

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 21st November, 2000

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 191

NUMBER OF KENYANS WITH
FOREIGN CITIZENSHIP

Mr. Speaker: Mr. Munyao is not in? We will come back to that Question later on.
Next Question!

Question No.245

ABDUCTION OF MR. WANG'ANG'A

Mr. Anyona asked the Minister of State, Office of the President:-

(a) if he is aware that on 19th December, 1998, a police officer from Karen Police Station abducted Charles Wang'ang'a and detained him in illegal custody;

(b) if he is further aware that the police officers - including Sergeant Kienze - tortured Mr. Wang'ang'a, inflicting serious injuries and fractured his right femur bone for which he underwent major operations at the Mater Hospital and MP Shah Hospital; and,

(c) what offence did Mr. Wang'ang'a commit and what disciplinary measures he has taken against the errant police officers who tortured him.

Mr. Speaker: There is nobody from the Office of the President? We will come back to that Question later on!
Next Question!

Question No.644

THEFT OF MR. OKONG'O'S TRACTOR

Mr. Speaker: Mr. Ojode is not in? We will come back to that Question later on!
Next Question!

Question No.359

EVICION OF MR. BUTHUI

Mr. Speaker: Mr. Weyrah is not in? We will come back to that Question later on.
Next Question!

Question No.556

WITHHOLDING OF MR. KAMAU'S
COMPASSIONATE GRATUITY

Mr. Speaker: Mr. Kiunjuri is not in? What is happening today? We shall come back to that Question later on!

Next Question!

Question No.386

SOLUTION TO FOOD SHORTAGES
IN ASAL AREAS

Dr. Murungaru asked the Minister for Agriculture what strategies he has to permanently deal with perennial food shortages in the arid and semi-arid areas of Kenya.

The Assistant Minister for Agriculture and Rural Development (Mr. Sumbeiywo): Mr. Speaker, Sir, I beg to reply.

The objectives of the Ministry of Agriculture and Rural Development have been to ensure adequate and nutritionally balanced food for all Kenyans at all times. The strategies the Ministry has put in place to deal with this perennial food shortages include the following:-

(a) Promotion of drought tolerant crop varieties and facilitating intensive research into the production and utilization of these crops.

(b) The Ministry encourages enhanced livestock production especially of small stocks - sheep, goats, poultry, *et cetera*.

(c) The Ministry is encouraging irrigated agriculture, more efficient management of water in irrigation projects and conservation of water catchments.

(d) The Ministry is promoting community level seed bulking and seedling production in order to alleviate seed shortage.

(e) Promotion of cash crops like cotton, horticultural crops and oil crops to help improve the purchasing power of the people.

(f) In extreme cases, the Government has provided food relief to vulnerable population in collaboration with donors and NGOs.

Dr. Murungaru: Mr. Speaker, Sir, farming and perennial hunger among Kenyan citizens are a function of poverty. They are so poor and go hungry even at the challenge of the slightest drought. To be able to address the problem, one of the things that the Assistant Minister must do, is to provide adequate funds to finance agriculture by Kenyan peasant farmers. What financial arrangements has the Ministry put in place to provide for irrigation facilities in arid and semi-arid areas?

Mr. Sumbeiywo: Mr. Speaker, Sir, I think that is a very important question and it needs the efforts of all of us as elected local leaders to identify the areas that can be irrigated. The Government is trying to accumulate all the machinery for the construction of dams, particularly in arid and semi-arid areas. The Government - as was reported here some weeks back, when the Minister was answering Col. Kiluta's Question - is going to provide seeds so that it can help farmers during this rainy season.

Mr. Gitonga: Mr. Speaker, Sir, the Assistant Minister has mentioned the construction of dams. Could he tell us how much money the Ministry has set aside for construction of dams in order to harvest flood water during the rainy seasons?

Mr. Sumbeiywo: Mr. Speaker, Sir, I am afraid I cannot give the correct figure, but it was in the Ministry's Printed Estimates. We were supposed to go and construct dams, especially in the arid and semi-arid areas.

Dr. Murungaru: On a point of information, Mr. Speaker, Sir.

Mr. Speaker: Mr. Sumbeiywo, would you like to be informed?

Mr. Sumbeiywo: Yes, Mr. Speaker, Sir.

Dr. Murungaru: Mr. Speaker, Sir, while replying to a similar Question a few weeks back, hon. Sumbeiywo's superior - the Minister - indicated that about 30 districts have been allocated Kshs3.4 million each for dam rehabilitation. Perhaps, he might want to tell the House when that money is going to be made available; hopefully, not after the short rains have already subsided.

Mr. Sumbeiywo: Mr. Speaker, Sir, not after the rains.

Dr. Kulundu: Mr. Speaker, Sir, has the Ministry ever worked out how much it would cost to pump water from Lake Victoria to Mt. Kenya and then distribute that water to the northern and eastern parts of Kenya?

Mr. Sumbeiywo: Mr. Speaker, Sir, the Ministry has not yet done that. However, there was a feasibility study done at one time when water from Lake Victoria was supposed to be pumped to a high ground in Timboroa. We have not got the report of that feasibility study, but we will have to explore it further.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this House, when we know the reason why Lake Victoria water cannot be tapped is that the Government of Egypt gave a warning to Kenya, that if they touched that water, Egypt would wage a war against this country?

Mr. Sumbeiywo: Mr. Speaker, Sir, I am not aware of a threat by the Egyptians to wage war against Kenyans if we tap that water. That water is being provided by God. Egypt is a friendly country and we are not going to accept any speculation over war in this country.

Mr. Speaker: Could everybody be serious on this issue, including the Assistant Minister?

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead this House about ownership of water by God, when we know very well that international waters are covered by the International Convention?

Mr. Speaker: Order! In fact, it was not on the question of ownership. It was on the source of water which is from God. Is it not?

Hon. Members: No!

Mr. Speaker: Well it is from rain, not even God.

Mr. Kihoro: Mr. Speaker, Sir, the Assistant Minister agrees that there have been perennial food shortages in the country. In light of that knowledge on the part of Government, could he inform the House how much millet, sorghum, wheat, maize, beans, peas, rice and sugar have been reserved to make sure people will not go hungry?

Mr. Sumbeiywo: Mr. Speaker, Sir, my Ministry has put in place projects and programmes to achieve the strategy of promotion of drought tolerant varieties such as millet, sorghum, beans, pigeon peas, cassava, potatoes.

Mr. Kihoro: On a point of order, Mr. Speaker, Sir. I wanted to know how much of these items the Government has in stock!

Mr. Speaker: Mr. Sumbeiywo, this is not an academic issue! It is an issue touching on the livelihood of many people in this country. The hon. Members are asking you to give facts, but not theoretical assumptions!

Mr. Sumbeiywo: Mr. Speaker, Sir, I think I stated clearly that the Ministry has put in place a programme where we are going to produce cassava, sorghum---

Mr. Ngure: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead the House by talking about plans to promote the growing of cassavas while we are talking about strategic food reserves?

Mr. Sumbeiywo: Mr. Speaker, Sir, we have just come out of a severe drought and what we have is only---

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. This is a matter of life and death. Since the Assistant Minister does not seem to be aware of the conventions and treaties that prohibit the use of the waters of Lake Victoria for irrigation purposes, could the Chair direct him to study those relevant treaties so that he comes up with modern academic solutions?

Mr. Speaker: Hon. Sumbeiywo, you can see that your colleagues are very impatient about the answers you are giving. In fact, I am also convinced that this is an answer to an academic question. We would like to hear how you would assist the people of Garissa to attain what you are saying!

Mr. Anyona: Mr. Speaker, Sir, in view of the answers we have received from the Assistant Minister, would it be in order to request the Chair to defer the Question so that he can go and put his house together?

Mr. Speaker: That is a reasonable application and I will defer the Question for a week.

(Question deferred)

Question No.669

INTER-TRANSFORMER INTERVALS ON
RURAL ELECTRIFICATION LINES

Dr. Kulundu asked the Minister for Energy:-

- (a) what the recommended inter-transformer interval on rural electrification is; and,
- (b) what plans the Ministry has to increase the number of transformers on the existing rural electrification lines in Lurambi Constituency.

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

(a) There is no recommended inter-transformer interval on rural electrification lines. Positioning of transformers on rural electrification lines is determined by various variables such as distribution of loads along the lines, targeted beneficiaries of a scheme and the availability of sufficient funds.

(b) The Government will increase the number of transformers on the existing rural electrification lines in Lurambi Constituency when the same is accorded the necessary priority ranking by the District Development Committee, the demand for electricity along the lines, as well as the funds available.

Dr. Kulundu: Mr. Speaker, Sir, that is a surprising answer from the Assistant Minister. Before an area is considered for rural electrification, I suppose the reasons he has pointed out in his answer to part (a) would have been considered. For rural electrification to benefit people in this country, it is important that transformers are placed within the reach of wananchi.

Currently, you have targeted market centres, schools and prominent peoples' homes for the citing of transformers. Between Kabarnet and Iten, there are transformers after every kilometre and that makes it easy for wananchi to access electricity. What is the Ministry's policy with regard to the citing of transformers?

Eng. Manga: Mr. Speaker, Sir, the Ministry's policy is to supply electricity as much as possible to the population that is living along that line. But when the funds are not adequate, then the transformers are spaced in such a way that they serve more people.

Mr. Ndilinge: Mr. Speaker, Sir, is the Assistant Minister aware that the reason why people in the rural areas do not get electricity is because the whole programme was turned into a commercial venture?

Eng. Manga: Mr. Speaker, Sir, I am not aware of that.

Dr. Kulundu: Mr. Speaker, Sir, is the Assistant Minister aware that the Kakamega District Development Committee had recommended that the line from Ishibiru to Navakholo should be supplied with three additional transformers?

Eng. Manga: Yes, I am aware. Funds are being sought to implement that recommendation.

Question No.514

COMPLETION OF GUNGA BRIDGE

Mr. Onyango asked the Minister for Roads and Public Works:-

(a) whether he is aware that the construction of Gunga Bridge has stalled and that no road signs have been erected to warn motorists; and,

(b) how much money was budgeted for construction works.

The Assistant Minister for Roads and Public Works (Mr. Mokku): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the construction of Gunga Bridge has stalled and that no road signs have been erected to warn motorists.

(b) A total of Kshs3.4 million was budgeted and issued for works in the last two financial years.

Mr. Onyango: Mr. Speaker, Sir, for the last six months no work has ever been done on that particular bridge. Now, that he is aware that no construction works are being undertaken on that bridge, what steps will he take to rectify the situation?

Mr. Mokku: Mr. Speaker, Sir, Kshs3.4 million has been budgeted for that road and works will commence soon.

Mr. Ojode: Mr. Speaker, Sir, the works on Gunga Bridge stalled six months ago. Could the Assistant Minister inform the House the action that he is going to take in order for the project to be completed?

Mr. Mokku: Mr. Speaker, Sir, materials for that bridge have been procured and excavation for the bottom slap has been done. Construction of the foundation slap, vertical walls and slope slap have already been done. Even if there was some delay before, I want to assure the hon. Member that these works will be done to the required standards.

Mr. Onyango: Mr. Speaker, Sir, could the Assistant Minister tell this House how the Kshs3.4 million has been used? As far as we are concerned, not even Kshs500,000 has been used on that road.

Mr. Mokku: Mr. Speaker, Sir, for the 1998/99 financial year, Kshs1.4 million was used to buy materials. During the 1999/2000 financial year Kshs200 million has been budgeted for the actual construction works.

Question No.476

CONSTRUCTION OF JUA KALI SHEDS

Mr. Mwakiringo asked the Minister for Vocational Training:-

(a) whether he could explain why the Kshs1.2 billion World Bank Project being implemented by the Kenya National Federation of Jua Kali to build demonstration centres in Coast and Nyanza provinces has not taken off;

(b) why the funds were transferred from the Ministry of Vocational Training to the Office of the President; and,

(c) whether he could table the list of the sheds countrywide which have benefitted since 1994.

The Minister for Vocational Training (Mr. Ruto): Mr. Speaker, Sir, I beg to reply.

(a) No money was ever given to the Kenya National Federation of Jua Kali by the World Bank.

(b) There was no Ministry of Vocational Training at that time. We had the Ministry of Research and Technology where the department implementing - the Directorate of Applied Technology - the World Bank-funded projects was situated.

(c) No shed was built through the World Bank programmes.

Mr. Mwakiringo: Mr. Speaker, Sir, I am regretting why I asked this Question. The answer I got last week is not what he is reading today. Could I be told which of the two answers is the correct version?

Mr. Ruto: Mr. Speaker, Sir, I have given the correct answer to this Question. He should ignore the earlier answer because what I have just read out is the correct version.

Mr. Anyona: Mr. Speaker, Sir, if a Government Minister gives two sets of different answers, then he is causing confusion in the House! Could he tell us which one is the correct version of the answer?

Mr. Speaker: The Minister has said the previous answer should be considered as null and void. So, we will go as per his word.

Mr. Wamae: Mr. Speaker, Sir, the Minister has declared that no sheds were built. Where did the Kshs1.2 billion go? In fact, every district had been asked to set aside five acres of land for the construction of jua kali sheds.

Mr. Ruto: Mr. Speaker, Sir, I have clearly indicated that no money was ever given to the Kenya National Federation of Jua Kali. If he is talking about other monies given to the Kenya Government for the construction of jua kali sheds, then I am willing to provide that answer.

Mr. Mwakiringo: Mr. Speaker, Sir, the Minister in his previous answer, accepted that Kshs1.2 billion was given to the Kenya National Federation of Jua Kali through the Government.

Mr. Speaker: Mr. Mwakiringo, as far as the House is concerned, the Minister has so far removed that and maybe, you should follow what he has offered. However, if you want to know whether Kshs1.2 billion was given to the Kenyan Government and what was done with it, then say so.

Mr. Mwakiringo: Yes, Mr. Speaker, Sir. How much was it and how was it spent? This is because it was transferred from the Ministry of Vocational Training to the Office of the President, which initiated the sacking of three Permanent Secretaries in that office.

Mr. Ruto: Mr. Speaker, Sir, I had clearly indicated that there was no Ministry of Vocational Training. We were talking about the Ministry of Research and Technology. However, I am willing to ignore that and for his benefit, explain to him that there was Kshs1.2 billion that was given to the Kenyan Government and not to the National Federation of Jua Kali. The money was given for various projects which included the voter training programme which is on-going. It also included a component on technology transfer to the jua kali sector. It was also meant to finance the capacity building on staff managing that sector. The money was also supposed to assist in expanding policy analysis, monitoring and evaluation and it also included a component for infrastructure such as sheds. I would be willing to explain further if the hon. Member can confine himself to the money that was given to the Kenyan Government.

Mr. Speaker: Why should you not continue?

Mr. Ruto: Mr. Speaker, Sir, further, the Kshs1.2 billion which was given was also meant to fund the development of a national training strategy and development of micro-finance component for the Jua Kali sector. Basically, that was the purpose for the Kshs1.2 billion.

Mr. Keriri: Mr. Speaker, Sir, the Minister has outlined the various uses of that money. Can he tell us how much of that money has actually been spent and for what specific purpose?

Mr. Ruto: Mr. Speaker, Sir, we have so far spent about Kshs170 million on voter training programme, and we expect to spend another Kshs120 million before the end of this financial year.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. The hon. Minister has not replied to the question asked by hon. Keriri. Could he specify exactly where the money has been spent? Secondly, since it is not only Kshs170 million that has been spent; where is its balance?

Mr. Ruto: Mr. Speaker, Sir, this is not money that has actually been deposited in the manner that they want to understand. The credit arrangement is that we spend money and claim an equivalent amount from the World Bank and, therefore, there is no actual cash that we have been drawing from. I have indicated that we have spent most of the money as I had indicated on voter training programmes.

Mr. Mwakiringo: Mr. Speaker, Sir, the reason why the Minister cannot answer this Question properly is because he is not administering the fund. The fund is with the Office of the President. Can he explain why Kenyans are paying for the Kshs1.2 billion and yet, it has not been spent since 1994?

Mr. Ruto: Mr. Speaker, Sir, I have been very generous with the hon. Member, in explaining even what he has not asked for. He is telling me about the fund that is supposedly being administered by the Office of the President

and I had clearly indicated that it does not exist. That particular programme is in my docket.

Mr. Speaker: For the second time, Mr. Munyao's Question.

Mr. Munyao: Mr. Speaker, Sir, I beg to apologise for not being in the House when you called out my Question for the first time.

Question No.191

NUMBER OF KENYANS WITH
FOREIGN CITIZENSHIP

Mr. Munyao asked the Minister of State, Office of the President:-

- (a) how many Kenyans have taken up citizenship of Britain, India and Pakistan;
- (b) how many nationals of the said countries have been granted Kenyan citizenship; and,
- (c) what is he doing to ensure that there is fair balance between Kenyans taking citizenship of other countries *vis-a-vis* other nationals taking Kenyan citizenship.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Speaker, Sir, I beg to reply.

- (a) The Government does not keep records of Kenyans who have taken up citizenship of other countries.
- (b) Since 1963, 33,716 Asians, including Indians and Pakistanis, and 3,212 Europeans, including Britons, have been granted Kenyan citizenship.

(c) The Government ensures that only qualified foreigners are granted Kenyan citizenship and the Government cannot impede any Kenyan from voluntarily acquiring nationalities of any other country.

This being the case, the Government cannot ensure that there is a fair balance between Kenyans taking up citizenship of other countries and other nationals taking Kenyan citizenship.

Mr. Munyao: Mr. Speaker, Sir, this is a very serious and worrying answer, that this Government does not take care of its own nationals. However, there was that time when anybody who was not well qualified could come to Kenya and get a better job. For example, a court clerk from India could come to Kenya and become a lawyer. Also, if you were a technician in India and you came to Kenya, you would become a doctor. Now that we have got equally qualified Kenyans, can we figures of those people from those countries which we have already accepted and they have taken the employment from our own Kenyans with those figures of Kenyans who are out of employment? Can the Ministry think about negotiating to equalize the figures of those people?

Mr. Samoei: Mr. Speaker, Sir, that is a very difficult exercise to carry out, since I have mentioned that we do not keep records of Kenyans who have taken up citizenship elsewhere.

Dr. Ochuodho: Mr. Speaker, Sir, I am even more worried about those people who get passports illegally. Can the Minister deny or confirm to this House that of the 46,000 Kenyans in the UK, only 11,000 are genuine Kenyans and the rest are from other parts of the world that he has just mentioned? Secondly, if he chooses to deny like I suspect he may, can he undertake to investigate because people who get passports under the pretence that they are Kenyans are the very people that made the British Government decide to require a visa for Kenyans going there? Can he investigate this matter?

Mr. Samoei: Mr. Speaker, Sir, while it is true that there have been some forgeries done in our Kenyan passports by people of other nationalities, we have taken steps to make sure that our own citizenship, the documentation and issuance of passports are under control, so that we do not have these cases.

Mr. Kibaki: Mr. Speaker, Sir the Assistant Minister is saying that the issuance of work permits and passports is under control. He is telling us a story. Is he not aware that today in Kenya, we have people from the Asia who do not even speak Kiswahili or any English, who are being employed to do manual jobs and thus replacing Kenyans and the Government actually gives them these permits for payment of a fee to persons who are known? That is a fact and that is the most corrupt department in Kenya.

Mr. Samoei: Mr. Speaker, Sir, there were days when that practice was there, but those days are long gone. However, there are isolated cases of people who have forged documents. We are in hot pursuit after such persons. I must say that to a great extent, we have brought the situation under control.

Mr. Gatabaki: Mr. Speaker, Sir, is the Assistant Minister aware that while it is so easy for anybody from anywhere in the world to get Kenyan citizenship, it is virtually impossible for any Kenyan to get visas and citizenship in India, Pakistan and Britain?

Mr. Samoei: Mr. Speaker, Sir, I am not aware.

Mr. Munyao: Mr. Speaker, Sir, I am happy the Assistant Minister is not aware. Can he be aware now that to get a visa from the American Embassy or the Indian Embassy is actually impossible? Could he undertake to check those allegations and confirm to the House?

Mr. Samoei: Mr. Speaker, Sir, the issuance of visas and other travelling documents is primarily the responsibility of the countries to which our Kenyan nationals want to travel. However, in cases where we have noticed

bias, we have taken steps. I would not rule out that in the future, we shall do the same when it is brought to our attention.

Mr. Speaker: For the second time, Mr. Anyona's Question.

Question No.245

ABDUCTION OF MR. WANG'ANG'A

Mr. Anyona asked the Minister of State, Office of the President:-

- (a) if he is aware that on 19th December 1998, a police officer from Karen Police Station abducted Charles Wang'ang'a and detained him in illegal custody;
- (b) if he is further aware that the police officers including one Sergeant Kienze tortured Mr. Wang'ang'a, inflicting serious injuries and fractured his right femur bone for which he underwent major operations at The Mater Hospital and MP Shah Hospital; and,
- (c) what offence Mr. Wang'ang'a committed and what disciplinary measures he has taken against the errant police officers who tortured him.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Speaker, Sir, I apologise for coming late to answer this Question. Hon. Anyona did provide some documents to the effect that Mr. Wang'ang'a was tortured.

I want to beg for the indulgence of this House because I still want to verify that document with the hospitals where the complainant sought medical attention.

I request that I be allowed to answer this Question on Thursday.

Mr. Speaker: Is that alright with you, Mr. Anyona?

Mr. Anyona: Mr. Speaker, Sir, first of all, the Question was supposed to be on the Order Paper on Thursday last week. It was not. The Assistant Minister is requesting to be given upto Thursday to **[Mr. Anyona]** answer this Question. But the answer that he has supplied is still the same answer that he read here last week. I do not know whether he is serious. I would oblige.

Mr. Speaker: The Question has been deferred to Thursday. For the second time, Mr. Ojode's Question.

(Question deferred)

Mr. Ojode: Mr. Speaker, Sir, I apologise for coming late.

Question No.644

THEFT OF MR. OKONG'O'S TRACTOR

Mr. Ojode asked the Minister of State, Office of the President:-

- (a) what happened to the tractor registration No.KWW 171, Chassis No.15518, belonging to Francis Obunga Okong'o of Kanyamwa Location, Ndhiwa Division, which was stolen and reported at Awendo Police Station on 15th September 1999;
- (b) why it was necessary for the District Criminal Investigation Officer (DCIO), Migori District, to confiscate the logbook instead of releasing the same to the owner; and,
- (c) when the suspect will be taken to court.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Speaker, Sir, I beg to reply.

(a) After the tractor was reported stolen, police conducted investigations vide Migori Inquiry File No.9/99 and established that the suspected stolen tractor bearing registration No.KCS 984 was not the same as the tractor registration No.KWW 171. The Nyanza Senior Principal State Counsel directed that the file be closed and the tractor registration No.KCS 984 be handed over to Mr. Ernest Oduogo.

(b) The police took the logbook to facilitate investigation into the ownership of the tractor. The logbook has since been sent to Mr. Francis Okong'o by registered post after he failed to collect it on time.

(c) Arising from my reply to "a" and "b" above, "c" does not arise.

Mr. Ojode: When this tractor was found at Ranen Market, the owner, Mr. Francis Okong'o, reported the matter at Awendo Police Station. If we go by what the Assistant Minister is saying, could he tell us whether the tractor KCS 984 has a logbook? If it does, what is the chassis number?

Mr. Samoei: Mr. Speaker, Sir, the tractor KCS 984 has a logbook. The logbook number is No.157193. I do not have the chassis number with me right here. But these two tractors have two different logbooks.

Mr. Ojode: Mr. Speaker, Sir, the Assistant Minister should realise that the other tractor KWW is the one

having a chassis number and the other tractor, KCS 984, does not have one. I would want him to bring the chassis number and the logbook of the tractor KCS 984.

Mr. Speaker: Are you saying it is the same tractor?

Mr. Ojode: Yes, Mr. Speaker, Sir.

Mr. Speaker: Mr. Assistant Minister, would you find out whether it is the same tractor?

Mr. Samoei: Mr. Speaker, Sir, I do not think that it would be fair for us to turn this House into a court. That information has been verified by the court and it was satisfied that these were two different tractors. As a result, the tractor was released to the owner.

Mr. Ojode: Mr. Speaker, Sir, which court is he talking about because this case was never taken to any court? Who heard the case and what was the case number? This tractor is the same because the other fellow he is talking of, Mr. Omuono, did not have any tractor. If he did, what is the chassis number of that tractor? In any case---

Mr. Speaker: Order! Order! What court decided this issue?

Mr. Samoei: Mr. Speaker, Sir, I did say that when this report was filed, an inquiry file no.9/99 was opened following the dispute over these two tractors. When this case was taken to court, the Nyanza Principal State Counsel directed that the file be closed because he was satisfied that these were two different tractors.

Mr. Speaker: Order! Order! Mr. Samoei, I was worried when you said that we should not turn this Parliament into court because the court has made a decision on this issue. So, you meant that the Nyanza Principal State Counsel is the court?

Mr. Samoei, go to the Registrar of Motor Vehicles who is under you and get the registration certificates and check whether this is the same tractor or they are two different tractors. I will give you a week and We will revisit this Question on Tuesday next week. The Question is deferred.

(Question deferred)

Mr. Weyrah, for the second time?

Question 359

EVICITION OF MR. BUTHUI

Mr. Weyrah asked the Minister for Home Affairs, Heritage and Sports:-

(a) if he is aware that Mr. Duale Buthui, a retired Administration Policeman, has been evicted from his plot at Dadaab with his nine children by the UNHCR and that he is now a squatter at Dadaab; and,

(b) what immediate action is he taking to have the plot returned to the said owner.

The Assistant Minister for Home Affairs, Heritage and Sports (Mr. Choge): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware of the eviction of Mr. Duale Buthui from his plot at Dadaab.

(b) I have not contemplated taking any action because available information indicates that Mr. Buthui claims to have leased the plot under reference to the UNHCR. However, the organisation denies having signed any lease agreement with Mr. Buthui. Indeed, the agreement purported to have been signed by the then Head of Office, Dadaab, has been disowned by the organisation as a forgery. Furthermore, Garissa Municipal Council chief officers led delegations to my Ministry in 1997 and 2000, but this issue was never raised. My officers have been visiting Dadaab Refugee Camp and holding joint meetings with the United Nations High Commission for Refugees (UNHCR), refugee leaders and the local people to discuss issues pertaining to their relationship. At no time has this issue been raised. Last week, I asked the Garissa District Commissioner (DC) to investigate this matter with a view to finding out whether the said plot belongs to Mr. Buthui or not. The DC went through the municipal council's files, but he did not find any council meeting minutes indicating that the said plot was allocated to Mr. Buthui.

Mr. Weyrah: Mr. Speaker, Sir, this is the fourth time this Question has been brought here, but I have not got an acceptable answer to it. I would like to be given until tomorrow, to bring the land rent receipt for the said plot and other documents, which show that Mr. Buthui is the legal owner of that plot.

Mr. Speaker: Mr. Weyrah, I will do better than that because I know that Garissa and Dadaab are very far. If I give you until tomorrow and Mr. Buthui fails to make it to Nairobi, you will have lost a chance to prove his case. So, I will give you until Wednesday next week to produce those documents.

Mr. Weyrah: Mr. Speaker, Sir, I have the documents at home.

Mr. Speaker: I will give you until Wednesday next week.

Mr. Weyrah: Give me until Thursday, Mr. Speaker, Sir.

Mr. Speaker: Very well. Mr. Kiunjuri's Question for the second time?

(Question deferred)

Question No.556

WITHHOLDING OF MR. KAMAU'S
COMPASSIONATE GRATUITY

Mr. Speaker: Mr. Kiunjuri is still not here? So, the Question is dropped.

(Question dropped)

QUESTIONS BY PRIVATE NOTICE

STREAMLINING OF OPERATIONS
OF AIDS CONTROL COMMITTEES

Mr. Murungi: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

In view of high profile Members of Parliament seminar in which HIV/AIDS was declared a national disaster, what steps has the Government taken to:-

- (a) Operationalise the National AIDS Control Council (NACC)?
- (b) Streamline the operations of the Constituency AIDS Control Committees (CACCs), District AIDS Control Committees (DACCS), Medical Officer of Health Services (MOHS) and District Commissioners?
- (c) Release the necessary resources to CACCs?

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I beg to reply.

The following steps have been taken to operationalise the National AIDS Control Council with regard to Co-optation into the Council, of all major stakeholders; we have secured \$US50 million from the World Bank for the Kenya AIDS Emergency Response Project (KAERP), which will be released early next year and also we have established a national secretariat.

The guidelines on the composition of the various committees involved with AIDS control have been spelt out. The Government has allocated Kshs140 million to operationalise the council whereas various steps have been taken to streamline the operations of the various AIDS committees.

Follow-up seminars have been held. For instance, seminars for Provincial Commissioners (PCs) and DCs have been conducted. The Permanent Secretary (PS) in the Ministry of Health and the Director of Medical Services, are members of the National AIDS Control Council; similarly Provincial Medical Officers (PMOs) sit in the Provincial AIDS Control Committees while Medical Officers of Health (MOHs) sit in the District AIDS Control Committees Divisional Health Officers (DHOs) sit in the CACC. These officers sit at all levels, as the secretaries.

The NACC has already spent over Kshs1,750,000 in launching the various CACCs. So far, 70 CACCs have been launched. A further Kshs12 million has been given to 42 CACCs, to help them develop inventories of their non-governmental organisations (NGOs), community-based organisations and other groups involved in the control of HIV/AIDS.

Mr. Murungi: Mr. Speaker, Sir, I would like to thank the Minister for this comprehensive answer, but I am getting worried, because the National AIDS Control Programme is becoming like the Tower of Babel; many people in authority are talking about it. We do not know exactly who is in charge of the Programme. Is it the DCs, the PCs, the MOHs or the PHOS We, recently, received bouncing cheques from District Treasuries. I received a cheque of Kshs50,000 to set up my CACC, but when I presented the cheque to the bank for encashment, it bounced. I would like the Minister to explain this, because it was not only the cheque for South Imenti CACC that bounced because I understand cheques for several other CACCs have bounced. Where is the "big" money the Ministry is talking about? We also understand that different constituencies are receiving different amounts of money for their respective CACCs. What is the criteria being used in allocating the money to the various CACCs? Could the Minister throw some light on all these issues?

Maj. Madoka: Mr. Speaker, Sir, the NACC is the official spokes unit of the HIV/AIDS Programme in the country. The NACC falls under the Office of the President, and is within my docket. So, ultimately, I am the one who will tell hon. Members what is going on; I will answer all questions that pertain to the NACC. We have agreed to give

each CACC Kshs350,000 to help it set up its CACC for the purposes of drawing up their various programmes, and, if need be, get specialists to help them draw up their programmes, among other things. I am aware that certain CACCs have received Kshs350,000 while others were given Kshs212,000.

An hon. Member: Why?

Maj. Madoka: Mr. Speaker, Sir, the reason is that we were given only Kshs70 million to cover the period up to January, 2001. So, those CACCs which have been given Kshs212 will be given their balances; we only reduced the amounts for some CACCs, so that we could spread out the money available to all the CACCs that have been set. Certainly, we will, ultimately, give all the CACCs Kshs350,000 each. This is the first time I am hearing that cheques issued to CACCs have bounced. In fact, CACCs are expected to open their own accounts. Cheques issued to CACCs should, therefore, be going directly to their respective accounts. So, if any such cheques went to the District Treasury, I am not aware of it. I apologise if that is what happened, but it should not have happened. All CACCs should open up their accounts, and we will send cheques direct to them.

Mr. Kirwa: Mr. Speaker, Sir, I need the Minister's assistance; mine is a special case. On 21st August, 1999, having agreed with the two area District Officers (DOs) and the Public Health Officer in charge of my constituency, we arrived at the meeting venue at 10.00 a.m. to constitute my constituency's CACC, only for the three officers to run away. We have not constituted that CACC to date. What do we do in that case, Mr. Speaker, Sir?

Maj. Madoka: Mr. Speaker, Sir, I will get the Director of the NACC to help Mr. Kirwa set up his CACC.

(Applause)

Mr. Speaker: Very well; I am trying to identify hon. Members who have not spoken today. Mr. Shill, proceed.

Mr. Shill: Mr. Speaker, Sir, despite the fact that over 500 people die of AIDS daily countrywide, the HIV/AIDS issue has very much been politicised. Could the Minister assure us that he will give the NACC more freedom, so that it can handle this issue perfectly?

Maj. Madoka: Mr. Speaker, Sir, the NACC has a free hand to deal with this issue, unless the hon. Member is referring to specific cases.

Mr. Mbela: Mr. Speaker, Sir, the Minister said that some of the Constituency HIV/AIDS Control Committees (CACCs) have been given Kshs350,000, while others got Kshs212,000. Can he give the list of those CACCs which have not been given any money at all?

Maj. Madoka: Mr. Speaker, Sir, if any CACC has been launched, let them apply directly to the National AIDS Control Council (NACC), and they will be given their money.

Mr. Sambu: Mr. Speaker, Sir, could the Minister clarify on the amount of money that is given to each CACC? This is because some CACCs are getting Kshs350,000 while others get less.

Mr. Speaker: Order, hon. Members! Mr. Sambu, the Minister said that each CACC is entitled to Kshs350,000; but the issue, as I understand it, is that some CACCs have got Kshs350,000, others got either Kshs312,000 or Kshs50,000 while others got nothing, and that is the worry.

Mr. Minister, why are some CACCs getting zero allocations?

Maj. Madoka: Mr. Speaker, Sir, maybe, those CACCs which have got nothing have not been officially launched. But as for those CACCs which have been officially launched, let them apply and we will, definitely, give them the money.

Mr. Mbela: Mr. Speaker, Sir, my CACC was launched by the Minister himself a month ago and letters went to the headquarters a month ago but it has been given zero allocation. That is why I was asking: What formula is he using to release money to the CACCs?

Maj. Madoka: Mr. Speaker, Sir, I do not know what happened to the hon. Member's area, but we did say that if one goes to the NACC, they should get their money. It might have been launched a month ago, but I wonder whether they have opened their accounts.

Mr. Speaker: We should be making progress, and I will give the last chance to Mr. Murungi.

Mr. Murungi: Mr. Speaker, Sir, as a matter of fact, we have launched CACC in South Imenti Constituency and we have opened an account, but we are among those who have not got a single cent. Could the Minister clarify - both to us and other hon. Members who have not received any money and those who have not opened accounts - the actual procedure for accessing that money so that we can follow it up?

Maj. Madoka: Mr. Speaker, Sir, actually, the process should be automatic. Launch it and lodge for a request for money through the NACC which will forward money to you. I know that certain CACCs have already started working, but they have not been officially launched. We are not quite sure of it. So, they have not been given the money. But I can guarantee that all CACCs will get money. If any hon. Member has not been given money, he or she can even come and see me right now, and I will give direct instructions in order for them to get the money.

Mr. Ndicho: Mr. Speaker, Sir, would I be in order to ask the Minister to clarify here now about the issue of the amount of money hon. Members are supposed to receive as allowances because as hon. Murungi said, many people are saying so many different things. The President said that hon. Members are receiving Kshs5,000 as allowance and Eng.Toro asked the President to go to Baringo Central Constituency and see whether he is going to get that kind of money. So, could the Minister now clarify what is the monthly allowance for hon. Members?

(Applause)

Maj. Madoka: Mr. Speaker, Sir, I do not know of any specific allowances to hon. Members who sit in the CACCs.

Mr. N. Nyagah: Mr. Speaker, Sir, would the Minister be honest enough to tell this House and this country at large as to when the conditions set by the World Bank will be fulfilled by the Kenya Government so that the US\$50 million that the World Bank has pledged can then be sent to Kenya in order for us to start using it in our constituencies? This is because that is what has stopped the issuance of that money to the Kenya Government.

Maj. Madoka: Mr. Speaker, Sir, that is incorrect. There is no condition that we have failed to fulfil. Once, we launch the strategic plan on the World AIDS Day, we have no other condition to fulfil.

Hon. Members: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, all of you! As you know, when it comes to this, there is no entreatment. I have got to worry about the time as well.

Next Question by Dr. Awiti!

PROVISION OF ELECTRICITY TO
KENDU BAY POLICE STATION

(Dr. Awiti) to ask a Minister of State, Office of the President:-

- (a) Is the Minister aware that the Police Station at Kendu Bay is being provided with electricity by a prominent businessman in the town?
- (b) Is he further aware that the security of the station is now left in the hands of the businessman?
- (c) What measures is the Minister taking to correct this anomaly?

Mr. Speaker: Order! Sorry, hon. Members! I had given the hon. Member permission to be out. So, I will defer the Question.

(Question deferred)

Next Question, Mr. Mugeke.

AWARDING OF JOGOO ROAD CONTRACT

Mr. Mugeke: Mr. Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) Could the Minister inform the House how the contract to construct the 1.5-kilometre Jogoo Road section connecting Outer Ring Road was awarded and who is the contractor?

(b) How much is the contracted sum and what was the completion date of the road?

The Assistant Minister for Local Government (Mr. Sirma): Mr. Speaker, Sir, I beg to reply.

(a) The contract to construct the 1.5-kilometre Jogoo Road section connecting Outer Ring Road was awarded in accordance with international competitive bidding and procedures as provided under the World Bank and the Government of Kenya procurement regulations. It was awarded to M/S Krishan Behal and Sons.

(b) The contract sum was for Kshs269,591,103.65 and the works were initially scheduled to be completed by 15th of July, 2000.

Mr. Mugeke: Mr. Speaker, Sir, this Question came up last week, but at that time, the Ministry was not represented in the House. This contract was given on competitive bidding and it was supposed to be completed by June, this year. But the bridge and the road were done very poorly. The consultant came up and said that the works under the bridge were unsatisfactory and they could not meet the standards. Could the Assistant Minister table the report of the consultant and tell this House why the job has not been given to another contractor because the current one is unable to do it satisfactorily?

Mr. Sirma: Mr. Speaker, Sir, the contract was awarded on competitive bidding, and that is why M/S Krishan Behal and son won it. I cannot table the report of the engineers as of now unless I am requested.

Mr. Speaker: Order! I thought that is part of the question. It is essential that you table the report of the engineers who assessed the condition and quality of the work. I think the House needs to know about it. I think you need to know about it. How long will it take you to get it?

Mr. Sirma: Mr. Speaker, Sir, I will avail the report.

Mr. Speaker: When?

Mr. Sirma: Mr. Speaker, Sir, Tuesday next week.

Mr. Speaker: Very well. Bring everything that is necessary. The Question is deferred to Tuesday next week.

(Question deferred)

POINT OF ORDER

*(Motion on Kumi Kumi Drink:
Member to Renew Request Later)*

Dr. Kituyi: Mr. Speaker, Sir, I rise under the provisions of Standing Order No.20 to seek leave of the House that this House do adjourn to discuss a matter of definite national importance being the calamitous crisis that has happened around Nairobi occasioned by the consumption of the poisonous substance popularly being called *kumi kumi* and the level of public reaction to this crisis so far.

Mr. Speaker: Hon. Members, I think consumption of *kumi kumi* is a definite matter of national importance. It is a dangerous drink and I also think it is of national importance. So many Kenyans have lost their lives. If you do have Members to support your proposition, I may consider giving you time.

*(Several hon. Members stood
up in their places)*

Order! I think that is more than enough. Hon. Members, it is not compulsory to support any Motion. By the way, it only requires the support of 15 hon. Members and not the whole House. So, it is not necessary for every hon. Member to stand up.

Anyway, as hon. Members are aware, we are going into a Committee of the Whole House and as you can see your Order Paper, many amendments are being preferred to the Finance Bill, both by the Minister and hon. Members. If time allows, if the Committee will have gone through these amendments by 5.30 p.m., then I will give hon. Dr. Kituyi leave to move that Motion which will last for an hour. In the event that the Committee will not have completed its work by 5.30 p.m., I will advise Dr. Kituyi to renew his application tomorrow. That is the position. The Committee is under no stress to complete its deliberations earlier than it can meet the work.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. In view of the seriousness of this matter over the consumption of the *Kumi Kumi* drink, could you be compassionate and extend the time to 8.00 o'clock? We can discuss the matter from 6.30 p.m. to 8.00 p.m.

Mr. Speaker: Order! Read your Standing Orders. I have no power to extend or shorten the sitting of the House.

Next Order!

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Speaker left the Chair]

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Mr. Musila) took the Chair]*

THE FINANCE BILL

(Clauses 2, 3, 4 and 5 agreed to)

Clause 6

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-
THAT, the following new sub-clause be inserted immediately after Clause 6.

New Sub-Clause 6A

THAT, the Customs and Excise Act, Cap.472 be amended by inserting the following new sub-section 7 immediately after sub-section 6 of Section 127(c).

"(7) Any goods which have been subjected to pre-shipment inspection and against which a certificate of such inspection has been issued shall not be subjected to any further inspection."

I am making this proposal because the Government appoints certain agencies to inspect goods which are supposed to be imported into the country to ascertain their value, standard and all other things which pertain to the payment of duty. After such a certificate has been issued by a company which is appointed by the Government; a reputable company with an international reputation, those goods are subjected to further examination by other bodies when they arrive into the country. One of them is called SWIPCO. The effect is that the goods stay at the port for too long and the business community loses a lot of money due to such delays. Secondly, some goods are stolen because they are opened up and inspected again for value and standard, which has already been done by a company that has been appointed by the Government. This injures our businesses because our businessmen are subjected to a second inspection which is first of all unnecessary because somebody else has already been paid by the importer to do it.

The Government pays these new agencies for doing no job whatsoever. They call it audit. I do not know why Government should audit a certificate issued by another body which has already been paid and appointed by the same Government. We should either have the pre-shipment agencies abroad or we retain these ones at home, but we cannot have two agencies. This is injuring our businesses and breeding corruption. This Government is paying too much money to SWIPCO which is unnecessary.

I am asking very briefly that this amendment be allowed and any goods which have been subjected to the SWIPCO inspection and against which the certificate of such inspection has been issued shall not be subject to any further inspection.

(Question of the new sub-clause proposed)

(New sub-clause read the First Time)

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

Dr. Kituyi: Mr. Temporary Deputy Chairman, Sir, I share the frustration and the sentiments of the hon. Member. The core issue is the crisis of governance in the sense of impunity; the problem of SWIPCO. That up to this moment, hon. Members have expressed their outrage over the Government's retention of an expensive contract with the SWIPCO to do a job half of which is done by pre-shipment inspectors, while the other half is the main job of the Kenya Revenue Authority (KRA). That is the point at which I have a problem with the Government and what the hon. Member is suggesting. I have a problem with the Government because it has accepted to be blackmailed by those who are interested parties in the SWIPCO; they have refused to listen to the voice of reason. In fact, it is my view that this House should refuse to pass the Finance Bill until the Minister for Finance announces that the Government will cancel its dealings with the SWIPCO. That is an important proposal; if we can agree that the Government declares stopping this daylight robbery by the SWIPCO, then we do not need to tie the hands of the KRA to carry out a secondary inspection of goods that are imported into the country. I think the KRA owes it to the citizens of this country that whatever pre-shipment inspectors have done abroad and whatever they may have written for us, it should also look at it. Our problem is with the private post-shipment auditors who cannot be justified except that they are connected to the "right people" who want to use this excuse to loot the Treasury. So, that is my dilemma. I would like to oppose the amendment because, as framed, it will exclude the KRA from carrying out post-shipment audit. But I would like us to put in place measures to abolish the contract between the Kenya Government and the SWIPCO.

Mr. Michuki: Mr. Temporary Deputy Chairman, Sir, on a serious note, I would like to support this amendment by saying that the problem has been pointed out here. The issue of the SWIPCO has come before us in our Finance, Planning and Trade Committee and we have discussed it with the KRA, whereby this company claims millions of shillings from the Government. As a Departmental Committee, when we tried to verify from the

Commissioner of Customs whether he was aware of any inspection in relation to which the SWIPCO was claiming millions of shillings from the Government, we found out that the Customs authorities had no idea. And yet the certification of what the SWIPCO claims from the KRA is supposed to come from the Treasury, which has nothing to do with the inspection of goods. Therefore, looking at the whole arrangement involving SWIPCO, which is managed at the Nation House by some people who are even related to some people in State House, one realises that this is a gimmick to deprive Kenyans millions of shillings. Therefore, I agree with hon. Dr. Kituyi that in normal circumstances Parliament would decline to pass a Bill like this until it is assured that the SWIPCO is out of sight and contract with the Government. I would like to support the amendment on that basis.

Mr. Wamae: Mr. Temporary Deputy Chairman, Sir, this is a very important matter. It is a question of whether we have confidence in the KRA. If we have confidence in the KRA, which carries out the inspection of goods when they arrive here, why do we have to have another body to carry out the inspection? Why do you have to bring in the SWIPCO, which as people know, is related to some people in authority in this country? This is one way of ripping off Kenyans and it should be rejected.

Mr. Anyona: I will be very brief. I would like to support this amendment unless I am convinced otherwise. So, I am asking the Assistant Minister to convince me and the House in respect of three points: Is it necessary and, if so, for what reason should we have a pre-shipment inspection by people who are appointed by him and have another inspection when they get here by people we appoint? Is it not contradiction in ordinary terms? Secondly, could the Assistant Minister tell us in simple and clear terms whether this is meant to benefit SWIPCO in which case, this Parliament will refuse to be party to this kind of arrangement? Could he tell us in simple and clear terms whether it is meant to benefit the SWIPCO? If it is a good point, we will support it.

(Applause)

Thank you, Mr. Temporary Deputy Chairman, Sir.

Mr. Ndicho: Mr. Temporary Deputy Chairman, Sir, I rise to vehemently support this amendment. I have been an importer of goods in this country. It was a lucrative business, but I was driven out of it because the amount of money one ends up paying for goods, "eats" into one's profit. Secondly, Kenya is the only country in the East African region where pre-shipment is done both at the country of origin and when the goods arrive in the country. Kenyan businessmen hope to go and do business in Tanzania and Uganda. In Nigeria, once goods have been pre-inspected in the country of origin, there is no more inspection. So, why is Kenya an exception? These stringent measures have pushed many businessmen into the oblivion of business. The Government talks about eradication of poverty and when it puts these stringent measures on pre-shipment inspection both in the country of origin and here, it keeps businessmen out. So, I would like to ask the Minister to consider synchronising these conditions with those of the entire region of East and Central Africa and, in fact, the whole world. I would like to urge the Assistant Minister to ensure that we move on like other countries.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you, Mr. Temporary Deputy Chairman, Sir, for giving me this opportunity to comment on this amendment.

Maybe, I should assure hon. Members that by rising up, I do not close the debate on this particular amendment, but I certainly oppose it. As pointed out by one of the other speakers who spoke earlier on and I believe it was Dr. Kituyi, this amendment will preclude the agencies of the Government from inspecting imports. It will exclude the KRA and the other agencies. I would also like, because it seems like the debate or the argument is shifting towards the SWIPCO, to point out to hon. Members that the pre-shipment arrangements that we have are temporary. With time, all works relating to inspection, valuations and so on will be done by the KRA and the Customs people. So, it seems that while we have a temporary situation, the solution would not be to have a permanent arrangement within our laws. I am sure Members have other avenues to correct that, other than bringing an amendment to the Finance Bill. As I said, it is important for our customs people to inspect imports, much as we believe that the pre-shipment companies are doing valuable work. At the end of the day, it is the Government that determines values and other aspects of imports. Inspection also include non-valuation and enforcement of laws against contraband goods and matters of fraud.

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Chairman, Sir. Considering that we want to be very fair to the hon. Assistant Minister, and deal with as many of his proposals as possible; and in light of our interest to deal with the "kumi kumi" tragedy, would it be in order to request the Chair to put the question now?

The Temporary Deputy Chairman (Mr. Musila): I thought Mr. Arap-Kirui was explaining. We heard the other side. It is fair to let hon. Arap-Kirui finish!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you, Mr. Temporary Deputy Chairman, Sir. I think you are right that the other side had quite a bit of say. But I will keep my comments very brief. The gist of the amendment is to preclude the Kenya Revenue Authority (KRA) from doing its work. The other thing is that pre-shipment arrangements were temporary. Further, if the concern is about the SWIPCO, as far as I know, the inspections are scheduled to end at the end of this year. It seems to me that it would be superfluous to make all these

amendments. With those few remarks, I beg to oppose the amendment.

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

(The new sub-clause was read a Second Time)

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

The Temporary Deputy Chairman (Mr. Musila): I will give hon. Mwiraria a chance because he wants to introduce an amendment to the amendment!

Mr. Mwiraria: Mr. Temporary Deputy Chairman, Sir, I fully share the view that, as the amendment presently stands, it rules out the possibility of inspection even by the customs officials.

I also agree that the main reason for moving this amendment is to get rid of the SWIPCO. They earn money which cannot be justified in any way. During the last nine months, they earned Kshs27 million! When we question the custom officials, they do not know how the invoices are levied. Nobody knows what happens in Mombasa, although they are the one who are being inspected.

So, I would like to suggest that we add the following at the end of the present proposal to read as follows:

"Any goods which have been subjected to pre-shipment inspection and against which a certificate of such inspection has been issued, shall not be subject to any further inspection, except by officers of the KRA".

With those few remarks, I beg to move.

*(Question of the amendment
to the amendment proposed)*

Mr. N. Nyagah: Mr. Temporary Deputy Chairman, Sir, while supporting the amendment to the amendment, the original intention of the Government was not for SWIPCO to do thorough check of goods, but rather, the paperwork. But because it has been noted that, that is a siphoning way to get money for various people in the Government, we all agree that, this amendment should go through.

Thank you.

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

(Clause 6 as amended agreed to)

*(Clauses 7, 8, 9, 10, 11, 12, 13,
14, 15 and 16 agreed to)*

Clause 17

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 17 be amended by deleting paragraph (b)(v) and inserting the following new paragraph -

(v) by deleting item 37 and substituting therefor the following new item -

37Chemically Defined Compounds used as Fertilisers Calcium Nitrate, Magnesium Sulphate, Magnesium Nitrate, Potassium Nitrate, Plant Nutrient Chelates (Iron, Zinc, Sulphur, Calcium, Molybdenium, Copper, Magnesium, Manganese and Boron) or such other compounds as the Minister may approve, which are used as fertilisers and which the Commissioner is satisfied, upon the recommendation of the Director of Agriculture, are for agricultural use, in such quantities and on such conditions as the Commissioner may specify.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we have many amendments on Clause 17. We will deal with one amendment after the other one. So, I have just given the Assistant Minister a chance, and his amendment is on page 452 of the Order Paper. We shall dispose of that amendment before we move on to other amendments.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, the intention is to close loopholes that existed before, when fertiliser, which is meant to benefit from importation free of duty, was not strictly defined. In this case, we are naming the chemicals that qualify as fertiliser. Anything not listed will not be imported duty-free. We are closing what was previously rather ambiguous. With those few remarks, I beg to move.

(Question of the amendment proposed)

Dr. Kituyi: Mr. Temporary Deputy Chairman, Sir, I do appreciate that the Assistant Minister wants to close one of the ambiguities that have been used in the past. But I do know whether these ambiguities have been there by accident. It is the same Assistant Minister who had originally brought an exemption here for importers of raw sugar for refining in a country without a sugar refinery for raw sugar. Under those circumstances, I am very uncomfortable that in his proposed amendment, he wants to allow the Minister the leeway to define what "fertilizer" is so that it is insufficient to tighten up the loopholes. He has also included the provision that: "Or such other compounds as the Minister may approve." In this case, the Minister may start approving certain things that are not fertilizers, under the guise of fertilizers.

The Temporary Deputy Chairman (Mr. Musila): Do we have any comment?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I believe this provision is meant to accommodate any changes that may occur. We know that science is always on the move and new articles will come up that will qualify as fertilizers. We would like to give the Minister a leeway where it is indicated that any new chemical or even any existing ones which are not currently being used as fertilizers qualify to be used as such. I am sure that when the Minister makes such regulations, they will be made through our normal procedures that have been adequately set in place.

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, we really want to help the Assistant Minister, but he must help us to help him. If it is an afterthought, let him tell us that it is an afterthought and explain why it is so. If there are some hidden things, please, let him not hide them. Could the Assistant Minister explain to the House why he framed the Budget and the Finance Bill which have been before us here and now he is bringing this amendment here? What circumstances led to this proposed amendment? Let him just convince us!

An hon. Member: He cannot!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, as I said earlier on, the intention of this amendment is to remove an ambiguity that existed in the law. Maybe hon. Members want us to cast these clauses in stones as we present them. We are in a dynamic situation and, maybe, we need to remove suspicion from our minds. I think this is what is causing problems here. May I assure hon. Members that these amendments are brought with good intentions. As the saying goes; the taste of the pudding is in the eating thereof.

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I propose the following amendment to the amendment--

The Temporary Deputy Chairman (Mr. Musila): No, No! Order! Order, Mr. Kajwang! If you are to propose an amendment, you have to do it in accordance with Standing Order 106(2). If you were to give an amendment, you have to put it in writing. There is a proviso there which states that:

"Provided that, where an amendment has been moved to any part of a Bill in accordance with the provision of this paragraph, any hon. Member may move an amendment, to that amendment on delivering to the Chairman the terms of his amendment in writing."

So, you are out of order!

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

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

The Temporary Deputy Chairman (Mr. Musila): Hon. Members we now move to page 475 on the Order Paper, where we have the proposed amendment by Mr. David Mwiraria on the same clause, Clause 17.

Mr. Mwiraria: Thank you, Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 17 be amended by inserting a new paragraph (vii) immediately after paragraph (vi) and renumbering the rest consequently as follows:

Third Schedule
of Cap. 472

to the Customs and Excise
Act Cap.472 is amended as follows:

- (i) In the heading to paragraph 35 thereof, insert "Clerk of the National Assembly" between "Provincial Commissioners" and "and Judges".
- (ii) In the last line of paragraph 35, by inserting "the Chairman of the Parliamentary Service Commission, in case of the Clerk of the National Assembly", between "Provincial Commissioner" and "and the Chief Justice".

Mr. Temporary Deputy Chairman, Sir, those of us who have been here for some time will remember that when the Minister brought this Bill to the House last year, he had given the Duty-Free privilege to the Clerk of the National Assembly because he is at the same rank as the Permanent Secretary, Provincial Commissioners and judges of our courts.

For reasons which some hon. Members may remember, the Clerk of the National Assembly was deleted from that list. We have since appointed our own Parliamentary Service Commission which will be responsible for the appointment of the Clerk and in order to have an independent Parliament, we need a Clerk who is respected and who is given the same privileges which officers of similar rank enjoy in the Government Service.

(Applause)

It is for this reason that I am moving this amendment.

(Question of the amendment proposed)

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, we want to help the Assistant Minister. This is our budget after all! I quite do not understand the logic that excludes the Clerk of the National Assembly from the privileges that are afforded to other constitutional offices. The office of the Clerk of the National Assembly is a constitutional office! If we are giving these benefits to other similar offices, I see no reason why the Clerk of the National Assembly should be excluded.

In any case, we are also saying that, in fact, Parliament is taking a special position in our national affairs; that Parliament comes first. So, we cannot come first if our Clerk is still out there. I think I would like to persuade the Ministry and the Government to support this amendment.

Thank you.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you, Mr. Temporary Deputy Chairman, Sir. I would not like to be unreasonable, but there may be one or two things which we should take into account. As the Mover of this amendment did point out, it is the hon. Members who rejected the earlier proposal by the Government to bring in the Clerk of the National Assembly under this scheme.

There is also the second item of that amendment which I think is a duplication, because already the Chairman of the Parliamentary Service Commission is a Member of this House and, therefore, he already enjoys this benefit under that Head.

Mr. Temporary Deputy Chairman, Sir, while I would not oppose too strongly the first item, I think the second one definitely seems a bit superfluous and, maybe, the Member may wish to delete that from his amendment.

The Temporary Deputy Chairman (Mr. Musila): Mr. Mwiraria, the Chairman of the Parliamentary Service Commission is the Speaker and he is already benefiting. Do you have any comment on what he has paid? It has been accepted and so, do you have any reason why it is so? Does it really do any harm?

Mr. Mwiraria: Mr. Temporary Deputy Chairman, no.

The Temporary Deputy Chairman (Mr. Musila): Mr. Assistant Minister, it does not really do any harm, since he is the Chairman and we know it is Mr. Speaker, but here, he is being given another hat. Therefore, I think I want to put the Question. Please, I will put the Question.

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

The Temporary Deputy Chairman (Mr. Musila): Now, hon. Members, we still have another proposed amendment to Clause 17 on the next page 476 by hon. Ngure.

Mr. Ngure: Mr. Temporary Deputy Chairman, Sir, I intend to propose an amendment to Clause 17 to the Third Schedule. It is that the Third Schedule on part "A" be amended by deleting "full stop" and substituting it with the words "as long as the vehicle is not totally lost through theft or accidents during the said term".

Mr. Temporary Deputy Chairman, Sir, I think when it was decided in the other Parliaments that Members of Parliament and others who are entitled to duty-free cars facility would only get them within the life of the five-year

term of Parliament, it was not envisaged that Members of Parliament would be prone to thefts, carjackings or that they would be able to buy heavy, fast and duty-free cars which are very expensive. That is why the clause that was allowing them duty-free facilities did so, only for the life of Parliament and was silent about what happens when you lose your car through theft, accidents, carjacking or fire. So, it becomes a difficult situation that the Kenya Revenue Authority puts a caveat in---

The Temporary Deputy Chairman (Mr. Musila): Mr. Ngure, I will ask you to just put your point across, so that we move on since we are in the Committee Stage.

Mr. Ngure: Yes, Mr. Temporary Deputy Chairman, Sir. There is a caveat in the logbook which prohibits the insurance company to give you the full value of the insured amount, unless you pay duty on a car that is already a write-off or stolen. So, we find that we are in a dilemma in this situation, that should you lose your car, then you have no access to a second duty-free facility because the same has been lost in the previous car. Therefore, I propose the amendment.

(Question of the amendment proposed)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I strongly sympathise with the situation envisaged by this amendment. However, I think for record purposes, let me explain that already, there are within the present arrangements, facilities that would ensure that an hon. Member would still enjoy the right of duty-free importation of a car if an event such as envisaged here like loss through theft or accident occurs within that period. So, I would say again, this might be another one that might seem to be unnecessary. While I sympathise fully with what the Member is saying, I think it is not one that I would recommend to the Members.

Mr. Oloo-Arango: Thank you, Mr. Temporary Deputy Chairman, Sir. Hon. Ngure is a living example of the tragedy that happens to a Member when a car is carjacked. We have also had other cases where there have been thefts and the car cannot be retrieved. What we plead for here is not sympathy. We want to put it in law. All that the House is asking the Assistant Minister is: Let us be realistic and put this in our laws, so that there is no doubt whatsoever what happens in the tragedy as the one which has been mentioned? We are taking care of what would happen in the future as has already happened to our good friend, hon. Ngure. So, we really do not need sympathy. Let us go on and put it in law.

The Temporary Deputy Chairman (Mr. Musila): So, can I put the Question so that we make progress?

Hon. Members: Yes.

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

(Clause 17 as amended agreed to)

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

(Clauses 18 and 19 agreed to)

Clause 20

The Temporary Deputy Chairman (Mr. Musila): Now, on page 475, hon. Kajwang is proposing an amendment to delete Clause 20, Item 13, which the Assistant Minister is proposing to amend. So, do we start with the Assistant Minister's or with the deletion?

Hon. Members: Mr. Temporary Deputy Chairman, Sir, start with the deletion.

The Temporary Deputy Chairman (Mr. Musila): Okay, Mr. Kajwang!

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-
THAT, Clause 20(13) be deleted.

Mr. Temporary Deputy Chairman, Sir, Clause 20, Item 13, provided that public service motor vehicles of carrying capacity exceeding 25 passengers and goods carrying motor vehicles of tonnage exceeding five tonnes of an age exceeding eight years be prohibited. That is the intention of the amendment. The reason given by the Minister if you read his Budget Speech was that, he recommended that these vehicles be prohibited because if they were allowed into the Kenyan market, they would cause accidents.

An hon. Member: And pollution!

Mr. Kajwang: It did not talk about pollution. If you refer to page 33 of the Minister's Speech, the reason he

gave for this amendment for excluding these vehicles which are eight years old was that they are likely to cause accidents. First of all, I want to say that is not a good reason. This is because what he is talking about are matatu vehicles, the Nissan type, which we know ply our roads and also lorries. He is saying that when they are eight years old, they are likely to cause accidents. However, I know for a fact, that accidents are not caused by old vehicles, but actually by new vehicles. If you wish to establish the reasons why *Shaggy bus* got an accident, it was because it was fast, new and being driven on bad roads. So, it tried to avoid a pothole and it had that fatal accident and ploughed into an *Akamba* bus. The reason given by the Minister is not convincing. There must be a real intention why he was bringing this amendment. I think the real intention is to exclude poor Kenyans, especially those who have been retrenched, from buying Nissan vehicles and doing business here. You cannot do business if you buy a new Nissan because you cannot get the money or the finances. If you get the finances, it will be too expensive and our people need these Nissan vehicles. After eight year old vehicles are inspected abroad, the engine is just as good as new. That is why they are certified. So, this amendment is dishonest and it is likely to injure our people and promote multi-nationals who are assembling vehicles locally and selling them. We do not have that kind of money. My amendment is to delete Clause 20(13).

With those few remarks, I beg to move.

(Question of the amendment proposed)

Mr. Mwakiringo: Mr. Temporary Deputy Chairman, this clause should be deleted because it is ill-intentioned. The question here is not the age, but the use. In any case, a buyer who is buying a vehicle which is more than eight years old personally inspects it until he is satisfied that it is roadworthy. If this clause remains here, I would like to support my colleague that the Minister is denying other Kenyans an opportunity to own vehicles in this country. We need more people to buy vehicles in this country and most of the vehicles coming into this country are all in good condition. As I said earlier during the debate on The Finance Bill, this clause was put specifically to protect some interested parties who own motor companies like the CMC. It was slotted in so that the Kenya Bus Service cannot import buses from South Africa.

With those few remarks, I beg to support.

Mr. Shill: Mr. Temporary Deputy Chairman, I would also like to support this amendment. Two years ago, the Kenya Government made it a mandatory requirement for all imported, used and reconditioned vehicles to be inspected for road worthiness. I think that was enough. There are so many locally assembled vehicles which are not roadworthy. Why can the Minister not take those vehicles out of the road? I think the intention is to kick out dealers of used motors vehicles out of the motor industry. However, these are the people that the common man depends on, for instance, the farmers and matatu owners.

I beg to support.

Mr. Mbela: I think these vehicles are extremely useful. They have actually transformed our rural areas because the farmers can afford them. They also need them to take their goods to the market. In any case, these vehicles are given a major overhaul before they are brought into the country. I think this was a bad proposal by the Minister for Finance. We support the amendment.

(Applause)

Mr. Raila: Mr. Temporary Deputy Chairman, I fully support the amendment. If the intention was to promote local assembly of vehicles, one would understand. Most of the local motor assembling companies in this country are nearly 20 years old and yet they still continue to import components from outside. They continue to exploit cheap labour here and to sell their assembled vehicles at higher prices than those imported from outside. For this reason and the fact that we want to make transportation cheaper and affordable to the majority of our people, I support the proposed amendment.

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Chairman, I just want to raise an issue which I think needs to be clarified before we put a vote on this. On page 452, there is the Minister's amendment which also deals with Clause 20, Item 13. It is talking about Left Hand Drive vehicles. Hon. Kajwang has also brought the amendment on Clause 20, Item 13 but he is talking about the age of the vehicles. I am pleading to the House to look at the two amendments and harmonise them. If the issue is the element of eight years, why do we not make it 10 years as a proposition but then look---? We have to be heard.

Hon. Members: No!

The Temporary Deputy Chairman (Mr. Musila): Order! Order! Hon. Members, give the Minister a chance.

The Minister for Information, Transport and Communications (Mr. Mudavadi): If we look at the two amendments, there are two issues. One that deals with the Left-Hand-Drive vehicles which has been brought in by the Minister. Then, there is hon. Kajwang who wants it deleted in totality. This means that the amendment being proposed

by the Minister would be completely negated. Let us look at it in terms of merit as to the aspect of the Left-Hand-Drive vehicles as well. That is the proposition I want to put across.

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman. We will run into some procedural problems over this one. It is going to come again in some other clauses. So, we better be very clear about what procedure we follow. If we delete this clause now, then the other amendment cannot come. As the Minister says, there appear to be two issues which have their own merits and demerits.

I think it is the question of the House agreeing in which order we want to dispose of the amendments so that we do not sacrifice the two issues. But I think on the question of age, the House is agreed. If there is an amendment in which the clause has been deleted, in which case under Standing Order No.106(3), we may have a problem, but a further amendment is allowed. Why were the amendments not done in the order in which they appear on the Order Paper? That is normally the procedure.

The Temporary Deputy Chairman (Mr. Musila): Obviously, hon. Members, if this proposal to delete is carried, there will be no question of amending the clause. There will be nothing to amend because it will have been deleted. Be it as it may, I think we started with that one because it was the wish of the House. But I think we can still find a compromise on this.

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman. Since it is the question of procedure only and we are agreed in principle, may I propose that we take the Minister's amendment first and then come to the other one?

The Temporary Deputy Chairman (Mr. Musila): But we have already started deliberating on this one. We cannot put it aside and start another one. Either we find a working ground or--Let us give the Minister a chance.

The Minister for Tourism, Trade and Industry (Mr. Biwott): Mr. Temporary Deputy Chairman, Sir, I think there are two issues here. One is the question of the Minister's integrity. I think it was said here that the Minister was dishonest. I do not think that, that was his intention; he must have honourable intentions.

Secondly, we are talking about eight-year old vehicles imported into this country after being used elsewhere for some time. Such vehicles enter the country when they are in good condition. There are lots of such vehicles of different makes.

Mr. Keriri: On a point of order, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): What is it, Mr. Keriri?

(Several hon. Members stood up in their places)

Hon. Members, may we have some order? Eng. Muriuki, will you sit down, please? I think we started very well; every one has to be heard. Also, the Minister was on a point of order. So, what did you want to raise, Mr. Keriri?

Mr. Keriri: Mr. Temporary Deputy Chairman, Sir, I rise to seek guidance from you. You have just said: "Let us sort out how these two proposed amendments are related". We were in the process of sorting out the first one, when the Minister stood up and started arguing on the proposed amendment that we had been debating already. You said that if we debated and passed the proposed amendment, the Minister's proposed amendment would not have a chance to be debated, and that it would be superfluous for us to do so. So, we were to sort out that matter before debating the matter the Minister is arguing about. Could we sort out that matter?

The Minister for Tourism, Trade and Industry (Mr. Biwott): Mr. Temporary Deputy Chairman, Sir, actually, mine was in defence of the Minister.

Hon. Members: On a point of order, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Order! Order, hon. Members! I will give you an opportunity to raise your points of order.

Hon. Members: When?

The Temporary Deputy Chairman (Mr. Musila): But a point of order has already been raised by hon. Keriri. We cannot have another point of order before we dispose of that one first.

Eng. Toro: On a point of order, Mr. Temporary Deputy Chairman, Sir. My point of order is on the procedure. We have been dealing with an amendment; we cannot leave it in abeyance and proceed to another amendment.

The procedure is that the Minister can only move an amendment to the amendment as it stands, so that we dispose of the matter. However, we cannot proceed to a new amendment, leaving the original amendment we have been dealing with in abeyance.

Hon. Members: On a point of order, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Order! Order! Let me clarify this issue. What I said is that if we proceeded and passed hon. Kajwang's proposed amendment, we would not amend that amendment again, and it was suggested that an amendment to this particular proposed amendment be proposed; that can be done. We were looking for a common ground, as we have done in the past. I think we have done very well since we started.

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman, Sir. I had not looked at the Minister's

proposed amendment. The Minister's proposed amendment, on page 452, has the element of hon. Kajwang's proposed amendment, which we seem to be in agreement with. Also, the Minister's proposed amendment has the element of all left-hand drive motor vehicles. I would think that if we passed hon. Kajwang's proposed amendment, it would serve the purpose of Clause 20(a) Item 13(ii). So, really in my view, there is no contradiction, unless the Minister explains further.

My view and the feeling I have is that hon. Members are not going to accept importation of left-hand drive cars. Therefore, if we are going to reject that, and yet we pass hon. Kajwang's proposed amendment, we will have met the requirement of this particular proposal.

The Temporary Deputy Chairman (Mr. Musila): Right! Could I now ask hon. Mudavadi to clarify on this issue?

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Chairman, Sir, I think we are coming closer to some agreement here. I, therefore, propose that hon. Kajwang's proposed amendment, which is "That, Item 13 be deleted", be further amended to read:-

"THAT, Clause 20(a) Item (13)(ii) be deleted."

That way, we will have dealt with the age aspect, which was the primary objective of Mr. Kajwang's proposed amendment. Thereafter, we can go back to the issue of left-hand drive vehicles.

Hon. Members: No!

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, that was just a proposal. Could you let the Minister explain further on it? I will give you chance to say whatever you may have to say thereafter.

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Chairman, Sir, the issue here is that we had two aspects. The Minister's proposed amendment, on page 452 of the Bill, brings in the element of left-hand drive vehicles.

Mr. Temporary Deputy Chairman, Sir, Hon. Kajwang's proposed amendment was primarily focused on the question of the age of the vehicles, which was eight years.

So, what I am proposing is that we dispose of the issue of the age first, by dealing with Item 13(ii) of Clause 20(a) and then come to the Minister's proposed amendment, which is on the aspect of left-hand drive vehicles, and then dispose of it.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, let me explain this although I think the Minister has been very clear. Instead of deleting the whole of the Item under Clause 20(a), it is proposed that we delete only Item 13(ii), which deals with hon. Kajwang's intention in proposing his amendment. If we do this, we will have taken care of Mr. Kajwang's intention and left the other aspect. So, can I now put the question?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Chairman, Sir. I understand what you are trying to do, but what we are amending is the Finance Bill and not the Minister's proposed amendment.

The Temporary Deputy Chairman (Mr. Musila): No, no, please!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, in the Finance Bill, there is no Clause 20(13)(i) or (ii). Maybe, I need to be guided on this.

The Temporary Deputy Chairman (Mr. Musila): You are right, Mr. Assistant Minister; there are no Sub-Items (i) and (ii) in Clause 20(a) of the Bill.

Mr. Kajwang: On a point of order, Mr. Temporary Deputy Chairman, Sir. The Minister's proposed amendment is not only on the age limit of vehicles to be imported into this country. After taking care of the age factor, the Minister has included a long proviso, which deals with matters such as "in transit, imported for personal effects, imported for returning Kenyans in foreign missions, imported as personal effects", among others. All this gives discretion, which we do not need; we want to strike out this prohibition.

The Minister for Tourism, Trade and Industry (Mr. Biwott): On a point of order, Mr. Temporary Deputy Chairman, Sir. In order to do justice to this amendment, it would be better for us to accept the original proposed amendment by hon. Kajwang, so that we delete the whole of Item 13 of under Clause 20(a).

(Applause)

Of course, we should also accept that the Minister did not have any hidden agenda in proposing his amendment.

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

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we have a further proposed amendment to

Clause 20(b), on the same page.

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 20(14) be amended by inserting the following proviso:-

"Provided that in cases where the second-hand tyres are imported by retread factories for the manufacture of retread tyres, the same shall be exempted from prohibition."

Mr Temporary Deputy Chairman, Sir, when the Assistant Minister gave the reasons why he was prohibiting the importation of used tyres, he said that used tyres are likely to cause accidents, and for that reason, he prohibited them. But you will recall that most of the Members in this House buy retreads because they cannot afford tyres produced by Firestone East Africa Company Limited and Michelin Tyres. So, you will also recall that the only people who manufacture new tyres are Firestone East Africa Company Limited and they are the ones who supposedly import other types of tyres like Good Year and Michelin, among others. We are trying to say that there is a big industry in this country, of retreaders, which employs more people than Firestone East Africa Company Limited because they make retreads for some of us who cannot afford new tyres. That is why we are suggesting that the Government allows second-hand tyres to be imported to this country for the purpose of manufacturing retreads, so that our people are kept in employment and those of us who are not very well endowed can buy retread tyres.

(Question of the amendment proposed)

The Temporary Deputy Chairman (Mr. Musila): Mr. Assistant Minister, I can see that you have a proposal. Hon. Members, there is another proposed amendment by the Assistant Minister on page 453, and I thought that it is more or less the same as that one of hon. Kajwang. Could we hear from the Assistant Minister?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, part of the problem that we have in the House is the fact that we are out of sequence in dealing with the matters on the Order Paper.

The Temporary Deputy Chairman (Mr. Musila): No! What do you mean?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, this is because my proposed amendment is similar to the amendment proposed by hon. Kajwang.

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister is saying that there is a problem of sequence. It means that I should not have brought this amendment if I saw his. I would like to inform the House that I brought this amendment before the Ministry brought theirs. Their amendment was received yesterday.

The Temporary Deputy Chairman (Mr. Musila): Mr. Arap-Kirui, I think Mr. Kajwang is right. There is no problem in the sequence. So, may you please continue!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, as I was saying, the amendment that we proposed is similar to the amendment proposed by the hon. Member except that we would like to ensure that the people enjoying the exemption are established tyre retreaders and that the second-hand tyres that are imported meet our standards as set out by Kenya Bureau of Standards (KEBS). So, maybe, if that is in order with you, we can take the appropriate amendment.

The Temporary Deputy Chairman (Mr. Musila): Are you proposing a further amendment?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Yes, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Mr. Arap-Kirui, the House is not clear about what you are saying!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, we are not opposed to the amendment by the hon. Member except that we need to fine-tune it.

Mr. Wamae: Mr. Temporary Deputy Chairman, Sir, having been involved in retread business, I would like to say that the Assistant Minister's amendment is the right one. There are very many types of second-hand tyres which have structural defects, and if you import them and retread them here, they can be dangerous, to our people, on the roads. So, it is good that we have standards for them as the Assistant Minister has proposed here, but we should allow them to be imported.

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, I am glad that at least, in principle, we are in agreement over this clause. I would like to propose an amendment that we lift the words in the Assistant Minister's amendment - the last words on page 453 which start by "subject to meeting KEBS requirements" and add them to hon. Kajwang's amendment after the words "prohibition."

Dr. Ochuodho: Mr. Temporary Deputy Chairman, Sir, I am wondering as to when the KEBS established to have standards for second-hand goods. To the best of my knowledge, we only have standards for new products. You cannot have "second-hand" standards.

Mr. Raila: Mr. Temporary Deputy Chairman, Sir, I know something about standards. Let us not demean our KEBS by making them go and look for standards for retreads. That is not the work of the KEBS. The KEBS should set

quality standards for manufacturing, and that is the question of raw materials for retreading. So, let the KEBS ensure that the raw materials that are being used on the factory floor meet the requirements, but let us not put it here as a requirement for an importer, because that is something that will be subject to abuse. You are only going to create another avenue for somebody to go and corrupt the manufacturers and retreaders. So, I prefer the original amendment by hon. Kajwang; that is we exclude the tyres that are coming in as raw materials for retread without any provision that the tyres are subject to the KEBS testing.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we have two amendments. Mr. Anyona has already proposed an amendment on the Floor.

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, we were trying to look for consensus. If this is the way we want to go, I beg to withdraw the amendment.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, as I said, we agreed that we needed to import second-hand tyres for retread purposes. But, maybe, I stand to be guided. We should subject them to certain standards. I agree with the hon. Member that the KEBS may not have standards, but who has?

Hon. Members: Nobody!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, are we then going to declare that people should import whatever they like? We need some safeguards!

Dr. Ochuodho: On a point of information, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Who are you informing?

Dr. Ochuodho: Mr. Temporary Deputy Chairman, Sir, I would like to inform the Assistant Minister.

The Temporary Deputy Chairman (Mr. Musila): Mr. Arap-Kirui, do you want to be informed? It is for the Assistant Minister to decide whether he needs the information and not for Dr. Ochuodho, you to decide. Yes, Mr. Karauri!

The Assistant Minister for Education, Science and Technology (Mr. Karauri): Mr. Temporary Deputy Chairman, Sir, I wish to support the Assistant Minister's amendment because we must have some kind of standards. In fact, we should not be seen even to demean our own KEBS. If we demean the KEBS, then, we should find a way of substituting them. It is better to have standards that are abused than to open a leeway for anybody to bring anything that he wants.

The Minister for Tourism, Trade and Industry (Mr. Biwott): Mr. Temporary Deputy Chairman, Sir, on this question of second-hand tyres, I do agree that standards are set on the new tyres but the second-hand tyres should also have certain standards. As of now, there is a case going on between Ford and Firestone all over the world because of the number of lives lost through tyre bursts. I do not believe that our lives in this country are second-hand lives. We should not expose our lives to second-hand tyres which have got questionable standards. I would plead with the House: Let us look, first of all, at the quality of those tyres carry and then aim at having the best. If the tyres are retreaded, we can check their standards and can control them.

Mr. Katuku: Mr. Temporary Deputy Chairman, Sir, the issue here is very crucial as far as the material is concerned. We have discussed hon. Kajwang's amendment as it is, because here we are talking about the material itself. If anything, the Kenya Bureau of Standards (KEBS) should come in after the tyre has been put into retread, then they can check at that stage whether it is viable to go on the road or not. In that condition then we can move ahead.

Mr. Raila: Mr. Temporary Deputy Chairman, Sir, hon. Katuku has actually stated what I wanted to say. The KEBS should be concerned with the quality standards of finished products and not those of raw materials. The problem here, therefore, is that the retreaders are also using standards which have already been discarded by local motorists and the KEBS does not inspect those ones. Why should we now involve the KEBS in only the inspection of imported used tyres when they are not inspecting the local ones? The KEBS should test all retreaded tyres to make sure that they are serviceable and of good quality. Therefore, we do not need the KEBS to test the imported casings that will be used for retreading.

Mr. Mwenje: Mr. Temporary Deputy Chairman, Sir, in support of my sworn enemy here, it is common knowledge that anybody importing tyres will certainly go for those which can be retreaded because if you do not, they will be useless. The KEBS has let this country down in many ways. It cannot be a saviour at this stage. It has even let us down in the liquor industry where liquor has been consumed by people who are now dead. That does not give us any guarantee and, therefore, we should support hon. Kajwang's amendment.

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

(Clause 20 as amended agreed to)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 21 be amended by renumbering (b), (c) and (d) as paragraph (c), (d) and (e) respectively and inserting the following new paragraph (b) -
(b) in the definition of

"hotel" by inserting the words "other than those" immediately after the word "services".

This is a minor amendment to ensure consistency in the interpretation of definitions. Section 2, which is referred to in Clause 21, deals with definitions in that Act and that is merely to ensure consistency in its interpretation.

(Question of the amendment proposed)

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

(Clause 21 as amended agreed to)

(Clauses 22 and 23 agreed to)

Clause 24

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:

THAT, Clause 24 be amended by renumbering paragraphs (a) and (b) as (b) and (c) respectively and inserting the following new paragraph (a) -

(a) in sub-section (4) by inserting the words "other than those" immediately after the word "services".

This is a minor amendment that is meant to clarify the price of accommodation and restaurant services for VAT calculation. That is a brief explanation. It is a straightforward, minor amendment.

(Question of the amendment proposed)

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

(Clause 24 as amended agreed to)

Clause 25

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 25 be amended in paragraph (a) -

(a) by deleting the proposed subsection (1B) and substituting therefor the following new subsection

-

(1B) Where, under subsection (1) -

(a) a registered person deducts input tax in respect of business premises used in making taxable supplies; and

(b) subsequent upon such deduction, the whole or any portion of such premises is sold, disposed of or converted for use in making exempt supplies within five years from the date the input tax in respect thereof was deducted, such tax, or the portion thereof relating to the sold, disposed of or converted premises, shall be refunded to the Commissioner within thirty days of such sale, disposal or conversion:

Provided that where the premises are sold or disposed of, the input tax refundable by the registered person shall be deemed to be output tax for the purposes of the Act.

(b) by renumbering the proposed subsection (1C) as subsection as (a) (1D) and (a) inserting the following subsection (1C) -

(1C) Where the refund is not made by a registered person within thirty days, an additional tax equal to three per cent of the tax due shall be payable for each month or part thereof during which the tax

remains unrefunded.

The first section deals with the need to close loopholes in our laws where individuals, or companies qualified for input tax in the construction of premises that qualified for non-taxable services, in which case they did not pay tax. Under these provisions, if the building was converted to taxable services then the individual is expected to refund input tax.

A number of individuals or companies, instead of paying input tax, sell the subject property and thus avoid the payment of tax. This provision in part "a" is meant to close this loophole where the individual sales will still be required to pay input tax. That is the amendment in the first part that we proposed.

Part "b" is meant to set a time limit within which such a refund is made, so that it is not open. Here we are saying that it should be made within 30 days, otherwise, there will be certain penalties incurred. This is merely to streamline collection of tax and to close loopholes.

(Question of the amendment proposed)

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

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

(Clause 25 as amended agreed to)

The Temporary Deputy Chairman (Mr. Musila): Now, I would like to draw the attention of hon. Members to the fact that the new clauses will come at the end in accordance with the Standing Orders.

Mr. Wamae: On a point of order, Mr. Temporary Deputy Chairman, Sir. We have an amendment on page 455. It is on Clause 34(A).

The Temporary Deputy Chairman (Mr. Musila): That is a new clause and I did say that in accordance with the Standing Orders, new clauses are considered at the end.

Mr. Wamae, are you satisfied?

Mr. Wamae: Yes, Mr. Temporary Deputy Chairman, Sir.

(Clauses 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36 agreed to)

Clause 37

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 37 be amended -

(a) in paragraph (b)(ii) -

(i) by renumbering item 24 as item 23;

(ii) by inserting the following new subparagraph (iii) immediately after subparagraph (ii) -

(iii) 24. Mosquito nets.

Ready made mosquito nets.

(iii) by renumbering subparagraphs (iii) and (iv) as subparagraphs (iv) and (v) respectively.

(b) in paragraph (b), by deleting the proposed subparagraph

(ii) and substituting therefor the following new subparagraph -

(iii) by deleting item 26 and in inserting the following new item -

26. Chemically Defined Compounds Used Fertilizers Calcium Nitrate, Magnesium Sulphate, Magnesium Nitrate, Potassium Nitrate, Plant Nutrient Chelates (Iron, Zinc, Sulphur, Calcium, Molybdenium, Manganese and Boron) or such other compounds as the Minister may approve, which are used as fertilisers and which the Commissioner is satisfied, upon the recommendation of the Director of Agriculture, are for agricultural use, in such quantities and on such conditions as the Commissioner may specify.

The first amendment is meant to correct a numbering error and the second amendment on mosquito nets. The intention here is to exclude mosquito nets from being taxed under the VAT in order to make them cheaper and affordable to many of our people who would like to buy them.

(Question of the amendment proposed)

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

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

Mr. Mwiraria: Thank you, Mr. Temporary Deputy Chairman, Sir. Normally, the privilege of importing a duty-free car goes with the waiver of the VAT and this is really a follow-up to the earlier amendment so that the VAT is waived on the car imported by these people.

Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 37 be further amended by adding item (iv) immediately after (iii) as follows:

(iv) The Eighth Schedule of the Value Added Tax Act (Cap. 472) be amended as follows:-

(a) In the heading to paragraph 35 thereof, insert "Clerk of the National Assembly" between "Provincial Commissioners" and "Judges".

(b) In the last line of the paragraph 35, by inserting "the Chairman of the Parliamentary Service Commission in the case of the Clerk of the National Assembly" and "and the Chief Justice".

(Question of the amendment proposed)

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

Mr. Ngunjiri: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 37 be amended by adding a new paragraph (v) immediately after paragraph (vi)

THAT, the Eighth Schedule Part A be amended by deleting a "full stop" and substituting it with a "comma" and the words "as long as the vehicle is not totally lost through theft or accident during the said term."

I will explain the fate that Clause 17 was accorded.

The Temporary Deputy Chairman (Mr. Musila): The same as we did previously?

Mr. Ngunjiri: Yes, Mr. Temporary Deputy Chairman, Sir. This is on the VAT.

(Question of the amendment proposed)

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

(Clause 37 as amended agreed to)

Clause 38

The Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 38 be deleted and substituted with the following new clause: -

38. Section 2 of the Income Tax Act be amended -

(a) in the definition of "Management or professional fee", by inserting a comma and the word "agency" immediately after the word "technical";

(b) by inserting the following new definition in their proper alphabetical sequence-

"agency fees" means payments made to a person for acting on behalf of any other person or group of persons, or on behalf of the Government and excludes any payments made by an agent on behalf of a principal when such payments are recoverable;

"consultancy fees" means payments made to any person for acting in an advisory capacity or providing services on a consultancy basis; "contractual payments" means payments for work done in respect of building, civil or engineering work. Again, this deals with Section 2 of the Income Tax Act which deals with definitions. The intention here is to widen and clarify on who pays Withholding Tax particularly, as it relates to management and professional fees. Again, this is to assist in revenue collection.

(Question of the amendment proposed)

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

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

(Clause 38 as amended agreed to)

(Clause 39 agreed to)

Clause 40

Mr. Murungi: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the following new Sub-clause 40 be amended by introducing a new Clause 40(A) immediately after Clause 40.

New Sub clause 40A

THAT, the Income Tax Act, Cap. 470 be amended by deleting Section 17(A).

The purpose of this amendment is to abolish Presumptive Income Tax on all agricultural products. It is well known that Presumptive Income Tax is punitive, discriminatory, illogical and a big burden to the farmers in this country.

The tax is deducted from all proceeds payable to farmers before they are paid. The tax is also payable upon exports of all agricultural produce. If businessmen are taxed on their profits, why should we tax farmers even on losses? We find that very discriminatory. The tax is not paid on profits made by a farmer. It is paid on any receipts by the farmer. Even insolvent farmers pay that tax! The other issue is that even poor peasant farmers, who earn Kshs300 per month, pay the tax whereas people in salaried employment, who earn Kshs11,000, do not pay tax. That is discriminatory on the small-scale farmers in this country.

Lastly, we find it illogical to tax exports of agricultural produce. We pay compensation for exports of gold and other things. Why are we punishing farmers who produce foreign exchange for this country?

With those few remarks, I beg to move.

(Question of the amendment proposed)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, as put by the Members, it seems to be a popular proposal. But while we agree, and we do not strongly oppose the proposal by the Member, I think we need to properly point out what that amendment implies. In the 1998/99 Finance Bill, we had removed the Presumptive Income Tax (PIT). But because farmers, like everybody else, are required to pay tax where they have an income, they were required to make income returns. That meant that they were supposed to employ accountants to prepare the accounts to show their losses and profits, before they could be exempted from the taxes. If they had an income, the normal regulations of income tax were to apply.

But it was, in fact, the farmers' organisations which said: "We are fed up with the returns of income tax! Let us go back to the PIT!" That is where we are now. So, if Members feel strongly that we should not re-introduce the PIT, we need to warn our people that they have to keep accounting records. They have to make returns of income at the end of each year, and where they make a profit, they will be taxed like every other income earner. Where they make a loss, they will not be taxed. We do not have any strong objections, as long as Members understand that.

Mr. Ndwiga: Mr. Temporary Deputy Chairman, Sir, in the current Budget, this House passed a resolution that the tax bracket should exempt people who earn Kshs11,000 and below. Most of the farmers who are taxed under the PIT do not earn anything near Kshs10,000. I think we should do away with the PIT immediately, and find a way of taxing those farmers who earn more than Kshs15,000. Most peasant farmers in this country earn less than that.

Mr. Michuki: Mr. Temporary Deputy Chairman, Sir, I would like to add one point. If the Minister for Finance is confronted with requests from farmers about matters of taxation, first and foremost, before he considers that, he should bring a Sessional Paper for us to discuss. I say this because last Monday, I attended the annual general meeting of tea growers. They raised that issue. I said: "According to the Minister for Finance, you saw him and said that you would rather have the tax as opposed to making the returns". They all shouted back and said "no!" So, we do not know where the Minister got his information from! It is a matter of principle that this House should discuss the general principle of taxation.

The PIT has been coming, on and off, to this House. There are contradictions in the understanding of the

wishes of those who are affected. Therefore, if the Minister has to come with such proposals in future we need to discuss a Sessional Paper on the general principles of taxation, before they are sneaked into a Finance Bill.

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

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

*(Clause 40 as amended agreed to)
(Clauses 41 and 42 agreed to)*

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Chairman, Sir. I rise on a point of order under the provisions of Standing Order No.21, that the Chairman do report progress. Under the provisions of that Standing Order, if you are seized by the importance of a matter and you are in the Committee of the Whole House, a procedure which *mutatis mutandis* applies to the whole House's Sitting can be applied. I appreciate that we should not rush the Finance Bill. It is very important to us. I also appreciate that we may not be able to complete the amendments to the Finance Bill tomorrow. Therefore, consequent upon a notice I gave under Standing Order No.20 to the whole House, I wish to draw your attention to the provisions of Standing Order No.21, that the Chairman do report progress.

The Temporary Deputy Chairman (Mr. Musila): That is okay, but I would like to inform the House that the Speaker did say that if we do not finish the business in the Committee before 5.30 p.m., we could continue. Now, Dr. Kituyi has a right to propose what he has proposed. But I think it will not be in good faith because the Speaker was very clear! He said that if we finish before 5.30 p.m., you will renew your application for the Motion.

Mr. Wamae: On a point of order, Mr. Temporary Deputy Chairman, Sir. It is for the House to decide and not for the Speaker! If the House decides, that is, if majority hon. Members agree that the Chair reports progress, then we can go to these other items.

The Temporary Deputy Chairman (Mr. Musila): Yes, I do agree that the House can decide, but we are going as per the Standing Orders. I have already said that the Speaker did explain about this matter. In any case, Standing Order 21 under which hon. Dr. Kituyi has raised that issue, states as follows:

"If Mr. Speaker shall be of the opinion that, any such dilatory Motion---" That is the one hon. Dr. Kituyi is putting- "is an abuse of the proceedings of the House, he may forthwith put the question thereon or he may decline to propose it."

In this case, I will decline to put the question because the Speaker did undertake to have this matter discussed tomorrow in case we did not have time for it this afternoon. I think I have made a ruling and, therefore, we should proceed.

Mr. Mwenje: On a point of order, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Musila): Order! Mr. Mwenje, you are not questioning the authority of the Chair! The Chair has made a ruling in accordance with the Standing Orders. Therefore, we have to proceed!

Mr. Mwenje: Mr. Temporary Deputy Chairman, Sir, I am not questioning the authority of the Chair but alerting the Chair that it is breaking one of the Standing Orders. This is because the Standing Orders state that the Speaker's ruling should not override or even supersede our own Standing Orders.

It is very clear and hon. Dr. Kituyi has alerted you about the position; that the matter is of national importance, and urgent.

The Temporary Deputy Chairman (Mr. Musila): Mr. Mwenje, it is okay, but the Standing Orders in this book here give me the option to put the question or not. I have just said that I will not put the question. Therefore, it is completely in order.

So, we should proceed.

Clause 43

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

"THAT, Clause 43 be amended in paragraph (b) by deleting subparagraph (f) and substituting therefor the following new paragraph:-

(f)(i)consultancy, agency or contractual fee the aggregate value of which is twenty-four thousand shillings or more in a month, and the recipient is an individual other than an individual working under a registered business name or an individual whose Personal Identification Number and the amount payable have been recorded by the payer and submitted to the Commissioner;

(ii) consultancy, agency or contractual fee the aggregate value of which is two hundred thousand shillings or more in a month and the recipient is a person working under a registered business name and his Personal Identification Number is recorded by the Commissioner.

Mr. Temporary Deputy Chairman, Sir, this is a very simple proposed amendment which is merely meant to clarify, in law, areas where Withholding Tax will apply and thus simplify compliance and tax administration.

Mr. Temporary Deputy Chairman, Sir, in section II, the amendment seeks to waive the limit where Withholding Tax will apply for those with Personal Identification Numbers.

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

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

(Clause 43 as amended agreed to)

*(Clauses 44, 45, 46, 47,
48 and 49 agreed to)*

Clause 50

The Assistant Minister for Finance and Planning (Mr. Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

"THAT, Clause 50 be amended:-

(a) in paragraph (i), by inserting the words "or accounting year" immediately after the words "year of income" appearing in the proposed subparagraphs (2)(a) and (2)(b);

(b) in paragraph (ii), by inserting the words "or accounting year" immediately after the words "year of income" appearing in the proposed subparagraph (2)(B)

This is a straight-forward amendment to clarify the meanings of "year of income" and "the accounting period".

(Question of the amendment proposed)

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

(Clause 50 as amended agreed to)

The Temporary Deputy Chairman (Mr. Musila): There is a proposed amendment by hon. Michuki on page 474 of the Order Paper.

Mr. Michuki: Mr. Temporary Deputy Chairman, Sir, following the passing of the amendments brought by hon. Kiraitu Murungi in relation to which it was understood between him and myself that we would have both the suspender and the belt, I wish to withdraw that amendment.

The Temporary Deputy Chairman (Mr. Musila): The proposed amendment is accordingly withdrawn by hon. Michuki.

*(Clauses 51, 52, 53, 54, 55,
56, 57, 58 and 59 agreed to)*

Clause 60

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-
THAT, Clause 60 be deleted.

In this clause the Minister is, in fact, trying to make issuance of a cheque which is not honoured, a criminal offence. In the proposed amendment to Section 315 of Penal Code, the Minister says:-

"Section 315 of the Penal Code is amended by inserting the following new paragraph immediately after paragraph (a):

"(A)(a)... with the intent to defraud, draws or issues a cheque or other instrument in favour of a credit on account, (i) which has insufficient funds or other facilities thereof".

Mr. Temporary Deputy Chairman, Sir, this new offence is actually intended to put some of us in jail for no apparent reason. I think somebody is interested in by-elections.

The Penal Code, as it is, already takes care of fraud and it states as follows:

"Any person who, in incurring any debt or liability, obtains credit by any false pretence or by means of any other fraud, has already committed an offence".

So, why are we making a bouncing cheque an offence just to get rid of some of us? We should delete this amendment!

The Temporary Deputy Chairman (Mr. Musila): Order, hon. Members! I have to propose the Question before you can make a contribution.

(Question of the amendment proposed)

Mr. Mbela: Thank you, Mr. Temporary Deputy Chairman, Sir, I rise to support that proposal of deleting that clause. As you know, the banks have stopped doing any professional work. Instead, they have become Shylocks. Everytime you receive your statement, you will find some very petty charges all debited to your account.

At this particular time, when the economy is so tight, you could easily go and find that Kshs500 is missing from your account and the cheque has bounced. I think in a case like that, we should be able to tell the banks to be more efficient. They even charge you for depositing cash! If the banks are there to receive cash, why should they charge people for depositing?

The Temporary Deputy Chairman (Mr. Musila): Mr. Mbela, that is a different issue. May I ask the hon. Members who are making contributions to be really brief. Dr. Ochuodho!

Dr. Ochuodho: Mr. Temporary Deputy Chairman, Sir, I also want to support. In the situation whereby our courts are not so just, it is like the courts are meant for the poor and the politically-incorrect. Giving it more teeth will only work against the politically-incorrect. For the same reasons, you put money in the bank and because of these deductions, at some stage maybe, money has been removed without you realising.

I beg to support.

Mr. Mwakiringo: Mr. Temporary Deputy Chairman, Sir, I would want to support this amendment, simply because banks actually are now robbing people of their money through savings. When you deposit a cheque, they have to get a commission whatever you do. I think it is high time this clause was deleted.

Mr. Temporary Deputy Chairman, sir, in any case, we have heard, a few minutes ago, that even the National AIDS Committee issued a cheque to a certain Constituency AIDS Committee and it bounced! What would happen to that one?

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

(Clause 60 deleted)

Clause 61

The Temporary Deputy Chairman (Mr. Musila): There is an amendment on page 473 by hon. Mbela.

Mr. Mbela: Mr. Temporary Deputy Chairman, Sir, the reasons for deleting Clause 61 are the same as the ones for deleting Clause 60 because those two clauses go together. I propose that it should be deleted.

(Question of the amendment proposed)

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

(Clause 61 deleted)

(Clauses 62 and 63 agreed to)

The Temporary Deputy Chairman (Mr. Musila): There is a proposed amendment by Mr. Mbela on page 473.

Clauses 64, 65, 66, 67, 68 and 69

Mr. Mbela: Thank you, Mr. Temporary Deputy Chairman. I beg to move:

THAT, Clauses 64, 65, 66, 67, 68, and 69 be deleted.

These clauses were discussed by the Committee on Energy, Communications and Public Works, particularly in relation to a new Bill called the Petroleum Bill which will replace Cap.116 of the Laws of Kenya. If we are going to do a major overhaul of the petroleum industry, then there is no need of bringing in these amendments at the whims of multinational companies to penalise the small upcoming African entrepreneurs.

As a Committee, we feel that this should not be allowed and it should feature as part of the major overhaul when it does come.

I beg to move.

(Question of the amendment proposed)

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Chairman. These clauses are being sneaked into this law to frustrate the small-time petroleum dealers. If we were to retain these clauses, we would be aiding the multinational companies that are scooping a lot of money from this country. These are the same people who are hiking prices of fuel every time.

I beg to support.

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

(Clauses 64, 65, 66, 67, 68 and 69 deleted)

(Clauses 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89 and 90 agreed to)

Clause 91

The Temporary Deputy Chairman (Mr. Musila): There is a proposed amendment on page 473 by Mr. Ojode.

Mr. Ojode: Thank you, Mr. Temporary Deputy Chairman.

I beg to move:-

THAT, Clause 91 be amended by deleting Item No. 9 (nine).

I will be brief as to why I want this clause to be amended by deleting Item No.9. Last year, I moved a similar amendment and we agreed with the Minister that he would leave the Catering Levy Trustee to retrench its own staff. I told them that there is no need of forcing the Catering Levy Trustee to retrench 300 members of staff without giving them the so-called retrenchment package.

Mr. Temporary Deputy Chairman, Sir, I even said that there are those who are seated on the opposite side who wanted to buy the Kenya Utalii College. They want to transfer the functions of the Catering Levy Trustees to the KRA in order for them to buy the Kenya Utalii College. The Minister who is fronting to buy the Kenya Utalii College is here with us. The Permanent Secretary, Ms. Chemengich, also constituted an experts' committee and it recommended that: "Under Section 18 of the Hotels and Restaurants Act, Cap.494, the Catering Levy Trustees is a body corporate with perpetual succession and a common seal and, therefore, a State Corporation, pursuant to Section 3 of the State Corporations Act." The legal expert says that under Section 3 of the Kenya Revenue Act, Cap. 496, the

KRA is also a body corporate with perpetual succession. The co-existence of the two bodies corporate, under the umbrella of the KRA Act, is not tenable legally. In other words, there is no way we can transfer the functions of one parastatal, which is enacted through Parliament, to another parastatal which is also enacted by Parliament. It is not possible.

I beg to move.

(Question of the amendment proposed)

Mr. Odoyo: Mr. Temporary Deputy Chairman, Sir, the proposed amendment to Clause 91 seeks to transfer several activities to the Kenya Revenue Authority (KRA). The issue of the KRA taking over revenue collection from the Catering Levy Trustees, and leaving out the development aspects of the Trustees, is a problem. We need to look at this issue closely. The KRA wants to take over the collection of revenue from the Trustees, but does not want to pay attention to its development needs. This is an attempt to destroy most parastatals through the backdoor. We are still getting conflicting signals from the Government.

Mr. Temporary Deputy Chairman, Sir, at one time, we were told, by His Excellency the President, that the Kenya Sugar Authority would not be subject to KRA.

The Temporary Deputy Chairman (Mr. Musila): Order! Mr. Odoyo, we are debating Item No. 9 of the proposed amendment to this clause, and not Item 11. Mr. Kajwang will be the last one to contribute to this particular Item, and then I will put the question.

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I will be very brief in my contribution. The Catering Levy Trustees (CLT) was created to collect a levy. A levy is very different from tax and revenue; it is collected for a specific purpose. The CLT was created for a specific purpose - to develop our young people in skills related to hotel management and tourism.

Mr. Temporary Deputy Chairman, Sir, this particular proposed amendment seeks to give the mandate to the KRA to collect the catering levy as if it was a tax. Once the KRA collects that money, it will go to the Treasury, which will decide what to do with it. How will we develop the hotel industry? So, passing this amendment is tantamount to killing the hotel industry. The intention of this proposed amendment is not good.

Thank you.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I would like to oppose the amendment.

The Temporary Deputy Chairman (Mr. Musila): Are you opposing the amendment?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Yes, Mr. Temporary Deputy Chairman, Sir. I am doing so, principally because, I am afraid that the arguments put forward by the hon. Member are rather misleading. There is no intention whatsoever to disband the Trustees of the catering, training and tourism development levy. The change proposed is to transfer the mandate to collect that levy to the KRA, which will then hand over that revenue to the CLT.

Hon. Members: On a point of order, Mr. Temporary Deputy Chairman, Sir,

The Temporary Deputy Chairman (Mr. Musila): Overruled! Hon. Members, let the Assistant Minister finish his explanation, then I will give you a chance to raise your points of order.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, could hon. Members give me a chance to explain the proposed amendment rather than harbour their pre-conceived notions?

As I was explaining, the amendment we have proposed here is intended to maximise the collection of revenue. Within the KRA, we have set up parameters, which will ensure that the KRA does not utilise or retain more than 1.5 per cent of the revenue collected. Under the present arrangement with the CLT, they consume more than 25 per cent of these revenues. This means that we are introducing efficiency in the collection of the catering levy. So, eventually, more monies will be available for the development of the tourism sector as well as the smooth running and development of Kenya Utalii College rather than having it bought by somebody. Thus, we will be able to train even more of our young people. We wish to put the catering levy money where it is supposed to be. That is to put the money where it should be consumed within the bureaucracy.

I would have thought that, that is the sort of thing that hon. Members would like, and at the end of the day, there is also the Government to intervene. I believe that hon. Members are in agreement with us on that issue; - that we would like all revenue collection centralised so that we have it efficiently done. But at end of the day, these revenues are not going to be part of normal government revenue collection agencies. It is merely transmitted by the KRA to the

Catering Levy Trustees.

I beg to oppose the amendment.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we had better make progress. I will now dispose of the matter, unless some hon. Members have something to raise, which we have not heard.

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

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we have a further amendment to that clause by Mr. Ochilo-Ayacko, on page 473.

Mr. Ochilo-Ayacko: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 91 be amended by deleting Item 11 (eleven).

Mr. Temporary Deputy Chairman, Sir, the reason for the amendment as given by the Assistant Minister is to take over the collection of levies that are imposed on sugar-related products by the KRA. We are not certain that after these monies have been collected by the KRA, they will be brought back to the sugar industry that is currently collapsing. So, before proper modalities are put in place to return monies belonging to the sugar sector, it is not proper for this House to allow the collection of sugar monies to be done by the KRA.

With those few remarks, I beg to move the amendment.

(Question of the amendment proposed)

Mr. Sambu: Mr. Temporary Deputy Chairman, Sir, the Committee on Agriculture, Lands and Natural Resources is at an advanced stage - with the Ministry of Agriculture and Rural Development - in preparing a Sugar Bill which will, hopefully, be passed by the House and enacted into a Sugar Act. It will take care of sugar development, through the Sugar Development Levy. If we give that money to the KRA now, when we know that, that Act will be enacted soon, it will be toothless, and the sugar industry, as far as the sugar cane development is concerned, will never take off. Therefore, I support the proposed amendment by hon. Ochilo-Ayacko.

Dr. Omamo: Mr. Temporary Chairman, Sir, I also support the amendment. Sugar industry depends on sugar cane which is seasonal. You have got to plough, harrow, furrow, plant, harvest and transport that cane at the right time before it goes stale. That requires finance, and if it is held by the KRA, things will go wrong as they are wrong now. In fact, it will even be worse. Let KSA have that money so that the farmer can get access to it easily at the right time.

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, if you allow me, I will ask the Assistant Minister to contribute and, then, we put the Question.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, this is almost similar to what you are talking about in relation to the Catering Levy Trustees. Again, the intention here is to achieve a higher level of efficiency, and what is being put into effect under the Finance Bill is what has been agreed on between the KRA and the KSA. A bit of history will suffice here.

The Temporary Deputy Chairman (Mr. Musila): Be brief. Do not go to histories!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Until very recently, the Kenya Sugar Authority (KSA) used to charge very high taxes. It was 40 per cent on non-gazetted importers and 20 per cent on gazetted importers and local manufacturers.

Mr. Temporary Deputy Chairman, Sir, through consultation, which included the Kenya Revenue Authority (KRA), it was possible to lower this levy to 7 per cent. The KRA was mandated to collect this levy through its VAT Department and to remit it directly to the KSA for use in its normal work. What has been achieved through these consultations was to lower the rate because it was believed that KRA was more efficient. At the end of the day---

Hon. Members: On a point of order, Mr. Temporary Deputy Chairman, Sir!

The Temporary Deputy Chairman (Mr. Musila): Please let him finish.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Maybe the hon. Members might wish to listen to this. If, at the end of the day, we will end up levying a higher tax on the sugar cane farmers, because of what we are proposing here, I am not sure that is a wise decision.

We have 7 per cent to KSA for its own use. It is not part of normal Government revenue.

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

(Clause 91 as amended agreed to)

(Clauses 92, 93, 94, 95, 96 and 97 agreed to)

Clause 98

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, before the Minister moves the amendment, I request that once something has been said, we move on so that we can make progress.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 98 be amended in the proposed section 9 -

(a) by deleting the words "other than a transfer referred to in subsection 2(c)" appearing in subsection (4) thereof;

(b) by deleting the words "or in the case of a transaction effecting the transfer of assets and liabilities of an institution to another institution as contemplated in subsection (2)(c), by the relevant transferor institution and the receiving institution and" appearing in subsection (5) thereof;

(c) by deleting the expression "(8)" appearing in paragraph (a) of subsection (9) thereof and inserting the expression "(3)".

The intention here again is very simple; it is to remove superfluous phrases from the Bill.

(Question of the amendment proposed)

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

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

(Clause 98 as amended agreed to)

(Clauses 99, 100, 101 and 102 agreed to)

Clause 103

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, Clause 103 be deleted.

The amendment which the Minister proposes seeks to delete or repeal Section 44 of the Banking Act. Section 44 of the Banking Act states as follows:

"No institution shall increase its rate of banking or other charges except with the prior approval of the Minister".

This is the present state; that before you pay any bank charges, penalty fees or whatever they put there, which makes it impossible to repay, they should seek the approval of the Minister. But now, the Minister for Finance wants to remove this provision from the Act so that the banks can do what they like with us. This is why we support hon. Donde's Bill. This is a precursor to it.

(Question of the amendment proposed)

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Chairman, Sir. I rise to support the hon. Member and say that even now the banks are charging these indirect costs and the Minister is actually not controlling them. We do not want to give a blanket approval for the banks to continue doing what they are doing right now.

So, we support the amendment.

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

(Clause 103 deleted)

Clause 104

Mr. Ojode: Mr. Temporary Deputy Speaker, Sir, I beg to move:-
THAT, Clause 104 be deleted.

This clause talks of the same things that Clause 91 talked about. So, because we had already deleted Clause 91, I would request the indulgence of the Chair to delete Clause 104.

(Question of the amendment proposed)

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

(Clause 104 deleted)

*(Clauses 105, 106, 107, 108, 109,
110 and 111 agreed to)*

Clause 112

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-
THAT, Clause 112 be deleted.

My amendment is very simple. The benefits to the Export Processing Zone (EPZ) enterprises is provided for in the Exports Processing Zones Act, Cap.517. The benefits are as follows: They will be exempted from Value Added Tax, Excise Duty, Income Tax, Withholding Tax, Stamp Duty, Exchange Control and several other taxes. Why was this done? This was done so that we encourage investors to come to our country, go to Athi River or any other place which is declared an EPZ so that our people can be employed here and the goods are exported in order to get foreign exchange. Now, the Assistant Minister is sneaking a provision to almost negate what this "thing" was intended to do. He says:

"We are giving you all those exemptions because we want you to invest here provided that they shall not apply in respect of commercial activities of an EPZ enterprise not directly related to its manufacturing activities."

Look at what he does when he says, "commercial activities". He says that when you import rubber to make tyres and you do the packaging of that product, because that is part of the job you are likely to do there, you will be charged duty.

You will be charged Excise Duty and so on. So, it will be very difficult to determine what is "manufacturing" and what is "commercial activities." That is confusing to people who would like to come and invest in our country. They are likely to go to Uganda and Tanzania. We want them here! Our economy is collapsing and we would like people to invest here!

With those few remarks, I beg to move that the illegal proviso be removed!

(Question of the amendment proposed)

The Assistant Minister for Finance (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I think the hon. Member is misleading the House. The intention is not to undermine the provisions given to operators within the Export Processing Zones (EPZs). We want to avoid a situation where an EPZ manufacturer indulges in commercial activities which, strictly speaking, are not related to his operations. We want to protect operators within the EPZs to operate within the law and avoid any extraneous activities that would compete unfavourably with the operators in the local economy, outside the EPZ.

What we are trying to do is to keep the EPZ operators within the law as envisaged and not to allow them to have undue advantage over the other operators within the economy. I would have thought that hon. Members will support that. The intention is to generate, at the lowest cost possible, manufactured items for export and earn revenue for the country. The intention also is to provide jobs for our people, and not to allow back-door activities that undermine the strict operations of the EPZs. That is the intention, Mr. Temporary Deputy Chairman, Sir.

Mr. Sambu: Mr. Temporary Deputy Chairman, Sir, if the Assistant Minister deems that the EPZ Act is

deficient, the Attorney-General should bring an amendment through the Miscellaneous Amendment Act to amend it!

We do not want such things to be sneaked in through the Finance Bill! If there is a weakness in that Act, it should be brought for amendments here!

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

(Clause 112 deleted)

*(Clauses 113, 114, 115, 116, 117, 118,
119, 120, 121, 122, 123, 124, 125, 126,
127, 128, 129, 130 and 131 agreed to)*

Clause 132

The Temporary Deputy Chairman (Mr. Musila): We have two amendments here: One by hon. Anyona, to delete Clause 132, and another one by the Minister.

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, I want to raise a procedural point with respect to those two amendments. Whichever way we proceed with those two amendments, we may end up in the situation where we were with the other amendments so that whatever you do with one amendment, then the other one will expire or will be extinguished.

Now, I do not know how you are going to handle that because if, for instance, we take the Minister's amendment first and we approve that definition, then *ipso facto* my amendment lapses. I suppose the same argument will apply the other way round. So, I do not know how you are going to resolve that.

The Temporary Deputy Chairman (Mr. Musila): Well, obviously if we start with hon. Anyona's and it is approved, then the Minister's amendment will not be there. So, perhaps, if we can let the Minister make his amendment then maybe---

An hon. Member: No, No! Let hon. Anyona proceed first!

The Temporary Deputy Chairman (Mr. Musila): Okay, proceed hon. Anyona! I have no problem with that.

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, I want to make a general observation that, for the first time this year, more than any other year I can remember, the Finance Bill has been very badly used. It has been used to serve the purpose of a miscellaneous amendment process. There are a lot of laws which have been amended and they have nothing to do with the Finance Bill as such, and that has become obvious from the amendments that we have gone through. Now, this is one such amendment which I call mischievous and I want to give reasons for it.

Mr. Temporary Deputy Chairman, Sir, the definition of an actuary first came into our statute books on 1st January, 1987, when the first law dealing with this matter came into operation; that is the Insurance Act Cap. 487.

If you look at the definition of an actuary in that law, it talks about "a fellow of various places". Though that has been improved upon, it is the definition. Mr. Temporary Deputy Chairman, Sir, then come 1997, the Retirement Benefits Act came into being and it was necessary to introduce the provisions of an actuary in that law because we are dealing with a benefit. The definition that was in the Insurance Act was incorporated with what the law requires; you cannot have a definition in law which is different in one law from another. So, if you look at the 1997 Retirement Benefits Act, the definition of an actuary is again the same as in the Insurance Act.

An hon. Member: Put the Question!

Mr. Anyona: Just one point then you will be convinced. Then, this is where the mischief comes in. In last year's Finance Bill, totally out of the blue--- We know what was going on behind the scenes. People who did not qualify as actuaries, wanted the business. So, somehow, a definition was sneaked into the Finance Bill of last year, where an actuary was changed to include associates who were not qualified professionally. Then members of the profession made representations to the Treasury, the Attorney-General and even to the Finance Committee. I personally spoke to the Minister for Finance, the Attorney-General and the Finance Committee. So, the long and short of this thing is that, the law is being used to bring people into actuarial business who are not qualified and who will mess up with people's benefits. If there is one thing that we cannot afford to do, it is this one.

Mr. Temporary Deputy Chairman, Sir, I beg to move:-

That, Clause 132 be deleted.

(Question of the amendment proposed)

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

(Clause 132 deleted)

Clause 133

The Temporary Deputy Chairman (Mr. Musila): Members, there is a proposed amendment on page 473 by hon. Ojode.

Mr. Ojode: Mr. Temporary Deputy Chairman, Sir, I beg to move that this amendment be considered by the House. I want the amendment to be considered because it is mischievous and it wants to empower the Income Tax Act to regulate the benefits accruing to retirees which is the domain of the Retirement Benefits Authority Act No.3 of 1997. The Pensions Act does not stop the Income Tax Department at all, from collecting tax from anybody. You will agree with me that it is too clear that the exclusion of the Kenya Revenue Act is only meant to ensure that--- I summarise by saying that this---

I beg to move.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I think maybe, what Members might need to appreciate is the reasoning behind this proposed amendment which, unfortunately, when the Retirements Benefit Authority Act was enacted, it created certain conflicts with tax laws and this is where we are proposing to remove the limiting clause in the RBA Act on the Central Bank, Income Tax, Customs and Excise, VAT Act and other laws related to the protection and collection of tax revenue. It is not in any way, intended to affect the tax status of RBA or any other pensions body.

So, any ideas about the amendment wishing to take away benefits from any individual does not really arise. It is an issue that is meant to streamline the law, so that venue collections acts are above the RBA Act.

(Question of the amendment proposed)

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

(Clause 133 deleted)

(Clauses 134 and 135 agreed to)

New Clause

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a new clause be inserted immediately after Clause 34 as follows -

Amendment of the Fifth
Schedule to Cap. 476. 34A. The Fifth Schedule to the Value Added Tax Act is
amended in the manner specified in the Ninth Schedule to this Act.

(Question of the new clause proposed)

(New clause read the First Time)

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

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

(The new clause was read a Second Time)

(Question, that the new clause be added)

to the Bill, put and agreed to)

New Clause

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a new clause be inserted immediately after Clause 46 as follows -

Amendment of section 72C of Cap. 470.	46A. Section 72C of the Income Tax Act is amended in the proviso to subsection (2) by deleting the expression "one hundred thousand shillings" wherever it occurs and substituting therefor the expression "five hundred thousand shillings".
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The intention here is to raise the level of waiver that the Commissioner can exercise on interest and penalties from Kshs100,000 to Kshs500,000. This will make tax administration easier so that we do not have to refer to the Minister every time.

Mr. Temporary Deputy Chairman, Sir, until now, the limit for the Commissioner was Kshs100,000 and because of the general price level over the years rising, we think it is reasonable to raise this figure to Kshs500,000.

(Question of the new clause proposed)

(New clause read the First Time)

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

(Question, that the new clause be

read a Second Time, put and agreed to)

(The new clause was read a Second Time)

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

POINT OF ORDER

EXTENSION OF SITTING TIME

Mr. Murungi: On a point of order, Mr. Temporary Deputy Chairman, Sir. In view of the importance of the business that we are transacting right now, and the fact that today's sitting is about to come to an end; I would like to move a Motion that we extend the sitting until we complete the business of the House today.

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Chairman, Sir, I do second him.

(Question proposed)

(Question put and agreed to)

(Resumption of Debate on the Bill)

The Temporary Deputy Chairman (Mr. Musila): That is settled then. Let us move on to the next new clause.

New Clause

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman,

Sir, I beg to move:-

THAT, a new clause be inserted immediately after Clause 88 as follows -
 Insertion of 88A The Exchequer and Audit Section 5A in amended by inserting the
 Cap.412. following new section immediately after section 5-

Public 5A.(1)
 procurements. Notwithstanding any other provision of this Act or of
 any other written law to the contrary, the Minister may,
 in regulations, prescribe the procedure to be followed by any
 public entity in procuring goods or services out public moneys and
 may, in such regulations -
 (a) make different provisions in respect of
 different public entities;
 (b) prescribe financial penalties, not
 exceeding five million shillings, for the failure by any person or
 entity to comply with any of the requirements of such
 regulations.
 (2) In subsection (1), the expression "public entity"
 means -
 (a) the Government and any department, service or
 undertaking thereof;

[The Assistant Minister for Finance and Planning]

(b) any local authority established under the Local Cap.265 Government Act; any
 state corporation;
 (d) the Central Bank of Kenya established under the Central
 Bank of Kenya Act;
 Cap. 490 any co-operative society established under the Co-
 operative Societies Act;
 Cap. 210 (f) any college or school established under the
 Education Act;
 (g) any public university; and
 (h) any institution established through
 public voluntary contributions for the general welfare of the
 or community.

Mr. Temporary Deputy Chairman, Sir, the intention is to amend the Exchequer and Audit Act to give the Minister powers to prescribe procurement regulations to be followed by public entities.

We are all aware of the very serious problems that we have had in this area in as far as public entities are concerned. We think that, with time, they will be brought under control, co-ordinated and supervised by the Minister. Under the existing law, the Minister does not have authority to prescribe these regulations, and we seek this power for him.

The Temporary Deputy Chairman (Mr. Musila): Mr Assistant Minister, please, be brief.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, a clause also introduces penalties for any breach of the new regulation by public entities.

(Question of the new clause proposed)

(New Clause read the First Time)

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

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

(The new clause was read a Second Time)

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

New Clause

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the Bill be amended by inserting immediately after Clause 93 thereof a new clause as follows:-
93A Section 2 of the Insurance Act is amended by deleting the definition of "actuary" and substituting thereof the following new definition -

"actuary" means a person qualified as a Fellow or an Associate and registered as such by -

(a) the Institute of Actuaries in England; or,

(b) the Faculty in Actuaries of Scotland; or,

(c) the Canadian Institute of Actuaries; or,

(d) the Society of Actuaries of the United States of America; or,

(e) the Institute of Actuaries of Australia, or a person holding such equivalent qualification as the Commissioner may, by notice in the Gazette, prescribe.

(Question of the new clause proposed)

(New clause read the First Time)

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

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman, Sir. We have just deleted Clause 132. Part of the argument, again, applies to this one. In fact, that is why I referred to these proposals as "mischief".

My argument with the Assistant Minister was that we cannot have a definition in one law differing from that contained in another law.

Yesterday, the Government side tried to defeat that challenge by trying to amend the Insurance Act, so as to justify the amendment they proposed to Clause 132. That, really, is mischievous; I do not think we can allow that to happen.

The Temporary Deputy Chairman (Mr. Musila): Mr. Assistant Minister, in view of the fact that there has been a deletion, would you like to withdraw this proposal?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I would like to make my point despite the fact that the hon. Member has said something to the contrary.

The Assistant Minister for Information, Transport and Communications (Mr. Keah): On a point of order, Mr. Temporary Deputy Chairman, Sir. I would like to put forward my view on this issue, which is that, in professional organisations, you can have both an associate, which is the level of---

The Temporary Deputy Chairman (Mr. Musila): Order! Order!

The Assistant Minister for Information, Transport and Communications (Mr. Keah): Please, let me finish what I am saying, Mr. Temporary Deputy Chairman, Sir. In such organisations, you can have an associate and---

The Temporary Deputy Chairman (Mr. Musila): Order! Order! Mr. Keah, you are out of order. Let me make a proposal on the issue and then I will ask you to rise and put forward your argument.

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman, Sir. Standing Order No.106(3) says as follows:-

"No amendment shall be moved which is inconsistent with any part of the Bill already agreed, or any decision already made by the Committee, and the Chairman may, at any time, during the discussion of the proposed amendment, withdraw it from the consideration of the Committee if, in his opinion, the discussion has shown that the amendment contravenes the provisions of this paragraph".

So, procedurally, it is not possible for us to do what we are doing.

The Temporary Deputy Chairman (Mr. Musila): Well, I appreciate the hon. Member's guidance, but I am not sure--- If you look at what we have already deleted, which is Clause 132, and look at the proposed amendment, which is Clause 93A and which is an amendment to Section 2 of the Insurance Act, you will realise that this is, really, a definition.

Could we hear arguments from hon. Members on this?

Mr. Anyona: Mr. Temporary Deputy Chairman, Sir, if we have to pass this amendment, it will mean that we will be defining the term differently - in terms of the Insurance Act and Retirement Benefits Act - which you cannot do under the law. So, having made this decision - that the definition is the same as the Insurance Act and the RBA Act, and therefore, having rejected Clause 132, you cannot do that without contravening the law.

Dr. Ochuodho: On a point of order, Mr. Temporary Deputy Chairman, Sir. With due respect to hon. Anyona, he says that you cannot define the same thing differently in different laws. Which law is he referring to that prohibits different definitions in different Acts?

The Temporary Deputy Chairman (Mr. Musila): That is a tricky one. I have got the point, but let us hear from Mr. Keah.

The Assistant Minister for Information, Transport and Communications (Mr. Keah): Mr. Temporary Deputy Chairman, Sir, I would like to explain very clearly here that with regard to professional qualifications, normally, you begin with an "Associate" as the immediate qualification. Then after some years, you acquire a "Fellowship" which is a position acquired by virtue of having competence and certain recognised quality - usually after five years, or so - and after distinguishing yourself as a real competent professional. Usually, we have two cadres; One is "Associateship" and the other one is "Fellowship." Mr. Temporary Deputy Speaker, Sir, when I qualified as a Chartered Accountant---

The Temporary Deputy Chairman (Mr. Musila): But Mr. Keah, here we are talking of actuarial profession.

The Assistant Minister for Information, Transport and Communications (Mr. Keah): Mr. Temporary Deputy Chairman, Sir, that is right. I am talking about the actuarial profession which has the cadre of "Associate," which is the immediate lower cadre. Immediately after qualifying and after five years, he or she becomes a Fellow of the Institute of Actuaries.

Mr. Temporary Deputy Chairman, Sir, so by not permitting this to come into the law, we are foreclosing and demeaning that institute, and, therefore, this clause should not be permitted in the Bill.

The Temporary Deputy Chairman (Mr. Musila): Can we hear from the Assistant Minister so that we make progress?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I was going, basically, to put the same argument as put forward by my colleague, hon. Keah. It is unfortunate that we did delete Clause 132 without very serious thinking, but I think that we will be compounding the error if we were to proceed and delete everywhere. Rather than do that, I would say that let us discuss this particular clause under its own merit and maybe after hon. Members have reconsidered what they did under Clause 132, we could revisit that situation.

Mr. Temporary Deputy Chairman, Sir, as it is, I think we have a situation here where an individual would like to "corner" - unfortunately - the actuarial business because they are the only fellows in this country in it and shut out the others.

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman, Sir. The Assistant Minister is talking about a fellow wanting to "corner" actuarial business. Who is he referring to?

The Temporary Deputy Chairman (Mr. Musila): That is a question that he will answer later, but let us make some progress here. Can we let him finish? Mr. Assistant Minister, could you finish so that we make progress?

Mr. Angwenyi: On a point of order, Mr. Temporary Deputy Chairman, Sir. A Finance Bill is supposed to tell us ways and means of raising funds and not to make definitions. I am not engaging myself in mischief.

The Temporary Deputy Chairman (Mr. Musila): Order, Mr. Angwenyi! Instead of asking for a point of order, if you just stood up, you would have caught my eye and I would have asked you to contribute, instead of standing up and saying that it is a point of order, when you want to make a contribution.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, before we are able to collect revenue, we need to define what we are talking about. That is exactly what we are doing. Let us be very clear. I am not accusing the hon. Member because I am sure he is not an actuary. The effect of the proposal to limit the actuarial business to "fellows" only means that only one firm in the whole of this country can do the actuarial business which is ridiculous when we know that "associates" are as well qualified as "fellows." That is why we need these definitions to go into our laws. The fact that we made a mistake by deleting Clause 132 does not mean we should then compound it. I am sorry it was a mistake.

The Temporary Deputy Chairman (Mr. Musila): Order! Mr. Arap-Kirui, are you saying that we made a mistake? This House made a decision and you cannot say it was a mistake.

Mr. Raila: Mr. Temporary Deputy Chairman, Sir, I do not think it is a mistake, but probably you could say it is an error. I am the one who moved the amendment which was then deleted last year and with very good reasons because the other definition was very narrow. That definition only included institutes of actuaries in England and Faculty of Actuaries in Scotland. It left out these others like the Canadian Institute of Actuaries, United States and Australia. The substantial point here is "associates." Even the Institution of Engineers of Kenya admits fresh graduates as associates. They then become members and afterwards, fellows. Here, we are dealing with vested interests. There is a game of exclusion when in a narrow field like actuary we need to have a game of inclusion. We should not try to exclude Kenyans who have spent many years studying this specialised field just because they have not been allowed to become fellows of that institution by a few expatriates.

The Temporary Deputy Chairman (Mr. Musila): So, what do you propose, Mr. Raila?

Mr. Raila: Mr. Temporary Deputy Chairman, Sir, I am saying that I support this amendment.

Mr. Anyona: Hon. Raila has made a statement which is basically correct. Hon. Raila is the one who brought the amendment last year to change the definition of actuary. In his amendment, he did not introduce the term "associate". He made a broad amendment to describe a "fellow". He is absolutely right, but what we are dealing with now is totally different. We are bringing in a new element. There may be a good reason why a fellow should be included, but the manner in which it is being done---

Mr. Temporary Deputy Speaker, Sir, the Assistant Minister knows that we know some of the people who have been campaigning for this "thing" and it is because they are not qualified. If there is need to expand this area of business, then amend the substantive Act properly.

Mr. Kibicho: Mr. Temporary Deputy Chairman, a definition is what you have defined. If you want to define this Parliament as a "village of elders," that is what it will mean. We have a profession here which has got very few people. If we limit the number of people who can practise in this profession, the people who will suffer are Kenyans.

Mr. Muturi: Mr. Temporary Deputy Chairman, Sir, I want to be very brief in agreeing with the sentiments expressed earlier on by hon. Angwenyi. The purpose of the Finance Bill is to seek to show ways by which the Government proposes to raise revenue. We hope to be told what mischief, if any, the existing definition has so that it can be included in the Finance Bill and not in a Statute Law (Miscellaneous Amendment) Bill.

Mr. Keriri: Mr. Temporary Deputy Chairman, Sir, we are not happy with the way the Finance Bill is being treated. It is being used to bring all sorts of things which are confusing. We will forgo some very important aspects in that Bill because of the way it has been brought here. I would like to propose that since we deleted this clause elsewhere, arguments have now been made to, in fact, support--- What we need now is a Miscellaneous Amendment Bill in this House to correct the mistake. That is all.

For now, we will leave it at that, but the Attorney-General should bring a Miscellaneous Amendment Bill to correct these mistakes without thinking about the Finance Bill, which is very important. We do not want to confuse the Finance Bill with all these "things".

The Temporary Deputy Chairman (Mr. Musila): Hon. Keriri, we have heard you! Hon. Members, Mr. Keriri has also said that since we have deleted another clause elsewhere, we should delete this one. But I would like to make a ruling that in the previous one, we were dealing with the Retirement Benefits Act, while this one, we are dealing with the Insurance Act. That is why we have allowed this amendment to go on.

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

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

New Clause 36

Mr. Mbela: Thank you, Mr. Temporary Deputy Chairman, Sir. This House passed the Kenya Roads Bill in December, 1999. At that time, we highlighted that it was necessary to amend the Road Maintenance Levy Act No.9 of 1993. This was not done and as a result when we consulted the Minister for Roads and Public works, he advised us that it was necessary for that Act to be amended so that the KRA could collect the money and pay directly to the Kenya Roads Board, which would in turn disburse it to the District Roads Committees (DRCs).

As I stand in this House, I would like to categorically say that no money has been released to the DRCs. So, the earlier insinuation that hon. Members of Parliament were "eating" the money was mischievous.

Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, 136(1) Section 2 of the Road Maintenance Levy Fund Act (No.9 of 1993) is amended by deleting the words "officer administering the Fund means the Permanent Secretary to the Treasury or any person appointed by him in writing" and inserting the words "officer administering the Fund means the Chief Executive appointed by the Kenya Roads Board established under Section 4(1) of the Kenya Roads Board Act, 1999".

(2) Section 7(3) of the Road Maintenance Levy Fund Act is amended by substituting the words therein with the following;

"7(3). All monies accruing to the Fund from the levy and the transit tolls shall be paid into an account established by the Kenya Roads Board".

(3) Section 7(6) and 8(a)-(d) of the Road Maintenance Levy Act are deleted.

(Question of the new clause proposed)

Dr. Ochuodho: Mr. Temporary Deputy Chairman, Sir, while hoping that from this fund, once this clause goes through, money will be disbursed to the DRCs, could the Assistant Minister also take the opportunity to make a clarification. The Head of State was on record to have claimed that hon. Members took Kshs5,000 each and yet we have been told that no money has been disbursed.

Could he confirm to the country and the House that these hon. Members have not "eaten" any money that has got to do with roads contrary to what the President said?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I think we are in a very interesting situation. Only a few minutes ago, we were being asked to introduce extraneous matters under Miscellaneous Amendment Bill rather than the Finance Bill. It looks like where self interest is involved, we are willing to overlook many things.

Mr. Angwenyi: On a point of order, Mr. Temporary Deputy Chairman, Sir. Is the Assistant Minister in order to say that when we are proposing the amendments for the interest of the people of Kenya, it is self interest? We are doing it on behalf of the people of Kenya! Could he withdraw that remark?

The Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I used that adversely. I think there is self interest here without question.

Eng. Toro: On a point of order, Mr. Temporary Deputy Chairman, Sir. Is it in order for the Assistant Minister to mislead the House, when the Minister for Roads and Public Works said in this House that the amendment will be done in the Finance Bill? He, himself, never brought that amendment to the Finance Bill!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, much as the idea behind this amendment is good, I think the details of the provision would need refinement. I would have urged the Member to consult all the necessary authority to avoid conflict within the management of funds.

I beg to oppose!

The Temporary Deputy Chairman (Mr. Musila): Order, hon. Arap-Kirui! I must interject there! The notice of the amendment was given a long time ago! If you wish to bring an amendment to refine it, as you say, you are welcome to do that. But, be it as it may, I have no alternative but to put the question.

(New clause read the First Time)

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

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

(The new clause was read a second Time)

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

First Schedule

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman,
Sir, I beg to move:-

THAT, the First Schedule to the Bill be amended by inserting the following tariff numbers and descriptions in their proper sequence -

<i>Heading H.S.Code of No.</i>	<i>Tariff No.</i>	<i>Amendments to Text</i>	<i>Import</i>	<i>S.I.T.C. Unit Duty</i>	<i>Unit No.</i>
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CHAPTER 48

(a) In the Tariff Description to Tariff No. 4802.52.00 delete the expression "less than" appearing before the expression "40g/m²".

(b) In the Tariff description to Tariff Nos. 4802.53.00; 4804.31.00; 4804.39.00; 4804.41.00; 4804.42.00; 4804.49.00; 4804.51.00; 4804.52.00; 4804.59.00; 4805.60.00; 4805.70.00; 4805.80.00; and 4811.31.00 delete the expression "g/m²" and insert the expression "g/m²".

(c) Delete all references to Tariff No. 4805.60.00 and insert the following

new Tariff Numbers with

their corresponding Descriptions, Import Duty, SITC Number and Unit of Quantity.

48.05

4805.60 Other paper and paperboard, weighing 150 g/m² or less, in rolls or sheets, uncoated.

4805.60.10 Watermarked security paper.

30% 641 570 10
Kg.

4805.60.90
641 570 90

Other paper and paperboard 30%
Kg.

weighing 150 g/m² or less, in rolls or sheets, uncoated.

(d) In the Tariff description to Tariff No. 4806.10.90 delete the word "unprinted" and insert "printed";

(e) Delete all references to Tariff No. 4810.11.10 and 4810.11.90 and insert the

following new Tariff Number

[The Assistant Minister for Finance and Planning]

4810.11.00 with its
corresponding description,
Import Duty, SITC Number
and Unit of Quantity.
4810.11

4810.11.00	Weighing not more than	30%	641 320 00
			Kg.
	150 grams per square metre.		

(f) In Tariff No. 4810.31.00
delete the expression "more
than" appearing after the
words "and weighing" and
insert figure "150".

(g) In Tariff No. 4810.32.00
delete the expression
"150 g/m² or less" and insert
the expression "more than
150 g/m²".

(h) Delete all references to
Tariff No. 4811.21.00 and
insert the following new
Tariff Numbers with their
corresponding Descriptions,
Import Duty, SITC Number and
Unit of Quantity.

48.11

4811.21 Self-adhesive paper and
paperboard in rolls or
sheets other than goods
of the kind described in
heading No. 48.03, 48.09,
48.10 or 48.18.

4811.21.10	Self-adhesive paper and	15%	641 781 10
	paperboard in rolls or		Kg.
	sheets other than goods		
	of the kind described in		
	heading No. 48.03, 48.09,		
	48.10 or 48.18, unprinted.		

4811.21.90	Self-adhesive paper and	15%	
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641 781 90
Kg

paperboard in rolls or sheets other than goods of the kind described in heading No. 48.03, 48.09, 48.10 or 48.18, printed.

CHAPTER 85

Delete all reference to Tariff No. 8525.20.90 and insert the following new Tariff Nos. and their corresponding Description, Import Duty, SITC Number and Unit of Quantity.

85.25

8525.20

8525.20.91	Assembled or partly	25%	764 329 10	Number
assembled mobile phones (cellular phones).				

8525.20.99	Other assembled or partly	25%	764 329 90	Number
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assembled transmission apparatus incorporating reception apparatus.

CHAPTER 87

(a) In the Tariff description to Tariff No. 8701.20.10 delete the word "Assembled" and insert the word "Unassembled";

(b) In the Tariff description to Tariff No. 8701.20.20 delete the word "Unassembled" and insert the word "Assembled".

The amendments are meant to streamline the tax proposals. They deal with paper where we have local manufacturer rates raised. Where they are not available locally, rates have been reduced.

(Question of the amendment proposed)

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

(First Schedule as amended agreed to)

Second Schedule

The Assistant Minister for Finance (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman Sir, I beg to

move:

THAT, the Second Schedule to the Bill be amended by inserting the following tariff numbers, descriptions and rates of duty in their proper sequence -

<i>Tariff No.</i>	<i>Tariff Description</i>	<i>New Rate</i>
1005.90.00	Other maize (corn).	25% or Kshs.2.50 per Kg.
1701.11.90	Other raw cane sugar, not containing flavouring colouring matter, in solid form.	100% or Kshs.11.90 per Kg.
1701.12.00	Raw beet sugar, not containing added flavouring or colouring matter, in solid form.	100% or Kshs.11.90 per Kg.
1701.91.90	Other sugar of a polarimeter reading of 99.8 degrees or more containing added flavouring or colouring matter.	100% or Kshs.6.00 per Kg.
1701.99.90	Other sugar of a polarimeter reading of 99.8 degrees or more.	100% or Kshs.6.00 per Kg.
1702.30.10	Glucose and dextrose including syrup not containing fructose or containing in the dry state less than 20% by weight of fructose.	15%
2817.00.10	Zinc Oxide.	15%
3402.11.00	Anionic organic surface active agents.	15%
3702.94.00	Other photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed of a width exceeding 16mm but not exceeding 35mm and of a length exceeding 30m.	10%
4401.10.00	Fuel wood, in logs, in billets, 5% in twigs, in faggots or in similar forms.	
4401.21.00	Wood in chips or particles, coniferous. 5%	
4401.22.00	Wood in chips or particles, non-coniferous.	5%
4401.30.00	Sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.	5%
4402.00.10	Charcoal made from coffee husks and waste, agglomerated.	5%
4403.10.00	Wood in the rough treated with paint, stains, creosote or other preservatives.	5%
4403.20.10	Coniferous logs whether or not quarter split, for pulping.	5%
4403.20.90	Other coniferous wood in the rough.	5%
4403.41.00	Dark Red Meranti, Light Red Meranti and Meranti Bakau.	5%
4403.49.00	Other wood in the rough, of tropical wood.	5%
4403.91.00	Other wood in the rough, of oak (Quercus spp).	5%
4403.92.00	Other wood in the rough, of beech	5%

	(Fagus spp).		
4403.99.10	Mangrove poles, in the rough.		5%
4403.99.90	Other wood, in the rough.	5%	
4405.00.00	Wood wool; wood flour.		5%
4406.10.00	Railway or tramway sleepers (Cross-ties) of wood, not impregnated.		5%
4406.90.00	Other railway or tramway sleepers of wood.	5%	
4407.10.00	Coniferous wood sawn or chipped lengthwise, sliced or peeled.		5%
4407.24.00	Virola, Mahogany (Swietenia spp.), Imbuia and Balsa.	5%	
4407.25.00	Dark Red Meranti, Light Red Meranti and Meranti Bakau.	5%	
4407.26.00	White Lauan, White Meranti, White Seraya, Yellow Meranti and Alan.		5%
4407.29.00	Other tropical wood sawn or chipped		
5%	lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed.		
4407.91.00	Other wood sawn or chipped lengthwise, of oak (Quercus spp.).		5%
4407.92.00	Other wood sawn or chipped lengthwise,		
5%	sliced or peeled, of beech (Fagus spp.).		
4407.99.00	Other wood sawn or chipped lengthwise,		
5%	sliced or peeled.		
4801.00.00	Newsprint, in rolls or sheets.		
25%			
4802.40.00	Wallpaper base in rolls or sheets.		
35%			
4802.52.00	Other paper and paperboard, not containing fibres obtained by a mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres weighing less than 40 g/m ² , or more but not more than 150 g/m ² , in rolls or sheets.		40%
4802.53.00	Other paper and paperboard, not containing fibres obtained by a mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres weighing more than 150 g/m ² in rolls or sheets.	40%	
4802.60.00	Other paper and paperboard, of which more than 10% by weight of the total fibre content consists of fibres obtained by a mechanical process in rolls or sheets.	40%	
4803.00.10	Tissue paper (cellulose wadding) bleached, for the manufacture of sanitary towels in rolls or sheets.		40%
4803.00.90	Other toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes; cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface-coloured, surface decorated or printed in rolls or sheets.		30%

4804.11.00	Unbleached kraftliner.	35%
4804.19.90	Other kraftliner in rolls or sheets.	35%
4804.21.00	Unbleached sack kraft paper in rolls or sheets, uncoated.	35%
4804.29.00	Other sack kraft paper in rolls or sheets, uncoated.	35%
4804.31.00	Other kraft paper and paperboard weighing 150 g/m ² or less, unbleached in rolls or sheets, uncoated.	35%
4804.39.00	Other kraft paper and paperboard weighing 150 g/m ² or less, in rolls or sheets, uncoated.	35%
4805.10.00	Semi-chemical fluting paper (corrugating medium).	40%
4805.21.00	Multi-ply paper and paperboard with each layer bleached, in rolls or sheets, uncoated.	40%
4805.22.00	Multi-ply paper and paperboard with only one outer layer bleached, in rolls or sheets, uncoated.	40%
4805.23.00	Multi-ply paper and paperboard having three or more layers, of which only the two outer layers are bleached, in rolls or sheets, uncoated.	40%
4805.29.00	Other multi-ply paper and paperboard, in rolls or sheets, uncoated.	40%
4805.30.00	Sulphite wrapping paper, in rolls or sheets, uncoated.	15%
4805.50.00	Felt paper and paperboard, in rolls or sheets, uncoated.	30%
4805.60.10	Watermarked security paper.	15%
4805.60.90	Other paper and paperboard, weighing 150 g/m ² or less, in rolls or sheets, uncoated.	35%
4805.70.00	Other paper and paperboard, weighing more than 150 g/m ² but less than 225 g/m ² , in rolls or sheets, uncoated.	40%
4806.10.90	Vegetable parchment paper in rolls or sheets, unprinted.	25%
4807.10.00	Paper and paperboard, laminated internally with bitumen, tar or asphalt, in rolls or sheets.	35%
4807.90.00	Other composite paper and paperboard not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets.	35%
4808.10.00	Corrugated paper and paperboard, whether or not perforated, in rolls or sheets.	35%
4808.20.00	Sack kraft paper, creped or crinkled, whether or not embossed or perforated, in rolls or sheets.	35%
4808.30.00	Other kraft paper, creped or crinkled, whether or not embossed or perforated, in rolls or sheets.	35%
4808.90.00	Other paper and paperboard, (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than that of heading No. 48.03 or 48.18.	35%
4809.90.00	Other copying or transfer papers (including coated or impregnated paper for duplicator stencils or offset plates), whether or not printed, in rolls of a width exceeding 36 cm or in rectangular (including square) sheets with at least one side exceeding 36 cm in an unfolded state.	25%

4810.11.00	Weighing not more than 150 g/m ² .	15%
4810.11.90	Paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres weighing more than 120 g/m ² .	15%
4810.12.00	Paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres weighing more than 150 g/m ² in rolls or sheets, coated.	40%
4810.29.00	Other paper and paperboard of a kind used for writing, printing or other graphic purposes, of which more than 10% by weight of the total fibres content consists of fibres obtained by a mechanical process, in rolls or sheets.	25%
4810.31.00	Kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes, bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process and weighing more than 150 g/m ² or less.	25%
4810.32.00	Kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes, bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process and weighing 150g/m ² or less.	40%
4810.39.00	Other kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes, in rolls or sheets, coated.	40%
4810.91.00	Other multi-ply paper and paperboard in rolls or sheets, coated.	40%
4810.99.00	Other paper and paperboard, coated, in rolls or sheets.	40%
4811.10.00	Tarred, bitumenized or asphalted paper and paper-board, in rolls or sheets other than goods of heading No. 48.03, 48.09, 48.10 or 48.18.	35%
4811.21.10	Self-adhesive paper and paperboard in rolls or sheets other than goods of the kind described in heading No. 48.03, 48.09, 48.10 or 48.18, unprinted.	5%
4811.21.90	Self-adhesive paper and paperboard in rolls or sheets other than goods of the kind described in heading No. 48.03, 48.09, 48.10 or 48.18, printed.	15%
4811.31.00	Bleached paper and paperboard, coated,	40%

impregnated, or covered with plastics weighing more than 150 g/m ² in rolls or sheets, other than goods of heading No. 48.03, 48.09, 48.10 or 48.18.		
4811.90.00	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface- coloured, surface-decorated or printed, in rolls or sheets, other than goods of heading No.48.03, 48.09, 48.10 or 48.18.	35%
4814.10.00	"Ingrain" paper.	35%
4814.20.00	Wallpaper and similar wall coverings, consisting of paper coated or covered, on the face side, with a grained, embossed, coloured, design-printed or otherwise decorated layer of plastics.	35%
4814.30.00	Wallpaper and similar wall coverings, consisting of paper covered, on the face side, with plaiting material, whether or not bound together in parallel strands or woven.	35%
4814.90.00	Window transparencies of paper.	35%
4816.90.00	Other copying or transfer papers and offset plates, of papers, whether or not put in boxes.	40%
4817.10.00	Envelopes.	40%
4817.20.00	Letter cards, plain postcards and correspondence cards.	40%
4817.30.00	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery.	40%
4818.10.00	Toilet paper.	35%
4818.20.00	Handkerchiefs, cleansing or facial tissues.	35%
4818.30.00	Table cloths and serviettes.	35%
4818.40.00	Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles.	35%
4818.50.00	Articles of apparel and clothing accessories.	35%
4818.90.00	Other articles of paper pulp, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 mm or cut to size or shape.	35%
4821.10.00	Paper or paperboard labels of all kinds, printed.	40%
4821.90.00	Other paper and paperboard labels of all kinds.	40%
4823.11.00	Gummed or adhesive paper, in strips or rolls, self-adhesive.	35%
4823.20.00	Filter paper and paperboard.	35%
4823.40.00	Rolls, sheets and dials, printed for self-recording apparatus of paper, paperboard or cellulose wadding.	35%
4823.51.00	Other paper and paperboard, of a kind used for writing, printing or other graphic purposes, printed, embossed or perforated.	35%
4823.59.00	Other paper and paperboard of a kind used for writing, printing or other graphic purposes.	40%

4823.60.00	Trays, dishes, plates, cups and the like, of paper or paperboard.	40%
4823.70.90	Other moulded or pressed articles, of paper pulp.	40%
6309.00.00	Worn clothing and other worn articles.	35%
		or
		Kshs.15.00
		Per Kg.
7201.10.00	Non-alloy pig iron containing by weight of phosphorus.	2.5%
		0.5% or less
7201.20.00	Non-alloy pig iron containing by weight more than 0.5% of phosphorus.	2.5%
7201.50.00	Alloy pig iron; spiegeleisen.	2.5%
7202.11.00	Ferro-manganese containing by weight more than 2% of carbon.	2.5%
7202.19.00	Other ferro-manganese.	2.5%
7202.21.00	Ferro-silicon containing by weight more than 55% of silicon.	2.5%
7202.29.00	Other ferro-silicon.	2.5%
7202.30.00	Ferro-silico-manganese.	2.5%
7202.41.00	Ferro-chromium containing by weight more than 4% of carbon.	2.5%
7202.49.00	Other ferro-chromium alloys.	2.5%
7202.50.00	Ferro-silico-chromium alloys.	2.5%
7202.60.00	Ferro-nickel alloys.	2.5%
7202.70.00	Ferro-molybdenum alloys.	2.5%
7202.80.00	Ferro-tungsten and ferro-silico-tungsten alloys.	2.5%
7202.91.00	Ferro-titanium and ferro-silico-titanium alloys.	2.5%
7202.92.00	Ferro-vanadium alloys.	2.5%
7202.93.00	Ferro-niobium alloys.	2.5%
7202.99.00	Other ferro-alloys.	2.5%
7203.10.00	Ferrous products obtained by direct reduction of iron ore.	2.5%
7203.90.00	Other spongy ferrous products and iron having a minimum purity by weight of 99.94%, in humps, pellets or similar forms.	2.5%
7204.10.00	Waste and scrap of cast iron.	2.5%
7204.21.00	Waste and scrap of stainless steel.	2.5%
7204.29.00	Waste and scrap of other alloy steel.	2.5%
7204.30.00	Waste and scrap of tinned iron or steel.	2.5%
7204.41.00	Turnings, shavings, chips, milling waste, sawdust, fillings, trimmings and strappings, whether or not in bundles, of iron or steel.	2.5%
7204.49.00	Other waste and scrap of iron or steel.	2.5%
7204.50.00	Remelting scrap ingots.	2.5%
7205.10.00	Granules of pig iron, spiegeleisen, iron or steel.	2.5%
7205.21.00	Powder of alloy steel.	2.5%
7205.29.00	Powders of pig iron, spiegeleisen, iron or steel.	2.5%
7206.10.00	Ingots of iron and non-alloy steel.	2.5%
7206.90.00	Other primary forms of iron and non-alloy steel.	2.5%
7207.11.00	Other semi-finished products of iron or	2.5%

	non-alloy steel of rectangular (including square) cross-section, the width measuring less than twice the thickness containing by weight less than 0.25% of carbon.	
7207.12.00	Other semi-finished products of iron or non-alloy steel, of rectangular (other than square) cross-section containing by weight less than 0.25% of carbon.	2.5%
7207.19.00	Other semi-finished products of iron or non-alloy containing by weight less than 0.25% of carbon.	2.5%
7207.20.00	Other semi-finished products of iron or non-alloy steel containing by weight 0.25% or more, of carbon.	2.5%
8309.90.90	Other packaging accessories, of base metal.	15%
8525.20.91	Assembled or partly assembled mobile phones (cellular phones).	5%
8525.29.99	Other assembled or partly assembled transmission apparatus incorporating reception apparatus.	25%
8541.40.10	Solar cells and solar modules not equipped with any elements like diodes, batteries or similar equipment.	Free

The amendments are aimed at rationalising certain rates which affect maize, sugar and so on.

(Question of the amendment proposed)

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

The Temporary Deputy Chairman (Mr. Musila): Let us look at page 481, a separate sheet supplied this afternoon.

Could we hear from Mr. Kombo?

Mr. Kombo: Mr. Temporary Deputy Chairman, Sir, I beg to move:

THAT, the Second Schedule of the Bill be further amended by deleting "item 2710.00.45 - Residual Oils centistokes (Cst) per 1000 L

@ 20 deg.C
Kshs1485"

and inserting the following item:

"2710.00045 - Residual Oils centistokes (Cst) per 1000 L

@20 deg.C
Kshs.1085"

My original intention was to delete the Second Schedule completely, but realising that the Second Schedule has revenue implications, I am proposing to reduce the rate charged on industrial fuel which is used by tea factories, and various industries, like cement factories, steel, paper, sugar and even coffee industries.

In these days of COMESA free trade, we need to ensure that our industries are competitive. So, by charging very high duties on industrial fuel, we make our industries uncompetitive. As we speak now, the cement factories are buying paper from Egypt which has lower tariff rates, thus making our industries non competitive.

The Temporary Deputy Chairman (Mr. Musila): Very well. Will you conclude?

Mr. Kombo: We want to put money in the pocket of the farmer and we want to make industries competitive. On that note, I beg to move.

(Question of the amendment to the amendment, proposed)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you very much, Mr. Temporary Deputy Chairman, Sir. While I sympathise to a certain extent with the hon. Member, I am afraid I have to oppose this amendment because it has got very serious revenue implications. We have already gone out of our way to assist many of our manufacturers. For example, we do give duty exemptions where there is an export element. These covers factories like Pan Paper Industries and the cement factories among others. Where there is an export element, the applicable fuel oils are acquired duty-free. As far as Pan Paper Industry is concerned, as I have said a few minutes ago, we have also amended duty rates to give them adequate protection. In light of that, I would oppose this amendment because of the revenue implications.

Mr. Angwenyi: Mr. Temporary Deputy Chairman, Sir, I do not know whether hon. Members in this House have been elected by non-farmers. The other day when we had power rationing, we gave duty exemption to *dukawallahs* in this City who could buy generators. We gave them duty exemption even for fuel that they are using in their generators. But we never give a break to our farmers. I do not know what our Government wants to do! They want to lean very hard on our farmers. So, I am supporting this amendment. otherwise, I would have asked for the duty to be waived completely.

With these remarks, I beg to support.

The Assistant Minister for Information, Transport and Communications (Mr. Keah): Mr. Temporary Deputy Chairman, Sir, I want to caution that we are not reducing any single expenditure item. This will create an imbalance in our budget. I want to caution that our own very allowances may suffer from liquidity and cash flow problems because of removing all these revenue measures.

I beg to oppose.

Mr. Donde: Mr. Temporary Deputy Chairman, Sir, there are many ways for this Government to cut expenditure. There are a lot of savings the Government can still make in order to help the farmers.

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

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

(Second Schedule as amended agreed to)

Third Schedule

Mr. Kajwang: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the Third Schedule of the Bill be amended by inserting the following new paragraphs:-

"14. Port Services provided by transit shed operators".

"15. Airport Services provided to transit aircraft".

Mr. Temporary Deputy Chairman, Sir, there are exemptions which are proposed by the Minister for certain services on VAT where it will not be charged. These services included financial management and advisory, safe custody, executorship and trusteeship, insurance and reinsurance, education and training, medical, veterinary, dental and nursing services. We have no problem with those because they needed to have been exempted long time ago.

However, one suggestion I am making is that after exempting all those, transport or fare-paying services, renting, leasing, hiring, letting and so on, I am also asking that port services be included. Why do I ask that? When there is some work done by the Kenya Ports Authority, that is when you bring in goods and the KPA keeps them for you, they do so but they charge you VAT for that service.

Mr. Temporary Deputy Chairman, Sir, in turn, that VAT makes our port more expensive and less competitive. Dar-es-Salaam is not charging it and that is why most of the shippers go there. Egypt is not charging it and many other countries are not charging this VAT on port services. So, we want our port services to be cheaper. We should not burden those who bring in goods through our ports with taxes when, in fact, we need them to bring more goods, so that there is more employment and more money in this country.

(Question of the amendment proposed)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I would hate to oppose the Member. However, since I have been asked by popular demand to oppose him, I will. Let me just warn that the services which the hon. member is referring to are currently "zero-rated." That means any import

tax that they incur, they will be able to recover. If you exempt them, that means that you are completely removing them out of the VAT Act. That means they will not recover any import tax and that means the services will be more expensive.

Mr. Temporary Deputy Chairman, Sir, I think the Members have got to chose which one is better, zero-rating or exemption? At the moment, they are zero-rated and they are able to claim import tax.

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

Mr. Anyona: On a point of order, Mr. Temporary Deputy Chairman, Sir. I got it wrong. I thought that there were two items under the Third Schedule, Items 14 and 15 which---

The Temporary Deputy Chairman (Mr. Musila): No, they were done together.

(Third Schedule as amended agreed to)

(Fourth, Fifth and Sixth Schedules agreed to)

Seventh Schedule

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the Seventh Schedule be amended in the proposed Third Schedule by deleting paragraphs 10, 11 and 13 thereof and substituting therefor the following new paragraphs –

10. Local Authority services.
11. Insurance agents, insurance brokers, stock exchange brokers, and tea and coffee broker services.
13. Tour operators and travel agents services, excluding services provided for commissions earned on air ticketing.

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

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

(Seventh Schedule as amended agreed to)

(Eighth Schedule agreed to)

Ninth Schedule

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the following new Ninth Schedule be inserted as follows –

(Amendment of the Fifth Schedule to the Value Added Tax Act, Cap. 476)

FIFTH SCHEDULE (s.8(2))

PART B – ZERO RATED GOODS

Delete the following tariff number and the description thereof –

Tariff No.

Tariff Description

8502.39.10 Unassembled solar DC generating sets.

(Question of the amendment, proposed)

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

Mr. Ojode: Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the following amendment be made on the proposed New Ninth Schedule by adding the following new item on the Fifth Schedule of the Value Added Tax, Cap.476

Part B - Zero Rating

	<u>Tarrif No.</u>	<u>Tarrif Description</u>	<u>New Tarrif</u>
8524.90.10		Recorded Computer discs	0%
8524.99.10		Computer discs	0%

(Question of the amendment proposed)

The Assistant Minister for Information, Transport and Communications (Mr. Keah): But we are on the Ninth Schedule!

The Temporary Deputy Chairman (Mr. Musila): Order! Mr. Keah, it states that the amendment be the new Ninth Schedule. There is a new Ninth Schedule that has been proposed by the Assistant Minister and Mr. Ojode is proposing an amendment to what Mr. Arap-Kirui has proposed. So, could we give him a chance?

Mr. Ojode: Mr. Temporary Deputy Chairman, Sir, he was still dreaming!

I want to propose an amendment, especially on the item related to the recorded computer discs. I also want my request to go on record that I intended to amend the CPU. The reason why I wanted the computers to be zero-rated is because of the information technology which we are having now. You will agree with me that all tertiary learning institutions will require computers. I would like to plead with the House to agree to pass this amendment without any **[Mr. Ojode]**

argument. I would also like to request the indulgence of the Chair to recommend the amendments which were not put here earlier, to include the Central Processing Unit (CPU) which is the real computer.

The Temporary Deputy Chairman (Mr. Musila): That would be out of order because notice was not given on that item. I know what you want to say because you had approached the Chair on that issue.

We will have to stick to the items for which notice has been given. That is in accordance with the Standing Orders.

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

(The Ninth Schedule as amended agreed to)

(Title agreed to)

(Clause 1 agreed to)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of The Finance Bill and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

(The House resumed)

*[The Temporary Deputy Speaker
(Mr. Poghisio) in the Chair]*

REPORT, CONSIDERATION OF REPORT AND THIRD READING

THE FINANCE BILL

Mr. Musila: Mr. Temporary Deputy Speaker, Sir, I beg to report that a Committee of the whole House has considered The Finance Bill and approved the same with amend me

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

The Assistant Minister for Information, Transport and Communications (Mr. Keah) seconded.

(Question proposed)

(Question put and agreed to)

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, I beg to move that the Finance Bill be now read the Third Time.

The Assistant Minister for Information, Transport and Communications (Mr. Keah) seconded.

(Question proposed)

Mr. Anyona: Mr. Temporary Deputy Speaker, Sir, I just wanted to congratulate the House for a job well done. So, for the first time, we have worked as a Parliament. We have always been accused of passing the Finance Bill without looking at it.

For the first time, we have set a very good example. Other than that, I would like to say that in future, we will want the Finance Bill to be a Finance Bill.

I beg to support the Bill.

(Question put and agreed to)

*(The Bill was accordingly read
the Third Time and passed)*

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! It is now time for interruption of business. Therefore, this House stands adjourned until tomorrow, Wednesday, 22nd November, 2000, at 9.00 a.m.

The House rose at 7.20 p.m.