






eTIMS STATUS UPDATE, 2023

With KRA now leveraging on technology for effective tax administration, it concluded the roll out of the Tax Invoice Management Systems (TIMS) on 30 November 2022. This enabled VAT registered taxpayers to electronically generate and transmit tax invoices to KRA on a real time basis.

KRA has embarked on enhancing and upgrading to the next phase of TIMS via implementation of eTIMS. The main difference between the two solutions is that TIMS is device based (ETR), while eTIMS provides affordable software solutions to taxpayers for the purpose of electronic invoicing.

BENEFITS

-  Flexible variety of devices and upgradeable software.
-  Faster processing of VAT refunds.
-  In built Stock Management Module to assist taxpayers maintain inventory.
-  Simplified VAT return filing made possible through integration with iTax and integrated Customs Management System (ICMS).
-  Non-intrusive verification of tax processes

TYPES OF eTIMS SOLUTIONS

Currently there are available six (6) eTIMS software solutions described below:

- ❖ eTIMS Paypoint (Windows) - Suitable for taxpayers selling goods at a single location with a single pay point/cashier till. It runs on a computer/laptop with Windows 10 and above and contains a stock management module.
- ❖ eTIMS Multi-Paypoint (Windows) - Suitable for taxpayers selling goods from multiple locations and pay points/cashier tills like Supermarkets. It runs on a computer/laptop with Windows 10 and above and contains a stock management module.
- ❖ eTIMS Paypoint (Android)-Suitable for taxpayers selling goods and runs on a tablet with android version 8 and above. It contains a stock management module.
- ❖ eTIMS online Portal - Suitable for taxpayers in the services sector and who do not sell goods. It runs as a web application accessible on a browser.
- ❖ eTIMS Lite (VAT) - Suitable for taxpayers in the services sector and do not sell goods. It runs on a smart phone with android version 8 and above Operating System.
- ❖ Virtual Sales Control Unit (VSCU) and Online Sales Control Unit (OSCU)- This provides for a system-to-system integration between the taxpayer's billing system and KRA.

ONBOARDING PROCEDURES

- A VAT taxpayer signs up on the eTIMS portal and makes an application for the preferred eTIMS software. At any given time only one software option can be selected.
- Authorized KRA officers will process the applications by conducting due diligence to determine the following.
 - (a) Nature of business - either supply of goods, services, or both.
 - (b) Frequency of invoicing.
 - (c) If the taxpayer has access to a computing device - computer, laptop, tablet, smartphone.
 - (d) If the taxpayer has access to internet.
- The KRA officer will schedule a date and time to install, configure and train the taxpayer on how to use the eTIMS software for the purposes of invoicing.
- Taxpayers will be notified via email and/or phone call in case they are required to download and install an update to the eTIMS software installed on their device. All software updates will be published on the KRA website.

KEY POINTS TO CONSIDER



Effective 01 June 2023, all VAT registered taxpayers are required to exclusively accept electronic tax invoices for purposes of input tax and refund claims.



Installation of e-TIMS software solutions is done by KRA officials and not ETR suppliers.



Where an agent or third party intends to do eTIMS software installation on behalf of a taxpayer, the taxpayer is required to provide via email: An Introductory letter done on taxpayer letterhead containing the phone number and email address as registered on iTax which should be signed and stamped; Duly filled up commitment form and Confirmation of Directorship by way of copy of ID/Passport and C1 form.



Taxpayers who have automated billing systems are to be on boarded via a system- to - system integration between their ERP billing system and KRA. A taxpayer can opt to self integrate or employ the services of a third party integrator. A list of the approved third party integrators was recently published by KRA on their website.

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