

# Kenya Investment Authority

## **A) Procedures for Investing in Kenya**

### **1. Company Registration.**

Investors can set up a branch office of a foreign company or incorporate a local company. Branch of foreign companies attract corporate tax at a rate of 37.5%, while locally incorporated companies attract corporate tax at a rate of 30%. The company registration is done online [www.e-citizen.go.ke](http://www.e-citizen.go.ke) . The company incorporation starts with search for the company name to find out if the name is available or not. This costs Kshs **150.00 (USD 1.5)** per name. The registration fee is Kshs **10,650.00** for locally incorporated companies and Kshs **8,650.00** for the branch of foreign companies.

2. Complete Investment Application Form which can be downloaded from Kenya Investment Authority website [www.invest.go.ke](http://www.invest.go.ke). The duly filled investment application form should be submitted with copies of the Certificate of Incorporation, Memorandum and Articles of Association, PIN Certificate. For issuance of an Investment Certificate, you are required to comply with Environment, Health and Security requirements.

### **3. Land Acquisition**

Land in Kenya is either public or privately owned. An investor can acquire land by leasing and obtaining a lease grant or by purchasing and obtaining a title of ownership. It will be necessary to contact the ministry of lands to ascertain the ownership of the land. This will be registered in the Ministry of lands upon payment of stamp duty which is at a rate of 2-4% depending on the value.

4. Identify location or project site and undertake an Environmental Impact Assessment for approval by the National Environmental Management Authority as a pre-condition to the issuance of an Investment Certificate.

Other requirements (to be applied for and obtained within 12 months)

5. Tax Pin /VAT Registration – done online at [www.kra.go.ke](http://www.kra.go.ke)

6. Registration with the National Social Security Fund (NSSF)

7. Registration with the National Hospital Insurance Fund (NHIF)

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8. Obtain Unified licence /Single Business Permit from relevant local Authority.
9. All goods manufactured or imported into the Kenyan market should meet the Kenyan Standards.

### **B) General Investment Incentives**

- 1) All Capital goods are zero-rated
- 2) Plant, Machinery and equipment are duty exempt
- 3) Investments allowance of 100%
- 4) After value addition of products, they can be sold across the COMESA and EAC markets with no taxes.

### **INCENTIVES UNDER THE EXPORT PROCESSING ZONES (EPZ):**

- 10-year tax holiday;
- 25% corporate tax for another 10 years;
- Duty & VAT exemption;
- Single license;
- Exemption from stamp duty; and
- Exemption from withholding tax.

### **INCENTIVES UNDER SPECIAL ECONOMIC ZONES (SEZ):**

- Special Economic Zone enterprises, developers and operators is subjected to reduced corporate rates of 10% for the first 10 years and 15% for the next 10 years
- Dividends received by licensed SEZ enterprises, developers and operators are exempt
- Withholding tax on professional services and interest (other than Dividends) by a SEZ enterprises, developers and operators to apply at 10%

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- Supply of taxable goods to special economic zones enterprises, developers and operators licensed under the SEZA are VAT exempted

## **Work permits**

- The licensed operators, enterprises and developers shall be entitled to work permits of up to 20% of their full-time employees

## **Other exemptions**

- Stamp duty on the execution of any instrument relating to the business activities of SEZ enterprise, developers and operators
- Provision of the foreign investments and protection Act relating to certificate for approved enterprise
- Provisions of the statistics Acts
- Payment of advertisement fees and business service permit fees levied by the respective County Governments' finance Acts
- Manufacturing license under the Tea Act
- License to trade in unwrought precious metal under the Trading Unwrought Precious metals act
- Rent or tenancy controls under the Landlord and tenant (shops, hotels and catering establishment)
- Any other exemption as may be granted under the SEZ Act in consultation with the Cabinet Secretary for that matter, by notice in the Gazette

## **C) Guarantees to Investors**

- 1) The constitution of Kenya guarantees safety of life and property.
- 2) Kenya is a signatory to the Multilateral Investment Guarantee Agency (MIGA) that insures private investment against non-political risks.
- 3) Kenya is also a member of the International Centre for Settlement of Investment Disputes (ICSID) that guarantees arbitration of disputes between government and investors in a third-party country.

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- 4) The Foreign Investment Protection Act (FIPA) guarantees against expropriation of private property by government and if this happens it will be for public good and compensation will be prompt and at market value.

## **D) Role of KenInvest**

Kenya Investment Authority facilitate the acquisition of Work permits, and other licenses that will be required through our One Stop Centre. Currently we have the business registration services, Immigration services, Power connection, Environmental license, Customs services among others. Additionally, KenInvest has resources such as E-regulation which maps a number of procedures, E-opportunity portal which uploads investment opportunities to be accessed by potential investors from anywhere in the world, and Case Management Systems (CMS) through which investors send their requests to KenInvest digitally.

### **Pre-investment Services**

- Issuance of Investment Certificate, that facilitates immediate start of a business
- Assistance in obtaining any necessary licenses and permits.
- Providing information to investors on the business climate, operating rules, investment opportunities, sources of capital, etc.;
- Liaison with other government agencies for the issuance of additional licenses and approvals not directly handled by the Authority.

### **Post – Investment Services**

- Provision of Aftercare services.

Continuous liaison with other stakeholders who interface with investors in their day-to-day operations with an ultimate aim of improving the investment environment and to make it easier to do business.