



# Gambling Licensing Requirements Under Kenya's Gambling Control Act

Kenya restructured its gambling regulatory framework with the enactment of the [Gambling Control Act No. 14 of 2025](#) (“the Act”).

This legislation establishes a comprehensive regime for gambling regulation, introducing financial requirements that gambling operators must satisfy to obtain and maintain licenses.

In this capacity, the Gambling Regulatory Authority (“the Authority”) is responsible for setting licensing conditions, monitoring operator conduct, enforcing financial and operational safeguards and ensuring the integrity and protection of players within the market.

This article examines the statutory provisions governing capital requirements, security bonds and licensing thresholds under the Act, with particular attention to the quantitative thresholds and qualitative criteria that determine market entry and operational continuity.

## 1. THE LICENSING THRESHOLDS

### 1.1 Corporate structure requirements

The Gambling Control Act 2025 mandates that no entity shall be licensed unless it meets three foundational requirements:

- The applicant must be a **corporate body**; individual proprietorships and partnerships are statutorily disqualified from holding gambling licenses;
- The entity must maintain a **minimum 30 per cent Kenyan shareholding**; and
- The applicant must maintain an account with an **authorized financial institution registered in Kenya** into which it pays all monies relating to the licensed gambling and lottery activity.

## 1.2 Licensing categories

Licenses are issued with respect to- a public gambling for conducting a table game and operating a slot machine; the national lottery; a bookmaking; licensing of on-the course and off-the course totalizators; a prize competition; a bingo; a pool betting scheme; public lotteries; an online gambling; gambling equipment and device manufacture or assembling; gambling equipment testing; provision of any gambling software or platform; gambling equipment repair and servicing; all media promotions with prizes and prize competitions cutting across several counties; and any other form of gambling as may be prescribed in regulations.

## 1.3 License duration and suitability assessment

Licenses granted under the Act are valid for 36 months and are subject to renewal upon expiry.

All license applications are further subject to a mandatory suitability assessment, which evaluates:

- The financial status and solvency of the applicant;
- The reputation, character and financial integrity of the applicant;
- The governance structures in place;
- The compliance history of the applicant; and
- The adequacy of internal controls.

This qualitative assessment operates in tandem with the quantitative financial requirements, ensuring that only gambling operators possessing both demonstrable financial capacity and integrity are admitted into the regulated market.

## 2. SECURITY BONDS OR BANK GUARANTEES

The Gambling Control Act 2025 imposes insurance security bond or bank guarantee requirements that vary by license category.

These instruments serve as financial safeguards, providing recourse funds in the event of operator default or regulatory violations.

The statutory requirements are as follows:

Type of gambling	Amount (KES)
Casinos including public gambling for conducting tables and slots machines	20,000,000
Online gambling	100,000,000
National lottery	100,000,000
Totalisator	5,000,000
Prize competition	5,000,000
Non-online gambling including non-online bookmakers, non-online casinos and non-online lotteries	20,000,000
Amusement with prizes	200,000
A premise or a shop operating under a licence of online gambling including online bookmaker, online casino and online lottery	500,000

### **3. CAPITAL REQUIREMENTS**

While the Gambling Control Act 2025 does not prescribe a uniform minimum capital requirement applicable to all licensees, it imposes capital adequacy obligations through two mechanisms:

#### **3.1 Proof of adequate capital**

Applicants must demonstrate that they possess adequate capital to develop, construct, operate and maintain their proposed gambling operations.

#### **3.2 Solvency as a continuing obligation**

The Act conditions gambling license grant and renewal on the operator's financial status and solvency. This creates a continuing obligation where licensees must maintain solvency throughout the license period.

The Gambling Regulatory Authority may also investigate the conduct of any licensee upon receipt of information or on its own motion, and may suspend or revoke licenses where financial integrity is compromised.

#### **3.3 Audited financial statements**

Licensees must file audited statements of accounts within **3 months after the end of each financial year**. This reporting obligation enables ongoing regulatory monitoring of financial health and ensures early detection of deteriorating solvency.

### **4. OPERATIONAL FINANCIAL SAFEGUARDS**

Beyond initial licensing requirements, the Gambling Control Act 2025 imposes specific financial controls on gambling operations in Kenya.

#### **4.1 Player fund segregation**

The Act mandates that player funds must be kept in separate accounts. This segregation requirement ensures that player deposits and winnings remain distinct from operational funds, providing protection in the event of operator insolvency.

#### **4.2 Transaction limits**

A player in an online gambling activity shall not bet an amount less than **KES 20** in a competition.

#### **4.3 Payment timelines**

The Act establishes statutory deadlines for payment of prizes as follows:

- Monetary winnings must be paid within 2 days; and
- Non-monetary winnings must be delivered within 7 days, or the player must be notified in writing of an address within Kenya where the prize may be collected.

### **5. TAX FRAMEWORK**

The Gambling Control Act 2025 imposes fiscal obligations that interact with capital and security requirements:

#### **5.1 Excise duty on betting stakes**

Excise duty is currently charged at 12.5% of the amount staked. This duty is imposed under the [Excise Duty Act Cap. 472](#), and is deducted at the point of placing a bet. The betting operator is responsible for collecting and remitting this amount to the Kenya Revenue Authority ("KRA").

#### **5.2 Withholding tax on winnings**

Winnings from betting are subject to a withholding tax of 20%, as mandated by the [Income Tax Act Cap. 470](#). This tax is deducted at the source by the betting operator before the final payment is made to the player.

## CONCLUSION

The Gambling Control Act 2025 represents a shift in Kenya's approach to gambling regulation. By establishing security bond requirements tied to license categories, mandating minimum shareholding and local presence, and imposing solvency and reporting obligations, the Act creates a comprehensive framework designed to ensure operator accountability and player protection.

## CONTACT US!

At CM Advocates LLP, we provide stakeholders in the gambling sector with tailored advice and compliance support as Kenya transitions into this new regulatory framework. For further guidance or assistance in navigating the transition to the gambling sector, please contact our Betting, Lotteries and Gaming Practice Group at [law@cmadvocates.com](mailto:law@cmadvocates.com) or the contributor below.

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