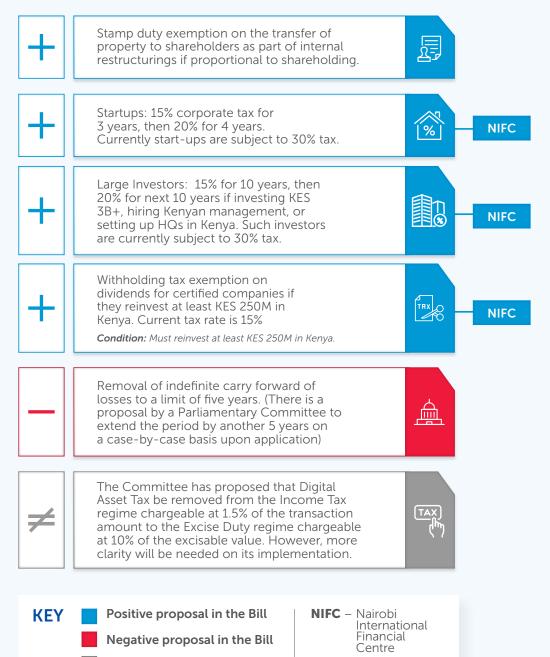
Finance Bill, 2025 Impact on the Financial and Investment Sectors

Kenya's Finance Bill, 2025 sets the stage for major changes in the financial and investment sector, balancing targeted incentives with new limitations.

Key proposals include preferential tax rates for startups and large investors operating through the Nairobi International Financial Centre (NIFC) and a withholding tax exemption on reinvested dividends. Further, the Bill also proposes a shift in the digital asset tax from the income tax regime to the excise duty regime. At the same time, the Bill proposes to cap the carry-forward of tax losses to 5 years (with a proposed 5 year extension on application). Finally, the Bill also proposes a stamp duty exemption for property transfers as part of internal restructurings. If enacted, these changes could shape investor behaviour and influence capital flows in the years ahead.

We unpack the details here:



Gray area in the Bill

