

Kenya Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Kenya's national cooperative legal framework, based on the work of national legal experts and ICA member input.

Main regulations: This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report

Regulation	Type of cooperative and nature of regulation	Key Components	Link to Full Text
The Constitution Kenya, 2010.	All co-operatives	Devolvement of cooperative mandate from the national government to the counties	http://kenyalaw.org
The Co-operative Societies Act Cap. 490 Rev. 2005	All cooperatives	Relates to the constitution, registration, regulation and management of co-operative societies.	www.kenyalaw.org
By-laws of cooperatives	All cooperatives	Governs management of the societies	www.ushirika.ke
Sacco Societies Act, 2008	Deposit-taking Sacco's	Licensing and governance by SASRA.	www.kenyalaw.org
Income Tax Act, Chapter 470	All cooperatives	Taxation	www.kenyalaw.org

Cooperative Friendliness: The implementation of national cooperative legislation has been characterized by some tensions between cooperatives and the government. This is an indication that the degree of cooperative friendliness is not satisfactory. There is over regulation of cooperative societies by the Commissioner for Cooperative Development who has enormous powers under the Cooperative Societies Act in relation to various aspects.

Key recommendations for improvement: The Cooperative Societies Act and the SACCO Societies Act as national laws governing cooperatives in Kenya need review in order to enhance growth, expansion and development of cooperative societies. The review should be done in the nine areas listed in the report. There is need to improve the national law to give cooperatives autonomy and independence.

Conclusions: There is need to reform the cooperative laws to enhance growth of cooperatives in the dynamic world. The main areas that require consideration include legal and regulatory framework, cooperative structure and financing, cooperative governance, cooperative production and value addition, ICT cooperative education and research and other emerging issues in the sector.

