

Officer	Initials
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1 st Verifier	
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EXAMINATION FOR ADMISSION TO THE ROLL OF ADVOCATES

REGISTRATION NUMBER:

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CENTRE: Co-operative University JKUAT KASNEB Kenya School of Law

ATP108: COMMERCIAL TRANSACTIONS

Examination Series: November 2025

Date: 21ST November 2025

Time: 09:00AM - 12:00PM

Duration: 3 hours

Instructions to Candidates:

- a) Enter your registration number and tick the exam Centre in the space provided.
- b) Answer **FIVE (5)** questions, including question **ONE**, which is **COMPULSORY**.
- c) Question **ONE** carries **20 Marks**. All other questions carry **10 Marks** each.
- d) Attempt each question in the space provided.
- e) Answers **MUST** be supported by relevant statutory provisions and case law where required.
- f) Do not write your name in the booklet.
- g) Ensure your handwriting is **LEGIBLE**.

FOR EXAMINER'S USE ONLY

Question Number	Examiner		Internal Moderator		External Moderator		Quality Assurer	
	Mark	Initials	Mark	Initials	Mark	Initials	Mark	Initials
1.								
2.								
3.								
4.								
5.								
6.								
Total Marks								



QUESTION ONE

Stella and Nancy are graduates of the prestigious Milimani Institute of Technology (MIT). Being technology savants, Stella and Nancy have seized on the opportunity to break into the digital currency space. With the support of a strong team backing them, they have managed to develop a digital currency known as Okoa Coin, which has been designated a “payment system” by the Central Bank of Kenya (CBK) in line with the objects of the National Payment System Act. Okoa Coin is operated by Team Okoa Limited and its payment system is known as the Okoa Network.

Shortly after its roll-out, Okoa Coin rapidly gains steam in the Kenyan digital currency ecosystem with a remarkable subscriber growth in a very short period of time. Unfortunately, the currency’s system falls victim to a major hacking event that not only wipes out half of the company’s value, but also exposes its customers’ private data to the dark web. Okoa takes steps to fortify its data and puts in place a robust threat-detection system. Thus, in spite of these challenges, the homegrown Okoa remains popular both within and outside the country and continues to enjoy broad political support and goodwill. This is partly due to Okoa being a significant taxpayer and employer, with a track record of being compliant with the conditions imposed by the CBK.

- a) In light of Okoa’s recent vulnerabilities, the Central Bank of Kenya is considering the retroactive rescission of Okoa’s “payment system” designation, to have effect from the designation date, and the suspension of all payments to and out of Okoa’s accounts pending its final decision.

As Okoa’s Legal Advisor, discuss any three (3) considerations the Central Bank may take into account before making its decision and how you may counter such considerations.

(6 Marks)

- b) As a commercial law practitioner with some background in information technology (IT), Okoa wishes to appoint you as their Data Protection Officer. Highlight any three (3) statutory responsibilities of the said office.

(3 Marks)

- c) It has been brought to your attention that about sixty (60) days or so ago, the Commissioner of Domestic Taxes entered an adverse finding against Okoa for unremitted Value Added Tax (VAT). Stella has informed you that she has documented medical records that occasioned the delay on her part and that her counterpart, Nancy, is on a documented travel abroad.

Advise Okoa on the procedure to be followed to enable it lodge an appeal from the said decision and to be granted a hearing date.

(4 Marks)

- d) Upon the hearing and determination of the tax appeal, the tribunal makes a finding against Okoa. The Taxman threatens Okoa with an insolvency proceeding if they do not pay the tax arrears. Okoa is confident that the tax debt can be settled if it is given enough time. It thus Waives its right of further appeal and opts for a Company Voluntary Arrangement. It does not take any further steps to obtain a moratorium for the company.



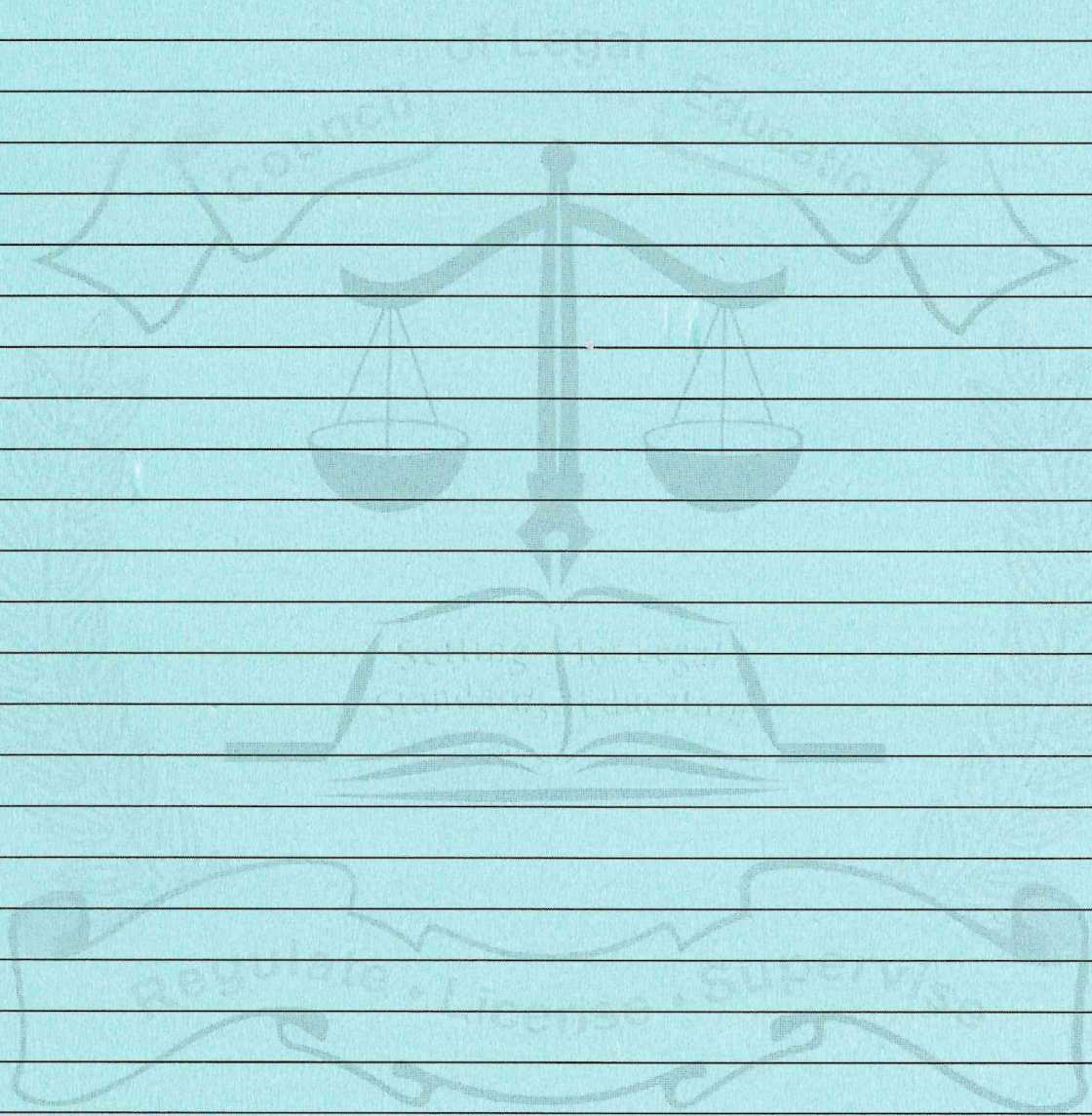
Being an Insolvency Practitioner, Okoa tasks you to act as Supervisor to the implementation of the said arrangement. Briefly explain to your client:

- (i) The basis of the proposal for voluntary arrangement;
- (ii) Whether you are in a position to act as the Supervisor in such an arrangement, being neither the liquidator nor administrator; and
- (iii) The content of your initial report to the court (if any).

(7 Marks)

REGISTRATION NUMBER

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QUESTION FIVE

- A. Sen and Bien were classmates in campus who recently graduated with Bachelor of Commerce degree (Accounting option). They also pursued and passed the professional accounting course. The two were keen to open an accounting firm to enable them to start enjoying the 'fruits of their labor'. They thus entered into a Sen-Bien limited liability partnership (LLP).

The partnership has been sued for failing to pay for an AI workshop Sen attended last month. Bien on the other hand was recently sued by his ex-wife for failing to provide child support. These problems were compounded when Bien hired a car to attend a burial event in his village. On his way back, he used the same car to attend a court session in Nyahururu. The owner of the car has retained the Sen and Bien LLP laptops that were left at the back seat of the car and has refused to release them until he is fully paid.

Discuss the liability of the LLP and the partners relying on the above set of facts.

(5 Marks)

- B. Bamblu is a famous TikTokker in the country. Bamblu has recorded numerous hilarious contents and distributed them through social media. His fans have always responded well to the contents, liking and sharing them far and wide. Bamblu got an opportunity to work with a local business as a brand ambassador. In order to do so, he was required to produce special content, which would be remunerated according to the number of views received on the content. This deal required Bamblu to look for additional capital to invest in his art.

Bamblu estimates that he needs to buy new quality equipment and hire professional staff for better quality content creation. He approaches a local bank, Kimd Banking Services, for a loan to achieve all this. Since Bamblu does not own much property to cover the loan requested, Kimd Banking Services requests Bamblu to grant it ownership of his intellectual property arising from the contents he has created for purposes of securing the loan and Bamblu agrees, but Unknown to Kimd Banking Services, the intellectual property of Bamblu contents is also shared with Njuka, who had lent money to Bamblu many years back.

Kimd Banking Services comes to your office seeking advise on how to register the notice so that it can be effective against third parties. Draft the initial notice relating to the security right to be registered with the Office of the Registrar.

(5 Marks)



QUESTION SIX

Anne Kijana is the plaintiff in a matter that your law firm is involved. She instituted a suit vide a plaint dated 14th February 2019. Her case is that on or about 18th February 2017, she and the 1st defendant, CW Enterprises Ltd, entered into a joint venture agreement (JVA) for the purpose of supplying wooden poles to Eastern Power and Lighting Company Ltd (EPLC), for tender number EPL/000/2016. The JVA was entered into pursuant to the tender agreement between the 1st defendant and EPLC whereby the 1st defendant was awarded the tender to supply treated power distribution wood poles. According to the JVA, the plaintiff was required to deposit a total sum of Kshs. 10,000,000/= in the 1st defendant's bank account, which would go towards procuring the wooden poles. The profits would be shared on a 50:50 basis upon payment by EPLC.

The plaintiff contends that she complied with the condition and that Charles Wekulu, the 2nd defendant, acknowledged receipt of the same in his capacity as director of the 1st defendant. Her case is that she only received the sum of Kshs. 4,200,000/= from the 1st defendant towards satisfying its obligations under the JVA. Based on this, it is the plaintiff's case that the 1st and 2nd defendants committed a breach of the JVA. It was her testimony that she and the 1st defendant had opened a joint account for the proceeds, but no monies had been deposited into it. She also contents that her claim was based on the JVA and even if the contract was not completed, she was still entitled to 50% of the tender price. She also blames the 1st defendant for having entered into another JVA without informing her.

She prays for judgement against the defendants for the total sum of the tender, being Kshs. 30,000,000/=, with interest thereon until payment in full, a refund of Kshs. 10,000,000/= invested as capital in the agreement, general damages and costs of the suit.

The defendants' case is that any contractual arrangement between the 1st defendant and the plaintiff was purely that of a financier, and that the plaintiff held no contractual interest in any works related to the tender. They claim that there was no agreement for profit-sharing and that even if the same existed, it would be subject to deduction of expenses and overheads. They argue that in any case the contract with EPLC was terminated midway, and the 1st defendant did not realize the anticipated profits alleged in the plaint.

Having recently been assigned the brief, advise the client on the legal issues arising in the matter, noting to apply relevant legal provisions. (10 marks)

