

ICPAK 7TH C- SUITE SEMINAR

PRESENTATION BY

DEPUTY COMMISSIONER

CORPORATE POLICY KRA

ON 5TH NOVEMBER, 2020

Theme, Vision, Mission and Core Values

A globally trusted revenue agency facilitating tax and customs compliance

Vision

Building Trust through Facilitation so as to Foster Compliance with Tax and Customs Legislation.

Mission

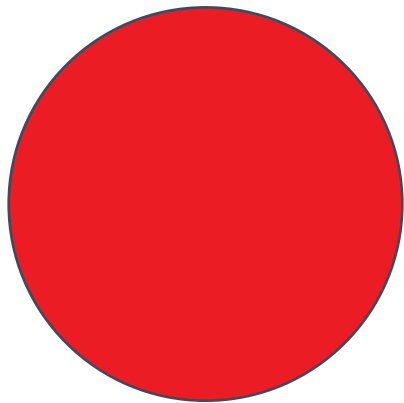
Values

- **T**rustworthy
- **E**thical
- **C**ompetent
- **H**elpful

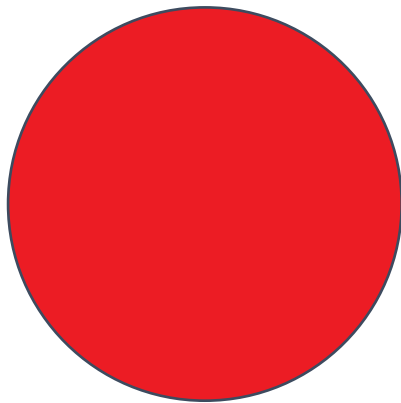
KUWA **TECH**

*Revenue Mobilization
through Transformation,
Data-driven Decision
Making and Tax Base
Expansion*

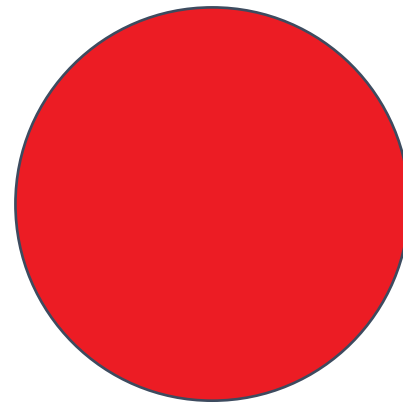
7th Corp. Plan Theme



Why Tax?



For economic growth and development, governments need sustainable sources of funding for social programs and public investments.



Principles of taxation

- Equity
- Efficiency
- Neutrality
- Predictability and/or certainty
- Proportionality and Progressivity
- Simplicity



Principle of Equity & Neutrality

KRA has revised **Tax Base Expansion (TBE) strategy** with focus on the following:

- Real estate sector to recruit landlords not in the tax net using third party information and Block Management strategy.
- Strengthen stakeholder engagement and tax payers' education and communication, to increase awareness for individuals & businesses on payment of their fair share of taxes.
- Recruitment of professionals, e-commerce players and High Net worth Individuals into the tax net

Implementation of Digital Economy Taxation:

- The VAT (digital marketplace supply) regulations developed and gazetted for implementation in January 2021
- Key Partnerships: Engagement with umbrella Professional bodies to enable sensitization of the taxpayers in the various categories, with a view to enhancing recruitment.

Principle of Efficiency & Simplicity

Tax Filing Software (TFS) is expected to be rolled out in **December 2020**. Usage is projected to reduce the time taken to file returns (VAT, PAYE and IT2C).

Harmonised systems
e.g. NHIF, NSSF,
Lands/iTax integration
of the KRA component
of the Unified Payroll
Return, harmonised
revenue collection
systems with counties
etc.

Full roll-out of the Tax
Invoice Management
System (TIMS) to all
VAT registered
taxpayers will provide
and realize the objective
of prepopulated VAT
return.

Implementation of smart
gates at ICD to reduce truck
queuing time

Implementation of the
scanner governance
framework to enable risk
based verification

KRA has introduced a mobile
based application - M-Service
App for taxpayer registration
among other services.

Predictability and/or certainty



KRA has prepared a draft National Tax Policy which will be taken to the National Treasury for consideration and engagement of other stakeholders.

Corporate stakeholder engagement framework put in place for consultations on tax policies etc. prior conceptualization/Implementation

Key Internal initiatives:

KRA is undergoing transformation in operations by focusing on service delivery by building trust through facilitation. This looks to marry the different taxation principles whilst meeting the requirements that ensure compliance.

The Industry also has a role to play to ensure KRA properly executes its mandate while promoting a favorable tax environment. In areas such as:

Staff capacity

Having enough qualified staff. KESRA is an avenue the Industry should utilize to enhance staff capacity.

Automation: Leveraging on digitization to enhance efficiency

Knowing their respective Tax Service Stations (TSO) and especially their account managers and relationship managers.

Knowing taxpayer rights and obligations. E.g.. the avenue of private rulings to the commissioner for unique tax needs and penalties for failure to meet obligations.

Other Corporate Measures put in place include:

KRA on the other hand is doing fairly well to ensure it promotes a competitive tax environment for business:

TDR

- TDR has proven to be both time and cost effective in settling disputes.

Automation: KRA is keen to ensure all round automation of its services for efficiency and effectiveness. Both iTax and iCMS have proven to be game changers in the taxation field and by these KRA and the Industry have largely benefitted.

Refunds: Through KRA, Treasury has increased significantly funding for refunds and by these businesses have enjoyed much needed

Stakeholder Engagement: Through constant dialogue, KRA has been able to remain attentive to Industry needs and accommodate appropriately to ensure both the Industry and KRA profit in their endeavors.

Covid 19 Corporate Business Support Measures:

Speed up payments of verified tax refunds especially for repeat claimants who have a low-risk profile

Tapping into non-traditional (digital economy) revenue streams and scaling up compliance levels among the existing taxpayers,

Trade facilitation and support by the customs department to ensure availability of critical supplies such as food items and health-related supplies and continued access to the international market,

Interventions in the customs department that were scaled up to enhance revenue collections include post-clearance audits, exemption compliance, scanners and RECTs, security bonds, auctions, border enforcement controls, regional verification activities, and monitoring of petroleum units,

Tax base expansion initiatives targeting the informal sector, professionals, landlords, High Net Worth Individuals, e-commerce, digital economy among others,

Strengthening of the debt collection program,

Data-driven compliance focusing on transfer pricing audits, VAT Automation Assessments, investment deduction audits, credit adjustment audits, and credit claims,

Alternative dispute resolutions and independent review of tax objections to unlock tax revenues held up in court cases, and

Utilisation of third party information acquired from intelligence and strategic operations.

Closing Highlights:

The principles and measures defined are critical in your operating environment and engagement in making key decisions in ensuring you meet required standards in terms of tax practices and general understanding of the operating tax environment / the key measures put in place .

CONTACT US

Visit the Kenya Revenue Authority Head Office, Times Tower Building, the nearest Regional office, Support Centres or Huduma Centres.

If you need help to locate our office nearest to you, visit our website www.kra.go.ke for information



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from Monday to Friday between 6.30 am and 6.30pm



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Kenya Revenue Authority



[@kracare](https://twitter.com/kracare)

If we do not honour our promise:

Write to: cic@kra.go.ke

If you are still dissatisfied:

Contact: The Commissioner General on cg@kra.go.ke