

**THE STATE CORPORATIONS (AMENDMENT)
BILL, 2026**

A Bill for

**AN ACT of Parliament to amend the State Corporations
Act; and for connected purposes**

ENACTED by the Parliament of Kenya, as follows—

Short title.

1. This Act may be cited as the State Corporations (Amendment) Act, 2026.

Amendment of
section 2 of Cap.
446.

2. Section 2 of the State Corporations Act, in this Act referred to as the “principal Act”, is amended—

(a) by deleting the definition of “Tribunal”, and substituting therefor the following new definition —

“**Administrative Review Council**” means the State Corporations Administrative Review Council established under section 22 of this Act;

(b) By deleting the definition of “**the Minister**” and substituting therefor the following new definition —

“**Cabinet Secretary**” means the Cabinet Secretary for the time being assigned ministerial responsibility for a state corporation and matters relating thereto by the President under section 4 and “parent Ministry” shall be construed accordingly;

(c) by inserting the following new definitions in proper alphabetical sequence—

“**accredited mediator**” means a person whose name is enlisted in the Mediation Accreditation Committee register of accredited mediators;

“**agreement to mediate**” means a written and signed agreement setting out the terms upon which parties to an appeal process attempt to resolve a dispute through mediation, including the role of the mediator, the scope of the mediation, and the commitment of the parties;

“**mediation**” means the informal and non-adversarial process conducted physically or

virtually where a mediator encourages and facilitates the resolution of a dispute between two or more parties;

"settlement agreement" means a written and signed agreement arising out of a mediation process and includes a partial settlement;

Amendment of
section 21 of Cap.
446.

3. Section 21 of the principal Act is amended —

- (a) in subsection (1), by deleting the word “Tribunal” appearing immediately after the words “memorandum to the” and substituting therefor the words “Administrative Review Council”;
- (b) in subsection (2), by deleting the word “Tribunal” appearing immediately after the word “the” and after the words “directions as the” and substituting therefor the words “Administrative Review Council”; and
- (c) by inserting a new subsection immediately after subsection (2) –

(3) an appeal arising from the decision of the Inspector-General (Corporations) shall be heard and determined, as far as is practicable in the circumstances, within three months from the date of filing the written memorandum with the Administrative Review Council.

Insertion of new
section 21A in
Cap. 446.

4. The Principal Act is amended by inserting the following new section immediately after section 21—

Review of disputes
involving State
Corporations.

21A. (1) In addition to the appellate functions of the Administrative Review Council under section 21, the Administrative Review Council shall have the power to review, hear and determine disputes between and among State Corporations.

(2) The Cabinet Secretary shall, in consultation with the Administrative Review Council, publish rules providing for the manner of resolution of disputes involving State Corporations.

Amendment of
section 22 of Cap.
446.

5. Section 22 of the principal Act is amended –

- (a) by deleting the sub-heading to section 22 and substituting therefor the following new sub-heading –

“The State Corporations Administrative Review Council”

- (b) in subsection (1) –

- (i) by deleting the word “a Tribunal” appearing immediately after the words “there shall be” and substituting therefor the words “an Administrative Review Council which shall be a body corporate”; and
- (ii) by deleting the words “State Corporations Appeal Tribunal” appearing immediately after the words “known as the” and substituting therefor the words “State Corporations Administrative Review Council”.

- (c) In subsection (2) –

- (i) by deleting the word “Minister” appearing immediately after the word “the” and substituting therefor the words “Cabinet Secretary”;
- (ii) by deleting the word “Tribunal” appearing immediately after the words “shall provide the” and substituting therefor the words “Administrative Review Council”.

- (d) by deleting sub section (3) and substituting therefor the following new sub section –

(3) The Administrative Review Council shall comprise of the following five members –

- (a) a chairperson whose qualifications and experience shall be as that of a Judge of the High Court, appointed by the President; and
- (b) four other members appointed by the Cabinet Secretary for the time being responsible for matters relating to Finance nominated by the following professional bodies —

- (i) one persons nominated by the Law Society of Kenya;
 - (ii) two accredited mediators nominated by the Mediation Accreditation Committee; and
 - (iii) one person nominated by the Institute of Certified Public Accountants of Kenya.
- (e) In subsection (4) by deleting the word “Tribunal” appearing immediately after the words “secretary to the” and substituting therefor the words “Administrative Review Council”.
- (f) In subsection (5) by deleting the word “Tribunal” appearing immediately after the words “staff of the” and substituting therefor the words “Administrative Review Council”.
- (g) In subsection (6) by deleting the words “Tribunal” appearing immediately after the words “appeal by the” and appearing after the words “direction of the” and substituting therefor the words “Administrative Review Council”.
- (h) In subsection (8) by deleting the word “Tribunal” appearing immediately after the word “the” and substituting therefor the words “Administrative Review Council”.
- (i) In subsection (10) by deleting the word “Tribunal” appearing immediately after the words “the chairman or, member of the” and substituting therefor the words “Administrative Review Council”.
- (j) In subsection (12) by deleting the word “Tribunal” appearing immediately after the words “sessions of the” and substituting therefor the words “Administrative Review Council”.
- (k) In subsection (13) by deleting the word “Tribunal” appearing immediately after the words “decision of the” and substituting therefor the words “Administrative Review Council”.
- (l) In subsection (14) by deleting the word “Tribunal” appearing immediately after the words “and

members of the” and substituting therefor the words “Administrative Review Council”.

(m) In subsection (15) –

- (i) by deleting the word “Tribunal” appearing immediately after the words “this section, the” and substituting therefor the words “Administrative Review Council”; and
- (ii) by deleting the words “Chief Justice” appearing immediately after the words “approval of the” and substituting therefor the words “Attorney General.”

Amendment of section 23 of Cap. 446.

6. The principal Act is amended in section 23—

- (a) in subsection (1), by deleting the word “Tribunal” appearing immediately after the words “decision of the” and substituting therefor the words “Administrative Review Council”; and
- (b) in subsection (2), by deleting the word “Tribunal” appearing immediately after the words “appeals from the” and substituting therefor the words “Administrative Review Council”.

Insertion of new section 23A in Cap. 446.

7. The principal Act is amended by inserting the following new sections immediately after section 23—

Resolution of disputes by mediation.

23A (1) the Administrative Review Council may, at any stage before rendering its final decision and where it deems it necessary for the efficient and expeditious disposal of a particular appeal, employ mediation as a means to settling an appeal filed before it.

(2) the parties to a case may, by mutual consent, request the Administrative Review Council to resolve an appeal by mediation.

(3) mediation under this section shall be conducted by members of the Administrative Review Council.

(4) Parties or parties’ advocates or representatives shall attend each mediation session and participate in the mediation process in good faith.

(5) at the commencement of the mediation session, the Administrative Review Council shall prepare an agreement to mediate, read and explain to the parties and the parties' advocates the terms set out in the agreement to mediate, and require the parties and the parties' advocates to sign the agreement.

(6) where an appeal is successfully mediated and a settlement agreement reached resolving some or all of the issues in dispute, such an agreement shall be duly signed by the parties or the parties' advocates, and the secretary shall place the settlement agreement before the Administrative Review Council for adoption.

(7) where the parties reach a settlement on only some of the issues to the dispute, the Administrative Review Council shall prepare, issue and adopt a partial settlement agreement in a similar manner as provided under subsection (6).

(8) a partial settlement agreement shall be adopted in the same way as a full settlement agreement but the Administrative Review Council shall, at the time of adoption, give appropriate directions regarding the execution of the partial settlement and the expeditious disposal of the issues that remain unresolved.

Enforcement of
settlement
agreements.

23B. (1) upon the adoption of a settlement agreement entered under section 23A, the Administrative Review Council shall issue an order or a decree in the terms of the settlement agreement.

(2) a decree and an order arising from the adoption of a settlement agreement shall be enforceable as any other order or decree of the Administrative Review Council.

Amendment of
section 25 of Cap.
446.

8. Section 25 of the principal Act is amended in subsection (1) by deleting the word "Tribunal" appearing immediately after the words "court or the" and substituting therefor the words "Administrative Review Council".

MEMORANDUM OF OBJECTS AND REASONS

The principal object of the Bill is to amend the State Corporations Act, 2026 (Cap. 446); and for connected purposes. It proposes to rename the State Corporations Appeal Tribunal to State Corporations Administrative Review Council and to empower it to use mediation as an alternative form of dispute resolution mechanism for appeals filed before it. It also seeks to prescribe a time period upon which appeals filed with the Administrative Review Council shall be heard and determined.

Clause 1 of the Bill sets out the short title.

Clause 2 of the Bill proposes to amend the section 2 of the principal Act in the definition of “Tribunal” and to include a new definition of “Administrative Review Council”.

Clause 2 of the Bill proposes to amend the section 2 of the principal Act in the definition of “the Minister” and to include a new definition of “Cabinet Secretary” in order to align it with the Constitution.

Clause 2 of the Bill also seeks to amend section 2 of the principal Act to include new definitions of the words “accredited mediator,” “agreement to mediate” “mediation” and “settlement agreement.”

Clause 3 of the Bill proposes to amend section 21 in subsection (1) and (2) of the principal Act to delete the word “Tribunal” and substitute with the words “Administrative Review Council” to align with the proposed amendment renaming the State Corporations Appeal Tribunal to State Corporations Administrative Review Council and to insert a new subsection (3) to provide for the time periods within which appeals to the Administrative Review Council shall be heard and determined after the filing of the written memorandum to the Administrative Review Council.

Clause 4 of the Bill propose to insert a new section 21A in the principal Act to provide for the added function of the Administrative Review Council to include resolution of disputes between and among state agencies.

Clause 5 of the Bill seeks to amend section 22 of the principal Act in renaming State Corporations Appeal Tribunal to State Corporations Administrative Review Council and also provide for membership of the proposed Administrative Review Council to include two accredited mediators who shall assist the Administrative Review Council on how to go about mediating disputes filed before it.

Clause 6 of the Bill proposes to amend section 23 in subsection (1) and (2) of the principal Act to delete the word “Tribunal” and substitute with the words “Administrative Review Council” to align with the proposed amendment renaming the State Corporations Appeal Tribunal to State Corporations Administrative Review Council.

Clause 7 of the Bill proposes to insert new sections 23A and 23B in the principal Act to provide for expeditious resolution of appeals filed before the Administrative Review Council by mediation.

Clause 8 of the Bill proposes to amend section 25 in subsection (1) of the principal Act to delete the word “Tribunal” and substitute with the words “Administrative Review Council” to align with the proposed amendment renaming the State Corporations Appeal Tribunal to State Corporations Administrative Review Council.

Dated the 27th day of March, 2026.

Hon. FCPA John Mbadi, EGH
Cabinet Secretary, The National Treasury and Economic Planning

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