



## VAT Standard rate

VAT standard rate in Kenya in 2023 is 16%, which applies to supplies of goods and import, with certain exemptions like agricultural products or supplies of goods to Special Economic Zones, which are zero-rated. Export of goods in Kenya is also zero-rated.

## VAT registration threshold

If the revenue of the businesses exceeded KES 5 million (approx. EUR 30,000) for the last 12 month, they must register for VAT purposes in Kenya. Voluntary registration is permitted for persons making or planning to make taxable supplies.

## Deductible VAT

Businesses can reclaim input tax by deducting it from output tax. Expenses that are not relevant to the business cannot be claimed for deduction. Input tax is not recoverable to the businesses that are not registered for VAT purposes in Kenya.

## Registration procedure

Businesses, which are VAT obligated must apply for Personal Identification Number (PIN), connect to the eTIM system and send the services request online within 30 days they have exceeded the registration threshold in Kenya. It can also be done in person by visiting the Kenya Revenue Authority office.

Non-resident businesses that do not have a permanent establishment in Kenya must appoint a tax representative.

## **Keeping records**

The period of keeping records in Kenya must be at least five years.

## **VAT returns filing and payment date**

Business must submit returns online and pay VAT in Kenya on monthly basis via iTax. The deadline is the 20th of the month following the reporting period.

## **Penalties in Kenya**

Penalty for late filing of VAT – 5% of the tax due or KES 10,000 (approx. EUR 60) depending on which is higher.

Penalty for late payment – 5% of the tax due and an interest of 1% per month.



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