Approved SNA 4/11/26

THIRTEENTH PARLIAMENT – FIFTH SESSION - 2026

REPORT OF THE MEDIATION COMMITTEE ON THE COOPERATIVES BILL

(NATIONAL ASSEMBLY BILLS NO. 7 OF 2024)

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 04 NOV 2026 DAY. Wednesday
TABLED BY: Chairperson, Mediation Committee on the Cooperatives Bill (Hon. Maryan Keynan)
CLERK-AT-THE-TABLE: Halima Ahmed

JOINT CLERKS' CHAMBERS
PARLIAMENT BUILDINGS
NAIROBI

NOVEMBER 2026

NATIONAL ASSEMBLY
RECEIVED
04 NOV 2026
SPEAKER'S OFFICE
P.O. Box 41842-00100 NAIROBI

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS 3
ANNEXURES 4
CHAIRPERSON'S FOREWORD 5
CHAPTER ONE 7
1.0 Preface 7
1.1 Establishment of the Committee 7
1.2 Mandate of the Committee 7
1.3 Committee Meetings 7
1.4 Committee Membership 8
1.5 Committee Secretariat 9
CHAPTER TWO 10
2.0 Senate Amendments to the Cooperatives Bill (National Assembly Bill No. 7 of 2024) ..... **Error! Bookmark not defined.**
2.1 Introduction 10
2.2 Clauses under Mediation 11
CHAPTER THREE 15
3.0 Committee Observations 15
CHAPTER FOUR 16
4.0 Committee Recommendations 16
CHAPTER FIVE 20
5.0 Adoption of the Report 20

LIST OF ABBREVIATIONS AND ACRONYMS

AGM	-	Annual General Meeting
ANC	-	Amani National Congress
CS	-	Cabinet Secretary
EBS	-	Elder of the Order of the Burning Spear
EGH	-	Elder of the Order of the Golden Heart
ICA	-	International Cooperative Alliance
KUSCCO	-	Kenya Union of Savings and Credit Cooperatives
ODM	-	Orange Democratic Movement
PFM	-	Public Finance Management
UDA	-	United Democratic Alliance
WDM-K	-	Wiper Democratic Movement Kenya

ANNEXURES

Annexure 1: Adoption Schedule for this report
Annexure 2: Minutes of the Committee's Sittings
Minutes of the 4th Sitting
Minutes of the 3rd Sitting
Minutes of the 2nd Sitting
Minutes of the 1st Sitting

Annexure 3: Vellum of the Mediated Version of the Cooperatives Bill (*N.A. Bill No. 7 of 2024*)
Annexure 4: Speakers' Communications on Members of the Mediation Committee

CHAIRPERSON'S FOREWORD

This report contains proceedings of the Mediation Committee on the Cooperatives Bill *(National Assembly Bills No. 7 of 2024)*. The National Assembly considered the Bill and transmitted their amendments to the Senate for consideration on 1st August, 2024.

Subsequently the Senate considered the Bill and passed it with amendments which were transmitted to the National Assembly for consideration on 12th November 2025. The National Assembly negatived the Motion on the consideration of the Senate Amendments to the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*) on Tuesday, 14th April 2026 thereby committing the Bill to a mediation committee pursuant to Article 112 (2) (b) of the Constitution.

The Speaker of the National Assembly appointed Members to the Mediation Committee on 23rd April 2026 as required by standing order 149 (2) of the National Assembly Standing Orders while the Speaker of the Senate appointed Senators to the Committee on 2nd June 2026 under provisions of standing order 166 (2) of the Senate Standing Orders.

The Committee held four (4) sittings, to consider the clauses of the Bill under mediation. Through these deliberations, the Committee resolved all eight issues of divergence and developed an agreed version of the Bill. The agreed version strikes a balance between upholding national standards and enabling effective service delivery by county governments. In summary, it-

1. establishes a single master digital register of cooperatives maintained at the national level by the Commissioner for Cooperative Development, with registration undertaken at county level through an integrated registration and management information system;
2. requires every cooperative to declare, at registration, whether it operates within one county or across counties;
3. adopts the title County Commissioner for Cooperatives for the county head of cooperatives, backed by prescribed qualifications;
4. establishes the Office of the County Auditor for Cooperatives to review external audit reports, and bars the presentation of audited accounts to members until they have been reviewed and approved by the County Auditor;
5. establishes the Office of the National Auditor for Cooperatives to review the audit reports of cooperative federations and the Apex Cooperative, and requires the Commissioner to act on its recommendation before dissolving a cooperative;
6. requires auditors to be drawn from a list of licensed auditors and limits any auditor to conduct three consecutive audits of a cooperative;
7. introduces a staged dissolution procedure so that no cooperative is liquidated without independent review, an opportunity for remedy and a clear route of appeal;
8. retains the Cooperative Development Fund, shared equally between the national and county governments;
9. strengthens governance through physical, virtual and hybrid general meetings, individual member voting, a minimum education requirement for board members, an eleven-member Apex Cooperative board and annual reporting to Parliament; and
10. requires every cooperative to provide a platform for the sale and purchase of members' shares, so that members who exit a cooperative do not lose the value of their share capital.

These measures respond directly to recent failures in the sector, where members lost billions of shillings in savings and are intended to restore members' confidence in the accuracy of cooperative accounts and the integrity of their governance.

The Committee is grateful to the Offices of the Speakers and Clerks of both Houses of Parliament for the logistical and technical support accorded to it in the execution of its mandate.

I express my appreciation to Members of the Mediation Committee and the joint Secretariat for their commitment, which enabled the Committee to complete its task within the period set under Article 113(4) of the Constitution.

It is now my pleasant privilege and honour, on behalf of the Mediation Committee, to table the Report on the Cooperatives Bill (National Assembly Bills No. 7 of 2024) and to recommend the adoption of agreed version of the Bill to the Houses for approval pursuant to Article 113(2) of the Constitution, standing order 150(3) of the National Assembly Standing Orders and standing order 167(3) of the Senate Standing Orders.

Sign:

Date: 3rd November 2026

Sen. Jackson Kiplagat Mandago, EGH, MP
Chairperson,
Mediation Committee on the Cooperatives Bill (N.A. Bill No. 7 of 2024)

Sign.....

Date.....

Hon. Marianne Jebet Kitany, MP
Vice-Chairperson,
Mediation Committee on the Cooperatives Bill (N.A. Bill No. 7 of 2024)

CHAPTER ONE

1.0 Preface

1.1 Establishment of the Committee

1. The Mediation Committee on the Cooperatives Bill (*National Assembly Bills No. 7 of 2024*) was constituted by the Speaker of the National Assembly pursuant to standing order 149 (2) of the National Assembly Standing Orders and the Speaker of the Senate pursuant to standing order 166 (2) of the Senate Standing Orders on 23rd April 2026 and 2nd June 2026 respectively.

1.2 Mandate of the Committee

2. The Mediation Committee derives its mandate from the provisions of Articles 112 and 113 of the Constitution, standing order 149 of the National Assembly Standing Orders and standing order 166 of the Senate Standing Orders which outline the functions of the Committee as follows:

    i. *To consider Bills where the Houses do not agree on all or any of the amendments made by either Houses;*
    ii. *To consider Bills where either House rejects a Motion that a Bill which originated in the other House be read a Second or Third time; and,*
    iii. *To attempt to develop a version of the Bill that both Houses will pass.*

1.3 Committee Meetings

3. The Committee held four (4) sittings to deliberate on the Cooperatives Bill (*National Assembly Bills No. 7 of 2024*) in accordance with the Constitution and relevant provisions of the Standing Orders of the Senate and the National Assembly.

4. During the first sitting, the Committee elected Sen. Jackson Kiplagat Mandago, EGH, MP and Hon. Marianne Jebet Kitany, MP as Chairperson and Vice-Chairperson respectively pursuant to Standing Order 160 (4) of the Senate Standing Orders and Standing Order 149 (4) of the National Assembly Standing Orders.

1.4 Committee Membership

5. The Mediation Committee on the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*) comprises the following Members:

Chairperson
Sen. Jackson Kiplagat Mandago, EGH, MP
Uasin Gishu County
UDA Party

Vice-Chairperson
Hon. Marianne Jebet Kitany, MP
Aldai Constituency
UDA Party

Sen. (Prof.) Margaret Jepkoech Kamar, MP
Nominated Senator
UDA Party

Sen. Daniel Kitonga Maanzo, EBS, MP
Makueni County
WDM-K Party

Hon. Anthony Tom Oluoch, MP
Mathare Constituency
ODM Party

Sen. James Kamau Murango, MP
Kirinyaga County
UDA Party

Hon. Dr. Wilberforce Ojiambo Oundo, MP
Funyula Constituency
ODM Party

Hon. Joyce Kamene, MP
Machakos County
WDM-K Party

Sen. Abass Sheikh Mohamed, MP
Wajir County
UDM Party

Hon. John Okano Bwire, MP
Taveta Constituency
WDM-K Party

Hon. Dr. Beatrice Kahai Adagala, MP
Vihiga County
ANC Party

Hon. Ali Wario, MP
Garsen Constituency
ODM Party

Hon. Joshua Mbithi Mwalyo, MP
Masinga Constituency
Independent Member

Hon. Robert Githinji Gichimu, MP
Gichugu Constituency
UDA Party

Sen. Essy Okenyuri Anyieni, MP
Nominated Senator
UDA Party

Sen. Miraj Abdillahi Abdulrahim, MP
Nominated Senator
UDA Party

Sen. Hamida Ali Kibwana, MP
Nominated Senator
ODM Party

Sen. Betty Batuli Montent, MP
Nominated Senator
ODM Party

1.5 Committee Secretariat

6. The Committee was facilitated by the following staff:

i.	Mr. Crispus Njogu	-	Senior Clerk Assistant
ii.	Ms. Laureen Wesonga	-	Senior Clerk Assistant
iii.	Mr. Sidney Lugaga	-	Principal Legal Counsel II
iv.	Mr. Mitchel Otoro	-	Senior Legal Counsel
v.	Ms. Carolyne Musyoka	-	Hansard Reporter II (Clerk Assistant)
vi.	Ms. Pauline Sifuma	-	Hansard Reporter II
vii.	Ms. Kanze Charo	-	Research Officer III
viii.	Ms. Violet Nalianya	-	Media Relations Officer III
ix.	Mr. Ambrose Nguti	-	Media Relations Officer III
x.	Ms. Peris Kaburi	-	Assistant Serjeant-at-Arms II
xi.	Mr. Kelvin Lengasi	-	Audio Assistant II

CHAPTER TWO

2.0 Background

7. The Cooperatives Bill (*National Assembly Bill No. 7 of 2024*) is sponsored by Hon. Kimani Ichung'wah, EGH, MP, Leader of the Majority Party in the National Assembly.

8. The Bill was published vide Kenya *Gazette* Supplement No. 32 of 2024 and was considered and passed with amendments by the National Assembly on 3rd December 2024. The Bill, being a Bill concerning counties was forwarded to the Senate for consideration pursuant to Standing Order 142 of the National Assembly Standing Orders.

9. The Senate considered and passed the Bill with amendments on 12th November 2025 and transmitted the amendments to the National Assembly seeking concurrence on 13th November 2025.

10. The National Assembly negatived the Motion on the consideration of Senate amendments to the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*) on Tuesday, 14th April, 2026 thereby referring the Bill to a mediation committee pursuant to Article 112 (2)(b) of the Constitution.

2.1 Senate amendments to the Cooperatives Bill (National Assembly Bills No. 7 of 2024)

11. The Departmental Committee on Trade, Industry and Cooperatives examined each of the Senate amendments and grouped them into cross-cutting themes. While the Committee rejected some of the amendments, it concurred with a substantial number of the Senate's proposed governance improvements, including-

    a) electronic voting and secret ballots for special resolutions (clause 47);
    b) notice of meetings through official virtual platforms (clauses 56 and 57);
    c) recognition of diaspora-based members (clause 44) and nominees in by-laws (clause 38);
    d) criminal liability for board members who fail to cause an audit and for auditors who falsify statements, three years' imprisonment or a fine of KSh. 500,000 (clause 54(12B) and (12C));
    e) one-third rotation of board members and competitive recruitment of Chief Executive Officers (clauses 61(2) and 64);
    f) disqualification of board members on conviction rather than charge, and a six-month imprisonment threshold (clause 63);
    g) qualifications for liquidators and High Court discharge of liquidators (clauses 110 and 113); and
    h) reforms to the Cooperative Tribunal, namely qualifications of the Chairperson and deputies, competitive recruitment by the Judicial Service Commission, a six-month timeline for determination and publication of decisions (clauses 124, 127, 128 and 131).

2.2 Clauses under Mediation

12. The Mediation Committee considered the following clauses of the Cooperatives Bill (*National Assembly Bills No. 7 of 2024*), which are grouped into eight (8) issues of divergence. Each issue sets out the position of each House and the deliberations of the Committee.

Issue 1: Registration of Cooperatives (Clauses 5, 9, 14, 28, 29, 30, 31, 32, 33, 34, 35, 37, 39, 40, 67 and 68)

13. **Senate Amendment**: Dual-level registration, under which the national Commissioner registers inter-county cooperatives, federations and the Apex Cooperative, while county governments register intra-county primary and secondary cooperatives, premised on *Gazette* Notice No. 16472 of 2024.

14. **National Assembly Position:** The Commissioner registers all cooperatives, as assigned by Legal Notice No. 85 of 2021; forty-seven separate registers would fragment the national register.

15. **Committee Deliberations:** The Committee noted that registration is central to the governance and sustainability of cooperatives. It agreed that a single national register can co-exist with registration at county level if the register is digital and integrated. It further noted that registration at county level is a technical function and that clause 32 already requires registration within thirty (30) days of verification. The Committee resolved that the County Commissioner for Cooperatives registers cooperatives at county level through an integrated cooperative registration and management information system, that every newly registered cooperative is entered into the master register and that the maintenance of the master register is a function of the Commissioner for Cooperative Development, who retains oversight of the Apex Cooperative and federations.

Issue 2: Intra/Inter-county Classification (Clauses 2, 19, 22, 65, 102, 148, 153 and 165)

16. **Senate Amendment:** Replace '*primary*' and '*secondary*' cooperatives with four (4) categories, intra-county and inter-county, primary and secondary cooperatives.

17. **National Assembly Position:** The classification is consequential to dual registration, changes as membership fluctuates and would create inconsistency, since the Bill uses '*primary*' and '*secondary*' throughout.

18. **Committee Deliberations:** The Committee found the classification useful only to identify where a cooperative operates for purposes of registration and oversight and not as a replacement for the existing categories. It agreed that each cooperative should indicate, at the point of registration, whether it operates within one county or across counties.

Issue 3: Nomenclature (Clause 11 and over 80 related clauses)

19. **Senate Amendment:** Rename the '*County Director for Cooperatives*' as '*County Commissioner for Cooperatives*' throughout the Bill.

20. **National Assembly Position:** '*Commissioner*' is reserved for the national office under ICA practice; County Directors sit with the Commissioner in the Intergovernmental Cooperatives Relations Technical Forum (clause 16), following the Health Act precedent.

21. **Committee Deliberations:** The Committee accepted that the new title, backed by prescribed qualifications, would curb the deployment of unqualified or politically aligned officers. It was advised that the change would not affect job grades, salaries or allowances.

Issue 4: Audit Oversight (Clauses 54, 55, 98, 103 and 105)

22. **Senate Amendment:** Create offices of the National and County Audit Directors of Cooperatives to certify audited accounts, authenticate filed accounts, conduct inquiries and recommend dissolution.

23. **National Assembly Position:** The Bill had no establishment clause for the offices; the existing Directorate of Cooperative Audit already performs these functions; and a government auditor would expose government to claims if a cooperative failed.

24. **Committee Deliberations:** The Committee noted the collapse of KUSCCO, where losses of over KSh. 17 billion were reported and the same auditor had served for 7 years without independent review. The Commissioner had also informed Parliament that his office lacks capacity to review audit reports of all cooperatives in the country. The Committee agreed that a county office reviewing but not conducting audits would add an independent check without interfering with cooperatives' autonomy. The Committee further agreed on a layered structure of assurance (internal audit, external audit, review by the County Auditor for Cooperatives (or, for the Apex Cooperative and federations, by the Commissioner) before audited accounts are presented to members, to curb misreporting.

Issue 5: Governance Improvements (various clauses)

25. The following eight governance items were in dispute:

Item	Clause	National Assembly	Senate
Board education	63(1)(b)	No requirement	Post-secondary in cooperative management
Meeting format	59	Physical for weighty matters	Virtual or hybrid without exception
Reserve fund	56(6), 87	CS prescribes in Regulations	Members decide at AGM
Borrowing	60	AGM sets limits	Delegate meeting decides
Books of account	54(1)(c), (1A)–(1E)	General; detail in Regulations	Sector-specific reports in the Act
Appointment of auditors	54(4)	List approved by Commissioner	Proposed by board
Apex board	61(1A)	Maximum 9	Maximum 15
Annual report	10	To CS	To Parliament and CS, with set contents

26. **Committee Deliberations:** The Committee observed that a post-secondary requirement would exclude experienced members, particularly in rural cooperatives and that a minimum secondary school qualification with a transitional period for serving board members was appropriate; that reserve funds had been misused to pay dividends; that borrowing decisions taken by a few delegates had driven cooperatives into debt; and that a Commissioner-approved list of auditors was open to abuse, with some firms auditing books they had themselves prepared. On meetings, the Committee agreed that members should be able to participate and vote directly, whether physically or virtually, but that decisions with far-reaching consequences for members should continue to require physical attendance.

Issue 6: Dissolution (Clauses 105 and 109)

27. **Senate Amendment:** Vest dissolution recommendations in the Audit Directors and require a mandatory High Court petition for liquidation.

28. **National Assembly Position:** Registration, cancellation and dissolution should be domiciled in one office, the Commissioner.

29. **Committee Deliberations:** The Committee noted cases in which dissolution had been recommended without independent verification, although remedial action could have revived the cooperative and instances of premature dissolution. It agreed that a second level of review was necessary but that a mandatory court process would delay timely action. The Committee considered whether appeals should lie to the Cabinet Secretary or to the Cooperative Tribunal and settled on a layered structure of review with a clear route of appeal to the Tribunal and thereafter to the High Court, supported by notice and appeal windows to safeguard members' assets.

Issue 7: Cooperative Tribunal (Clauses 123 and 125)

30. **Senate Amendment:** Reduce the deputy chairpersons from two to one, and extend members' term from three to five years.

31. **National Assembly Position:** Two deputies allow three benches to sit at once; most tribunals have a three-year term.

32. **Committee Deliberations:** The Committee agreed that the volume of disputes justified three benches and that a longer, single term would provide continuity in long-running matters. To avoid the simultaneous replacement of all members, appointments should be staggered.

Issue 8: Cooperative Development Fund (Clause 153 and new Clauses 153A to 153D)

33. **Senate Amendment:** Establish a National and County Cooperative Development Fund, each with a Board of Trustees, funded by levies on cooperatives.

34. **National Assembly Position:** The new provisions had not undergone money-bill analysis under Article 114 of the Constitution or public participation under Article 10 of the Constitution, and rested on the rejected classification.

35. **Committee Deliberations:** The Committee noted that the Bill as passed shares the Fund 60:40 between national and county governments, and that rural cooperatives most need member education. It was advised that a fund is operationalised through the PFM Act and Regulations, so the Bill should set the Fund's objects and sharing and leave administration to Regulations.

Definitions (Clause 2)

36. **Senate Amendment:** Replace '*agricultural produce*' with '*members' produce*'.

37. **Committee Deliberations:** The Committee adopted the proposal by the Senate noting that the Bill makes reference to members' produce and not agricultural produce.

38. **Membership of Cooperatives (Clause 51):** The Committee affirmed the Senate position that a primary cooperative shall consist of natural persons only, while cooperatives deemed as corporate bodies, deemed may be members of secondary cooperatives and higher-tier cooperatives. The Committee directed that the definitions of primary cooperative, secondary cooperative, federation and Apex Cooperative in clause 2 be made explicit, and that ambiguity in clause 51(2) be removed.

39. **Sale and Transfer of Members' Share Capital (Clause 60 of the Mediated Version):** Committee raised concern that members exiting cooperatives, particularly on retirement, often lose the value of their share capital. The capital remains unclaimed in the cooperative, while new members benefit from assets acquired with it. Instances were cited of former members forfeiting their shares and receiving no further dividends. The Committee further distinguished between:

    a) share capital, which constitutes the capital of the cooperative, is non-withdrawable and cannot be borrowed against, but remains the member's entitlement; and
    b) deposits or savings, which are refundable in accordance with the Act and the cooperative's by-laws. The Committee resolved to retain the provision under clause 60 that permits transfer or charge of a member's share, subject to the one-fifth maximum shareholding under clause 57.

40. **Committee Deliberations:** The Committee observed that the term '*transfer*' does not expressly confer a right to sell shares, leaving exiting members, especially retirees who relocate, to find buyers unaided. The Committee therefore resolved that:

    a) the right of a member to sell share capital to an existing or incoming member of the same cooperative, on a willing-buyer, willing-seller basis, be expressly provided for;
    b) every cooperative should provide a platform through which a member may give notice of intention to sell, and through which the cooperative communicates the availability of the shares to existing and incoming members, without the cooperative being obliged to buy or sell on the member's behalf;
    c) the sale and purchase of shares be confined to the cooperative's membership and not create an open market, having regard to, among other things, the tax implications of open-market transfers;
    d) the one-fifth shareholding cap should continue to apply to the buyer; and
    e) the provision be modelled on clause 161(1)(a) of the draft Cooperatives Bill, 2021, which established a platform for the sale and purchase of members' shares, excluding paragraph (b) on

trading in cooperative capital instruments, which the Committee considered beyond the scope of the matter.

CHAPTER THREE

3.0 Committee Observations

Having considered the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*), the Committee observed that:

1) registration is central to the governance and sustainability of cooperatives, and a single national register can coexist with county-level registration if the register is digital and integrated;
2) classifying cooperatives as intra-county or inter-county is useful only to show where a cooperative operates, for purposes of registration and oversight, and should not replace the existing categories of primary and secondary cooperatives;
3) the title 'County Commissioner for Cooperatives', backed by prescribed qualifications, would curb the deployment of unqualified or politically aligned officers, and the change of title would not affect job grades, salaries or allowances;
4) the collapse of KUSCCO, where losses of over KSh. 17 billion were reported and the same auditor had served for seven years without independent review, shows that independent oversight of cooperative audits is needed. Establishing national and county cooperative offices mandated to review audit reports will provide independent checks without interfering with the autonomy of cooperatives;
5) a requirement for post-secondary education would exclude experienced board members, particularly in rural cooperatives, and a minimum secondary school qualification, with a transitional period for serving members, is more appropriate;
6) a list of auditors approved by the Commissioner was open to abuse, and some audit firms had audited books of account prepared by themselves;
7) members should be able to take part and vote directly, whether physically or virtually, but decisions with far-reaching consequences for members should continue to require physical attendance;
8) dissolution of cooperatives had in some cases been recommended without independent verification, even where remedial action could have revived the cooperative, and there had been instances of premature dissolution. A second level of review is therefore needed before a cooperative is dissolved;
9) the volume of disputes before the Cooperative Tribunal justifies three benches, and a longer, single term would provide continuity in long-running matters, provided that appointments are staggered so that all members are not replaced at the same time;
10) share capital forms the capital of a cooperative, it can neither be withdrawn nor borrowed against, but remains the member's entitlement, whereas deposits and savings are refundable in accordance with the Act and the cooperative's by-laws. Members leaving cooperatives often lose the value of their share capital, which remains unclaimed in the cooperative while new members benefit from assets acquired with the share capital; and
11) the word 'transfer' in clause 60 does not expressly give a member the right to sell shares, and leaves an exiting member to find a buyer unaided, which is especially difficult for retirees who relocate.

CHAPTER FOUR

4.0 Committee Recommendations

41. Having considered the Senate amendments to the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*), the Mediation Committee recommends as follows-

Registration and Classification

42. **Clauses 5, 9, 14, 28, 29, 30, 31, 32, 33, 34, 35, 37, 39, 40, 67 and 68**: There shall be one national register of all cooperatives in Kenya, maintained in digital form by the Commissioner for Cooperative Development, with registration of new cooperatives undertaken at county level through that register. The Commissioner for Cooperative Development shall maintain a national register of all cooperatives in Kenya and establish and maintain an integrated cooperatives registration and management information system (clause 9(2)(d) and (e); the County Commissioner for Cooperatives shall register primary, secondary cooperatives and fedearations at county level, and every newly registered cooperative shall be entered into the national register (clauses 9(2)(d) and 40(1)); applications for registration shall be made in the prescribed form through an integrated cooperative registration and management information system (Clause 41(1); and the Commissioner for Cooperative Development shall register, supervise and retain oversight for Apex Cooperative (clauses 9(2)(c), (f) and (h) and 40(2)).

43. **Clauses 29 and 32**: The registration timelines, including registration within thirty (30) days of verification, are retained without further amendment (clause 44).

44. **Clause 2 and Related Clauses**: Every cooperative shall indicate at the point of registration whether it shall operate within a county or across two or more counties (clause 40(3)), and may apply to change that status at any time through the national register. The categories of primary and secondary cooperatives are retained.

45. **Clauses 25 and 51(2)**: A primary cooperative shall be formed by, and composed of, natural persons only (clauses 31(8) and 48(2)(a)), while cooperatives deemed as corporate bodies,, may be members of secondary cooperatives, cooperative federations and the Apex Cooperative. The definitions of primary cooperative, secondary cooperative, cooperative federation and Apex Cooperative in clause 2 shall be made explicit accordingly.

Nomenclature

46. **Clause 11 and All Related Clauses**: The title 'County Commissioner for Cooperatives' is adopted throughout the Bill (clauses 17 to 21) backed by prescribed qualifications (clause 17(3)). Serving County Directors shall transition to the office subject to meeting the prescribed qualifications. The national office of the Commissioner for Cooperative Development is retained (long title, clauses 2, 6 and 9).

Audit oversight

47. **Clause 11 (new provision) and Clauses 54, 55, 98 and 103**: An office of the County Director of Audit for Cooperatives is established in each county, independent of the County Commissioner, with functions set out in the Bill to—
    a) receive and review external auditors' final reports for compliance with auditing standards and accuracy;
    b) seek clarification from the external auditor and call for books and documents only to verify the report, without conducting a fresh audit; and
    c) report findings and recommendations to the County Commissioner for Cooperatives who shall act on them (clause 25(2)).

    The Office shall be staffed by officers with relevant academic qualifications, competencies and experience in audit (clause 23(2)), and shall submit an annual report on its performance, activities and operations within five months after the end of each financial year (clause 26).

48. **Office of the National Auditor for Cooperatives (New Provision)**: An Office of the National Auditor for Cooperatives is established at the national level (clause 11), staffed by technical officers appointed by the Public Service Commission with qualifications and experience in audit (clauses 12 and 13). The National Auditor for Cooperatives shall review the audit reports of cooperative federations and the Apex Cooperative, report to the Commissioner on matters arising and recommend appropriate action (clause 14), make recommendations to the Commissioner on dissolution (clause 114(2)), and submit an annual report to the Commissioner within five months after the end of each financial year (clause 15).

49. **Clause 54**: Every cooperative shall continue to appoint an external auditor. An external auditor shall not present audited financial statements to members at a general meeting unless the statements have been approved—
    (a) in the case of a primary, secondary cooperative, and Federations by the County Auditor for Cooperatives; and
    (b) in the case of the Apex Cooperative, by the Commissioner for Cooperative Development (clause 61(8)).

    Detailed procedures and timelines shall be prescribed in Regulations.

50. **Clause 54(4)**: Auditors shall be appointed at the annual general meeting from a list of auditors licensed by a body registered in Kenya, and no auditor shall conduct more than three consecutive audits of the same cooperative (clause 66(6)(a) and (b)).

51. **Clause 54(1)(c) and (1A) to (1E)**: Books of account shall be prepared in accordance with International Accounting Standards (clause 66(1)(a)), and the sector-specific reporting requirements proposed by the Senate for savings and credit, member produce, transport, housing and investment cooperatives shall be prescribed in Regulations (clause 164(2)(mm) to (qq)).

Governance

52. **Clause 63(1)(b)**: The minimum qualification for board members is a secondary school education certificate. The Cabinet Secretary (in respect of secondary cooperatives, cooperative federations and the Apex Cooperative) or the County Executive Committee Member (in respect of primary cooperatives) may grant exemptions in prescribed circumstances (clause 72(1)(b)).

53. **Clause 59**: General meetings may be held physically, virtually or in hybrid form (clause 69(1)), with notice shared through a designated official virtual platform (clause 68(6)) and in accordance with protocols, including identity verification, prescribed in Regulations (clause 164(2)(kk)). Members shall vote individually on the basis of one member, one vote, and may vote virtually in a manner prescribed by Regulations (clause 59(1) and (2)). A person attending a virtual or hybrid meeting shall keep the face visible throughout the meeting (clause 69(2)). The delegate system of representation is deleted. Physical attendance at a general meeting of the entire membership shall, however, be required in all cooperatives for decisions on dissolution, amalgamation or division, the formation of subsidiaries, the acquisition of a majority shareholding in or takeover of a company, the liquidation of a subsidiary, a change of core business and borrowing (clause 61(3)).

54. **Clauses 56(6) and 87**: The portion of the net surplus to be carried to the reserve fund, and the proportion to be invested in liquid assets, shall be prescribed in Regulations made by the Cabinet Secretary (clause 96(2) and (3)).

55. **Clause 60**: Borrowing limits shall be determined by the general meeting of the full membership and not by a delegates' meeting (clauses 68(7)(f) and 91(1)), and decisions on borrowing shall be taken at a physical general meeting (clause 61(3)(g)).

56. **Clause 61(1A)**: The board of the Apex Cooperative shall consist of eleven members elected at the general meeting (clause 70(2)), every sector recognised under the Act shall be represented, and the quorum shall be two-thirds of the members of the board.

57. **Clause 10**: The Commissioner shall submit the annual report to the Cabinet Secretary within six months after the end of each financial year, and the Cabinet Secretary shall submit it to Parliament within thirty days of receipt (clause 10(1) and (2)). The report shall set out the cooperatives registered and deregistered, inspections and inquiries carried out, boards found liable, and cooperatives at risk of, or in, liquidation.

Members' Shares

58. **Transfer and Sale of Members' Shares (Clause 60)**: A member may sell or transfer share capital to another member, or to an incoming member, of the same cooperative on a willing-buyer, willing-seller basis, subject to the maximum shareholding of one-fifth of the paid-up share capital (clause 57). Every cooperative shall provide a platform for the sale and purchase of members' shares, through which it shall receive notice from a member wishing to sell and communicate the availability of the shares to existing and incoming members, without being obliged to purchase the shares. The platform shall be confined to the membership of the cooperative and shall not extend to trading in cooperative capital instruments.

Dissolution and Liquidation

59. **Clause 105**: The dissolution of a cooperative shall follow a layered procedure. The County Auditor for Cooperatives shall make recommendations to the County Commissioner for Cooperatives, who may order remedial measures or, where the situation is beyond remedy, submit an opinion recommending dissolution (clause 114(3)). The Commissioner for Cooperative Development shall act only on the recommendation of the National Auditor for Cooperatives (clause 114(2)), and an order of dissolution shall not be valid until the Cabinet Secretary has published it in the Kenya *Gazette* (clause 114(4) and (5)). A member aggrieved by the order may, within two months, appeal to the Cooperative Tribunal and thereafter to the High Court (clause 114(6)).

60. **Clause 109**: The mandatory High Court petition is dropped. The procedure for the liquidation of a cooperative whose registration is cancelled is retained in the First Schedule (clause 117), consistent with the staged dissolution procedure (clause 114).

Cooperative Tribunal

61. **Clause 123(2)(b)**: The Tribunal shall have two deputy chairpersons (clause 133(2)(b)).

62. **Clause 125**: Members of the Tribunal shall serve a single, non-renewable term of five years (clause 135(2)(a)) and shall be appointed in a staggered manner so that at least one-third of the members are in office at all times (clause 135(3)).

Cooperative Development Fund

63. **Clause 153 and new Clauses 153A to 153D**: The Cooperative Development Fund is retained, with its objects, the promotion of cooperative education, training, research, management and quality-set out in the Bill (clause 163(1) and (4)). The Fund shall be shared equally, fifty per cent to the national government and fifty per cent to county governments, the county share being transferred to and administered by the counties (clause 163(3)). The administration, contributions and use of the Fund shall be prescribed in Regulations (clause 163(2)(jj) and 164(2)(jj)), subject to the Public Finance Management Act and Article 114 of the Constitution.

Definitions

64. **Clause 2**: The definition of 'agricultural produce' is deleted and substituted with a definition of 'members' produce', meaning any produce obtained by members of a cooperative or marketed by a cooperative, including the produce of agriculture, animal husbandry, forestry, fisheries or handicrafts (clause 2).

CHAPTER FIVE

5.0 Adoption of the Report

The Mediation Committee recommends that both Houses **approve** the mediated version of the Cooperatives Bill (*National Assembly Bill No. 7 of 2024*) pursuant to Article 113(2) of the Constitution.

Signed:

Date: 3rd November 2026
Sen. Jackson Kiplagat Mandago, EGH, MP
Chairperson,
Mediation Committee on the Cooperatives Bill (National Assembly Bill No. 7 of 2024)

Signed: .....

Date: 3/11/26
Hon. Marianne Jebet Kitany, MP
Vice-Chairperson,
Mediation Committee on the Cooperatives Bill (National Assembly Bill No. 7 of 2024)

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 04 NOV 2026
DAY: Wednesday
TABLED BY: Chairperson, mediation committee on the cooperatives Bill Hon. Maryanne Kitany
CLERK-AT-THE-TABLE: Hulime Ahmed

THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
MEDIATION COMMITTEE ON THE COOPERATIVES BILL (NATIONAL ASSEMBLY BILL NO. 7 OF 2024)

ADOPTION SCHEDULE

We, the undersigned Honorable Members of the Mediation Committee on the Cooperatives Bill (National Assembly Bill No. 7 of 2024) today, **Wednesday, 28th October 2026** do hereby affix our signatures to this **Report of the Mediation Committee on the Cooperatives Bill (National Assembly Bill No. 7 of 2024)** to affirm our approval and confirm its accuracy, validity and authenticity:

S/NO.	NAME	SIGNATURE
1.	Hon. Jackson Kiplagat Mandago, EGH, MP - **Chairperson**	ONLINE
2.	Hon. Marianne Jebet Kitany, MP – **Vice-Chairperson**	
3.	Sen. Daniel Kitonga Maanzo, MP	
4.	Hon. Ali Wario, MP	ONLINE
5.	Hon. Dr. Beatrice Kahai Adagala, MP	ONLINE
6.	Sen. Prof. Margaret Jepkoech Kamar, EGH, MP	ONLINE
7.	Hon. Anthony Tom Oluoch, MP	
8.	Hon. Joshua Mbithi Mwalyo, MP	
9.	Sen. James Kamau Murango, MP	
10.	Hon. Robert Githinji Gichimu, MP	
11.	Hon. Dr. Wilberforce Ojiambo Oundo, MP	
12.	Sen. Essy Okenyuri Anyieni, MP	online
13.	Hon. Joyce Kamene, MP	
14.	Sen. Miraj Abdillahi Abdulrahman, MP	online
15.	Sen. Abass Sheikh Mohamed, MP	
16.	Sen. Hamida Ali Kibwana, MP	
17.	Hon. John Okano Bwire, MP	
18.	Sen. Betty Batuli Montet, MP	