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THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT-SECOND SESSION

LIAISON COMMITTEE

DELEGATION REPORT OF THE FINANCIAL
INNOVATIONS & EMERGING ISSUES SEMINAR HELD
BETWEEN 6TH AND 10TH FEBRUARY, 2018 IN KUALA
LUMPUR, MALAYSIA

JUNE 2018

Directorate of Committee Services
The National Assembly,
Parliament Buildings, Continental House, Room 402
NAIROBI.

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ABBREVIATIONS AND ACRONYMS

ASEAN	Association of Southeast Asian Nations
CEO	Chief Executive Officer
CPA	Certified Public Accountant
CRM	Customer Relationship Management
DLT	Distributed Ledger Technology
DUC	Differentiated Unit Cost
EU	European Union
HELB	Higher Education Loans Board
HG	HelloGold
HRMS	Human Resources Management System
ICPACK	Institute of Certified Public Accountants of Kenya
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
ISO	International Organization for Standardisation
KPI	Key Performance Indicator
POS	Point of Sale
PTPTN	National Higher Education Fund Corporation
RM	Malaysian Ringgit
SME	Small and Medium-Sized Enterprises
SSPNIM	National Higher Education Savings Scheme
TC	Technical Committees
WWW	World Wide Web

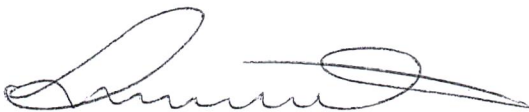
FOREWORD

Between 6 and 10 February, 2018, I was honoured to lead a 5-person delegation of the Liaison Committee to attend the Annual Financial Innovations & Emerging Issues Seminar held at the Hotel Intercontinental in Kuala Lumpur, Malaysia.

The seminar which was hosted by the Institute of Certified Public Accountants of Kenya brought together professionals in both public and private sectors to delve on new ideas, trends and best practices in accountancy and financial management. The Seminar was aimed at equipping delegates with intellectual tools and mindset requisite for progressive change leadership. Various topics were discussed including – Technology-based Innovations in Accountancy; Ethics and Compliance for Professional Accounts: Dealing with Current and Future Challenges; The Role of the Accountant in the ‘Firm of the Future’; Innovations in Funding of Students in Higher Education – Case of Malaysia and Kenya; Commodity Trading on Mobile Apps: Current and Future Opportunities and Risks: a case study of HelloGold; and the Projectile of the Crypto-Currency Technology and Global Economic Implications.

In conclusion, the Committee wishes to record its appreciation to the Office of the Speaker and the Clerk of the National Assembly for facilitation in fulfilment of its mandate.

It is now my pleasant duty and privilege, on behalf of the delegation and by extension the Liaison Committee, to table this Report in the House pursuant to Standing Order 199 (6).



 **Hon. Roselinda Soipan Tuyu, MP**

Leader of Delegation and Vice Chairperson of Liaison Committee

Date: 26/11/2018.....

EXECUTIVE SUMMARY

A delegation of the Liaison Committee participated in the Annual Financial Innovations & Emerging Issues Seminar held at the Hotel Intercontinental in Kuala Lumpur, Malaysia from 6th and 10th February, 2018.

The delegation comprised the following –

1. Hon. Roselinda Soipan Tuya, MP – **Leader of Delegation**
2. Hon. Julius Melly, MP
3. Hon. Joseph Limo, MP
4. Hon. Ezekiel Machogu, MP
5. Ms. Susan Maritim, First Clerk Assistant (Delegation Secretary)

The seminar which was hosted by the Institute of Certified Public Accountants of Kenya brought together professionals in both public and private sectors to delve on new ideas, trends and best practices in accountancy and financial management. The Seminar was aimed at equipping delegates with intellectual tools and mindset requisite for progressive change leadership. Various topics were discussed including – Technology-based Innovations in Accountancy; Ethics and Compliance for Professional Accounts: Dealing with Current and Future Challenges; The Role of the Accountant in the ‘Firm of the Future’; Innovations in Funding of Students in Higher Education – Case of Malaysia and Kenya; Commodity Trading on Mobile Apps: Current and Future Opportunities and Risks: a case study of HelloGold; and the Projectile of the Crypto-Currency Technology and Global Economic Implications. The details of the deliberations are contained in the body of this Report.

The delegation has made recommendations based on the lessons learnt through the meetings and interactions held with seminar facilitators and participants. The recommendations are as follows:

1. There is need for the Government of the day to embrace technology aimed at improving public service delivery in keeping with world trends and creating conducive environments for implementing more effective public policies, easing private sector engagement with the authorities, developing innovative ecosystems and applications, showing leadership and reinforcing Kenya’s competitive edge in the East African region. As espoused in the Report, the Blockchain technology is an idea whose time has come, and the country must take a position on the matter. **It is therefore recommended that the Departmental Committee**

on Finance and Planning initiates talks with the relevant stakeholders with the view of developing a policy or legislation on cryptocurrency technology.

2. On embracing the trend on subscription economy and cloud, it is recommended that the Parliamentary Service Commission undertakes a market study on technology-based solutions aimed at improving service delivery not only to Members of Parliament and staff, but also to the citizens of Kenya.
3. On improving accessibility to funds for higher education, it is recommended that the Departmental Committee on Education and Research in partnership with other education sector players, encourages a saving-for-education culture through introduction of innovative products that will result in enhanced accessibility to higher education funding and a reduction in over-reliance on bursary and HELB funding to complete higher education.

1.0 PREFACE

The Liaison Committee is established pursuant to Standing Order No. 217 with the following membership: –

1. Hon. Moses Cheboi, CBS, MP (*Deputy Speaker & Chairperson, Liaison Committee*)
2. Hon. Soipan Tuya, MP (*First Chairperson of Committees and V/Chair, Liaison Committee*)
3. Hon. Adan Duale, EGH, MP (*Leader of Majority Party & Chairperson, Committee on Selection*)
4. Hon. Ali Wario, MP (*Chairperson, Labour and Social Welfare Committee*)
5. Hon. Katoo Ole Metito, EGH, MGH, MP (*Chairperson, Defence & Foreign Relations Committee*)
6. Hon. Jeremiah Kioni, MP (*Chairperson, Constitution Implementation Oversight Committee*)
7. Hon. Maoka Maore, MP (*Chairperson, NG-Constituencies Development Fund Committee*)
8. Hon. William Cheptumo, M.P (*Chairperson, Justice & Legal Affairs Committee*)
9. Hon. Kimani Ichungwah, MP (*Chairperson, Budget & Appropriations Committee*)
10. Hon. David Gikaria, MP (*Chairperson, Energy Committee*)
11. Hon. Julius Melly, MP (*Chairperson, Education, Research & Technology Committee*)
12. Hon. Maina Kamanda, EGH, MP (*Chairperson, National Cohesion & Equal Opportunity Committee*)
13. Hon. Kanini Kega, MP (*Chairperson, Trade, Industry & Cooperatives Committee*)
14. Hon. Kareke Mbiuki, MP (*Chairperson, Environment & Natural Resources Committee*)
15. Hon. Paul Koinange, MP (*Chairperson, Administration & National Security Committee*)
16. Hon. (Dr.) Rachael Nyamai, MP (*Chairperson, Lands Committee*)
17. Hon. Sabina Chege, MP (*Chairperson, Health Committee*)
18. Hon. Moitalel Ole Kenta, MP (*Chairperson, Committee on Implementation*)
19. Hon. William Kisang, MP (*Chairperson, Communication, Innovation & Information Committee*)
20. Hon. Naisula Lesuada, MP (*Chairperson, Committee on Regional Integration*)
21. Hon. Joseph Limo, MP (*Chairperson, Finance & National Planning Committee*)
22. Hon. Opiyo Wandayi, MP (*Chairperson, Public Accounts Committee*)
23. Hon. David Pkosing, MP (*Chairperson, Transport, Public Works and Housing*)
24. Hon. (Dr.) Victor Munyaka, MP (*Chairperson, Sports, Tourism & Culture*)
25. Hon. Kathuri Murungi, MP (*Chairperson, Special Funds Accounts Committee*)
26. Hon. Abdullswamad Nassir, MP (*Chairperson, Public Investments Committee*)
27. Hon. Gladys Boss Shollei, CBS, MP (*Chairperson, Committee on Delegated Legislation*)
28. Hon. Ezekiel Machogu, MP (*Chairperson, Committee on Members' Services & Facilities*)
29. Hon. Adan Haji Ali, MP (*Chairperson, Agriculture and Livestock Committee*)
30. Hon. Joash Nyamoko, MP (*Chairperson, Parliamentary Broadcasting & Library Committee*)

Mandate

The Committee is mandated to –

- (i) guide and co-ordinate the operations, policies and mandates of all Committees;
- (ii) deliberate on and apportion the annual operating budget among the Committees;
- (iii) consider the programmes of all Committees, including their need to travel and sit away from the precincts of Parliament;

- (iv) ensure that Committees submit reports as required by these Standing Orders;
- (v) determine, whenever necessary, the committee or committees to deliberate on any matter; and
- (vi) give such advice relating to the work and mandate of select committees as it may consider necessary.

The Committee is further mandated to consider reports of Committee that have not been deliberated by the House and report to the House on the consideration of such reports.

2.0 SEMINAR DELIBERATIONS

Introduction

This section captures the presentations made and issues raised during plenary.

The seminar, with the theme “**Beyond the Horizon**” which was hosted by the Institute of Certified Public Accountants of Kenya, brought together professionals in both public and private sectors to delve on new ideas, trends and best practices in accountancy and financial management. It was aimed at equipping delegates with intellectual tools and mindset requisite for progressive change leadership.

Various topics were discussed including – Technology-based Innovations in Accountancy; Ethics and Compliance for Professional Accounts: Dealing with Current and Future Challenges; the Role of the Accountant in the ‘Firm of the Future’; Innovations in Funding of Students in Higher Education – Case of Malaysia and Kenya; Commodity Trading on Mobile Apps: Current and Future Opportunities and Risks: a case study of HelloGold; and the Projectile of the Crypto-Currency Technology and Global Economic Implications.

2.1 Technology Based Innovations in Accountancy

The presentation was made by Hj. Ir. Aziz Ismail, CEO of Authentic Venture a leading Cloud solutions provider in Malaysia.

Introduction

ICT plays a vital role in advancing economic growth and reducing poverty. A World Bank survey of firms carried out in 56 developing countries found that use of ICT increased growth, more investment opportunities, more productivity and more profitability than those who don't.¹

With this background, Mr. Ismail introduced OfficeCentral which is one of the technology-based innovations in accounting.

OfficeCentral

OfficeCentral is an integrated office management suite on the cloud specially designed for SMEs. It enables CEOs to control and manage their companies 24/7 from anywhere with ease. Its portfolio includes HRMS (Human Resources Management), Payroll, Accounting, CRM

¹ <http://www.worldbank.org/en/news/press-release/2013/09/10/icts-are-creating-new-jobs-and-making-labor-markets-more-innovative-inclusive-and-global-world-bank-study>

6 | *Liaison Committee: Report on Financial Innovations & Emerging Issues Seminar, 6-10 February, 2018, Kuala Lumpur, Malaysia*

(Customer Relationship Management) and POS (Point of Sale). All solutions are in the cloud to enable full control yet with minimum cost.

The presenter emphasised that the **world has moved to subscription economy and cloud**. Successful organisations are using subscription method and the cloud which has the following benefits: **more organised, more focus, detailed reports and consistent**.

Advantages of OfficeCentral Accounting Management Module

- increased efficiency;
- conforms to International Standard;
- automated GST Report (Goods and Services Tax);
- highly secure with 2-step approval;
- multi-location: Access from anywhere;
- financial ratio trend;
- efficient/time saving: saves 90%;
- automated work flow;
- access anytime;
- always the latest version;
- easy to use;
- multi-user environment;
- fast response;
- readily available/instant information; and
- better customer experience.

Simple to use online accounting

- User sets **accounting period** based on their requirements;
- User can add unlimited depth of **Chart of Account** and define as header or details
- User can insert **unlimited amount of transactions**;
- User can import transactions from other modules such as payroll and finance;
- Automatic generation of accounting reports such as balance sheets and profit and loss;
- Only approved transactions are shown in accounting

Customer Relationship Management Module

- Increases efficiency through automated sales process;
- Enhances control: through a sales KPI Management e.g. sales per month, quotations per month, invoices per month etc.
- Automated GST rate and price book
- Leads management
- Mobile Apps
- Customer database
- Inventory management and multi-location
- POS in the cloud

- POS on tablet -offline
- Geography dashboard
- Quote from the phone

Human Resources Management (HRM) Module

1. Staff management: online staff profile, store data online including contact details, children information, experiences etc.
2. Leave management: apply leave online, approve leave online, configure leave types and settings
3. Movement management: record staff movement in and out of office
4. Attendance management: record staff attendance data
5. Course management: register staff training courses relevant to staff, staff can view and register for courses online.

Payroll Management Module

- Payroll profile: online staff payroll profile, keep payroll date including numbers, currency, contribution, status etc.
- Payroll Groups: can have more than one way to calculate payroll for different staff
- Adjustments: unlimited adjustments
- Online salary slips: staff can print their payslips without having to ask HR department
- Payroll reports: automate generate monthly payroll reports

Financial Management Module

- Mobile claims module: staff submit claims online, view status of approval and payment;
- Movement
- Advances vs claims: staff submit advances online and view status of approval and payment.
- Claim limits
- Payment requisitions: staff submit payment requisitions online and view status of approval and payment.
- Payment vouchers: create new vouchers, view old vouchers record and auto-generate payment vouchers from approved claims, advances and payment requisitions.
- Petty cash vouchers: create new petty cash vouchers, view old vouchers records and auto-generate vouchers from approved claims, advances and payment.

2.2 Role of the Accountant in the Firm of the Future

The presentation was made by Mr. Paul Dunn, co-author of "The Firm of the Future: A Guide for Accountants, Lawyers, and Other Professional Services"

Introduction

The accounting industry is rapidly shifting from a reliance on compliance to a stronger advisory focus. This has led to an increasing emphasis on client relationships and proactive communication in employees.

The accounting firm of the future will have accountants, analysts, advisers, authorities and administrators, all working together to achieve the best result for their clients.

Mr. Dunn believes that **future firms should be more concerned with the value they present in the eyes of the customer and less concerned with inward-looking items like billing rates, billable hours and realization rates.** They believe that the billable hour has its roots in Karl Marx's labor theory of value, which has been discredited. Customers value products and services based on the perceived benefits they receive rather than the time to manufacture or create the item.

He added that professionals can best capture that value by reaching a fixed-price agreement (FPA) with a client for an agreed-upon package of services. When the customer requests a change in the scope of services provided, such for a proposed sale of a business or a business acquisition, a change order should be negotiated. This approach is defined as Pricing on Purpose.

Professional firms can find alternative measures, called Key Performance Indicators, to better measure whether a firm is successful. These measures should measure activities that are of concern to the customer. Examples would be turnaround time for jobs, percentage of projects delivered by promise date or internal target date, sales of new services, and customer retention. They also point out some of the most important activities can't be measured.

What is the Firm of the Future?

The firm of the future is:

- a) **Online:** The firm never enters data; rather, it focuses on data management and offering insight. Significant time can be saved by using electronic tools to automate data entry. In addition to time saved, data can be updated daily, offering a greater time advantage – immediate insight!
- b) **Paid for value:** The firm no longer focuses on the hours of input required to create an outcome; instead, it focuses on creating value for clients. This value focus allows the

firm to earn higher fees and build greater client satisfaction and loyalty. The firm is able to focus on their role as trusted advisor to their clients.

- c) **Connected to clients:** Building strong client relationships is critical to the success of the Firm of the Future. The firm actively cultivates client relationships and seeks opportunities to add value to their clients' businesses. Innovation and collaboration are key to the mindset of the firm. Enhanced focus on relationships allows the firm to grow significantly larger than a traditional firm, using fewer resources to produce greater outputs.
- d) **Free of Timesheets:** Timesheets give the illusion of control. At best, timesheets are a backwards view to measure our inputs into the accounting process. Timesheets have nothing to do with running our firm better or placing a value on the outcome that we produce for our clients. The facts support Mr. Baker's assertion, in that firms without timesheets have greater focus on value, greater employee satisfaction and are consistently more profitable.

2.3 Malaysian Experience in Funding of Students in Higher Education

The presentation was made by Ms. Mastura Mohammed Khalid, Deputy CEO, National Higher Education Fund Corporation (PTPTN), Malaysia.

The National Higher Education Fund Corporation (PTPTN)

PTPTN was formed in 1997 to ensure that Malaysian students, who require education funding, could pursue their studies in local institutions of higher learning.

Functions of PTPTN

1. **Providing education loans** to students pursuing studies at local higher education institutions currently numbering 2.8 million at a cost of RM 64.4 billion (KES 1.7 trillion)
2. **Managing loan collection:** due for payment as at 31 Dec 2017 was 1.9 million borrowers.
3. **Managing Savings Scheme:** National Higher Education Savings Scheme (SSPN1M)
Total Accounts: 3.2 million; Total Deposits: RM3.4 billion (KES approx. 8 billion)

Challenges to Overcome

1. **Managing Funding:** The Corporation funds approximately 2.8 million students with approved amount of RM64.4 billion; approximately RM 4billion each year for disbursement.
2. **Managing loan collection:** Deferment is a major problem occasioned by unemployment, further study at a higher level or low salary because the job is not equivalent to academic qualifications, monthly commitments, e.g. housing loan, car loan.

Initiatives by PTPN

1. **Various repayment channels** e.g. internet banking, salary deduction, 241 Payquick Kiosks, Banks & Post Offices
2. **Customer care services:** AKPK - Credit Counseling & Debit Management Agency, CARELINE – until 10:00pm, PTPTN @KLIA2 – 24h/7d, 67 Branches Nationwide
PTPTN @UTC – until 10:00pm, EPF Withdrawal 24-month Deferred Payment, Reschedule / Restructure
3. **Discounts:** 20%: Full settlement, 10%: Instalment via salary deduction/ auto debit/, 50% from remaining debt.
4. **Enforcement:** Credit Ratings (Central Credit Referral Information System), Immigration Blacklist, Legal Action.

‘Industry & Academia Are One’

It is important to link the industry/job market and the academia since the two are equal partners. Demand for the right skills is determined by the industry. Academia has several players including learning institutions which provides the relevant courses, Ministry of Higher Education which acts as the regulator and Loans Board (PTPN) as the financier.

National Higher Education Savings Scheme (SSPN1M)

One of the products offered by PTPTN is SSPN1M which is a sharia-compliant product aimed at inculcating saving-for-education culture among public.

SSPN1M Products - SSPN1M - i & SSPN1M - iPlus

Detail	SSPN1M - i	SSPN1M - iPlus
Launched	2004	2015
Opening Account Requirements	The account is opened by parents / guardians for child aged 18 years and below and can retain it until the age of 29 years.	
	Citizens aged 18 years and above have the option of opening the account themselves or by their parents / guardians.	
	Citizens aged 29 years and above have to open the account themselves.	
Monthly Commitment	No monthly commitment and minimum saving is RM20 per transaction	Depends on the package, from RM30 to RM500 (including monthly commitment).

SSPN1M Products

Detail	SSPN1M -i	SSPN1M - iPlus
Takaful premium	Free for depositors who maintain the savings of RM1,000 and above	Depends on the package, from RM10 to RM300.
Takaful Coverage	<ol style="list-style-type: none"> 1. Death 2. Total permanent disability 3. Funeral expenses <p><i>* The compensation amount is dollar to dollar.</i></p>	<ol style="list-style-type: none"> 1. Death; 2. Total/partial permanent disability 3. 36 critical illnesses 4. Hospital income benefit 5. Funeral expenses <p><i>* The compensation amount is varies based on packages</i></p>
Tax Relief	Up to RM6,000	Up to RM12,000

Detail	SSPN1M -i	SSPN1M - iPlus
Matching Grant	<ul style="list-style-type: none"> •Financial incentive for depositors who have a monthly family income not more than RM4,000. •Maximum amount is RM10,000 per family, determined by the period of savings and the amount of savings. •The beneficiary (child) must be accepted and registered at any approved HEI. •The age of beneficiary must not more than 29 years old at the point of applying for Matching Grant. 	N/A
Other benefits	1. Competitive dividend 2. Guaranteed by Government	

Estimated Cumulative Savings For 17 Years

MONTHLY COMMITMENT (RM 30)			MONTHLY COMMITMENT (RM 50)		
YEAR	YEARLY DEPOSIT (RM)	ACCUMULATED SAVINGS*(RM)	YEAR	YEARLY DEPOSIT (RM)	ACCUMULATED SAVINGS*(RM)
1	360.00	367.80	1	600.00	613.00
5	360.00	1,992.12	5	600.00	3,320.21
10	360.00	4,415.85	10	600.00	7,359.74
15	360.00	7,364.68	15	600.00	12,274.46
17	360.00	8,715.95	17	600.00	14,526.58
TOTAL	1,800.00	8,715.95	TOTAL	3,000.00	14,526.58

2.3 Kenyan Experience in Funding of Students in Higher Education

The presentation was made by CPA Charles Ringera, CEO/Secretary, Higher Education Loans Board.

Introduction

Recent reforms in Kenya's education sector resulted in a **level playing ground for universities**, with both public and private universities now being established through Charters. (Previously, private universities were established by Charters; public universities by own Acts of parliament).

The changes also resulted in renaming, strengthening and empowerment of the Commission for university education to accredit and quality assure all universities.

Kenya currently has 30 public universities and 8 university colleges are either existing or in the process of being established, all in 31 out of 47 counties. Further establishment was suspended from 7 October 2016.

Financing of Higher Education

Student financing continues to be provided through HELB, to all Kenyans pursuing higher education in recognized institutions of higher learning. This is done through:

1. **Government capitation:** Recurrent and capital;
2. **Student Financing:** loans, bursaries and scholarships
3. **University Generated Resources:** tuition fees, returns from income generating activities, loans and donations.

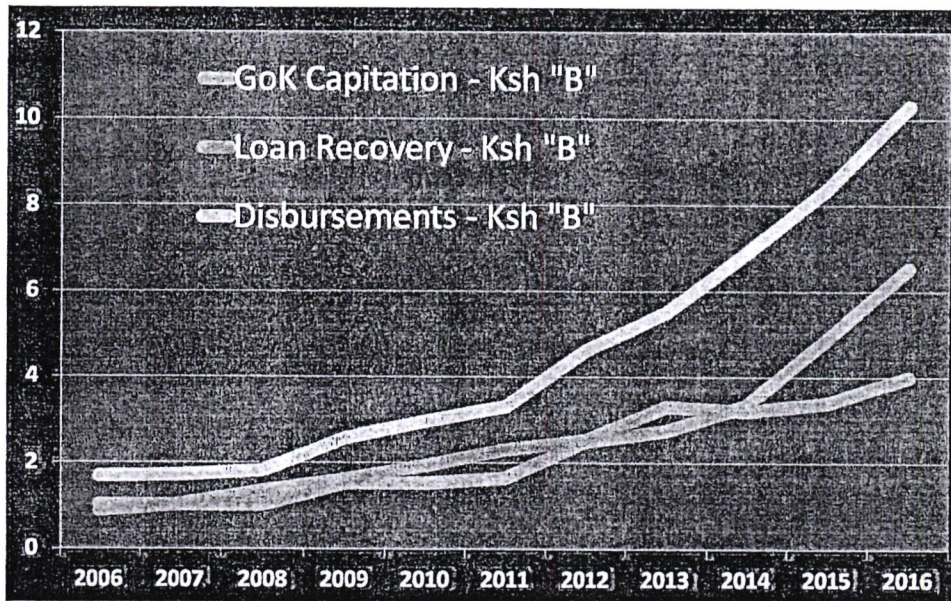
Universities are encouraged to diversify their sources of income by – **securing the support of the private sector, involving alumni in fund-raising and reaching out to individual benefactors of university education.**

The **University Funding Board** is mandated to execute the university funding policy and the Maximum Differentiated Unit Cost (DUC) for university education in the 2017/2018 financial year

The capitation grants to public universities have been increasing over the years as indicated in the table below:

TYPE OF GRANT	2013/2014 KSHS (000)	2014/2015 KSHS (000)	2015/2016 KSHS (000)	2016/2017 KSHS (000)
Recurrent grants	35,453	46,184.69	48,355.57	
Capital grants	5,050	5,680.67	11,460.00	
Total	40,503	51,865.31	59,815.57	

Achievements



Challenges

- i. There's a mismatch between skills imparted and those required in the industry;
- ii. Weak linkages exist between universities and industry, professional bodies and sector specific regulators;
- iii. In-adequate numbers of PhD holders qualified to teach in the increased number of universities; and
- iv. Limited training opportunities in new emerging areas such as mining, petroleum oil and gas;
- v. Inadequate infrastructure: lecture halls, laboratories, workshops and equipment;
- vi. Low levels of scientific publications in peer reviewed journals from the universities; and
- vii. Regional and gender disparities in access to university education.

2.4 Commodity Trading on Mobile Apps: Case of HelloGold

The presentation was made by Mr. Robin Lee, CEO HelloGold Sdn. Bhd.

Introduction

HelloGold is a financial inclusion platform that digitizes and democratizes gold fractional ownership, enabling mass market consumers to access micro savings in investment grade gold through a mobile app (both Android and iOS). The mobile apps allow users to save, borrow and send gold at a minimum transaction threshold of ~USD 0.25. HelloGold users have the

opportunity to better preserve and diversify their wealth, as well as the ability to access short term financing by collateralizing their gold.

The three overarching problems HelloGold solves are that:

- i. There is an **over-reliance on cash for savings**: HG offers diversification of savings from cash to gold;
- ii. **Lack of access to affordable personal credit**: HG offers access gold-backed loans;
- i. **Remitting money is both time consuming and/or expensive**: HG offers cost-free gold remittance.

HelloGold makes gold affordable by allowing its users to buy very small weightage per purchase at international spot prices. Customers have direct ownership of the gold they buy. The gold bullion is stored in a vault in Singapore, fully insured against physical loss, and is fully redeemable as physical bars and coins, cash, or as jewellery.

With the help of technology, the digitization of gold will enable everyone, everywhere to enjoy these same features that gold offers to the wealthy. With HelloGold's gold-backed token everyone will only need the equivalent of a fraction of a dollar to save through gold (ERC20 tokens work to 18dp). And once they save enough in gold, they will be able to pledge it as collateral to borrow at lower interest rates and without the need for credit history. In short, everyone can save, and everyone can have access to affordable financing. Democratisation through digitisation.

HelloGold targets two key market segments: the consuming middle class and the emerging middle class. In ASEAN and China alone, these two groups comprise 55% of the total labour force of 814m people. They saved approx. \$505b in 2016, of which we estimate that \$212b was in cash deposits.

HelloGold uses Ethereum smart contracts to provide three benefits: transparency, security and access.

2.5 The Cryptocurrency Technology & Global Economic Implications

Presenter: Mr. Abdul Fattah Yatim, Chairman of Malaysian National Standards Committee on Blockchain and Distributed Ledger Technologies, Department of Standards Malaysia, Ministry of Science, Technology and Innovation, Malaysia

Background

ISO Blockchain Standards Committee (ISO/TC 307) Formation Chronology

Early 2016, ISO notified all its 161-member countries that there is a proposal from Standards Australia to form a new Technical Committee on **Blockchain and Distributed Ledger Technologies**. More than 30 countries responded to ISO providing a number of comments. Some supported the proposal, some against, some indicating that the new TC should be parked under an existing TC.

In the ISO Joint Management Committee meeting in September 2016, the formation of a new technical committee on **Blockchain and Distributed Ledger Technologies** was formally decided and later given the identifier ISO/TC 307.

Malaysia formed a mirror committee to ISO/TC 307 codenamed TC/G/15

ISO Standards Committee on Blockchain and Distributed Ledger Technologies (ISO/TC 307) Member Countries

Participating countries (30)

Australia (SA) *, Austria (ASI), Belgium (NBN), Brazil (ABNT), Canada (SCC), China (SAC), Croatia (HZN), Cyprus (CYS), Denmark (DS), Finland (SFS), France (AFNOR), Germany (DIN), India (BIS), Ireland (NSAI), Italy (UNI), Jamaica (BSJ), Japan (JISC), Korea, Republic of (KATS), Luxembourg (ILNAS), Malaysia (DSM – TC/G/15), Netherlands (NEN), Norway (SN), Portugal (IPQ), Russian Federation (GOSTR), Spain (UNE), Sweden (SIS), Switzerland (SNV) Ukraine (DSTU), United Kingdom (BSI) and United States (ANSI).

Observing Countries (12)

Argentina (IRAM), Czech Republic (UNMZ), Hong Kong (ITCHK SAR), Hungary (MSZT)
Indonesia (BSN), Islamic Republic of Iran, (ISIRI), Israel (SII), New Zealand (NZSO)
Singapore (SPRING SG), Slovakia (SOSMT), South Africa (SABS) and Thailand (TISI).

External Organizations in Liaison With ISO/TC 307

EC - European Commission

FIG - International Federation of Surveyors

- ITU - International Telecommunication Union
- SWIFT - Society for Worldwide Interbank Financial Telecommunication
- UNECE - United Nations Economic Commission for Europe

Malaysian Central Bank (Bank Negara Malaysia) Position on Cryptocurrencies

Bank Negara reiterated its stand that bitcoin and its cryptocurrency siblings are not legal payment methods in Malaysia, as the central bank initiates policy compelling digital currency exchange operators to report their activities.

Under the new policy, digital currency exchangers will be categorised as reporting institutions under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA).

“The invocation of reporting obligations on digital currency exchangers is the first step towards making digital currency activities more transparent in Malaysia,” Bank Negara said in a statement. It further added that the reporting obligation to be imposed on these digital currency exchangers is consistent with the requirement invoked under the AMLA on other sectors such as legal and accounting firms, as well as real estate agents which do not fall under the central bank’s purview.

Block chains are not immune from hacks but when they do happen, they are through wallets and exchanges or bugs in smart contracts. Blockchain security remains intact.

Blockchain Revolution

“**The Blockchain today is what the World Wide Web was in 1992.** Blockchain will impact all aspects of society just as the *www* has impacted and engrained in today’s economy, government and society, but in a shorter timeframe.... Blockchain enables **internet of information** to **enhance to internet of value.**” (*Paraphrased quote from a few speakers and authors including Don Tapscott and Alex Tapscott, co-authors of “Blockchain Revolution – How the Technology Behind Bitcoin is Changing Money, Business and The World”*).²

The Blockchain was listed position 3 in the **Top 10 Emerging Technologies of 2016 released by the World Economic Forum.**

² Block Chain Revolution: How the Technology behind Bitcoin is changing money, business and the World, by Don Tapscott and Alex Tapscott

Blockchain is a Foundational Technology³

According to an article published on the Harvard Business Review, blockchain is not a “disruptive” technology, which can attack a traditional business model with a **lower-cost solution** and overtake incumbent firms quickly. Blockchain is a foundational technology with the potential to create new foundations for our economic and social systems.

Some Financial Use Cases of Blockchain

- **Clearing and Settlement** – Real time point to point transfer of funds, accelerating settlement.
- **Cross-border payments** – Speeding and simplifying transactions while reducing costs significantly and cutting out many of the traditional middlemen. At the same time, it would make money remittances more affordable.
- **Capital Markets and Share trading** – Greater accuracy and shorter settlement process, provide an automated trade lifecycle where all parties in the transaction have access to the exact same data about a trade.
- **Smart contracts** - Execute commercial transactions and agreements automatically. It also enforces the obligations of all parties in a contract – without the added expense of a middleman.
- **Trade Finance** – Increased visibility and trust across participants, reduces delays and manual effort.
- **Online identity management improvement** - Users are able to choose how to identify themselves and who will be informed.
- **Know Your Customer:** Know your customer – Financial institutions access to trusted up-to-date attribute information about customers.

30 Non-Financial Use Cases

1. Authorship and ownership: Bitproof, Blockai, Stampery, Verisart, Monegraph, OriginalMy, Crypto-Copyright, Proof of Existence, Ascribe, Po.et;
2. Birth and death certificates: Khanactions, LLC;

³ Harvard Business Review <https://hbr.org/2017/01/the-truth-about-blockchain>

3. Blockchain-as-a-Service (BaaS): Ethereum Blockchain as a Service by Microsoft Azure, Rubix by Deloitte, IBM Blockchain on Bluemix;
4. Compliance and security: Chainalysis, Third Key Solutions, Tradle, Vogogo, Elliptic, Coinalytix, Sig3, BlockSee, CryptoCorp, Blockverify;
5. Content management/distribution: Brave, Bittunes, PeerTracks, JAAK, Paperchain;
6. Data management: Factom;
7. Data integrity and security: PeerNova, Guardtime;
8. Decentralized social network: Datt, DECENT, Diaspora*, AKASHA, Synereo;
9. Diamonds: Everledger;
10. Digital identity, identification, and authentication: Keychain, 2WAY.IO, ShoCard, Guardtime, BlockVerify, HYPR, Onename, Civic, UniquID, Wallet, Identifi, Evernym, BanQu, AID: Tech, SolidX;
11. Energy: Energy Blockchain Labs, Grid Singularity, TransActive Grid by LO3 Energy;
12. Enterprise-grade solutions and development platforms (infrastructure): XNotes Alliance, Tymlez, Symbiont, Sofocle, Pragmatic, Coders, OTCXN, Openchain, Nuco, Monax, Libra Enterprise, Interbit, Credits, Colu, Ciphrex, ChromaWay, ChainThat, Chain Reactor, Chain, Bloq, BlockCypher, Blockchain Foundry, BigchainDB, Avalanchain, applied; Blockchain, AlphaPoint Distributed Ledger Platform;
13. e-sports: FirstBlood
14. e-voting: Follow My Vote, Estonia's e-Residency platform;
15. Gaming and gambling: Etheria, First Blood, Etheramid, FreeMyVunk, CoinPalace, Etheroll, Rollin, Ethereum Jackpot;
16. Government and organizational governance: BITNATION, Advocate, Borderless, Otonomos, BoardRoom, Colony;
17. Internet of Things (IoT): Databroker DAO, Chronicled, Filament, Chimera, Filament, Stock.it;
18. Job market: Verbatm, Appii, Satoshi Talent, Coinality;
19. Land registry: The Dubai Land Department (DLD);
20. Licensing: license.rocks;
21. Media: Publiq;
22. Mining: Waves;
23. Network infrastructure: Ethereum, ChromaWay;

24. Open organization/business-related collaboration: Colony;
25. Operating system: BloqEnterprise by Bloq, BOLOS by Ledger, EOS by block.one, DeOS by Razormind, GemOS by Gem, Vault OS by ThoughtMachine;
26. Real estate recording: UBITQUITY, Silvertown;
27. Reputation verification and ranking: The World Table (Open Reputation), ThanksCoin;
28. Ride-share: Arcade City, La 'Zooz;
29. Supply chain management: Skuchain, Factom; and
30. Traceability of food products and supply chain audit: Provenance

What Blockchain/DLT is NOT

Blockchain is not a technology to implement in small-scale like home environment, small organisations, but across nations, large organisations or between sectors or with a community.

It cannot be implemented over a short period of time. Careful system and communal architectural planning is required. It is also not a one-size fits all solution.

Core Blockchain/DLT Core and Distinct Strengths - Immutability and Distributed (Disintermediation) of Trust

Immutability

Blockchains are **immutable** meaning that **once data has been written to a Blockchain, no one, not even a system administrator, can change it.** This provides benefits for audit. As a provider of data, you can prove that your data hasn't been altered, and as a recipient of data you can be sure that the data hasn't been altered. These benefits are useful for databases of financial transactions.

Distributed (Disintermediation) of Trust

The essence of Blockchain is the distribution of trust, **the decoupling of trust from a concentrated entity to distributed nodes** with means to verify authenticity of transactions, no double spending etc.

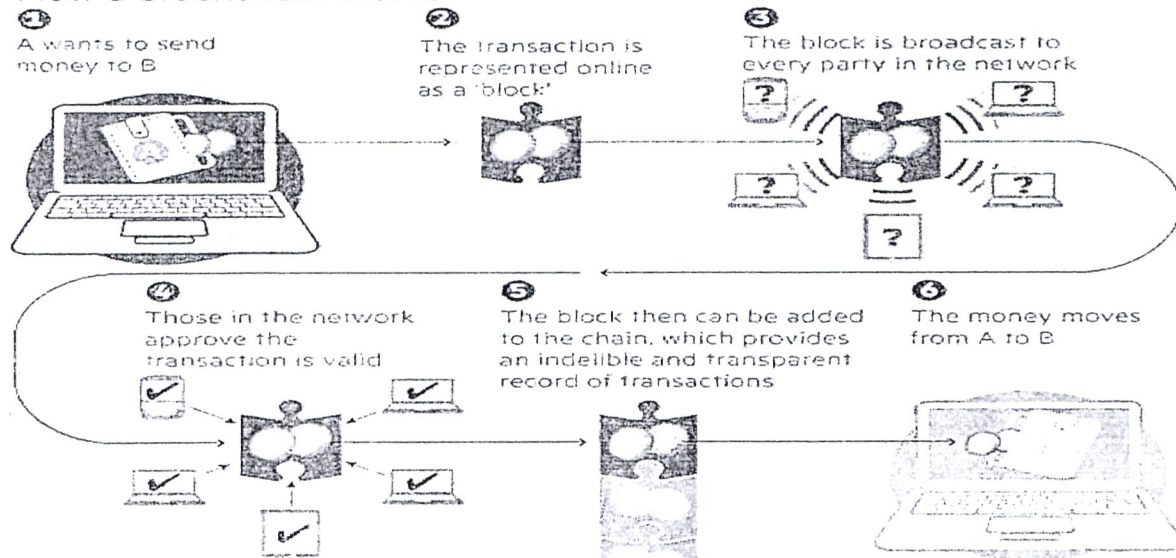
Blockchain/DLT Key Features

- **Distributed:** all participants/nodes have synchronized records
- **Robust:** block & transaction chain prevents double spending
- **Permanent:** transactions are kept forever
- **Immutable:** past transactions cannot be changed

- **Secure:** transactions are digitally signed
- **Resilient:** failure of any node is transparent

Simplified example of Blockchain sequence with money (cryptocurrency) as the **value** transacted. In general **value** can be anything like land titles, car ownership titles, health prescriptions etc.

How a blockchain works















Smart Contracts

A smart contract is a computer protocol intended to facilitate, verify, or enforce the negotiation or performance of a contract. Smart contracts allow to perform credible transactions without third parties. These transactions are trackable and irreversible.

Proponents of smart contracts claim that many kinds of contractual clauses may be made partially or fully self-executing, self-enforcing, or both. The aim with smart contracts is to provide security that is superior to traditional contract law and to reduce other transaction costs associated with contracting.

Smart contracts vs traditional contracts⁴

<i>Traditional contracts</i>	<i>Smart contracts</i>
 1-3 Days	 Minutes
 Manual remittance	 Automatic remittance
 Escrow necessary	 Escrow may not be necessary
 Expensive	 Fraction of the cost
 Physical presence (wet signature)	 Virtual presence (digital signature)
 Lawyers necessary	 Lawyers may not be necessary

Source: pwc

BLOCK CHAIN: WORLD TRENDS AND DEVELOPMENTS

Study on opportunity and feasibility of a European Union blockchain infrastructure⁵

The EU Commission is looking carefully at blockchain developments with the objective of setting the right conditions for an open, innovative, trustworthy, transparent, and EU law compliant data and transactional environment. In this context, the European Commission is launched a study for 250.000€ to assess the opportunity and feasibility of a EU Blockchain Infrastructure (study reference: SMART 2017/0044).

The EU Commission is looking carefully at blockchain developments with the objective of setting the right conditions for an open, innovative, trustworthy, transparent, and EU law compliant data and transactional environment. This study will assess, in the first place, if, when and how blockchain technologies may help public authorities to deliver European services and implement policies in an optimised way. It will examine opportunity, benefits, and challenges of a range of options, including an enabling framework at EU level or an infrastructure supporting blockchain-based services.

⁴ <http://usblogs.pwc.com/emerging-technology/how-smart-contracts-automate-digital-business/>

⁵ http://www.g20-insights.org/wp-content/uploads/2017/03/The-G20-Countries-Should_.pdf

The study will provide a clear understanding of what type or degree of intervention is more suited, on the opportunity, value added and conditions for a EU action. The study will address how to dimension a EU blockchain infrastructure and which services could run on such infrastructure.

The overall objective is to help creating conducive environments for implementing more effective public policies, easing private sector engagement with the authorities, developing innovative ecosystems and applications, showing leadership and reinforcing the competitive edge of Europe and its blockchain innovators at a global level.

Examples:

1. Singapore-Philippines Cross Border Payments

The central banks of the Philippines and Singapore forged a FinTech agreement that could result in **cross-border payments over a blockchain between their markets.**

According to Ravi Menon, Managing Director of Monetary Authority of Singapore (MAS), *“MAS and the Bangko Sentral ng Pilipinas (BSP) are like-minded in their focus on harnessing financial technology to reduce inefficiency and benefit individuals and businesses. This Cooperation Agreement between the two agencies provides a framework for promoting financial innovation not only in the countries but can also potentially contribute to broader efforts in ASEAN.”*

2. USA-Russia Cooperation⁶

The United States of America and Russia have also expressed interest in transacting on the Blockchain platform. Mr. Herman Klimentko, an advisor to President Vladimir Putin was quoted extensively by the media in September 2017 as follows *“... the global superpowers should unite to create a coalition centred on Blockchain technology. We would like to advise to launch a common platform for your country, for our country, and we can invite other countries to join us, to have one platform for us to exchange opinions of our authorities and governments.”*

The [Blockchain] technology has since received a great deal of attention in its ability to increase speed and transparency; reduce fraud and error; and enhance security when making electronic transactions. Mainstream adoption of the technology, however, remains a challenge. An

⁶ <https://www.coindesk.com/blockchain-truce-putins-internet-adviser-calls-us-russia-cooperation/>

unclear regulatory framework, lack of standards, interoperability and the overall unproven nature of the technology remain impediments to adoption.

There has been a lot of attention and interest in blockchain technology because of its ability to eliminate the “middle man” and reduce the amount of time and money it takes to process electronic transactions. The **magic primarily resides in the technology’s innovative way of validating transactions and achieving network consensus**. Through a combination of sophisticated math and the collaborative work of the participants in the network (called nodes), it is now possible for two people to transfer digital tokens of value without trusted intermediaries having to clear and settle the transaction. What used to take days in some cases can now occur in minutes, or even seconds.

Craig Fischer, who serves as program manager for the Office of Financial Innovation and Transformation (FIT) within the US Treasury’s Bureau of the Fiscal Service, US Treasury Official also weighed in on the debate through an article published in the Journal on Government Financial Management. He said “*...as the financial management community begins to peel back the layers of this technology and understand its applicability and uses, we have an opportunity to tackle some of our most pressing challenges. Although we cannot yet pinpoint how blockchain technology will be used, there are strong indications that it could drastically enhance, optimize and improve financial reporting and auditing.*”

In addition, there’s need to understand how DLT could be used to:

- reduce fraud and documentation errors that contribute to improper payments;
- provide for a more robust and real-time audit trail;
- combat cybercrime;
- better manage and track both physical and
- digital assets, such as equipment and software licenses;
- address the challenges faced related to intragovernmental differences; and
- safeguard digital identities to better serve the public.

Case Study: Supply Chain and Logistics – East Africa to Europe⁷

Maersk found in 2014 that just a simple shipment of refrigerated goods from East Africa to Europe can go through nearly **30 people and organizations, including more than 200 different interactions and communications among them**. The costs associated with trade documentation processing and administration are estimated to be up to one-fifth the actual physical transportation costs. IBM and Maersk intend to work with a network of shippers, freight forwarders, ocean carriers, ports and customs authorities to build the new global trade digitization solution, which is expected to go into production later this year (2014).

The international shipment of flowers to Royal Flora Holland from Kenya, Mandarin oranges from California and pineapples from Colombia were also used to validate the solution for shipments coming into the Port of Rotterdam.

Ramesh Gopinath, a vice president at IBM told the International Business Times "This is a solution for industry, not just Maersk. **Customs and other carriers will come on** and they will all be running their own blockchain nodes. That will happen as part of bringing this into production later this year."

Maersk and IBM establish Joint Venture⁸

In January 2018, Maersk and IBM announced the intention to establish a joint venture to provide more efficient and secure methods for conducting global trade using blockchain technology. The new company aims at bringing the industry together on an open global trade digitization platform that offers a suite of digital products and integration services. The platform is currently being tested by a number of selected partners who all have interest in developing smarter processes for trade.

The establishment of the joint venture remains subject to receipt of regulatory approvals.

⁷ <http://maritime-executive.com/article/ibm-and-maersk-ready-blockchain-technology> March 2017

⁸ <https://www.ibm.com/blogs/blockchain/2018/01/digitizing-global-trade-maersk-ibm/Jan-2018>

World Government Summit Report – Feb 2017⁹

This report explores how the blockchain will drive positive changes in nearly every area of civic life over the next ten years. Both national and municipal governments will realise these benefits as they adapt and adopt these technologies to meet diverse requirements, smoothly integrating into the technological fabric which supports and serves their citizens.

The global economy may also realise real benefits as the reduced transaction costs and increased security provided by the blockchain foster innovation in the global systems of trade which support us all. Security and reliability are core requirements of future computing systems. **The blockchain is a bold new innovation that will bring this reliability and trust into every walk of life.”**

Blockchain initiatives in select Countries

- **UK:** Distributed Ledger Technology, Beyond Blockchain (UK Govt Science Advisor) – Dec 2015;
- **Dubai:** Dubai wants all government documents on Blockchain by 2020 - Oct 2016;
- **Estonia:** Blockchain-enabled Cloud: Government awarded Ericsson contract to lead implementation of a hybrid cloud infrastructure - Aug 2016;
- **Belarus:** Researchers propose using blockchain in e-Governance– Oct 2016
- **China:** The Chinese Government published an official blockchain whitepaper – Oct 2016 and Blockchain to drive Wanxiang's \$30 billion smart cities initiative - Sep 2016;
- **Singapore:** Singapore’s Central Bank Pairs Up with R3 to create blockchain R&D Center – Nov 2016; IBM opened a Blockchain R&D Innovation Centre in Singapore Jul 2016;
- **India:** Indian IT Consultancy TCS is Developing over “100” Blockchain Projects – Oct 2016
- **Russia:** Russian Central Bank Sends First Distributed Ledger Transactions – Oct 2016
- **Thailand:** Thailand's KBank and IBM team on blockchain project – Nov 2016;

⁹ Building Hyper Connected Future of Blockchains Report by World Government Summit (February 2018)
27 | Liaison Committee: Report on Financial Innovations & Emerging Issues Seminar, 6-10 February, 2018,
Kuala Lumpur, Malaysia

- **Indonesia:** Company called Provenance used mobile, blockchain technology and smart tagging to successfully track tuna fish in Indonesia from January to June of 2016 – Sep 2016

Note: UK, Dubai, Belarus, China & Singapore have published blockchain position/strategic papers or plans at government or national level.

2.6 Visit to Putrajaya

The seminar ended with a tour of Putrajaya, the administrative centre of Malaysia, situated 25 km south of Kuala Lumpur.

Putrajaya is managed by a corporate body that controls its development. Built on the former sites of rubber and oil palm plantations, Putrajaya was developed as a “garden city.” It has an expansive, meandering man-made lake and many areas devoted to parks, botanical gardens, and wetlands. From its conception, the city was envisioned as part of a growing high-technology communications research and development corridor stretching southward from Kuala Lumpur.

3.0 LESSONS LEARNT/RECOMMENDATIONS

Following the discussions held in the seminar, the delegation makes the following recommendations –

1. There is need for the Government of Kenya through its various organs for example the National Treasury, the Central Bank and Parliament, to embrace technology aimed at improving public service delivery in keeping with world trends and creating conducive environments for implementing more effective public policies, easing private sector engagement with the authorities, developing innovative ecosystems and applications, showing leadership and reinforcing Kenya’s competitive edge in the East African region. As espoused in the Report, the Blockchain technology is an idea whose time has come, and the country must take a position on the matter. **It is therefore recommended that the Departmental Committee on Finance and Planning initiates talks with the relevant stakeholders with the view of developing a policy or legislation on cryptocurrency technology.**
2. On embracing the trend on subscription economy and cloud, **it is recommended that the Parliamentary Service Commission undertakes a market study on technology-**

based solutions aimed at improving service delivery not only to Members of Parliament and staff, but also to the citizens of Kenya.

3. On improving accessibility to funds for higher education, it is recommended that the Departmental Committee on Education and Research in partnership with other education sector players, encourages a saving-for-education culture through introduction of innovative products that will result in enhanced accessibility to higher education funding and a reduction in over-reliance on bursary and HELB funding to complete higher education.

MINUTES OF THE 4TH SITTING OF THE LIAISON COMMITTEE HELD IN COMMITTEE ROOM NO. 7, MAIN PARLIAMENT BUILDINGS ON WEDNESDAY, 21ST MARCH, 2018 AT 11.00 A.M.

PRESENT

1. **The Hon. Moses Cheboi, CBS, M.P.** - Chairperson
2. The Hon. Soipan Tuya, M.P. - Vice Chairperson
3. The Hon. Adan Duale, EGH, M.P.
4. The Hon. Maina Kamanda, EGH, M.P.
5. The Hon. William Cheptumo, M.P.
6. The Hon. Kimani Ichungwah, M.P.
7. The Hon. David Gikaria, M.P.
8. The Hon. Kanini Kega, M.P.
9. The Hon. Kareke Mbiuki, M.P.
10. The Hon. Paul Koinange, M.P.
11. The Hon. Moitalel Ole Kenta, M.P.
12. The Hon. Joseph Limo, M.P.
13. The Hon. (Dr.) Victor Munyaka, M.P.
14. The Hon. Ezekiel Machogu, M.P.
15. The Hon. (Dr.) Rachael Nyamai, M.P.
16. The Hon. Kathuri Murungi, M.P.
17. The Hon. Opiyo Wandayi, M.P.
18. The Hon. William Kisang, M.P.
19. The Hon. Adan Haji Ali, M.P.

APOLOGY

1. The Hon. Katoo Ole Metito, EGH, MGH, M.P.
2. The Hon. Jeremiah Kioni, M.P.
3. The Hon. Julius Melly, M.P.
4. The Hon. Sabina Chege, M.P.
5. The Hon. Naisula Lesuuda, M.P.
6. The Hon. David Pkosing, M.P.
7. The Hon. Abdullswamad Nassir, M.P.
8. The Hon. Gladys Boss-Shollei, M.P.
9. The Hon. Ali Wario, M.P.
10. The Hon. Maoka Maore, M.P.
11. The Hon. Joash Nyamoko, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Ms. Susan Maritim - First Clerk Assistant
2. Ms. Christine Ndiritu - Third Clerk Assistant
3. Dr. Kefa Omoti - Research & Policy Analyst

4. Ms. Mary Otieno - Office Assitant
5. Mr. Joshua Lenambeti - Serjeant-At-Arms

MIN.NO. /LC/017/2018: PRELIMINARIES

The meeting was called to order at fifteen minutes past Eleven o'clock, followed by prayers.

MIN.NO. /LC/018/2018: CONFIRMATION OF MINUTES

Minutes of the 3rd sitting of the Committee were confirmed as a true record of the proceedings, having been proposed by the Hon. William Kisang, M.P. and seconded by the Hon. Ezekiel Machogu, M.P.

MIN.NO. /LC/019/2018: MATTERS ARISING

The following matters arose:-

UNDER MIN.NO./LC/013/2018

It was noted that the Hon. William Kisang, M.P. was missing in the list of members who attended the course on Executive Leadership and Governance in Kuala Lumpur, Malaysia, while the Hon. Adan Haji Ali, M.P. appeared twice on the delegation list.

UNDER MIN.NO./LC/014/2018

Members' Welfare

The Committee considered the Report by the Sub-Committee tasked to evaluate the quality and security of Committee Chairpersons' office accommodation, located at Harambee Sacco Plaza.

It was noted that there is unnecessary bureaucracy in the system of Parliament, thus causing delays in processing of necessary services for Members of Parliament.

The Committee was also informed that some Chairpersons were using their resources to furnish their respective offices. It was resolved that furniture for offices occupied by the Chairpersons of Committees be availed to the respective offices. The Chairperson undertook to follow up the matter with the Clerk of the National Assembly.

Committee Manual

The matter was deferred to the next sitting of the Committee. It was however resolved that the Hon. Soipan Tuya, M.P. (Vice-Chairperson) be included in the membership of the sub-committee tasked to spearhead the matter on the development of a Committee Manual.

MIN.NO. /LC/020/2018: CONSIDERATION OF THE DELEGATION REPORT ON THE FINANCIAL INNOVATIONS AND EMERGING ISSUES SEMINAR HELD ON 6TH TO 10TH FEBRUARY, 2018 IN KUALA LUMPUR, MALAYSIA

The Hon. Soipan Tuyu, M.P., leader of the delegation, gave a summary of the Report.

Members observed that the seminar brought out the National Higher Education Fund Corporation in Malaysia, likened to the Higher Education Loans Board (HELB) in Kenya, a concept borrowed from Kenya by the Malaysian Government, was a great success, ensuring Malaysian students, requiring education funding, pursued their studies in local institutions of higher learning.

Further, it was highlighted that the seminar canvassed the importance of transparency on the part of leaders, thus promoting prudent resource allocation, utilisation and ultimately, good governance.

**MIN.NO. /LC/021/2018: CONSIDERATION OF THE DELEGATION REPORT ON
THE EXECUTIVE GOVERNANCE AND LEADERSHIP
PROGRAMME HELD ON 12TH TO 16TH MARCH, 2018 IN
KUALA LUMPUR, MALAYSIA**

The Hon. Maina Kamanda, EGH, M.P., leader of the delegation, gave a summary of the Report.

The Committee underscored the importance of having Committee Chairpersons equipped with the necessary knowledge and skills to offer guided leadership in their various Committees. This, it was noted, would be achieved through according Chairpersons an opportunity to attend various courses that are geared towards leadership, governance, accountability, among others.

MIN.NO. /LC/022/2018: ANY OTHER BUSINESS

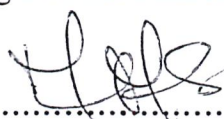
The Committee was informed that the Kenya Institute of Management (KIM) is organising another programme on Executive Leadership and Governance scheduled to take place in May, 2018 in Singapore.

The secretariat was tasked to liaise with the Institute and ensure that the dates for the training are in line with the long recess scheduled for 4th May to 4th June, 2018 in a bid to ensure that various Chairpersons would be available to attend.

Further, it was proposed that Committee Chairpersons be accorded an opportunity to interact with other countries that have the Presidential System of Government, including France and USA.

MIN.NO. /LC/023/2018: ADJOURNMENT

There being no other business the meeting was adjourned at thirty minutes past twelve o'clock.

SIGN.....

DATE ..25/03/2018

**HON. MOSES CHEBOI, CBS, M.P.
CHAIRPERSON**

REPUBLIC OF KENYA



TWELFTH PARLIAMENT - (SECOND SESSION)

THE NATIONAL ASSEMBLY

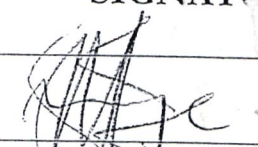
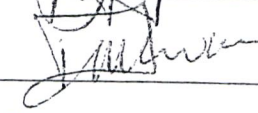

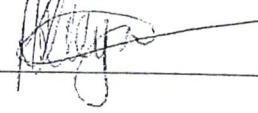


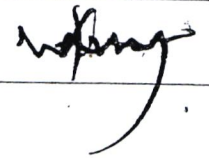

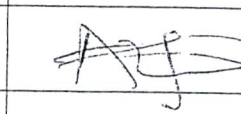
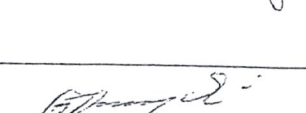
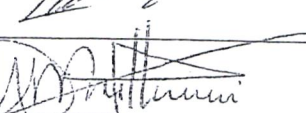
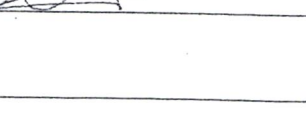
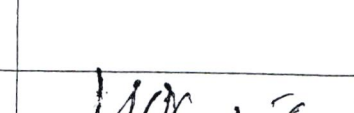
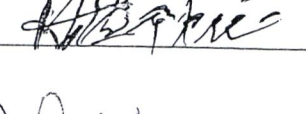
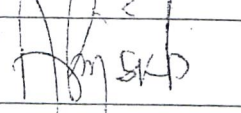
LIAISON COMMITTEE

ATTENDANCE REGISTER

Date: 21st March 2018

Venue: Room 7

	HON. MEMBER	SIGNATURE
1.	Hon. Moses Cheboi, CBS, M.P. (Deputy Speaker & Chairperson, Liaison Committee)	
2.	Hon. Soipan Tuya, M.P. First Chairperson of Committees and V/Chair, Liaison	
3.	Hon. Adan Duale, EGH, M.P. (Leader of Majority Party)	
4.	Hon. Katoo Ole Metito, EGH, MGH, M.P.	
5.	Hon. Maoka Maore, M.P.	
6.	Hon. Jeremiah Kioni, M.P.	
7.	Hon. William Cheptumo, M.P.	
8.	Hon. Kimani Ichungwah, M.P.	
9.	Hon. David Gikaria, M.P.	
10.	Hon. Julius Melly, M.P.	
11.	Hon. Maina Kamanda, EGH, M.P.	

	HON. MEMBER	SIGNATURE
12.	Hon. Kanini Kega, M.P.	
13.	Hon. Kareke Mbiuki, M.P.	
14.	Hon. Paul Koinange, M.P.	
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28.	Hon. Ali Wario, M.P.	
29.	Hon. Adan Haji Ali, M.P.	
30.	Hon. Joash Nyamoko Nyamache, M.P.	