



REPUBLIC OF KENYA

**MINISTRY OF INTERIOR AND NATIONAL
ADMINISTRATION**

**REGULATORY IMPACT STATEMENT ON THE
PUBLIC BENEFIT ORGANIZATIONS
REGULATIONS, 2025**

FOR

**THE PUBLIC BENEFIT ORGANIZATIONS
REGULATORY AUTHORITY.**

September, 2025

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ABBREVIATIONS

AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
ASAL	Arid and Semi-Arid Lands
BETA	Bottom-Up Economic Transformation Agenda
CBA	Costs-Benefit Analysis
EAC	East African Community
FATF	Financial Action Task Force
GDP	Gross Domestic Product
KIPPRA	Kenya Institute for Public Policy Research and Analysis
NBER	National Bureau of Economic Research
NGO	Non-Governmental Organizations
OECD	Organization for Economic Cooperation and Development
PBO	Public Benefit Organizations
RCT	Randomized Controlled Trial
RIA	Regulatory Impact Assessment
RIS	Regulatory Impact Statement
SDGs	Sustainable Development Goals
UN	United Nations

PART I-INTRODUCTION AND BACKGROUND

1.1 Introduction

Public Benefit Organizations (PBOs) are an indispensable part of Kenya's political and socio-economic landscape. PBOs, previously known as Non-Governmental Organizations (NGOs) under the repealed Non-Governmental Organizations Coordination Act, No. 9 of 1990 have always been critical stakeholders in the private and public sector as well as for the community. They have been responsible for provision of social services, promotion of human rights and championing for the advancement of development. PBOs are also engaged in the provision of extensive relief and development services across various sectors as a complement of the government's efforts towards the attainment of the country's development goals. In this way, PBOs utilize billions of shillings annually on projects which create employment for thousands of people in the country. In this regard, the PBO sector has gradually become one of the largest non-government employer hence improving lives directly and indirectly.

According to the defunct NGO Coordination Board (2024), the PBO sector has over 12,162 registered PBOs, out of which over 9,794 are active, spread all over the country and varying from small PBOs operating locally to international PBOs with regional presence. PBOs also range from organizations run by small teams of volunteers, those at the grassroot levels to mega organizations with hundreds of fully paid staff of diverse backgrounds with sophisticated systems and processes. The registered NGOs/PBOs are further very diverse in its areas of focus on policy, advocacy, research, training, information dissemination on issues including human rights, agriculture, gender, education and welfare.

The defunct NGO Coordination Board in 2024 further estimated that the PBO sector contributed approximately Kshs. 175.9 billion to the economy. This annual contribution is in the form of foreign exchange, development assistance implementation of projects, procurement of good, works and services and

payment of salaries for the over 71,096 employees. This contribution accounts for almost 1% of the Country's Gross Domestic Product (GDP).

In light of the huge contribution of the PBO sector to the country's economy and development, reforms were done in 2013 which culminated in the Public Benefit Organizations Act, Cap. 134. The latter come into operation on 14th May 2024 vide Legal Notice No. 78 of 2024. This was almost a decade after its enactment and only happened following an announcement by Kenya's President during the UN Civil Society Conference. Its commencement marked a significant step in streamlining the regulation of charitable organizations with the aim of enhancing governance and strengthening the role of PBOs in national development.

The 2013 Act therefore establishes the current legal framework for the regulation and governance of PBOs in the country. The Act, in its preamble, category recognizes that non-profit organizations significantly contribute to Kenya's service delivery, respect for human rights, democratic governance and humanitarian response. To fully operationalize the Public Benefit Organizations Act, Cap. 134 and realize the aspirations espoused in the preamble to the Act, the Cabinet Secretary for Interior and National Administration, on the recommendations of the Public Benefit Organizations Regulatory Authority, has developed the Public Benefit Organizations Regulations, 2025 pursuant to section 69(1) of the Public Benefit Organizations Act, Cap. 134.

These Regulations set out procedural provisions for the effective implementation of the Act in a manner that ensures accountability, transparency and legal certainty for PBOs, Public Benefit Organizations Regulatory Authority, development partners and general public. This in recognition of the fact that the Act in the Fifth Schedule had provided a one-year transition period for organizations to align with the new regulatory framework. However, this process is dependent on the finalization of Regulations.

This Regulatory Impact Statement (RIS) has been prepared in compliance with provisions of sections 6 and 7 of the Statutory Instruments Act, Cap. 2A, which

require regulation-making authorities to assess and justify the need for the development of regulations that are likely to impose costs on the community.

1.2 Regulatory Impact Assessment Process

A Regulatory Impact Assessment (RIA) is a systemic approach that critically assesses the positive and negative effects of proposed or existing regulatory and non-regulatory alternatives. It is an evidence-based approach to policymaking. RIA requirements apply to proposals for proposed Regulations or to policy proposals that may result in new or amended Regulations (regulatory proposals). It is an instrument that authorizes the determination and consequences of introducing a new regulatory regime.

The systematic use of RIA has been recognized as a vital means of improving the efficiency, accountability and transparency and accountability of decision-making. Over the years, RIA has gained a niche as the effective means of supporting coordinated and evidence-based policymaking.

In the 1980s, RIA gained traction and popularity in the UK and the US in the second half of the 1990s. By 2015, all thirty-four (34) Organization for Economic Cooperation and Development (OECD) members at the time reported having “some form of RIA” in place. RIA has been recognized as a flexible tool that helps governments make better regulatory and other policy decisions based on information and empirical analysis about the potential consequences of a particular government action. RIA aims to ensure that better policy options are chosen by establishing a systematic and consistent framework, including stakeholder consultation, for assessing the potential impacts of government action.

RIA is a fundamental factor in designing a good-quality law as it helps to provide valid arguments supporting a planned regulation. The process is designed to improve the quality of regulation by ensuring that the decision-maker is fully informed when making regulatory instruments. The RIA process is designed to

encourage careful consideration, at an early stage, of the fundamental question of whether regulatory action is required or whether policy objectives can be achieved by alternate or non-regulatory measures with lower costs for business and the community. RIA may sometimes indicate that non-legislative measures are the best solution to a particular social and economic problem. Thus, RIA helps to avoid the development of redundant laws and reduces the bureaucratic burden on the affected stakeholders or industry players.

Kenyan courts have made decisions to underscore the importance of RIA in the development of Regulations. In **Kenya Association of Manufacturers & 2 others v Cabinet Secretary, Ministry of Environment and Natural Resources & 3 Others [2017] eKLR**, the court demonstrated that it is strictly incumbent on a regulation-making body to assess the impact of the proposed Regulations on the stakeholders and that failure to conduct it has the potential of rendering a statutory instrument null and void if challenged on that basis. Accordingly, Kenyan courts have underscored the need for strict compliance with the Statutory Instruments Act, Cap. 2A as exemplified in the case of **Okiya Omtatah Okiiti v Commissioner General, Kenya Revenue Authority & 2 others [2017] eKLR**. This case set out the chronology of the procedure as follows: consultation of stakeholders; regulatory impact assessment; preparation of an explanatory memorandum; tabling of the statutory instrument in the relevant house; and consideration of the same by the Committee of Delegated legislation. This is in line with the requirements of the Statutory Instruments Act, Cap. 2A.

When embedded in the regulatory process therefore, the use of RIA trains decision-makers to ask and answer targeted questions during the regulation making process on the need for regulation and its possible consequences, both positive and negative. The outcome of a RIA in the Kenyan context is a Regulatory Impact Statement (RIS) which includes:

- (a) Problem definition and justification for regulatory action;

- (b) Data, on which the analysis is based;
- (c) Results of the consultation with affected parties and stakeholders;
- (d) Identification of a number of feasible policy options;
- (e) Estimation and comparison of the different (qualitative and quantitative) impacts of each policy option as well as positive and negative impacts arising from proposed government actions; and
- (f) Selection of a preferred option accompanied by a prospective analysis of its implementation and, more recently, providing a basis for ex-post review.

The conduct of a regulatory impact assessment (RIA) for the proposed Public Benefit Organizations Regulations, 2025 has culminated in the preparation of a Regulatory Impact Statement (RIS) for these Regulations in accordance with sections 6, 7, 8, and 9 of the Statutory Instruments Act, Cap. 2A. The assessment involved the evaluation of the effects of the proposed Regulations both on the public and the private sectors as well as on the rights and fundamental freedoms of the industry players to inform the choice of the most appropriate way to achieve the objectives of the proposed Regulations. The costs and benefits of the proposed Regulations were assessed including the economic, environmental, and social impact, as well as administrative and compliance costs.

The assessment also evaluated the major feasible alternatives of the intended regulatory action and other practical non-regulatory options. The assessment further examined the benefits obtained from the proposed Regulations and the costs of imposing the proposed Regulations on the industry players.

The methodology and approach adopted in the assessment of the proposed Public Benefit Organizations Regulations, 2025 entailed:

- (a) Meetings with the key stakeholders;

- (b) Detailed desk review and synthesis of the proposed Public Benefit Organizations Regulations, 2025 as against the provisions of the Constitution, the Public Benefit Organizations Act, Cap.134, the Statutory Instruments Act, Cap. 2A. and other relevant laws and regulations;
- (c) Review of relevant literature, including PBO policies, strategies and publications, Vision 2030, PBO governance structure and economic analysis reports and other key policy documents for qualitative analysis, quantitative analysis, comparative analysis, trend analysis of data from these documents, trend analysis of judicial decisions on regulatory impact assessment and public participation records to validate secondary data obtained from the documents;
- (d) Incorporation of stakeholder and public participation views and comments after stakeholder consultation and public engagement; and
- (e) Development of the final Regulatory Impact Statement for the proposed Public Benefit Organizations Regulations, 2025 incorporating the stakeholder comments.

In this regard, the Regulatory Impact Statement (RIS) resulting from the Regulatory Impact Assessment and guided by the provisions of Statutory Instruments Act, Cap. 2A contains information on:

- (a) A Statement of the Objectives and Reasons for the proposed Regulations
- (b) Statement on Regulatory and Non-Regulatory Options
- (c) Costs-Benefit Analysis (CBA) (Economic, Environmental and Social Impact/Administration and Compliance Cost/Assessment of Return on Investment (Benefit)/Quantification of the Benefit/Distribution of Impacts).

- (d) Reasons why other Regulatory Options are not appropriate, including other Practical Options/maintaining the Status Quo.
- (e) Recommendations.
- (f) Conclusion.

1.3 Purpose of the Regulatory Impact Statement

Sections 6, 7(1) and (2) of the Statutory Instruments Act, Cap. 2A requires the preparation of a Regulatory Impact Statement (RIS) by a regulation-making authority for any proposed statutory instrument that is likely to impose significant costs on the community or a part of the community. It also requires that the regulation-making authority carry out public consultation in developing the proposed regulatory measures.

The Regulation-making authority for these Regulations is the Cabinet Secretary for Interior and National Administration on the recommendations of the Public Benefit Organizations Regulatory Authority.

Under section 7(1) of the Statutory Instruments Act, a regulatory impact statement shall contain:

- (a) a statement of the objectives of the proposed legislation and the reasons for them;
- (b) a statement explaining the effect of the proposed legislation, including, in the case of a proposed legislation which is to amend an existing statutory instrument, the effect on the operation of the existing statutory instrument;
- (c) a statement of other practicable means of achieving those objectives, including other regulatory as well as non-regulatory options;
- (d) an assessment of the costs and benefits of the proposed statutory rule and of any other practicable means of achieving the same objectives;

- (e) the reasons why the other means are not appropriate;
- (f) any other matters specified by the guidelines; and
- (g) a draft copy of the proposed statutory rule.

The Regulatory Impact Assessment is intended to ensure that the proposed Regulations are only implemented when there is a justified need and that only the most efficient forms of Regulations are adopted. This process involves an assessment of regulatory proposals and allows members of the community to comment on proposed Regulations before they are finalized. Such public input provides valuable information and perspectives and improves the overall quality of regulations.

Section 5 of the Statutory Instruments Act, Cap. 2A also requires A regulatory-making authority to conduct public consultations, drawing on the knowledge of persons having expertise in fields relevant to the proposed statutory instrument and take measures to ensure that persons likely to be affected by the proposed statutory instrument have an adequate opportunity to comment on its proposed content.

1.4 Objectives of the Public Benefit Organizations Regulations, 2025

1.4.1 Overall Objective

The Regulations seek to give full effect to the provisions of Public Benefit Organizations Act, Cap. 134 by providing enforceable regulatory processes for the governance, registration accountability and dissolution of PBOs.

1.4.2 Specific Objectives

The Regulations, among others, make provision for:

- (a) a clear criteria for the registration of national and international PBOs;
- (b) eligibility for exemption from registration of international public benefit organizations;
- (c) a public benefit test to ensure that PBOs serve their intended purpose;
- (d) the manner of recognition of forums and federation of forums;
- (e) the procedures for the cancellation, suspension and reinstatement of registration of PBOs;
- (f) the procedures and requirements for dissolution and winding up of PBOs;
- (g) the safeguarding of community assets through mandatory rules on asset transfers upon dissolution;
- (h) timely filing of returns; and
- (i) Records to be kept by public benefit organizations.

PART II-ASSESSMENT OF THE NATURE AND EXTENT OF THE PROBLEM

The genesis of NGOs in country date back to the colonial period, when charitable and faith-based charitable organizations, mainly missionaries, engaged in service delivery in education, health and humanitarian work. Following the attainment of independence in 1963, NGOs grew exponentially to address the gaps noted in service delivery especially in the marginalized and rural areas where there was minimal government presence. In the 1980s and 1990s, NGOs grew rapidly, especially in advocacy, democratization, and governance reforms, playing a key role in Kenya's multi-party transition.

Prior to 1990, NGOs largely were operated governed by several laws including the Trustees (Perpetual Succession) Act, Cap. 164, the Societies Act, Cap. 108 and the Companies Act, Cap. 486. This is because NGOs were in the form of trusts, voluntary associations or faith-based charities which made them fall under different legal frameworks. The oversight of NGOs was therefore very uncoordinated and fragmented. However, with the enactment of the Non-Governmental Organizations Co-ordination Act, No. 9 of 1990 (now repealed), the regulation of NGOs was centralized under the NGO Coordination Board. This situation prevailed until 2013 and some challenges were noted including:

- (a) weak accountability and transparency provisions due to limited enforcement of annual audits returns and audits which led to mistrust among donors and the government;
- (b) non-recognition of self-regulation of NGOs;
- (c) too much discretion given to the NGO Coordination Board and the Cabinet Secretary;
- (d) ambiguity in the determination of an NGO;
- (e) unclear regulation of international NGOs meaning that some of the International NGOs were not well regulated exposing the country to non-compliance with the Anti-Money Laundering and Countering the

Financing of Terrorism (AML/CFT) as envisioned under the Proceeds of Crime and Anti-Money Laundering Act, Cap. 59A;

- (f) non-recognition of NGO self-regulation forums of platforms which prevented peer accountability and effectiveness;
- (g) lack of provisions on dissolution of NGOs and the attendant management of assets which led to loss of assets given as public good; and
- (h) lack of harmony with the provisions of the Constitution especially in relation to the unfair and influenced registration and deregistration processes contrary to Article 36 of the Constitution which guarantees the right to freedom of association.

The journey towards the PBO Act began in 2006 when Kenya's Parliament adopted Sessional Paper No. 1, the first government policy recognizing NGOs as key partners in national development. This policy acknowledged that while the government remains the primary service provider, NGOs play a crucial complementary role.

The shortcomings of the 1990 NGOs Act led to its review, culminating in the PBO Act of 2013, which was designed to address emerging challenges in the sector. In 2013 therefore, the Public Benefit Organizations Act, Cap. 134 was enacted to:

- (a) encourage and support public benefit organisations in their contribution to meeting the diverse needs of the people of Kenya by—
 - (i) creating a conducive environment for the growth of the public benefit organizations sector and for the operations of the registered public benefit organizations;
 - (ii) establishing an administrative and regulatory framework within which public benefit organisations can conduct their affairs;
 - (iii) encouraging public benefit organisations to maintain high standards of governance, transparency and accountability and to improve those standards;

- (iv) creating an environment within which the public may have access to information concerning registered public benefit organisations; and
 - (v) promoting a spirit of co-operation and shared responsibility within government and among donors and other interested persons in their dealings with public benefit organisations;
- (b) give meaningful protection to the internationally recognized freedoms of expression, association, and peaceful assembly;
 - (c) promote the development of self-regulation among public benefit organizations;
 - (d) promote compliance by public benefit organisations with their legal obligations to exercise effective control and management over the administration of their activities and funding;
 - (e) facilitate a constructive and principled collaboration between public benefit organisations, the Government, business, donors and other actors in order to advance public interest;
 - (f) provide registration procedures, which are transparent, and which will facilitate establishment of public benefit organizations while safeguarding freedom of association;
 - (g) facilitate mechanisms for government collaboration with public benefit organizations, including funding of public benefit organizations activities and involvement of public benefit organizations in the implementation of government projects;
 - (h) facilitate the establishment and growth of public benefit organizations in order to generally strengthen civil society, promote social welfare and improve the conditions and quality of life for the people of Kenya; and

- (i) provide mechanisms that safeguard public benefits organizations from the risk of money laundering, terrorism financing or proliferation financing.

After the PBO Act was passed in 2013, implementation was delayed due to inconsistencies in certain clauses. A Taskforce was formed in December 2014 by the then Cabinet Secretary of Devolution and Planning where the NGOs Board was vested at the time. The role of the Taskforce was to propose amendments to the Act upon conducting stakeholder engagement with all the relevant partners including religious groups, civil societies and government agencies. However, legal challenges nullified these recommendations and the courts pronounced that the Act can only be amended upon operationalization. This created uncertainty until the Act was finally operationalized in 2024

The enactment of the Public Benefit Organizations Act, Cap. 134 however is yet to fully realize the objects contemplated above. This is owing to the delayed operationalization of the Public Benefit Organizations Act, Cap. 134 together with the procedural Regulations which has made the sector to be largely unevenly regulated. With the operationalization of the Public Benefit Organizations Act, Cap. 134 in 2024, the sector has been growing steadily over the years and still remains vibrant. However, the systemic challenges that warranted the introduction of the 2013 law are yet to be fully addressed. If these challenges are not adequately addressed in law, the following would occur:

- (a) PBOs would be subjected to an uncertain legal status undermining resource mobilization, donor funding and growth.
- (b) Erosion of public trust in PBOs due to accountability concerns and mismanagement of assets upon dissolution of PBOs.
- (c) Communities would lose critical services due to misuse of assets and governance failures.
- (d) Compliance with FATF standards would remain weak thereby exposing the country to possible financial sanctions or aid restrictions.

- (e) The PBO sector would remain disjointed and underutilized hence affecting their public participation in social accountability and governance.
- (f) Inconsistent compliance with reporting and audits due to the lack of uniform processes for annual audits and reporting to the Regulator.
- (g) The right to freedom of association would continue being undermined by the lack of clear grounds as to when an NGO can be registered, deregistered or suspended by the Regulator.
- (h) The lack of due process, arbitrary deregistration and regulatory uncertainty shall continue to undermine the proliferation of the PBO sector.

From the foregoing, it is evident that there is need for legal interventions to redress these challenges so as to make the PBO sector value chain more productive and to effective sector regulation. This underscores the urgent need for binding and enforceable Regulations as contemplated under section 69(1) and 61 of the Act so as to make the PBO sector in Kenya's economy, to restore public trust and to enhance transparency in the entire PBO sector. Further, by setting out explicit public reporting, compliance requirements and registration processes, there will be enhanced donor confidence and resource mobilization and hence positioning the country for philanthropic investment and aid.

Table 1: Effect of the Absence of Regulations and Solutions in the Regulations

No	Issue	Challenge	PBO Act	Solution in Regulations
1	Weak accountability and governance	Reduced donor confidence, minimal PBO credibility, misuse of funds for PBO activities, loss of credibility	Cancellation and suspension for non-compliance (Section 18 and 19)	Audits, Annual returns, Inquiries by the Authority

2	Suspension and deregistration done arbitrarily	Legal uncertainties, contravention of the freedom of association	Grounds for suspension and cancellation grounds- Section 18 and 19	Due process safeguards for suspension, cancellation and reinstatement
3	Informal operation of international PBOs	Unmonitored international funding, AML/CFT risks	International PBOs- Section 11	Procedures and requirements for exemption, registration, disclosure
4	No recognition of forums and federation of forums	Fragmented PBO sector position, Poor self-regulation	Recognition of forums. Section 23 and 24	Legal recognition of forums and federation of forums
5	Fragmented oversight	Forum-shopping and rent seeking, duplication, inconsistent compliance, lack of clarity on standards	Definition and registration of PBOs- section 5 and 9	Standard registration processes; Public benefit test.
6	Poor management of PBO assets on dissolution	Diversion of community assets for private use	Dissolution- section 61	Safeguards for assets on dissolution

PART III-LEGAL AND POLICY FRAMEWORK FOR PBO REGULATIONS, 2025

The Public Benefit Organizations Regulations, 2025 are aligned to the prevailing legal and policy frameworks and reflect the country's commitments at the regional and international level as outlined below.

3.1.1 The Constitution

The Constitution under Article 36 recognizes the freedom of association including the right to form, join, or participate in activities of an association, as such the Constitution underpins the development of PBO Regulations, 2025. The Constitution therefore guarantees this right and hence the proposed Regulations will contribute to realization of this fundamental right. The Regulations give effect to this right by setting out clear procedures for the registration, and recognition of PBOs. The provisions on suspension and cancellation ensures due process ensuring that deregistration of PBOs is not arbitrary.

Article 27 also provides for equality and freedom from discrimination in the registration and recognition of PBOs. The Regulations will ensure that all PBOs, whether faith-based, national or international are governed by uniform and transparent modalities for dissolution, reporting and registration as appropriate. Recognition of federation of forums and forums ensures inclusivity by giving minority, marginalized and locals can have a legitimate voice.

Article 201 requires transparency, accountability, and prudence in the management of public finances, which extends to organizations receiving, mobilizing and managing donor or public funds. The Constitution requires public finance to be managed in a transparent, accountable, and responsible manner. As many PBOs mobilize and manage donor and public funds. The Regulations guarantees this principle through mandatory audits and reporting thereby safeguarding monies in the best interests of the public.

The proposed Regulations will therefore give effect to these three constitutional provisions and accelerate the achievement of the spirit of the Constitution in relation to fundamental rights and freedoms and public finance management.

3.1.2 The Public Benefit Organizations, Cap. 134

The Public Benefit Organizations Act, Cap. 134 is the primary legal framework for governance and regulation of public benefit organizations. This law provides for the establishment, registration and operation of public benefit organizations and establishes an administrative and regulatory framework within which public benefit organizations can conduct their affairs. Several provisions are relevant to the development of the proposed Regulations:

- **Section 4**-sets out the Government's responsibility to public benefit organizations. The government, consistent with its obligation to respect the freedoms of association and assembly, has the duty to provide an enabling environment for public benefit organizations to be established and to operate. It also requires all State organs to determine and co-ordinate the implementation of its policies and measures in a manner designed to promote, support and provide an enabling environment for public benefit organizations to perform their functions.
- **Section 4(3)**-obligates the Government and all public benefit organizations to comply with the principles for effective collaboration set out in the First Schedule to the Act
- **Section 5**-Defines a PBO and sets eligibility criteria. It defines a public benefit organization to mean a voluntary membership or non-membership grouping of individuals or organizations, which is autonomous, non-partisan, non-profit making and which is—

(a) organized and operated locally, nationally or internationally;

- (b) engages in public benefit activities in any of the areas set out in the Sixth Schedule; and
- (c) is registered as such by the Authority.

- **Section 7** - Provides for bestowment of the PBO status to entities registered in other registration regimes.
- **Section 9**-Provides for application for registration as a PBO and timelines for determination of such application by the Authority.
- **Section 11**-Provides the registration and exemption of international PBOs registered outside Kenya and which intends to operate in Kenya. The exemption shall only apply where the organization does not intend to directly implement any activities or programmes in Kenya or operate from Kenya to implement any activities or programmes in another country.
- **Sections 18 and 19**: Provide grounds and procedures for the suspension or cancellation of certificates and permits.
- **Sections 23 and 24**: Provide for recognition of forums and federation of forums which registered PBOs may voluntarily join and maintain membership.
- **Section 34**-establishes the Public Benefit Organizations Regulatory Authority.
- **Section 42**- sets out the functions of the Authority which are to:
 - (a) register and de-register public benefit organizations in accordance with the Act;
 - (b) maintain a register of public benefit organizations registered under this Act with the precise sectors, affiliations and locations of their activities;
 - (c) interpret the national policy on public benefit organizations so as to assist in its smooth implementation and observance by Government ministries, departments and agencies at various levels;
 - (d) receive and review annual reports of public benefit organizations;

- (e) advise the Government on the activities of public benefit organizations and their role in development within Kenya;
 - (f) issue forms, instructions, and model documents;
 - (g) facilitate information sharing and networking between public benefit organizations and the Government;
 - (h) institute inquiries to determine if the activities of public benefit organizations do not comply with this Act or any other law;
 - (i) provide advice and training to public benefit organizations; and
 - (j) do anything incidental or conducive to the performance of any of the preceding functions.
- **Section 61**-Provides for voluntary deregistration, dissolution or winding-up and safeguarding of assets in the event of voluntary deregistration, dissolution or winding-up.
 - **Section 63** - Gives the Authority power to institute inquiries and carry out investigations on PBOs that carry out suspicious and/or illegal activities.
 - **Section 65**- Provides for income generating activities for purposes of sustainability for the PBOs.
 - **Section 69(1)**-Empowers the Cabinet Secretary, on the recommendations of the Authority, to make Regulations.
 - **Section 3 (i) and 43 A** – In June 2025 , the Act was amended by the Anti Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act 2025 by inserting an additional mandate to the Authority with regards monitoring PBOs that are at risk of misuse in being conduits for terrorism financing and to provide mechanisms on prevention.

3.1.3 The Public Finance Management Act, Cap. 412A

The Public Finance Management Act, Cap. 412A is the primary law on matters of accountability in the management of public money. **Section 2** defines “public money” to includes all money that comes into possession of, or is distributed by,

a national government entity and money raised by a private body where it is doing so under statutory authority; and money held by national government entities in trust for third parties and any money that can generate liability for the Government.

Given that PBOs mostly handle donor funds or public funds, the Regulations align with the provisions of the Public Finance Management Act, Cap. 412A by requiring proper bookkeeping, audits, and annual returns to be filled by registered PBOs. In this way, PBOs are aligning to the principles of financial accountability applicable.

3.1.4 The Proceeds of Crime and Anti-Money Laundering Act, Cap. 59A

The Proceeds of Crime and Anti-Money Laundering Act, Cap. 59 makes provision for the offence of money laundering and introduces measures for combating the offence of money laundering, provides for the identification, tracing, freezing, seizure and confiscation of the proceeds of crime. The Regulations require PBOs, and in particular international PBOs, to disclose its governance structures, sources of funding and local representation, which is compliance with the FATF Recommendation 8 on safeguarding the non-profit sector from misuse. This will enable the monitoring of financial inflows into the country which will ultimately prevent terrorism financing.

3.1.5 The Data Protection Act, Cap. 411C

The Data Protection Act, Cap. 412C makes provision for the for the regulation of the processing of personal data. It also provides for the rights of data subjects and obligations of data controllers and processors. Any information that shall be provide to or by PBOs must be held securely and in accordance with Article 31 of the Constitution and the Data Protection Act, Cap. 411C. In this regard, the proposed Regulations will be implemented in compliance with privacy

protections under Data Protection Act, Cap. 411C particularly in respect of member and donor data.

3.1.6 The Statutory Instruments Act, Cap. 2A

This Act makes provision for the making, scrutiny, publication and operation of statutory instruments and for matters connected therewith.

Section 5-Obligates a regulation-making authority to undertake public consultation in the regulatory-making process.

Sections 6 and 7-Requires the preparation of a Regulatory Impact Statement (RIS) assessing costs, benefits and alternative options before development and implementation of Regulations by a regulation-making authority.

Section 11-Provides for parliamentary scrutiny of statutory instruments to ensure compliance with the Constitution, the parent law Act, and principles of good governance. The current RIS is in compliance with the provisions of Sections 6 and 7 in demonstrating the justification for the PBO Regulations.

3.2 Policy Framework for the Implementation of Proposed Regulations

3.2.1 Kenya Vision 2030

Kenya Vision 2030 recognizes PBOs as key partners in the actualization of social development goals and social transformation. The Regulations support the realization of the social pillar by enhancing partnerships between government and the civil society in the provision of various services such as education and healthcare among others.

3.2.2. Bottom-Up Economic Transformation Agenda (BETA) 2023–2027)

BETA is focused on local economic empowerment and relies on local and national PBOs to facilitate the realization of its objectives by empowering the people at

the grassroots level. The recognition of federations of forums and forums ensures that the voices of PBOs at the grassroots get their voices heard at the national level in matters of development and economic planning.

3.3 International and Regional Commitments

3.3.1 United Nations Sustainable Development Goals (SDGs)

SDG 16 on effective, accountable and inclusive institutions calls for the promotion of inclusive institutions, accountable governance and access to justice which largely rely on the support of PBOs.

SDG 17 on multi-stakeholder partnerships recognizes that partners including PBOs must foster accountability and call of collective championing of issues, which the essence of the Regulations in relation to forums and federation of forums.

3.3.2 African Union Agenda 2063

Aspiration 6 of the Agenda champions people-driven development with active involvement of the civil society. By recognizing forums and federation of forums, the Regulations encourages civic participation.

3.3.3 East African Community (EAC) Treaty

Articles 121 to 123 require Partner States to promote civil society participation and as such the Regulations ensures compliance with these requirements.

3.3.4 Financial Action Task Force (FATF) Standards

Recommendation 8 of the Standards requires states to adopt safeguards that cushion the misuse of the non-profit sector for terrorism financing. These

safeguards also protect legitimate PBO activities. The Regulations adhere and promote compliance with this requirement by:

- (a) making provision for strict compliance, eligibility criteria, disclosure requirements and registration for international PBOs.
- (b) requiring all PBOs to maintain proper financial records and undertake audits.
- (c) subjecting PBOs to inquiries by the PBO Regulatory Authority where there is suspected abuse of PBO activities

With such level of compliance the Regulations prevents Kenya from being blacklisted and Kenya remains in good standing with the FATF.

3.4. Alignment with Donor and Development Partner Priorities

The Regulations are aligned with the recommendations of development partners such as the United Nations and World Bank in relation to accountability, transparency and results-based management in their engagements and collaborations with PBOs.

PART IV-OVERVIEW OF THE PUBLIC BENEFIT ORGANIZATIONS REGULATIONS, 2025

The PBO Regulations, 2025 developed under the Public Benefits Organizations Act, Cap. 134 provides the legal, operational and procedural framework for strengthening Kenya's PBO sector. They translate the substantive provisions of the Act into clear, enforceable procedures that guide governance, regulation and accountability within the PBO sector. The Regulations seek to reposition the PBO sector as the foundation of social and economic transformation in the country.

The Regulations are divided into nine (9) parts as follows:

PART I set out the Preliminary Provisions which include the citation of the Regulations and the definition of key terms such as forum, public benefit activity etc. as used within the text of the Regulations. It also sets out the objects of the Regulations which is to provide:

- (a) a framework for the management and oversight of public benefits organizations;
- (b) the criteria for registration, suspension, cancellation and reinstatement of public benefit organizations; and
- (c) for the coordination and operations of the forums and federation of forums.

PART II sets out the pre-requisites for Registration as a PBO. Regulation 4 requires an applicant to apply for a search and reservation of a name by proposing at least three names in writing. The Public Benefit Organizations

Regulatory Authority may reject or approval the said name based on its availability and the considerations in Regulation 5 including whether that name is similar to another PBO, offends any written law, is offensive or undesirable or implies affiliation or connection with a state organ, a county government or any other public entity. Regulation 6 sets out the ingredients of a public benefit test which determines that the purpose of a PBO is for public benefit if the purpose falls under the categories in the Sixth Schedule of the Act, the beneficiaries are identifiable, the benefits are directly tied to public purpose (not incidental); there is no private gain for directors or office bearers or their family members and definition of beneficiaries by particular public benefit need or reasonable geographical restrictions.

PART III sets out the registration of national public benefit organizations. Under Regulation 7, a group of persons shall be eligible for registration where the group demonstrate actual or intended public benefit activity and is registered under the Act and the Regulations. The application shall be accompanied by the Constitution of the PBO, the reserved name of the PBO, minutes approving registration, the official bearers and physical and postal address. The Authority shall consider the application within sixty days.

PART IV makes provision for bestowment of public benefit organization status. Under Regulation 9, an organization shall be eligible for bestowment where the entity is incorporated under other Kenyan laws, is in good standing, operating in Kenya for at least one year and engaged in public benefit activities under Sixth Schedule. This application shall be accompanied by the Constitution of the PBO, the reserved name of the PBO, minutes approving registration, the official bearers and physical and postal address. The Authority shall consider the application within sixty days.

PART V makes provision for registration of international PBOs. Under Regulation 11, an organization shall be eligible for registration as an international organization where the organization directly implement any

activities or programmes, raises any subscription or engages in any form of fundraising activities in or from Kenya; is a body corporate entity and registered in accordance with the relevant law of its country of original registration in good standing, has been operating for at least three years and is engaged in public benefit activities under Sixth Schedule.

Regulation 13 provides for exemption from registration as an international organization for an organization that does not intend to directly implement any activities in or from Kenya. Indirect activities include working via local partners, giving grants, policy guidance and technical support.

PART VI provides for the Suspension or cancellation of registration in instances of non-compliance with the Act or the Constitution, breach of terms of registration, false representations and stopping the public benefit activity. It also sets out the applicable restrictions during suspension, restoration of a certificate or reinstatement of a certificate on cancellation or suspension respectively.

PART VII sets out the procedure for recognition of forums and federation of forums. a forum of may be recognized as a self-regulating forum if the forum consist of at least ten public benefit organizations and engage in related activities from the categories specified in the Sixth Schedule.

A federation of forums may be recognized federation of forums if the federation consist of at least five forums of public benefit organizations and engage in related activities from the categories specified in the Sixth Schedule.

PART VIII sets out the obligations and material changes in public benefit organizations. Regulation 25 sets out the records to be Kept including audited accounts, financial records, asset inventory, annual reports, other Authority-specified documents. Annual returns are to be submitted by 31st March annually in Form 16 and accompanied by the relevant fee. The Authority under Regulation 27 is accorded power to inquire into breaches, irregularities, or misconduct and enforce corrective measures. Regulation 28 and 29 makes provisions for the

manner of making material changes such as changes in activities and change of Name of the PBO respectively.

PART IX sets out the modalities for the dissolution and deregistration of a public benefit organization including the manner of safeguarding of the assets of the PBO. It makes provision for voluntary dissolution where there is a notification signed by at least two-thirds of the members. It also provides for deregistration by the Authority for non-compliance, economic crimes, contravention of laws, or inactivity for a year. It further makes provision for deregistration of an organization by the Court.

PART X sets out miscellaneous provisions. Regulation 36 permits a public benefit organization to engage in lawful economic activities to support the public benefit purposes for which the organization was established if such activities are lawful, licensed, and risk-managed and its proceeds must support the purposes of the PBO. The Part also makes provision for replacement of lost or damaged certificates and the maintenance of an up-to-date Register of all PBOs by the Authority. The Part also sets the penalty for contravention of any requirement under the Regulations for which no specific penalty as the penalty provided under section 64 of the Act, that is a fine not exceeding three hundred thousand shillings, or imprisonment for a term not exceeding two years, or both.

The **First Schedule** on Fees sets out the monies payable for various applications under the Regulations. These fees reflect consensus from public participation where stakeholders pushed back on excessively high proposals. The Fees were developed by a six-member Committee and adopted by Technical Committee as being fair, proportionate, commensurate and aligned to the prevailing circumstances and legal reforms and the needs of PBOs. The fees had not been revised since 2012, despite inflation, rising operational costs and expanded services of the PBO Authority. The justification for the fees is annexed to this RIS as Annexure 1.

The **Second Schedule** provides the Forms to be used in making various applications under the Regulations as follows:

Form 1 – Application for Registration of a National PBO.

Form 2 – Certificate of Registration as a National PBO.

Form 3 – Application for Bestowment of Public Benefit Status.

Form 4 – Certificate of Bestowment of PBO Status.

Form 5 – Application for Registration as an International PBO.

Form 6 – Certificate of Registration as an International PBO.

Form 7 – Application for Exemption from Registration as International PBO.

Form 8 – Permit for Exempt International PBO.

Form 9 – Notice to Show Cause for Suspension.

Form 10 – Application for Restoration after Cancellation.

Form 11 – Application for Reinstatement after Suspension.

Form 12 – Application for Recognition of a Forum.

Form 13 – Certificate of Recognition of a Forum.

Form 14 – Application for Recognition of a Federation of Forums.

Form 15 – Certificate of Recognition of a Federation.

Form 16 – Format for submitting Annual Returns.

Form 17 – Notification of Material Change.

Form 18 – Notice of Change of Name.

Form 19 – Certificate of Change of Name.

Form 20 – Notification of Voluntary Dissolution.

PART V-COST-BENEFIT ANALYSIS

5.1 Introduction

This Part evaluates the anticipated costs and benefits of implementing the proposed Regulations developed to give full effect to the Public Benefits Organizations Act, Cap. 134. The analysis portrays how the Regulations will support the operationalization of comprehensive PBO sector related services, improve service delivery and generate wider social, governance and economic benefits for the country

The analysis follows from section 6(2) of the Statutory Instruments Act, Cap. 2A which requires an assessment of costs and benefits likely to flow from proposed Regulations. For the Public Benefit Organizations Regulations, 2025, the analysis covers compliance costs, administrative costs and capacity building costs, balanced against the benefits such as enhanced resource mobilization, donor confidence, accountability and service delivery outcomes.

5.2 Cost-Benefit Analysis

A Cost-Benefit Analysis is a systematic process used to compare expected benefits with projected costs, often expressed in monetary terms. In the context of the proposed PBO Regulations, the Cost-Benefit Analysis involves assessing both the financial investments required to deliver PBO-related services and the

resulting economic and social benefits. These benefits include increased donor funding, mobilization of resources and saving of government expenditure since PBOs complement state efforts (Brinkerhoff and Brinkerhoff, 2011).

Recent empirical evidence demonstrates the transformative potential of enhancing the governance and regulation of PBOs in Kenya:

- Health: Cash transfers and child survival-A large randomized study in rural Kenya (NBER Working Paper, August 2025) found that a one-time US\$1,000 unconditional cash transfer led to 48% fewer infant deaths and 45% fewer under-5 deaths.
- Human capital: School deworming and long-run earnings-Twenty-year follow-ups of Kenyan schoolchildren show +14% consumption and +13% hourly earnings for cohorts with additional years of school-based deworming. This demonstrates that low-cost PBO-implemented health programs generate macro-relevant lifetime gains.
- Agriculture and food security: Bundled smallholder services-Evaluations of One Acre Fund (Kenya) show substantial increases in yields and farm profits from the bundle (inputs on credit, training, distribution). RCT and quasi-experimental work report ~30%+ yield improvements and significant profit gains.
- Livelihoods and enterprise: Graduation programs-An independent RCT of Village Enterprise (Kenya/Uganda) found significant, sustained increases in consumption, assets and income. In a Development Impact Bond, targets were exceeded for ~95,000 people through 2022, indicating cost-recovery within a few years.
- Macro relevance of the PBO economy-Kenya's Annual NGO Sector Report 2021/22 recorded KES 175.9 billion in receipts—up 27% year-on-year—underscoring the sector's mobilization capacity. KIPPRA notes KES 138.4 billion to 2,712 NGOs (over KES 102 billion directly to projects) in ASAL-related work, while compliance remains low (~30%).

5.2.1 Costs of the Proposed PBO Regulations

The costs of implementing the Proposed Regulations are both direct and indirect costs across the PBO sector, government agencies, and the broader community.

(a) Direct Costs

- **Compliance monitoring costs** including expenses related to inquiries, investigations, and enforcement of compliance to be borne by the Regulator and the registered PBOs. These costs can be reduced by strengthening peer-regulation and self-regulation and peer-monitoring.
- **Governance and Regulatory compliance**-existing PBOs will need to comply with the new requirements. This will be a one-time moderate cost that can be reduced through phased compliance and development of model requirements for customization by the existing PBOs.
- **Costs of preparation and filling of annual Returns and Audited Accounts** which will be borne by all registered PBOs. The magnitude of these costs depends on the nature of the PBO and will be high burden for small PBOs and moderate for medium and large NGOs. The costs can be reduced by adopting simple reporting modalities for small PBOs.
- **Capacity Building for the PBO Regulatory Authority** on the provisions of the Regulations. This will be all staff of the Authority and will initially be high cost but shall reduce over time. The costs can be mitigated through technical support and assistance by donors and budgetary allocation.
- **Registration and Recognition Costs** which includes application fees for registration, recognition as a public benefit organization, or international bestowment of status as outlined in the First Schedule. This will impact new PBOs, forums and federation of forums and international NGOs. These costs are one-time and hence are low to moderate. These costs can be mitigated by adopting digital registration portals so as to reduce administrative overhead and paperwork.

- **Capacity building for PBOs, Forums and Federations of Forums** which will involve training and sensitization of the new framework ,training and development of self-regulation guidelines and codes of conduct for forums and federations. This will be a moderately recurring cost that may be mitigated through partnership between the Authority and the Forums and Federations of Forums.

(b) Indirect Costs

(i) The PBO Regulatory Authority and the Government

- **Administrative Burden:** Increased workload may require additional resources or staff which may strain the existing government systems.
- **Opportunity Costs:** The national government may need to divert resources from other development programmes to finance the full operationalization of the PBO Regulatory Authority.
- **Capacity Demands:** Training and re-training of PBO Regulatory Authority on the new compliance requirements will temporarily divert time and resources away from service delivery.

(ii) Indirect Costs to PBOs

- **Compliance Opportunity Costs:** Time spent on compliance requirements, changes in governance structures, training and reporting may reduce programmatic focus especially in the case of smaller NGOs organizations.
- **Transition Costs:** Existing NGOs shall bear hidden costs in aligning their operations to meet the new compliance requirements.
- **Fundraising Adjustments:** PBOs may need to allocate additional financial and human resources for purposes of complying the stricter PBO Regulatory Authority and donor reporting requirements.

(iii) Indirect Costs to Communities and Beneficiaries

- **Opportunity Costs:** Locals involved in the governance of PBOs may experience reduced time for personal or income-generating activities.
- **Service Delivery Delays:** Communities may face temporary disruptions in service delivery during the transition period where PBOs will be reorganizing their reporting and governance structures in conformity with the Regulations.

Table 2: Projected Direct and Indirect Costs of the Regulations

No	Cost Category	Description	Stakeholders Affected	Estimated Magnitude and Mitigation Measures
1	Fees for registration	Fees for applying for registration, international PBO recognition and bestowment of status	International NGOs, Forums, Federation of Forums, New PBOs	<i>Low to moderate (initial/one-time), use digital portals to reduce administrative costs</i>
2	Compliance Monitoring	Enforcement, Inquiries	PBO Regulatory Authority PBOs	Moderate Enhance self-regulation to support PBO Regulatory Authority's regulatory compliance function
3	Annual Returns and Audit	Preparation and submission of annual returns and audited accounts	Registered PBOs.	<i>Moderate for large and medium PBOs</i> <i>Relatively high for small PBOs</i>

				<i>Adoption of simplified reporting measures for small PBOs.</i>
4	Governance and management changes	Update of constitutive governance documents to comply with leadership requirements	Existing NGOs transitioning to PBOs	<i>One-time initial moderate cost</i> Development of template by PBO Regulatory Authority, phased compliance
5	Capacity Building for PBO Regulatory Authority	Additional human resource, digitalization of processes	PBO Regulatory Authority; the national government	<i>High initial cost; moderate recurrent costs</i> Additional Exchequer funding, technical assistance and support by donors
6	Capacity Building for Forums and Federation of Forums	Development of self-regulation processes and codes of conduct,	PBO Forums and Federation of Forums	<i>Moderate</i> PBO Regulatory Authority support in cost-sharing

Table 3: Actual Costs of the Regulations based on the Fee Schedule

No	Cost Category	Description	Stakeholders Affected	Estimated Magnitude and Mitigation Measures
1	Fees for registration	Revised fees for national PBOs (Kshs. 25,000), bestowment (Kshs. 20,000), international	International NGOs, Forums, Federation of Forums, New PBOs	<i>Low to moderate (initial/one-time),</i> Justification of costs- perpetual registration and

		PBOs (Kshs. 45,000), exemption of international PBOs (Kshs. 75,000)		linkage to tax benefits
2	Material Changes	Fees for name changes (Kshs. 15,000), change of officials (Kshs. 4,000), change of agents (Kshs. 20,000).	Existing PBOs	Moderate, risk-based. Justification for costs-To cater for governance risks; the costs only become necessary upon actual change
3	Annual Returns	Annual filing at Kshs. 2,000 (this has been unchanged since 2012).	Registered PBOs.	<i>Low</i> Justification for costs-Retained at the nominal rate to protect small PBOs
4	Work Permits	Kshs. 20,000 per work permit application.	International PBOs with employed expatriates	<i>Moderate</i> Justification for costs-Alignment with immigration laws and balances local employment needs
5	Capacity Building	Trainings for the staff of the PBO Regulatory Authority and PBO Forums and Federation of Forums	PBO Regulatory Authority; the national government; donors	<i>High initial cost; moderate recurrent costs</i> Justification for costs-technical assistance and support by donors

6	Transition	Update of governance constitutive documents; digitization of legacy records	PBOs, PBO Regulatory Authority	<i>Medium, one-off</i> Justification for costs-to be offset and Subsidized by the revenue collected from the new fees
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5.2.2 Benefits of the Proposed PBO Regulations

The proposed PBO Regulations are expected to produce great governance, social and economic benefits to the PBO regulatory authority, the PBO sector and all communities in the country. The benefits are:

(a) The PBO Regulatory Authority and the Government

- **Enhanced Compliance and Accountability:** Digital registries, simplified reporting tools, and streamlined governance rules will make it easier to track compliance while ensuring financial accountability.
- **Modernized Oversight Framework:** The PBO Regulatory Authority will operate under clear, transparent legal procedures, reducing arbitrariness and increasing predictability in regulation.
- **Alignment with National Policy Goals:** Registered PBOs will be better coordinated with national and county development plans, Vision 2030, AU Agenda 2063, and the UN Sustainable Development Goals (SDGs).
- **Donor Confidence and Partnerships:** Improved governance will attract international donor support, both for the PBO Regulatory Authority's

institutional capacity and for PBO programs, reducing fiscal pressure on the exchequer.

- **Cost Efficiency:** By strengthening self-regulation through forums and federations, PBO Regulatory Authority can reduce its direct enforcement workload, freeing resources for strategic oversight.

(b) PBOs

- **Access to Incentives:** PBOs gain recognition as public benefit entities, with opportunities for tax exemptions, charitable status, and increased eligibility for donor funding.
- **Legal Certainty and Protection:** Clear procedures for registration, recognition, and appeal provide PBOs with protection from arbitrary deregistration or political interference.
- **Improved Self-Regulation:** Through federations and forums, PBOs can jointly develop codes of conduct and peer monitoring systems, reducing compliance risks and reputational damage.
- **Strengthened Governance:** Updating constitutions and leadership structures will professionalize management, improve credibility, and ensure sustainable operations.
- **Reduced Administrative Burden:** Small PBOs benefit from simplified reporting thresholds, while digital platforms cut down time and resources spent on compliance.

(c) Communities and Households

- **Continuity of Support:** By aligning PBO operations with national frameworks, communities benefit from sustained, coordinated interventions instead of fragmented projects.
- **Financial Protection:** Better-managed PBOs ensure donor and community resources are used transparently, minimizing loss through mismanagement or corruption.

- **Improved Service Delivery:** With stronger governance, PBOs can deliver more reliable health, education, environmental, and social programs to communities.
- **Social Cohesion:** Stronger partnerships between government, civil society, and communities promote inclusivity, participation, and civic engagement.
- **Community Empowerment:** Local organizations gain recognition under the PBO Act, enhancing community voices in decision-making and strengthening grassroots development.

Table 4: Anticipated Benefits of the Regulations

No	Expected Benefit	Description	Stakeholders Affected	Estimated Magnitude	Supporting Provision in the PBO Act and Regulations
1	Legal Operation and Certainty for International NGOs	Explicit exemption and recognition requirements	International NGOs, Donors, communities, the government and individuals	High	Section 11 of the Act; Regulation 11 to 15.
2	Accountability and Transparency	Mandatory returns, audits and record keeping	PBOs, the government, donors and communities	Sustained and high benefits	Sections 18 and 19 of the Act; Regulation 25 and 26
3	Policy coordination	Recognition, registration of PBOs; Public register &	Registered PBOs, the Government, donors, communities,	Medium	Regulation 35 to 37.

		recognition of PBOs.	planners, private sector		
4	Enhanced advocacy and strengthened participation by PBOs in democracy and governance, strengthen self-regulation	Recognition of forums and forum of federations	Civil society, individuals, communities national and county governments	Medium to high	Section 23 and 24 of the Act; Regulation 21 to 24.
5	PBO activities' asset protection	Safeguards on dissolution and winding up	Individual and community beneficiaries, the national government; donors	High	Section 61 of the Act; Regulation 31 to 34.
6	Funding in-flows and donor confidence	Certainty in the PBO governance, Compliance with AML/CFT requirements	National economy, PBO Sector, the public	High and measurable in increased in-flows of aid and donor support; the aid inflows to increase by 10-15% annually.	Section 5 and 11 of the Act; Regulation 11 to 15
7	Financial Sustainability of the PBO Regulatory Authority	Revised fees, digitalization, enhanced staff capacity	PBO Regulatory Authority, the government	High; the PBO Regulatory Authority expected to raise Kshs. 300 to 400 million annually	First Schedule of the Regulations.
8	Fairness and	Uniform application	New PBOs, persons	High	Regulation 4 to 38.

	predictability	of timelines, processes and fees and timelines; the fees and timelines are lower compared to other regulators.	making applications		
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5.2.3 An Analysis of Costs and Benefits of Sample Fees

- National Registration: Increased from Kshs. 16,000 (2012) to Kshs. 25,000, as justified by higher service delivery costs and perpetual registration
- Bestowment of Recognition Status: A fee introduced at Kshs. 20,000 and the same synchronized with the 5-year tax exemption validity.
- International PBO Registration: Increased from Kshs. 30,000 to Kshs. 45,000 with exemption from registration capped at Kshs. 75,000 to mitigate regulatory risk.
- Annual Returns: Retained at Kshs. 2,000 to protect small grassroots PBOs despite the initial proposals for turnover-based fees.
- Material changes: Differentiated by risk level (e.g., Kshs. 4,000 for the change of officials and Kshs. 20,000 for change of agent).
- The PBO Regulatory Authority is expected to generate approximately Kshs. 300–400 million annual revenue for the 10–15% higher donor inflows.

5.2.4 Conclusion

Generally, the proposed PBO Regulations will occasion significant investments in compliance monitoring, institutional strengthening, digital systems and governance reforms especially since the direct costs are quantifiable and almost immediate and the short-term costs are moderate and one-off.

The benefits of the Regulations which include strengthened donor and public trust in PBOs, increased donor inflows, improved governance and coordination of PBOs, protected assets for the public's benefit creation of a transparent, accountable, and rights-based environment for PBOs, provision of impactful services to communities and sustained support for national development priorities through credible and harmonized PBO activities, are long-term. The benefits significantly outweigh the moderate compliance burdens and shall offset the initial significant investment and expenditures.

The Cost-Benefit Analysis therefore demonstrates that the revised fees and compliance obligations are equitable, reasonable and proportionate in the circumstances. In this regard, the PBO Regulations 2025 therefore meet the threshold of the Statutory Instruments Act, Cap. 2A of being reasonable, proportionate and necessary.

PART VI-SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

6.1 Introduction

Sections 6 and 7 of the **Statutory Instruments Act, Cap. 2A** requires that an assessment of the social, economic, and environmental impact of proposed regulations be undertaken. The Public Benefit Organizations Regulations, 2025 are expected to transform the accountability and governance of the PBO sector in Kenya as the sector directly impacts millions of households through advocacy, service delivery and humanitarian work.

This Part is therefore setting out the likely impact of the Regulations on various stakeholders such as individuals, the communities, the government, the regulator and the PBOs. The assessment of impact contemplated under the law will therefore assess the expected effects of the PBO Regulations, 2025 in three areas:

- (a) Social Impact-to assess impact on communities, households, individuals and the PBO sector generally;
- (b) Economic Impact- to assess the financial and fiscal implications for individuals, communities, government and PBOs in both the public and private sectors; and
- (c) Environmental Impact-to assess the effects of the Regulations on pollution control, environmental sustainability and waste management systems within the PBO sector.

6.2 Social Impact of the Regulations

In the context of the Statutory Instruments Act, Cap 2A and the PBO Regulations, social impact will focus on how compliance with the Regulations by the PBO sector will affect equity, cohesion, well-being and the community affairs.

6.2.1 Impact on Communities and Households

- The requirement of submitting annual returns and subjecting PBOs to the public benefit test in the Regulations shall ensure that the people and communities themselves benefit from PBOS that are well-governed, transparent in their dealings and actually engage in PBO activities that benefit the public.
- The introduction of proper management of assets upon winding up of PBOs guarantees that beneficiaries in the communities of the PBO activities continue to benefit even after the winding up.
- PBOs provide critical and essential services in several social sectors such as education, healthcare, education, disaster response, social protection environment and humanitarian relief. The stringent governance and regulatory controls for PBOs strengthen and ensure the sustainability of these services for the long-term benefit of households and communities.

- With the compliance with the provisions of the Regulations, it is expected that at least ten (10) million Kenyans annually will continue to be served effectively by PBOs particularly in areas of education, social protection and health.

6.2.2 Impact on National and County Governments

- The PBO Regulations will reinforce the framework of collaboration between both the National and County government and the PBOs. This will happen through the establishment and use of the register of PBOs that the two levels of government can use to engage PBOs and plan how the latter can support its activities.
- The introduction of forums and federation of forums also enable the national county and county governments to have structured and coordinated dialogue with PBOs especially during public participation exercises.
- With the enhanced framework, there will be better coordination and implementation of development projects in line with the BETA Agenda, Kenya Vision 2030 and the county development plans.

6.2.3 Impact on the PBO Sector

- The PBO sector will benefit greatly from compliance with the Regulations since forums and federation of forums which allow for collective dialogue, collective advocacy and peer accountability have been legally recognized. It is projected that many county-based PBOs will be linked to the forums in the next two years.
- With this legal recognition, there will enhanced inclusion and consultation of special interest groups such as women, youth, persons with disabilities, minority and marginalized groups in public participation activities and governance.

- The transparent procedures of registration, recognition, cancellation and suspension of PBOs will protect PBOs from arbitrary deregistration and gives PBOs a conducive environment to undertake their activities.
- Strict compliance with the provisions of the Regulations may led to additional administrative costs particularly for the community-based small PBOs.
- Faith-based and charitable PBOs will have better recognition in law through the public benefit test. This test will clearly separate their PBO related activities from the purely religion related functions and hence improving their access to donor and government partnerships.

6.2.4 Impact on Human Rights and Freedoms

- The transparent procedures of registration, recognition, cancellation and suspension of PBOs ensures due process which protects the freedom of association under Article 36 of the Constitution. The ripple effect of this will be the strengthening of the country's democratic space.

6.3 Economic Impact of the Regulations

In the context of the Statutory Instruments Act, Cap 2A and the PBO Regulations, economic impact will examine how the PBO Regulations influences employment, productivity, resource use and financial flows at the government, household and institutional levels.

6.3.1 Impact on Communities and Households

- Given that the PBO Regulations will strengthen accountability of the resources of PBOs, there will be reduced vulnerability in the house hold and community due to enhanced service delivery. This is especially in the social sectors where PBOs contribute substantially to the welfare of individuals, households and communities through food aid, medical outreach, scholarships and community development.

- PBOs currently directly employs over 50,000 people and indirectly supports over 200,000 community workers and volunteers and community workers. With enhanced regulation, employment arrangements will be stabilized in line with fair labour practices and hence reducing the current high staff turnover.

6.3.2 Impact on National and County Governments

- The PBO sector mobilizes an estimated Kshs.170 billion annually in donor funds which translates to 20–25% of Kenya’s external development financing. The transparent and accountability requirements in the PBO Regulations will increase the inflow of aid and support into the country as PBOs will mobilize billions annually due to enhanced donor confidence. With the enhanced donor confidence inflows are likely to grow by 10–15% annually, meaning an additional Kshs. 15 to 22 billion annually for the country.
- The requirement for audit and filing of annual returns by PBO ensures compliance with the provisions of the Public Finance Management Act, Cap. 412C. It allows enables the two levels of government to quantify PBO contribution to the economy and integrate the same in fiscal planning and national statistics, something that has not been feasible.
- The revised fees will generate between Kshs. 300 to 400 million annually for the PBO Regulatory Authority. This will lead to reduced reliance on exchequer funding which means that the money saved can be redirected to cover other national issues. The monies raised will also support automation of services, digitization of records and human resources training which lead to enhanced efficiency and responsiveness of the PBO Regulatory Authority.

6.3.3 Impact on the PBO Sector

- In the short-term, compliance costs including legal advice, filing fees and audits may be high particularly for the small PBOs. This will however be a worthwhile investment as in the long term there will be reduced compliance costs due to no suspensions or litigations due to the clear regulatory requirements in the Regulations.
- The recognition of forums and federation of forums by the Regulations will lower the costs of government and donor engagement and reporting to donors due to collective advocacy and bargaining.

6.3.4 Impact on Donors and Development Partners

- Donors and development partners will have reduced fiscal and fiduciary risk due to the enhanced reporting and transparency requirements in the Regulations.
- Donors will have more confidence and will continue to partner and support the country through PBOs as the Regulations are in harmony with the country's AML/CFT obligations under FATF.
- Additionally, the requirement of public registers and annual returns will significantly reduce compliance conflicts between donors and PBOs and donors and thus significantly reduce arbitration and litigation costs and the mismanagement of donor funding. With this huge reduction, at least Kshs. 500 million will be saved annually.

6.4 Environmental Impact of the Regulations

In the context of the Statutory Instruments Act, Cap 2A and the PBO Regulations, the environmental impact will consider the potential positive and negative effects of the implementation and compliance with the Regulations on the environment and human health. These may arise from expansion of PBO activities, changes in service delivery practices and community-level interventions.

6.4.1 Positive Impacts

- PBOs have become widely acclaimed as the key stakeholders in matters of environmental and biodiversity management and protection, climate change and environment conservation. PBOs engage in environment related projects. With the enhanced regulation of PBO activities, the Regulations guarantee that the PBOs are legitimate and that the mobilized resources are deployed in the conservation projects.
- The strengthened accountability and safeguards will cause more funding to be directed to environmental projects and hence reach many community groups.
- The provisions on the protection of assets post the winding up of PBOs guarantees that environmental assets such as forests, land and community conservation centers remain for the public benefit.

6.4.2 Potential Negative Impacts

- The PBO Regulations, 2025 are governance based and hence do not pose any direct negative or adverse environmental footprint for the country. The Regulations therefore are aligned to the country's commitments under Agenda 2063 and the UN SDG 13 on Climate Action.
- The only indirect impact is the initial compliance costs which may adversely affect small environmental PBOs and may cause them to limit their operational capacity. This may however be mitigated by having simplified reporting requirements for small PBOs and providing technical assistance and capacity building support for such PBOs through the forums and federation of forums.

6.5 Conclusion

The social, economic and environmental benefits of the PBO Regulations 2025 as highlighted above significantly and positively outweigh the initial moderate compliance costs.

PART VII-CONSIDERATION OF ALTERNATIVES TO THE REGULATIONS

7.1 Introduction

Section 6(2)(c) of the **Statutory Instruments Act, Cap. 2A** requires a regulation-making authority to assess other practicable means of achieving the objectives which the proposed Regulations are intended to achieve. This kind of assessment is done by comparing the regulatory and non-regulatory options taking into account the benefits, costs, human rights that may be affected, impact on the private sector, administrative feasibility, distributional impacts, and harmony with the prevailing policy and legal framework.

In relation to the Public Benefit Organizations Regulations, 2025 three main options were considered:

1. Option One: Maintenance of the Status Quo

2. Option Two: Reliance on Administrative Measures
3. Option Three: Development and Implementation of Regulations

7.1 Option One: Maintenance of the Status Quo

This option is about continue to operate in the current legal and institutional framework. Under this framework , the PBO Act, Cap. 134 which has come into force will continue to operate on its own without the need for Regulations. This is despite the fact that Parliament in enacting the PBO Act in its wisdom delegated its legislative power on some aspects.

The advantages of this option are two. One, there would be no immediate compliance costs for PBOs. Two, PBOs will continue with to operate with their current accustomed practices.

The disadvantages of this option, basically the absence of regulations are:

- (a) The lack of clarity and certainly in applying sections 5, 11, 18, 23, 24, and 61 of the PBO Act, Cap. 134 and for which Parliament had delegated its application to the regulation making authority.
- (b) Difficulty in enforcement of uniform registration, recognition, dissolution and reporting requirements which shall further fragment the PBO sector and encourage lack of accountability.
- (c) With the lack of uniform governance and regulation standards, there will be reduced donor funding for the PBO sector and reduced donor confidence due to exposure to money laundering. There will also be continued arbitrary administrative action which will lead to unfair deregistration of PBOs.

The PBO Act, Cap. 134 therefore, on its own, cannot be capable of full implementation without the Regulations.

7.2 Option Two: Reliance on Administrative Measures

This option is about the use of administrative actions as opposed to Regulations in the regulation of the PBO sector. With this option, the Cabinet Secretary or the PBO Regulatory Authority will be issuing circulars, policy guidelines and directives and compliance of the same will be done through administrative oversight mechanisms and reporting requirements.

The advantage of administrative measures is that they are more flexible and easier to amend compared to Regulations. They also occasion limited short-term administrative costs for the PBO Regulatory Authority.

The disadvantages of administrative measures are:

- (a) They do not have legal enforceability under Article 94(5) of the Constitution which is categorical that “no person may exercise legislative power except as authorized by the Constitution or legislation”. This means administrative measures only provide direction however they are not legally binding and hence they cannot rightly provide for aspects such as suspension, dissolution or cancellation which require statutory enforcement.
- (b) They may lead to inconsistency in compliance due to its weak sanctions for non-compliance.

Administrative measures therefore are not best option for the comprehensive regulation of the PBO sector which thrives on legal certainty and statutory anchoring.

7.3 Option Three: Development and Implementation of Regulations (Preferred Option)

This option entails the development of regulations under Section 69(1) of the PBO Act guided by the provisions of the Statutory Instruments Act, Cap. 2A.

The advantages of this option is that Regulations:

- (a) legally binding and enforceable and hence ensures compliance and uniformity in implementation which ultimately enhances donor confidence and service delivery and creates a predictable regulatory environment for the PBO sector.
- (b) Provide succinct reporting, registration, recognition, dissolution and suspension procedures and has clear enforceable sanctions where these procedures are not adhered to.

The disadvantages is that they impose initial compliance costs on PBOs and requires the government to invest in capacity building.

In this regard, Regulations are the preferred option as they are enforceable and binding which is critical for compliance within the PBO sector.

7.4 Comparative Analysis of Options

Table 5: Comparative Analysis of Available Options

No	Criteria	Option 1: Status Quo	Option 2: Administrative Measures	Option 3: Regulations
1	Enforceability	Very low; limited sanctions	Low; voluntary compliance	High; enforceable through penalties
2	Accountability and Transparency	Weak; possible continued misuse of funds	Moderate; reliant on goodwill	Strong; mandatory audits, returns, asset safeguards.
3	Costs	Low in short term, high in long-term losses.	Low immediate, donor mistrust persists	Moderate compliance costs, the costs outweighed by enhanced donor confidence
4	Advocacy and strengthened participation	Arbitrary discretion undermines	Limited; informal frameworks	Strong; due process; safeguards,

	by PBOs in democracy and governance	freedom of association		predictable procedures
5	Legal certainty	Weak; lack of operational clarity under the PBO Act	Moderate; administrative measures have no binding force	Strong; binding provisions under Section 69 of the PBO Act
6	Alignment with Constitution and PBO Act, Cap. 134	Non-compliant	Partial-lacks enforceability	Full compliance with Act and Constitution
7	Donor confidence	Low; continued PBO sector mistrust	Moderate; limited donor reassurance due to weak enforcement	High; enhanced sector credibility enhanced, more aid inflows.
8	Overall Assessment	Not viable	Insufficient	Efficient, necessary, proportionate (Preferred)

7.5 Conclusion

After a thorough analysis of the three options considered, **Option Three-Development and Implementation of Regulations** is best suited to achieve full implementation of the PBO Act, Cap. 134. This option is the most proportionate, effective and efficient and proportionate as it reasonably balances the initial compliance costs with the long-term substantial benefits of a well-regulated and compliant PBO sector.

PART VIII-PUBLIC CONSULTATIONS

8.1 Introduction

Public participation and stakeholder engagement are intrinsic elements to the legitimacy of the PBO Regulations, 2025. Article 10 of the Constitution recognizes public participation as a national value and principle of governance. This Article provides for the involvement of the people in the enactment of any law. The national values and principles bind all state organs, state officers, public officers, and all persons whenever they, inter-alia, apply the Constitution and enact any law.

The principle of public participation is premised on the notion that the persons affected by any decision have the right to be involved in the decision-making process. This principle upholds the sovereignty of the people by allowing the people to present views in the decision-making process.

The Statutory Instruments Act, Cap. 2A, the primary law on the development of statutory instruments requires that public participation must be done in developing a statutory instrument. Section 2 of the Statutory Instruments Act, Cap. 2A defines public participation as the involvement by the regulation making Authority of persons or stakeholders that the statutory instrument may directly or indirectly apply to.

Section 5 of the Statutory Instruments Act, Cap. 2A requires the regulation-making authority to conduct adequate public consultations before publishing statutory instruments. Section 5(3)(a) of the Act, in particular, requires a regulatory authority to notify, either directly or by advertisement, persons who are likely to be affected by the proposed regulation. The Cabinet Secretary for Interior and National Administration and the Public Benefit Organizations Regulatory Authority must therefore carry out extensive consultations in respect of the Public Benefit Organizations Regulations, 2025 and the Regulatory Impact Statement.

These consultations must ensure that the views of key stakeholders including the members of the public, donors and PBOs are collected and incorporated into the statutory instruments.

8.2 Stakeholder Mapping

The Ministry of Interior and National Administration together with the PBO Regulatory Authority has mapped out the diverse stakeholders in the PBO Sector who will participate in the regulation-making process. This participatory approach aims to refine the regulations before they are formally adopted, ensuring they reflect the needs of all parties involved. These stakeholders are drawn from the government, government agencies, PBOs, development partners, donors, members of the public to representatives from youth groups, women groups, persons with disabilities and marginalized groups.

8.3 Public Participation Methodology

The Cabinet Secretary for Interior and National Administration shall issue a formal notice of public participation on the draft PBO Regulations and the Regulatory Impact Statement. The notice will appear in the *Kenya Gazette*, the Ministry of Interior and National Administration website, electronic media, and at least one national newspaper with wide circulation. To meet statutory requirements, this notice will be published at least fourteen days before the first public participation meeting.

In line with Article 10 of the Constitution, the Ministry of Interior and National Administration together with the PBO Regulatory Authority shall organize stakeholders' engagement and public participation workshops on the Regulations and the RIS to provide an opportunity for the public to participate in the regulation-making process. The Ministry will hold specific engagement workshops with key stakeholders including national government ministries, government agencies, research organizations and private players in the sector. The public workshops will be distributed in different counties to allow for proper public participation.

The consultation will use several methods to reach the widest possible audience. This will include physical and meetings virtual meetings. It will further include oral and written submissions submitted via a designated email address or hand-delivered to the Offices of the Ministry of Interior and National Administration and PBO Regulatory Authority.

The PBO Regulations, 2025 and the Regulatory Impact Statement shall also be posted on the official websites of the Ministry of Interior and National Administration and PBO Regulatory Authority for ease of access by the public and stakeholders for purposes of submission of views. A popular version of the draft PBO Regulations, 2025 shall be developed to simplify the content of the

Regulations which shall enable the stakeholders to effectively review the Regulations.

Once all consultations conclude, the Ministry of Interior and National Administration and the PBO Regulatory Authority will gather, analyze, and incorporate stakeholder input into the draft PBO Regulations and RIS.

CHAPTER IX-IMPLEMENTATION OF THE REGULATIONS

9.1 Introduction

For effective implementation of the PBO Regulations, 2025, a regulation-making authority is expected to examine the adequacy and practicability of the legal, policy and institutional framework under which the Regulations will be effected.

The PBO Regulations, 2025 will be implemented and enforced through the existing institutions namely the Ministry of Interior and National Administration and the PBO Regulatory Authority. Further, owing to the fact that the Regulations need compliance from other players including the PBOs themselves and development partners, a multi-stakeholder approach will be adopted for seamless enforcement and compliance with provisions of the Regulations.

This approach must provide for phased enforcement, digitalization of processes, capacity building and continuous monitoring and evaluation by the Ministry of Interior and National Administration and the PBO Regulatory Authority

9.2 The Role of National Government

The Ministry of Interior and National Administration is fundamental in the successful implementation of the Regulations as it is responsible for providing policy direction. It will also oversight and support the PBO Regulatory Authority as it performs its functions of enforcing compliance with the Regulations.

9.3 The Role of PBO Regulatory Authority

The PBO Regulatory Authority based on its mandate under the PBO Act, Cap. 134 will enforce compliance through inquiries, suspension of non-compliant PBOs, provision of technical support and capacity building among others. The PBO Regulatory Authority will also monitor and evaluate how the PBO sector is complying with the Regulations especially on annual reporting and audits.

PART X-CONCLUSION AND RECOMMENDATION

10.1 Conclusion

These PBO Regulations, 2025 are fundamental to the transformation of the entire PBO sector and refocusing of the sector's priorities to serve the Kenyan people. The PBO Regulations, 2025 are therefore timely, necessary and proportionate. The Regulations effectively and fully anchors the operationalization of the PBO Act, 2013.

Coupled with adequate resourcing, effective monitoring and evaluation and inclusive and stakeholder involvement, the PBO Regulations, 2025 will enable PBOs to operate with accountability, transparency and in sustainable and fair environment. This will in tandem the insurmountable role of the PBO sector in

the country's democratic governance and implementation of Kenya's development agenda.

10. 2 Recommendation

Based on the conclusions of the Regulatory Impact Assessment undertake, it is the considered position that the proposed Public Benefit Organizations Regulations, 2025 ought to be adopted and implemented.

ANNEXURES

Annexure 1: Fee Review Justification Report

FEE REVIEW JUSTIFICATION REPORT

Background information

Public Benefit Organizations Regulatory Authority has not reviewed its fees since 2012, despite rising operational costs and inflation.

The PBO Act 2013 created room for the fees to be reviewed. The draft regulations second schedule had a list of services been offered and the reviewed fees which were shared to the public for feedback.

Introduction

A Committee consisting of six members was set up to discuss and moderate the fees that was agreed upon by the participants during the twelve public participations exercise that were held countrywide. The committee's major role was to come up with fees that will not affect and interfere with the daily

operations of organizations as they implement their activities having in mind that this is a humanitarian sector and not for profit.

The key reason for fee increment was the rising operational costs, service expansion and modernization.

Revising the fees will ensure the authority remains financially sound and capable of fulfilling its mandate effectively.

Members agreed on the following:

1. That forms should be combined in line with similar processes in material changes for purpose of automation and fees.
2. Discuss feedback on fees from public participation.
3. To come up with justification on fees increase.
4. To do a table with fee schedule and populate the agreed fees

The table below provides a summary of the discussion.

N o	Description of fees	Curre nt fees revise d in 2012	Proposed as per PBO Regulatio ns	Proposal from P.P (Kshs)	Review ed Amoun t after the P.P	Agree d Amou nt	Justificati on
1	Application for name search and reservation of proposed name for a public benefit organization	1,000	2,000	800, 500, 200, 1500, 1000, 250, 950, 480	1,000	1000	Retained, slightly higher than other registration regimes to differentiate our clientele. Time period for reservation is sixty (60) days (30) thirty days longer compared to other regimes.
2	Application for extension of a proposed name for a public benefit organization	1,000	2,000	480, 300,500, 1000, 250, 320,800	1,000	1000	To mitigate risk of having sham PBOs.
3	Application for registration as a national public benefit organization	16,000	20,000	800, 4000, 10000, 5000,	20,000	25,000	Registration status of the PBO is perpetual.
4	Application for Bestowment of public benefit organization status.	-	22,000	4000, 12000, Free (0), 10000, 5000,	20,000	20,000	Bestowed PBOs will benefit from tax exemptions; this will translate to tax expenditure in the national

							revenue. This fee will be paid after every 5 years since the tax exemption certificate is valid for a period of five years. The authority will facilitate the bestowed PBOs to comply with the requirements from the National Treasury and KRA.
5	Application for registration as an International public benefit organization	30,000	40,000	12000, 30000, 20000, 4000	40,000	45,000	Registration status of the international PBO is perpetual. This will create opportunities for national PBOs to register and be implementors of relevant policies.
6	Application for exemption from registration as	-	75,000	50000, 30000, 25000	75,000	75,000	The permit to operate in Kenya is issued to

	an international public benefit organization						PBOs that do not implement or raise funds in Kenya. This category applies to PBOs that fund local PBOs to implement on their behalf. The fee will serve as a deterrent and a risk mitigant to sector abuse.
7	Application for recognition of a forum of public benefit organization	-	20,000	0 (no costs), 5000, 500, 20000, 4000	10,000	10,000	This caters for name reservation, registration, recognition and update of the register.
8	Application for recognition of a federation of forums of a public benefit organizations	-	20,000	10000, 1000, 20000, 5000, 4000	20,000	20,000	This caters for name reservation, registration, recognition and update the register.
9	Filing of annual returns for a registered public benefit organization	2,000	4,000	1000, 2000, Base fees on turnover bands (e.g., 0–500k: Ksh 5,000 ; 500k–2M:	2,000	2,000	The fee covers validation and analysis of the annual reports.

				Ksh 15,000; above 2M: Ksh 75,000), 400			
10	Notification of material changes in a public benefit organization	-	15,000	500, 5000, 1000, 2000, 0, 800	To be provided based on the different services	-	-
11	Application for a replacement or certified copy of certificate of registration or permit of registration	10,000	5000	10,000	5,000	10,000	Fee will apply for organizations registered before the E-citizen platform between 15 th June, 1992 to September 2023. The funds will be utilized in the digitalization process of the manual registers.
Material Changes							
	Change of Officials/Addition of Board Members	4000	-	-	4,000	4,000	These fees encourage transparency and accountability by enforcing a stable governance structure.
	Change of Authorized Agent	-	-	-	-	20,000	The agent acts as a trustee. The exempt PBO does not

							have a governance structure and is the sole custodian of the operations, assets and staff. This role carries a high fiduciary responsibility which requires enhanced due diligence.
	Opening of a bank account/ Change of banking arrangements	4000	-	-	4000	4,000	These fees encourage transparency and accountability by enforcing a stable governance structure/ financial prudence.
	Change of Name National PBO	12,500	-	-	15,000	15,000	This will act as a deterrent for rogue PBOs that infiltrate the sector and swindle the public.
	Change of Name International PBO	27,500	-	-	27,500	27,500	This will act as a deterrent for rogue PBOs that infiltrate the sector and swindle the public.

	Recommendation letters/File Search	4000	-	-	5,000	4,000	The fee will facilitate the inspection of the register, supplying of certified documents and information regarding an already registered entity and extracting any document filed with the authority.
	Change of Constitution	4000	-	-	4,000	4,000	This fee encourages transparency and accountability by enforcing a stable governance structure and acknowledging the changes in the public benefit activities.
	Certified copies of documents	3000	-	-	3,000	3,000	This fee will enable the authority role that validates the authenticity of the PBOs documentation and encourages

							accountability.
	Material change in a forum/federation of forums	-	-	-	-	5000	This caters for updates and maintenance of the register to facilitate self-regulation.
	Work permit	20,000	-	-	-	20,000	This will serve as a facilitative role to ensure compliance with the immigration laws and ensure the necessity for the particular foreigner worker in the absence of comparable local skills.