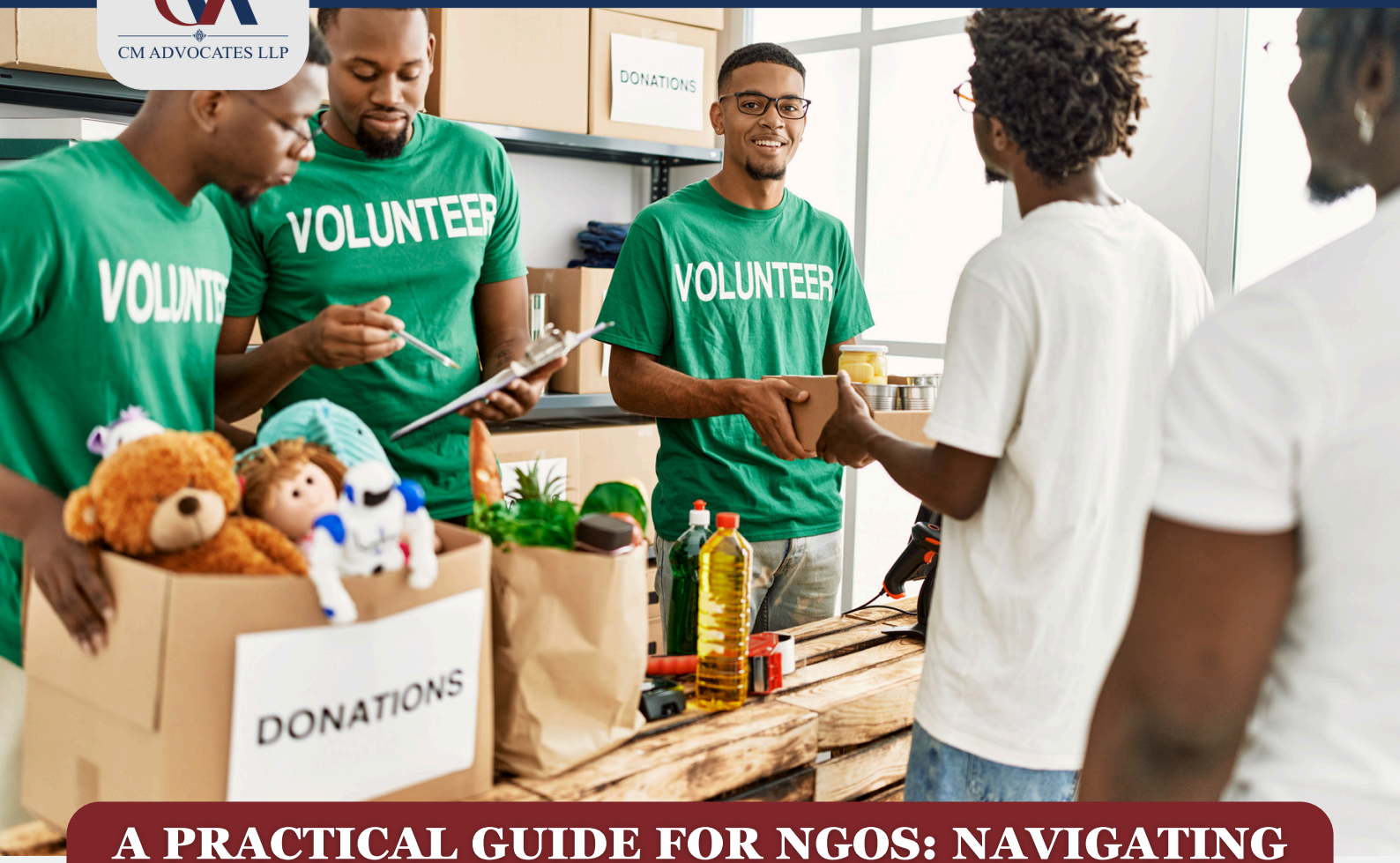


A PRACTICAL GUIDE FOR NGOS: NAVIGATING KENYA'S NEW PBO REGULATIONS

Overview

Kenya has fully operationalized the Public Benefits Organizations Act, 2013 (PBO Act) with the **Public Benefits Organizations Regulations, 2026**.

These Regulations introduce a comprehensive legal and compliance framework governing the registration, management and oversight of PBOs with far reaching implications for NGOs, charities, foundations, donors and businesses engaging with the not for profit sector.

The Regulations revoke the Non-Governmental Organizations Co-ordination Regulations, 1992 (Legal Notice No. 152 of 1992), marking a complete overhaul of the regulatory framework governing civil society and NGO operations in Kenya.

Below is a breakdown of what your organization needs to know to navigate this new landscape:

Registration

The new regulations seek to ensure that all entities seeking to operate as PBOs in Kenya should be formalized under the PBO Act. There are four main pathways to legal status, depending on your organization's nature:

	KEY REQUIREMENTS
National PBO	• A PBO domiciled in Kenya. • One third of the directors must be Kenyan citizens residing in Kenya. • Engage in a public benefit activity.
International PBO	• Registered as a PBO with the relevant law of its Country of origin. • Be in good standing with the respective registering Authority. • Must have operated in the country of registration for at least 3 years prior to seeking registration in Kenya. • Directly implement any activities or programmes in or from Kenya. • Engage in any other form of fundraising activities in or from Kenya. • Engage directly with the beneficiaries in the Implementation of the public benefit activity.
Bestowment of PBO status	• Incorporated in accordance with any relevant law in Kenya. • Be in good standing with the respective registering body. • Operates in or from Kenya. • Has been undertaking a public benefit activity in Kenya for at least **3 years.** • Its governing body consists of at least three persons or directors, one third of whom must be Kenyan citizens residing in Kenya
Exempt International PBO	• Does not intend to directly implement any activities in Kenya or operate from Kenya to implement activities or programmes in another country. • Registered as a PBO with the relevant law of its Country of origin. • Be in good standing with the respective registering Authority. • Must have operated in the country of origin for at least **3 years** prior to seeking registration in Kenya

Continuous Compliance

PBOs will be required to maintain audited accounts, asset registers and detailed records of their activities and programmes, and submit annual reports to the regulator.

In addition, organisations are under a continuing obligation to notify the Authority of material changes such as changes in:

- The constitution or other constitutive document of the organization;
- The composition of the governing body of the organization;
- The particulars of the directors or officials provided during registration;
- The physical address or postal address of the organization's principal place of operation;
- The banking arrangements of the organization; or
- The authorized agent, in the case of an international PBO.

Corporate Governance

The regulations reaffirm the requirement that all registered PBOs should have at least one-third of the directors be Kenyan nationals and residents in Kenya. For a standard board of five, this means at least two directors must meet this criterion.

This applies to both national and international organizations. If your current board does not meet this residency requirement, you will need to rectify this before registration.

PBO Assets

The regulations introduce significant safeguards for PBO assets to ensure they remain in the public benefit sector. In particular, the Regulations require that all assets of a PBO be held in its registered name, thereby promoting transparency, accountability and clear legal ownership.

In addition, PBOs are obligated to maintain an inventory of all assets, which enhances internal governance, facilitates regulatory oversight and reduces the risk of misappropriation or loss.

Further, the Regulations strictly provide that all assets must be applied exclusively to the organization's registered public benefit purposes. This reinforces the principle that PBO resources are held in trust for the public and must not be diverted for private gain or unrelated activities. Importantly, in the event of dissolution or deregistration, any remaining assets cannot be distributed to members founders or private individuals.Instead, such assets shall be transferred to another PBO that is in good standing with the Authority, ensuring continuity in the use of those resources for public benefit.

Organizations should therefore review their asset registers to ensure that all property titles, bank accounts, and other assets are properly held in the organization's legal name. In addition, any dissolution clause in the constitution that purports to return assets to founders or members will not be accepted, as it will be inconsistent with the requirement that such assets must remain within the public benefit sector.

Transitional Provisions — Existing NGOs

Every organisation registered under the Non-Governmental Organizations Co-ordination Act, 1990 (now repealed), is required to comply with the PBO Regulations, 2026.

The transition process requires submission of specified documents to the Authority.

To transition, existing NGOs must provide the Authority with the following:

1. Completed Form 1.
2. Authenticated copy of the existing constitution or constituting document.
3. Minutes of a meeting resolving to register under the Act and the Regulations.
4. Particulars of current governance structure members.
5. Copy of the existing NGO registration certificate issued under the repealed Act.

The Authority will consider the submitted documents and issue the appropriate certificate or permit.

No deadline for transition compliance has been specified in the Regulations, but organisations should act promptly to avoid operating in an unregulated status.

Next Steps for Your NGO

The 2026 Regulations mark a new era of transparency and accountability for Kenya's not for profit sector.

To ensure your organization remains compliant and operational:

ACTION POINT	RECOMMENDATION
Existing NGOs	Initiate the transition process immediately. Convene a board meeting to pass a resolution for compliance, gather all required documents, and file with the Authority.
International Organisations	Conduct an honest assessment of your operational model in Kenya to determine whether full registration or an exemption permit is required. Indirect implementers should apply for the exempt permit.

Governance Review	Audit your board composition to confirm compliance with the one third Kenyan national's residency requirement, the minimum director count, and the prohibition on related persons holding three out of five director positions.
Constitutions	Review your constitution against the public benefit test requirements. Ensure provisions do not permit distribution of assets for non-public benefit purposes or confer private benefit on directors or associates.
Compliance Calendars	Update your compliance calendar to track the annual report filing deadline (6 months after financial year end), the 30-day window for governing body changes, and the 60-day window for other material changes.
Asset Management	Ensure all assets are registered in the organization's name and a detailed asset inventory is maintained. Update internal policies to ensure assets are used solely for the registered public benefit purpose.

How we can help?

If you would like to consult on this article or any other related matter, you may contact the contributors on the emails below or the Charities and Social Impact Practice team via email at charities.socialimpact@cmadvocates.com.

Do also visit our website https://cmadvocates.com/ for more information about us and our services.

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