

BDO East Africa Kenya Tax Newsletter

January 2024

BDO and KRA eTIMS SOLUTIONS AND COMPLIANCE

January 2024 came with it a radical shift in the business invoicing system in Kenya. All businesses whether registered for VAT or not, shall be required to electronically generate and transmit tax invoices to Kenya Revenue Authority (KRA) on a real-time basis. Invoices not generated via this Tax Invoice Management System (TIMS) shall not be admissible for expenses deduction and non-compliant businesses shall be subjected to punitive penalties. However, a limited category of businesses have been exempted from this requirement, including those whose annual turnover does not exceed KES five (5) million.

ONBOARDING PROCEDURES

At BDO, we have had consultative engagements with KRA, and we now have a working collaboration with them (KRA) to assist businesses be and remain compliant with eTIMS. The following are requirements and onboarding procedures:

1. Duly filled eTIMS acknowledgement and commitment form
2. In the case of companies, an updated form CR12 that matches with details as registered with KRA. If any inconsistency exists, the details in the KRA portal should be amended to match those in the updated form CR12
3. A hard and soft copy of ID or Passport for the director who signs the eTIMS commitment form
4. Onboarding devices including laptop, desktop, tablet, smartphone, personal digital assistant (PDA) and point of sale (POS) systems, in cases of taxpayers dealing with goods
5. Physical verification, due diligence and internal validation by KRA to confirm eTIMS suitability options based on the nature of business, frequency of invoicing, computing devices, access to internet amongst others
6. Final onboarding via installation and configuration, either via portal (for taxpayers dealing with services) or computing devices for goods and/or services)

HOW BDO CAN ASSIST

Leveraging on our experience and expertise we will make your onboarding process faster, hassle free, and convenient. The time to comply is now particularly considering that KRA has given an extension of time up to **31 March 2024** and penalties will not be charged during this grace period.

Please reach out to us we will be happy to discuss the specific onboarding options suitable to your business.

To learn more about BDO East Africa Kenya, please visit www.bdo-ea.com

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