COMMUNICATIONS AUTHORITY OF KENYA

Annex I: Analysis of Comments Received on the proposed Postal and Courier Market Structure

S/No.	Submitters name	Org.	Date of submission	Email Address	Section reference	Comments/proposals	Justification	CA Comments
1.	Jane Njeri	Individual	1st October 2025	janenjeri1422000@gmail.com	18.2.1 Under the Public Operator Licence, it is proposed that the Public Postal licensee be exempted from paying the Universal Service Fees given the Universal Postal Service obligation they have, subject to relevant amendment of the KICA, 1998.	This proposal is contrary to the Kenya Information and Communications Act, 1998 (KICA,1998)	i. A licence issued under the Kenya Information and Communications Act, 1998 (KICA,1998) cannot be exempted from paying Universal Service Fees. This is pursuant to Section 84J (3). ii. In addition, there lacks a legal definition of "Universal Postal Service". Currently, the Act only mentions exclusive service.	This is noted and appreciated. The proposal for exemption of the Public Postal Licensee from paying the Universal Service Fund levy is withdrawn. The market structure provides the scope of the Public Postal Operator with regards to public service and international obligations, to include provision of basic postal services.

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2.	Jane Njeri	Individual	1st October 2025	janenjeri1422000@gmail.com	Section 16.3 - Where this is licensed, the individual riders offering services under the hailing service provider network will be deemed covered under the licence held by the licensed hailing service provider. The hailing service licensees shall be expected to vet and undertake KYC on the individual courier riders operating on their hailing service network	The market structure proposal should exclusively state that hailing service providers will only allow use of their platforms/interconnect with licensed courier operators. In addition, advise on whether this license category will be permitted to undertake postal services. Further to these, this proposal is untenable since CAK is transferring its mandate to another entity.	KICA,1998 and Section 47 of the Act in particular, has mandated CAK to exercise licensing and regulatory functions in respect of postal systems and services in Kenya in accordance with the Act. In this proposal, CAK will be transferring the licensing and regulation function, in respect to postal services, to hailing service providers. Further to these, the hailing service and/or a licensee should only interconnect and/or allow use of their network with licensed courier providers. In addition, advise if the hailing service providers can provide postal services.	This is noted. The Authority has adopted your proposal for the hailing service providers to only contract licensed courier operators.
3.	Jane Njeri	Individual	1st October 2025	janenjeri1422000@gmail.com	Section 16.4 Introduction of an Independent	This proposal is contrary to the Kenya Information and	This proposal provides an opportunity to existing courier companies to cease their National Courier	This is noted, and further consideration has been made to withdraw the proposal to introduce the

S/No.	Submitters name	Org.	Date of submission	Email Address	Section reference	Comments/proposals	Justification	CA Comments
					Courier personnel licence to address individual courier service providers who also provide courier services Section 22 These license holders will be licensed to provide last-mile delivery and document-handling services by road, air, or water. This proposal will formalize and regulate individuals who offer such services often on a freelance or small-scale basis	Communications Act, 1998 (KICA,1998) and other laws of Kenya.	Operations and acquire this licence. This will lead to loss in government revenue. What is the definition of last-mile delivery? What will be the areas of operation for this category of licence? By having hailing service providers utilise licensed operators, this category is unnecessary. In conclusion, the Companies Act recognises individual businesses as sole proprietors, keeping in mind that there are existing large courier operators who exist as sole proprietors. A licence issued under the Kenya Information and Communications Act, 1998 (KICA,1998) cannot be exempted from paying Universal Service Fees. This is pursuant to Section 84J (3).	Independent Courier License category. Interested players can be licensed as Associations, Saccos or entities within the other existing license categories. The proposal exempting certain licence categories from paying the Universal Service Fund levy is also withdrawn.
4.	Uber/Uber Eats	Uber/ Uber Eats	15 Octobe	lmucha@ext.uber.com	Section 16.3 - "Introduction of a Courier	Consider a lighter-touch regulatory	Online delivery platforms primarily act as technology	This is not adopted

S/No.	Submitters name	Org.	Date of submission	Email Address	Section reference	Comments/proposals	Justification	CA Comments
			r 2025		Hailing Service provider licence targeting companies that leverage technology to manage courier services by linking customers with collection and delivery service providers".	approach for technology platforms, perhaps a registration or notification requirement, rather than a full operating license, focusing on consumer protection aspects specific to the platform's role.	intermediaries connecting restaurants/merchants, customers, and independent delivery personnel. They do not directly "collect, dispatch, convey, handle, deliver or otherwise manage" the delivery of items themselves; rather, they facilitate these activities. Imposing a full courier license on a technology platform could stifle innovation and create an unnecessary regulatory burden. The core business is software and logistics coordination, not traditional mail handling.	The Act Section 47 (1) (K) mandates the Authority to further the advancement of technology relating to the post and postal services. In this regard, the Authority shall maintain the proposed license category for courier hailing services as these services are considered to fall within the definition of courier services that includes any specialized services for the collection, conveyance, dispatch, handling and delivery of postal articles. For this purpose, we deem the provision of the hailing app as a specialized service that facilitates collection, conveyance, dispatch, handling and delivery of postal articles.

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5.	Uber/Uber Eats	Uber/ Uber Eats	15 October 2025	lmucha@ext.uber.com	Section 16.3- "Where this is licensed, the individual riders offering services under the hailing service provider network will be deemed covered under the licence held by the licensed hailing service provider."	This statement provides that individual riders providing services under the hailing services provider are deemed covered under the 'Courier Hailing Service Provider' licence is fundamentally flawed as it misrepresents the operational and legal relationship between the courier service provider and the technology platform providing the lead generation services. We recommend that any proposed amendments to the postal and courier market structure must clearly delineate the distinct relationship and	Online delivery platforms such as Uber, are technology intermediaries whose core business is the provision of technology lead generation services that connect a user with an independent courier. In particular, Uber does not provide delivery services; the independent courier does. Additionally, the independent couriers are not employees or agents of Uber, they are independent contractors operating their own businesses through the use of the Uber App (and other online e-hailing platforms). These independent couriers also multi- app, meaning they do not operate exclusively on the Uber App, but also operate on competitive online platforms (eg. Bolt). Therefore, the licence to be held by the online delivery platform cannot legally or operationally cover the activities or liabilities of the independent courier	The Authority shall review the market structure and require only licensed courier operators to enter into agreements with the licensed hailing service providers. The courier operators that use the platforms will be licensed as Associations, Saccos or entities in order to enhance the relationship between the hailing companies and the licensed courier operators. The hailing service providers will be licensed separately. This will ensure regulatory oversight, accountability and consumer protection

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						corresponding obligations between technology platforms (hailing service providers) and the independent courier service providers who utilize those platforms.	personnel, who must be licensed as separate entities under the proposed legal framework.	

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6.	Uber/Uber Eats	Uber/ Uber Eats	15 October 2025	lmucha@ext.uber.com	Section 17 indicates that the "Annual Operating Fees" for the "Courier Hailing Service Provider" shall be Kshs. 100,000 or 0.4% of Gross Annual turnover of audited accounts, whichever is higher.	Instead of a percentage of gross annual turnover, it is proposed that the 'Annual Operating Fees' for 'Courier Hailing Service Providers' be structured as a **fixed annual fee** (such as the proposed Kshs. 100,000). This approach would be more equitable, sustainable, and reflective of the actual economic activity and profitability of technology-driven delivery platforms, allowing them to continue contributing to the digital economy without facing	The imposition of an annual operating fee based on 0.4% of Gross Annual turnover of audited accounts for 'Courier Hailing Service Providers' is unduly burdensome and disproportionate. Online delivery platforms primarily operate on a commission-based model, where their 'turnover' represents the total value of goods transacted through their platform. However, their actual profit margins are typically very thin, as a significant portion of this gross turnover is passed directly to the merchants and delivery personnel.An operating fee based on gross turnover fails to distinguish between the platform's revenue (its commission) and the total value of transactions, thereby taxing a large portion of funds that are	This proposal on use of a fixed annual fee is not adopted. The application of a percentage-based rate on annual revenue is aligned with international best practices, having been developed through public participation and is implemented by most regulators in the region subject to jurisdictional considerations. The 0.4% is applicable only to the revenue accrued from licensable services (Courier Hailing Platform Revenue).

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						disproportionate regulatory costs.	merely in transit or belong to other stakeholders in the ecosystem. This effectively imposes a levy on the entire value of the deliveries, not just the platform's earnings. A fee directly tied to gross turnover can become a significant disincentive for platforms to scale and expand their services, particularly in a competitive and high-volume, low-margin industry. As a platform grows its gross turnover, the operating fee dramatically increases, potentially eroding the already tight margins and making further investment in technology, marketing, or expansion into new areas and geographies less viable. This can stifle innovation and limit creation of earning opportunities within the gig economy. The scientific basis of the 0.4% of gross turnover fee has not been explained and	

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							this will only further increase the operational costs of companies in a sector that is already subject to a wide array of taxes including, corporate income tax, digital service tax, VAT and Significant Economic Presence Tax (SEPT) among other levies and local government taxes.	
7.	Uber/Uber Eats	Uber/ Uber Eats	15 October 2025	lmucha@ext.uber.com	Section 17 indicates a "Universal Service Levy" of "0.5% of Gross Annual turnover of audited accounts"	Re-evaluate the applicability of the Universal Service Levy to courier hailing service providers to allow for the growth of the emerging online	The concept of a "universal service obligation" (USO) and corresponding Universal Service Levy (USL) typically applies to essential services (like traditional postal services) to ensure availability across all geographical areas, including	This proposal is not adopted. Section 84J (3) of KICA requires all licensees to contribute to the Universal Service Fund Levy to support the provision of services in unserved and underserved areas within the country.

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					for "Courier Hailing Service Provider."	deliveries sector.	unprofitable ones. Online courier and food delivery, while convenient, is generally a commercial, non-essential service that thrives in areas with sufficient demand. Imposing a USL on food delivery platforms seems inconsistent with their commercial model and the nature of the service provided. This levy directly increases the cost of doing business for platforms, which could be passed on to consumers or impact the profitability of the service, potentially reducing investment and expansion into new areas. It might also disproportionately affect smaller platforms or those operating on thin margins. Furthermore, online delivery platforms are subject to a wide array of	The 0.5% is applicable only to the revenue accrued from licensable services (Courier Hailing Platform Revenue).

S/No.	Submitters name	Org.	Date of submission	Email Address	Section reference	Comments/proposals	Justification	CA Comments
							taxes including, corporate income tax, digital service tax, VAT and Significant Economic Presence Tax (SEPT) among other levies and local government taxes. The inclusion of the Universal Service Levy will only increase the operational costs of these companies and discourage investment and innovation in this emerging sector.	
8.	Uber/Uber Eats	Uber/ Uber Eats	15 October 2025	lmucha@ext.uber.com	Section 22 provides "These license holders will be licensed to provide last-mile delivery and document handling services by **road, air or water**."	This is a positive and inclusive approach. The definition of modes of delivery should be broad enough to encompass all modes of transport used for delivery.	Including all forms of transport used for purposes of delivery is essential to capturing the full scope of the modern delivery ecosystem and innovative service models hence fostering a more inclusive market.	This is noted and appreciated.

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9.	Uber/Uber Eats	Uber/ Uber Eats	15 October 2025	lmucha@ext.uber.com	General- explicit exclusion of delivery of food items and groceries from the proposed market structure	We recommend that the delivery of food and grocery items should remain outside the scope of the proposed market structure. This critical exemption will allow the Communications Authority to focus on postal/courier services while preventing unnecessary complexity and costs in the vital digital food delivery economy	The food safety chain, from preparation to consumption, is already regulated in Kenya by multiple government agencies under various existing statutes and policies. Attempting to regulate the transportation or delivery element of food items under the Kenya Information and Communications Act (KICA) would be redundant, create compliance conflicts for food vendors and detract from the specialised food safety oversight that is already in place. Regulating food delivery platforms under a new courier license would also impose unnecessary financial burden (application, initial and annual operating fees, universal service levy) and bureaucratic requirements on a dynamic and high	This is noted. We clarify that food and grocery are not prohibited materials under section 58 of the KICA. That not withstanding, licensed courier operators need to comply with relevant laws governing items that they transmit by post or courier service.

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							growth sector. The current model relies on low barriers to entry and innovative use of technology to provide quick, convenient services which has driven significant revenue growth. Introducing high licensing costs would likely be passed on to the consumer or the restaurant, ultimately hindering the expansion of e-commerce.	

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10.	Lilian M. Wepukhulu	Riley Courier Limited	3rd October 2025	info@rileyfalcon.co.ke; lilian.courier@rileyfalconsecurity.co.ke	B.2. Proposed Postal and Courier Market Structure 16. The revised market structure presents the following amendments: 16.1. A revision of PCK's Initial License fees from KES.500,000 to KES 1,500,000. This is in recognition that the Kshs.500,000 initial fee was established	We would suggest the current market structure to remain as it is. We are currently struggling to raise the current market structure due to high competition from Transport Companies and Boda Boda riders whose rates are too low.	We are currently struggling to raise the current market structure due to high competition from Transport Companies and Boda Boda riders whose rates are too low.	This is noted. We clarify that the revision of the initial licensing fee proposed in section B.2 is applicable to Public Postal Operator License only. No change in fees is proposed for the other license categories.

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					over 20 years ago, and whose value has since been eroded by depreciation over the years, necessitating an increase to compensate for inflation			
11.	George Abasy	Bolt	15th October 2025	0722772571	**High Cost of Registration for Courier Hailing Services** The proposed licensing fees under Regulation 20 (Application of a Licence)	introduce a tiered licensing fee structure that differentiates between traditional couriers and platform-based delivery hailing services, reflecting their distinct	Without a tiered structure, high fees could deter new entrants, limit scalability, and increase delivery costs for consumers, contradicting the RIS objectives of promoting expansion and affordability (refer to Section 2.0(ii, iii) of the RIS) As read together with the Finance Law, 2025 VAT-exempt status for EV bikes, this risks reducing	This is noted. The proposal for a tiered licensing fee structure is not adopted. Under the proposed licensing framework, traditional courier services and platform-based hailing services are distinct and hence cannot be combined

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					will impose a significant financial burden on platform-based delivery hailing services like Bolt Food, which operate differently from traditional couriers. These costs fail to account for the low-margin, gig economy model of platforms.	operational models and cost structures. Conduct targeted stakeholder consultations to ensure proportionality. In this case, Tiered Licensing Fees: Implement a differentiated fee structure to support platform-based delivery hailing services.	driver earnings and accessibility, undermining the goal of a vibrant e-commerce industry pursuant to Section 3.2(v)) of the RIS.	under a tiered licensing framework.

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12.	George Abasy	Bolt	15th October 2025	0722772571	**Percentile Charges on Gross Annual Turnover** The proposed percentile charges on gross annual turnover lack justification in the RIS and are not detailed in the draft Regulations. These charges, combined with changes introduced by the Finance Act, 2025 impacts on EV bike costs, could disproportionately burden platform-based services, which rely on high transaction volumes and	Delete percentile charges or provide a transparent cost-benefit analysis in the RIS, as required by Sections 6 and 7 of the Statutory Instruments Act (Cap 2A). In the alternative, replace it with a flat, reasonable fee tailored to platform-based services.	Unjustified charges could force platforms to raise service fees, reducing courier earnings and consumer affordability. This is contrary to what is envisioned in Section 2.0 (iii) of the RIS goal of universal service access.	The proposal is noted. The Authority has been using the percentage-based method in determining annual licence fees over the last 15 years following international best practice and stakeholder consultation. The 0.4% is applicable only to the revenue accrued from licensable services. In addition, levying annual operating fees as a percentage of the annual gross turnover for certain license categories is designed to ensure that regulatory fees are fair and proportionate to growth of a licensee's economic activity in the market.

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					thin margins. In addition, fees or charges are to be supported by empirical evidence of necessity, proportionality, and fairness. In this case, there is no demonstrated link between the proposed levy and the actual regulatory costs incurred by the Authority.			
13.	George Abasy	Bolt	15th October 2025	0722772571	**Inadequate Regulation Title** The title Kenya Information and Communications (Postal and Courier Services)	Revise the title to Kenya Information and Communications (Postal, Courier, and Platform-Based Delivery Hailing Services) Regulations, 2025 to ensure clarity and alignment with the digital	An unclear/vague title risks misrepresenting the scope of regulated activities, potentially excluding platform-based services from fair regulatory consideration. This could hinder innovation and growth in the digital courier sector, contrary to the RIS objectives stipulated in Section 2.0(ii)).	This is noted to be outside the scope of the review of the market structure.

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					Regulations, 2025 does not accurately reflect the inclusion of platform-based delivery hailing services, creating ambiguity and failing to acknowledge their role in e-commerce and last-mile delivery in accordance with Section 3.2 (v) of the RIS.	economy goals outlined in the RIS.		

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14.	**María Valls Roque**	Glovo app Kenya Ltd	15th October 2025	maria.valls@glovoapp.com	The **third schedule** of the Communications Authority of Kenya Regulations proposes the introduction of a new licensing category: Courier Hailing Service Provider, with the following financial obligations: License Validity: 10 years Initial License Fee: KES 100,000 License Application Fee: KES 5,000 Annual Operating Fee:	Proposal to replace the 0.4% Gross Annual Turnover with a Fixed Annual Fee only	The current proposal for an Annual Operating Fee based on a percentage of Gross Annual Turnover poses a significant challenge to Glovo's financial model, as this levy is burdensome for growth, and fundamentally misleading and punitive, misrepresenting our operational reality. As a high-volume, low-margin intermediary, with substantial and fluctuating operating costs due to the on-demand nature of our business and the different revenue flows happening in our ecosystem, the majority of the gross revenue collected is immediately paid out to local partner restaurants and riders; therefore, taxing this large base results in a high effective tax rate relative to our actual financial capacity (the small commission). Such a levy punishes scale, efficiency, and the act of connecting	The proposal for fixed annual fee only is not adopted. The Authority has been using the percentage-based method in determining annual licence fees over the last 15 years following international best practice and stakeholder consultation. The percentage is applicable only to the revenue accrued from licensable services. In addition, levying annual operating fees as a percentage of the annual gross turnover for certain license categories is designed to ensure that regulatory fees are fair and proportionate to growth of a licensee's economic activity in the market.

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					KES 100,000 or 0.4% of Gross Annual Turnover (GAT), whichever is higher Universal Service Fund (USF) Contribution: 0.5% of GAT.		parties, directly stifling expansion, innovation, and the ability to reinvest Furthermore, this variable, turnover-based fee creates unpredictable financial planning and constitutes a double taxation risk, acting as an additional regulatory tax on top of existing corporate taxes and the new Universal Service Levy, which ultimately undermines Kenya's competitive environment for Foreign Direct Investment (FDI). To ensure a truly facilitative licensing environment that promotes market access and stability, we strongly urge the adoption of a simple, fixed annual amount (such as the proposed KES 100,000 for International Operators) instead of a punishing variable levy.	
15.	**María Valls Roque**	Glovo app	15th October	maria.valls@glovoapp.com	Universal Service Fund (USF)	The 0.5% Universal Service Levy (USL is	The current structure of the USL contradicts the goal of fostering a free market and	The statement that the USF levy is used to fund the services of PCK is

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		Kenya Ltd	2025		Contribution: 0.5% of GAT.	primarily used to fund the PCK creating a compulsory cross-subsidy. To eliminate this distortion, the USL should be waived entirely for all commercial operators. The application of the Universal Service Levy (USL) be strictly limited only to revenue generated from services that directly compete with Reserved Basic Postal Services. Suspend the application of both the 0.4% and 0.5% Gross Annual Turnover levies until a full and transparent consultation	promoting fairness by creating an anti-competitive cross-subsidy. The USL compels commercial operators to fund the services of the PCK, the entity explicitly responsible for the USO, which distorts competition. This contradicts the RIS objective to "Promote fairness and a free market". Furthermore, any application of the USL should be strictly limited to revenue generated from services that directly compete with traditional, reserved postal services (e.g., letter mail delivery up to 350 grams), acknowledging the shift to modern e-commerce logistics. Given the modern shift toward e-commerce logistics and digital services, Glovo’s core business—the delivery of food and goods—falls squarely under unreserved postal services that are already market-driven and competing efficiently.	incorrect. The purpose of the Fund is to support the rollout of accessible, affordable, and available ICT services in unserved and underserved areas. Section 84 (J) (2) of KICA, stipulates that the object and the purpose of the Fund shall be to support widespread access to, support capacity building and promote innovation in information and communications technology services. The Authority has been using the percentage-based method in determining annual licence fees over the last 15 years following international best practice and stakeholder consultation. The percentage is applicable only to the revenue accrued from licensable services. In addition, levying annual operating fees as a

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						process is completed. As a prerequisite for any further discussion on these fees, the Authority must publicly release the complete technical and economic modelling and data-driven impact assessment used to calculate and justify these specific percentage levies	The current regulatory process suffers from a fundamental procedural failure and an absence of data modelling. The Regulatory Impact Statemen (RIS) fails to include a quantitative Cost-Benefit Analysis (CBA) or present the financial modeling legally required under the Statutory Instruments Act to justify the 0.4% and 0.5% fees. The only fee justification provided—compensating the Public Postal Operator (PPO) for inflation after 20 years—is arbitrary and is insufficient grounds for charging new market entrants, like Courier Hailing Service. The lack of supporting data is compounded by a flawed competitive assessment underpinning the USL's cross-subsidy. The Authority has offered no evidence to support the core regulatory	percentage of the annual gross turnover for certain license categories is designed to ensure that regulatory fees are fair and proportionate to growth of a licensee's economic activity in the market.

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							assumption that the Courier Hailing Service Provider is a direct, substantial competitor in the PCK's reserved mail market	

Annex II: Proposed Postal and Courier Market Structure

PROPOSED POSTAL AND COURIER MARKET STRUCTURE – FEBRUARY 2026

	Licence Category	Scope of the Licence	Licence Term (Years)	Licence Application Fee (KES)	Initial Licence Fees (KES)	Annual Operating Fees (KES)	Universal Service Levy (KES)
1.	Public Postal Operator	This Licence is issued to the designated Public Postal Licensee for the provision of basic postal services, and for the fulfillment of any other public service and international obligations that may be assigned under the Licence.	15	5,000	1,500,000	500,000	0.5% of Annual Gross Turnover of audited accounts
2.	International Courier Operator	This Licence category allows for the provision of International inbound and outbound postal and courier services to and from Kenya. This licence also includes the scope of the National Courier Operator Licence.	10	5,000	100,000	100,000 or 0.4% of Annual Gross turnover of audited accounts whichever is higher	0.5% of Annual Gross Turnover of audited accounts
3.	National Courier Operator	This Licence category is for the provision of National Postal and Courier services within the boundaries of Kenya.	10	5,000	30,000	30,000 or 0.4% of Gross Annual turnover of audited accounts whichever is higher	0.5% of Annual Gross Turnover of audited accounts
4.	Courier Hailing Service Provider	The Licence category is for the provision and operation of platforms that link consumers with licensed courier operators to facilitate the collection, conveyance, dispatch, handling and delivery of postal articles.	10	5,000	100,000	100,000 or 0.4% of Gross Annual turnover of audited accounts whichever is higher	0.5% of Annual Gross Turnover of audited accounts

Annex III: Regulatory Impact Statement

REGULATORY IMPACT STATEMENT (RIS)

ON THE

REVISED POSTAL AND COURIER MARKET STRUCTURE

FEBRUARY 2026

1.0 Introduction

The Communications Authority of Kenya (the Authority), established in 1999 by the Kenya Information and Communications Act, 1998, is the regulatory Authority for the Information and Communication Technology (ICT) sector in Kenya. The Authority therefore facilitates development of broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce (e-commerce), as well as postal and courier services. The Authority facilitates the development of the subsectors through licensing, competition management, frequency and numbering resource management and ICT consumers protection.

Under the Authority's 2023-27 Strategic Plan, the review and implementation of the Postal & Courier market, falls under the Strategic Goal 1, which is Promotion of Meaningful Connectivity to ICT Services. This goal aims to promote meaningful connectivity to ICT services for all citizens and one of the expected outputs being the onboarding of additional Postal & Courier Operators to accommodate emerging market players within the digital space, such as courier hailing service providers.

The Regulatory Impact Statement for the revised Postal and Courier Market Structure, 2026 has been prepared in accordance with the provisions of sections 6 and 7(1) and (2) of the Statutory Instruments Act, Cap 2A. The Authority has reviewed the Postal and Courier Market Structure where it has revised regulatory fees and introduced a new licence category.

2.0 Statement of the Objectives

The purpose of Postal and Courier Market Structure is to ensure efficient ICT markets and to foster competition in the Postal and Courier sub-sector. The objectives of the review of the Postal and Courier Market Structure are to:

i. **Expand License Categories**
The aim is to broaden the range of postal and courier license categories to incorporate emerging market players and innovative service models, thereby fostering a more inclusive and dynamic market environment, reflective of the evolving demands of the present marketplace.

ii. **Enhance the Regulatory Framework**
Strengthen the regulatory framework to address existing challenges such as unfair competition from unlicensed players and hence enhance customer protection.

iii. **Improve Service Coverage & Sustain Provision of Universal Postal Services**

To ensure the provision of the sustainable basic postal services that guarantees all consumers equitable access to quality basic postal services in Kenya at affordable prices by clearly defining the scope of services to be provided by a Public Postal Operator. Consequently, this will ensure wider provision and accessibility of postal and courier services, especially in underserved, rural, and remote areas. This is crucial towards promoting inclusivity and socio-economic development, as outlined in the National ICT Policy Guidelines, 2020.

iv. **Leverage Technology**
Rapid technological advancements and digitalization continue to reshape communication and postal service needs. The aim is to encourage the adoption of new technologies and digital solutions within the subsector to improve service delivery standards, enhance operational efficiency, and meet the evolving needs of consumers.

v. **Promote Competition**
To foster fair competition and enhance market efficiency within the subsector by enabling more operators to enter the market, which will certainly lead to improved services and better pricing for consumer.

vi. **Support Economic Development**
To position the postal and courier subsector as a critical infrastructure supporting e- government, e-commerce, and e-financial services, enhance/improve last-mile delivery capabilities, and enhance cross-border e-commerce logistics, and the overall digital economy, thus contributing to job creation, broader socio-economic growth and development of the country.

vii. **Environmental sustainability**
To promote the use of energy efficient green transportation technologies and eco-friendly packaging materials, to reduce carbon print of the postal and courier subsector.

3.0 Statement on the Effect of the Revised Postal and Courier Market Structure

The following are the effects of the revised Postal and Courier Market Structure, 2026:

3.1 Effects on Consumers

i. Enhanced consumer protection through the onboarding of unlicensed operators in the subsector. Enhanced regulatory oversight will lead to greater customer confidence in postal and courier services, as they are perceived as reliable and trustworthy.

ii. Effective provisions for handling complaints, resolving disputes, and ensuring the safety and security of postal items. This will protect consumers and build confidence in the subsector.

iii. The innovation and adoption of new technologies and services will encourage the development of a wide variety of services.

iv. The onboarding of the "courier hailing" category will encourage more tech-driven players to enter the market. Consumers will have more accessibility, variety, quality, and affordable services.

3.2 Effects on the Public Sector

The revised Postal and Courier Market Structure will impact the public sector in the following ways:

i. The Postal and Courier Market Structure will support the development of a well-structured and regulated communications market structure conducive to the provision of services across all spheres of the postal and courier sub-sector in the country.
ii. Enhance regulatory oversight and compliance to prevent platforms from using their market power to exploit consumers through hidden fees or predatory pricing.
iii. Facilitate the growth of e-commerce and enhance Kenya's digital economy.

3.3 Effects on the Private Sector

The revised Postal and Courier Market Structure will impact the private sector in the following ways:

i. Enhance regulatory transparency, accountability, certainty and predictability. The clear market structure reduces ambiguity around new licensable services and applicable fees thus enabling private operators to plan investment, scale operations and manage risks more effectively.
ii. Promote fair competition and equal treatment in the postal and courier subsector that accommodates all the players. The market structure prevents traditional courier companies from being unfairly undercut by unregulated apps that don't follow the established regulatory framework, ensuring a stable marketplace.
iii. Innovation and adoption of new technologies and services will create additional opportunities for investment in the Postal and Courier market subsector.

4.0 Statement on Regulatory & Non-Regulatory Options

This section highlights other regulatory and non-regulatory options that may be adopted to achieve the same intended objectives of the Postal and Courier Market Structure in Kenya.

4.1 Option 1: Do Nothing Approach

The first option is the do-nothing approach. This involves the Authority not making any changes to the existing Postal and Courier Market Structure.

This approach is not appropriate as it would not allow for adequate regulatory oversight and consumer protection with respect to emerging postal and courier services that are currently not accommodated within the existing Market Structure. Failure to review the Postal and Market Structure will also not enable the realisation of the identified positive effects arising from the proposed review that have been identified in Item 3 of this RIS.

4.2 Option 2: Review the Postal and Courier Subsector Market Structure

The revised Postal and Courier Market Structure will incorporate new market players and innovative service models thereby enhancing consumer protection and fostering a more competitive and inclusive market environment.
The review of the Postal and Courier Market Structure is therefore the most ideal option.

5.0 Costs-Benefit Analysis

This section analyses the economic, environmental and social impacts as well as the cost of adopting the revised Postal and Courier Market Structure.

5.1 Economic Impacts of the Revised Postal and Courier Market Structure

5.1.1 Economic benefits

The anticipated economic benefits of the revised Postal and Courier Market Structure are as follows:

i. Encourage more players to regularize their operations through structured licencing. This will enhance the tax base and improve sector accountability and promote a level playing field for all market players.
ii. Encourage local and foreign investments in logistics infrastructure, fleet expansion and last mile delivery innovations.
iii. Growth and formalization will generate direct and indirect employment opportunities especially for youth in both rural and urban centres and last mile delivery services.
iv. Postal and courier services are a critical enabler of ecommerce growth and support MSME's and online traders by expanding their customer reach, improving delivery, reliability and building consumer trust thereby accelerating digital trade.

v. Promotes harmonization, coordination and scalability in the national logistics system, benefiting other sectors such as agriculture, health and manufacturing that rely on effective postal and courier services for market access.

5.1.2 Economic costs

The anticipated economic costs of the revised Postal and Courier Market Structure are as follows:

i. There will be increased regulatory costs for monitoring compliance of additional operators.
ii. Operation and capital costs will be incurred to set up and scale postal and courier businesses.
iii. The Exchequer will be required to fund the Public Postal Operator to provide basic postal services and fulfilment of any other public service and international obligations that may be assigned to the licence holder(s).

5.2 Social Impacts of the Revised Postal and Courier Market Structure

5.2.1 Social benefits

The anticipated social benefits of the revised Postal and Courier Market Structure are as follows:

i. Maintenance of social ties by helping people, including vulnerable groups, to stay connected by ensuring provision of basic postal services.
ii. Facilitate convenient access to postal and courier services including access to information.
iii. Increased public confidence in postal and courier services.

5.2.2 Social costs

It is anticipated that there will be no social costs of implementing the revised Postal and Courier Market Structure.

5.3 Environmental Impacts of the Revised Postal and Courier Market Structure

5.3.1 Environmental benefits

The anticipated environmental benefits of the revised Postal and Courier Market Structure is the reduction on reliance on paper-based systems and processes, supporting broader environmental sustainability goals through automated tracking and electronic invoicing.

5.3.2 Environmental costs

The anticipated environmental costs of the revised Postal and Courier Market Structure are as follows:

i. Postal services contribute to greenhouse gas emissions using vehicles such as lorries, and aeroplanes for mail and courier transportation and the energy consumption of courier and postal facilities.
ii. Packaging materials used for shipping can contribute to waste generation and landfill burden.

6.0 Conclusion

The revised Postal and Courier Market Structure will enhance regulatory oversight and consumer protection by incorporating new market players and innovative service models that are currently not provided for in the existing market structure.

This review will also encourage the adoption of new technologies and digital solutions within the subsector to improve service delivery standards, enhance operational efficiency, and meet the evolving consumer needs.

The review has defined a clear scope of the services that will be provided by a Public Postal Operator, to ensure provision of sustainable, equitable, quality, and affordable basic postal services.

7.0 Implementation and Review

The Authority will implement the Revised Postal and Courier Market Structure, 2026, following its publication in the Kenya Gazette.

Review shall be done on a need basis by consulting all the stakeholders and gazettement of the amendments, if an