

WELCOME

**INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
OF KENYA (ICPAK)**

2012 BUDGET REVIEW SEMINAR

“Miscellaneous Provisions & 2012 Budget Scorecard”

20TH JUNE, 2012

HILTON HOTEL, NAIROBI

CPA Erastus K. Omolo

Erastus & Co., Certified Public Accountants

THE RETIREMENT BENEFITS ACT

RETIREMENT BENEFITS (MORTGAGE LOANS) (AMENDMENT) REGULATIONS, 2012

- **A member of a scheme who has a mortgage can transfer the mortgage by way of assignment of benefits to an institution.**

Effective : 14th June, 2012

THE RETIREMENT BENEFITS ACT

RETIREMENT BENEFITS (MORTGAGE LOANS) (AMENDMENT) REGULATIONS, 2012

**a first mortgage on a house or in the
case of a rural house :**

- the guarantee shall be considered
as the primary security acceptable
to the institution.**

Effective : 14th June, 2012

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RETIREMENT BENEFITS (MORTGAGE LOANS) (AMENDMENT) REGULATIONS, 2012 Cont....

Settlement of Mortgage Debts :-

- evidence of default and liability - the guarantee shall be redeemable on demand**
- default by a member arising on account of loss of employment, trustees shall settle the outstanding mortgage with the institution if the outstanding loan is less or equal to the permitted guarantee.**

Effective : 14th June, 2012

THE RETIREMENT BENEFITS ACT

THE RETIREMENT BENEFITS (INDIVIDUAL RETIREMENT BENEFITS SCHEMES) (AMENDMENT) REGULATIONS, 2012

- A scheme shall not appoint a trust corporation whose ownership or directorship is related to that of its sponsor to be the trustee of the scheme.

Effective : 14th June, 2012

The costs of an interim administrator of a scheme shall be a charge on the Fund.

January, 2013

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THE TRAFFIC ACT

THE TRAFFIC (VEHICLE LICENCES) (DURATION) RULES, 2012

- **A license in respect of any vehicle shall be taken out for a period of twelve months or for a period of four months pending the registration of the motor vehicle in the name of a new owner.**
- **The period of twelve months or four months, as the case may be, shall commence from the beginning of the month in which the license first has effect.**

Effective :14th June, 2012

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THE KENYA REVENUE AUTHORITY ACT

❑ SANCTIONS :

Offence : - knowingly and willfully makes any statement which is false or which is misleading, with a view to gaining any advantage, concession or privilege under these Regulations; or commits an offence.....

Consequence : - liable, on conviction, to a fine not exceeding Kshs 200,000/= or to imprisonment for a term not exceeding two years or both.

Effective :14th June, 2012

THE INSURANCE ACT

Significant Owner Defined

➤ **“significant owner”** means a person who holds more than ten percent of the controlling or beneficial interest in a person licensed under this Act.

Effective January 2013

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THE INSURANCE ACT

Quarterly returns – before was within “forty-five” and now within “thirty” days after the quarter.

Effective January, 2013

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THE INSURANCE ACT

Assessment “Fitness Test”

□ The Authority shall from time to time carry out an assessment of the professional, financial and moral suitability of the persons managing, controlling or having a significant ownership or significant beneficial interest in a person licensed under this Act.

Effective January 2013

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THE BANKING ACT

Agency Banking – Bank liable for acts of Agents :

◦ where an institution conducts business through an agent, the institution shall be liable for the acts or omissions of the agent in so far as such acts or omissions relate to that business.

Effective January 2013

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THE BANKING ACT

The financial statements shall be in accordance with international financial reporting standards, including applicable consolidated accounting principles for groups.

The Central Bank may, for regulatory purposes, require an additional accounting consolidation which excludes insurance and such other subsidiaries as the Central Bank may prescribe.

Effective January 2013

THE BANKING ACT

Every institution shall :-

➤ **Exhibit throughout the year in every office and branch in Kenya, a copy of its last audited financial statements which shall be in conformity with the minimum financial disclosure requirements prescribed from time to time by the Central Bank together with the full and correct names of all officers of the institution.**

Effective January 2013

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THE BANKING ACT

Publish in a newspaper with wide circulation a balance sheet and last audited income statements for the financial year within three months of financial year end.

- **What about font size ?!!!**
- **Some don't want you to read !!**

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THE BANKING ACT

Information Sharing :-

The Central Bank may assist investigative agencies or other authorities in matters related to suspected fraud or malfeasance in institutions by identifying such matters for referral to or at the request of, such agencies not authorities.

Effective January 2013

THIRD SCHEDULE COMPETENT AUTHORITIES

- 1. The Central Bank of Kenya;**
- 2. The Capital Markets Authority;**
- 3. The Insurance Regulatory Authority;**
- 4. The Retirement Benefits Authority;**

THIRD SCHEDULE COMPETENT AUTHORITIES

- 5. The Communications Commission of Kenya;**
- 6. The SACCO Societies Regulatory Authority;**
- 7. Such other Regulatory Authority established by Act of Parliament and specified by the Minister by notice in the gazette for the purpose of this Act.**

THE SCRAP METALS ACT

Registration of Dealers

The Minister may prescribe conditions for the registration and regulation of persons dealing in scrap metal.

Effective January 2013

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THE SCRAP METALS ACT

○ **Offences & Sanctions :-**

-Breach of conditions - a fine not exceeding one million shillings, or imprisonment for a term not exceeding three years, or to both.

-Effective January 2013

THE ACCOUNTANTS ACT

- ❑ **Council Empowered to create classes of membership :**
- ❑ **A person elected as chairman shall hold office for a non-renewable term of two years**

Effective January 2013

THE NATIONAL ASSEMBLY REMUNERATION ACT

The National Assembly Remuneration Act - Repeal of Section 5 of Cap.5

Is amended by repealing Section 5 – Exemption
from Income Tax

5. All allowances payable under this Act shall be exempt from income tax notwithstanding the provisions of any other written law relating to income tax.

THE NATIONAL ASSEMBLY REMUNERATION ACT

The Constitutional Offices (Remuneration) Act - Repeal of Section 5 of Cap.423

Is amended by repealing section 5 – Exemption from Income Tax

5. All allowances payable to the holder of the offices specified in the first column of the Schedule shall be exempt from income tax notwithstanding the provisions of any other written law relating to income tax.

THE NATIONAL ASSEMBLY REMUNERATION ACT

Offices - Subject to Tax :-

- ***Attorney-General***
- ***Chief Justice***
- ***Judge of Appeal***
- ***Puisne Judge***
- ***Controller & Auditor-General***
- ***Chairman, Public Service Commission***
- ***Deputy Chairman, Public Service Commission***
- ***Member, Public Service Commission***
- ***Chairman, Interim Independent Electoral Commission***
- ***Vice-Chairman, Interim Independent Electoral Commission***
- ***Member, Interim Independent Electoral Commission***

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THE CAPITAL MARKETS ACT

Capital Markets (Securities) (Public Offers, Listings and Disclosures) Amendment Regulations 2012 – Published

Definitions introduced

- ❖ **Director's Induction Program**
- ❖ **Nominated Advisor**
- ❖ **Listing Statement**
- ❖ **Growth Enterprise Market Segment, etc** *(It is 62 Pages please read it)*

Effective 14th June 2012

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KENYA REVENUE AUTHORITY ACT

Tax Agents Regulations 2012 Published

Introduces Tax Agents Committee

- ❖ **Defines misconduct**
- ❖ **Defines a “Tax Agent” as a person registered by the Commissioner as a Tax Agent.**
- ❖ **Introduces a Certificate of Registration for Tax Agents.**
- ❖ **States that a Tax Agent must conduct himself in a professional manner and provide quality service to his clients**
- ❖ **Provides sanctions a fine not exceeding Kshs 200,000/= or two (2) years imprisonment or both**

Effective 14th June 2012

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**THANK YOU FOR ATTENDING THIS ICPAK SEMINAR
&
FOR SUPPORTING OUR INSTITUTE!**

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