

# THE NATIONAL AUTOMOTIVE INDUSTRY DEVELOPMENT BILL, 2025

## A Bill for

**AN ACT of Parliament to provide for legal, institutional, and regulatory frameworks for the development and promotion of the automotive industry; to provide for the establishment of the National Automotive Council and Automotive Institute; and for connected purposes.**

**ENACTED** by the Parliament of Kenya, as follows –

### **PART I – PRELIMINARY**

#### **Short title**

1. This Act may be cited as the National Automotive Industry Development Act, 2025.

#### **Interpretation**

2. In this Act –

“assembly” means the manufacturing process which utilizes precision jigs, fixtures, and specialized facilities and equipment to produce a specific automotive product.

“assembler” means a legal entity approved by the Cabinet Secretary to assemble automotives.

“automotive” means any on-road or off-road self-propelled vehicle including passenger cars, light commercial vehicles, trucks, buses, motorized bicycles, two-wheelers, three-wheelers, four-wheelers, motorcycles, tractors, locomotives; and trailers.

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to Industrialization.

“Local content” means raw materials; and parts, components and software that are manufactured and developed locally.

“manufacturing” means any fabrication or production process that requires technology, infrastructure and manpower investment by which a commodity is finally produced.

“manufacturer” means a legal entity registered by a competent authority to engage in a specified fabrication or production process that requires research, technology, infrastructure and manpower investment by which a commodity is finally produced from raw materials.

“Research and development” mean conceptualization, innovation, introduction and improvement of products and processes.

“Council” means National Automotive Council established under Part II;

“Board” means the National Automotive Council Board under Part II (S.7) and Automotive Institute Board under Part IV (S.32) of this Act.

“Principal” means the Principal appointed under Part IV (S.39) of this Act;

“member” means a member of the Board of the Council and a member of the Board of the Institute;

“staff” means the staff of the Council and the staff of the Institute;

### **Objects and purpose of the Act**

The objects and purpose of this Act are to –

- (a) Provide a legal and institutional framework for the promotion, development and regulation of the automotive industry.
- (b) Establish the National Automotive Council and the National Automotive Institute
- (c) Promote local manufacturing and assembly in the automotive industry.

## **PART II – ESTABLISHMENT, POWERS AND FUNCTIONS OF THE NATIONAL AUTOMOTIVE COUNCIL**

### **Establishment of the Council**

3. (1) There is established a Council to be known as the National Automotive Council.  
  
(2) The Council shall, be a body corporate with perpetual succession and a common seal and shall in its corporate name, be capable of—
  - (a) suing and being sued.
  - (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property.
  - (c) borrowing or lending money.
  - (d) charging fees for services rendered by the Council
  - (e) entering contracts; and
  - (f) performing such other things or acts necessary for the proper performance of the functions of the Council under the Act which may lawfully be done or performed by a body corporate.

### **Headquarters**

4. (1) The headquarters of the Council shall be in Nairobi.

### **Powers of the Council**

5. (1) The Council shall have all the powers necessary for the proper performance of its functions under this Act and but without prejudice to the generality of the foregoing, the Council shall have power to—
  - (a) Levy fees and impose fines and penalties in respect to regulating the automotive industry.
  - (b) Issue, suspend or cancel assembly/manufacturing licenses
  - (c) Enter association with such other bodies or organizations within or outside Kenya as it may consider desirable or appropriate and in furtherance of the purposes for which the Council is established

### **Functions of the Council**

6. The functions of the Council shall be to; –
  - a) Advise the Cabinet Secretary on any matter relating to the automotive industry.
  - b) Development of necessary regulations to govern the automotive industry

- c) Promote compliance with relevant standards and fair trade practices within the automotive industry
- d) Develop and maintain a database for the automotive industry in collaboration with relevant authorities.
- e) Develop and implement measures to promote *Buy Kenya Build Kenya* initiatives in the Automotive sector.
- f) Develop and implement a framework with clear roadmap, strategy and incentives to promote local content production and consumption in the automotive industry.
- g) Recommend to the Cabinet Secretary relevant bilateral and multilateral agreements for ratification, domestication and implementation in the automotive industry.
- h) Propose and recommend the development and review of a certification framework for type approval to relevant authorities
- i) Develop innovative, affordable and accessible financing schemes and incentives for locally produced automotive products in collaboration with relevant public/private institutions.
- j) Promote collaboration between automotive industry, academia and the government.
- k) Promote research and development
- l) Publish an annual Automotive Industry status report.
- m) Promote sustainability initiatives including end of life in the automotive industry
- n) Carry out such other relevant functions as may be assigned by the Cabinet Secretary or as may be prescribed under this Act or under any other written law.

### **Board of Directors**

7. There shall be a board of the Council which shall consist of-
  - (a) A Chairperson appointed by the President.
  - (b) The Principal Secretary in the Ministry for the time being responsible for matters relating to industrialization or a representative nominated by the Principal Secretary in writing.
  - (c) The Principal Secretary in the Ministry for the time being responsible for matters relating to finance or a representative nominated by the Principal Secretary in writing.
  - (d) The Principal Secretary in the Ministry for the time being responsible for matters relating to transport or a representative nominated by the Principal Secretary in writing.
  - (e) The Principal Secretary in the Ministry for the time being responsible for matters relating to Energy or a representative nominated by the Principal Secretary in writing.
  - (f) One representative nominated by Kenya Association of Manufacturers appointed by the Cabinet Secretary
  - (g) Three representatives nominated on a rotational basis, as follows and appointed by the Cabinet Secretary from the following body of manufacturing/assembly associations-
    - i. motor vehicle assemblers
    - ii. motorcycle assemblers
    - iii. Parts manufacturers and
    - iv. e-mobility
  - (h) The Chief Executive Officer who shall be an ex-officio member.

### **Qualification for appointment**

8. A person shall be qualified for appointment as a member of the board of directors if that person –

**i. Chairperson**

- (a) Holds a degree from a university recognized in Kenya,
- (b) He has relevant knowledge and competence in the Automotive Industry and at least ten years' experience in leadership and management, and
- (c) Meets the requirements of Chapter Six of the Constitution.

**ii. Board of Directors-**

- a) Holds a degree from a university recognized in Kenya,
- b) Has relevant management and experience in the Automotive Industry, and
- c) Meets the requirements of Chapter Six of the Constitution.

**Term of appointment**

9. i) Members of the board shall hold office for a term of three years and may be reappointed for one further term of three years.
- ii) For the purpose of continuity, the appointment of members shall be done in such a manner as to ensure that their terms do not expire at the same time.

**Vacation of office**

10. A person ceases to be a member of the board of directors if that person –
- (a) Is absent from three consecutive meetings of the board without the permission of the chairperson.
  - (b) Become an officer, agent or member of staff of the Council.
  - (c) Resigns in writing, addressed, in the case of the chairperson, to the President, and in the case of any other member, to the Cabinet Secretary.
  - (d) Is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months.
  - (e) It is declared bankrupt.
  - (f) It is removed from office on grounds of violating ethics and integrity provisions of the Constitution or any relevant law.
  - (g) Expiry of term.
  - (h) Is it unable to perform the functions of office by reason of mental or physical infirmity; or
  - (i) Dies.

**Committees of the board of directors**

11. (1) The board may establish not more than four committees of the Board provided that the Board shall be at liberty to establish such ad-hoc committees as required to deal with any ad-hoc matters requiring focused attention such as the recruitment of the Chief Executive Officer.

**Delegation by the board of directors**

12. The board of directors may, by resolution, delegate to any committee of the Board or to any member, officer, employee or agent of the Board, the exercise of any of the powers or the performance of any of the functions of the Board under this Act or under any other written law.

**Remuneration of the Board of Directors**

13. The members of the board of directors shall be paid such remuneration or allowances as advised by the Salaries and Remuneration Commission.

### **Powers of the Board**

The board shall have all powers necessary for the proper performance of its functions under this Act and but without prejudice, the generality of the foregoing the Board shall have powers too.

- a) formulate with the approval of the Cabinet Secretary, policies pertaining to the organization management and implementation of the objects of the Council.
- b) control, supervise and administer the assets of the Council in such manner as best promoting the purposes for which the Council is established.
- c) determine the provisions to be made for capital and recurrent expenditure and for reserves of the Council.
- d) receive any grants, gifts, donations or endowments on behalf of the Council and make legitimate disbursements therefrom.
- e) enter association with such other bodies or organizations within or outside Kenya as the Board may consider desirable or appropriate and in furtherance of the purposes for which the Council is established.
- f) open a banking account or banking accounts for the funds of the Council
- g) invest any funds of the Council not immediately required for its purposes in the manner provided for
- h) Approve all projects of the Council.

### **14. Conduct of Business and Affairs of the Board**

**The conduct and regulation of the business and affairs of the board shall be as provided for in Schedule [S.14]**

#### **Chief Executive Officer**

15. (1) There shall be a chief executive officer of the Council who shall be competitively recruited and appointed by the board of directors on such terms and conditions as the board of directors shall determine.
- (2) A person is qualified for appointment under subsection (1) if the person –
  - (a) has relevant knowledge and experience in the automotive industry.
  - (b) meets the requirements of Chapter Six of the Constitution, and
  - (c) The qualifications for appointments will be specified in the Institute's human resource instruments in accordance with State Corporations Act and other Government guidelines.
- (3) The chief executive officer shall serve for a term of four years and shall be eligible for appointment for one further term of four years.

#### **Functions of the chief executive officer**

16. The chief executive officer shall be the secretary of the Council and shall, subject to the direction of the board of directors –
  - i. Be responsible for the day-to-day management of the affairs of the Council.
  - ii. manage the funds, property and affairs of the Council.
  - iii. be responsible for the management of the staff of the Council.

- iv. oversee and coordinate the implementation of the policies, programs and objectives of the Board.
- v. cause to be prepared for the approval of the board of directors –
  - a) the strategic plan and annual procurement plan of the Council; and
  - b) the annual budget and audited accounts of the Council; and
- vi. perform such other duties as may be assigned to him or her by the board of directors.
- vii. Maintain a database of all parts and component manufactures in the country.
- viii. License all automotive industry manufacturers/assemblers.

#### **Removal of the chief executive officer**

17. The chief executive officer shall cease to hold office if the person –
- i. Resigns in writing, addressed to the board of directors.
  - ii. Is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months.
  - iii. Is found liable for gross misconduct or abuse of office in contravention of the Public Officers Ethics Act or any other relevant law.
  - iv. It is declared bankrupt.
  - v. Is it unable to perform the functions of office by reason of mental or physical infirmity; or
  - vi. Dies.

#### **Staff of the Council**

18. The Council may employ such officers, agents and staff as are necessary for the proper and efficient discharge of the functions of the Council under this Act and the State Corporation Act

#### **Protection of members and staff from liability**

19. Liability shall not attach to the Council or to any of its members, officers, agents or staff for loss or damage incurred by a person because of an act or omission done or made in good faith and without negligence in the performance or exercise or the intended performance or exercise of any duty or power imposed by or conferred under this Act.

#### **Common seal of the Council**

20. The common seal of the Council shall be in the custody of the Chief Executive Officer and shall not be used except with the authority of the Board of Directors.
21. The common seal shall be authenticated by the signature of the chairperson and the Chief Executive Officer or a person designated by the board of directors.

#### **Signing Authority**

22. All letters and instruments written or made by or on behalf of the board of directors, other than those required by law to be under seal, and all decisions of the board of directors, shall be signed under the hand of the Chairperson or a person authorized by the Council Board in his/her absence.
23. The Chief Executive Officer will be responsible for signing all letters and instruments written or made or on behalf of the Council on operational matters in line with his/her functions.

## **PART III – FINANCIAL PROVISIONS**

### **Funds of the Council**

24. The funds and assets of the Council shall comprise of –
- i. Such monies or assets as may accrue to or vest in the Council during the exercise of its powers or the performance of its functions under this Act.
  - ii. Funds received from the levies/fees imposed by the Council.
  - iii. Such monies may be payable to the Council pursuant to this Act or any other written law.
  - iv. Such monies may be appropriated by Parliament for the purpose of the Council.
  - v. Resources from any other source granted, donated, or lent to the Council.

### **Budget Implementation**

25. (1) The Council shall comply with the Public Finance Management Act and National Treasury circulars while preparing and implementing annual Budgets.

### **Accounts and Audit**

26. (1) The Council shall comply with the Public Audit Act, Public Finance Management Act, Public Procurement and Asset Disposal Act and Circulars from National Treasury and Auditor-General to run operations of the Council.

### **Annual Report and publication**

27. (1) The Council shall, within a period of three months after the end of each financial year or within such longer period as the Cabinet Secretary may approve, submit to the Cabinet Secretary a report of the operations of the Council during such year, and the yearly balance sheet and such other statements of account as the Cabinet Secretary shall require, together with the Auditor-General's report.

(2) The Council shall, if the Cabinet Secretary requires, publish the report, balance sheet and statements submitted to him under subsection (1) in such a manner as the Cabinet Secretary may specify.

(3) The Cabinet Secretary shall submit to the National Assembly the reports, balance sheet and statements under subsection (1), within a period of fourteen days of receipt of the reports and statements or, if the National Assembly is not sitting, within fourteen days of commencement of its next sitting.

### **Financial year of the Council**

28. The financial year of the Council shall be the period of twelve months ending on the thirtieth day of June in each year.

## **PART IV – AUTOMOTIVE INSTITUTE**

### **Establishment of the Institute**

29. (1) There is hereby established an Institute to be known as the Automotive Institute which shall be operated and managed by the National Automotive Council.
- (2) The Institute shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—
- (a) suing and being sued.
  - (b) purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property.
  - (c) borrowing and lending money; and
  - (d) doing or performing all other things or acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

#### **Headquarters**

30. (1) The Automotive Institute may be hosted anywhere in the Republic of Kenya.

#### **Powers of the Institute**

31. (1) The Institute shall have all the powers necessary for the proper performance of its functions under this Act and but without prejudice to the generality of the foregoing, the Institute shall have power to –
- i. Enter contracts.
  - ii. Manage, control and administer the assets of the Institute.
  - iii. Receive grants, donations or endowments made to the Institute and make disbursements therefrom in accordance with the provisions of this Act.
  - iv. Subject to the approval of the Cabinet Secretary for the time being responsible for matters relating to finance, invest any of the Institute's funds not immediately required for the purposes of this Act, as it may determine; and
  - v. operate a bank account into which all monies received by the Institute shall be paid in the first instance and out of which all payments made by the Institute shall be made.
- (2) The Institute may, if it considers it necessary, create or take part in the creation of, become a member of, or associate with a body or corporation designed to assist or promote the automotive industry.

#### **Membership of the Board of the Institute**

32. (1) The management of the Institute shall vest in a board consisting of –
- i. The chairperson of the board appointed by the Cabinet Secretary by notice in the Gazette.
  - ii. A nominee representing the Principal Secretary for the State Department for the time being responsible for matters relating to industrialization.
  - iii. A nominee representing the Principal Secretary for the State Department for the time being responsible for matters relating to Finance.
  - iv. A nominee representing the Principal Secretary for the State Department for the time being responsible for matters relating to TVET.
  - v. One person representing Kenya Engineering Technologist Registration Board.
  - vi. The Chief Executive Officer of the Council.
  - vii. One person representing Engineering Board of Kenya.
  - viii. Two persons from the industry representing Kenya Association of Manufacturers drawn from assemblers, component manufacturers and E-mobility.
  - ix. A Principal appointed in accordance with section 54 of this Act, who shall be an ex-officio member of the board.

(2) The Cabinet Secretary shall appoint the members of the Board of the Institute by notice in the Gazette.

(3) A person is qualified for appointment as a chairperson of the board of the Institute as per the State Corporation Act and has at least seven years' experience in the automotive sector.

#### **Qualifications for appointments to the Board of the Institute**

33. A person shall be qualified for appointment as a member of the board of directors for the Institute if that person –
- a) Holds a degree from a university recognized in Kenya,
  - b) He has relevant technical knowledge and competence in the Automotive Industry and at least five years' experience in leadership and management, and
  - c) Meets the requirements of Chapter Six of the Constitution.

#### **Terms of appointment**

##### **Term of appointment**

34. i) Members of the board of the Institute shall hold office for a term of three years and may be reappointed for one further term of three years
- ii) For the purpose of continuity, the appointment of members shall be done in such a manner as to ensure that their terms do not expire at the same time.

#### **Vacation of office**

35. A person shall cease to be a member of the board of the Institute if that person—
- a) Is absent from three consecutive meetings of the board without the permission of the chairperson.
  - b) Become an officer, agent or member of staff of the Institute.
  - c) Resigns in writing, addressed, in the case of the chairperson, to the Cabinet Secretary, and in the case of any other member, to the Cabinet Secretary through the Chairperson.
  - d) Is convicted of a criminal offence and sentenced to a term of imprisonment of at least six months.
  - e) It is declared bankrupt.
  - f) It is removed from office on grounds of violating ethics and integrity provisions of the Constitution or any relevant law.
  - g) Expiry of term.
  - h) Is it unable to perform the functions of office by reason of mental or physical infirmity;  
or
  - i) Dies.

#### **Functions of the Institute**

36. (1) The Institute shall –
- i. Promote and co-ordinate automotive innovation, incubation, research, design, standards, training and engineering.
  - ii. Expedite equitable access to research information, resources and technology and promote the application of research findings and technology in the development of the local automotive industry.

- iii. Recommend policy to the Council on local assembly, design and manufacture of Automotives.
- iv. Undertake intelligence and research into local and regional Automotive markets.
- v. Determine and advise the Council on the resource requirements for automotive sector research and development in Kenya.
- vi. Undertake research on new and emerging Automotive technologies.
- vii. formulate or approve medium- and long-term research plans and strategies of the Institute.
- viii. provide grants to institutions or persons desirous of carrying out research and training programs which are consistent with the national research priorities and plans of the institute.
- ix. support and promote training and capacity building in relation to skills within the automotive industry.
- x. Develop and promote Automotive Industry related curriculum, examination and certification in collaboration with other relevant Government Agencies.
- xi. collaborate with institutions, agencies and people involved in automotive research locally and globally.
- xii. establish platforms for the purpose of sharing research information, advancing research and transfer of technology and dissemination of information relating to advancements made in automotive sector research.
- xiii. conduct training in industry best practice and value-addition; and
- xiv. perform such other functions as may be conferred on by this Act or any other written law.

#### **Business Conduct of the Board of the Institute**

37. The business and affairs of the board of the Institute shall be conducted in accordance with Schedule [s.14].

#### **Remuneration of members of the Board of the Institute**

38. The members of the board of the institute shall be paid such remuneration or allowances as advised by the Salaries and Remuneration Commission.

#### **Principal of the Institute**

39. (1) There shall be a Principal of the Institute who shall be competitively recruited and appointed by the board of the Institute on such terms and conditions as the board shall determine.
- (2) The principal shall be responsible for the day-to-day management of the affairs of the Institute.
- (3) A person is qualified for appointment under subsection (1) if the person—
- (a) is a citizen of Kenya.
  - (b) holds a degree in economics, law, engineering, or business administration from a university recognized in Kenya.
  - (c) holds a postgraduate degree or its equivalent from a university recognized in Kenya.
  - (d) has at least five years' experience at senior management level; and
  - (e) Meets the provisions of Chapter Six of the Constitution.
- (4) The principal shall serve for a term of five years renewable for a further term of five years.

#### **Removal of Principal of the Institute**

40. The board of the Institute may remove the principal in accordance with the terms and conditions of service for—
- (a) inability to perform the functions of the office arising out of physical or mental incapacity.
  - (b) gross misconduct or misbehavior.
  - (c) incompetence or neglect of duty; or
  - (d) any other ground that would justify removal from office under the terms and conditions of service.

#### **Staff of the Institute**

41. The Institute may employ such officers, agents and staff as are necessary for the proper and efficient discharge of the functions of the Institute under this Act and upon such terms and conditions of service as the Institute may determine.

#### **Funds of the Institute**

42. The funds of the Institute shall consist of –
- (a) Resources remitted by the Council from the automotive development levy.
  - (b) any monies received by the Institute from grants and donations; and
  - (c) monies from any other source as approved by the Ministry responsible.

### **PART V – MISCELLANEOUS PROVISIONS**

#### **Offences and penalties**

43. (1) The Council may direct any organization or person in the industry to produce any document or information or submit any returns which it considers necessary for the proper performance of its functions under this Act.
- (2) Any person who—
- (a) fails to comply with any direction given by the Board under this Act; or
  - (b) furnishes to the Board any information or produces any document which is false or misleading in any material particular; or
  - (c) obstructs an officer of the Council in the performance of his or her functions under this Act.

commits an offence.

- (3) A person who contravenes any of the provisions of this Act commits an offence.

(4) A person convicted of an offence under this Act for which no other penalty is provided shall be liable to a fine not exceeding five hundred thousand shillings, or to imprisonment for a term not exceeding one year, or to both.

#### **Arbitration of disputes**

44. (1) The Council shall arbitrate disputes arising between any parties under this Act.
- (2) A party who is not satisfied with the decision of the Council, may, within thirty (30) days appeal to the **Automotive Industry Tribunal**.

## ESTABLISHMENT OF AUTOMOTIVE INDUSTRY TRIBUNAL

### 85. Establishment of the Tribunal

There is established a Tribunal to be known as the Automotive Industry Tribunal to hear appeals filed against any decision made by the Council.

### 86. Membership of the Tribunal

The Tribunal shall consist of the following members, appointed by the Judicial Service Commission—

- (a) a chairperson; and
- (b) not less than five but not more than seven other members, of whom not less than three High Court of Kenya.

### Qualifications for appointments

87. A person shall not be appointed a Chairperson or a member of the Tribunal under section xx unless that person—

- (a) in case of the Chairperson, is qualified to be appointed as a Judge of the High Court; and
- (b) in case of a member—
  - (i) is of high moral character and integrity in accordance with Chapter six of the Constitution;
  - (ii) has a degree in law, business, finance, public finance, economics, engineering, technology or related discipline from a university recognized in Kenya or any other relevant qualification from an institution recognized in Kenya;
  - (iii) has at least five years' experience in matters relating to the discipline referred to under subparagraph (ii);
  - (iv) is not a public officer;
  - (v) has not at any time within the preceding five years been an employee of the Council;
  - (vi) has not been convicted of an offence under any law; and
  - (vii) has not been judged bankrupt by a court of competent jurisdiction.

### Appointment procedures

88. The Chairperson and members of the Tribunal shall be recruited and appointed in accordance with the provisions of the Third Schedule to the Judicial Service Act, 2011.

### Tenure of office

89. The Chairperson or a member of the Tribunal shall hold office—

- (a) in case of the Chairperson, for a term not exceeding five years but shall not be eligible for re-appointment; and
- (b) in case of a member, for a term not exceeding three years but shall be eligible for re-appointment for one further term of three years.

90. The Chairperson or a member of the Tribunal shall serve on a part time basis as and when required.

A person appointed under this Act shall cease to hold office if that person—

- (a) resigns from office by notice in writing addressed to the Judicial Service Commission;
- (b) becomes a public servant or an employee of the Council or Institute;
- (c) is absent from three consecutive meetings of the Tribunal without the permission of the Chairperson;
- (d) is adjudged bankrupt by a Court of competent jurisdiction;

- (e) is convicted of an offence under any tax law or of a criminal offence;
- (f) is unable to perform the functions of the office arising by reason of infirmity of body or mind; or
- (g) is otherwise unable or unfit to discharge the functions of the office.

### **Oath of office**

91. A person appointed as the Chairperson or a member of the Tribunal shall, before assuming office, take or subscribe to the oath or affirmation set out in the Schedule before the Chief Registrar of the Judiciary.

### **Staff of the Tribunal**

- (92) There shall be a Secretary to the Tribunal who shall be competitively appointed by the Commission.
- (93) A person shall not be qualified for appointment under subsection (1) unless that person—
  - (a) has a degree in law, business, finance, economics, insurance or related field from a university recognized in Kenya;
  - (b) has a minimum of ten years' experience in matters relating to the discipline referred to in paragraph (a) five of which should have been in senior management;
  - (c) has completed five years since he left the Council or Institute, if the person is former employee of the Council or Institute;
  - (d) is not a tax agent;
  - (e) has not been convicted of a felony;
  - (f) has not been judged bankrupt by a court of competent jurisdiction;
  - (g) has met his tax obligations; and
  - (h) meets the requirements of Chapter Six of the Constitution.
- (3) The Tribunal shall have other staff recruited competitively by the Council, as may be necessary for the proper discharge of the functions of the Tribunal under the Act.

### **Functions of the Secretary**

94. The functions of the Secretary of the Tribunal shall include—
- (a) day-to-day management of the affairs of the Tribunal;
  - (b) keeping proper records of tax appeals filed, judgment delivered, and the tax appeals settled out of the Tribunal;
  - (c) under the guidance of the Chairperson, providing policy and strategic leadership of the Tribunal and the Secretariat;
  - (d) mobilizing and managing the resources of the Tribunal;
  - (e) coordinating the preparation and approval of annual budget estimates by the Tribunal through a resolution by not less than half of the members;
  - (f) overseeing the financial management and administrative functions of the Tribunal in accordance with the Public Finance Management Act, 2012;

- (g) keeping proper books of account of the financial affairs of the Tribunal; and
- (h) any other functions that may be assigned by the Chairperson from time to time.

95. Remuneration and payment of expenses

- (1) The Chairperson or a member of the Tribunal shall be paid such remuneration as may be determined by the Council in consultation with the Salaries and Remuneration Commission, from time to time.

96. Expenses of the Tribunal

The expenses of the Tribunal shall be paid out of the Judiciary Fund.

97. Arrangement of business

- (1) The Chairperson shall be responsible for ensuring the orderly and expeditious discharge of the mandate of the Tribunal.
- (2) Without limiting the generality of subsection (1), the Chairperson shall—
  - (a) constitute a panel to hear any matter before the Tribunal;
  - (b) determine the place at which a panel may sit; and
  - (c) determine the procedure for the conduct of the business of the Tribunal.
- (3) The Tribunal shall submit an annual report to the Chief Justice on its performance in the preceding year

**Constitution of a panel**

- (98) A panel constituted for any proceedings shall have at least three members, at least one of whom shall be an advocate of the High Court.
- (99) At a hearing of a matter before the panel—
  - (a) If the chairperson is a member of the panel as constituted, the Chairperson shall preside; or
  - (b) in any other case, the Chairperson shall designate one of the members of the panel who being an advocate of the High Court or a member of the Institute of Certified Public Accountants of Kenya, to preside over the proceedings.
- (100) When a member of the panel ceases to be such member, or is not available for proceedings, the Chairperson of the Tribunal shall assign another member to the panel, and the proceedings shall continue.

**Clerk of a panel**

- (101) There shall be a clerk for each panel, who shall be the secretary to the panel.
- (102) A clerk to a panel shall be designated by the Secretary to the Tribunal from among the staff of the Tribunal.

## Regulations

103 (1) The Cabinet Secretary, may in consultation with the Council, make Regulations—

- (a) prescribing anything that may be prescribed under this Act; and
- (b) generally, for the better carrying out of the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Cabinet Secretary may make Regulations to provide for –

- (a) Motorcycle assembly and manufacturing.
- (b) Motor vehicle assembly and manufacturing.
- (c) New and emerging automotive technology.
- (d) Automotive parts and components.
- (e) Automotive End-of-Life.
- (f) Automotive Trade Related Investment Measures
- (g) Automotive Repair Regulations
- (h) Automotive Local Content
- (i) Local Used Vehicles Sale Regulations
- (j) Any relevant automotive area.

## SCHEDULE [s. 14]

### PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

#### 1. Tenure of office

Any member of the Board, other than an *ex officio* member shall, subject to the provisions of this Schedule, hold office for a period of three years, on such terms and conditions as may be specified in the instrument of appointment, but shall be eligible for re-appointment, subject to a maximum of three terms of office.

#### 2. Vacation of office

A member of the Board, other than an *ex officio* member, may—

- (a) at any time resign from office by notice in writing to the Cabinet Secretary;(b) be removed from office by the Cabinet Secretary if the member—
  - i. has been absent from three consecutive meetings of the Board without the permission of the Chairperson.
  - ii. is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings.
  - iii. is convicted of an offence involving dishonesty or fraud.
  - iv. is judged bankrupt or enters a composition scheme or arrangement with his creditors.
  - v. is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge his duties as a member of the Board; or
  - vi. fails to comply with the provisions of this Act relating to disclosure.

#### 3. Meetings

- 1) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.
- 2) Notwithstanding the provisions of subparagraph (1), the Chairperson may, and upon requisition in writing by at least five members, convene a special

meeting of the Board at any time for the transaction of the business of the Board by the Board.

- 3) Unless three quarters of the total members of the Board agree, at least fourteen days' written notice at every meeting of the Board shall be given to every member of the Board.
  - 4) The quorum for the conduct of the business of the Board shall be seven members including the Chairperson or the person presiding.
  - 5) The Chairperson shall preside at every meeting of the Board at which he is present but, in his absence, the members present shall elect one of their numbers to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the Chairperson.
  - 6) Unless a unanimous decision is reached, a decision on any matter before the Board shall be made by a majority of votes of the members present and voting and, in the case of an equality of votes, the Chairperson or the person presiding shall have a casting vote.
  - 7) Subject to subparagraph (4), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof.
4. Disclosure of interest by Board members
- 1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter: Provided that, if the majority of the members present are of the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question.
  - 2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
  - 3) A member of the Board who contravenes subparagraph (1) commits an offence and is liable to imprisonment for a term not exceeding six months, or to a fine not exceeding one hundred thousand shillings, or both.
5. Execution of instruments Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Board by any person generally or specially authorized by the Board for that purpose.
6. Minutes The Board shall cause minutes of all resolutions and proceedings of meetings of the Board to be entered in books kept for that purpose.