

Rödl & Partner

NEWSFLASH KENYA

UPDATE ON VAT (ELECTRONIC TAX INVOICE) REGULATIONS

Issue:
28 October
2021

Latest news on law, tax and business in Kenya

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→ Background

The Kenya Revenue Authority (KRA) issued a Public Notice dated 5 October 2021 that provided updates on the implementation of the VAT(Electronic Tax Invoice) Regulations, 2020.

In this issue we have summarized the published Guidelines to the VAT (Electronic Tax Invoice) Regulations, 2020 and listed the approved

electronic tax register (ETR) manufacturers and suppliers.

We look forward to assisting you comply with the new Guidelines during the 12-month transition period especially on reorganizing your internal operations and meeting the set timelines.

→ Summary of Guidelines to VAT (ETR Invoice) Regulations, 2020

According to the Guidelines all VAT registered taxpayers are required to use a compliant tax register with the following functionalities:

- a. Check the invoice details (tax rate, taxable value, total tax and total gross amount) before issuance of the tax invoice to the customer.
- b. Transmission of the validated tax invoices to KRA over the internet on a real time or near real time basis.

The key features of a valid Electronic Tax Invoice include:

1. **Buyer PIN** - refers to the PIN of the purchaser. The capture of the buyer's PIN is **optional** when generating an invoice and is only applicable where the purchaser intends to claim input tax for the VAT paid.
2. **Control Unit serial number** - a unique number issued by KRA to identify each tax register.
3. **Control Unit invoice number** - a unique number generated by the tax register upon issuance of each tax invoice.

4. **Quick Response (QR) Code** - to confirm the validity of the tax invoice.

Compliant tax registers will have the capability of generation of credit and debit notes referencing the original tax invoice.

VAT registered taxpayers have the discretion to choose among these available electronic tax register options;

1. **An integrated tax register** - this is an ETR with inbuilt functionality to validate, generate and transmit tax invoices to KRA.
2. **An independent tax register** -this is connected to the invoicing system to validate and transmit tax invoices to KRA. This includes the upgraded Electronic Signature Device (ESD).
3. A centralized tax register - connected to more than one cashier till (one to many).

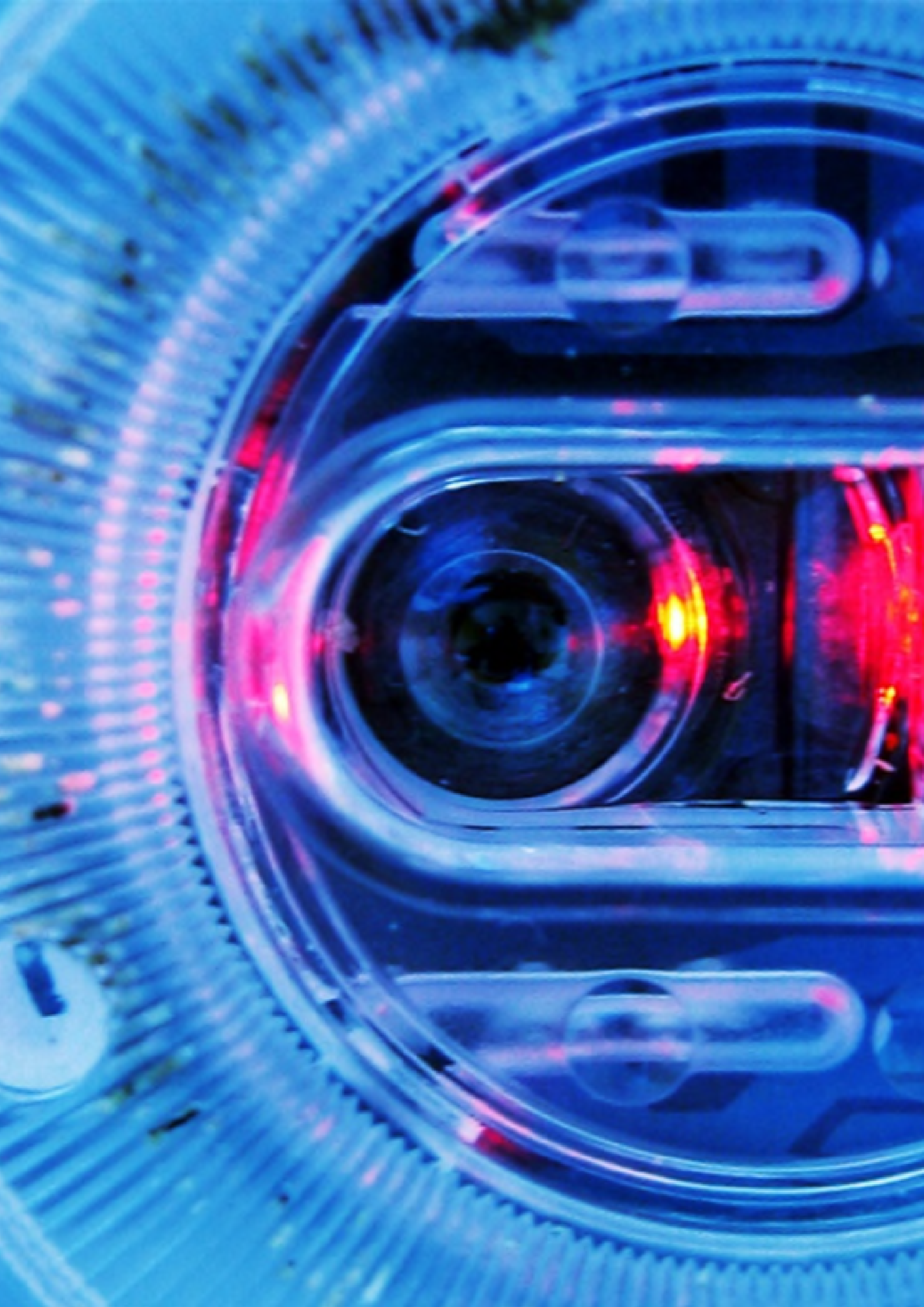
→ Approved List of ETR Suppliers as at 24th September 2021

| No. | Supplier Name | PIN No. | ETR Type | Contact Details | Model | Manufacturer |
|-----|-----------------------------|--------------|----------|--|---------------|--|
| 1. | Compulynx Limited | P0511109735B | Type A | P.O.Box 79013-00400, Nairobi | TMU-FB33A | DTR International DWC – LLC Country of origin - Dubai |
| | | | Type B | The Centre print, Parklands Road | TMU-FB33B | |
| | | | Type C | Email: sales@compulynx.com T: 020- 3747060/61 | TMU-FB33C | |
| 2. | Pergamon Limited | P051201909L | Type A | P.O.Box 25749-00603, Nairobi | Incotex 181 | Incotex Trade Europe Limited Country of origin - Bulgaria |
| | | | Type B | Lonrho House, Ground Floor, Standard Street | Mercury 130W | |
| | | | | Email: info@pergamongroup.com T: 0734 660572 | Incotex 300SM | |
| 3. | Onesource Solutions Limited | P051356922E | Type A | P.O.Box 221-0623, Nairobi | Ace | Tevin International Limited Country of origin - Dubai |
| | | | Type B | TRV Centre, Third Parklands road | Ace | |
| | | | Type C | Email: mailto:sales@onesourceolutionske.com T: 020- 7903190 | Ace | |

→ Our Services

Rödl & Partner has a formidable team of accounting, tax and legal experts that will help your organization comply with the VAT (Electronic Tax Invoice) Regulations, 2020 as follows:

1. New ETR System Project Preparation & Support
2. Process Analysis & Process Optimization
3. Extension and Adaptation of Standards
4. Individual In-House Developments Support for Procurement Procedures
5. FIT Gap Analyses & Use Of Best Practice Standard Functionalities
6. Implementation Strategy & Roadmap
7. Analysis of the new ETR System Landscape



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This is a general guideline tax and legal alert and should not be a substitute for proper advice. For queries and clarification, kindly get in touch with Rödl & Partner.

Imprint

Newsflash Kenya
Issue 28 October 2021

Publisher:
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