

BUSINESS



JOHN GITIHUJI/NATION

In search of animal feed

A woman carries oat for her livestock in Gatimu Ward, Oljororok Constituency, Nyandarua County, last week. She said she got the animal feed in Nyahururu Town, six kilometres from Gatimu. Poor rainfall in most parts of the country is prompting farmers to look for animal feeds elsewhere.

Co-operation > Agreement sets in motion information sharing channel between the parties

Kenyan, Australian regulators sign agreement to boost fintech

Deal sets up framework to support innovation in financial services sector

BY BRIAN NGUGI
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The Capital Markets Authority (CMA) of Kenya and the Australian Securities and Investments Commission (ASIC) have signed a cooperation agreement, which seeks to promote innovation in financial services in their respective markets.

The deal sets up a framework for cooperation between the CMA and ASIC in expanding space of innovation in financial services.

In an announcement made by the Kenyan regulator on Friday, the parties said they had agreed to share information in their respective markets, including on emerging market trends and regulatory issues arising from

growth in innovation. "We are committed to facilitating innovation in financial services, leveraging Kenya's positioning in the region as an innovation centre.

"This, however, calls for us to assess lessons learned and to compare strategies to balance innovation and regulation with our peer regulators," said CMA chief executive Paul Muthaura.

Mr Muthaura said the CMA had recently initiated efforts towards the establishment of a Regulatory Sandbox structure that is designed to encourage innovation in the capital markets.

"This strategy reflects the CMA's role in facilitating the introduction of new fintech products in the capital markets area," he said, adding that ASIC has equally developed

an innovation hub and hence both regulators are keen to share best practices in terms of how to address regulatory issues pertaining to innovation in financial services.

ASIC chairman Greg Medcraft echoed similar sentiments, saying Kenya has seen significant fintech innovation growth,

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CMA chief executive Paul Muthaura

noting that the agreement will help to break down barriers to entry in both jurisdictions.

"Since ASIC launched its Innovation Hub in 2015, we have seen a surge in requests by fintech start-ups seeking assistance about how to navigate the regulatory requirements.

Test concepts

"Most recently, we have consulted on the establishment of a Regulatory Sandbox that proposes an environment to allow start-ups to test concepts without a licence — we are currently considering the results of that consultation," he said.

The agreement was signed on the margins of the board meeting of the International Organisation of Securities Commissions in Hong Kong last week.

House team to quiz Mumias Sugar chiefs on Sh3bn use

BY LINET WAFULA

The House Committee on Agriculture will this week question the top management of Mumias Sugar Company over alleged mismanagement of Sh3 billion released by the government to bail out the struggling miller.

Mumias East MP Benjamin Washiali said the team will be seeking explanations on why the funds meant to pay farmers were redirected into settling contractors' and suppliers' dues. He did not, however, state the exact day when the session will take place.

Mr Washiali, who is also a member of the committee, said if it is established that the billions from government were not utilised properly, then the

company's top management will be sent packing. "We will overhaul the management of Mumias if it is proven that the taxpayer's money meant to revive the state-owned firm was put to waste," he said.

Mr Washiali said the money was released to help the struggling firm to clear accumulating arrears owed to farmers and revival of sugarcane production. Currently Mumias owes its farmers Sh700 million for sugar cane deliveries.

"We are aware the money was diverted into other projects not intended; that's why we want the management to shed light on the issue and tell us how much was paid to suppliers and contractors and why," he said. He went on: "We must also be told how much was paid to farmers and the list of ben-

eficiaries." Speaking in Shiana market, Kakamega Sub County, Mr Washiali regretted that misplaced priorities by the management had also led to acute shortage of raw materials.

He, at the same time, warned a local activist who is planning to lead a demonstration seeking to oust the company chief executive officer Errol Johnston and the board of directors chairman Dan Ameyo from office on grounds that they are incompetent.

"We must uphold the rule of the law even as we push for the restructuring of the management." Meanwhile, Mumias Sugar Company, through communication officer Moses Owino, has denied claims that it will close down from November for routine annual maintenance of the mills.

BRIEFLY

AVIATION

New airports boss set to take over next month

Mr Jonny Andersen, the new Kenya Airports Authority (KAA) managing director, is scheduled to take office in November, four months after he was appointed by Transport secretary James Macharia. State House spokesman Manoaah Esipisu said yesterday that Mr Andersen would take up the position mid next month, dispelling uncertainties about the July 16th appointment. "Mr Andersen had asked for a six-month period to wind down his other engagements, but in the end an amicable agreement was reached. A timing that both the board and the ministry responsible are happy with," Mr Esipisu said during a press briefing at State House, Nairobi, yesterday. He said the government had already issued the Norwegian with a work permit.

— Sandra Chao-Blasto

HOSPITALITY

Indian hotel chain plans Sh150m resort in Mara

Indian hotel chain Royal Orchid Hotel yesterday announced the expansion of its Kenya portfolio with the planned opening of a Sh150 million five star resort near Kenya's Maasai Mara national park in December. The 60-bed development is located near River Talek and will comprise 12 luxury tents, five-star cottages and world class conference facilities. To be known as Mara Azure, the new resort will seek to tap tourists keen on visiting the world famous Maasai Mara after spending their time in the hotel chain's Nairobi unit, the Hotel Royal Orchid Azure. The facility is the first expansion made by Royal Orchid outside of the Kenyan capital, Nairobi after its debut two years ago.

— Brian Ngugi

AVIATION

Team meets today to chart KQ way forward

A Cabinet subcommittee formed by the presidency to look into the woes facing national carrier Kenya Airways is expected to meet today with its management and Dutch shareholder KLM in the hopes of charting its future. The team comprises Transport Cabinet Secretary James Macharia as its chairman, Cabinet secretaries Henry Rotich (Treasury) and Adan Mohamed (Industrialisation) as well as Attorney-General Githu Muigai. Kenya Airways is 29.8 per cent government-owned, with KLM owning 26.7 per cent. According to a person familiar with the matter, top of the agenda in the meeting to be attended by new KQ chairman Michael Joseph, is implementation of recommendations made by a special audit report on the airline's operations and the crafting of a new turn around programme for the airline.

— Brian Ngugi