Chairman is talking about the Cabinet Secretary extending the time of receivership. My Chairman is telling me---

The Temporary Deputy Chairman (Hon. Cheboi): Let us have the Chair. The campaigns had some toll on everybody including yourself, Hon. Dawood.

Hon. Langat: Hon. Temporary Deputy Chairman, I am sorry. Let me explain further. If you look at Clause 39(4C), you will realise that the last paragraph of that section says:

“Provided the person who pays a penalty under this subsection shall not be prosecuted in a court for the same offence.”

We disagreed with that section which says: “Shall not be prosecuted”. We are saying that he should be prosecuted if he continues committing that offence. So, we are providing that in addition to paying a penalty, you can also be prosecuted.

The Temporary Deputy Chairman (Hon. Cheboi): That is the explanation. So, Hon. Members you can make your decision.

(Question that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 39 as amended agreed to)

Clause 40

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Langat, proceed please.

Hon. Langat: Hon. Temporary Deputy Speaker, I beg to move:

THAT, Clause 40 of the Bill be amended by –

- (a) deleting paragraph (a); and
- (b) deleting the words “or a county government security” in the proposed subsection (3) in paragraph (d)

The Committee felt that if we were to allow it to move on, it will become a Bill concerning a county government. We are just trying to remove anything that may delay the Bill by being a Bill concerning a county government. So, we are deleting reference to a county government to make it a Bill not concerning a county government.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Let me give Hon. Ochieng the Floor.

Hon. Ochieng: Hon. Temporary Deputy Chairman, I support this but his explanation does not make sense to me. This is because there is no day every other Bill that has the words “county government” will be a Bill concerning counties.

The Finance Bill is a very special Bill. It is only done in this Assembly. What they are seeking to achieve is something special. They are saying that they want to allow county governments to give security as it were. So, I do not think that by alluding or mentioning the words “county government” it will make the Finance Bill be a Bill concerning county governments. I do not think that can be the case.

The intent of this amendment is to help counties because we have been saying that they must also be strengthened so that they can use their properties as security. So, the moment you say that if you mention them, this Bill becomes a Bill concerning county government, it is not true.

I oppose.

The Temporary Deputy Chairman (Hon. Cheboi): From this side, let us have Hon. Namwamba.

Hon. Ababu: Thank you, Hon. Temporary Deputy Chairman. I was targeting another clause. I was attempting to catch your eye in advance.

The Temporary Deputy Chairman (Hon. Cheboi): So, Members make your decision.

(Question, that the words to be left out be left out, put and agreed to)

(Clause 40 as amended agreed to)

The Temporary Deputy Chairman (Hon. Cheboi): Please, whenever you make any decision, make it loud and clear.

The Chair will not have a good idea of what you say. When, for example, somebody like Hon. Millie Odhiambo says “Aye”, it does not come out clearly. Let us be a bit clear. Hon. Members, let us proceed.

(Clauses 41, 42, 43, 44 and 45 agreed to)

Clause 46

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, Clause 46 of the Bill be amended by deleting the word “Co-operatives” and substituting therefor the word “SACCOS”.

It was a typo.

(Question of the amendment proposed)

(Question, that the word to be left out be left out, put and agreed to)

*(Question, that the word to be inserted in place thereof
be inserted, put and agreed to)*

(Clause 46 as amended agreed to)

(Clauses 47, 48, 49 and 50 agreed to)

Clause 51

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by deleting clause 51 and substituting therefor the following new clause —

Amendment of 51. The Second Schedule to the Miscellaneous Fees and Levies Act, Second Schedule to 2016 is amended—
No. 29 of 2016.

(a) in Part A—

(i) by inserting the words “or Special Economic Zones” immediately after the words “Export Processing Zones” appearing in paragraph (ii);

(ii) by inserting the following new paragraph immediately after paragraph (xxi) —

(xxia) goods imported for the construction of liquefied petroleum gas storage facilities as approved by the Cabinet Secretary responsible for liquefied petroleum gas.

(b) in Part B—

(iii) by inserting the following new paragraph immediately after paragraph (v) —

(va) goods imported for the construction of liquefied petroleum gas storage facilities as approved by the Cabinet Secretary responsible for liquefied petroleum gas.

The import of this amendment is that it seeks to amend the Second Schedule of the Miscellaneous Fees and Levies Act, 2016 in order to provide that goods destined for Special Economic Zones and goods imported for the construction of liquefied petroleum gas storage facilities, as approved by the Cabinet Secretary responsible for liquefied petroleum gas are exempted from import declaration fee.

Further, the amendment seeks to provide that goods imported for the construction of liquefied petroleum gas storage facilities as approved by the Cabinet Secretary responsible for liquefied petroleum gas are exempted from the railway development levy when imported or purchased.

Thank you.

(Question of the amendment proposed)

*(Question, that the words to be left out
be left out, put and agreed to)*

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 51 as amended agreed to)

New Clause 1A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following new clause immediately before clause 2 –

Amendment of section 10 of No. 23 of 2015.

1A. Section 10 of the Excise Duty Act, 2013 is amended by deleting the word “annually” and substituting therefor the words “every two years”.

(Question of the new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

Hon. Langat: Hon. Temporary Deputy Chairman, that is a subsequent amendment to an amendment which we did on Clause 4. So, it is just to make the Bill consistent.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

NEW PART III

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the heading to “PART II – VALUE ADDED TAX” be amended by deleting the words “PART II” and substituting therefor the words “PART III”.

(Question of the new part proposed)

(New part read the First Time)

(Question, that the new part be read a Second Time, proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Langat, are you interested in that one?

Hon. Langat: No, Hon. Temporary Deputy Chairman. It is straightforward. We are just re-organising the title.

(Question, that the new part be read a Second Time, put and agreed to)

(The new part was read a Second Time)

(Question, that the new part be added to the Bill, put and agreed to)

NEW PART IV

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the heading to “PART III – INCOME TAX” be amended by deleting the words “PART III” and substituting therefor the words “PART IV”.

(Question of new part proposed)

(New part read the First Time)

(Question, that the new part be read a Second Time, proposed)

(Question, that the new part be read a Second Time, put and agreed to)

(The new part was read a Second Time)

(Question, that the new part be added to the Bill, put and agreed to)

NEW CLAUSE 15A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following new clause immediately before clause 16 –

Amendment of
Second Schedule
to Cap. 470.

15A. The Second Schedule to the Income Tax Act is amended in paragraph 24 by inserting the following new subparagraph immediately after subparagraph (g) –
“(h) on the construction of transportation and storage facilities for petroleum products by the Kenya Pipeline Company Ltd.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 17A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following new clause immediately before Clause 18 –

Amendment of section 3 of No. 29 of 2015.

17A. Section 3 of the Tax Procedures Act, 2015 is amended in the definition of the term “tax decision” by deleting the number “49” and substituting therefor the number “48”.

(Question of new clause proposed)

(New Clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

Hon. Langat: This is re-ordering the Bill so that it is consistent.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 20A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following new clause immediately after Clause 20 –

Amendment of section 15A of No. 29 of 2015. 20A. Section 15A of the Tax Procedures Act, 2015 is amended by inserting the following new subsections immediately after subsection (2)

–
(3)The registration of the tax representative shall be in the name of the non- resident person being represented.

(4) A person may be a tax representative for more than one non-resident person, in which case the person shall have a separate registration for each non- resident person.

(5)The Commissioner shall issue a PIN to the tax representative.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Let us have the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, this is a fundamental amendment. So, the Chair cannot just say that he moves New Clause 20A and then sits down. We are here to listen and understand. When you are moving, you need to explain to the House and go into the HANSARD.

Hon. Langat, please proceed.

Hon. Langat: Hon. Temporary Deputy Chairman, that amendment is to the Tax Procedures Act of 2015. Under the Tax Procedures Act, we created what we call--- For non-residents, you can be represented by a local person for the purpose of taxation. So, what we are simply saying is that the registration of the tax representative shall be in the name of the person who is the non-resident. We are also saying that a tax representative can represent more than one non-resident and they will be issued with a PIN for each person they are representing. This is just to ease the administration of tax.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 25A

The Temporary Deputy Chairman (Hon. Cheboi): Let us have the Mover, Hon. Musimba, to move the Second Reading. He is absent. So, that one is dropped.

(Proposed amendment by Hon. Musimba dropped)

New Clause 29A

The Temporary Deputy Chairman (Hon. Cheboi): Let us start with Hon. Langat and then move on to Hon. Gaichuhie.

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the following new clause be inserted immediately after clause 29 –

Amendment of section
69 of Cap. 131.

29A. Section 69 of the Betting, Lotteries and Gaming Act is deleted and substituted therefor the following new section -

Revenue to be paid into the Consolidated Fund. **69.** Save for the taxes provided for under sections 29A, 44A, 55A and 59B, any other moneys received under this Act by or on behalf of the Board by way of fees, shall be paid into the Consolidated Fund.

This is again under the Betting, Lotteries and Gaming Act. We are simply saying that the taxes which have been provided under the sections noted and other monies received under this Act by or on behalf of the Board by way of fees shall be paid into the Consolidated Fund. There was a proposal to take the monies from the betting tax to the Sports Fund so that it can fund sports.

We are actually clarifying here that it is only the betting tax which goes to the Sports Fund. Any other fees received by the Betting Control and Licencing Board (BCLB) should go to the Consolidated Fund.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to)

the Bill, put and agreed to)

The Temporary Deputy Chairman (Hon. Cheboi): Let us have Hon. Gaichuhie to move the next one on the same.

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following clause immediately after clause 29 —

Amendment of Cap. 29A. The Marine Insurance Act is amended by inserting the following new section immediately after section 3—

Marine cargo insurance defined.	3A. A contract of marine cargo insurance is a contract whereby the insurer undertakes to indemnify the assured, in manner and to the extent thereby agreed, against the losses incident to any movable property other than ship including money and other valuable securities.
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The Temporary Deputy Chairman (Hon. Cheboi): We will proceed. Never mind the fact that we are repeating some issues. Anyway, we will proceed. You have moved Second Reading, is it not?

Hon. Gaichuhie: Yes, I have.

The Temporary Deputy Chairman (Hon. Cheboi): Do you want to speak to it?

Hon. Gaichuhie: Yes, I just want to say the import of that new clause. I have moved that it be read a Second Time.

The Temporary Deputy Chairman (Hon. Cheboi): Let me propose the Question first.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

You can say something now.

Hon. Gaichuhie: Thank you, Hon. Temporary Deputy Chairman. I propose that the new clause be inserted immediately after Clause 29. The amendment seeks to amend the Marine Insurance Act in order to define marine cargo insurance, which is not expressly defined. It further provides that a person with insurable interest in marine cargo shall place marine cargo insurance with an insurer registered under this Act unless prior exemption has been granted by the Commissioner. The need for marine insurance is a matter that needs not be overemphasised as it is the handling and protecting of marine cargo.

Thank you.

The Temporary Deputy Chairman (Hon. Cheboi): I see no other member who is interested to speak to this. So, I will put the Question.

(Question, that the new clause be read)

a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 29B

Hon. Gaichuhie: Hon. Temporary Deputy Chairman, I beg to move:
That the Bill be amended by inserting the following clause immediately after clause 29-

Amendment of Cap. 390. 29B. The Marine Insurance Act is amended by inserting the following new section immediately after section 16—

Insurable interest in marine cargo.	16A. A person with insurable interest in marine cargo shall place marine cargo insurance with an insurer registered under this Act unless prior exemption has been granted by the Commissioner.
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The Temporary Deputy Chairman (Hon. Cheboi): Under Clause 29, there were two proposals, yours and Hon. Langat's.

(Question of the new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

Do you want to say something to it in order to clarify it?

Hon. Gaichuhie: I think it is just the same as the one which is just talking about marine insurance. We need not overemphasise it.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 39A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT the Bill be amended by inserting the following new clause immediately after Clause 39 –

Amendment of section 53 of No.10 of 2012. 39A. Section 53 of the Kenya Deposit Insurance Act, 2012 is amended by inserting the following new subsection immediately after subsection (2) –
“(3) The Cabinet Secretary, may under exceptional circumstances, extend the term of receivership, for a further period not exceeding twelve months”.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Langat, what is it about?

Hon. Langat: Hon. Temporary Deputy Chairman, this is to amend Kenya Deposit Insurance Act, 2012, so as to give the Cabinet Secretary some power under exceptional circumstances to extend the term of receivership of a bank for a further period not exceeding 12 months.

Circumstances may arise that may require that receivership of a bank be extended pending further consultation and looking for the way forward for the affected banks.

The Temporary Deputy Chairman (Hon. Cheboi): That is okay.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 41A

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following new clause immediately after clause 41-

Amendment of section 12 of No. 25 of 2013. **41A.** Section 12 of the Sports Act, 2013 is amended in subsection 2 by inserting the words “taxes levied under the Betting, Lotteries and Gaming Act” immediately before the word “investments” in paragraph (a)”.

As I had said earlier on, we created Sports Fund under the Sports Act. In addition to the money which goes to that Fund from, maybe, appropriation by Parliament, we are saying that the monies from the betting, lotteries and gaming tax shall also be part of the money that goes into

that Fund so that they can fund sports. There were talks of sports, culture and other issues. We are just facilitating taxes from Betting, Lotteries and Gaming Act to go to that Fund.

The Temporary Deputy Chairman (Hon. Cheboi): Very well.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

The Temporary Deputy Chairman (Hon. Cheboi): Hon. Gaichuhie, do you want to speak to this?

Hon. Gaichuhie: What the Chairman is trying to propose is that this Fund that is being created--- All funds that are collected should go to the Consolidated Fund. We are only trying to legalise this money not going to the Consolidated Fund but directly to the Sports Fund.

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

New Clause 52

Hon. A.B. Duale: Hon. Temporary Deputy Chairman, I beg to move:

THAT, the Bill be amended by inserting the following clause immediately after Clause 51—

Amendment of section 52. The Proceeds of Crime and Anti-Money Laundering Act is
54 of No. 9 of 2009. amended in section 54 by deleting subsection (1A).

When we were doing the Proceeds of Crime and Anti- Money Laundering Act of 2009, when we were moving the amendment and we were creating a provision for asset recovery agency through the Attorney-General's advice, we realised that the mandate of asset recovery was with the Ethics and Anti-Corruption Commission (EACC). This Commission derives its mandate from Chapter Six of the Constitution.

However, the provision of Section 51(1)(a) of the Proceeds of Crime and Anti-Money Laundering Act in effect implied that the Commission cannot institute cases for recovery of proceeds of crime or benefits.

As we speak, if this amendment is not moved, all the cases filed in court by the Commission and its collaborative efforts with other countries will be rendered nugatory. This amendment just wants to bring back the six to ensure that the Commission continues to discharge

its mandate effectively in terms of undertaking preventive and combative and recovery that went to the wrong institutions. So, we are bringing back to the Ethics and Anti- Corruption Act from where we put it.

(Question of new clause proposed)

(New clause read the First Time)

(Question, that the new clause be read a Second Time, proposed)

(Question, that the new clause be read a Second Time, put and agreed to)

(The new clause was read a Second Time)

(Question, that the new clause be added to the Bill, put and agreed to)

(Title agreed to)

(Clause 1 agreed to)

Hon. Langat: Hon. Temporary Deputy Chairman, I beg to move that the Committee doth report to the House its consideration of the Finance Bill and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

(The House resumed)

*[The Temporary Deputy Speaker
(Hon. Cheboi) in the Chair]*

REPORTS

THE INSURANCE (AMENDMENT) BILL

Hon. Gaichuhie: Hon. Temporary Deputy Speaker, I beg to report that a Committee of the whole House has considered the Insurance (Amendment) Bill (National Assembly Bill No.17 of 2017) and approved the same with amendments.

The Temporary Deputy Speaker (Hon. Cheboi): Let us have the Mover of the Bill to move for agreement with the report.

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I beg to move that the House do agree with the Committee in the said report.

I request the Member for Saku to second the Motion.

Hon. Dido: I second, Hon. Temporary Deputy Speaker.

(Question proposed)

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Members, from the face of it, we do not have the requisite numbers for purposes of putting the Question on this Bill. Therefore, we defer putting the Question.

(Putting of Question deferred)

THE FINANCE BILL

Hon. Gaichuhie: Hon. Temporary Deputy Speaker, I beg to report that a Committee of the whole House has considered the Finance Bill (National Assembly Bill No.16 of 2017) and approved the same with amendments.

Hon. Langat: Hon. Temporary Deputy Speaker, I beg to move that the House do agree with the Committee in the said report.

I request Hon. Ababu Namwamba to second the Motion.

Hon. Ababu: Hon. Temporary Deputy Speaker, I second.

(Question proposed)

Recommittal of Clauses 20,26,27,28 and 29)

The Temporary Deputy Speaker (Hon. Cheboi): Let us have the Leader of the Majority Party first.

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I beg to move that the Motion for agreement with the report of the Committee of the whole House be amended by inserting the words “subject to recommittal of Clauses 20, 26, 27, 28 and 29.”

I request the Member for Subukia, who is also the Vice-Chair of the Departmental Committee on Finance, Planning and Trade, and who with his Chair decided never to explain to us this matter, to second the Motion.

Hon. Gaichuhie: Hon. Temporary Deputy Speaker, I want to confirm that we brought an elaborate Report but a large number of Members did not read it.

I second the Motion for recommittal.

(Question proposed)

The Temporary Deputy Speaker (Hon. Cheboi): Unfortunately, again on this one, I will not proceed beyond here because of the fact that we are short of the requisite numbers for putting the Question; unless you want to debate it. I will not put the Question but we can have two Members speaking to the Recommittal Motion specifically.

Leader of the Majority Party!

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I was telling the Chair of the Departmental Committee on Finance, Planning and Trade that in every Parliament there are serious stakeholders, even within the Republican and Democratic parties in the US. I kept saying this afternoon that let us go by what the Treasury says. Let us come to a middle ground. That is a function of legislation. I am sure when the Government put 50 per cent, they must have had good reasons. As the people's representatives, and as people who represent investors, we will have to agree to both sides. Once we reach Tuesday, we will agree to bring the taxation level down for the Government to collect taxes and for the investors to feel comfortable.

There is no way we can transact business as we did this afternoon. My good friend, the Chair of the Departmental Committee, is a ranking Member of this House. The deletion was the one that brought problems. He should have listened to us. Thank you for agreeing with us. We have agreed to do recommittal. The Chair will have an opportunity to do more consultation with the Treasury and the investors. We want to have a win-win situation. Therefore, I support the Motion for recommittal of these clauses.

Clause 20 is about something the National Treasury has a small issue with. They are sitting now. We will also find how to deal with it.

The Temporary Deputy Speaker (Hon. Cheboi): Now that we have heard from the Leader of the Majority Party, let us hear the Leadership of the Minority Party, Hon. Jakoyo Midiwo.

Hon. Midiwo: The leader of the caucus of the independents.

(Laughter)

Hon. Temporary Deputy Speaker, thank you. I want to echo the words of the Leader of the Majority Party. In the dying moments of every Parliament, this House passes some very bad laws because of disinterest. I am vindicated when the Leader of the Majority Party says that maybe the deletion was wrong. I said there must be an agreement. I want to plead with the Chair of the Departmental Committee to, between now and Tuesday, look for all the stakeholders, especially the Treasury, and agree with the businessmen on a figure.

*[The Temporary Deputy Speaker
(Hon. Cheboi) left the Chair]*

*[Hon. Deputy Speaker (Hon.
(Dr.) Laboso) took the Chair]*

This is the time this House must initiate debate towards doing proper regulation to the gambling and betting industry. I have spoken to them during the time I proposed my Bill. They are not averse to the idea of being regulated. There are so many of them who are unregulated. Doing it haphazardly is not good for our country. I do not think you just pass laws for the sake of it. I want to plead with you that between now and Tuesday we will all consult. People are going home. If by now you have not warmed to the possibility that you may not be here in September, you are not being truthful to yourself. Just be at peace. You are now on payroll, do the right thing.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Joyce Akai.

Hon. Members: There is a party leader.

Hon. Deputy Speaker: Oh, there is a party leader.

(Laughter)

While Hon. Joyce is getting ready, maybe the party leader, Hon. Ababu, can speak.

Hon. Ababu: Thank you, Hon. Deputy Speaker. I have a very keen interest in this matter. First of all, I support the recommittal of the clauses. I believe it is a very good move because it provides opportunity for us to reflect on this matter a little bit more deeply and perhaps conclude the consultations in a more substantive manner.

I had the privilege of moving in this House, in January 2013, the Sports Bill, then as the Minister responsible for Youth and Sports. I moved the Sports Bill that opened the door for sports betting.

At that time, the motivation was to provide a framework that would allow this country to harness our passion, interest of a talent in sports and allow the sports betting industry to function in an orderly, regulated and controlled manner. Therefore, I am a big supporter of sports betting. However, I also believe that it is one of the fastest growing industries in Kenya today and, therefore, it requires regulation. If well regulated, it can indeed achieve the objective that motivates the Sports Act to open the door for sports betting. My honourable colleagues here would be advised to note that indeed this is a matter that has received constitutional backing. Betting is recognised in the Constitution that provides a framework on how it can be regulated or managed. What we need is regulation. I urge this House that we should pay very keen attention to the need to have a proper regulatory regime to manage sports betting. By saying so, I would urge against demonising this industry. There has been a tendency to demonise this industry. Just like any other industry, it has got its challenges that would be very well addressed through proper regulation. However, over-taxation would certainly not be the way to go in terms of regulation. It is important for the Government to collect revenue but there is no need to kill the goose in pursuit of more eggs because once the goose is dead there would be no more eggs – not even a rumour of one.

The attempt to tax the industry at a rate of 50 per cent of gross revenue is basically sounding a death knell for the industry. So, even as we consult in preparation for dealing with the clauses that are being recommitted, let us agree. I hope that the National Treasury will be keen on this one; you will have nothing to collect if the industry dies. You collected about Kshs5 billion from January when the new taxation regime was put in place at 7.5. If you kill the goose, there will be no egg to collect. Let us be reasonable. Let us set a taxation regime that allows the industry to grow and thrive while allowing the Government to also collect taxes. I support but I would like to urge the National Treasury to be reasonable on this matter. There is absolutely no reason to kill the goose in pursuit of more eggs because then there would be no eggs to collect.

Hon. Deputy Speaker, I support the Motion for recommittal.

Hon. Deputy Speaker: Thank you, Hon. Ababu. Hon. Members, you have sufficiently ventilated on the Motion for recommittal of the specified clauses.

*(Question on Motion for recommittal of Clauses 20, 26, 27,
28 and 29 of the Finance Bill deferred)*

Hon. Deputy Speaker: Next Order!

BILL*Second Reading*

THE CONSTITUTION OF KENYA (AMENDMENT) (NO.6) BILL

*(Hon. Katoo on 24.5.2017)**(Resumption of Debate interrupted on 24.5.2017 – Afternoon Sitting)**(Hon. Deputy Speaker consulted with the Clerks-at-the Table)*

Hon. Deputy Speaker: Leader of the Majority Party, I think you have a Paper to lay on the Table.

PAPER LAID

Hon. A.B. Duale: Hon. Deputy Speaker, I beg to lay the following Paper on the Table of the House:

The 2016/2017 Supplementary Estimates II (Programme-Based Budget of the National Government of Kenya for the year ending 30th June 2017).

Hon. Deputy Speaker: Hon. Members, we will shortly be moving to the next Order, which is the one on the constitutional amendment; but, first, I want to give Hon. Mwadeghu an opportunity to move a Procedural Motion.

PROCEDURAL MOTION

EXTENSION OF SITTING TIME

Hon. Mwadeghu: Hon. Deputy Speaker, I beg to move the following Procedural Motion:

THAT, pursuant to the provisions of Standing Order No.30(3)(a), this House resolves to extend the sitting time of the House until conclusion of the business appearing under Order No.14 on today's Order Paper.

Hon. Deputy Speaker, Order No.14 is the debate on election of Members to the East African Legislative Assembly (EALA). As we were starting our business today, the Speaker brought it to our attention the fact that, as Members of Parliament, we should endeavour to ensure that the issue of what he called '*theluthi*', which he classified as "Duale Two" Bill, is debated. He urged us to extend our sitting time as much as possible to ensure that we also conclude the business on election of members to the EALA this evening to enable us submit the names of our Members to EALA next week.

It is important that Members consider extension of our sitting time so that we do away with the issue of EALA. I can see the Leader of Government Business grumbling. His motive is to push this matter as far as possible. However, it is important that we ask Members to agree to an extension of time.

I beg to move and ask Hon. Kajwang' to second.

Hon. Kajwang': Hon. Deputy Speaker, part of what I have learnt since I joined this august House is that a point of order should be raised when a Motion has been moved and seconded. This is to ensure that the Motion is properly before the House for debate. However, we have to decide whether we want to do our business or we want to play games with serious issues. We are in a debating Chamber. We are making laws. There is the EALA Chamber, which is just as important as this House. There is a statute we have passed in this House; that is Cap.2, in which we have domesticated that law. We all know that we need to send our delegates as fast as we can. If we are going to play games so that we unnecessarily extend this debate beyond what is necessary, we might just as well say that we do not want to do our business.

I want to second my friend, the Minority Whip and say that it is very important not just for the conclusion of the EALA membership election debate but also for conclusion of the constitutional amendment debate. Those are very important discussions before the House. I hear some comments from the other side of the House. I cannot help but think that those comments are to an extent intended to forestall and filibuster something which is very important.

With those remarks, I second this good Procedural Motion. We should be able to debate the businesses referred to until we conclude them.

(Question proposed)

Hon. Deputy Speaker: Leader of the Majority Party.

Hon. A. B. Duale: Hon. Deputy Speaker, I want to pick from where my colleague stopped. This is a debating Chamber. If you read the rules and procedures, there is no rush. The deadline is 2nd June 2017. This same Report must go to the other House of our Parliament. Some of us have been sitting here from 2.30 p.m. We are looking at the clock at 6.30 p.m.

However, as important as they are: Do we have a quorum? In fact, do we have the quorum to discuss this matter, both the "Duale Two" Bill and this election of Members to the East African Legislative Assembly (EALA)? Let us ring the Bell, get the quorum and we will come back to it. So, I am raising the matter of quorum for us to discuss this important Bill.

QUORUM

Hon. Deputy Speaker: I order the Bell to be rung.

(The Quorum Bell was rung)

ADJOURNMENT

Hon. Deputy Speaker: Hon. Members, the time being 5.46 p.m., the House stands adjourned until Tuesday, 30th May 2017, at 2.30 p.m.

The House rose at 5.46 p.m.

