

## AFRICA RISK CONSULTING

### Kenya Monthly Briefing July 2025

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#### Kenya Summary 16 July 2025

*President William Ruto's (2022-present) senior economic advisor Moses Kuria resigns on 8 July, ending a tenure marked by frequent portfolio shifts and political controversy. His departure heightens tensions with former deputy president Rigathi Gachagua and signals potential realignments in the Mount Kenya Region ahead of the 2027 elections. Ruto signs the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act 2025 into law on 17 June, introducing sweeping reforms that expand risk-based supervision and empower the Financial Reporting Centre (FRC) to freeze assets without court approval. Tensions over policing, governance, and economic hardship trigger three rounds of protests in Kenya within a month.*

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#### Moses Kuria resigns

President **William Ruto's** (2022-present) senior economic advisor **Moses Kuria** announced his resignation via social media on 8 July "to pursue personal interests", marking an end to his turbulent 33-month tenure that saw him serve three different portfolios in Ruto's administration.<sup>1</sup> First appointed cabinet secretary (CS) for investments, trade, and industry in October 2022, Kuria was reshuffled to the newly created public service docket in October 2023 following a series of diplomatic blunders, including threatening to "bomb **Khartoum** to smithereens" during the **Sudan** crisis and a public tirade against Kenya's **Nation Media** journalists (see *ARC Briefing Kenya Oct 2023*).

Following the deadly 2024 Gen-Z led protests in July 2024, Ruto sacked Kuria, along with most of his Cabinet, only to reinstate Kuria three weeks later as an economic advisor tasked with overseeing the **Bottom-Up Economic Transformation Agenda (BETA)**.<sup>2</sup> While Kuria cited the rebound of real GDP to 5.9% year-on-year in the third quarter of 2023, after a drought-stricken 2022, and the easing of inflation to 2.8% in November 2024 as evidence that BETA was "working," issues of stagnant youth employment and a widening manufacturing trade gap remain.<sup>3</sup>

Politically, Kuria's departure further ignites an underlying rift with dismissed deputy president **Rigathi Gachagua**, who parliament impeached in October 2024 on charges of corruption, ethnic incitement and insubordination.<sup>4</sup> Gachagua has since styled himself as the de-facto spokesperson for the vote-rich **Mount Kenya Region**, launching a new **Democracy for the Citizens** party and dismissing rivals as outsiders.<sup>5</sup> The two men have traded personal insults for months with Kuria recently calling Gachagua "petty, dishonest and dictatorial" in a 22 June televised interview.<sup>6</sup> Following deadly clashes with police during the 25 June protests in Mount Kenya, Kuria warned unnamed figures - widely interpreted as Gachagua - that "you put my people's lives at risk again, I kill you" in a now-deleted tweet.<sup>7</sup> Gachagua's allies claim that Kuria's resignation is a ruse orchestrated by State House to launch a "fake party" that will fracture the Mount Kenya vote.<sup>8</sup>

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<sup>1</sup> The Star, 8 Jul 2025; Moses Kuria, X, 8 Jul 2025

<sup>2</sup> The Guardian, 11 Jul 2024

<sup>3</sup> Reuters, 30 Jul 2024

<sup>4</sup> Al Jazeera, 17 Oct 2024

<sup>5</sup> Tuko, 11 Feb 2025; The Star, 18 May 2025

<sup>6</sup> Citizen TV, 22 Jun 2025

<sup>7</sup> The Kenya Times, 27 Jun 2025

<sup>8</sup> Kenya Insights, 8 Jul 2025

Financially, Kuria leaves government under generous terms. Under the **Retirement Benefits (Deputy President and Designated State Officers) Act** he is entitled to 80% of his final cabinet salary, about KSh 765,000 (\$5,882) per month, plus a gratuity of roughly KSh 2.5m (\$19,222) for his time in office.<sup>9</sup> Although Kuria expressed intentions to pursue personal interests, including finishing a book and speaking at international forums, his track-record of political reinvention suggests a quick return to the scene. Whether he revives his own **Chama Cha Kazi** party or rejoins former president **Uhuru Kenyatta** (2013-2022) in steering the **Jubilee** party, his next move will be closely watched and has the potential to determine whether Mount Kenya enters the 2027 election period cohesive or fragmented.<sup>10</sup>

### Kenya enacts sweeping AML reforms

Ruto signed the **Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act 2025** into law on 17 June, marking the largest overhaul of Kenya's financial-crime legislature since 2009. The act revises ten statutes and, for the first time, places virtual-asset service providers, real-estate agents, and trustees under risk-based supervision.<sup>11</sup> It mandates real-time disclosure of beneficial owners, tightens cash-transaction thresholds, and empowers the **Financial Reporting Centre (FRC)** to freeze suspicious assets without a court order.<sup>12</sup> Ruto remarked that these reforms help "*cement our position in the region as a leader in financial integrity and regulatory reform,*" adding that the law "*seals gaps that facilitate illicit financial flows via property transactions and the use of shell companies.*"<sup>13</sup>

The reforms are a long anticipated reaction to escalating external pressure. In February 2024, the **Financial Action Task Force (FATF)** added Kenya to its grey list of countries under increased monitoring, citing strategic deficiencies such as weak trust regulation and inconsistent monitoring.<sup>14</sup> The FATF reconfirmed Kenya's status on the watchlist on 13 June.<sup>15</sup> Just prior to this, on 10 June, the **European Commission** placed Kenya on the **European Union's (EU)** list of high-risk third countries, triggering mandatory enhanced due diligence for every EU-regulated entity that handles Kenyan transactions.<sup>16</sup>

Figures from the FRC illustrate that between 2021 and 2023, more than 14,000 reports were flagged, including 11,000 suspicious-transaction reports worth KSh 6.976 trillion (\$54 billion).<sup>17</sup> Commercial and mortgage banks accounted for 91% of that total, highlighting underlying vulnerabilities in the system. In July, contractors hired to install 3-D Secure card authentication in a Kenyan bank secretly downgraded the system and diverted KSh 517m (\$4m) into **Tether**, a crypto-currency platform, before regulators detected the breach.<sup>18</sup> This cyber-enabled theft also underscores the importance of aligning the financial sector's rapid digital transformation with up to date technical safeguards and regulatory oversight.

On the security front, the FATF's **Comprehensive Update on Terrorist Financing Risks**, released in July, names **al-Shabaab** as "*the dominant terrorism financing (TF) threat in East Africa*", describing how the group levies mobile-money taxes on goods and travellers, channels the proceeds through Kenyan and **Somali** wallets and deposits them in domestic bank accounts. The same report highlights Kenya's porous borders and **Nairobi's Eastleigh** hawala hub as key enablers of layered cash movements.<sup>19</sup>

<sup>9</sup> Business Insider Africa, 12 Jul 2024

<sup>10</sup> Kenyans, 12 May 2025

<sup>11</sup> Citizen Digital, 17 Jun 2025

<sup>12</sup> Citizen Digital, 17 Jun 2025

<sup>13</sup> Kenyan Wall Street, 17 Jun 2025

<sup>14</sup> FATF, 23 Feb 2024

<sup>15</sup> FATF, 13 Jun 2025

<sup>16</sup> European Commission press release, 10 Jun 2025

<sup>17</sup> TechTrends KE, 8 Jul 2025

<sup>18</sup> Newsflash, 9 Jul 2025

<sup>19</sup> FATF, Comprehensive Update on Terrorist Financing Risks, Jul 2025

Kenya's shaky status regarding financial crime regulation implicates international investors. Under the **United Kingdom Money Laundering Regulations** and the **EU Anti-money laundering (AML) Directives**, any relationship involving a Kenyan resident trustee must be subject to enhanced due diligence; boards must approve onboarding, verify sources of wealth, and increase ongoing monitoring.<sup>20</sup> Because Kenya lacks an EU data-adequacy decision, personal information must also travel under standard contractual clauses, and correspondent banks are lengthening settlement times for Kenyan-linked payments.<sup>21</sup>

Although the 2025 amendments give Kenya a plausible path to exit international watch-lists, success relies on thorough domestic enforcement and alignment with FATF milestones. Despite upgrading nine FATF recommendations since 2022, Kenya must still license virtual-asset service providers, create a live beneficial-ownership register, deepen risk-based supervision of lawyers and real estate brokers, and implement targeted financial sanctions.<sup>22</sup> The government has until February 2026 to show progress or risk harsher countermeasures.

### Protests escalate in Kenya

Tensions over policing, governance, and economic hardship have triggered three rounds of protests in Kenya within a month. Peaceful demonstrations on 17 June against the death of the well-known blogger **Albert Ojwang** in police custody were followed by mass demonstrations on 25 June and again on 7 July (*see ARC Briefing Kenya Jun 2025*).<sup>23</sup> Although each mobilisation commemorated a separate historical event – the 2024 **Finance Bill** protests, during which police killed approximately 60 people, and the 7 July **Saba Saba Day** tribute of the 1990 pro-democracy uprising - this period has marked the deadliest period of political violence since Ruto took office. On 25 June, sixteen people were killed and more than 400 injured, and two weeks later demonstrations on 7 July claimed 31 lives, wounded 107, and led to 532 arrests across 20 of the country's 47 counties.<sup>24</sup> Both events illustrate broad public discontent with Ruto's administration.

While the 25 June rallies began with peaceful processions throughout Nairobi, tensions escalated after riot police fired tear-gas canisters near **Kenyatta Avenue**. While there were reports of “*goons*” (alleged state sponsored protest spoilers) capitalising on the insecurity, **Amnesty Kenya's** executive director **Irungu Houghton** told reporters that “*most were killed by police.*”<sup>25</sup> **Independent Policing Oversight Authority (IPOA)** figures show 61 arrests occurred, underscoring eyewitness reports of an overhanded police presence.

On the morning of 25 June, the **Communications Authority of Kenya (CA)** issued a directive to all television and radio stations across the country to immediately cease live coverage of the ongoing demonstrations or risk in regulatory action.<sup>26</sup> The directive prompted wide criticism from the **International Federation of journalists (IFJ)** and the **Kenyan Union of Journalists (KUJ)**, which cited that the move was a breach of Article 34 of the Constitution and violated a recent high court judgement safeguarding media independence.<sup>27</sup>

In anticipation of the Saba Saba demonstrations on 7 July, security forces blocked arterial roads into the capital, erected razor-wire barricades and encouraged schools and businesses to close.<sup>28</sup> Although **Kenya Railways** stated that Nairobi-bound trains from **Mombasa** were cancelled due to “*technical issues*” it was likely done to curtail citizens attending protests in the capital.<sup>29</sup> Police used live rounds against civilians and although the **Kenya National Commission on Human Rights' (KNCHR)** initially

<sup>20</sup> HM Treasury, 10 Jul 2025.

<sup>21</sup> European Commission press release, 10 Jun 2025

<sup>22</sup> FATF, 13 Jun 2025

<sup>23</sup> The East African, 24 Jun 2025

<sup>24</sup> Reuters, 26 Jun 2025; Al Jazeera, 9 Jul 2025

<sup>25</sup> Reuters, 26 Jun 2025

<sup>26</sup> Citizen Digital, 25 Jun 2025

<sup>27</sup> International Federation of Journalists, 2 Jul 2025

<sup>28</sup> The Standard, 7 Jul 2025

<sup>29</sup> Citizen Digital, 6 Jul 2025

estimated ten deaths, the figure was later revised to 31.<sup>30</sup> During a televised address on 9 July, Ruto defended the hard-line tactics, saying anyone who vandalises property “*should be shot in the leg*”.<sup>31</sup> Ruto additionally accused unnamed political leaders of sponsoring chaos and protests across the country in recent weeks.

Political reactions to the government’s response reveal widening fractures inside the elite. Gachagua stated that public anger against the government was a reaction to over taxation, corruption and extrajudicial killings and dismissed Ruto’s veiled claims that he was the architect of an attempted coup, insisting “*nobody wants to overthrow your government... We will remove you from State House through the ballot in 2027.*”<sup>32</sup> “Gachagua also threatened to refer Ruto to the **International Criminal Court (ICC)** over his recent comments regarding the protests, posting on social media;

*“You lack feelings and humanity. We shall report you NOT to the Kenyan police but the International Criminal Court an address you are familiar with.”<sup>33</sup>*

The post alluded to Ruto’s previous ICC charges related to the 2007 post-election violence that left around 1,300 people dead. The ICC dropped the case against Ruto in 2016, citing insufficient evidence and alleged witness interference. Veteran opposition figure **Raila Odinga**, who has recently been incorporated into Ruto’s top administrative team, warned that Ruto’s directive to shoot protestors in the leg was a “*dangerous drift toward the militarisation of policing*” and urged authorities to strictly adhere to due process and constitutional safeguards.<sup>34</sup>

Although the protests remain loosely organised, they are digitally networked and spearheaded by Gen Z activists who see police brutality and stagnant wages as symptoms that Ruto’s government has systemically failed on his campaign promises. Repeated allegations of extrajudicial killings reinforce citizens’ anger and rights groups argue that the state’s failure to prosecute officers implicated in the 2024 shootings has entrenched impunity and weakened public confidence in oversight bodies.<sup>35</sup>

Diplomatic concern has also risen in parallel. In a joint communiqué, the embassies of **Belgium, Canada, Denmark, Estonia, Finland, Germany, Ireland, Netherlands, Norway, Romania, Sweden**, the UK, and the **United States (US)** expressed deep unease over credible reports that plain-clothes officers and hired agitators were deployed to infiltrate otherwise peaceful protests.<sup>36</sup> The envoys reaffirmed Kenyans’ constitutional right to assemble, urged all actors to avoid violence, and warned that criminalising dissent could further destabilise the country and erode public trust.<sup>37</sup>

Operational costs are also mounting - the **Kenya Private Sector Alliance** estimated that productivity losses in Nairobi on 7 July reached KSh 10.4 billion (\$80m), in addition to damage to supermarkets and electronics outlets spreading to at least 17 other counties.<sup>38</sup> Insurers are likely to increase premiums for businesses in central districts and that Kenya’s sovereign-risk premium could widen before the 2027 elections.<sup>39</sup> For ordinary citizens the disruption is immediately felt with transport stoppages and last minute school and business closures, but the protests have also energised a new generation of first-time voters who have the potential to shape the political scene in the years ahead. The threat of protests remains high.

## Planner

15-17 Jul 2025 **Nairobi (Kenya)** CLEAN-Air Forum

<sup>30</sup> Al Jazeera, 9 Jul 2025

<sup>31</sup> Al Jazeera, 9 Jul 2025

<sup>32</sup> Radio 47, 9 Jul 2025

<sup>33</sup> Anadolu Agency, 10 Jul 2025

<sup>34</sup> Citizen Digital, 11 Jul 2025

<sup>35</sup> Amnesty International, Kenya Report, April 2025

<sup>36</sup> High Commission of Canada in Kenya, 26 Jun 2025

<sup>37</sup> The East African, 24 Jun 2025

<sup>38</sup> Semafor, 9 Jul 2025

<sup>39</sup> Semafor, 9 Jul 2025

16-18 Jul 2025 **Nairobi (Kenya) African Finance and Economic Association (AFEA) annual conference**

19-21 Aug 2025 **Nairobi (Kenya) East African Community (EAC) Global Connect Summit & Expo 2025**

Sep 2025 **Nairobi (Kenya) International Monetary Fund (IMF) mission expected**

9-10 Sep 2025 **Nairobi (Kenya) Nairobi Climate Tech Summit 2025**

9-11 Sep 2025 **Nairobi (Kenya) International telecoms week featuring Datacloud Africa**

24-25 Sep 2025 **London (United Kingdom) African Business Chamber (AfBC) UK - Africa Forum 2025**

29 Sep – 3 Oct **Nairobi (Kenya) CyberWeek Africa 2025**

25 Oct 2025 **TBA (India) Kenya-India Investment Forum**

11-12 Feb 2026 **Nairobi (Kenya) Africa Tech Summit**

2026 **Nairobi (Kenya) Africa-France Summit 2026**

### Chronology

15 Jul 2025 **Nairobi (Kenya) *Financial Afrik***. Kenya lifts visa requirements for most African and **Caribbean** countries to enhance regional integration and trade;

15 Jul 2025 **Nairobi (Kenya) *Ecofin Agency***. Kenya plans to import 1.05 million tonnes of palm oil in 2025/26, its highest level in recent years;

14 Jul 2025 **Nairobi (Kenya) *Daily Nation***. Alcohol stakeholders reject proposed legislation to raise legal drinking age from 18 to 21 and curb online alcohol sales, citing concerns over economic impact and personal freedoms

14 July 2025 **Migori County (Kenya) *Mining Business Africa***. Kenya launches major reforms targeting illegal gold mining in **West Pokot**, aiming to enhance safety and regulation in the artisanal mining sector;

13 Jul 2025 **Nairobi (Kenya) *AI Invest***. Information, communication, and technology cabinet secretary **William Kabogo** announces the launch of Kenya's national digital token, **KenyaNDT**, built on the **Solana** blockchain to drive financial inclusion and digital trade;

11 Jul 2025 **Makuenia (Kenya) *Daily Nation***. Environment and land court orders **Kenya Pipeline Company (KPC)** to pay KSh 3.8 billion (\$29.2m) in damages for the 2015 **Thange** oil-spill to residents who had been negatively impacted by the environmental disaster;

11 Jul 2025 **Nairobi (Kenya) *Reuters***. President **William Ruto** appoints a new chairperson and six commissioners to the **Independent Electoral and Boundaries Commission (IEBC)**, consolidating control over the body ahead of the 2027 elections;

10 Jul 2025 **Nairobi (Kenya) *Daily Nation***. Members of parliament call for an audit of state-owned **Kenya Power's** electricity meter systems, citing widespread concerns over faulty meters, sparking public dissatisfaction and prompting lawmakers to demand greater accountability from the utility provider;

9 Jul 2025 **Seattle (United States) *The Star***. Former deputy president **Rigathi Gachagua** arrives in the **United States (US)** for a two-month tour targeted at deepening diaspora engagement;

8 Jul 2025 **Nairobi (Kenya) *Kenyan Wall Street***. **Agriculture and Food Authority (AFA)** denies rumours of a fresh avocado-export ban and reassures horticulture exporters and buyers that

trade remains open with government focused on enhancing, not restricting, Kenya's avocado value chain;

7 Jul 2025 **Nairobi (Kenya)** *Daily Nation*. Nairobi experiences widespread protests during the annual **Saba Saba** demonstrations, leading to shutdowns and police blockades, especially around the central business district and surrounding estates;

7 Jul 2025 **Nairobi (Kenya)** *Reuters*. Police block major roads and restrict traffic in **Nairobi** in preparation for annual pro-democracy protests marking the 1990 **Saba Saba** rally against single-party rule in Kenya;

3 Jul 2025 **Nairobi (Kenya)** *Reuters*. Kenya's economy grows by 4.9% year-on-year in Q1 2025, driven by agriculture and manufacturing, but faces mounting risks from trade frictions, climate variability, and public discontent;

2 Jul 2025 **London (United Kingdom)** *Reuters*. At the **London Stock Exchange**, President **Ruto** launches an accelerated privatisation drive starting with listing the **Kenya Pipeline Company (KPC)** and developing a KSh 170 billion (\$1.3 billion) asset-securitisation plan to draw private capital and cut reliance on debt;

1 Jul 2025 **Nairobi (Kenya)** *IMF Press release*. An **International Monetary Fund (IMF)** technical assistance mission led by **Rebecca Sparkman** concludes Kenya's first **Governance Diagnostic** which seeks to identify corruption vulnerabilities and design a reform-linked lending agenda;

1 Jul 2025 **Nairobi (Kenya)** *Techweez*. **Communications Authority** reports that Kenya's mobile money ecosystem is experiencing remarkable growth with subscriptions reaching 45.36 million, increasing 7.2% from the previous year;

30 Jun 2025 **Nairobi (Kenya)** *Kenyans*. President **William Ruto** calls for a global debt system reform at the **International Conference on Financing for Development (FfD4)**, emphasising the need for responsible lending, debt transparency, and fairer credit assessments, while pushing for reforms in the **International Monetary Fund (IMF)** to give developing nations more say in decision making;

29 Jun 2025 **Seville (Spain)** *The Star*. During the **International Conference on Financing for Development (FfD4)**, President **William Ruto** meets with **Ukraine's** prime minister **Denys Shmyhal** to discuss education, food security and trade;

28 Jun 2025 **Nairobi (Kenya)** *Al Jazeera*. Interior minister **Kipchumba Murkomen** is caught on video seemingly authorising police to shoot protesters after at least 16 people died during protests against police brutality;

27 Jun 2025 **Nairobi (Kenya)** *Africa Intelligence*. Principal secretary (PS) **Harry Kimtai** has reportedly been "attempting to issue" mineral-rights approvals without routing them through either the **Mineral Rights Board (MRB)** or cabinet secretary (CS) **Salim Mvurya**, who is empowered to sign licences under the **Mining Act 2016**, but has refused to countersign a stack of these letters;

25 Jun 2025 **Nairobi (Kenya)** *Reuters*. **Amnesty Kenya** reports 16 people died during nationwide anti-government protests, most of them killed by police;

25 Jun 2025 **Nairobi (Kenya)** *Nation*. Protestors gather today to mark the one-year anniversary of the protests against the **Finance Bill** in 2024, with reports of a high police presence in the CBD;

24 Jun 2025 **Nairobi (Kenya)** *Daily Nation*. **National Treasury** indicates that 14 state departments and agencies, including the education ministry, health ministry and transport and infrastructure ministry failed to spend their allocated budgets on projects over an 11-month period, raising concerns about inefficiency and delays in public service delivery;

19 Jun 2025 **Nairobi (Kenya)** *Reuters*. Parliament approves the **Finance Law** for the 2025/2026 financial year after striking out a clause that would have enabled the **Kenya Revenue Authority (KRA)** authority to access citizens' data without a warrant;

19 Jun 2025 **Nairobi (Kenya)** *Reuters*. Court sentences **Hussein Mohammed Abdile** and **Mohamed Abdi Ali** to 30 years for facilitating the 2019 **al-Shabaab** attack on the **Dusit** hotel and office complex in Nairobi that killed 21 people;

17 Jun 2025 **Nairobi (Kenya)** *Daily Nation*. President **William Ruto's** loyalists in **Mt Kenya** express concern ahead of the 2027 elections, amid fears of rebellion, political tensions and protests in other parts of Kenya.

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