

# *PwC in Kenya*

## *Capabilities and points of view*

2022

*Tax Services*



# Tax & Regulatory

**Our Tax Services division provides our clients with advisory and compliance services enabling them to meet their tax, corporate and employee obligations in a cost effective way.**

## **Corporate, Individual and Employee Tax**

The Kenyan tax system features corporate and personal income tax, value added tax (VAT) on goods and services, customs and excise duties, and stamp duty. There are also a number of statutory levies and social security payments.

Taxes are collected by self-assessment and by withholding tax on payments to residents and non-residents. Employers are obliged to withhold and account for income tax on employee remuneration and benefits (the PAYE system).

Penalties and interest on non-compliance and late payment of taxes are onerous, and the Kenya Revenue Authority conducts regular audits and investigations of taxpayers.

PwC Limited offers a range of services to assist taxpayers with tax planning, compliance, revenue negotiations and appeals.

Our staff with accountancy, legal, or revenue training and experience, specialise in corporate and withholding tax, employee tax and social security, individual and indirect tax.

Key to our approach is understanding our clients' businesses. With our pre-eminent client base of multinational and major national companies (MNC), our staff have the opportunity to develop expertise in industries such as banking and insurance, energy and mining, telecommunications, manufacturing and retail, tourism, horticulture and agriculture.

Together with our network of offices across Africa, we offer international tax advice, as well as advice on the

structuring of commercial operations both regionally and internationally.

As with any tax regime, the amount of tax payable can vary considerably depending on how the business is structured, and on the manner in which transactions are undertaken.

### **We are advisors on:**

- available tax reliefs and incentives;
- structuring and financing of businesses in country and across borders;
- acquisitions, disposals, and restructuring;
- structuring of inward investment to maximize the benefit of incentives and minimize tax costs;
- the impact of withholding taxes, VAT and duties on third party and inter-company transactions in country and across borders; and
- the impact of taxation on international deployment of staff, and the taxation of share schemes, allowances and benefits.

### **In addition to the above, our team:**

- assists our clients with the preparation and filing of income tax returns for companies, branches and employees, and advises on the payment of instalments and final taxes;
- provides payroll services to include monthly and annual tax and social security filings;
- conducts tax "health checks" to provide assurance on compliance with income tax, withholding tax, PAYE, social security, VAT and duty payments;
- advises and assists with tax repayments, and the setoff of overpayments on one tax against liabilities on other taxes;
- negotiates on our client's behalf with the Kenya Revenue Authority, applies for waivers of penalties and interest, raises objections to assessments,

and takes appeals to the appropriate tribunal; and

- Through the relationship that we have built with stakeholders over the years, we are given an opportunity to contribute to tax policy and tax administration. Our views are respected and taken into account when changes are made to legislation.

PwC's Regulatory, Compliance and Advisory team provides legal advice and support in respect of a number of areas including:

- Assistance in the drafting and review of legal contracts
- Advice on regulatory issues including competition law, oil and gas, energy law, financial services and telecommunications
- Carrying out legal due diligence exercises
- Legal structuring of mergers and acquisitions
  - *Share and asset acquisitions and disposals, joint ventures and quoted company transactions*
  - *English law governed cross-border transactional advice*
  - *Private equity transactional advice for PE houses and management teams*
  - *Legal due diligence (including buy-side and vendor due diligence)*
  - *Pre-sale advice and pre-sale structuring for sellers and buyers*
  - *Post-deal integration assistance*
  - *Advice on private company start ups investment rounds and capital raisings, bank finance raising and refinancing*
- Advise on setting up of businesses in Kenya

We work closely with our tax, transaction and valuations teams to ensure that we are providing holistic advice and support to our clients.

We are part of the network of PwC Legal which is the largest legal services network by geography which has 3,500 lawyers in 90 countries and immigration law services in 116 countries.

### **For more information speak to:**

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# PwC in Africa



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