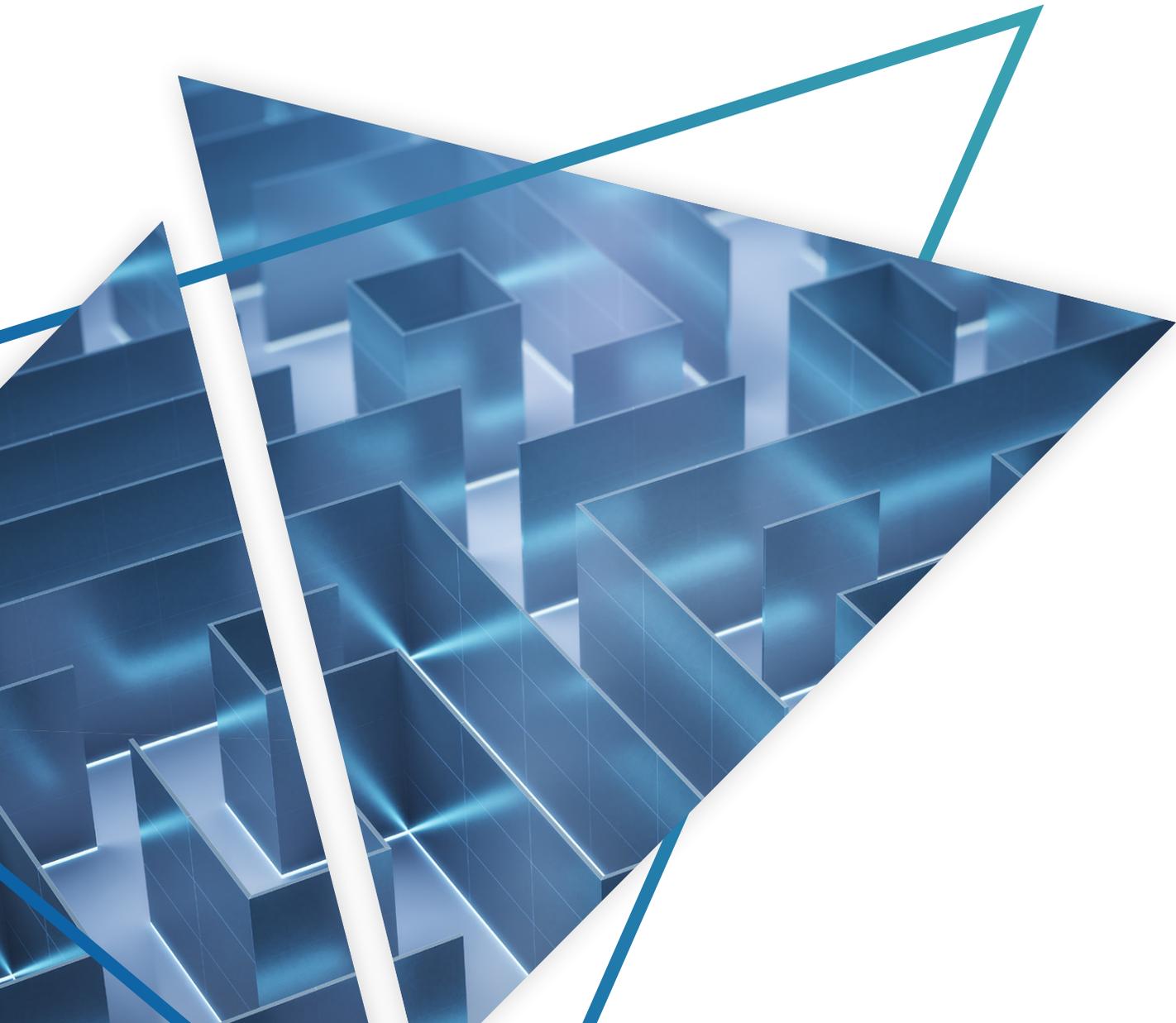


Tax & Exchange Control

ALERT | 24 April 2025



In this issue

KENYA

Tax amnesty countdown:
Don't miss the deadline



For more insight into our
expertise and services

Tax amnesty countdown: Don't miss the deadline

The Tax Procedures (Amendment) Act, 2024 extended the tax amnesty programme introduced by the Finance Act, 2023 by amending section 37E of the Tax Procedures Act to empower the Commissioner for Domestic Taxes to refrain from recovering penalties, interest or fines relating to tax debts, provided that the taxpayer settles all principal taxes for the periods up to 31 December 2023 on or before 30 June 2025.

Subsequently, on 27 December 2024, the Kenya Revenue Authority (KRA) issued a public notice titled "Tax Amnesty on Interest and Penalties for Periods up to 31 December 2023", highlighting how the tax amnesty programme will be implemented. To support compliance, the KRA released a "Step-by-Step Guide on Amnesty Implementation on iTax," which outlines the procedure for participating in the amnesty through the iTax system.

Eligibility criteria

According to the guidelines, two categories of taxpayers may benefit from the amnesty:

1. Automatic Amnesty: Taxpayers with no principal tax owing but with outstanding penalties or interest for periods up to 31 December 2023 automatically qualify for the waiver and no formal application is required.
2. Conditional Amnesty: Taxpayers with principal tax liabilities for periods up to 31 December 2023 may qualify if an application for amnesty is submitted via iTax and the application includes a payment plan proposal for settling the outstanding principal tax by 30 June 2025.

Exclusions from the amnesty

The amnesty does not apply to:

- Customs duties administered under the East Africa Community Customs Management Act (EACCMA).
- Penalties, interest or fines related to tax periods after 31 December 2023.
- Fines imposed for offences committed by taxpayers that do not arise from a tax debt or are not computed based on a tax debt e.g. penalties relating to registration or licensing, or penalties for failing to keep records.

Programme impact and effectiveness

A recent media statement by the KRA highlighted the success of the ongoing tax amnesty programme. Since its rollout, KRA has collected KES 10.9 billion in principal taxes under the amnesty scheme, as of 16 April 2025.

More than 2.9 million taxpayers have benefited from waived penalties and interest. In total, the KRA has written off approximately KES 158 billion in accumulated penalties, interest and fines since January, as opposed to KES 507.7 billion under the programme that ended in June 2024.



**TAX & EXCHANGE CONTROL
ALERT**

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Comment

The amnesty represents a critical opportunity for taxpayers to regularise their tax affairs while benefiting from significant financial relief. With the 30 June 2025 deadline fast approaching, eligible taxpayers are strongly urged to act promptly to avoid missing out on this time-bound opportunity. The amnesty is a rare and strategic chance to clean up tax ledgers, eliminate burdensome penalties, and bring tax affairs into full compliance – while saving money.

Our firm has consistently advocated for taxpayer-friendly reforms, including submissions to National Treasury that supported the inclusion of this amnesty framework in the Finance Bill, 2023 and subsequent extension in the Tax Procedures (Amendment) Act, 2024. We are pleased to see this initiative bearing fruit for both the public and the exchequer.

Alex Kanyi, Denis Maina and Nicholas Owino



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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

PLEASE NOTE

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

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