



**REGULATORY  
GUIDE FOR DOING  
BUSINESS IN KENYA**



**MINISTRY OF EAST AFRICAN COMMUNITY  
AND REGIONAL DEVELOPMENT**

**BUSINESS REFORMS & TRANSFORMATION DEPARTMENT**



Supported by  UK Kenya  
Tech HUB



**Scale your Business Stage**

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**NAVIGATING THE KENYAN BUSINESS  
REGULATORY ENVIRONMENT**

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[www.kenyabusinessregulatoryguide.com](http://www.kenyabusinessregulatoryguide.com)

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# REGULATORY GUIDE FOR DOING BUSINESS IN KENYA

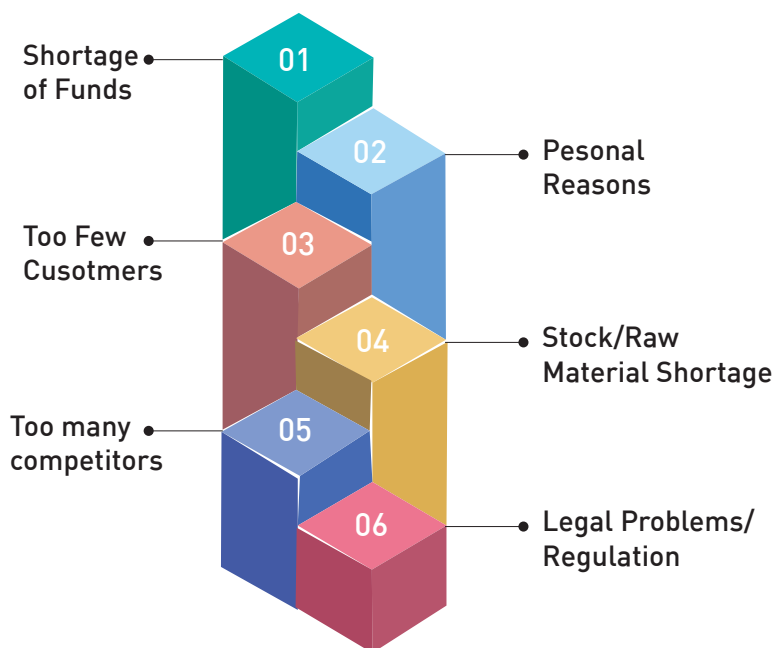
# Overview



Many of Kenya's entrepreneurs especially start-ups and Micro small medium enterprises face numerous challenges navigating the regulatory environment leading to a high informality rate of 79 percent (KNBS MSME Report 2016).

The state of informality leads to lack of sufficient data for government as well as other stakeholders make optimal policy and other interventions needed to develop SMEs as well as impedes SMEs from becoming globally competitive. Kenyan SMEs have a mortality rate of 75 percent within three years of inception (3 out of 5 SMEs dying) with top reasons for business closure being

## SME Reasons for Business Closure



Source: Kenya National Bureau of Statistics MSME Report 2016

Further SMEs face a variety of challenges that continue to impeded their growth as illustrated below

## SME Challenges



Source: Kenya National Bureau of Statistics MSME Report 2016

# Government Reforms

The Government's economic plan, implemented over the past six years, has addressed various bottlenecks facing businesses such as increasing connectivity by expanding affordable power supply, rail and road networks, ports, markets locally and internationally, affordable financing mechanism and other initiatives that complement the Ease of Doing Business agenda.

The Government is committed to improving the business environment in Kenya to make the country the preferred destination for local and international investors

The government has in particular placed emphasis on reforms that directly improve processes and costs associated with a broad range of business-related measures such as Company Registration, construction permits, Property Transfers, Commercial litigation, the insolvency framework amongst others. This has been made possible through enacting legislation, re-engineering processes, eliminating red tape, in critical areas that facilitate efficiency in the public sector space interface with the private sector.

In collaboration with the private sector, the Government continues to identify and implement cross-cutting reforms to improve the business regulatory environment on the platform of the Ease of Doing Business Reforms Agenda. Some of the areas in scope have included:



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To improve Kenya's business environment, the Government in 2014 established a multi-institutional Business Environment Delivery Unit, which draws membership from various ministries, departments and agencies. The Delivery Unit is mandated to champion the implementation of various business reforms in partnership with the private sector. In 2018, H.E the President strengthened this approach by establishing the Department of Business Reforms and Transformation: a dedicated and resourced Government organ to implement initiatives that make Kenya more competitive both locally and internationally

The department of business reforms and transformation (Ease of doing business) under the ministry of east Africa community and regional development supported by UK Kenya Tech hub among other partners have created an SME Business regulatory toolkit that espouses to help SMEs

1. Engage with and understand the Kenyan regulatory environment in an easy and accessible manner
2. Develop awareness to unblock regulatory barriers and enable SMEs in navigating regulatory complexities
3. Assist in refining Kenya's business regulatory environment through feedback

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This toolkit is freely available to entrepreneur in Kenya and is structured in an easy to unders manner to enable you get the information they need in one place.

The toolkit is broken down into for key business development stages and enumerates the regulatory requirements as well as identifies key regulators within each stage.



Plan  
Your  
Business



Launch  
Your  
Business



Manage  
Your  
Business



Grow  
Your  
Business

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The toolkit across the four stages provides guidance for regulations and support agencies that are cross cutting to all business as well as to the following identified sectors:



Agriculture



Education



Energy



Health



Manufacturing



Tourism



ICT



Finance



Import-Export



Construction

# Scale Your Business

Entrepreneurs / SMEs that have launched and are running their businesses successfully desiring to further grow their business have two options

1. Access local and Export Market
2. Trade with Government

The scale section of the toolkit provides government agencies that can support SMEs on both options mentioned above

The following table details institutions that can assist SMEs to scale through access to local and export market as well as trade with government

## Access Local and Export Market



..... Organization



REPUBLIC OF KENYA



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**



..... About

KEPROBA is a State Corporation established under the State Corporations Act Cap 446 through Legal Notice No.110 of August 9th, 2019 .The Agency's core mandate is to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services



..... Sector

ALL



..... Where to find them

<https://brand.ke/index.php/kenyan-exporters/export-facilitation>



..... Organization







## ..... About

Agriculture and Food Authority (AFA) is a State Corporation in the ministry of Agriculture, Livestock, Fisheries and Corporatives established by the Agriculture and Food Authority Act No 13 of 2013 to operationalize the Crops Act No 16 of 2013. The Act consolidates the laws on regulation and promotion of agriculture and makes provision for the respective roles of national and county governments according to the provisions of the Fourth Schedule of the Constitution of Kenya. The role of the Authority is to Regulate, Develop and Promote Scheduled Crops value chains for increased economic growth in Kenya.



## ..... Sector

- 1-Tea
- 2-Horticultural Crops
  - Coffee
- 3-Nuts & Oil Crops
- 4-Fibre Crops
- 5-Food Crops
- 6-Sugar
- 7-Miraa, Pyrethrum and other Industrial Crops



## ..... Where to find them

<https://agricultureauthority.go.ke/index.php/en/export-import-guidelines>



## ..... Organization



## ..... About

### **The EPZA SME Development Programme**

This program aims to nurture SME exporters with the majority local Kenyan shareholding desiring to set up under the EPZA program. It targets SMEs from the Horticulture/food processing, Textile/apparel, Leather, Commercial crafts, BPO, and ICT sectors.



## ..... Sector

Horticulture/food processing, Textile/apparel, Leather, Commercial crafts, BPO, and ICT sector



## ..... Where to find them

<https://epzakenya.com/epz-program/>



..... Organization



..... About

The Ajira Digital Program is a government initiative driven by the Ministry of ICT, Innovations and Youth Affairs to empower over one million young people to access digital job opportunities.



..... Sector  
ICT



..... Where to find them  
[https://ajiradigital.go.ke/about\\_ajira](https://ajiradigital.go.ke/about_ajira)

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# Trade with Government

The Access to Government Procurement Opportunities (AGPO) program is founded on the the Constitution of Kenya, 2010 Article 227 on the fair equitable, transparent and cost-effective public procurement of goods and services, the Constitution of Kenya, 2010 Article 55 on affirmative action and the Public Procurement and Asset Disposal Act, 2015.

## What is the aim of the Access to Government Procurement Opportunities (AGPO) Program?

The aim of the AGPO program is to facilitate the enterprises owned by women, youth and persons with disabilities to be able to participate in Government opportunities. This is will be made possible through the implementation of the legal requirement that 30% of Government procurement opportunities be set aside specifically for enterprises owned by these groups. As a result, the program is aimed at empowering them by giving them more opportunities to do business with Government.



# Scale Stage Regulators



## ..... Organization



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## ..... Where to find them

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## ..... Organization



AGRICULTURE AND FOOD AUTHORITY



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..... Organization



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<https://agpo.go.ke/pages/about-agpo>



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