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LIFTING OF MORATORIUM ON LICENSING OF NEW COMMERCIAL BANKS IN KENYA

The Central Bank of Kenya (CBK) has announced that, with effect from July 1, 2025, it will lift the moratorium on licensing of new commercial banks.

The moratorium, which has been in place since November 17, 2015, was imposed in response to governance, risk management, and operational challenges within the banking sector. In a recent press statement, the CBK noted that the temporary suspension was intended to provide the necessary space for strengthening Kenya's banking system.

KEY REQUIREMENTS FOR NEW ENTRANTS UPON LIFTING THE MORATORIUM.

Any entity seeking to establish a commercial bank in Kenya shall demonstrate the ability to meet the new capital threshold of Kshs.10 billion. This requirement was introduced under the Business Laws (Amendment) Act, 2024 and is aimed at promoting financial resilience and supporting broader economic goals.

HOW WE CAN ASSIST YOU

The Corporate and Commercial Business Unit at CM Advocates LLP is well-versed in matters relating to business set-up advisory, fintech and related regulations. Our expertise includes registration of companies and licensing, post-incorporation services, regulatory compliance, corporate governance, contract drafting and review.

Should you have any questions on this or any other matter, please do not hesitate to contact ***commercial@cmadvocates.com***, **Maureen Odongo** at ***modongo@cmadvocates.com*** or **Amy Moraa Onderi** at ***aonderi@cmadvocates.com***

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