LAWYERS HUB
Tech for Justice

Newsletter

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THANK YOU! THANK YOU! ...

We sincerely appreciate your participation in the Africa Law Tech Festival 2023. We hope that you found the event to be informative and that you gained a deeper understanding of digital trade in Africa. Your presence and engagement contributed to the success of the festival.

As we continue to navigate the evolving landscape of technology and law in Africa, we are excited to welcome you to the Africa Law Tech Festival 2024. We look forward to your engagement again and providing another enriching experience.

Thank you once again for being a part of this event, and we look forward to seeing you in 2024 at the Africa Law Tech Festival.

DATA PROTECTION TRAINING

The Lawyers Hub is delighted to invite you to our upcoming Data Protection Training, scheduled for August 29th and 30th, 2023. This comprehensive training program offers a foundational certification in data protection, providing you with essential knowledge and skills in this crucial area.

By participating in this training, you will not only enhance your expertise but also earn 2 Continuing Professional Development (CPD) points, contributing to your ongoing professional growth for Advocates of the high court of Kenya.

The training will be conducted virtually, allowing you to conveniently attend from the comfort of your own space. To secure your spot, please contact: trainings@lawyershubafrica.com. Don't miss out on this valuable opportunity to deepen your understanding of data protection and stay updated on the latest developments in this field.

We look forward to your participation in the Data Protection Training and your continued engagement with the Lawyers Hub.

HIGHS AND LOWS FOR INSURERS IN SHIFT TO E-MOBILITY

The shift towards new-age mobility services, particularly electric vehicles (EVs), is creating both challenges and opportunities for insurance providers. As technology evolves and the automotive industry adopts innovations like e-mobility, autonomous driving, and connectivity, insurers and the automotive sector must adapt their product offerings and strategies to accommodate these changes.

While the adoption of new technologies could lead to a decrease in the frequency of claims, the severity of claims may increase due to the higher cost of components such as sensors and batteries. The rise of fleet businesses and micro-mobility could reduce the demand for privately owned cars, impacting the motor insurance market.

EVs offer advantages such as better maintenance and data analytics for risk profiling, but they also bring new risks. Emerging risks include software breakdown liability and the potential scarcity and high cost of spare parts, which could lead to higher insurance premiums. Factors like insufficient driver experience, quiet engine operation leading to accidents, and the possibility of battery theft also contribute to the complexity of insuring EVs.

The higher actual cash value of EVs compared to conventional vehicles, along with the expense of repairing or replacing components like battery packs, electronic control devices, and sensors, contribute to the potentially higher cost of insuring EVs. Specialized tools and training required for servicing EVs also drive up costs.

Insurers in Kenya can learn from established pricing models in other jurisdictions to develop suitable insurance packages for the local market. As the landscape of car insurance premiums changes, insurers will need to explore new business models to offset potential declines in premiums.

To address these challenges and seize opportunities, insurers must stay ahead of the curve by developing innovative insurance solutions tailored to the unique characteristics of electric and digitally connected vehicles.

NATIONAL BROADCASTER, AJIRA, JITUME, DIGITAL ID AMONG PRIORITY FOCUS AREAS FOR ICT MINISTRY

The Ministry of Information, Communications, and Digital Economy is taking significant steps to address high youth unemployment rates and promote digital skills in Kenya. Through the Ajira and Jitume Programs, the Ministry aims to equip citizens with technical, vocational, and digital education to prepare them for digitally enabled jobs. Collaborating with the Technical and Vocational Education and Training Authority (TVETA), the Ministry is providing Technical and Vocational Education and Training Institutes (TVETs) with 23,000 digital devices. This initiative is part of a broader effort to enhance digital skills and entrepreneurship knowledge to tap into the opportunities presented by digitally enabled jobs.

As of July 31, 2023, the Ajira Programme has directly connected 109,000 youths to digital jobs in various regions of Kenya, including Ndhiwa, Mbeere, Kirinyaga Central, Mombasa, and Nairobi. An additional 336,000 youths are undergoing digital training under the Ajira Programme, with the goal of enhancing their employability and fostering entrepreneurship in the digital space.

The Ministry is also advancing the Kenya Advanced Institute of Science and Technology (Kenya-AIST) project, which is set to provide postgraduate programs in advanced science and technology. This initiative aims to bridge the skills gap and prepare individuals for specialized roles in the digital economy.

Furthermore, the Ministry is focusing on infrastructure development and digitalization efforts. Collaborating with private sector partners, the government has installed over 5,280 km of fiber optic cables, enhancing broadband access and quality. The government is also upgrading the Government Common Core Network to improve internet connectivity across Ministries, Departments, and Agencies (MDAs).

The establishment of public WiFi hotspots, incorporation of digital marketing and ecommerce training modules, and efforts to digitize government services are contributing to Kenya's digital transformation. The Ministry is also actively engaged in cybersecurity and data protection initiatives to ensure a secure digital environment for both citizens and businesses.

The Kenya National Open University, set to be operational by September 2023, aims to make university education more accessible and affordable, enabling students from various locations and income levels to pursue higher education.

Through these comprehensive efforts, the Ministry of Information, Communications, and Digital Economy is driving Kenya's transition to a digital economy, equipping citizens with the necessary skills to succeed in the digital era and promoting innovation and growth in various sectors.

CBK CUTS OFF BROKERS ON NEW MOBILE BOND TRADING PLATFORM

The Central Bank of Kenya (CBK) has introduced the CBK DhowCSD, a groundbreaking digital platform that allows retail investors, both within Kenya and abroad, unprecedented access to government bonds and Treasury bills directly from their mobile phones. This innovative platform marks a significant step towards democratizing the government securities market, which was previously accessible primarily to a select group of sophisticated investors.

Through the CBK DhowCSD, individuals, educational institutions, self-help groups, and others can easily open bond trading accounts online, eliminating the need for physical visits to bank offices. This user-friendly interface enables investors to participate in the competitive bidding process for government securities, providing a unique opportunity for attractive returns. Moreover, the platform's introduction aligns with Kenya's broader digital transformation efforts, promoting financial inclusion, increasing savings-to-GDP ratio, and potentially reducing the government's borrowing costs. With this initiative, the CBK aims to harness the power of technology to empower a wider range of investors and stimulate economic growth.

DATA COMMISSIONER POKES HOLES IN BILL ON ETHNICITY

The Office of the Data Protection Commissioner (ODPC) in Kenya has rejected a section of the Public Service (Values and Principals) (Amendment) Bill, 2023, which aims to collect and process employee details and ethnicity for parastatals, public entities, and constitutional commissions. The Data Commissioner, Immaculate Kassait, has stated that the proposed provisions would reveal sensitive personal data that should not be exposed to third parties. She emphasized that such processing of employee data requires a Data Protection Impact Assessment (DPIA) to identify and mitigate potential risks.

The ODPC recommends that the data be processed in accordance with the Data Protection Act. Additionally, the committee reviewing the bill has suggested that certain parameters, such as county of birth and county of residence, be deleted from the bill as they are not provided for in the Constitution and may be considered discriminatory.

LEVERAGING THE RIGHT TECHNOLOGY FOR SEAMLESS COLLABORATION

In recent times, the significance of collaboration within organizations has gained prominence, backed by research indicating that companies with strong collaborative capabilities are more likely to experience revenue growth. However, achieving effective collaboration is not solely dependent on whether teams work in-office or remotely.

Both fully remote and fully on-site organizations can achieve exceptional collaboration, while poor collaboration can impede progress in either setting. The key differentiator lies in fostering effective communication and a supportive company culture that promotes collaboration from any location.

Recognizing the impact of effective communication is essential, considering the damaging consequences of poor communication on organizations. A study from 2022 revealed that US firms suffer approximately $1.2 trillion in losses annually due to inefficient communication. This is particularly concerning when considering that the average office employee dedicates almost half of their 40-hour work week to written communication alone.

The potential for businesses to optimize operations and drive growth by addressing communication issues is substantial. Overcoming barriers to effective communication can create a positive chain reaction, leading to job creation and substantial contributions to the economy.

Understanding the root causes of communication breakdowns is crucial. While challenges may vary, common factors contributing to the problem include inadequate systems for remote and hybrid work, segmented teams, information gatekeeping, and a lack of constructive feedback mechanisms.

Technology may not solve all communication challenges, but it can play a pivotal role in mitigating these issues. By leveraging suitable technological solutions, organizations can significantly improve communication processes and nurture a culture of effective collaboration.

Collaboration software proves invaluable in breaking down organizational silos, facilitating seamless communication, and providing access to a centralized repository of files and documents. This impact extends beyond internal communication, empowering employees to collaborate on shared documents regardless of their physical locations, whether they're at the office, home, or between conference sessions.

ZOOM'S UPDATED TERMS OF SERVICE PERMIT TRAINING AI ON USER CONTENT WITHOUT OPT-OUT

Zoom Video Communications has recently revised its Terms of Service, leading to concerns about user privacy. The updated terms allow Zoom to compile and use "Service Generated Data," including telemetry, product usage, and diagnostic data. Zoom retains exclusive rights to this data, enabling its modification, distribution, processing, and use for machine learning and AI training without an opt-out option. Moreover, Zoom has secured a broad license to redistribute, publish, and process customer content.

These changes have sparked debates about user consent, data privacy, and individual rights. Privacy advocates and legal experts are likely to scrutinize the updated terms closely. While Zoom asserts the necessity of these changes for improving its services, the implications for user privacy and data usage are significant.

Zoom has since responded, clarifying that customers decide whether to enable generative AI features and share customer content for product improvement purposes. However, concerns persist, especially regarding the broader implications of the updated terms and how they align with user privacy expectations.

HOW HARD CASH INTO KENYA, MOSTLY IN US DOLLARS, PROMPTED A REGIONAL ANTI-MONEY LAUNDERING WATCHDOG

> "A scathing report from the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) has cast a spotlight on Kenya's vulnerability to massive movement of hard cash, particularly in US dollars, raising concerns about its preparedness in combating money laundering."

A scathing report from the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) has cast a spotlight on Kenya's vulnerability to massive movement of hard cash, particularly in US dollars, raising concerns about its preparedness in combating money laundering. The report reveals that Kenya received a staggering Sh72.2 billion in cash over four years up to 2021, which could not be sufficiently explained. ESAAMLG's findings indicate a potential risk of money laundering and terrorism financing, prompting the watchdog to urge Kenya to strengthen its anti-money laundering and terrorism financing strategies or face the risk of being grey-listed. Such a designation could tarnish Nairobi's reputation as a regional financial center.

The report highlights that between 2017 and 2021, a substantial amount of cash—$1.85 billion in US dollars, €6.97 million, £7.80 million, and Sh482.84 million—left Kenya, while $455.35 million, €34.34 million, £11.69 million, and Sh 482.84 million flowed into the country. The Jomo Kenyatta International Airport (JKIA) emerged as a major port of entry for this cross-border cash movement. The movement was attributed to Kenya's robust financial system and its role as a regional gateway and financial hub. International organizations, NGOs, embassies, and Kenyan banks' foreign branches contribute to the high cross-border cash movement, often using cash for liquidity reasons.

While legitimate reasons were cited for some outflows, the report raises concerns about insufficient analysis of cash transaction reports by Kenya's Financial Reporting Centre (FRC). The ESAAMLG assessment team recommended that the FRC enhance its analysis to confirm the validity of cash source and destination and purpose. The report underscores that while Kenya is ahead of regional peers in anti-money laundering efforts, improvements are crucial to maintain its standing and reputation. Experts emphasize that Kenya's monitoring system is robust, but enhancements are needed to address vulnerabilities and gaps.

The report's release coincides with Kenya's efforts to strengthen its anti-money laundering regulations, including increasing the reporting threshold and improving transparency. By introducing measures to enhance the tracking and reporting of cross-border currency movements, Kenya aims to mitigate the risk of illicit funds flowing through its financial system. As Kenya continues to adapt and refine its anti-money laundering measures, the country seeks to strike a balance between attracting legitimate financial flows and safeguarding its financial system against illicit activities.

FACEBOOK FAILS TO STOP SUIT BY 186 CONTENT MODERATORS

Meta (formerly Facebook) has faced a setback as the Court of Appeal rejected its request to suspend a case filed by over 180 Facebook content moderators. The case involves a petition challenging Kenyan courts' jurisdiction in handling the suit.

Meta argued that the Employment and Labour Relations court in Kenya had wrongly assumed jurisdiction over a foreign company by allowing the content moderators to sue the company. However, the Court of Appeal was not convinced by Meta's arguments and declined to grant the suspension of proceedings.

The judges noted that there was no evidence to show that Meta's ability to defend the case would be hindered without a stay of proceedings. They also declined to stop another case filed against Meta by a South African content moderator.

The content moderators had sued Meta, seeking to prevent the company from declaring them redundant while their case is being determined. The cases highlight the legal challenges and jurisdictional issues that can arise in cross-border employment disputes involving multinational tech companies.

WHY BUSINESSES, STATE AGENCIES NEED TO BEEF UP WAR CHEST AGAINST HACKERS

Recent cyberattacks in Kenya have prompted discussions among experts and executives about the need to enhance existing cybersecurity measures. The attacks, allegedly carried out by a group known as 'Anonymous Sudan,' targeted the country's financial systems, including the popular mobile service M-Pesa, and the government services portal, e-Citizen.

Cybersecurity experts emphasize the importance of allocating sufficient budget and resources to cybersecurity efforts. Industry professionals urge organizations to take cybersecurity proposals seriously and invest in solid online security strategies. Richard Muthua of Liquid Intelligent Technologies emphasizes the need for staff training and creating visibility into cybercrime risks. Preventive measures are seen as more cost-effective than dealing with the aftermath of successful attacks, which can result in downtime, reputational damage, legal costs,A and loss of trust.

Gathirwa Irungu, head developer at GIT Software Solutions, highlights the significance of budget allocation for cybersecurity as a sign of an organization's commitment to protecting customer trust and business continuity. Experts recommend dedicating at least five to 10 percent of the overall budget to cybersecurity initiatives.

The reluctance of some companies to invest in cybersecurity is attributed to overconfidence bias and underestimating the likelihood of cyber threats. Matt Williams, CEO of Africa Healthcare Network, emphasizes the need for continuous awareness campaigns and embedding effective controls into all software programs and company systems. He stresses that cybersecurity is a shared responsibility involving all employees, not just the IT department.

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WHY DIGITAL DETOX RETREATS ARE GAINING MOMENTUM IN KENYA

In today's fast-paced and digitally connected world, the concept of a digital detox has gained immense appeal, offering a reprieve from constant online engagement. Surprisingly, Kenya, renowned for its breathtaking landscapes and cultural heritage, has emerged as an unexpected yet ideal destination for those seeking a reconnection with nature, themselves, and the present moment.

The rising popularity of digital detox retreats in Kenya signifies not only a growing demand for mindful travel experiences but also a transformative journey that leaves a profound impact on travelers' lives.

With smartphones becoming an extension of our hands and notifications constantly vying for attention, the need for respite from the digital realm has never been more pronounced. Many yearn for moments of solace and tranquility, free from the incessant stream of emails, social media updates, and digital diversions.

Meeting this need, Kenya, a country celebrated for its diverse ecosystems, is embracing travelers seeking a break from the virtual world. While the allure of Kenya's wilderness has long captivated adventure enthusiasts, the trend of digital detox retreats offers a unique experience that transcends the ordinary safari.

Imagine waking up at a place like Hemingways Eden, serenaded by native birdsong, rustling leaves, and distant wildlife calls. Digital detox retreats provide a haven where visitors can immerse themselves in nature's embrace and rediscover inner harmony.

Nestled within picturesque landscapes, these retreats cater to the growing demand for sustainable and mindful travel. These exclusive resorts and wellness centers are designed to coexist harmoniously with the environment, often utilizing renewable energy sources and locally sourced materials.

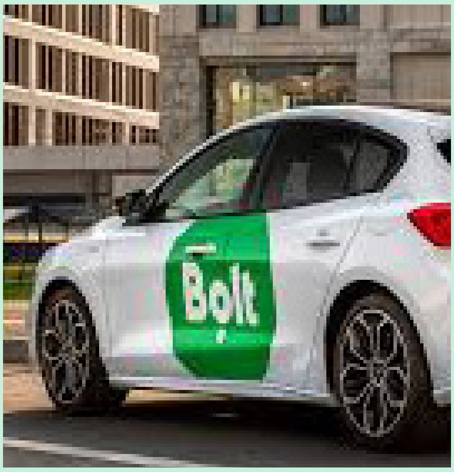
One of the charms of Kenya's digital detox retreats lies in their locations. Remote and unexplored territories invite travelers to embrace a unique form of luxury—one that celebrates nature's raw beauty and life's simplicity. Whether it's the untamed Maasai Mara, the serene Kenyan coast, or the mystical slopes of Mount Kenya, these retreats provide an opportunity to disconnect and fully immerse in the present moment.

Beyond unplugging, digital detox retreats often offer mindfulness and well-being programs. These retreats encourage introspection and self-discovery, allowing individuals to realign priorities and rediscover the beauty of simplicity. By cultivating an atmosphere of tranquility and self-awareness, these retreats pave the way for renewed purpose and direction.

Private conservancies across Kenya, such as Maasai Mara, Samburu, Msambueni, Nanyuki, Lamu, and Kilifi, host such retreats. While the focus is on disconnecting from the digital world, these retreats also facilitate deep cultural immersion and community connection. Interactions with indigenous tribes, visits to traditional villages, and participation in community initiatives offer a chance to appreciate Kenya's rich cultural tapestry, enriching the transformative experience.

Beyond personal growth, digital detox retreats often contribute positively to conserving Kenya's natural and cultural heritage. Many retreats actively support local conservation projects and sustainable development, ensuring that the impact of these mindful experiences extends beyond the retreat itself.

BOLT SETS HIGHER FARE ON SCHEDULED RIDES



Bolt, the ride-hailing service, has introduced a new feature called Scheduled Ride, enabling customers to pre-book rides up to 72 hours in advance. This initiative aims to provide passengers with the convenience of planning their travel ahead of time. The service, currently available exclusively in Nairobi, allows drivers to better organize their schedules too.

This new option, effective immediately, comes with special rates that are higher than standard charges. The intention behind this pricing strategy is to encourage driver participation. Linda Ndungu, the Bolt Country Manager for Kenya, expressed enthusiasm about this addition, highlighting how Scheduled Rides offer passengers greater control over their travel plans, ensuring smoother and more enjoyable mobility experiences.

One of the key advantages of reserving a Bolt ride 72 hours ahead is the elimination of concerns about ride availability during peak hours. This new feature aims to address this common issue and enhance overall travel convenience.

This development follows closely on the heels of another recent safety-focused innovation by Bolt, wherein they introduced a driver selfie check feature. This feature was implemented to bolster passenger safety, prevent instances of driver impersonation, and curb account sharing.

HOW JUMIA KENYA EMPLOYEE STOLE SH 21 MILLION

E-commerce company Jumia Kenya has revealed that an employee orchestrated a theft of approximately $150,000 (equivalent to Sh 21.2 million) by manipulating vendor payment records, underscoring the vulnerability to fraud that the platform faces.

Jumia Technologies AG, based in Berlin and overseeing Jumia Kenya, disclosed in recent filings to US regulators that this fraud was uncovered in September of the previous year. The manipulation of vendor payment entries and misappropriation of payments occurred over 2021 and 2022, according to the company. Jumia's e-commerce platform enables vendors to list products, and buyers can place orders and make payments either before or upon delivery.

Detecting and addressing fraudulent activities is challenging due to the platform's large number of participants and business fragmentation, Jumia noted. While the financial impact of this specific incident was not deemed substantial (remaining below $150,000), Jumia acknowledges that such illicit actions by its employees could potentially have a material negative impact on its business, financial health, and reputation.

Jumia Technologies AG identifies the inability to effectively combat fraud, including fictitious transactions on its platform, as a significant risk to its operations. Fraud is an escalating concern for various companies in Kenya, with the proliferation of technology introducing both opportunities and challenges such as cost management and accelerated service delivery. Safaricom, for example, reported dismissing 33 employees in the fiscal year ending March 2023 due to fraud-related activities, an increase from the 24 employees terminated the previous year.

I&M Group's Rwanda unit experienced losses of $10.3 million (approximately Sh1.46 billion) due to fraudulent customer withdrawals within three months, prompting investigative efforts to recover the amount.

Absa Bank Kenya also encountered a loss of Sh107.7 million to fraud in the previous year, but managed to recover Sh59.1 million. Additionally, it prevented fraud amounting to Sh428.5 million during the same period.

The financial sector in Kenya continues to grapple with fraud as technology-driven preferences by customers for digital services contribute to the evolution of fraudulent activities.

Jumia's exposure to losses from fraud compounds its challenges as it strives to achieve profitability. Despite operating across 23 African countries, the company posted significant losses, including a $238.3 million loss (Sh33.8 billion) overall in the previous year, with Sh12.3 billion stemming from its operations in Kenya alone.

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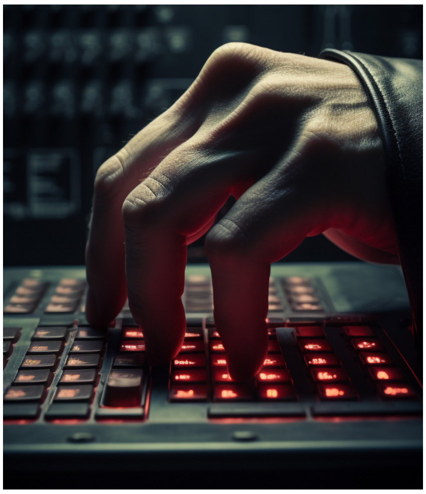
RESEARCHERS WATCHED 100 HOURS OF HACKERS HACKING HONEYPOT COMPUTERS



Security researchers created a honeypot network of computers to attract hackers and observe their actions. By exposing Windows servers with Remote Desktop Protocol (RDP) access, the researchers recorded hackers engaging in various activities, such as reconnaissance, installing malware, and attempting to cover their tracks. The hackers were classified into types like "Rangers" (cautious explorers), "Barbarians" (brute-force attackers), "Wizards" (trail obfuscators), "Thieves" (profit-seekers), and "Bards" (less skilled). The researchers suggested that such observations could benefit law enforcement, cybersecurity teams, and overall security by providing valuable insights into hacker behaviors and strategies.

TOP 10 BEST AFRICAN COUNTRIES TO LAUNCH YOUR ONLINE BUSINESS

Based on UNCTAD's Business-to-Consumer (B2C) E-commerce Index 2020, Business Insider Africa has compiled a list of the top 10 African countries that are well-suited for starting an ecommerce business. The index evaluates 152 nations based on factors such as internet infrastructure, postal services, internet usage, and financial access. The top 10 African countries for starting an e-commerce business are as follows:

MAURITIUS:

Recognized as the most e-commerce-ready nation in Sub-Saharan Africa, Mauritius boasts strong digital infrastructure and a tech-savvy population.

SOUTH AFRICA:

Positioned as an e-commerce powerhouse, South Africa has a thriving online market and engaged digital consumers.

TUNISIA:

Emerging as a hub for digital entrepreneurs, Tunisia offers promising opportunities in its evolving digital landscape.

ALGERIA:

Making progress in e-commerce readiness, Algeria's improved logistical reliability signals potential for future growth.

GHANA:

Rising as a star in African e-commerce, Ghana is bolstering its online infrastructure to support new ventures.

LIBYA:

Undergoing transformation, Libya's e-commerce sector is gaining momentum, presenting opportunities for growth and innovation.

KENYA:

Known for its tech-savvy populace, Kenya provides a dynamic platform for online businesses with its expanding digital connectivity.

NIGERIA:

With the continent's largest population, Nigeria offers a vast market for e-commerce enterprises to tap into.

MOROCCO:

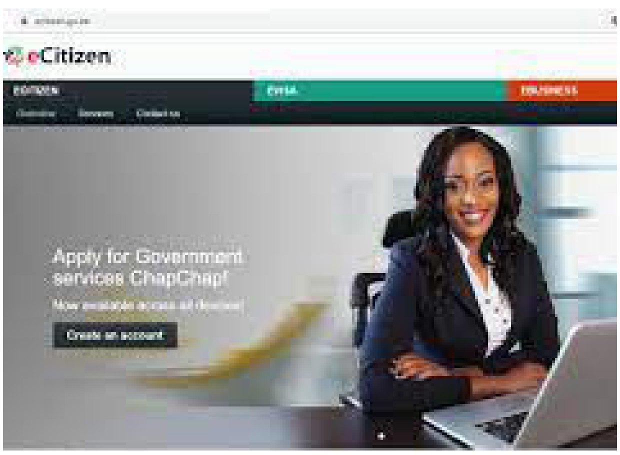
Blending tradition with digital advancement, Morocco's e-commerce landscape is on an upward trajectory.

SENEGAL:

Becoming a player in African e-commerce, Senegal's increasing digital adoption is opening doors for startups.

These countries are recognized for their readiness and potential to support the growth of e-commerce businesses, making them attractive options for entrepreneurs in the digital marketplace.

E-CITIZEN, DIVIDENDS HELP BEAT CASH TARGET BY SH16BN



The Kenyan Treasury has reported that revenue generated from fees charged on State services and fines has exceeded the target by more than Ksh 16 billion (Kenyan Shillings), driven by increased digitization efforts and the collection of excess funds from government-owned agencies. Non-tax cash receipts, which include dividends from government-held company shares, reached Ksh 82 billion in the fiscal year ending in June, surpassing the Treasury's target by 25.07 percent. This strong performance contrasts with the Kenya Revenue Authority missing its tax receipts goal by Ksh 117.86 billion. The success is attributed to digital services like the eCitizen portal, which offers streamlined access to various government services such as transportation permits and land titling.