

30
JUNE

the Kenya Revenue Authority
deadline for filing tax returns
every year

File tax returns on time to avoid penalties

ACCOUNTABILITY

EVANS KURGAT
Communication practitioner

It is baffling that some Kenyans would want to put themselves in trouble of tax penalties while they are easily avoidable. Sadder is that despite the Kenya Revenue Authority (KRA) reminders and guiding on how to do it on iTax platform, some still ignore it and wait until last minute or fail to file totally. Those who later regret are job seekers who will have to pay the non-filing penalties of Sh2000 to obtain tax compliance certificate, a document that is totally free and can be generated on the iTax platform by the click of a button.

Those filing a Nil return should never have any excuse for not doing so as this is a one-minute effort. This process is so easy and faster compared to the pain of having to pay a sizeable penalty after June 30 during these hard economic times just for failing to make that little effort.

And, by the way, those who don't know how to file do not need to worry. The Kenya Revenue Authority (KRA) is at the ready to do the filing if you make yourself available. All you require is visiting their offices across the country.

NIL RETURN

If you do not know how to file, you have the option of calling the KRA. In fact, the taxman has filled our email inboxes with reminders to file the returns.

According to tax experts, a return is a declaration made by a taxpayer to show income they have made over a period of time, with details of payments, and

refunds due on taxes. The returns are an accountability measure for monies made by an individual or a business.

Prior to filing a return, we need to understand which tax obligation(s) we have to accurately account for the income earned in the previous year.

Additionally, some returns are filed monthly, such as Value Added Tax while others are done annually within the January to June window provided by the KRA.

If you did not earn any income in 2021, you are required to file a Nil return.



The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations. Send via e-mail to bdf@feedback2@kenationmedia.com

How to move from employee to entrepreneur

mercantibus
and author Robert T.



unemployed.
Sadly, at every school – from

BLOOD DONOR DAY

Donating blood act of selflessness that replenishes health

HEALTH

BRANWELL KARANI &
AGNETY KARAN
Nurse and student at Rongo
University

tion of blood will offer many health benefits and reducing risks. This strict regulation of blood banks will mean that a donor is safer than those who do not donate it, at all. Again, the donated blood saves more lives of people in need during either emergencies or regular procedures that require enough stocks. Regular blood donation will also help to reduce the weight of the donors, thus helping with fitness goals.

Yearly, about 118.54 million blood donations are registered worldwide. And the world Blood Donor Day is commemorated each year on June 14 to create awareness on the need for safe blood and blood products.

With more than 35 percent of the global blood donations

DOCTOR'S OPINION

This is helpful for people who are obese and have a higher risk of cardiovascular

pointment at a hospital a few miles away from my house.

Before I joined the busy Thika Super Highway, I thought about the past few weeks and especially about how my choice of early hospital appointments was eating into my cherished sleep.

I had selected these times to be attended to for many reasons but most importantly to be able to still attend to work-related duties with minimal interruptions.

There was this boda-boda on high speed with a tiny little child clad in uniform, a hood on their head and a heavy backpack hanging loosely on their back.

I saw a group of children as young as four years sniveling in that wee hour as they waited at bus stops for

consequences.

More children were walking hand in hand along the roadsides to school and most worryingly unaccompanied.

At this juncture, several thoughts flashed to my mind: How can the earliest passengers in city-bound matatus and buses be the youngest and most vulnerable population?

If a child is on the road or catching a bus at 5 am, when did they wake up?

Did they sleep early enough to wake up this early? Who is preparing these little ones or is it the duty of the house helps too? Did they have something to eat this early?

Other questions were: Was there anyone to make them some warm milk, a piece of toast and to encour-

Don't our children need adequate sleep? Are there no policies that address these questions?

Of course, it is you and I, therefore, challenge all of us to speak up and act to save our future - our children. According to an article dated June 9, 2020, studies have shown that children who regularly get an adequate amount of sleep have improved attention, behaviour, learning, memory and overall wholesome mental and physical health.

Establishing a healthy sleep pattern in early life is very important for child development.

DR BECKY ISANDA
Disability Practitioner at KU
enyatta University

File your tax returns to avoid unnecessary fines

It is baffling that some Kenyans would want to put themselves in trouble by paying unnecessary tax penalties over what they can avoid through minimal effort.

Despite the Kenya Revenue Authority reminding us way before the deadline to file our taxes and guiding us on how to do it on the Itax platform, some would still ignore and wait until the last minute or fail to file their tax returns.

Those who will later regret are job seekers who will have to pay the non-filing penalties of Sh2000 for non-filing to obtain the Tax Compliance Certificate, a document that is free and can be generated on the Itax platform instantly without any hassle like the other statutory documents.

Those filing a nil return should

never have any excuse as to why they did not file as this is a one-time effort.

Those yet to file their 2021 tax returns may have no clue how the process is easy and faster compared to the pain of having to cough out the Sh2000 penalty after June for failing to make that little effort.

Those who don't know how to file returns do not need to worry because KRA staff can always assist you in their designated offices.

If you do not know how to file your returns, you have all the options to call or visit KRA offices.

KRA has filed our email inbox with reminders and all kinds of file your tax information.

According to tax experts, a return is a declaration made by a taxpayer to show the generated income they

have garnered over some time, with details of payments and refunds due on taxes during a specific tax period.

The returns are an accountability measure for monies made for an individual or an entity.

Before filing a return, we need to understand which tax obligation(s) we have to accurately account for the income we earned in the previous year (s).

Additionally, some returns are filed on a monthly basis such as VAT, while others are done annually during the January to June window provided by KRA.

If you did not earn any income in 2021, you are required to file a Nil return.

EVANS KURGAT
Communication practitioner



World Food Safety Day

"My best wishes on World food safety day... 3 million people die due to spoiled food items. According to the World Health Organization, one in 10 people get sick every year from contaminated food or food containing bacteria. Worldwide, this figure of sick is about 600 million".

MIMPATEL
@MIMPATEL1

"If the world does not widen its gaze from the war in Ukraine and act immediately, an explosion of child death is about to happen in the Horn of Africa. We have just a third of what we need this year. Our call to the international community is to commit new, additional funding to save lives".

Rania Daggash
Deputy regional director of UNICEF

chain systems. The World Hunger Program has come up with an initiative that has affected regions by setting aside Sh317 billion for displacement to help the affected regions.

Population growth rates have been high, at 2.5 to 3.5 per cent, and are still at least 2 per cent everywhere.

The momentum for future increases in the population remains strong because of the age structure and youthful population.

This leads to a high population hence more hunger in the community.

The fertility and mortality rates are high and the low prevalence of contraception use almost everywhere means that there is little chance of a decline in fertility in the immediate future. Family sizes are large, especially in rural areas, and the dependency burden is high and exacerbated by the devastating impact of HIV/AIDS, which strikes the working-age population hardest.

The secondary economic and social impacts of the pandemic have driven millions worldwide deeper into poverty, and these impacts persist for children and their communities throughout Africa. A decline in income opportunities, lost livelihoods, diminished purchasing power and limited access to basic food and services have continued to date.

Drought has become more frequent and intense in recent years in West, East and Southern Africa. This affects food-production systems in fragile contexts in similar ways that conflict does. Less food and water also lead to the death of livestock in affected areas.

Bramwell - Wellcare Medical Centre and Karani Student or



Echoes of digital migration in telco rates impasse

The current disquiet that has met attempts to reform the telco industry is reminiscent of the situation in the broadcast industry during the digital migration.

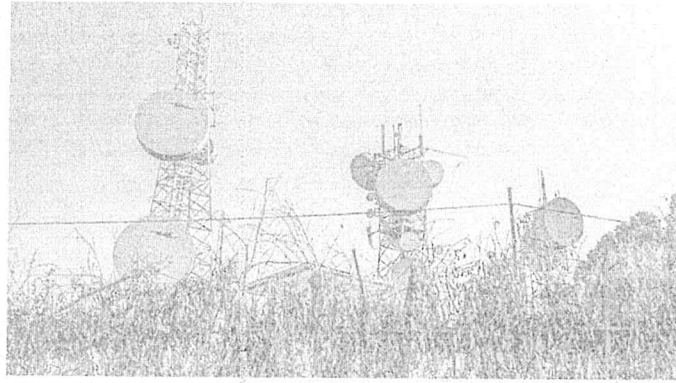
When Kenya set off on the switch from analogue to digital television, the main players resisted vigorously. They made statements, moved to court, switched off their signals temporarily in protest and even peddled half-truths to dissuade the move. They only acquiesced after realising that they were not having their way.

Such has been with the regulator's review of interconnection rates at the end of 2021. Similarly, the main telco player has been protesting ever since.

The matter is before the Communications and Multimedia Tribunal and all sorts of claims are flying around.

Besides the somewhat analogous reaction to the regulatory action, there could be learnings for the telco industry from its broadcast cousins.

Most importantly is that the resisters have ended up among



Communications Towers at the top of a hill. --AFP

the greatest beneficiaries. Many years into a digital dispensation, the dust has settled and the position of the big three broadcasters remains unchallenged.

In the same way, the current resistance to the fixed and mobile interconnection rates is largely unfounded and mostly fear of the unknown. Rather than spell doom, the reforms in the telco industry are a boon to the resisting players too.

The benefits of the telco reforms are likely to be a lot more widespread and egalitarian across the industry. Just as reforms unlocked fresh oppor-

tunities in broadcast, heralding a burgeoning content creation ecosystem, they will be a harbinger of good things for the telco industry. It helps that the regulator has laudably signalled a commitment to accelerate and deepen reforms for their utilitarian value.

At a bare minimum, levelling the playing field will lead to proper and fair competition, translating into more valuable and innovative solutions, and lower prices. With credible competition, operators will finally be profitable, unlocking existing and fresh investment.

The bigger lesson for the telco operators is to look beyond the current industry structure and not get stuck in market leadership. This is a strategic chance to innovate and unlock new opportunities.

However, it appears that it is only the smaller players that see things in this way. In its reaction, Airtel highlighted benefits for the consumer in the review of the interconnection rates, facilitating calls across networks without worrying about costs and growing mobile penetration.

On its part, Telkom stated that the review is timely and a progressive step towards making voice services more affordable and accessible to Kenyans.

This is the mindset that the entire industry needs to adopt.

Let the industry give reforms and competition a chance while keeping its eyes on the bigger picture. It is more about the ecosystem in totality rather than one dominant player. Let us learn from the digital migration.

Kenneth Basanga, Nairobi, via e-mail

Educate citizens on tax obligations to boost compliance

It is almost that time the Kenya Revenue Authority runs its annual campaign to promote the filing of returns among taxpayers, resident and non-resident citizens.

The tax agency, like others in developing countries, is grappling with strategies to meet

revenue targets amid the negative economic effects of the Covid-19 pandemic. For developing countries, tax base expansion is among the strategies.

Knowledge about various tax obligations can change taxpayer attitudes and compliance. Tax education plays a key role if

voluntary compliance is to be realized.

Citizens who are better educated about taxes are able to easily navigate the complex tax requirements to comply. Tax ignorance has only lately been proved to damage tax morale, and as a result, will have a direct

impact on compliance. Citizens who do not understand the tax system may consider some of the taxes placed on them to be excessive or unfair. It is important to educate ignorant citizens about their tax obligations.

Evans Kurgat, Nairobi, via email

KRA accredits seven companies to join Authorised Economic Operators programme.

by Evans Kurgat



Representatives from different companies display the East African Community (EAC) Authorised Economic Operator (AEO) program certificates that were recently awarded by KRA. The companies will enjoy favourable trade logistics treatment within the region. The awarded firms include Mitchell Cotts Freight Ltd, Haco Tiger Brand Company Ltd, Freight In Time Company Ltd, Acceller Global Logistics, Bayer East Africa Ltd, Vision Enterprises and Regional Entrepreneurs (R) LTD. The certificates were presented by Chief Manager, Bonds Management Unit, Ms. Jane Ombui (C) on behalf of Commissioner for Customs & Border Control.

KRA has accredited seven Kenyan companies to join the East African Community (EAC) region's Authorised Economic Operators (AEO) programme.

The AEO programme is a trade facilitation initiative contained in the World Customs Organization (WCO) Safe framework of Standards, derived from the Revised Kyoto Convention and is aimed at securing the global supply chain while facilitating legitimate trade. The programme shares in the mandate of KRA, which focuses on trade facilitation, protection of society and revenue collection. KRA is also keen on enhancing mobilisation of government revenue and facilitating growth in economic activities and trade by ensuring compliance with tax and customs laws.

The programme, also referred to as 'blue channel' involves according highly compliant players in the trade sector comprising importers, exporters, clearing agents, transporters and shipping lines to enjoy favourable treatment by Customs within the EAC region. The privileges include being accorded priority in cargo clearance and recognition as low risk

company, hence less Customs controls and faster clearance procedures.

KRA adopted the AEO programme in 2008, where few companies successfully met the conditions set out in the vetting process for accreditation. Currently, there are 295 accredited companies, out of which only 19 have accreditation certificates at Times Tower are Mitchell Cotts Freight Limited, Haco Tiger Brand Company Limited, Freight In Time Company Limited, Acceller Global Logistics, Bayer East Africa Limited, Vision Enterprises and Regional Entrepreneurs Kenya Limited.

AEO companies have posted a growth in compliance revenue collection for the last five years. For example, in the FY 2020/2021, AEO companies posted overall performance of 27.64%, which was growth, compared to 24.02% in the FY 2017/2018. This demonstrates the need for concerted efforts in recruitment of more companies to join the programme.

Establishment of the regional AEO programme is part of the reforms undertaken to foster mutual recognition of

national AEO Companies by EAC member states. The regional programme is envisaged to eliminate bottlenecks to trade facilitation by adopting initiatives geared towards ease of doing business and utilising the EAC harmonised and simplified customs processes and procedures.

KRA is keen on realising the benefits of the AEO programme both nationally and regionally, to consequently improve trade turnaround time from within and across the borders. Through the regional AEO programme, accredited companies will continue to demonstrate improved customs compliance from across the supply chain and subsequently improved revenue collection. This will eventually deepen and foster expansion of regional integration and bilateral trade agreements among EAC member states and across the globe. The regional AEO programme will also give Kenyan companies the opportunity to explore other markets and subsequently widen the trade and business scope.

Commissioner urges staff to relentlessly pursue career goals

by Gedion Ojala

Commissioner for Investigations & Enforcement (I&E) Dr Edward Karanja has urged staff to prepare themselves for career growth and work hard towards achieving what they aspire for. The Commissioner spoke during a virtual engagement dubbed 'Bonga na Commissioner' with all I&E staff from across the regions.

The two-hour session provided an opportunity for Dr Karanja to shed light into his career journey spanning more than 30 years. He underscored the importance of remaining steadfast and relentless in pursuit of one's dreams. "Remain focused, have a positive attitude, work hard and acquire skills that will prepare you for your next assignments. Look at where there are opportunities and go after them," Dr Karanja advised staff.

Responding to questions on career progression, the Commissioner noted that success does not come 'overnight'. He cited his own example, explaining that he worked in the same grade at KRA for 11 years. "But this did not give me a reason to give up on my dreams. I instead continued working hard and positioning myself for higher roles," Dr Karanja added.

The Commissioner said that all staff have equal opportunities, regardless of where they are based and they should not shy away from applying for positions when vacancies are advertised. He added all that staff need to do is demonstrate their capacity and the contribution they would make.

Dr Karanja noted that investing in staff capacity is a priority



Commissioner for I&E Dr Edward Karanja during a virtual 'Bonga na Commissioner' session with staff.

for quality results to be achieved. The Commissioner committed to helping assist achieve their career goals while at the same time balancing their other aspects of life. "I understand that I am dealing with employees who have other issues to take care of. It is important that I deliberately take interest in your affairs. Whenever staff have issues that might affect their performance in one way or the other, I am ready to listen and explore the

available options," Dr Karanja noted.

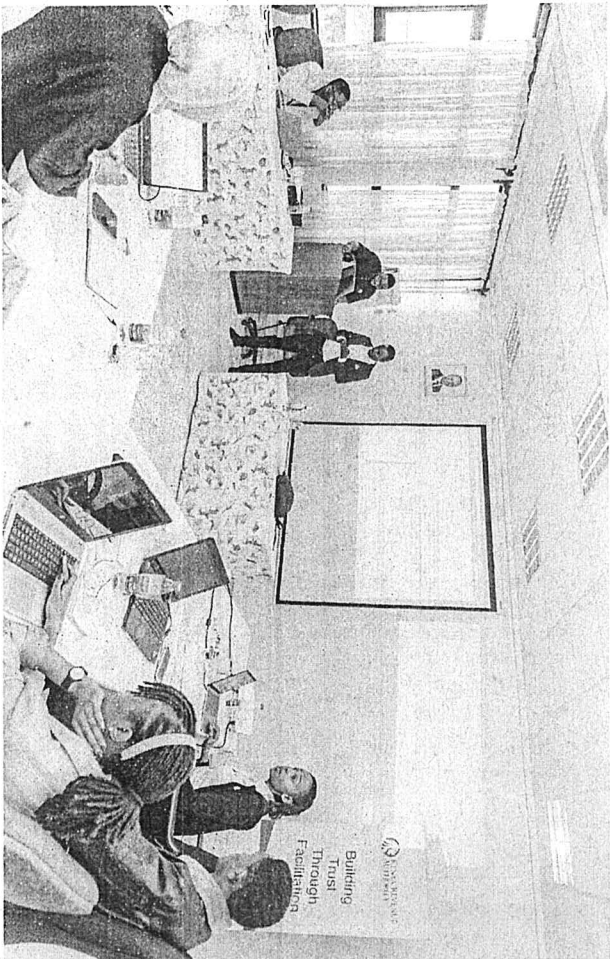
The Commissioner said he has an open-door policy and he is accessible any time staff want to engage him. During the session, he addressed a range of issues raised by staff, including career progression, welfare and performance among other issues.



KRA Website Translation

Kikundi maalum cha wafanyikazi wa KRA chatafisi tovuti

na Evans Kurgat



Majadiliano baina ya wafanyikazi wa KRA waliotafisi tovuti.



Wafanyikazi kutoka idara mbalimbali walioshiriki hafla ya kurafisi tovuti ya KRA.

Je, wewe ni mpenzi wa lugha ya Kiswahili? Ugependa tovuti ya KRA katika lugha ya Kiswahili? Basi, hili si tamamo tena, bali huu ndio uhabisia wa mambo sasa. Kuanzia Machi 31, 2022, toleo la tovuti ya KRA katika lugha ya Kiswahili lipo, baada ya kukundi maalum cha wafanyikazi kukamilisha tafsiiri.

Kikundi hiki kilikongamana kuanzia Machi 28, 2022 hadi Aprili 1, 2022, katika Shule ya Serikali ya Kenya (KSG) jijini Nairobi. Madhumuni ya kikao yalikuwa kujadili vipengele mbalimbali wa tovuti ya KRA na kuvitafisi kwa lugha wa

Mawasiliano ya Habari (ICT): Evans Kurgat, Sophie Marami na Kwahe Rading' kutoka idara ya Mawasiliano (M&C).

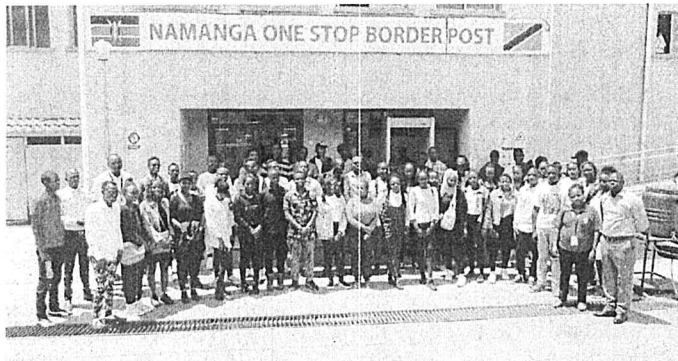
Kikao hicho, kilichoandaliwa na Kitego cha Mawasiliano ya Kidijitali ambacho kimo katika Idara ya Mawasiliano (M&C), kilichukua siku tano. Timu hiyo ilijadili vipengele kadha wa kadha vinyavyohusu tafsiiri ya tovuti, ikangalia kila sehemu ya tovuti kwa undani ili kupata tafsiiri sahihi. Njia zilizotumika katika maafikiano kwa kila neno lililotafsiirwa zilikuwa madendekezo, maiadiliano, malumbano, kutathmini

Kiswahili kimesalia kuwa na ushawishi mkubwa zaidi kwa sababu ndicho kitovu cha usani wa kawaida wa Wakenya. Kinazungumzwa na kueleweka zaidi na walipakodi.

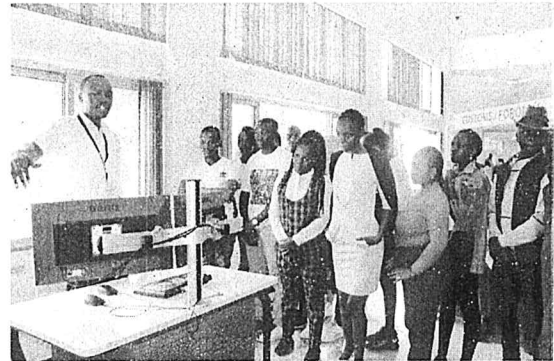
Ujumuishaji wa Kiswahili katika tovuti utahakikisha kuna urahisi wa kuelewa vipengele muhimu vya KRA na kuwavutia walipakodi. Kwa sababu ya ugumu wa maelezo kuhusu utifu wa kodi na forodha, kikundi husika kilitoa mapendekezo kuwa kuna haja ya kuendelea kwa urhbitishaji wa lugha ili kuhakikisha kuwa tovuti iliyotafsiirwa haitofautiani au kupoteza

KESRA students tour Namanga OSBP

by Stellamaris Mwarari



Namanga OSBP Deputy Station Manager Mr Moses Namuya (extreme right) with KESRA students.



Mr Donat Odwar of Namanga OSBP takes the students through operations of the facility.

The Namanga OSBP recently hosted students from KESRA's Nairobi campus who were on an educational tour. Deputy Station Manager Mr Moses Namuya welcomed the students and encouraged them to utilise the opportunity to learn more outside the classroom. They were taken through the daily processes and procedures within the

OSBP. The students visited the mobile scanner, baggage hall, warehouse and the verification area.

Head of the Scanner Unit Mr James Mutisya explained how the mobile scanner has contributed to trade facilitation by reducing the time used to scan cargo through the non-intrusive inspection technique.

Mr Donat Odwar highlighted some of the measures that KRA has put in place to facilitate trade and ensure maximum revenue collection. The measures include implementation of risk management policies, advance electronic information and partnering with the private sector.

Eldoret TSO staff participate in Kaptagat tree-planting exercise

by Jerusa Sunguti & Diana Dorine



Eldoret TSO staff during a tree-planting exercise at Kaptagat Forest, Uasin Gishu County.

Eldoret TSO staff recently participated in a tree-planting activity organised by the Eldoret Water & Sanitation Company (ELDOWAS) at Kaptagat Forest in Uasin Gishu County. The exercise followed the inaugural Climate Action Conference under the theme, 'Connecting Minds, Securing the Planet'. The event, which was organised by ELDOWAS and its partners, aimed at bringing out the adverse effects of changing climatic conditions on water sources and supply.

ELDOWAS Managing Director Mr Peter Bivott called on all stakeholders to encourage the youth to conserve catchment areas through tree planting, use of green energy like biogas and adopt new farming models. "Currently, we do not have enough water to meet our needs and this calls for a refocus of disposal or reuse of our waste water. This also means we need to invest more in educating our communities on mitigating water scarcity," he said.

Other stakeholders present were Uasin Gishu County Government, the Kenya Forest Service, Water Services Regulatory Board, Standard Kenya and Jambojet. A total of 410 seedlings were planted.

The KRA website was recently translated into Kiswahili by a team of KRA staff. The translation aims to make the portal more user friendly by giving users an additional language to choose from. In the spirit of promoting and building our skills in the Swahili language as KRA staff, the NewsFlash team will once in a while give staff a chance to present content in Kiswahili.

Umuhimu wa elimu katika ulipaji wa kodi kwa hiari



Evans Cheruiyot na Patrick Kamami

Kila mwaka, Mamlaka ya Mapato, Kenya (KRA) huendesha kampeni ya kuwahimiza walipa kodi zaidi kuwasilisha mapato ya kodi. KRA imebuni mikakati mbalimbali kufikia malengo yake ya ukusanyaji ushuru wa kila mwaka wa kifedha, licha ya uchumi wa nchi kuathirwa vibaya na janga la Korona.

Upanuzi wa sekta ya walipakodi ni miongoni mwa mikakati iliyobuniwa na KRA. Ufahamu wa aina mbalimbali za kodi nchini unaweza kubadilisha mtaazamo na utiifu wa kulipa kodi. Elimu miongoni mwa Wakenya ina jukumu kubwa ili kuafikia ulipaji wa kodi kwa hiari, hivyo wanachi wakiva na ufahamu wa kodi mbalimbali nchini, ni rahisi kuwa watiifu wa kodi.

Ujahili wa maswala ya kodi una madhara ya moja kwa moja katika utiifu wa ulipaji kodi. Wananchi ambao hawawezi mchakato wa kodi nchini huenda wakafikiria na kulalamika kuwa baadhi ya kodi wanazotowza si halali/haki au ni za kiwango cha juu sana.

Hivyo basi, wananchi wanapaswa kuelimishwa umuhimu wa ulipaji kodi kama vile kugharamia huduma za umma ambazo huchangia ukuzi wa sekta mbalimbali. La muhimu zaidi ni kuwa jukumu la kuwaelimisha wananchi si la KRA pekee, bali ni ushirikiano na taasisi mbalimbali kama vile shule, wafanyi biashara na mashirika yasiyo ya kisirikali.

Juhudi za KRA kuwaelimisha walipa kodi katika sekta rasmi na zisizo rasmi ni Dhahiri. KRA imekuwa ikitumia mifumo mbalimbali kama vile mitandao ya kijamii, programu katika shule za upili na za kiufundi na vyombo vya habari kutoa mafunzo ya kodi.

Programu za elimu ya kodi katika taasisi za kielimu zinunua kuwaelimisha wakenya wa umri mdogo umuhimu wa kulipa kodi na pia kushawishi jamii kuchukulia ulipaji kodi kama jukumu lao. Hivyo basi, elimu ya kodi ni muhimu kuhakikisha walipakodi wanawajibika malipo yote. KRA ina jukumu la kuboresha zaidi mbinu zinazotumika kuwaelimisha walipakodi.

KRA Library information resources

by **Mary Mwendwa**

Information is very important in today's society. In the KRA context, it is even more important because staff need the right and updated information for research and decision-making in work-related assignments, as well as on personal basis.

Technological advancements and innovations have changed libraries from storehouses to gateways of information. ICT has completely changed the scenario of traditional libraries and meaning of information storage, preservation and dissemination. Significantly, any learning organisation or system puts an effort either to make itself suitable for the emerging requirements of the environment or change the

environment in which it exists.

To align library services to user information needs, the KRA Library adopted a hybrid nature in building its traditional and virtual collection. The KRA traditional library collection comprises of over 6,000 print resources (books and non-book material) while the electronic library comprises of over, 100,000 e-books and over 100,000 peer-reviewed journals, all in diverse subjects (Business, Law, Management, Sciences & Arts). This has enabled the library to respond well to varied information seeking behaviours of KRA staff.

The KRA electronic library is accessible 24/7 remotely from user location or within KRA network via KRAHub. The

traditional I from 7:00AM holidays. K kvaresource KRAHub (C online-servi For mor physical lib library, call libraries are

Distribution of KRA Libraries & contacts

#	Region	Location	Telephone Contact-Extensions	Email address
1	Nairobi	Nairobi, Times Tower, 33 rd floor	2001/2022/2020/2007/2004 (Cisco)	library@kra.go.
2	Southern	Mombasa, Forodha house 4 th floor	5074 (Cisco)	southernregior
3	Western	Kisumu), Lake Basin Mall 2 nd floor.	0729308169	westernresourc
4	South Rift Valley re-gion	Nakuru, Generation house 4 th floor	8458 (Cisco)	SRVRLearningr

Have you filed your 2021 returns?

by **Evans Kurgat**

To foster economic growth and development, governments need to sustainably fund social programmes and public investments. Health, infrastructure, education, and other public services are crucial for a prosperous, functional and orderly society. Taxation not only pays for public goods and services, but is also a key ingredient of the social contract between citizens and the economy. How taxes are raised and spent can determine a government's legitimacy. Holding governments accountable encourages the effective administration of tax revenues and, more widely, good public financial management.

Every year, KRA runs a campaign reminding every taxpayer with an active PIN to file their income tax returns on or before **30th June**. A penalty of **Kshs. 2,000** is imposed on taxpayers who fail to file their returns by the deadline, according to the

The KRA system automatically imposes a penalty for late filers. Failure to file returns means a taxpayer cannot get a tax compliance certificate, which is a requirement for accessing other government services.

Nevertheless, beyond the legal requirement to file a return, taxpayers who do the right thing play their role in enabling the government to provide basic services to the population. Tax administration is changing as the ecosystem in which it operates becomes broader and deeper, mostly because of digitalisation.

KRA has established a number of digital channels for taxpayers to access services with ease. These channels include the **iTax portal**, **M-Service App**, as well as **USSD Service code** by dialling ***572#**. KRA staff are also at hand to assist taxpayers via social media platforms. As staff, encourage those in your

Msamaha wa kodi kwa Wakenya wanaoishi na ulemavu

by Evans Kurgat



Watu wenye ulemavu (PWD) ni miongoni mwa raia wachache wanaopewa msamaha wa kodi kwa mapato yao. Mpango huu wa msamaha ni wa kila mwezi.

Mwananchi yeyote aliyeye na ulemavu wowote ule hupata msamaha wa kodi kwa mapato ya hadi shilingi 150,000 za kwanza kwa mwezi au milioni moja nukta nane kwa mwaka.

Yeyote anayestahiki kupata msamaha huu lazima atimize mahitaji mbalimbali. Kwanza, lazima awe na ripoti ya tathmini ya matibabu ya ulemavu iliyoithinishwa kwa kutiwa sahihi na mkurugenzi wa huduma za matibabu. Ripoti hii yapaswa kutoa maelezo halisi (asili ya ulemavu) na kiwango cha ulemavu.

Watu wenye ulemavu wanapaswa pia kuwasilisha cheti cha KRA PIN, kitambulisho, cheti cha utifu wa kodi na kadi ya ulemavu ya NCPWD. Nakala ya malipo (payslip) yao ya hivi punde inaweza kuandamanishwa pamoja na barua kutoka kwa

mwajiri wao.

Pia wanatarajiwa kujitwasilisha wenyewe (ana kwa ana) mbele ya maafisa wa Idara ya Ushuru wa Ndani kwa mahojiano ya kutathmini ustahiki wa msamaha wa mapato ya kodi. Maafisa hawa wanapatikana katika kila afisi ya KRA. Wao ndio hutoa msimamo wa mwisho kuhusu ustahiki wa kutotzwa ushuru kupitia hati ya kukiri.

Pia raia wenye ulemavu hawatozwi kodi inapokuja kwa uagizaji wa magari ikiwa yanatimiza mahitaji fulani. Kwa wanaoanza, lazima wawe na barua ya maombi iliyotumwa kwa kamishna wa huduma za forodha, cheti halisi cha matibabu, na leseni ya kuendesha gari iliyoithinishwa ya daraja la H. Pia wanapaswa kuwa na barua halisi ya mapendekezo kutoka kwa Chama cha Walemavu wa Kimwili cha Kenya (APDK) au Baraza la Kitaifa la Watu Wenye Ulemavu (NCPWD).

Masharti mengine ni pamoja na cheti cha utifu/msamaha

wa kodi, ankara ya gari, hati za uhamisho wa pesa taslimu ambazo zililipia gari na bili ya malipo ya shehena hiyo.

Mchakato wa msamaha wa kodi nchini Kenya si jambo gumu, kinyume na wengi wanavyofanya uonekane kama hawajapewa mapendeleo yanayoambatana nayo.

Kupitia elimu thabiti, unaweza kutatua suala tata la kodi kwa urahisi na unaweza kutuma maombi ya msamaha wa kodi wakati wowote unapotimiza mahitaji muhimu. Kila unapotuma ombi hilo, muhimu zaidi ni kuhakikisha umetimiza mahitaji kabla ya kuwasilisha ombi lako.

Licha ya hayo yote, watu wenye ulemavu bado wanatakiwa kujaza marcjesho ya kodi kila mwaka kati ya Januari na Juni 30. Wanapaswa kuwasilisha cheti cha mapato ya kila mwaka (P9) na kuweka nambari ya usajili ya cheti halali cha kusameheva ili kuthibitisha hali yao kama walipa kodi.

KESRA library open to KRA staff

by Jolly Obago

The mission of KESRA's library is to support lifelong learning, educational and personal enrichment of scholars, faculty and staff with leading-edge service, nation resources, facilities and systems. The library manages the campus research collection of electronic print and audio-visual resources.

The KESRA's library book holdings currently are 22,529 in volumes, over 5,599 amongst being Taylor & Francis e-books, as well as compact discs. The collection is accessible through the KESRA library OPAC on-campus via KRAHub (Online Services) or from any location off-campus using the library website. Comprehensive and rich subscribed publishers are available 24/7 off-campus access via RemoteX.

The catalogue has two modes for browsing -basic and power. The basic catalogue search enables you to find items by words or phrase, author, title, subject, series or periodical title. In addition, you can limit your search to a selected branch in Mombasa or Nairobi. On the other hand, the power search allows you to browse by the previous options, as well as ISBN

or ISSN. It also helps one to combine searches with Boolean operators (AND, OR, NOT, or AND NOT) as well as limit your search by item type. Lastly, you will browse the collection by call number (numbers assigned to library material to ease access). Other services include reference and book lending services.

The resources borrowed from the library shall be returned on or before the due date during library working hours. The terms and conditions are in the library rules and regulations. Newspaper clipping services containing vital news about or on KRA subjects that are very useful to the readers are uploaded onto the repository under Digital Archives for users to read at their convenience.

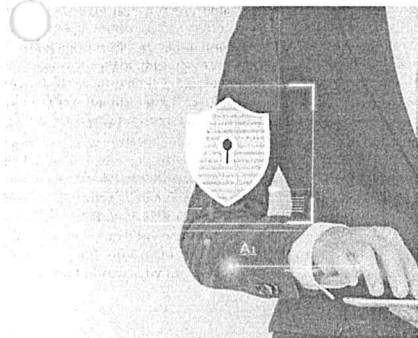
New users go through an orientation programme for effective utilisation of the resources. The entire library is Wi-Fi enabled, where users can use their configuration laptops to access electronic resources subscribed by the library.

Email: kesra.library@kra.go.ke.



What you need to know about the Data Protection and Privacy Policy

by Abdiladif Muhumed, Janet Khainza & Grace Chemorion



High data consumption globally has brought about the need to protect the rights of individuals to ensure a transparent, ethical and lawful ecosystem when processing personal data. This led to the development of Kenya's Data Protection Act 2019, which is in many ways drawn from the European Union's Global Data Protection Regulation (GDPR 2016/679) and gives effect to Article 31 (C) and (D) of the Constitution of Kenya 2010 that contains the right to privacy, a fundamental human right. The Act empowers individuals with enforceable rights over their personal information, while also providing clear guidelines for companies to handle their users' data with care.

On this backdrop, the Corporate Data Office, together with departmental representatives, developed the KRA's Data Protection and Privacy Policy in line with the Data Protection Act 2019 to guide staff and stakeholders on how to manage data throughout its lifecycle while safeguarding personal data.

The policy highlights the legal frameworks, data protection principles, data handling procedures, rights of a data subject, roles and responsibilities of different stakeholders and the consequences of non-compliance. Most importantly, it provides clarity on KRA's responsibility as a data controller and processor, and the structures that need to be put in place to protect personal data from unauthorised disclosure.

As a requirement in the policy, KRA shall also appoint a data protection officer who will enforce this policy and report any data breaches to the Office of the Data Commissioner. In addition, staff have the overarching responsibility of reporting any data breaches to the data protection officer and adhering to the requirements of the policy. Currently, the Corporate Data Office plays the role of the data protection officer and ensures stakeholder adherence to the policy. KRA recognises that adherence to regulatory compliance is a prerequisite to becoming a data-driven revenue administration.

Compliance officer shares experience with KRA innovation process

by Catherine Mbiriri & Audilia Wanjala

Mr Paul Mutuku, who has been a Compliance officer in KRA for seven years and currently stationed at Kisumu TSO, is our innovator of the week. He joined KRA on 25th April, 2016 to support iTax in Western Region and later joined the DTD Corporate Business Compliance team. Since operationalisation of the iINNOVATE platform, Mr Mutuku has submitted three ideas. Two were recommended for consideration and possible implementation and one categorised as 'implemented existing'. Mr Mutuku shared his experience on the KRA innovation process during the World Creativity and Innovation Day on April 21. Below is an excerpt of the conversation.

What is creativity and innovation to you?

Mr Mutuku: I think it is a continuous, everyday process that involves constant improvement, either of existing ideas or coming up with new ones. It is important to look at things critically to identify gaps that can inform creativity and innovation. If we get too comfortable with the status quo, a lot can go wrong without us noticing.

How did you come up with your ideas?

Mr Mutuku: The few ideas I have submitted on the KRA innovation platform are primarily informed by my current role in DTD as a compliance officer. The greater part of my job is revenue oriented. With revenue targets and their delivery as the focus, you must be innovative to survive. All the three ideas are related to DTD revenue targets and their delivery.

How did you know about innovation in KRA?

Mr Mutuku: If you interact with KRAHub more often than not, you would most likely notice the iINNOVATE Platform link. There is also a lot of communication on staff email (lotus) on innovation as well. Perhaps what one decides to do with it depends on their curiosity and interests. Some people ignore it while others take it as an opportunity to improve processes in the organisation.

Walk us through the idea submission process

Mr Mutuku: First, you create an account on iINNOVATE. Creating an account on the platform takes a few seconds, after which you get an email confirmation, with a temporary password to help

you log into the platform. You can then submit your idea by clicking the "Submit Idea" button on the platform. The system will prompt you to upload your idea in a preferred format, say, PowerPoint or word. The Innovation team then follows up on your idea.

How did you find the idea submission process on the iINNOVATE platform?

Mr Mutuku: It is pretty easy and the platform is user friendly. You do however need to make your submission as clear as possible to convince the team of experts and user departments that the idea is worthwhile.

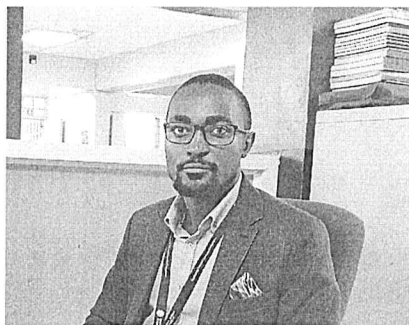
How many innovative ideas have you submitted?

Mr Mutuku: Three, so far. These were 'WHIVAT & Input VAT Integration', 'WHIVAT Threshold & Appointment of Individuals as Agents' and iTax functionalities. After the idea evaluation stage, two were recommended for consideration and possible implementation and one was found 'implemented existing'.

Take us through the journey from idea submission, idea evaluation and idea closure

Mr Mutuku: It is a seamless process. A few weeks following my submission, the Innovation Team contacted me to let me know that they were progressing my idea submissions to the idea evaluation stage. During evaluation, a team of experts from user departments met to critically analyse the idea and determine its feasibility, viability and desirability. The experts and stakeholders were drawn from the user department i.e. DTD, SIRM and P&TA. They polished the ideas and recommended changes where necessary.

Depending on the outcome of the evaluation stage, SIRM may recommend the idea to user departments for possible implementation. The idea will be considered 'implemented existing' if the department is already working on a similar idea. Else, it will be considered not viable based on different factors such as cost of implementation versus the benefits. The Innovation team will also update you on the key status of the idea through formal communication, such as when it is accepted or not.



Mr Paul Mutuku

Overall take on creativity and innovation in KRA?

Mr Mutuku: There is still great potential for innovation in KRA. Staff should be encouraged to take advantage of the opportunity and identify possible areas of innovation and share their creative ideas through designated channels. If every staff puts across his or her ideas, it would greatly benefit the organisation. The digital era and developments in IT provide an even greater opportunity for innovation. We all need to take part in creating a culture of creativity and innovation in KRA.

Are you looking forward to submitting more ideas?

Mr Mutuku: Definitely yes. I am always looking for innovative ways of accomplishing tasks. If you ask me, there is still a lot of potential to improve business processes, increase customer satisfaction and come up with revenue enhancing innovation. The digital era is the engine.

Parting shot

Innovation distinguishes a leader from a follower and there is no doubt that creativity is the most important human resource of all.



Relationship between sexual, gender-based violence and HIV

by Evans Kurgat

Person's will and is based on gender norms and unequal power relationships as described by World Health Organisation (WHO). It includes any form of a non-consensual sexual act, attempt to forcefully obtain a sexual act, unwanted sexual comments or advances, threats of harm or physical force, by any person regardless of relationship, in any setting, including but not limited to home and work.

Sexual gender-based violence affects men, women and transgender people. It is a grave abuse of human rights, a risk factor for HIV infection, and a consequence of stigma and discrimination against people living with HIV. Women's inability to negotiate for safe sex and refuse unwanted sex is linked to high HIV prevalence. Unwanted or forced sex results in higher risk of bleeding and easier transmission of HIV, and in such cases, victims are afraid or unable to negotiate condom use.

Social norms, which may be cultural or religious, low levels of women empowerment, lack of social support, socio-economic inequality, and substance abuse, mainly cause sexual gender violence. The unequal status of men and women is the primary cause of gender-based violence. This inequality includes beliefs that women should be economically dependent on men, and that women and children are a man's possessions and under his control.

To prevent HIV, we must first deal with gender-based violence by doing the following:

1. Educate yourself on the root causes of violence - Violence against girls and women stems from male dominance and the socialisation of men. Become

educated on the roots of violence against girls and women, read books and articles, learn about the myths and realities of gender violence and understand how our society condones it.

2. Stop sexual harassment - Do not engage in any form of sexual harassment, such as catcalling, unwanted touching and be empowered to speak up against friends and peers who do. Do not look the other way.
3. Develop an action plan - Plan what you would do in situations where people you know - or strangers - are being abusive. Sometimes it is easier to interrupt the abuse when you know what you will say beforehand.
4. Stop victim blaming - Do not blame girls and women for how they choose to dress or judge their behaviour. Violence cannot be prevented through limiting the freedoms of girls and women. This only allows the violence to continue because perpetrators become invisible and not held accountable, and those who witness the abuse remain silent.
5. Be a mentor - Volunteer your time to prevent violence by speaking to others. This brings awareness to the issue, which will motivate others to act.
6. Be supportive and believe - When girls and women tell you about violence they have experienced in their lives believe them. It is extremely rare for girls to invent false stories about sexual assault and violence. You may be the first and only person she tells. Believe her and support her decisions without being judgmental.
7. Economic empowerment - Economic empowerment

has long been considered a key component in structural intervention to reduce gender inequality and the experience of gender-based violence (GBV) among women. Increased empowerment reduces GBV because educational or financial empowerment offers higher status in the household, which then decreases women's risk of experiencing GBV.

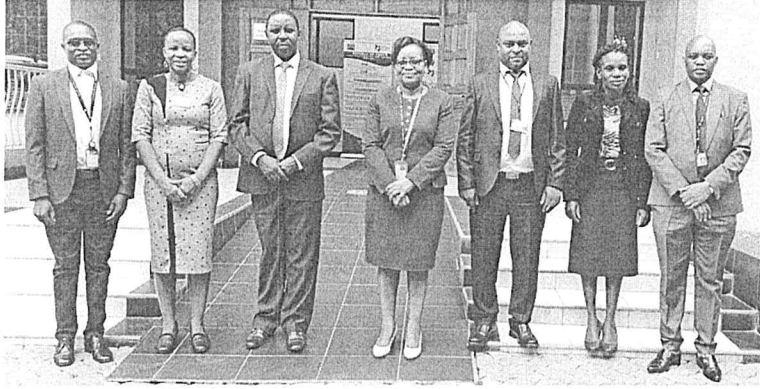
In conclusion, it is critical however, that programmes and research keep pace with these changes by continuing to train on gender inequality and sexual based violence as it is a persistent driver of HIV. Let us not support the notion that violence is caused by mental illness, lack of anger management skills, alcohol and drug use or stress. Remember violence is a choice and it is preventable.

Sources

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Kiambu County Commissioner pledges support to KRA

by Brown Kitheka



Central Region Coordinator Mrs Alice Kiptoo (C) and other KRA staff during an engagement with Kiambu County Commissioner Mr Joshua Nkanatha (3rd L).

Kiambu County Commissioner Mr Joshua Nkanatha has underscored his commitment to collaborating with KRA to ensure that the organisation fulfills its mandate in an enabling environment. He spoke at his office during a meeting with a KRA team, led by Central Region Coordinator Mrs Alice Kiptoo.

Mrs Kiptoo appreciated Mr Nkanatha for the support his office has been offering KRA, ranging from the armed security attached to KRA offices to security provision during field operations.

The RC noted that the multi-agency operation conducted in January 2022 was largely successful due to the existing partnership that KRA has with other government agencies. She added that more collaborations will enhance revenue mobilisation efforts.

Mrs Kiptoo highlighted some of the challenges that KRA faces, such as imposters posing as KRA staff to extort money from unsuspecting taxpayers, which negatively affects revenue collection and puts the organisation's reputation at risk.

KRA is continuously sensitising taxpayers to enlighten them on how to identify genuine staff. Mrs Kiptoo sought the County Commissioner's support in securing intercepted vehicles until the cases are concluded. Kiambu TSO Manager Mr Ephantus Mwangi, Thika C&BC Station Manager Ms Caroline Nyagechi and other managers accompanied the RC.

Southern Region welcomes new attachés

Tommy Neema

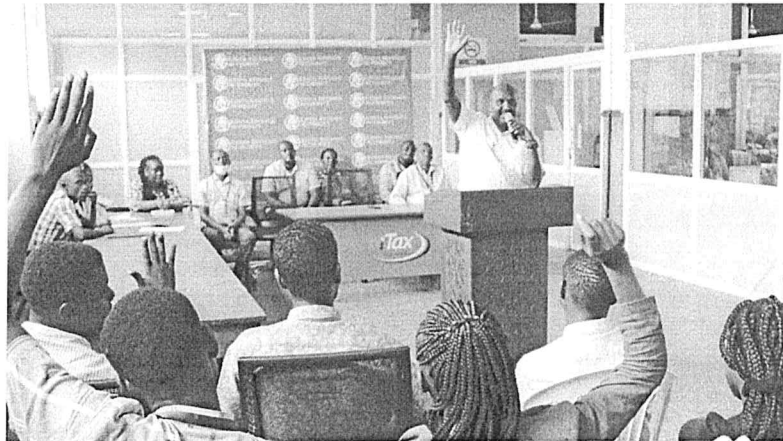
In support of the government's initiative to develop a pool of young talent for the Kenyan labour market, the Southern Region has received 102 students from different institutions for a three-month industrial attachment.

Welcoming the new cohort, Regional Coordinator Mr Joseph Tunoi said the programme gives trainees an opportunity to acquire practical skills. "Attachment is very important because you are exposed to the industry, operations of the organisation and its work environment," the RC said during induction at Customs House. Mr Tunoi urged the trainees to be open-minded and learn as much as they can. "You are lucky to join this team. Take advantage and learn how revenue collection and other aspects of the organisation are managed."

Mr Tunoi reiterated the need to remain disciplined and portray a good image of KRA. He assured the attachés of a conducive work environment. "There is no harassment of any form, therefore feel free and be grateful for joining the institution," the RC remarked.

Regional Head of Human Resources Ms Monica Ogello took the attachés through KRA's rules and regulations. "Each one of you should abide by the set regulations. Observe time and dress decently," she advised.

Ms Ogello encouraged the trainees to develop a positive attitude and be proactive when assigned work to build their skills. She quoted Idowu Koyenikan, the author of *Wealth for All: Living a Life of Success at the Edge of Your Ability*, "Even though your time on the job is temporary, if you do a good enough job, your work there will last forever."



Southern Region Coordinator Mr Joseph Tunoi addresses attachés during their induction at Customs House, Mombasa.

How Kenya benefits from association with OECD

by Evans Kurgat

In 2015, the Organisation for Economic Cooperation and Development (OECD) and G20 came up with an international framework to stimulate economic progress through combating tax avoidance by multinational enterprises using a Base Erosion and Profit Shifting (BEPS) mechanism. The initiative aims to seal tax loopholes so that corporations cannot shift profits from a country with high corporate tax rates to countries with low tax rates.

The OECD approximates that \$100 to \$240 billion is lost every year through BEPS. This is equivalent to 4-6% of the overall global corporate income tax revenues. Governments lose the much-needed tax revenues from some of the largest companies in the world. These funds would otherwise provide public services such as education, healthcare, infrastructure and welfare management. Either citizens lose out by having to foot bills through higher taxes for services that would have been funded by corporate income tax revenues, or going without

those services. Purely domestic businesses have a hard time competing with multinational enterprises that can lower their tax bills by shifting profits offshore.

However, with OECD, transparency is the future of tax reporting. Through better coordinated international tax rules and greater information sharing between countries, it makes it more difficult for multinationals to artificially shift profits offshore to pay little or no tax. The OECD/G20 BEPS project was born in the wake of the global financial crisis, shrinking public budgets and growing public outcry over tax evasion and tax avoidance practices. Since then, the work has continued and the number of countries involved has grown, with over 135 jurisdictions today working together on an equal footing in the Inclusive Framework on BEPS. In addition to implementing the BEPS minimum standards, they are tackling the income tax challenges arising from the digitalisation of the economy to ensure that all businesses, not just those in the digital sector,

pay their fair share of tax where they have activities and where they earn their profits.

Significant milestones have been made, leading to an important shift in practices both by policy makers and multinational corporations. Information is increasingly being shared between tax authorities to tackle BEPS. More than 2,500 bilateral relationships are already in place for country-by-country reporting, which has resulted in tax administrations worldwide collecting and sharing detailed information on all large multinational corporations doing business in their countries. Exchange of information on previously secret tax rulings has also taken place, ensuring greater transparency of the arrangements between tax administrations and taxpayers.

Harmful preferential tax regimes have also been addressed, with legislative changes made to amend/abolish most of these regimes, which is a big step in tackling artificial profit shifting.



Sad Reality of Social Media to our Generation

Given the technological advancements, Today's modern age presents a world which is dependent on social media a lot. Unfortunately, society's reliance on these platforms has permeated the barriers of how we think and form opinions. Social media can be a source to get some great tips, its true yet again I argue that the negative impacts outweighs the positive effects, an opinion that could be differed most by our impending young generation.

Before the advent of social media our old folks used to get their news from traditional sources like newspapers, magazines, and Television news and radio broadcasts. The flow of news was for most parts trusted, consistent and credible and the the topics was more straightforward political, social and economic. But with the new age the variables are rapidly changing, nearly half of the population nowadays would prefer to acquire their news through the digital channels rather than the traditional media. This trend is particularly apparent with the young generation, who rely heavily on social media to keep up with the current events.

There is no doubt that the emergence and proliferation of social media has culminated in increased access of information around the globe. This efficiency and speed of having everything at our fingertips is undeniably appealing.

This comes with a price: dependability. We may crowdsource our news on social media from a variety of professional and personal sources. As a result, information's credibility and accuracy are both lost, resulting to slanted or outright fake news. The storm of misinformation about the coronavirus epidemic became the perfect example for the impact of social media on information accuracy. While thousands of experts devoted their time and efforts to disseminating accurate scientific information, social media outlets had other views.

Social media has become so embedded in our culture that is is nearly impossible for people to take you serious if you are not on at least one of the social media network. Young and Old, rich and Poor, everyone is on socialmedia. Young and old, rich and poor, everyone is on social media. When it comes to internet socializing, everyone is always in a flurry. When it comes to internet socializing, everyone is always in a flurry. Even the business world has jumped on board, and organizations are highly active online, providing information and responding to questions.



Oped

4th April 2022

Authorised Economic Operator (AEO) Role in Trade Facilitation

By Evans Kurgat, Intern | Media Relations | Public Relations & Communication | Marketing & Communication |

In the face of increasing volumes of trade and the increasing vulnerability of the international trade supply chain to security, threats as well as the use of the international trade supply chain as a conduit for high security risk materials. The customs administrations have constantly been exploring into ways they can enhance the experience of a compliant trader when undergoing customs clearance processes. AEO program is therefore looked at as one of the programs that will help Customs improve efficiency and effectiveness in securing the international trade supply chain while at the same time facilitating trade.

An Authorized Economic Operator (AEO) is defined by the WCO SAFE Framework of Standards as a party involved in the international movement of goods, in whatever function, that has been approved by, or on behalf of, a national Customs administration as complying with WCO or equivalent supply chain security standards. AEOs include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors.

AEO Member countries stands to enjoy a number of benefits including: fewer inspections and priority treatment for inspections, mutual recognition with foreign AEO programmes, reduced security and guarantee requirements, expedited release and pre-clearance, simplified procedures and priority treatment in emergency situations.

The Kenya Revenue Authority (KRA) on behalf of the government of Kenya has carried out various reforms in the Customs and Border Control function to ensure cross border trade is faster to ease the cost of doing business as well as improved compliance with relevant laws and regulations. The implementation

Tulipe Ushuru Tujitegemee!



Oped

27th May 2022

The Future of FinTechs in Revenue Generation in Kenya

By Evans Kurgat, Intern | Media Relations | Public Relations & Communication | Marketing & Communication |

Fintech is a rapidly growing industry in the East Africa region driven by a unique blend of technological innovations, mobile adoption, and investor interests. The synergy of government policies and private sector innovation has led to a technology revolution in the region. In particular, the M-Pesa revolution and the launch of innovation labs in the country have made Kenya the technology hub of Africa.

With Kenya being the most mature market in the region with a relatively good growth in credit and profitability. FinTechs could serve as a bigger source of revenue streams to our government if further elaborate mechanisms are integrated into our FinTechs to help amass the tax due in every digital transaction made. Specific tax laws regulating the FinTechs sector have to be amended. Without a regulatory framework that seeks out automatic exchange of information, real time data capture on online transactions or online VAT remittance, capturing tax data becomes complex. For example, currently online lending platforms providing access to credit are not subject to tax laws because such platforms are not regulated under banking laws' provision on taxing interest.

FinTechs have therefore resulted in disruption of the traditional ways of doing business given the new business models. Their proliferation has opened up vast horizons and at the same time poses a significant challenge in the fight against cyber-fraud and tax evasion. However, if proper approaches are adopted towards lessening the gravity of tax avoidance they stand a chance to contribute a huge portion to the revenue basket.

In seeking to address the tax gap in FinTechs, Kenya Revenue Authority (KRA) adopted a modern tax collection mechanism that aligns to online

Tulipe Ushuru Tujitegemee!



Op-Ed

22nd March 2022

The Role of Harmonised Commodity Description and Coding System in trade facilitation

The Harmonized Commodity Description and Coding System mostly known as "Harmonized System (HS)" is a standardized numerical system of classifying trade developed by the World Customs Organisation (WCO) and adopted for application by states who are parties to the Harmonised Systems Convention.

Many customs authorities around the world use the Harmonised Systems (HS) to ensure accurate identification of trade products when assessing duties and taxes applicable on trade goods. The HS provides a platform for obtaining up-to-date trade statistics by regional and global communities seeking policy decisions concerning the cross-border movement of trade goods.

The role of the Harmonised System in monitoring trade on certain trade goods controlled by specific international conventions cannot be overlooked. In this regard, the HS provides for specific codes to enable global monitoring of trade on goods controlled under the Conventions such as the Chemical Weapons Conventions, The Montreal and Vienna Conventions, the Basel Conventions, and the Rotterdam Conventions. The trade goods monitored under these conventions are of interest to every nation due to the dangers posed by such goods to humanity and to the environment.

The parties to the Harmonised Systems have eliminated the need for reclassifying the goods hence traders within such jurisdictions suffer no additional cost in business. In trading blocks such as the East Africa Community, the Harmonised System is used as a basis for guidance on the drafting of rules of origin to ensure the smooth implementation of trade agreements.

Tulipe Ushuru Tujitegemee!

Let's Embrace Alternative Dispute Resolution (ADR)

"The courts of this country should not be the places where resolutions of disputes begin, but rather the places where the disputes end after alternative methods of resolving them have been considered and tried." These are the words of Sandra Day O'Connor American retired attorney and politician who served as the first female associate justice at the Supreme Court of the United States.

Alternative dispute resolution (ADR) refers to any other avenue of resolving disputes aside from litigation. From a KRA perspective, it is defined as a voluntary facilitated mediation process used in settling tax and customs disputes between the commissioner and taxpayer outside the judicial process (Courts of Law, Quasi-Judicial Process and the Tax Appeals Tribunal (TAT)).

Kenya Revenue Authority's (KRA) adopted the ADR process in 2015 and since then it has been successful in executing its mandate. Registering significant growth year on year. From the most recent data, during the first half of the financial year 2021/2022 they registered a 31% growth rate having resolved 319 cases compared to 243 cases for the same period in the previous financial year 2020/2021. Furthermore, they received 559 disputes, which is considerably higher as compared to 493 for the same period the previous financial year. This shows how much the taxpayers are perpetually embracing ADR as a conflict resolution mechanism as compared to lawsuits and legal actions.

ADR processes are more flexible, cost-efficient, time-effective, and gives the parties more control over the process and the results. Parties who resolve their disputes through ADR are generally more satisfied because they may directly participate in working out the terms of their settlement. When appropriate settlement processes are available, many disputes can be resolved more efficiently and with greater satisfaction to all parties. Lengthy and costly litigation can be avoided, divisiveness minimized, and productive results achieved.

According to the Tax disputes Act, Conflicts under ADR Framework should be resolved within 90 days. This provision ensures that disputes do not persist on, and even though the provision is for 90 days, cases can still be settled at a considerably lesser time within that period. For instance, during the first half of the financial year 2021/2022, an average of 42 days were taken to resolve a tax dispute case. This is much lesser time compared to the number of days, months or years it would have taken to resolve a dispute through other avenues like legal process.

ADR has proven to be an instrumental conflict resolution approach both to the Kenya Revenue Authority (KRA) and to the Government as it has enabled the Tax administration to realise its goal to release revenue to support Further Government Development Agenda. Because of ADR, KRA has been able to meet its revenue targets .With a demonstrated growth of 11% in revenue raised from ADR.

At the peak of Covid 19 pandemic in the country, disputes resolution process via ADR remained unhampered. This is due to the business continuity measures put in place by the Authority. Through the digital transition brought about by the pandemic, ADR sessions were conducted online, a move, which was welcomed by most taxpayers and it, continues to record an increase in the number of disputes being filed.

ADR is a new age dispute resolution mechanism in tax disputes. Over the recent years, it has had its difficulties but has gradually fought through the test of time. The evident number of

Demystifying The Tax waiver on Penalties & Interests

In the pursuit of filing our tax returns, we often find ourselves in situations where we are unable to abide by the stringent tax procedures and timelines both for monthly and annual tax returns. In which case, we end up being penalized for either filing taxes late (Late filing) or not filing at all (None filing). Once this penalties are imposed and the principal tax remain unpaid they continue to accrue interest up to the point when they are all paid up. A Taxpayer is said to have paid all the taxes when both the principal tax plus accrued interest and penalties are paid.

There are times when circumstances beyond the taxpayers control contribute to late filing or non-filing and when this happens a tax payer can apply to the commissioner for the penalties and interest to be waived or forgiven.

According to the Tax procedures Act 2015 Section 89(7), it clearly indicates that a taxpayer may apply for a waiver of penalty or interest where the conditions specified therein are met. As such, the Kenya Revenue Authority (KRA) provides an opportunity for the processing of tax waiver applications given that all the requirements for the applications of waiver on penalty and interest are properly justified and supporting evidence submitted.

The Conditions provided for one to be able to apply for a Tax waiver includes that: the taxpayers submit proper Supporting evidences, Pays all the principal taxes due and that he or she must be a compliant taxpayer in all the other taxes expected of him/her. However that notwithstanding, the application does not guarantee that the taxes will be waived as it will still have to go through a rigorous process of scrutiny. This is to ascertain whether the waiver application submitted is justified and proper evidence have been provided.

Unlike in the past when the Taxpayer would make an application and wait to be notified via mail to submit supporting documents and evidence. KRA has made it easier for the taxpayer to be able to apply for a Waiver at any one point. Through the enhancement in the iTax portal, a taxpayer is now able to apply for a Waiver and attach the supporting evidence alongside at the point of making the application. This makes it easy as once the application has been submitted, the final decision on whether the Waiver application has been accepted now rest on the Tax administration.

Of Important to note during the application, is to ensure that proper justification and documentary proof is provided in a manner that is satisfactory to enable granting of waiver. Some of the possible reasons that one may be considered for a waiver includes if the taxpayer was unable to file the tax returns by the deadline because of a serious illness and if the taxpayer was out of the country.

In the spirit of building trust through efficient service delivery KRA encourages all the taxpayers with Penalties to apply for waivers provided that they meet all the set provisions for application. In the prevailing financial crisis as the country recover from the Covid 19 aftershocks. It is important that Kenyans utilize the opportunity to get a tax relief in the form of waivers on penalties.

By Evans Kurgat