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THE PRIVATE SECURITY REGULATION ACT

CAP. 207

DRAFT PRIVATE SECURITY (FIDELITY FUND OPERATIONS) REGULATIONS,
2025

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THE PRIVATE SECURITY REGULATION ACT

CAP. 207

IN EXERCISE of the powers conferred by section 61(4) of the Private Security Regulation Act, Cap. 207 the Cabinet Secretary for Interior and National Administration makes the following Regulations—

THE PRIVATE SECURITY (FIDELITY FUND OPERATIONS)
REGULATIONS, 2025

Citation

1. These Regulations may be cited as the Private Security (Fidelity Fund Operations) Regulations, 2025

Interpretation

2. In these Regulations, unless the context otherwise requires—

“Act” means the Private Security Regulation Act, (Cap. 207);

“Authority” means the Private Security Regulatory Authority established under section 7 of the Act;

“Board” means the Board of Trustees established under section 61 (1) of the Act;

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to internal security;

“Director of the Board” means the Chief Executive Officer of the Authority;

“Fund” means the Private Security Fidelity Fund established by section 61 (1) of the Act.

“Levy” means the levy imposed under section 60 of the Act.

Board of trustees for the private security fidelity fund

3. (1) Pursuant to section 61 of the Act, the Board of Trustees for the Fund shall comprise—

- (a) a chairperson appointed by the President;
- (b) the Principal Secretary responsible for matters relating to internal security, or their representative designated in writing;
- (c) the Principal Secretary responsible for matters relating to finance, or their representative designated in writing;
- (d) four other members who shall be appointed by the Cabinet Secretary taking to account regional balance and gender parity, of whom—
 - (i) one shall be a nominee of registered associations representing private security firms;
 - (ii) one shall be a nominee of registered associations representing private security employee organizations; and
 - (iii) two shall be persons qualified and competent in the field of finance, public administration, business administration, security, or law, one nominated by the Kenya Private Sector Alliance and the other by

registered residents associations; and

(e) the Director of the Board who shall be the secretary.

(2) In nominating a person to be a member under sub regulation 3 (1) (d), the nominating bodies shall present the names of three persons to the Cabinet Secretary from amongst whom one shall be appointed.

(3) The members of the board refer to in sub regulation 3 (1) (d) shall be appointed at different times so that the respective expiry dates of their terms of office shall be at different times.

(4) The chairperson and members of the board shall serve the Authority for a period of three years and shall be eligible for reappointment for one further term.

(5) The Board shall be responsible to the Cabinet Secretary for directing and managing the Fund.

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(6) For purposes of section 24 of the Public Finance Management Act, the Director of the Board shall be the administrator of the Fund and shall ensure that money held in the Fund, including any earnings or accruals, is spent only for the purposes for which the fund is established.

(7) Members of the Board of the Fund may be paid such allowance as the Cabinet Secretary shall in consultation with the Salaries and Remuneration Commission, approve.

Functions of the board of trustees

4. The functions of the Board of Trustees shall be to —
 - (a) collect the Levy imposed under section 60 (1) of the Act;
 - (b) co-ordinate the optimal utilization of the fund in the implementation of programmes and projects of the Authority;
 - (c) monitor and evaluate, by means of technical, financial and performance audits, the delivery of services funded by the Fund;
 - (d) seek to achieve optimal efficiency and cost effectiveness in the utilization of the fund;
 - (e) identify, quantify and recommend to the Cabinet Secretary such other potential sources of revenue as may be available to the Fund;
 - (f) approve the opening and closing of bank accounts of the Fund by the administrator of the Fund;
 - (g) formulate sound policies for the management of the Fund;
 - (h) solicit for funds and other assistance to promote the object for which the fund is established;
 - (i) receive any gifts, donations, grants or endowments made to the Fund; and
 - (j) perform any other functions that are ancillary to the objects and purpose for which the Fund is established.

Private security fidelity levy

5. (1) Pursuant to section 60 (1) of the Act, there is imposed a levy known as Private Security Fidelity Levy.

(2) The levy shall be at the rate of one per centum (1%) of the gross annual revenues of private security firms.

(3) The levy shall be payable to the Authority either—

(a) annually, on or before the 31st day of January of each calendar year, based on the gross revenue of the preceding year; or

(b) monthly, on or before the ninth working day after the end of each month, based on the gross revenue earned from the provision of private security services in that month.

(4) A private security firm shall opt to remit the levy either annually or monthly, but not both, and shall notify the Authority of its chosen mode at the beginning of each financial year.

Default on payment of amount of levy

6. Where an amount of the levy remains unpaid after the date when it becomes due and payable by a person liable to remit the amount, a penalty equal to three per centum of the unpaid amount shall be due and payable for each year or part thereof that the amount remains unpaid and shall be summarily recovered as a civil debt for the person liable to remit the amount.

Mode of payment

7. Levy payable in respect to a particular year shall be paid through bank deposit, banker's cheque, electronic money transfer, mobile money transfer, real time gross system or such other modes as the Board may direct from time to time.

Private security fidelity fund

8. Pursuant to section 61 (1) of the Act, there is established a fund to be known as Private Security Fidelity Fund

Sources of the Fund

9. (1) There shall be paid into the Fund —

(a) monies deducted or payable as the Levy under the Act; and

(b) monies lawfully accruing to the Fund

Records

10. (1) A private security firm shall maintain records in a form acceptable to the Board showing all the information necessary to enable the Board to determine the amount of private security fidelity levy required to be collected and remitted by the firm and/or owner of business.

(2) A private security firm shall keep the records referred to in sub regulation (1) —

(a) at its place of business or residence in Kenya or at any other place with the written approval of the Board; and

(b) for the period of time specified by the Board, and if no such period is

specified, for six years after the end of the calendar year in which the records are created.

Administration of the fund

11. The Administrator of the Fund shall —
- (a) in the management of the Fund, ensure compliance with the Public Finance Management Act; and
 - (b) be responsible for the effective, efficient and economic use of the Fund.

Utilization of the Fund

12. The Fund shall be used —
- (a) to defray the administrative and operational expenses of the Authority;
 - (b) for organizing training workshops and seminars for private security service providers;
 - (c) strictly in accordance with the purpose for which the national budget was approved taking into account the prevailing economic circumstances; and
 - (d) for ensuring full implementation of the Act.

Monies to be retained in the fund

13. All receipts, savings and accruals to the Fund and the balance of the Fund at the end of each financial year shall be retained in the Fund and applied in accordance with the Constitution, the Act and these Regulations.

Financial year

14. The financial year of the Fund shall be the period of twelve months ending on the thirtieth June each year.

Bank accounts

15. The Administrator of the Fund shall open and maintain such bank accounts as are necessary for the effective management of the Fund.

Accounts and audit

16. (1) The Administrator of the Fund shall—
- (a) keep or cause to be kept proper books of accounts and other books and records related to the Fund; and
 - (b) prepare, sign and transmit to the Auditor-General accounts of the Fund in accordance with Public Audit Act.
- (2) Within a period of three months from the end of each financial year, the Administrator of the Fund shall submit to the Auditor General the accounts of the Fund.

Cap. 412B

(3) The accounts of the Fund shall be audited and reported upon in accordance with the Public Audit Act.

Annual report

17. (1) The Administrator of the Fund shall, within three months after the end of each financial year, prepare and submit to the National Assembly a report of the operations of the Fund for the immediate preceding year.

(2) The Administrator of the Fund shall forward a copy of the report to the Cabinet Secretary.

Authority to incur expenditure

18. (1) The Administrator of the Fund may, delegate, in writing, to an officer or a member of staff of the Authority the powers or functions of an Accounting Officer in accordance with the Public Finance Management Act for the efficient management of the Fund.

(2) The authority to incur expenditure shall be accorded in writing and shall expressly specify the person and designation of the person to whom the authority has been granted.

Dated the

ONESIMUS KIPCHUMBA MURKOMEN,
Cabinet Secretary for Interior and National Administration