

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 119 (Acts No. 12)*



REPUBLIC OF KENYA

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***KENYA GAZETTE SUPPLEMENT***

**ACTS, 2026**

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**NAIROBI, 15th May, 2026**

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**THE SPECIAL ECONOMIC ZONES  
(AMENDMENT) ACT, 2026**

**No. 12 of 2026**

*Date of Assent: 11th May, 2026*

*Date of Commencement: See Section 1*

**AN ACT of Parliament to amend the Special Economic Zones Act and for connected purposes**

**ENACTED** by the Parliament of Kenya, as follows—

**1.** This Act may be cited as the Special Economic Zones (Amendment) Act, 2026 and shall come into force upon publication.

Short title.

**2.** Section 2 of the Special Economic Zones Act (in this Act referred to as “the principal Act”) is amended by—

Amendment of section 2 of Cap. 517A.

(a) deleting the definition of the term “industrial park” and substituting therefor the following new definition—

“industrial park” means a special economic zone declared as an industrial park under section 4 and comprising integrated infrastructure intended to support manufacturing, agro-processing, upstream petroleum operations, midstream petroleum operations, mineral and natural resource-based industrial activities, and advanced technology-driven production activities or such other sectors as may be prescribed by the Authority and approved by the Cabinet Secretary;

(b) inserting the following new definitions in their proper alphabetical sequence—

"midstream petroleum operations" has the meaning assigned to it under the Petroleum Act;

“upstream petroleum operations” has the meaning assigned to it under the Petroleum Act

Cap. 308

**3.** Section 11 of the principal Act is amended by deleting paragraph (m) and substituting therefor the following paragraph—

Cap. 308  
Amendment of section 11 of Cap. 517A.

(m) to suspend or cancel the licence of a special economic zone developer, operator or enterprise which is in violation of this Act, the

East African Community Customs Management Act, 2004 or any other applicable law;

4. Section 27 of the principal Act is amended—

Amendment of section 27 of Cap. 517A.

(a) by inserting the following new subsections immediately after subsection (5)—

(5A) A licence issued under this Act to a special economic zone developer, operator or enterprise carrying on business or undertaking activities within an industrial park shall be valid for a minimum period of ten years.

(5B) A licence issued under subsection (5A) shall be subject to the licensee meeting the minimum investment value of Kenya Shillings five billion.

(5C) The Cabinet Secretary may by notice in the *Gazette* amend the minimum investment value set out under subsection (5B).

(5D) The Authority shall, on an annual basis, and for the entire period during which a licence remains valid, conduct a compliance audit of a special economic zone developer, operator or enterprise to whom a licence is issued pursuant to subsection (5A) to ensure compliance with such terms and conditions of licence as prescribed in regulations, and the developer, operator or enterprise shall pay such annual licence fees to the Authority as may be prescribed.

(5E) A special economic zone developer, operator or enterprise that fails to pay the prescribed annual licence fees within sixty days after the expiry of each twelve-month period following the date of issuance of the licence shall be liable to pay a penalty may be prescribed in the regulations.

(b) inserting the following new subsections immediately after subsection (6)—

(6A) Before suspending or revoking a licence under subsection (6), the Authority shall give written notice of at least thirty days, specifying the—

- (a) grounds for the intended suspension or revocation;
- (b) terms and conditions of the licence or the provisions of law that have been contravened, not complied with or violated;
- (c) remedial action required;
- (d) period within which the licensee is required to comply or show cause why the licence should not be suspended or revoked.

(6B) Where a licence is revoked, the Authority shall, in consultation with the Cabinet Secretary, make such arrangements as may be necessary to provide for the protection of third-party interests and the orderly exit, transfer or disposal of assets within the special economic zone.

(6C) A special economic zone developer, operator or enterprise aggrieved by a decision of the Authority to suspend or revoke a licence may appeal the decision to the Cabinet Secretary within thirty days of receipt of the notification of suspension or revocation.

**5.** Section 28 of the principal Act is amended in paragraph (a), by deleting the expression “incorporated in Kenya”.

Amendment of section 28 of Cap. 517A.

**6.** Section 29 of the principal Act is amended—

Amendment of section 29 of Cap. 517A.

- (a) in subsection (2), by deleting the expression “is incorporated in Kenya” appearing in paragraph (a) and substituting therefor the expression “is a company”;
- (b) by inserting the following new paragraph immediately after subsection (2)—

(3) A special economic zone developer or operator undertaking, or intending to undertake, activities in a zone designated for midstream or upstream petroleum operations may apply, in the prescribed manner, for a special economic zone

enterprise licence under subsection (2) for purposes of undertaking an activity or activities under this Act.

7. The principal Act is amended in the First Schedule by inserting the following new paragraph immediately after paragraph (h)—

Amendment of the First Schedule to Cap. 517A.

(i) oil and gas zones.

8. The laws specified in the first column of the Schedule are amended in the provisions respectively specified in the second column, in the manner respectively specified in the third column.

Consequential amendments.

**SCHEDULE****CONSEQUENTIAL AMENDMENTS**

<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>
Income Tax Act, Cap.470	First Schedule, Part I, para. 73	Delete the expression “in the first ten years of its establishment”.
Value Added Tax Act, Cap. 476	Second Schedule, Part A, para. 12	Insert the expression “developer, operator or” immediately after the expression “special economic zone”.
Miscellaneous Fees and Levies Act, Cap. 469C	Second Schedule, Part B, New	Insert the following new paragraph immediately after paragraph (xviii)— “(xix) goods destined for approved Export Processing Zones or Special Economic Zones designated for midstream petroleum operations or upstream petroleum operations.”