

## **Update on impact of Covid-19 Pandemic in Kenya**

The Government imposed 7.00 pm to 5.00 am; no entry to or from Nairobi, Mombasa and Kilifi, most of the Government Registries and Revenue authorities' offices - all closed.

Due Social distancing restrictions we are working from home!

That has affected our business significantly - we are about 40% functional.

In response to 'new normal'; Government of Kenya has introduced some legal and legislative measures ease burden:

### **Effective:**

1. Vat rate lowered from 16% to 14% for a period of 3 months; effective 1st April 2020- parliament approved bill last week

### **Still in Parliament: Contained in Income Tax Laws (Amendment) Bill debated in parliament last night (not yet approved):**

1. Low-Income earners: (employees) earning Kshs 24,000 or below (equivalent \$ 240); tax free
2. Tax Relief up Kshs 1,408 to Kshs 2,400 (\$Equivalent; from \$14.80 to \$24)
3. Maximum PAYE (Pay-As-You-Earn-payroll tax) band lowered from 30% to 25%
4. Lowering Corporate tax rate for resident companies from 30% to 25%
5. Turnover Tax rate from 5% to 1%