



Tax Alert

**Voluntary Tax Disclosure
Programme**

The Finance Act 2020 introduced a Voluntary Tax Disclosure Programme that will take effect from the 1st of January 2021. Taxpayers volunteering for the programme shall be granted waiver on penalties and interest on tax arrears arising from inadvertent instances of non-compliance for the 5 year period between **30 June 2015 and 30th June 2020**. The waivers shall be applicable as follows:

- a) Full remission for applications made and principal tax paid within year 2021;
- b) 50% for applications made and principal tax paid within year 2022; and
- c) 25% for applications made and principal tax paid within year 2023



The taxpayer and the Commissioner shall enter into an agreement setting out the terms of payment of the tax liability, including the timeframe for the settlement which shall not exceed one year from the date of the agreement.

While the programme provides that the taxpayer cannot appeal against the relief granted, a taxpayer may appeal against the Commissioner's decision to withdraw it. Taxpayers who are under audit or have received notification of a proposed audit will not be eligible for the programme.

Benefits of this programme:

A taxpayer who will engage in this programme has the chance to pay all taxes in arrears and enjoy a waiver on penalties and interest. Currently, there is no guarantee of full waiver of the penalties and interest. Further, for taxpayers who have never been audited for the last five years this is a good opportunity to close out this period from scrutiny through the disclosure programme.

How we can help:

We at Astute Consulting have a team of tax experts who can walk with you in this journey as follows:

- Assist you to review your books for the period and quantify the tax liability;
- Assist you to prepare submissions for the Voluntary Tax Disclosure Programme;
- Assist you in engaging the Kenya Revenue Authority (KRA) and respond to all their queries;
- Assist you in negotiating the agreement with the KRA regarding the approval of the waiver of penalties and interest and payment plan for the principal tax;
- If there is a dispute in the process, we will assist you to resolve the same through the proper channels.

Please contact us for a detailed discussion of the same.



For more information contact:

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