

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 8th May, 2008

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

The Financial Statements of the Kenya Institute for Public Policy Research and Analysis for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General

(By the Minister for Planning, National Development and Vision 2030)

ORAL ANSWERS TO QUESTIONS

Mr. Speaker: Order, hon. Members! Although the Order Paper puts Question No. 032 first, hon. Members will have to bear with the Chair because we will begin with Question No. 033 for reasons which have been sufficiently explained to the Chair.

Mr. Shakeel!

Question No. 033

ESTABLISHMENT OF ASTU IN
NYANZA PROVINCE

Mr. Shakeel asked the Minister of State for Provincial Administration and Internal Security:-

- (a) whether he could inform the House why there are no Anti-Stock Theft Units stationed in Nyanza Province; and,
- (b) whether he could consider establishing Anti-Stock Theft Units in the province.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) There is an Anti-Stock Theft Unit based at Mimisi within Kineni and Isoge areas of Borabu and Masaba Districts in Nyanza Province.

(b) The Anti-Stock Theft Unit personnel are normally deployed in areas where there are rampant cases of stock theft. They are detailed to track stolen livestock and stamp out the menace. In Nyanza, frequent stock thefts were being experienced in a place called Abong', which is within

Bondo District. There are other places called Kapere and Kapsorok within Nyando District. However, the cases declined and the regular police were able to sufficiently deal with the situation. Consequently, the officers were deployed to areas where their presence was critical.

Mr. Shakeel: Mr. Speaker, Sir, the Assistant Minister has answered very critically that there is an Anti-Stock Theft Unit in Masaba District, but there is none in Nyanza. The fact of the matter is that there have been a number of stock thefts, not only in Koluwa and Kajulu but also in other areas within Kisumu District. We are asking the Assistant Minister if he could be kind enough to consider bringing the unit in the area, due to the number of stock theft cases that we have had in the areas. Or does he feel that Luo Nyanza does not have enough cattle to be stolen?

Mr. Ojode: Mr. Speaker, Sir, Masaba District is within Nyanza Province. We have these units where there is need. I cannot deploy a whole unit to deal with one or two theft cases within Koluwa. In fact, a week ago I managed to deploy some 15 officers in Nyakach, because those who were residing on the other side in the Rift Valley were coming to steal cattle from Nyakach. If he has any case which is deserving, then I will deploy some officers, but for now the regular and administration police officers are able to wipe out any kind of theft. One or two incidents do not require an anti-stock theft unit.

Mr. Speaker: Last question, Mr. Shakeel!

Mr. Shakeel: Mr. Speaker, Sir, the Assistant Minister has offered to have a look at this matter again and I am very grateful for that. Could he consult with the police in Nyanza and reconsider returning the Anti-Stock Theft Unit to Bondo area, which is close enough to our areas, so that we can call them when need be. Whenever we call the regular police to come and track down stolen cattle, they always say that our area is not within their jurisdiction, and also that they do not have the facilities. If there could be a unit near which we can call upon, then it will be very useful to us. I ask the Assistant Minister to consider returning the Anti-Stock Theft Unit to around Kisumu.

Mr. Ojode: Mr. Speaker, Sir, I believe that you heard what I said earlier. Currently, we have a unit at Bondo. There is no question of reinstating a unit. You cannot reinstate what is existing. If you have any specific case, save for isolated cases--- I cannot have a full unit to deal with one or two cases in Koluwa. The regular and Administration Police can do the job without any problems. So, if you have any specific case which requires the establishment of a unit within Koluwa, I will do it, but, first, I will have to go and check whether there is real need for us to have a unit there.

Mr. Speaker: Hon. Members that should rest the matter.

Mr. Shakeel: On a point of order, Mr. Speaker, Sir. There is no Anti-Stock Theft Unit in Bondo---

Mr. Speaker: Mr. Shakeel, remember you are standing on a point of order. Indicate what is out of order.

Mr. Shakeel: Mr. Speaker, Sir, is it in order for the Assistant Minister to mislead the House? There is no Anti-Stock Theft Unit in Bondo at this moment. I challenge the Member of Parliament for Bondo to confirm that.

Mr. Ojode: Mr. Speaker, Sir, I thought the Questioner comes from Kisumu Town East Constituency and not Bondo. If the Member really needs an Anti-Stock Theft Unit in Kisumu Town East Constituency for purposes of wiping out criminals and those who steal from others, he should be serious. I am saying that the Anti-Stock Theft unit is based at Bondo.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Assistant Minister! There is a point of order by Dr. Khalwale.

(Laughter)

Dr. Khalwale: Mr. Speaker, Sir, the Standing Orders of this House are very clear. Once a Member of Parliament is elected, he or she is free to ask a Question on issues emanating from his or her Constituency or any other constituency in Kenya. Is the Assistant Minister in order to evade the Question on the pretext that the Questioner is not from Bondo but from Kisumu Town East Constituency?

Mr. Speaker: Order, Mr. Assistant Minister! That point of order is very valid. As a fairly experienced Member of this House, notwithstanding your position as an Assistant Minister, you ought to be aware that, that is the position. Please, answer the question as raised by hon. Shakeel.

Mr. Ojode: Mr. Speaker, Sir, I said that we have three Anti-Stock Theft Units in Nyanza Province. That is what the Question is all about. We have one unit at the border of Masaba District; one at the borders of Enemi and the other at Abom in Bondo.

Mr. Speaker, Sir, if the Questioner wants me to take him round to those units, I am ready to take him there, but I do not know how that will translate into cattle-rustling in Kisumu Town East Constituency. But I am ready to take him to those three Anti-Stock Theft Units so that he could see for himself that, indeed, we have three Anti-Stock Theft Units there and they are working.

Mr. C. Kilonzo: On a point of order, Mr. Speaker, Sir.

I think the Assistant Minister is not taking the Chair or the rules of this House seriously. He has repeated the issue by saying that he does not understand why the Member has asked the Question because he comes from Kisumu Town East Constituency. It is very clear that according to the rules of this House, a Member can ask a Question regarding any part of this country. So, is he in order to repeat the same mistake?

Mr. Speaker: I heard the Assistant Minister fairly well. The Assistant Minister, as a matter of fact, after the point of order that was brought to his notice by Dr. Khalwale, proceeded to clarify that there are, in fact, Anti-Stock Theft Units in Nyanza Province, away from hon. Shakeel's constituency. He has asserted that they are there and that if hon. Shakeel does not know that they are there, the Assistant Minister is prepared to take him physically to show him that those units are there. So, the Assistant Minister has given a satisfactory answer and he is entitled to the Chair's protection.

Next Question by Mr. Were!

Question No.032

NON-COMPLETION OF MATUNGU-
KOYONZO-MUNAMI-LUBANGA
ELECTRIFICATION PROJECT

Mr. Were asked the Minister for Energy:-

- (a) whether he is aware that the electrification project for Matungu-Koyonzo-Munami-Lubanga which was started in August, 2007, has stalled; and,
- (b) when the project will be completed.

The Assistant Minister for Energy (Mr. Keter): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that some pegging work for the Matungu-Koyonzo-Munami-Lubanga electrification project was undertaken between August to September, 2007, but currently no work is in progress. This stoppage was occasioned by the post-election violence that erupted in January and February, 2008, which made the contractor, China National Wire and Cable Import/Export Corporation, suspend operations.

(b) Work on the project, which is estimated to cost Kshs32.6 million, is expected to resume in June, 2008, and be completed by September, 2008.

Mr. Were: Mr. Speaker, Sir, the Assistant Minister has said that the pegging work was done in August and September. We realise that no work took place during the months of October, November and December. So, the Assistant Minister's statement that this work was stopped because of post-election violence is not true. What was the real reason for the work to have been done only in two months? Why was the work not done in October, November and December when there was no violence?

Mr. Keter: Mr. Speaker, Sir, this project was funded under the French Phase II, which has different scopes of work. There is the survey work, design and contractual work. The survey work was done by August and September by the surveyors. Thereafter, it went for the contractual work. That is why I was saying that the contractor was to be on site at the time when violence erupted. He left the country and came back in March, 2008. He has started work in parts of Nyanza, Western and Rift Valley provinces. This contract of French Phase II is divided into three contracts.

Dr. Khalwale: Mr. Speaker, Sir, just like in Koyonzo, consumers in many parts of this country usually go into community initiatives to source funds and pay the Kenya Power and Electricity so as to get connected to electricity in their homes. Sometimes, before the KPLC brings electricity to these people who raise money through Harambee, the Government moves in with the Rural Electrification Fund. Could the Assistant Minister tell us the policy of the Ministry towards the KPLC in respect of the many little community initiatives that have paid millions of shillings to KPLC over the years to be connected to electricity? The KPLC has failed to refund these monies.

Mr. Keter: Mr. Speaker, Sir, the Ministry is currently doing electrification in two phases. The first phase is to cover public institutions such as health centres, markets, secondary schools and so on. The second phase will be domestic. By 2010, all the institutions within the country will have been covered. By 2012, we would have covered 20 per cent of the domestic works. The hon. Member is asking about the groups which raised 10 per cent. I want to say that the Government intends to top up the 90 per cent in the second phase. But currently we are concentrating on institutions which we fund 100 per cent. I think all Members are aware the Rural Electrification Authority has sent letters to each one of us to submit at least five projects on priority basis. When the Departmental Committee on Energy is formed we intend to have an informal *Kamukunji* with them so that we can set the guideline straight forward. We will implement the projects in priority as Members of Parliament will give us.

Thank you.

Mr. Mwangi: Mr. Speaker, Sir, the Assistant Minister has made an attempt to answer the Question that was asked by hon. Were, but the problem is not confined to that constituency. In my constituency, we have electric wires and transformers which were fixed but the project has been delayed. This is not because of the post-election crisis. The explanation given is that the Ministry received substandard poles. Could the Assistant Minister tell this House when quality poles will be supplied to KPLC to ensure that our communities get connected to electricity? There is also what is referred to as *Umeme Pamoja* Project where the citizens pay Kshs35,000 for connection. In the last Parliament, the Minister then said that we were expected to pay Kshs15,000. Could the Assistant Minister explain further how these fees have transformed from Kshs15,000 to Kshs35,000 before you get connected to electricity?

Mr. Keter: Well, Mr. Speaker, Sir, to address the last question which he has asked, I want to say that currently, we have reviewed the cost of installation. We have even come down to Kshs5,000 for some of the projects which were funded. We will give a circular on which categories of projects cost Kshs32,000. We have what we refer to as "customer creation" where a customer is located at an area where there is a transformer in a radius of 500 metres and his cost of installation

becomes Kshs32,000 if the power is for domestic use. If it is for a school, it costs Kshs22,000. We will give guidelines on the categories of projects and what their costing will be.

Mr. Speaker, Sir, the second issue he has talked about regarding his area has nothing to do with the post-election violence. That is true! He is right! We have many projects which have been pending. The French Project Phase II, where we were given 30 million Euros, covers the whole country and will be completed by September this year. We have the Spanish project which has a funding of 12 million Euros. The completion of this project will also cost 12 million Euros. We also have the GoK funds where each constituency has projects which have been funded up to Kshs10 million or Kshs15 million. I want to say that we have given strict instructions to the KPLC, telling them that the completion dates on all the projects must be adhered to. We do not want delays.

Mr. C. Kilonzo: Thank you, Mr. Speaker, Sir. This issue is becoming a little bit confusing. In my constituency, there is somewhere where there is a borehole, and across the road, 10 metres away, there is a power line. When the committee in charge of the borehole applied for power installation, they were asked to pay Kshs400,000. Last year, in a village called Nyanzani in Ndalani Location, power was connected from a nearby institution to a nearby market called Kisiiti. When the villagers applied for power installation, as much as power lines pass over the area, each one of them was asked to pay Kshs300,000 for connection. I would like to know why there is confusion in terms of quotations? If the cost of this installation is Kshs22,000, can this be made a standard policy so that if there is a power line passing over someone's home, he or she knows automatically that the cost of installation is Kshs22,000? All one needs to do is to have his or her home assessed and pay the Kshs22,000.

Mr. Keter: Thank you, Mr. Speaker, Sir, I did not just talk about the issue of power lines passing over an area. I said clearly that where the transformers are, the quotations vary. Where there are no transformers, the cost of power is in the transformer. Where the transformers are not there, the cost of power will vary. However, we will give clear instructions on what the cost installation of power is to a borehole where there are no transformers and where there are transformers, so that those categories become clear to hon. Members and to Kenyans as a whole on which category they fall under, so that when they are making payments, they are aware of it.

Mr. Njuguna: Thank you, Mr. Speaker, Sir, for the opportunity you have given me. I would like the Assistant Minister to clarify one or two points. You are all aware that the KPLC has been doing a very commendable job by way of supplying power to the rural areas. In the recent times, we have witnessed very frequent thefts of transformers. What is the Ministry doing to contain that menace? We have also seen some people losing their lives because of interfering with transformers. Secondly, we have seen some power lines with low hanging cables.

With regard to this issue, I would like to ask the Assistant Minister to inform the House the criteria they use in considering contractors because I do not imagine a qualified contractor installing lines which are very low that can interfere with traffic flow. Those are the points I would like the Assistant Minister to clarify.

Mr. Keter: Mr. Speaker, Sir, on the second issue he has raised, there are specifications to be followed in any contractual work. When it comes to power lines being installed, there are specifications to be followed. Currently, what we are seeing is a lot of work being done on the transmission lines. The connection and distribution rate is so high to the extent that we have to cope up with the transmission and the generation of power. Thirdly, there is a lot of work currently being undertaken by the KPLC in terms of the transmission lines. However, I would like the hon. Member to report to us the specific areas where lines are sagging so that we can do a follow up and ask the contractor who did the job to re-do it.

Secondly, the issue of vandalism is costing the KPLC a lot of money. As a Ministry, we

have tried to improve on the security. I want to assure hon. Members that currently, the KPLC management are happy with the security which has been enforced. We had a meeting with them yesterday and they reported that they are very happy with the security that has been provided by the Government to stop vandalism on transformers.

Mr. Kazungu: Thank you, Mr. Speaker, Sir. Could the Assistant Minister tell this House why it is so expensive to buy a litre of petrol in Nairobi as opposed to buying a litre of petrol in Eldoret, and yet the pipeline passes through Nairobi?

Mr. Keter: Mr. Speaker, Sir, the hon. Member has asked me to give reasons why petrol prices in Eldoret vary with those in other places. I was talking about the issue of electricity. Therefore, I will ask him to bring that as a different Question because today, I was dealing with the issue of rural electrification.

Mr. Kazungu: Mr. Speaker, Sir, that question is supposed to be answered by the Ministry for Energy. He is an Assistant Minister from that Ministry. So, he should answer the question instead of telling the House that we should wait until next Tuesday!

Mr. Speaker: Order, Mr. Kazungu! I appreciate your predicament. However, the factual position is that all supplementary questions to a key Question being asked must be related. They must be relevant to the key primary Question. What you are asking about prices of petrol is very far from the supply of electricity or availability of electricity for that matter, unless you are talking about petrol powered electricity, which you are not. So, you are out of order! Anybody else interested?

Yes, Mr. Were! Last question!

Mr. Were: Mr. Speaker, Sir, I would like to ask the Minister if there are any other projects lined up for Matungu in the next three years.

Mr. Keter: Mr. Speaker, Sir, within the last five years; 2003-2008, there are several projects which have been undertaken, costing Kshs41.5 million. Currently, most of these projects have been completed. The only one which is remaining, of which work will begin by July this year, is Syakula Market at the cost of Kshs4.5 million. Completion of this project will be in December 2008.

POINTS OF ORDER

MILITARY OPERATION IN MT. ELGON

Mr. Kapondi: On a point of order, Mr. Speaker, Sir. In view of what is happening in Mt. Elgon, a military operation that has taken over two months now, I stand to request for a Ministerial Statement from the Minister of State for Defence. The exercise began with some kind of local support. However, right now, it is turning into a nightmare for the community. In the statement, I would like the Minister to come out very clearly on the following issues: the number of lives lost so far, and the kind of collateral damage on family-support infrastructure such as stores and houses.

Mr. Speaker, Sir, the information we have been getting from the media as pertains to torture of victims has been very disturbing. I would like the Minister to inform this House how many torture victims have been brought to his attention.

The Minister of State for Defence (Mr. Haji): Mr. Speaker, Sir, in the first place, I feel that the question is misplaced. The operation that is going on in Mt. Elgon is under the Minister of State for Provincial Administration and Internal Security. We are only giving assistance as mandated. When we are called upon to assist, we have authority to do so. So, I think this question should be directed to the Minister of State for Provincial Administration and Internal Security.

Mr. Speaker: Order, Mr. Minister! The hon. Member is seeking a Ministerial Statement! He is not asking a question.

However, I accept your sentiment that the Ministry in charge of the operation in Mt. Elgon, which the hon. Member may not have known, is the Ministry of State for Provincial Administration and Internal Security. Is there anybody from that Ministry to acknowledge this request for a statement and indicate when it will be forthcoming?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, we will respond to this by Wednesday, next week.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir. While I fully agree with your ruling that the Ministerial Statement should come from the Ministry of State for Provincial Administration and Internal Security, please, guide us. How did members of the military leave their barracks? It is important that in answering this question---

(Applause)

Mr. Speaker: Order, Dr. Khalwale! You are anticipating debate. Wait until the Ministerial Statement comes. Among other things, you can seek clarification as to how the military were found in Mt. Elgon.

(Mr. Maina stood up in his place)

What is, it Mr. Maina!

PERSONAL STATEMENT

INCORRECT REPORTS ABOUT CANCELLATION OF ROAD CONTRACT

Mr. Maina: On a point of order, Mr. Speaker, Sir. I wish to make a statement under Standing Order No.69 regarding a Question which appeared in this House yesterday, and was answered by the Minister for Roads, Mr. K. Kones.

Mr. Speaker, Sir, it is reported that Mr. K. Kones said that a company I am associated with-- I want all to note that this is the only indigenous, big African company that constructs roads. The rest are not indigenous.

He stated that a project we are undertaking, in which the Government has defaulted in several ways, has been delayed. This was not unusual. However, he went on to say that he has terminated the contract. I would like to say that, that is not correct.

Mr. Speaker, Sir, today, the *Daily Nation* has carried an imagination of their mind and said that, Mr. Maina---

Mr. Speaker: Order, Mr. Maina! I appreciate that you have stood on a point of order under Standing Order No.69, which relates to a Personal Statement. Would you, please, restrict yourself to making the Personal Statement as precisely as you can, and as accurately as you can? Please, refrain from quoting the media! The Standing Orders do not allow you to quote from the daily newspapers as part of your authority for what you are stating.

Mr. Maina: Thank you, Mr. Speaker, Sir. I want to state that the Government has defaulted on the project. I want to say that a former Permanent Secretary, who is now a sitting Member of Parliament, wrote a letter to the Ministry of Finance asking them to rectify the

irregularities in the way they were dealing with the contract. That letter to the Treasury was never answered.

Mr. Speaker, Sir, there has been politics in this project. There has been politics regarding my company. I would like the new Minister not to get involved in the politics, but to stick to the facts as they are.

Finally, I seek your protection, Mr. Speaker, Sir. I request you to make newspapers in this House to report matters correctly. The *Daily Nation* talked of Mr. Maina's company. I do not own a company. I may be a shareholder in many companies; the mentality that the African should remain poor forever should be condemned by this House. I am proud to hold shares and I wish more of us were holding shares in many companies. I wish we were owning Kenya rather than inviting foreign investors. Let the *Daily Nation* know that I hold shares in many companies, and there is no company known as Mr. Maina's company. They went further to say things that are not correct. They should refer to the HANSARD.

Mr. Speaker, Sir, as a Member of this House, I seek your protection. You should protect even other hon. Members from the damage newspapers are inflicting on them.

Finally, I wish the new Minister takes time and understands---- He may not understand contract law, but let him understand the ethics!

(Laughter)

Mr. Speaker: Order, hon. Members! That should rest the matter. As you know, a matter raised pursuant to Standing Order No.69 is put to rest with the Member's sentiments alone, going on record. It is not subject to debate.

Mr. Ruteere: Mr. Speaker, Sir, I stand to seek a Ministerial Statement from the Minister for Education.

Mr. Speaker: Order, hon. Member! The Chair has no indication that you would be seeking a Ministerial Statement! You are, therefore, out of order!

COMMUNICATION FROM THE CHAIR

PRESENCE OF EAST AFRICAN
LEGISLATIVE ASSEMBLY SPEAKER
IN SPEAKER'S ROW

Hon. Members, I wish to draw your attention to the presence here of the Speaker of the East African Legislative Assembly, the hon. Abdirahim Aidha Abdi, who is seated in the Speaker's Row. He is accompanied by Mr. Justin Bundi, who is the Clerk of the Assembly.

(Applause)

They are in Kenya for the Cities Session of the Second East African Legislative Assembly and Standing Committees, which started on 5th, May and is scheduled to end on the 23rd, May, 2008.

The Plenary Sittings of the Assembly will be taking place in the Old Chamber, Main Parliament Buildings, between the 12th and 23rd, May, 2008. All hon. Members are invited to attend the sittings.

On behalf of hon. Members, and on my own behalf, I welcome the Speaker and his colleagues and wish them a fruitful Session.

Thank you.

BILL

Second Reading

THE PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING BILL

The Minister for Finance (Mr. Kimunya): Mr. Speaker, Sir, I beg to move that The Proceeds of Crime and Anti-Money Laundering Bill be now read a Second Time.

Mr. Speaker, Sir, as hon. Members are aware, this Bill was committed to the Departmental Committee on Finance, Planning and Trade which has just started meeting. To be fair to the House and the Committee, I would like to ask that we proceed with the discussion. However, before the Committee Stage, I do undertake to have the relevant discussions and sessions with the relevant Committee and ensure that we have a report here. This is a weighty Bill which requires input from all of us. I would like to ask that we do not even rush it. It is a landmark Bill. Hopefully, we would then be able to bring it to the Third Reading.

Mr. Speaker, Sir, as hon. Members may be aware, money laundering is the process through which criminals disguise the origin of and legitimise their ill-gotten benefits of crime. The goal of a large number of criminal acts is to generate a profit for the individual or a group that carries out that act, often at the public expense. To criminals, money laundering is, therefore, of critical importance as it enables them then to enjoy the profit derived from criminal activities without jeopardizing or even revealing their actual sources.

Mr. Speaker, Sir, money laundering is commonly referred to as cleaning of money; a perception that gives the vice a metaphorical connotation, implying that money acquired unlawfully can be cleaned to appear as genuine. As the practice is illegal, it is transacted with a lot of secrecy and, hence, it mainly operates in the underground economy. Although it may be seen as an independent crime, it has annexes with other criminal activities that it feeds from.

Mr. Speaker, Sir, traditionally, money laundering was associated with disguising money acquired from the proceeds of drug trafficking. But this is increasingly being viewed as limited, since money acquired dubiously can also be laundered. It is, therefore, prudent not to link money laundering to a particular crime, but to acknowledge that as long as there is evidence of an attempt to de-link money acquired illegally from the crime from which it was earned and, subsequently, integrate the money into the economy as genuine money, then money laundering has occurred.

Mr. Speaker, Sir, money laundering is a complex undertaking. It occurs in three broad stages. The first stage is the placement, which is the initial stage when the funds enter the economy.

The second stage is typically referred to as the layering, where complex networks of transactions are created to attempt to obscure the link between the initial entry point and the end of the cycle.

The third stage of money laundering is integration, where the money returns to the legitimate economy. So, money launderers go through these stages because they need to prevent the discovery of the crime that they have committed, which may lead to prosecution, conviction and confiscation of their criminal funds.

Mr. Speaker, Sir, some commentators ask questions as to why a country, especially a developing country, should really be worried about money laundering as long as through this process a nation can attract substantial resources to finance its development programmes. To appreciate why we need to be worried about money laundering, one needs also to appreciate the

kind of criminal activities which generate the money that requires to be cleaned. As I said before, the money itself is not dirty. It becomes dirty when it is associated with its source. It does not really matter how much it is cleaned; so long as somebody was murdered, that money will carry the blood of that person. So long as the activities, include illegal arms sales that result in innocent people dying for the wrong reasons, that money will always carry the blood of those people. So long as that is involving smuggling, drug trafficking or even prostitution rings, which generate huge sums of money, that money will always carry the tag of the crime that generated that money.

It is important then to look at whether a country can develop on "blood" and criminal money. It is also important to look at whether criminals who bring that money to a country that prides itself and thinks that they have now got new money, cannot also take away from the same country where they have purported to bring that money. So, it is a double-edged sword. I think that argument has been proved through hot money going through economies, destabilizing the economic frameworks and then getting out when the systems are such that they cannot clean up that money.

Mr. Speaker, Sir, other activities that generate this money that requires laundering, include embezzlement, insider trading, bribery and computer fraud schemes, including such schemes as our pyramid schemes that generated quite a lot of excitement in this House recently. They have left many Kenyans feeling very vulnerable because the people who took away that money may have enjoyed it and the poor fellows who it was taken away from have all suffered.

Mr. Speaker, Sir, all these illegal schemes eventually end up creating incentives to legitimise the ill-gotten gains through money laundering. When a criminal activity generates substantial profit, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity of the person involved. Criminals do this by disguising the source, changing the form or even moving the funds to a place where they are comfortable that they are not likely to attract attention.

Mr. Speaker, Sir, I believe earlier on there were some certain islands within this world where people thought that money would actually be safe. But as the global actions and economies start converging in terms of controlling the vice, I do not believe that there is any single entity that is now left, where people can say they have actually hidden their money. Where the people would actually think they have hidden the money, the recipients of the money would be the first ones to actually tell on, because they know that if you remove it, you pay a huge commission. So, really, the world is getting smaller. There is no place to hide and the traditional havens are fast disappearing.

Mr. Speaker, Sir, we consider money laundering as a cousin of corruption. Money laundering of necessity breeds corruption, which in turn becomes the manure for further money laundering. We all know the dangers of corruption. We, as a nation and House, have committed to get rid of corruption and turn this country into a country where zero tolerance to corruption is the order of the day. I am very encouraged when you look at the manifestos of all the political parties, and even within a harmonized framework. I believe the issue of corruption is highlighted with a commitment that all the parties are committed to fighting corruption for the better of the Kenyan people.

Mr. Speaker, Sir, money laundering and corruption undermine a country's business reputation and stands in the way of investments. It also fuels organised crime which, in turn, fuels money laundering. It is a cycle. Money laundering, similarly, undermines the soundness and integrity of the country's financial system by making it prey to hot money. The economic and political influence of criminals can weaken the social fabric of the society, the collective ethical standards and, ultimately, the democratic institutions of the society.

So, Mr. Speaker, Sir, even as we argue, as I have seen in some written articles, that poor

countries should encourage money, irrespective of where it comes from, we must be awake to the fact that, that hot money, by the time it leaves, leaves with the money that it found in the economy. We all need to just remember in this country in the early 1990s, between 1991 and 1993. We all know of the infamous Goldenberg scam. We know what happened. The exchange rate to the dollar used to be very stable, at Kshs17 to the dollar. It shot up to Kshs80 to the dollar. Interest rates, at some point, were in excess of 100 per cent to mop up the excess money that was generated through that scam. The economy has never recovered from the full effects of just what happened within those two years.

So, Mr. Speaker, Sir, despite the fact that this has happened to us, it could happen again. The earlier we get prepared in terms of how we can control any infusion of an injection of money that is not conducive to what we believe in, and what we want to do as a country, money that could come in and mess up our economy, the better for us.

Mr. Speaker, Sir, on a global basis, in response to the mounting concern over money laundering, the Group of Seven (G7) Summit in Paris established a Financial Action Taskforce on Money Laundering, which used to be called the FATF, just about 20 years ago in 1989. Their task was to develop a co-ordinated international response. One of the first tasks for the Taskforce was to develop some 40 recommendations in all and some nine special recommendations that were developed later, which set out the measures that national governments should take to implement effective anti-money laundering programmes. If I look at the 40 recommendations that were drafted in 1989 and published in April, 1990, they were subsequently reviewed in 1996 and as recently as 2003.

Mr. Speaker, Sir, just by way of giving a background, I want to share a few of these highlights with the hon. Members. The 40 recommendations basically fall into three categories. One is on the legal systems. The other set of recommendations relate to the financial institutions and other designated non-financial businesses and corporations. The third category refers to institutional and other necessary measures to combat money laundering and terrorist financing.

Mr. Speaker, Sir, again, just looking at the highlights of these recommendations, recommendations number one to three - and I will be happy to provide a copy of these recommendations to hon. members - basically address the legal system of nations, calling upon countries to, first of all, criminalize money laundering on the basis of the United Nations (UN) Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Mr. Speaker, Sir, as you are aware, this House has passed a law outlawing anti-narcotics and all psychotropic substances, which has helped us to bring down the drugs menace. Also, the other point of reference is the 1998 Vienna Convention and the UN Convention Against Transnational Organized Crime, which is referred to as the Palermo Convention.

Mr. Speaker, Sir, the second recommendation basically talks of implementing a series of provisional measures aimed at tracing, freezing, seizing, confiscating property and the instrumentality of the youth in the commission of money laundering offences.

Mr. Speaker, Sir, the second set of recommendations, which is basically another 22 of them, between number four to number 25, address the measures to be taken to combat money laundering by financial institutions and designated non-financial business and professions. These measures include the prohibition of secret, anonymous or fictitious accounts, the routine and enhanced customer due diligence procedures on both the account holders and persons who seek to conduct business or transactions. Of particular note to these recommendations in extremely wide breadth and reach of the application.

Mr. Speaker, Sir, our own Central Bank has been applying these recommendations within the framework of guidelines. You are all aware of the "Know your customer guidelines", where we seek to know who is actually opening this account, what are they doing and, basically, putting a

face to the operation of the account.

Mr. Speaker, Sir, the next set of recommendations, that is number 26 to 34, address the institutional and other measures that are aimed at such issues as domestic co-operations, the collection, analysis and dissemination of financial intelligence, the adequacy of the law enforcement powers and resources, the compilation of the comprehensive statistics and also the transparency of legal persons and legal arrangements.

Mr. Speaker, Sir, the last set of the recommendations, which is, again, a set of six recommendations, relates to international co-operation including extraditions, the mutual legal assistance, co-ordination and recommendation of foreign asset confiscation action, sharing in the proceeds of confiscated assets and the widest range of international co-operation.

Mr. Speaker, Sir, like I said, in addition to the 40 recommendations, there was another nine specific recommendations which relate to the measures to combat financing of terrorism. As you know, one of the crimes that generate all these things or which monies are moved around is, perhaps, then to disguise it so that it can be used to finance terrorism and terrorist activities. These nine specific recommendations call upon countries to implement the range of measures aimed at combating terrorist financing. I just want to highlight this because, as you know, Kenya has been hit a couple of times through terrorist activities, where we have had innocent Kenyans dying for no fault of their own. We need to look at them and see how we can save ourselves from that in the future within a legal framework, without, at the same time, being seen to be targeting specific groups or communities.

Mr. Speaker, Sir, the first special recommendation calls upon states to immediately satisfy and implement the various UN instruments on terrorist financing. The second recommendation calls upon states to criminalize the financing of terrorism and money laundering associated with it. Recommendation number three calls upon states to adopt and implement measures, including legislation to permit the freezing and confiscation of terrorists' assets. Recommendation number four again calls upon states to require financial institutions to report suspicions of existence of terrorist-related funds to competent authorities. The fifth recommendation calls upon states to engage in the greatest possible range of international co-operation in relation to combating terrorist financing, including the denial of safe havens for suspected terrorist financiers. The sixth recommendation calls upon states to license or register all alternative remittance dealers and their agents and to subject transgressors to sanctions.

The seventh recommendation calls upon states to ensure enhanced customer due diligence on wire transfers recognising the advancement in technology.

The eighth recommendation calls upon states to review the laws that relate to non-profit organisations some of which have been used as a cover-up to move around money that ends up in activities that are not exactly conducive to the activities of those organisations.

The ninth recommendation calls upon states to detect the cross-border transportation of cash and negotiable instruments and to impose sanctions on persons who transgress laws requiring declaration or disclosure of such movement.

Mr. Speaker, Sir, the Government of Kenya is committed to fighting the vice of money laundering and towards this end has joined the regional and international bodies committed to fighting the vice and its predicate offences. Kenya is a signatory to a number of the UN conventions. It has signed and ratified all the UN conventions, the AU as well as the COMESA protocols meant to combat money laundering. The only missing thing is that we have not had a law to domesticate our international wishes, regional issues and whatever we have done within our trading blocks. There are also protocols on corruption and financing of terrorism.

By signing and committing to implement these conventions, basically, Kenya has joined the global partnership to combat corruption, money laundering and terrorist financing. Similarly,

Kenya is a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), which is also committed to implementing the 40 plus nine anti-money laundering and terrorism recommendations. The ESAAMLG comprises of 14 member countries, namely, Botswana, Kenya, Tanzania, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Seychelles, Uganda, Zambia and Zimbabwe. Indeed, we hosted a couple of their meetings and we may be hosting another one in the very near future to discuss the progress of all the 14 countries with regard to the issues of combating anti-money laundering.

Mr. Speaker, Sir, money launderers are continuously looking for new roads to launder their funds. Economies with growing or developing financial centres but inadequate controls are particularly vulnerable, as they establish financial centres and as countries, implement comprehensive anti-money laundering regimes. Some might argue that developing economies cannot afford to be selective. However, like I said earlier, money laundering not only damages the integrity of the individual institution, but it also has severe effects on the direct foreign investments when a country's commercial and financial sectors are perceived to be under the control and influence of organised criminals. In fact, I believe you will all remember that early last year, when there were statements to the effect that the Nairobi Stock Exchange (NSE) was being funded through drugs or money laundering, there was a whole dip in the performance. There was concern all over the country whether people should come and invest in Kenya or whether their money should mix with ours. At least, the situation was corrected quickly and the wrong impression that had been created was addressed. We saw business pick up again.

So, perceptions are very important within the financial markets. If people believe that a country has no way of sifting the good and the bad, they would not want their money to be associated with the bad money. Hence, we could jeopardise our ability to tap in to quality foreign direct investments.

Mr. Speaker, Sir, aware of the damages that corruption and money laundering have caused our economy and society, we have basically committed ourselves to fight corruption in all its manifestations. Hon. Members are aware of both the legal and institutional reform measures we have taken in this regard. Indeed, the Proceeds of Crime and Anti-Money Laundering Bill is intended to further the agenda to improve the governance framework of our country. We started this journey in 2003 with the Economic Crimes Act, the Kenya Anti-Corruption Commission Act, the Public Officer Ethics Act and a series of other legislation, including the Financial Management Act and the revision of the Audit Act. All these things have helped us to bring in the stability and predictability that is required, and to enhance management of the economy. We have all seen the result of that. So, this is one of the laws that will be coming in to help us move forward.

The Bill is straightforward. It is intended to provide strong legal and institutional framework generally, and particularly, money laundering in all its facets, including the provision of a civil forfeiture regime. As you all know, there is already a civil forfeiture regime within the Economic Crimes Act. So, really, we are not talking about anything new here. We are basically defining a subset of the economic crimes within money laundering, hence, the same procedure will apply. It is nothing new because it is already there only that now it is more specific.

Mr. Speaker, Sir, under the Bill, predicate crimes of money laundering apply to all the underlying unlawful activities, both within and outside Kenya. This will not only cover the criminal offences, but other activities that contravene Kenyan law. The Bill contains measures to freeze and confiscate the instrumentalities of crime. This is done through confiscation and civil forfeiture, provisions for property tracking orders, search and seizure powers. In addition, the Bill provides for preventive measures for financial institutions as well as designated non-financial businesses and professions. It also establishes the legal framework for the financial reporting centre and creates an asset recovery agency that will be responsible for implementing the confiscation and

forfeiture of proceeds of crime. Provision is also made for international assistance in investigations and proceedings that relate to money laundering and other related crimes.

Mr. Speaker, Sir, allow me to re-emphasise that the Bill has definitional clauses highlighting those acts that will be construed as money laundering and property that will be seen as having been acquired through criminal activities. So, we will not be left with any doubt as to what exactly amounts to money laundering or what amounts to property that was linked to that money laundering. The Bill also creates those agencies that I mentioned that will implement the objects of the Bill. They are basically three of them; the Financial Reporting Centre, the Anti-Money Laundering Advisory Committee and the Asset Recovery Agency.

The agency shall administer the Criminal Assets Recovery Fund that is also created within the Bill. The Bill obliges reporting institutions to report suspected criminals and money laundering activities to the centres. It also highlights the procedures for recovering and preserving the proceeds of crime and money laundering. There is also a section that shall inform Kenyan efforts in seeking mutual legal assistance from foreign countries when dealing with the vices.

Mr. Speaker, Sir, I would like to quickly run through some of the provisions stated in the Bill. The first one is actually the definition of clauses within Part 2. That is captured within Clauses 3 to 9 of the Bill. The activities that shall constitute money laundering and other related activities are defined within this part. Again, for the benefit of the House and those hon. Members who may not have the time to read through this Bill, such activities shall include assisting criminals to hide properties acquired unlawfully as well as assisting others benefit from the proceeds of crime. It shall be a crime to acquire or to be in possession of proceeds of crime. This is something which is already captured, I believe, in the Penal Code; handling of stolen property or illegal property. So, it is here just for emphasis. Anyone who fails to report any suspicion regarding proceeds of crime will have committed an offence.

To knowingly transport, transmit, transfer or receive a monetary instrument with the intention of committing an offence will also be illegal. Tipping off those who are likely to be subjects to a money laundering investigations, or giving false information to officials or bodies regulating the Act shall also be an offence. It shall also be an offence to transmit more money than prescribed in the Act, without reporting as, indeed, shall be the failure to comply with a court of order relating to any of the matters herein. There are also penalties associated with each of these offences. The proposal seeks to override secrecy obligations as set out by other laws in Kenya. However, those who exercise the duties set out in the Bill in good faith shall be immune from prosecution.

Parts III, IV, V and IX, basically create the implementing agencies. As I said, this Bill proposes the establishment the Financial Recovery Centre (FRC), the Anti-Money Laundering Advisory Committee (AMLAC), the Assets Recovery Agency (ARA) and the Criminal Assets Recovery Fund (CARF). These bodies shall be the vehicles that will implement the objects of the Bill and shall complement each other's functions.

The main objects of the FRC shall be to assist in identification of the proceeds of crime and combating money laundering. It shall also have the power to inspect the reporting institutions. Information from the reporting institutions and supervisory bodies shall be received by the FRC and disseminated to investigating authorities and other bodies. Again, this is just a better way of co-ordinating all these things, so that we have one person who has the specialist expertise in terms of knowing what to look for and to whom to pass it on, so that things can move in a more efficient way.

The AMLAC shall basically advise the Director of the FRC on how to perform his or her duties. Again, the ARA shall be the body responsible for recovery of any proceeds of crime and laundered money covered within the Act. It shall be a semi-autonomous body under the

stewardship of the Attorney-General (AG). The ARA shall also administer the monies of the CARF to be established under Part XI.

The anti-money laundering obligations of a reporting institutions are covered under Part IV. This part provides for a number of obligations that are imposed on reporting institutions to ensure that any activities that appear suspicious and are likely to be related to money laundering are reported to the FRC. Again, these institutions are financial, business as well as professional organisations.

In order to ensure that they perform the task, they shall be required to verify customer identity, maintain customer records, establish and maintain the internal reporting procedures. This is exactly what is happening now. It is a standard practice; it is good governance. All we are saying is that it is now being captured within a legal framework, so that it becomes mandatory, for instance, for anyone going to a bank to provide all the information that the bank requires for it to know who the customer is. Similarly, anyone dealing with any of the other institutions shall be required to know them.

The procedure of recovering and preserving proceeds of crime and laundered money is covered under Parts VII, IIX, IX and X. These parts set out the criminal as well as the civil procedures to be followed in the recovery of money acquired unlawfully or laundered money. This mechanism shall include confiscation orders, restraint orders, bankruptcy procedure and winding up of companies whose proceeds have to be realised.

Part IX lays down the general provisions relating to the preservation and forfeiture orders, whereas Part X empowers the police to acquire information and documents from persons who may be suspected to have committed any offences under this Bill. It shall be an offence if any person required to give this information to the police or to any other enforcement authority fails to comply with a police order.

Part XII deals with the issue of international assistance in tackling money laundering. Under this Part, the AG shall have the power to seek help from foreign governments when investigating crime and money laundering. The AG shall also be required to assist foreign governments seeking similar information from Kenya.

In arriving at this Bill, the National Task Force on Money Laundering and Combating Financing of Terrorism (NTFMLCFT) which was formed in the year 2003 by the then Minister for Finance to come up with a comprehensive draft legislation on anti-money laundering, involved several stakeholders, including Members of the Departmental Committee on Finance, Planning and Trade and the Departmental Committee on Administration of Justice and Legal Affairs. They held several workshops in 2004, 2005 and 2007 to understand and appreciate the provisions of the Bill, provide feedback, and all the issues that had to be fine-tuned.

It is important to point out that, basically, the Proceeds of Crime and Anti-Money Laundering Bill was first published in October, 2006. It was tabled in Parliament in November, 2006. However, the Bill lapsed in 2006. The Bill was subsequently re-published in April, 2007, but, again, it lapsed when the Ninth Parliament was prorogued in October, 2007. So, this is the third time it has come to this House. It is my hope that after its first publishing in 2006, its re-publishing in 2007 and its further re-publishing now, hon. Members will have adequate time to look at its provisions, so that we can have whatever amendments may be necessary to make it work to remove any fears from our society in terms of potential for any misuse of the resultant Act. If a law will be misused, then it cannot be of use to the country.

We will then have a detailed discussion and come up with a Bill which will help to stabilise our financial markets and bring us at par with the rest of the world, which is moving in this direction, and at the same time, protect the law from potential misuse. So, I hope that this time round, we will actually go through it. We have the time. With the enthusiasm we have seen in this

House towards clearing any pending Bills, this Bill will be disposed of. As I said, because of the importance of this Bill, I want to give justice to it by allowing the Departmental Committee to go through it with a fine tooth comb, come up with a report, we discuss and agree on what we need to pass as a House.

Let me assure hon. Members that this Bill, generally, meets the global standards and best practices. It is comprehensive in its scope and coverage with regard to institutions required to comply with the provisions contained herein.

In view of the problems that money laundering poses to an economy and the society, as I have enumerated, I would like to ask that the debate should not be whether or not Kenya should establish an anti-money laundering regime, but rather the quality of the legislative regime.

I know that similar sentiments might arise when we discuss issues like whether Kenya should pass an anti-drugs law and an economic crimes law, and whether, we, as a country, should allow certain activities that other countries have allowed within their territories, such as operation of prostitution rings. The issue here is whether, we, as a country, should not be proud that we will operate on quality money and quality investments that can be sustained in the long-term. I wish to request hon. Members to support this Bill, so that we can achieve our shared vision of building a nation that is free of money laundering, corruption and other associated vices.

I know I have taken quite a bit of time moving this Bill. It was important to go through the issues, so that hon. Members can appreciate where we are coming from. I ask that we get into the real depth of this Bill. We should let all the fears come out on the Floor of this House, so that we can come out and say: "Together, we have done it!"

Mr. Speaker, Sir, with those many words, I beg to move and ask the Minister for Special Programmes, Dr. Shaban, to second the Bill.

The Minister for Special Programmes (Dr. Shaban): Thank you, Mr. Speaker, Sir. I stand to second the Proceeds of Crime and Anti-Money Laundering Bill. As my colleague has explained, most of the money which is laundered is obtained through criminal activities. The business of narcotics, for example, is one of the avenues that are used by certain people to make this kind of money. Such people have been hiding this money in our country, hoping that it will "cleaned" and utilised properly. Such criminals invest heavily in many countries, especially the developing countries.

Mr. Speaker, Sir, this kind of money finds its way into the Third World countries through international criminals. The fact that such money has been got through criminal activities does not make it good money. We need to have a law in place to ensure that people who are involved in money laundering are not allowed to invest it.

It is a known fact that laundered money has brought down some economies. In Asia, for example, some money that was got from criminal activities was invested there, but one day the investors withdrew that money from the economy. If, for example, certain money launderers in this country want to cover up their activities, they will invest heavily in the stock exchange. If they withdraw their money from the stock exchange, this will make our economy lose whatever gains we will have made.

Mr. Speaker, Sir, I would like to emphasise that we should come up with custom-made laws in this country, so that they can suit our situation. At this time, it is important for us to have an anti-money laundering law. It is high time this Bill was fast-tracked, so that we can take care of various issues, which have been brought about by such criminal activities. We need to come up with a law that suits a Third World country.

Mr. Speaker, Sir, with those few remarks, I beg to second.

(Question proposed)

Mr. Okemo: Thank you, Mr. Speaker, Sir. I had the opportunity to consult the Minister for Finance, and I am glad that he has included in his remarks that this is a very weighty Bill. Therefore, it requires the full involvement of the Departmental Committee on Finance, Planning and Trade. I have agreed with him that our Committee will have the chance to scrutinise the Bill. We will invite him to the Committee and consult together to see whether there are any areas that require amendments.

Mr. Speaker, Sir, having said that, I just want to make very brief remarks. One is that an anti-money laundering Bill is long overdue. It is a Bill that is necessary, because it is a piece of legislation that has been missing for dealing with that specific aspect of economic crimes. We know that money laundering takes place in this country. The unfortunate thing is that most of the players in this kind of activity are usually the big boys, or the big fish. Therefore, we want to make sure that the law is so tight that it can define clearly what money laundering is and how it can be traced and dealt with.

My fear is that we should not open another avenue for corruption. In the process of tracing money launderers we should not actually create another group of corrupt people, who will use that avenue to harass people simply because they suspect that someone is involved in money laundering.

Mr. Speaker, Sir, the other concern that I would like to bring to the attention of the House is my worry that a lot of legislation somehow along the line is not home-grown. From experience, when I was in the Ministry before, some laws sometimes form part of the conditionalities by the World Bank and the International Monetary Fund (IMF) to give us financial support. In a way that is a form of blackmail. I believe that we should not accept that. We should pass this law because it is good for Kenya, and not because it is a condition for us to get money from these financial institutions!

(Applause)

The Terrorism Bill is another proposed law that has created a lot of hostility. We need to be very careful. As a country, let us pass laws, not because we are being forced because of our economic circumstance, but because it is necessary for the well-being of our people.

Mr. Speaker, Sir, in conclusion, I wish to say that we should all support this Bill. Let us refine it by moving amendments to it where necessary. This will go a long way towards improving economic governance in Kenya.

With those few remarks, I beg to support.

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, first, I would like to say that this is a good Bill and, indeed, I support it. In developing countries, especially in Africa, there are certain countries such as South Africa and Egypt, which have made great strides in development. South Africa is controlling its economy by checking the way banks carry out various transactions, especially the exchange of currency. In South Africa someone has to produce his or her identity card and passport, and give reasons as to why he or she wants hard currency, or why he or she wants to transfer money to another country. For visitors to get the South African currency, they have to go through various hurdles.

Mr. Speaker, Sir, today in Kenya, if you go to any bank or forex bureau with any amount of hard currency, it will be exchanged into Kenyan currency. I suggest that the Minister should take measures on the exchange of foreign currency. If the exchange of currency is made free, this can contribute to other things like supporting people who are now international criminals. I have seen a lot of these things happening.

Mr. Speaker, Sir, I concur with the sentiments of the previous speaker. Most of these legislations we are asked to pass in this House are not home-grown. If you read the Proceeds of Crime and Anti-Money Laundering Bill, the Organised Crimes Bill and the Anti-Terrorism Bill, you will notice that the wording is almost the same. I am happy for the Minister saying that this Bill will be taken to the relevant Departmental Committee for scrutiny. When we, representatives of Kenyans, feel such Bills are not home-grown, then we should strongly feel to reject them. For example, the Attorney-General, in consultation with the relevant Ministries, should come together and make one legislation, rather than every time having similar Bills coming to this House.

Mr. Speaker, Sir, when the Anti-Terrorism Bill was brought to this House, we rejected it because it was not home-grown.

With those few remarks, I support the Bill.

Mr. Abdikadir: Mr. Speaker, Sir, I oppose this Bill with the vehemence it deserves. This is a wrong law for this country. I will let the hon. Okemo know a secret. The genesis of this Bill is not the 4th Recommendations since I have a copy of them, plus nine more. The genesis really is the International Money Laundering Abatement and Anti-Terrorism Financing Act of 2001, Act 3 of the dreaded Patriot Act of USA. I believe most of us are aware of the history of that Act and the problems it has caused in the world.

Mr. Speaker, Sir, I will refer to one of the clauses that I consider offensive in this Bill. There is a reporting offence created in this Bill. In other words, if you were to transmit any money or monetary instrument, you ought to report to the authorities. If you do not do so, then the Government can go ahead and take away everything that you have not reported. That is expropriation and it is unconstitutional. That is the Government attempting to rob people. Reporting is one thing, but being robbed of your rightful property is completely another thing. Whether it is the proceeds of crime or not. I refer to Clause 12(1) of the Bill. It says:-

"A person intending to convey monetary instruments in excess of the amount prescribed in the Third Schedule to or from Kenya shall, before so doing, report the particulars concerning the conveyance to a person authorised by the regulations for that purpose".

Clause 12(3) says:-

"A person who wilfully fails to report the conveyance of monetary instruments into or out of Kenya, materially misrepresents the amount of monetary instruments reported in accordance with the requirements of subsection (1) commits an offence".

Mr. Speaker, Sir, Clause 16 (4) of the Bill says:-

"A person who contravenes the provisions of Clause 12 shall on conviction, be liable-

(a) in the case of a natural person, to imprisonment for a term not exceeding three years, or a fine not exceeding one million shillings, or the amount of monetary instruments involved in the offence, whichever is higher, or to both such fine and imprisonment".

Mr. Speaker, Sir, in other words, assume you had your Kshs1 million fairly earned, not from the proceeds of crime, but you just sold your house and you want to travel out of the country and you forego to report; this Bill then says that the Government will take away your Kshs1 million because you failed to report that you are going with your money out of this country, which is not an offence in itself.

Mr. Speaker, Sir, the reason why I say this is the "daughter" of the American law is because there is a famous American Supreme Court case in which similar facts to this occurred. In 1994, a gentleman and his family--- It was called the Bajakejian case. It was decided in the Supreme Court

in 1998. He was leaving the USA with his money amounting to US\$367,000 to be exact, but he had not reported. The US Government decided that because he had not done so, they were going to seize him and he would forfeit that money. This case went all the way to the Supreme Court, which decided that reporting as an offence, so long as there was no underlying crime through which the funds were the proceeds, could not form the basis for this gentleman and his family to lose his property. This is exactly what this law brings because that particular Act later tried to correct that through this. This is expropriation that is being attempted and it is unconstitutional.

Mr. Speaker, Sir, the other issue is that suspicion in most religions is frowned upon. In some of them, it is actually a sin. This Bill leaves it to a virtue. It actually requires Kenyans to be suspicious of each other. If they do not report that suspicion, then they are guilty of offences. I refer to Clauses 4, 5 and 6. I will quote them.

Mr. Speaker, Sir, Clause 4 says:-

"A person who knows, ought reasonably to have known, or suspects that another person has obtained the proceeds of crime, and who enters into any agreement with anyone or engages in any arrangement or transaction whereby-

(a) retention or the control by or on behalf of that other person of the proceeds of crime is facilitated; or

(b) such proceeds of crime are used to make funds available to that other person or to acquire property on that person's behalf or to benefit that person in any other way, commits an offence".

Mr. Speaker, Sir, in other words, you ought to be suspicious. If you do not suspect, you are guilty. The same goes with Clauses 5 and 6. At least, in the case of Clause 6, the suspicion is limited to reporting institutions, which would be reasonable.

Mr. Speaker, Sir, the third issue that I have with the Bill is that it changes the standard of proof we have for criminal law in this country. When we allowed the National Accord and Reconciliation Bill to attain our supremacy clause, I thought that was for that particular Act and for special circumstances. However, what we are allowing this Bill to do is to assail the Constitution and the guarantees given by the Constitution once again.

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Prof. Kaloki) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, I will refer to Clause 53. It describes the nature of proceedings. It says:-

For the purposes of this Part, proceedings or applications for a confiscation order or restraint order are civil". In criminal cases, however, a crime or an offence must be proved beyond reasonable doubt. That is the standard we have. I refer to Clause 53 of the Bill and look at the title of that part which is "Criminal Forfeiture" and not "Civil Forfeiture". I refer to Clause 53(2) which says:-

"The rules of evidence applicable in civil proceedings shall apply to proceedings on application for a confiscation or a restraint order".

In other words, the rules or the standard of proof required has been lowered if they get those orders and to rob Kenyans of their property. This is, again, unconstitutional and completely unacceptable.

Mr. Temporary Deputy Speaker, Sir, having known the genesis of this Bill and its history; and having known the history in the last eight years about civil liberties and safeguard of rights that this Anti-Terrorism Bill has caused--- Because, really, this is the Anti-Terrorism Bill reincarnate. It is just a major chunk of the Anti-Terrorism Bill that is being clothed in the name of Anti-Money

Laundering and Proceeds of Crime Bill. Our country's economy is a cash economy. It is a very rudimentary economy. The Bills that are passed in the USA, like the one I referred to, or in the UK which is called the Proceeds of Crime Act (2002), appear within a regime of law and an economy that has enough safeguards. First of all, it is read in terms of its economy. They have plastic money mostly, databases and most of the transactions in any way are captured within the economy. They also have safeguards in terms of privacy laws, consumer laws and human rights to stop the excesses that would otherwise have been caused by such legislation. We do not have the same here. We have a cash economy! Very minute population deals with banks and most people deal with cash. We have absolutely no privacy laws in terms of looking at the privacy of people's data. We have very little consumer protection. This would be akin to leaving an elephant to run amok in a China shop.

Finally, Mr. Temporary Deputy Speaker, Sir, the cost of this Bill to financial institutions will be so exorbitant. It will make every transaction costly. In fact, it will be more than triple because of complying with this rule every time one has to report on those transactions. For all these reasons, I am glad that the Minister said that he will refer this Bill to the Departmental Committee on Finance, Planning and Trade. This Bill ought not to pass in the current form. The passing of this Bill will create far many more problems than the solutions that the anti-money laundering problems require. There is no doubt that, that anti-money laundering legislation is required. There is no doubt that it needs to be created to address the problem of anti-money laundering. However, this law might not address that problem. This law is a wolf in a sheep's skin. It is the Anti-Terrorism Bill being clothed in this new garb.

Mr. Temporary Deputy Speaker, Sir, this law requires this country to co-operate with any other jurisdictions on anti-money laundering matters. That is fine! We already have laws that allow us to do extradition. The safeguards in normal extradition are not catered for here. For example, admissibility of evidence. If we had a banana republic, and any of our neighbours sent us evidence as a result of torture that would not have been admissible in our courts; if we were to pass this Bill, we will be more than happy to accept it and also use it for forfeiture. For example, one of the clauses states that if any other country starts an investigation - not even a court order - and requests this country to freeze assets based on that investigation, we should comply. That is untenable! For all those and many other reasons, I believe we should throw out this Bill and ask the Minister to get us home-grown legislation based on the 40 recommendations, plus the nine specific recommendations which are fit for our circumstances.

For those reasons, I beg to oppose.

Mr. Duale: Mr. Temporary Deputy Speaker, Sir, I stand to support the Bill but make few amendments. I also want to say that we are happy that the Minister has referred the Bill to the Departmental Committee. I am sure that every hon. Member in this House will get a refurbished and re-done Bill that will be good to this country.

I tend to agree with many of my colleagues here that the Bill that any hon. Member will bring to this House, be it the Government or the other side, must be home-grown. It must be one that will take care of the rights and liberties in this country as per the Constitution. Why do I say so? The element of suspects in this Bill is one that can create a lot of suspicion in the sense that properties of Kenyans and their human rights can be undermined. Their properties can be seized and all their liberties will be at stake if this Bill passes the way it is.

Coming from a faith-based community, where the element of Anti-Terrorism Bill was very crucial in the last five years, we do not want to have a situation where the Anti-Terrorism Bill that could not see the light of the day in the last five years will be brought back to this House under the guise of the Anti-Money Laundering and Crime Proceeds Bill. We know that this Bill is talking about charitable organisations and Non-Governmental organizations (NGOs) whose money is

suspect can be lumped together in this Bill. So many Islamic charitable organisations and NGOs suffered after September 11 when the Americans seized and froze all the accounts of anybody, organisation or businessman who they felt was sending money to the poor children in most of the Muslim countries, and particularly in this country, where money meant for the building of *madrassas*, mosques and the support of Islamic orphanages was frozen under the guise that this was money laundering or terrorism money. This House must protect the basic human rights of Kenyan businessmen. It must come with rules and regulations that protect our people.

Mr. Temporary Deputy Speaker, Sir, the third item that we need to discuss and amend in this Bill is on the various bodies this Bill is talking about. If you look at the Memorandum of Objects and Reasons, it is talking about three different bodies that will work concurrently; that is, the establishment of an assets recovery agency, money laundering advisory committee and the financial reporting agency. Those are three different bodies, but we will ask the Minister and the Departmental Committee to re-look at that to see whether we can have one body that can do all those three main functions.

Like the Minister said, this region and continent needs laws that govern proceeds from drugs, prostitution, money laundering and even terrorism-related funds. We are in agreement in that, but we do not want this Bill in this country. I will say it here in broad daylight, that this Bill should not be another name for the Anti-Terrorism Bill we have been talking about in this country for the last five years.

With those few remarks, we are happy that the Minister has referred it to the Departmental Committee on Finance, Planning and Trade. We urge this House to make sure that when Bills which touch on the liberties and financial institutions of this country are introduced in the House, they should be home-grown. It should come out of a Kenyan need instead of being imposed on us by foreigners.

Thank you.

Mr. Wamalwa: Mr. Temporary Deputy Speaker, Sir, I wish to support this Bill, the Proceeds of Crime and Anti-Money Laundering Bill. First, I wish to thank the Minister for acknowledging that, indeed, there are a lot of fears about this Bill. Many hon. Members have already expressed their fears. You can tell that the main fear is that this Bill is the Anti-Terrorism clothed in another linen. I think it is a matter of genuine concern to many hon. Members and, therefore, it is important that these fears be cleared.

When you look at the definition, for example, of tainted property, there is something quite interesting about that definition. It tells you that, what is tainted property under that part in relation to an offence means any property used in any connection with the commission of an offence. There will be someone who will point out that it is tainted property. That could be anything. It is something that could have someone's property seized and assets frozen just for suspicion alone. It is something that we need to look at carefully. I am happy that the Minister has indicated that this Bill will go to the relevant Committees. I was happy to note that it will go to both the Finance, Planning and Trade Committee and the Administration of Justice and Legal Affairs Committee. I am a Member of the Administration of Justice and Legal Affairs Committee. He said that the Bill will go to both Committees. I propose that both Committees should work together and go through this Bill with a tooth comb to ensure that areas that raise fears, and are not very well framed, are improved, so that we have a better bill that will serve Kenyans.

Mr. Temporary Deputy Speaker, Sir, in supporting this Bill, I wish to state that our Penal Code has been very clear, where offences relating to stolen property have been committed. The penalties are very clear. When one is found with stolen property, that person is guilty. Under the Penal Code it is an offence to have stolen property just as for the person who stole the property. We need to extend that to those who receive the proceeds of crime. I am glad that this particular Bill

addresses it. I think this law is long overdue. We can now have a law in place to deal with the proceeds of crime and those who receive them. We have heard of incidences where people have created wealth out of immoral activities like prostitution, and have created empires. There was a case in England of a famous lady, who had become very wealthy from ill-gotten wealth from prostitution. We need laws that say, although you are not a prostitute yourself, you should not be able to enjoy the proceeds of such an immoral trade. Although you are not the one who committed the crime, you should not enjoy the proceeds of a crime, or own property and develop property which was obtained from crime.

Mr. Temporary Deputy Speaker, Sir, I wish to say that this is a Bill that is long overdue, considering that we live in an age when the world has become a global village. International crime needs to be addressed. This Bill will go a long way in covering this area in our country. The fears expressed are genuine. I believe that the Committees will be able, in the course of tooth-combing this Bill, to improve on it considerably. I believe that the *raison de'tre* of any law is the public good. I believe that this Bill is for the public good and we should all support it.

With those few remarks, I beg to support.

The Assistant Minister for Housing (Bishop Wanjiru): Mr. Temporary Deputy Speaker, Sir, I would like to comment on the Bill and say that it is a good idea, but is badly drafted. We need such a law in place, but the way it is right now does not even limit itself to its own jurisdiction. It has a little bit of here and there, and a lot of duplication of other laws of the land. That will bring a lot of confusion and contravene other laws which we are already using. If we were to go the foreign currency way, the way the Bill is, we would create a lot of bottlenecks. Those many bottlenecks within our system are the same ones that provide loopholes for corruption.

I remember a few years back, we used to have ceiling on amounts of foreign currency. So, even if you had to pay school fees for your children abroad, you had to go for an approval and, sometimes, somebody had to demand a bribe to put a signature on your document. We need to be careful not to make a reverse to where we have come from. We are saying that we need the law, but with amendments. I agree with my colleagues who said that it needs to be taken to the Committees and be checked thoroughly well for a major improvement. We should also request that more stakeholders be involved in it.

Mr. Temporary Deputy Speaker, Sir, as you go through the Bill, you will find that apart from contradicting some of the other laws, we are also duplicating the Criminal Procedure Code, the Economic Crimes Act, 2003 and the Banking Act. We are saying that this Bill is not home-grown, because what we have borrowed from others and a little bit of our own do not really give us new ideas. We need a totally new law that can limit itself to its jurisdiction in relation to this particular subject. So, I join my colleagues by saying that let it go to the Committees. The way it is, as one hon. Member said, in the absence of the Terrorism Bill, it could even be used to terrorise a few people or harass them.

Mr. Temporary Deputy Speaker, Sir, this Bill also infringes on property rights. You find that even if someone gives you a gift which is not of big value, somebody can simply say that you committed an offence by giving it out or by receiving it. There are a lot of loose ends in this Bill. We do not want to do what we did with the proposed Constitution drafts. We kept on changing them again and again, because we had left a lot of loose technical ends. I recommend that this Bill goes to the Committees and many changes need to be made.

Thank you.

Mr. M'Mithiaru: Mr. Temporary Deputy Speaker, Sir, I also stand up to support the Bill. First of all, I would like to say that this Bill is long overdue. I have been working in the banking sector, and know that this issue came up a long time ago, though not in this form. Let me commend the Minister for bringing this Bill to the House.

Secondly, let me state that when we talk about money laundering, it has many facets as enumerated in the provisions of this Bill. It touches on terrorism, drugs money, corruption and gifts. That is why some of my colleagues are saying that it is the Anti-Terrorism Bill brought in another form. I would like to say that money laundering has no boundaries. When we say that we have a Bill that is home-grown, that does not really address the issue. We know very well that these days the world is a global village. Whatever is happening elsewhere in the world affects us here in Kenya. There is no way we can have a Bill particularly segregated to serve Kenyans' interest. It is not possible to have such a Bill. Money laundering is mostly a cross-border matter.

Mr. Temporary Deputy Speaker, Sir, let me talk about the financial market. It is the only market that is there for 24 hours. It is in this market that most of the activities of money laundering would be going through. Unless this issue is addressed so that we know where money launderers can be intercepted, then it will not be business as usual, if we say we just do a home-grown law. We have to address this issue properly because it touches all over the world, taking into account that Kenya is a signatory to most of the UN conventions and the Basel Accord, which talks quite a bit on money laundering issue. Whereas we are talking about this Bill, we should also address other international issues. We have to conform and address the issues that touch on international recognition of money transactions. I want to point out that, as we go through this Bill--- Fortunately, I am also a member of the Departmental Committee on Finance, Planning and Trade, and I am sure I will have an opportunity to go through the Bill clause by clause. It is true that no Act can be 100 per cent, but to me, when I had a glance of this Bill, I think most of the issues have actually been covered. What needs to be addressed is the issue of having many committees. I agree that sometimes where money is involved, if it passes through many stages of committee consideration, we may not be able to intercept money launderers early enough. So, I would suggest that we look into the issue of Anti-Money Laundering Advisory Council, the Board on the Financial Reporting Centre and the Board on the Assets Acquisition. I think we need to look at those issues to see whether the committees can be reduced so that it can be easier and quicker to address any issues that would come.

The other issue is about the reporting institutions where they are supposed to report any suspicious amount that is more than 10,000 dollars. There is a loophole here because it is always easy for somebody to break down the transactions so that they do not reach that threshold of reporting. I am sure those issues can be addressed and the regulations can provide for that. To the reporting institutions, there has to be a caution. In the event that there is malicious reporting; any malicious reporting that touches on an individual may be flashed in the newspapers or other media channels. So, if at the end of it all, such reports are proved to be wrong, it would be too dangerous to those reporting institutions. We need to look into those issues so that the reporting institutions are held accountable for whatever they report. That way, we would not have the malicious reporting I have just talked about. What has been missing; like I know in the banking industry, even today, they have what we call "suspicious entries". In a very discrete way, the banks would call the account holders so that they go through a screening process. If they convince that it is their money, then that would rest the matter. So, the same process should apply here when it comes to seizing of property. It is good before an asset is branded "suspicious" that the due process of law is followed to protect property owners from public ridicule.

Mr. Temporary Deputy Speaker, Sir, I am a member of the Departmental Committee on Finance, Planning and Trade and I will have an opportunity to look at the Bill. I persuade the Members to support this Bill as I do.

Thank you so much.

Mr. Muthama: Thank you, Mr. Temporary Deputy Speaker, Sir. I want to share my experiences with my colleagues here because my understanding is that there is absolutely nothing

new in what has been printed here. The reason I am saying this is that 99 per cent of my business deals with exports. Today, if I export goods to the USA, the UK or South Korea, my customers will pay me through wire transfer. When that wire transfer reaches my bank account, despite the fact that the bank is very much aware that my business deals with exports; before the money is credited to my account, the bank will seek to know from me why that money is being paid into my account. At that point, my company will submit an invoice that was sent to the customer and also export documents, which include the permit to export gemstones from the Commissioner of Mines and other relevant Ministries. After verification of those documents, the money will be put into my account. What I am trying to say is that there is absolutely nothing new in this Bill. The law has been there. What I understand is that the Minister is trying to refine and make them effective.

In 2001/2002 and backwards, this economy was almost brought to its knees. The reason was that money was exchanging hands without control. There was plenty of money in the market. People could walk into the bank and deposit Kshs6 million or Kshs7 million in cash and nobody could give evidence on where that money used to come from. If the circulation of money is not controlled and if strict measures are not applied, Kenyans who work hard, like those who are in the Civil Service and the private sector, will be made to suffer. I am saying this because drug trafficking is one way of creating money laundering. Kenya has been regarded as one of the transit points of drug trafficking and money laundering. When this money gets into the country, somebody wakes up with Kshs50 million because he has sold drugs. That person goes to the market and buys a plot that was being sold yesterday for Kshs10 million at Kshs20 million. A Kenyan who has been working and sweating cannot raise Kshs20 million to buy such a property because its price has gone up to Kshs20 million. That way, money earned through sweat turns out to be absolutely nothing. I concur with the Minister and I want to ask him to make sure that those controls are applied properly. These laws must be tightened than ever before.

Mr. Temporary Deputy Speaker, Sir, in the money market, there is no justification at all for someone to bank Kshs10 million in cash without giving proof of where the money came from. I want to agree with my colleague who talked about NGOs and gifts to different religious groups, including Christian and Muslim organizations, that there has to be proof beyond reasonable doubt. Everybody who wants to send a gift to a religious group should have their address written somewhere. If someone is sending a gift from Dubai or the United Kingdom, there will be the address of the sender. That organisation must be established so that it does not encourage money laundering. At the end of the day, that money may be used to cause problems. Therefore, there must be proof of the sender of any funds to any religious group. It is not always true that you will find people who cannot cause problems among Christians or Muslims. They can be used as a stepping stone to cause problems through money laundering. We have bad people in churches, among the Muslims and in the NGOs. For that money to be authentic, the sender has to be established.

Mr. Temporary Deputy Speaker, Sir, I am happy that Mr. Okemo said that the Departmental Committee on Finance, Planning and Trade will sit down and look at this Bill properly and make amendments where possible. I do not see any problems arising. The Departmental Committee belongs to Kenyans and the Ministry of Finance is also run by Kenyans. All those people who are concerned are working for the interest of this country. Therefore, I believe that they will come up with the right format that will give guarantee safety and protect Kenyans.

I agree with all those who said that there could be witch-hunting and hatred among other things. Someone can come and allege that a certain property was acquired through money laundering. If you are employed or you are doing business which is known and the Kenya Revenue Authority (KRA) knows your returns and progress, I do not think there would be any doubt.

However, if you wake up one day with sacks of money and start running from one bank to another, you must be questioned. That money must have come through unacceptable means.

I want to support this Bill and wish that those who will make amendments will do it for the interest Kenyans.

The Temporary Deputy Speaker (Prof. Kaloki): I will now call upon the Mover to reply.

The Minister for Finance (Mr. Kimunya): Thank you, Mr. Temporary Deputy Speaker, Sir. Let me start by thanking hon. Members who have contributed this afternoon. One thing that is very clear is that we are all agreed, or so I heard, that we all require a law on money laundering. We require a law on how to handle the proceeds of crime and the issue is whether the Bill we have is what will provide that avenue in the best way. Like I said while moving this Bill, we are convinced from our own end that we have done our best in capturing the best practices, lessons learnt elsewhere, consultations that have taken place over a number of years involving several stakeholders and we have come up with this proposed law which we think is what will provide a solution to Kenyans.

The other issue I want to respond to is on whether the law is home-grown or not. As I said, we started with a national taskforce in the year 2003. We held several workshops in the year 2003, 2004 and 2007 involving Committees of this House and experts. Basically, the whole idea was to come up with a Kenyan law to sort out this international menace. The fact that it is in the national Parliament, and we are discussing it here, there is no other place to domesticate a law, except here. We could have as well issued guidelines and started regulations and float them out there. However, those would not be home-grown. The fact that we are discussing it here, and it will come out of this place as part of the Laws of Kenya, that is what we call home grown solutions to our own problems. I believe that what we are doing now is getting to have national ownership of it. I would like to urge hon. Members to look at it, from that angle. Let me also confirm that we are not doing it, and certainly I have no instructions to do it as a conditionality from any of our development partners. We are doing it because we believe it is in the best interest of this country.

Mr. Temporary Deputy Speaker, Sir, I believe that another issue that is bringing confusion, which Mr. Abdikadir brought up, is that this law seems to have a resemblance to the American law. To me, that is not a problem. Its genesis is obviously not! It did not emanate from the American law. It has emanated from the need, at the international level, for all of us to work together to control money laundering and all those criminal activities. As a country, we have, like I said, signed up several conventions and protocols, to be part of the global community that is saying no to this issue. The fact that America and other countries have their laws, we should be proud that we are also bench-marking ourselves with the best in the world and saying that we are also right to have a law that says what we need to do in this country.

Mr. Temporary Deputy Speaker, Sir, when I look at the harmony in terms of other laws and situations, what amuses me is that, obviously, when something is good for us, we are happy to say that we want to be like America or Britain. For instance, when we were discussing the National Accord and Reconciliation Act, we were all very happy to say that this country requires a Prime Minister and a parliamentary system like the one in the United Kingdom and a welfare system like the one we have in Scandinavia. However, when it comes to some of the laws, we say that they should apply to America and not Kenya. There are things that have happened in other countries that can be used here. We do not need to re-invent wheels or necessarily copy anything, but keep a pace with what is in tandem with the rest of the world.

In terms of the other issues that arose, I think it is an issue of confusion. I do not know why this law is being confused or cross-referenced with the Anti-Terrorism Law because we are talking about money laundering and how we should handle the proceeds of crime. Whether the money comes from prostitution rings or whether it comes from financing undesirable activities like

terrorism, to me, the issue is to confirm to this House that in drafting this law and bringing it to this House, there is no specific group that is targeted. Certainly, we are not targeting any specific religion or any groups of people. We are talking about crime and not religions. I believe that all the religions; Islam, Christianity or traditional African religions, do not encourage the kind of criminal activities we are saying give rise to money laundering. I want us to have it on record that we are looking at the crime and targeting how we can fight it within the competence of this House.

Mr. Temporary Deputy Speaker, Sir, I believe that those are the main issues that needed clarification. As I said, there is a lot to be done in terms of discussion in the Committee. I also just want to confirm to hon. Members, who may not have had the opportunity to go through the Bill and discuss it in detail today, or who would like to have more time, that they will have an opportunity to give their views, comments and recommendations as to amendments during the Committee discussion. So, again, having agreed that we need a law to build a good economy using good money, let us take our time to discuss among ourselves. Let us discuss within the Committees, and let us come up with a law that will help this country into the future in terms of protecting our financial markets and turning our country into a financial hub for this region.

Mr. Temporary Deputy Speaker, Sir, we are on our way to getting there. All we need is the enabling legislation, so that anyone dealing with Kenya can know that when they put their money in Kenya, it will not be contaminated. When they move around with their money, at least, they will be working within an environment that can protect them. That way, we will ensure sustainability and dependability in terms of the quality of investments.

Mr. Temporary Deputy Speaker, Sir, I could go on and on, but since the House has been very generous, I would just want to urge those hon. Members who are not yet convinced, and feel that they have strong views on the Bill, to use the avenue created by the House within the Committee hearings to remove whatever they are uncomfortable with. Let us not throw away the baby with the bath water. Let us clean the baby, bring it back and nurture it. Let us say, "We have done this to create the environment for investment and for the financial sector to grow".

Mr. Temporary Deputy Speaker, Sir, with those words, I wish to thank the House and hon. Members once again for taking the Bill through this crucial stage.

I beg to move.

*(Question put and agreed to)
(The Bill was read a Second
Time and Committed to a Committee
of the whole House tomorrow)*

ADJOURNMENT

The Temporary Deputy Speaker (Prof. Kaloki): Hon. Members, that concludes the business on the Order Paper. The House is, therefore, adjourned until Tuesday, 13th May, 2008, at 2.30 p.m.

The House rose at 4.55 p.m.