

The logo features a stylized lowercase 'i' in black with a circular icon of a lion's head inside its dot. To the right of the 'i' is the word 'Tax' in a large, white, sans-serif font. The entire logo is set against a red background with a large, white, curved swoosh that starts under the 'i' and ends under the 'x'.

iTax

Simple, Swift, Secure



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AUTHORITY

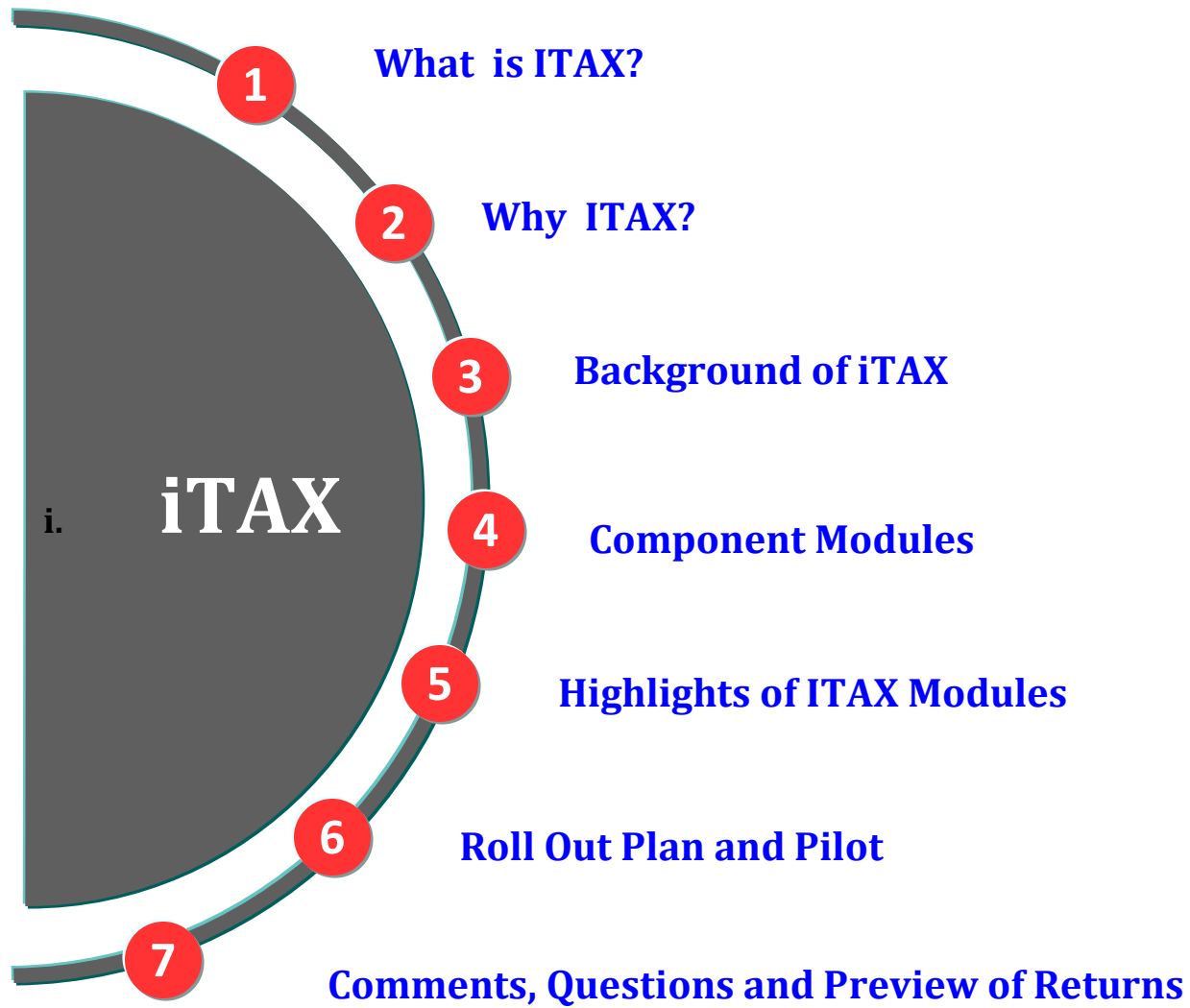
INTEGRATED TAX MANAGEMENT SYSTEM (iTAX)

iTAX SENSITISATION
29TH ANNUAL ICPAK SEMINAR

SAI ROCK HOTEL, MOMBASA

MAY 2013

AGENDA



What is ITAX?

- A web-enabled and secure application system that provides a fully-integrated and automated solution for administration of domestic taxes.
- Enables Taxpayer internet based registration, filing, paying and status inquiries with real-time monitoring of accounts.

Registration

Status Inquiries

Filing

Payments



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Why iTAX? iTAX is here to:

1. Simplify tax processes and make it easy for Taxpayers to comply
2. Shorten time taken to extract data & information on revenue
3. Reduce time taken by Taxpayers when dealing with KRA
4. Re-engineer business processes for effectiveness & efficiency
5. Enhance the ability/accuracy of KRA/Taxpayers to account for taxes
6. Increase revenue collection as a result of the above

Background of iTAX

- KRA has contracted an internationally renowned IT firm to assist in the development of the product.
- Branding under the name iTAX was necessary to eliminate confusion e.g. ITMS etc
- iTAX expected to be available in live environment nationally from July 2013
- iTAX development begun in September 2007 under the name ITMS and comprises the following 18 modules.

Component Modules

No.	Acronym	Module Name
1	TPA	Taxpayer Account
2	PPP	Payment Processing Plan
3	D&E	Debt & Enforcement
4	TC&R	Tax Credits & Refunds
5	TSS	Technical Support Services
6	AUD	Audit
7	C&M	Compliance & Monitoring
8	TRP	Tax Return Processing
9	CPM	Central Parameters Management
10	WFM	Workflow Management
11	TRE	Taxpayer Registration
12	EIM	External Information Management
13	BCL/CCRS	Bank Collection
14	MST	Management Statistics & Reports
15	TPS	Taxpayer Services
16	POT	Portal
17	SEM	Security Management
18	DBM	Database Management

HIGHLIGHTS OF iTAX Modules : TRE (Taxpayer Registration)

Current Status	iTAX Environment
•Non existent Tax agents & Auditors	-Intermediary Agents to be registered in ITAX -Tax Agents to be registered in ITAX -Registered Auditors to be maintained in ITAX
•No authentication that Financial Statements are from the Auditor	-Auditor confirmation on Financial Statements submitted to KRA
•Incomplete Taxpayer Registration	-Verification of Registration details before issuance of PIN - Unique e-mail address per PIN -Cell Phone Mandatory i.e. SMS Broadcast
•Not possible to account for revenue by County as per new Constitution	•County of Principal Business to be declared on registration

HIGHLIGHTS: TRP (Tax Return Processing)

Current System	iTAX Environment
<ul style="list-style-type: none">•Electronic Filing based on TSW•TSW Heavy and Complex	<ul style="list-style-type: none">•Electronic Filing based on Excel/Open Office•Excel is Simple and Light•Excel provides for large data capture
<ul style="list-style-type: none">•PAYE deduction not posted to Employee Ledger	<ul style="list-style-type: none">•PAYE deductions posted to Employee Ledger•Employee Visibility of Ledger
<ul style="list-style-type: none">•No provision for Branch Filing	<ul style="list-style-type: none">•Provision for Branch Filing (VAT & PAYE)

HIGHLIGHTS: CCRS/ BCL (Bank Collections)

Current System	iTAX Environment
•Currently 7 banks connected to CCRS	•More commercial banks to be recruited
•Manual WHT Certificates •WHT certificates issued with no payment to KRA	•WHT Certs generated electronically in iTAX •WHT Certs to be serialised •WHT Certs issued after payment •WHT Checker to be placed in Portal
•VAT7 currently handled in the VAT3 returns	•VAT7 to be collected under BCL •Agency Revenues e.g. Shipping Tax, Land Rent, Stamp Duty, Transmission of Messages etc to be collected under BCL

HIGHLIGHTS: TPS (Taxpayer Services)/Portal

Current Portal Services	ITAX Portal Services
<ul style="list-style-type: none">❖PIN Application❖PIN checker❖TCC checker❖Generate E-Slip❖Electronic filing returns using TSW	<ul style="list-style-type: none">❖Electronic filing and amending returns using Excel❖View Taxpayer Account/Ledger❖WHT Certificate Checker❖E-Query❖View Tax Returns Filed❖Consult Status of Cases on Compliance, Debt, Audit❖Request for TCC❖Make Application for Refund❖Make Application Transfer of Tax Credits❖Make Application for Payment Plan❖Make Application for Waivers and Write Offs

HIGHLIGHTS: TSS (Technical Support Services)

Current System	iTAX Environment
•Manual Application and issuance of Exemption Certificates	•Electronic Application and Issuance of Exemption Certificates
•Court, local committee and Tribunal's records are maintained manually.	•Court, local committee and Tribunal's records maintained in iTAX.



HIGHLIGHTS: TPA (Taxpayer Account)

Current System	iTAX Environment
•Slow Manual Ledger updates	•Immediate Electronic Ledger update
•Taxpayer No Access to Ledger	•Secure Portal Access by Taxpayer

HIGHLIGHTS: PPP (Payment Plan Processing)

Current System	iTAX Environment
•Manual Application, Approval & Monitoring	•Electronic Application, Approval and Monitoring

HIGHLIGHTS: D&E (Debt & Enforcement)

Current System	iTAX Environment
<ul style="list-style-type: none">Manual Waiver applications	<ul style="list-style-type: none">Electronic waiver applications
<ul style="list-style-type: none">Manual Transfer of credits leading to delays	<ul style="list-style-type: none">Electronic application and Transfer of credits

Roll Out Plan and Pilot

- Roll Out undertaken in 2 parts as below:

Part 1: Registration, Returns and Payments

Part 2: Back Office Services e.g. D&E, C&M, MST, AUD, TSS, EIM, PPP, TC&R

- **ROP1** piloted in LTO/MTO and commenced in December 2012
- 152 Pilotees have been recruited so far (Target 150)
- Progress: VAT Returns April + May, PAYE Returns May

“When iTAX is fully implemented our approach is expected to change from “waiting for taxpayers to come to our offices for services” to “taking the services closer to them by enabling them to transact with us from the comfort of their offices or homes”.



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THE END

COMMENTS AND QUESTIONS



THANK YOU