



Take advantage of the extended tax amnesty

The clock is ticking



27 December
2024



30 June
2025



Overview

The Finance Act, 2023 introduced a tax amnesty running from 01 September 2023 to 30 June 2024. The tax amnesty was on penalties and interest on tax debt for periods up to 31 December 2022.

The Finance Act, 2023 also eliminated the Commissioner and the Cabinet Secretary's power to waive penalties and interest post 2022, rendering penalties and interest outstanding after 31 December 2022 payable in full without an option for waiver.

Following the success of the tax amnesty and to further encourage voluntary compliance, the Tax Procedures (Amendment) Act, 2024 extended the amnesty to cover the periods up to 31 December 2023.

The program runs from 27 December 2024 through to 30 June 2025.

The key details of the amnesty as are as follows:

- Where a taxpayer shall have paid the principal tax due before 31 December 2023, the Commissioner shall refrain from recovering penalties, interest, or fines.
- Where the principal tax had not been paid before 31 December 2023, the taxpayer shall apply for an amnesty which shall be granted once if:

The taxpayer has paid all the outstanding principal taxes not later than 30 June 2025

Does not incur a further tax debt

Gives a written undertaking for the settlement of all outstanding taxes owed.

The tax amnesty program applies on penalties, interest, and fines due on unpaid taxes.

It will, however, not apply in the case of a shortfall penalty where the Kenya Revenue Authority alleges fraud on a taxpayer that knowingly failed to pay tax.

Companies looking to take advantage of the tax amnesty should proactively engage a tax advisor to review their tax position with a view to ensuring full compliance with tax laws.

KPMG is happy to assist you in reviewing your compliance status, making the necessary disclosures, and negotiating settlement terms for the principal tax where necessary.

Please feel free to reach out to us for any questions or assistance required toward clearing your company's ledger ahead of the planned changes in law.

Contacts

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