

DOMESTIC TAXES DEPARTMENT

IMPLEMENTATION OF AMNESTY ON INTEREST AND PENALTIES



Miriam Wairimu Macharia

1st September 2023-30th June 2024.

SCOPE OF PRESENTATION

- Introduction
- Points to note
- Amnesty publicity
- Areas of support from stakeholders

Tax Amnesty

all you need to know



INTRODUCTION

❑ Finance Act 2023 introduced a tax amnesty of interest, penalties and fines on tax debt by inserting Section 37E to the Tax Procedures Act, 2015. It also deleted the waiver (Sec 89(6)(7)&(8)) and write-off provisions (Sec 37).

The amnesty is applicable to taxpayers who;-

- ❑ Did not have principal tax due by 31st December, 2022 (automatic)
- ❑ Had outstanding principal tax for periods prior 31st December, 2022 but pay the same by 30th June, 2024.



1. Penalties,
2. Interest,
3. Fines

on Principal Taxes accrued for the period up to 31st December, 2022.

INTRODUCTION CONT.

- ❑ Tax amnesty will be applicable on all interest, penalties and fines on tax debts relating to tax periods up to 31st December 2022 (including all assessments for periods prior to 31/12/2022 raised later)
- ❑ Amnesty will be granted per period per obligation as opposed to per pin.
- ❑ Despite applying for the amnesty, where any principal tax remains outstanding past 30th June, 2024 in a given period, that period will not qualify for the tax amnesty.
- ❑ Debt accruing from 1st January, 2023 do not qualify for amnesty or waiver. All principal taxes, interest, penalties and fines must be paid or enforced.

POINTS TO NOTE

- ❑ Treatment of year end transactions.
- ❑ Exclusions from amnesty-ECCMA, Current year, Section 85 penalties
- ❑ How KRA is effecting amnesty in the system-notifications
- ❑ Treatment of objection cases and invalid debt cases-ledger correction, uncaptured payments, objection decision, system issues.

AMNESTY IMPLEMENTATION PROGRESS REPORT

- ❑ Shared tax amnesty guidelines for staff and Taxpayers

<https://www.kra.go.ke/popular-links/guidelines-on-tax-amnesty-2023-2024>

- ❑ Developed and implemented tax amnesty system solution in iTax



Firefox PDF
Document

- ❑ Have been carrying out various stakeholder engagements on tax amnesty-check our social media pages for updates

- ❑ Public notice shared email messages to taxpayers send and updated on KRA Website (FAQs, Guidelines etc.)



Firefox PDF
Document

- ❑ President is on the front line advocating for tax amnesty-

<https://youtu.be/vQpPXra54pU?si=YYYOCF2SKG1nsZZI>

AREAS OF SUPPORT FROM LTO STAKEHOLDERS



- Be our voice to other taxpayers to sign up for the amnesty.
- Sign up for the amnesty. Some taxpayers have applied for the amnesty while others are paying without application (apply to avoid any further recovery measures)
- Provide any requested reconciliation documents so as not to miss out.
- Avoid accruing new debts since debts from 1st January 2023 are not subject to waiver/write off following deletion of Sec 89 and 37 of TPA.
- Report on any concluded objection cases still showing wrong amounts
- Consider out of court settlements to take advantage of the amnesty
- Provide P9s to employees to enable them file their returns and benefit from tax amnesty for periods they were non-filers

AREAS OF SUPPORT FROM LTO STAKEHOLDERS

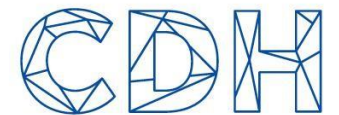
- Report on any assessments not clearly captured in the system to fast track correct capturing and conclusion for amnesty purposes.
- File all missing returns-including legacy period
- You are encourage to consider voluntary disclosures for periods previously declared so as to take advantage of the amnesty.
- Report any periods with pending return amendment or system challenges for fast tracking





How to benefit from the tax amnesty programme

WEBINAR | 14 November 2023



CLIFFE DEKKER HOFMEYR

INCORPORATING
KIETI LAW LLP, KENYA

About CDH Kenya (Kieti Law LLP)

Kenya Office

CONTACTS

Tel. +254 710 560 114 Tel. +254 731 086 649
Tel. +254 20 440 9918 Email: cdhkenya@cdhlegal.com

PHYSICAL ADDRESS

Merchant Square, 3rd floor, Block D,
Riverside Drive, Nairobi, Kenya

Key Contacts



SAMMY NDOLO
Managing Partner

E sammy.ndolo@cdhlegal.com



CLARICE WAMBUA
Partner

E clarice.wambua@cdhlegal.com



NJERI WAGACHA
Partner

E njeri.wagacha@cdhlegal.com



DESMOND ODHIAMBO
Partner

E desmond.odhiambo@cdhlegal.com



SHEM OTANGA
Partner

E shem.otanga@cdhlegal.com



ALEX KANYI
Partner

E alex.kanyi@cdhlegal.com



MARTHA MBUGUA
Partner

E martha.mbugua@cdhlegal.com



LYDIA OWOUR
Partner

E lydia.owuor@cdhlegal.com

Our practice areas

- Tax And Exchange Control
- Competition Law
- Banking and Finance
- Corporate and Commercial
- Dispute Resolution,
- Employment Law
- Environmental Law
- Real Estate Law
- Trusts and Estates
- Intellectual Property

The Firm received recognition for outstanding standards of practice and legal service delivery, having been ranked as 1st Runners up in the Large Law Firm of the Year Category at the Nairobi Legal Awards in 2022 and 2023.

Our Partners are ranked highly by Chambers Global, Legal 500 and IFLR 1000.

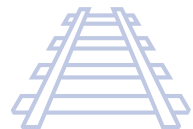
3 quick steps



Understand how the programme works



Review your compliance status



Come up with a payment plan

Questions and Answers



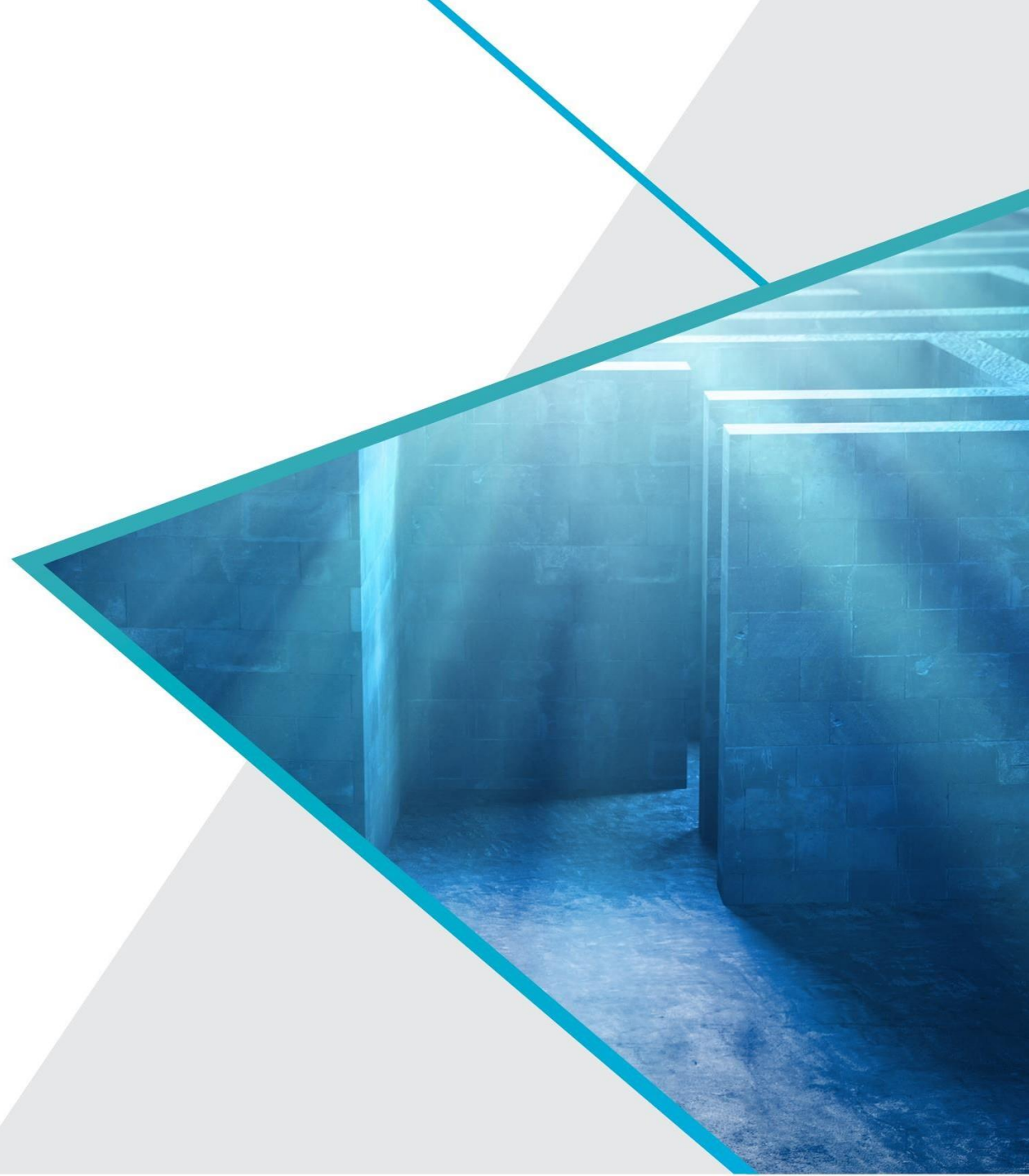
Speaker



Alex Kanyi
Partner

Practice areas
Tax & Exchange Control
Corporate & Commercial
Dispute Resolution

Contact Details
alex.kanyi@cdhlegal.com



COPYRIGHT

All rights reserved. This presentation and/or any part thereof is intended for personal use and may not be reproduced or distributed without the express permission of the author/s.

© 2023



CLIFFE DEKKER HOFMEYR

INCORPORATING
KIETI LAW LLP, KENYA