



**REPUBLIC OF KENYA  
THE NATIONAL TREASURY & PLANNING  
OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**  
**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

**Launch of the Kenya Revenue Authority's 8<sup>th</sup> Corporate Plan**

**24<sup>th</sup> June, 2021.**

**Times Tower, Nairobi.**

---

- **The Chairman and Board of Directors of the Kenya Revenue Authority,**
- **The Commissioner General,**
- **Management and Staff of Kenya Revenue Authority,**
- **Stakeholders present here today,**
- **Distinguished Taxpayers,**
- **Ladies and Gentlemen**

**Good morning!**

It gives me great pleasure to join you today to preside over the official launch of **Kenya Revenue Authority's (KRA) 8<sup>th</sup> Corporate Plan**. You will all agree with me that successful organizations world over are known to be meticulous planners and don't leave anything to chance. Such organizations develop strategic blueprints to guide their success. Kenya Revenue Authority (KRA) is one such entity.



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**  
**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

While developing a strategic blueprint it is important to anchor the strategic plans on **National Development Goals**. In this respect, I am delighted to note that this **8<sup>th</sup> Corporate Plan** is aligned to the country's development goals as spelt out in the Kenya Vision 2030, the Third Medium Term Plan and prioritized in the “Big Four” Agenda.

Additionally, the Corporate Plan seeks to support the Economic Recovery Strategy which the Government is currently implementing to reposition the economy on an inclusive and sustainable growth trajectory to improve lives and livelihoods of Kenyans.

**Ladies and Gentlemen,**

The successful implementation of the “Big Four” Agenda and the Economic Recovery Strategy will promote inclusive growth and transform the lives of Kenyans. To realize these development aspirations, it is critical to enhance revenue mobilization so as to improve service delivery.

In sync with this policy thrust, I am pleased to note that the theme of the 8<sup>th</sup> Corporate Plan, which is, “**Revenue mobilization through Tax Simplification, Technology-driven Compliance, and Tax Base Expansion**”, resonates well with the strategic direction of the Government to boost revenue mobilization so as to foster a resilient and sustainable economic recovery.



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**  
**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

The outbreak of the COVID-19 Pandemic in 2020, affected economic activities globally, and Kenya was no exception. As a result of the adverse impact of the pandemic, the Government instituted containment measures to curb the spread of the virus and save lives.

Additionally, to cushion Kenyans and businesses, the Government rolled out specific fiscal interventions that included reduction in corporate and income tax rates, VAT and turnover tax, as well as offering 100 percent tax relief to Kenyans earning below Ksh 24,000 per month. These fiscal measures were in addition to the enhanced cash transfer allocations to the vulnerable segment of our society including the emerging urban vulnerable.

The Government went further and implemented various monetary policy measures to enhance access to credit by the private sector, which included reduction of the Central Bank Rate from **8.25** to **7.0 percent** and lowering of the Cash Reserve Ratio from **5.25** to **4.25 percent**. These actions injected an additional **Ksh 35.0 billion** to the money market.

The Government also rolled-out the Economic Stimulus Programme in order to spur economic activities by targetting activities in infrastructure, education, health, business liquidity, agriculture and food security, tourism, manufacturing, environment, water and sanitation.



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**  
**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

The pandemic, in no doubt, affected revenue performance especially the first half of the financial year 2021/22. As we reopened the economy, we reversed some of the tax reliefs so as to support revenue growth beginning January 2021. I am pleased to note that since then, revenue performance is recovering and, in some instances, surpassing targets, and I wish to commend the Board, Management and Staff of KRA for this turnaround in revenue performance.

**Ladies and Gentlemen,**

The Government has continued to respond and support economic recovery through an economic programme targeting four critical areas:

- **Firstly**, enhancing our ability to respond to the COVID-19 Pandemic;
- **Secondly**, reducing debt vulnerabilities through a revenue-driven fiscal consolidation with a view to stabilizing debt to GDP ratio over the medium-term;
- **Thirdly**, implementing targeted policy, legal and institutional reforms while at the same time addressing vulnerabilities in the State-Owned Enterprises worsened by the COVID-19 Pandemic; **and**,
- **Fourthly**, strengthening the monetary policy framework and financial stability.



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**  
**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

This economic **recovery programme** is **designed to reduce** the level of fiscal deficit from **8.7 percent of GDP** in the current Budget to **7.5 percent of GDP** in the FY 2021/22 and further to **3.6 percent of GDP** in the FY 2024/25. This will help stabilize the growth in public debt over the medium term. This programme is supported by the IMF, among other partners with the IMF providing financial support of **US dollar 2.34 billion** over the next three years.

KRA, as we all know, is the lead government agency responsible for collection of well over 90 percent of Exchequer revenues. Indeed, over the next three years, I expect Exchequer revenue to rise from **Kshs. 1.77 trillion** in 2021/22 to **Kshs. 2.5 trillion** in 2023/24. KRA's success in achieving its mandate is fundamental to the ability of the Government to deliver on its development agenda.

**Ladies and Gentlemen,**

In developing a new Strategic Plan, the lessons learnt during the implementation of the preceding plan are critical to the success of subsequent Plans.

I note that in the course of the 7<sup>th</sup> Corporate Plan period, KRA made significant strides in enhancing tax collection. The Chairman and the Commissioner General have articulated some of the key achievements



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

including the growth of the active taxpayer base by **55 percent**, from **3.9 million** in the FY 2018/19 to **6.1 million** in the FY 2020/21.

Additionally, the revenue collected during the 7<sup>th</sup> Corporate Plan period stood at **Ksh 4.8 trillion**, a **21 percent growth** over the 6<sup>th</sup> Corporate Plan period where a total **Ksh 4.0 trillion** was collected.

This commendable performance was achieved despite the outbreak of the COVID-19 Pandemic in early 2020 that led to the emergence of new business models, increased use of the digital platforms for transactions and growth in the hard-to-tax sectors, such as the informal sector.

**Ladies and Gentlemen,**

Despite the revenue growth recorded during the 7<sup>th</sup> Corporate Plan, a number of initiatives remain unmet due to unforeseeable circumstances, and have now been incorporated in the **8<sup>th</sup> Corporate Plan**.

One such deliverable is the implementation of the **Port Charter** aimed at improving pre-arrival cargo clearance from **18 percent** to **23 percent** but only achieved **20.0 percent**, while the time taken to clear cargo at the ports still remains long - at **146 hours**.

This delay can be addressed by fast-tracking the full roll-out of the Integrated Customs Management System (iCMS) and paperless cargo clearance processes at Container Freight Stations in Mombasa. It is my



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

expectation that the execution of these important technology-led innovations will be prioritized in this new Plan.

I also expect active engagements with County Governments so as to collect revenues on their behalf, as is the case with the Nairobi City County, where KRA has collected **Ksh 14.7 billion** on their behalf as the Principal Revenue Collector. A similar framework with other County Governments will bring efficiencies and effectiveness in revenue administration at the devolved level.

**Ladies and Gentlemen,**

We have made efforts to expand the tax base through the introduction of the Digital Service Tax and Minimum Tax with effect from 1<sup>st</sup> January 2021.

Following the introduction of the **Voluntary Tax Disclosure Programme**, many taxpayers are now able to engage KRA and agree on modalities of paying their tax liabilities and have benefited from relief of penalties and interest of the tax disclosed. The **Programme**, which became effective on **1<sup>st</sup> January, 2021**, will improve revenue collection through enhanced compliance by bringing more taxpayers into the tax net.

**Distinguished Guests,**



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

The Alternative Dispute Resolution mechanism has been a resounding success since its establishment in 2015 with a significant growth in both the number of cases resolved and the revenue unlocked.

Indeed, **393 cases** were resolved through **Alternative Dispute Resolution** in the FY 2020/21 and **914 cases** over the 7<sup>th</sup> Corporate Plan period, unlocking **Ksh 38.9 billion** and a total of Ksh 9.2 billion during the 7<sup>th</sup> Corporate Plan period up from **Ksh 9.2 billion** during the 6<sup>th</sup> Corporate Plan period.

Further, the average time taken to handle cases at the Alternative Dispute Resolution currently stands at **42 days** against the **90 days** prescribed by law, making it a more efficient method of resolving tax disputes.

I wish to reiterate the commitment of the Government to enhance the business climate through improvement in the Paying Taxes and Trading Across Borders rankings. In this regard, due dates for all payroll deductions have been harmonised, geared towards the realisation of a unified return which will greatly improve the ease of paying and filing taxes.

On improving cross-border trade, KRA has up-scaled the green channel and the Authorised Economic Operators Programme, eliminated the verification export tea container stuffing by KRA officers and is in the process of eliminating manual folders, through the roll-out of the Integrated Customs Management System. KRA is also a crucial





**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

stakeholder in the successful operation of the recently launched Port of Lamu.

**Ladies and Gentlemen,**

The launch of the 8<sup>th</sup> Corporate Plan of the Kenya Revenue Authority today is an important milestone. This Plan lays emphasis on revenue mobilisation and improved service delivery through tax simplification, technology-driven compliance and tax base expansion. It will help the Government attain revenue targets while building a sustainable tax base.

At the same time, the Plan should target to increase customer satisfaction, tax simplification, improved trade facilitation and dispute resolution processes, while reducing the overall cost of revenue administration and improving service quality.

**Ladies and Gentlemen,**

Through this Corporate Plan, KRA is expected to mobilise **Ksh 6.8 trillion** in tax revenue and raise the number of active taxpayers from **6.1 million** to **8.2 million** in the next three years.

To further expand the tax base further, KRA is expected to:

- **one**, conduct an in-depth analysis on the informal sector to gain a deeper understanding and revenue potential of this sector;



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

- **two**, increase compliance by High Net Worth Individuals to promote equity in the society;
- **three**, tax the digital economy; **and**
- **four**, strengthen strategic collaboration and partnerships with other Government agencies, business organisation, private sector and Micro, Small and Medium Enterprises with the aim of collecting tax or levies on their behalf.

In order to strengthen compliance and enforcement, KRA should:

- **one**, simplify the tax processes, forms and technology links;
- **two**, implement tax policy reforms to ensure stability and clarity of tax laws; **and**
- **three**, expedite the roll out of simplified online self-care services that will make it easy for the stakeholders to comply hence increasing customer satisfaction.

During the corporate plan implementation period, we shall continue implementing tax policies that support revenue growth. As you are aware, the level of tax expenditures or incentives in our economy is still huge and estimated at **6.0 percent of GDP** by 2018. The desired level for economies of our size is around **3.0 percent of GDP**. Therefore, we shall continue to reduce the level of exemptions that are currently granted in out tax laws. In this effort, we shall also ensure we finalise the **National**



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

**Tax Policy** that shall not only enhance administrative efficiency of the tax system but provide consistency and certainty in tax legislation and management of tax expenditure.

On institutional reforms, we have embarked on the process of strengthening the **Tax Appeals Tribunal** and allow members to expeditiously hear and conclude cases. I have already proposed amendments to the Tax Appeals Tribunal Act through the **Tax Appeals Tribunal (Amendment) Bill, 2021** which is currently in Parliament. This was in response to the huge backlog of pending cases before the Tribunal, currently, at **549 cases** with a revenue implication of **Ksh 107.4 billion**. The need to turn these cases to revenue is key for Government.

I wish to assure KRA of the National Treasury's support during the implementation of the 8<sup>th</sup> Corporate Plan as you pursue your goal of becoming "**A globally trusted revenue agency facilitating tax and customs compliance**".

Further, I urge all KRA staff to work diligently to ensure high levels of integrity in order meet the deliverables detailed in this Corporate Plan.



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY & PLANNING**  
**OFFICE OF THE CABINET SECRETARY**

---

**Remarks by**

**Hon. Ambassador Ukur Yatani, EGH**  
Cabinet Secretary for the National Treasury & Planning

**Ladies and Gentlemen,**

In concluding, I wish to take this opportunity to appreciate our stakeholders who have enabled the Government progress in its socio-economic development. I am aware that you were consulted during the development of the 8<sup>th</sup> Corporate Plan and I have been assured that your concerns as taxpayers are being addressed through this Plan.

The growth in revenue collection and improvement in compliance rate is a reflection of the trust you have in this tax administration and I seek your continued support in mobilisation of revenue during the implementation of the 8<sup>th</sup> Corporate Plan.

With these remarks, it is now my pleasure, **Ladies and Gentlemen**, to declare the **8<sup>th</sup> Corporate Plan** for the period 2021/22 to 2023/24 officially launched.

**Thank You and May God Bless You All.**

**ENDS.**