

## IN THIS ISSUE



KAM, KARA engage  
Nyeri County on Waste  
Management Bill

• 3 •



EAC Non-Tariff Barriers  
Amendments

• 3 •



Coast Chapter Policy  
Advocacy Highlights

• 4 •

## KRA resolves 8 VAT Auto Assessment (VAA) issues



KAM and Kenya Revenue Authority (KRA) held a second engagement meeting on the VAT Auto Assessment (VAA) System on 18th February 2019 where 8 of the 11 issues raised by KAM members were resolved.

[Click here](#) to view KAM recommendations and KRA responses on these issues.

The resolved issues include:

- Invoice matching of input and output for the same month
- Matching the seller's and purchaser's invoice numbers
- Rounding off
- Use of different exchange rates
- The 15-30 days deadline is too short
- Amending VAT returns
- The VAA system contradicts legal provisions
- Lack of stakeholder engagement

The 3 pending issues include:

- Cash sales as bulk figure in output VAT and buyers claim VAT on these receipts are identified as a mismatch
- Large taxpayers
- Clearing agents invoices

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***8 of the 11 issues raised by KAM members were resolved***

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KRA will continue with test-runs to perfect the system by working with a few companies to resolve any pending issue.

Full-roll-out of the VAA system will be undertaken once solutions to all concerns raised by taxpayers are addressed.

## Good Governance

KAM met with GIZ Kenya on 18th and 20th February 2019 to discuss possible areas of partnership in good governance.

During the meeting KAM discussed its ongoing work on:

- Development of the Bribery Regulations with the Ethics and Anti-Corruption Commission,
- Stakeholder engagements on anti-corruption with Academia, Judiciary and legal sectors
- Capacity building support to members and SMEs on regulatory compliance requirements on anti-corruption

KAM will continue to engage GIZ Kenya on its next strategy on good governance.



KAM engages EAC Affairs Principal Secretary, Dr Susan Koech on Trade issues across the EAC region.



KAM Chair, Mr Sachen Gudka, KAM CEO, Ms Phyllis Wakiaga and KAM Director, Mr Pankaj Bedi welcome Ministry of Industry, Trade and Cooperatives Cabinet Secretary, Mr Peter Munya at United Aryans EPZ Limited.



KAM, GSI 1 Kenya sign MOU to enhance barcoding compliance with the aim to promote trade and investment in the retail sector.

## REGULATORY COMPLIANCE SEMINAR

KAM held a regulatory compliance seminar in partnership with Nairobi City County, Kenya Revenue Authority, National Health Insurance Fund (NHIF), National Social Security Fund (NSSF) and GS1 Kenya.

The Seminar sensitized members on regulatory requirements by the different Government agencies. Members also raised their concerns with the regulators.

KAM will hold compliance seminars with other regulatory agencies at the County levels.

## EAC NON - TARIFF BARRIERS (NTB) ACT AMENDMENTS

KAM engaged the State Department of Trade to finalize the legal drafting of Kenya's revised amendments to the EAC Non-Tariff Barriers (NTB) Act.

The proposed amendments are being reviewed by the Attorney General's Office after which they will be forwarded to the EAC Secretariat.

## LOGGING IN PUBLIC, COMMUNITY FORESTS

A petition on the moratorium on logging in public and community forests was developed and shared with members for signing.

The petition will be shared with the relevant government agencies.

## KAM, KARA engage Nyeri County on Waste Management Policy & Bill



KAM, KARA engage Nyeri County on County Waste Management Policy and Bill

KAM in partnership with the Kenya Alliance of Resident Associations (KARA) developed a model County Waste Management Policy and Bill to guide County Governments in developing waste management policies.

Engagements with County Governments are ongoing to sensitize

them on the model documents and support Counties to customize the same for their adoption. Additional meetings were held with Nyeri and Nakuru counties.

KAM will continue to engage more County Governments with the aim of sharing the Model County Waste Management Policy and Bill.

## NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE DRAFT PUBLIC INTEREST LITIGATION MANUAL

KAM engaged the National Environmental Complaints Committee (NECC) to validate the Public Interest Litigation Manual during a validation Workshop held on 20th February 2019.

The manual will assist the Committee in streamlining their public interest litigation procedures to ensure that when these cases go to court they are watertight and flawless.

The manual will be finalized after the validation process is complete.

During the meeting, KAM also engaged the Court Users Committee of the Environment and lands Court, where the Association expressed its interest in joining.

This will ensure that KAM advocates for members' issues directly to the Committee.

## WE VALUE YOUR FEEDBACK

*Dear Member,*

*Thank you for your support and partnership in advocating for competitive and sustainable manufacturing sector.*

*In order to best serve you, kindly share any issue(s) you are facing by clicking on the feedback form below.*

### FEEDBACK FORM

*Thank you.*

**Regards,  
KAM Team**

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Kenya Association of  
Manufacturers



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# Coast Chapter

## Meeting with National/County Security personnel

- The meeting between Private sector and County security sought to provide escort for manufacturers and tourists upon request. There will be no charges for this service.
- Plans for quarterly meetings will be followed up.

## Meeting with Mombasa County on B2G government feedback system

- Businesses will be able to make inquiries on various matters through an online platform and feedback will be received within 24 hrs.
- Businesses are urged to give feedback, both positive and negative as well as give suggestions for improvement.



KAM, National Industrial Training Authority (NITA) sign MOU to promote implementation of the Kenya Youth Employment Program

## TOP 2 POLICY ISSUES IN THE MEDIA

### 1. VAT Refund Challenges

- **Business Daily:** [Firms cite VAT formula for rise in loan defaults](#)
- **Business Daily:** [Listen to concerns on new VAT refund rule](#)
- **Daily Nation:** [Edible oil makers demand 2pc late tax refunds fine](#)

### 2. Illicit Trade

- **KBC:** [Government destroys KSh. 10m worth of illicit goods in Mombasa](#)
- **The Exchange:** [Is Tanzania, Uganda dumping counterfeits in Kenya?](#)