



**REGULATORY  
GUIDE FOR DOING  
BUSINESS IN KENYA**

Republic of Kenya



**MINISTRY OF EAST AFRICAN COMMUNITY  
AND REGIONAL DEVELOPMENT**

**BUSINESS REFORMS & TRANSFORMATION DEPARTMENT**



Supported by



**Manage your Business Stage**

# **NAVIGATING THE KENYAN BUSINESS REGULATORY ENVIRONMENT**

[www.kenyabusinessregulatoryguide.com](http://www.kenyabusinessregulatoryguide.com)

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## REGULATORY GUIDE FOR DOING BUSINESS IN KENYA

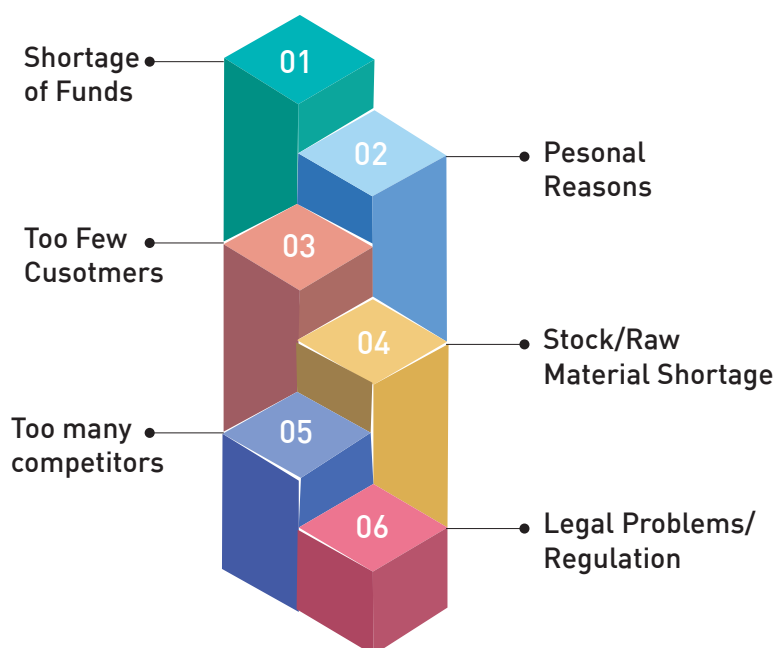
# Overview



Many of Kenya's entrepreneurs especially start-ups and Micro small medium enterprises face numerous challenges navigating the regulatory environment leading to a high informality rate of 79 percent (KNBS MSME Report 2016).

The state of informality leads to lack of sufficient data for government as well as other stakeholders make optimal policy and other interventions needed to develop SMEs as well as impedes SMEs from becoming globally competitive. Kenyan SMEs have a mortality rate of 75 percent within three years of inception (3 out of 5 SMEs dying) with top reasons for business closure being

## SME Reasons for Business Closure



Source: Kenya National Bureau of Statistics MSME Report 2016

Further SMEs face a variety of challenges that continue to impeded their growth as illustrated below

## SME Challenges



Source: Kenya National Bureau of Statistics MSME Report 2016

# Government Reforms

The Government's economic plan, implemented over the past six years, has addressed various bottlenecks facing businesses such as increasing connectivity by expanding affordable power supply, rail and road networks, ports, markets locally and internationally, affordable financing mechanism and other initiatives that complement the Ease of Doing Business agenda.

The Government is committed to improving the business environment in Kenya to make the country the preferred destination for local and international investors.

The government has in particular placed emphasis on reforms that directly improve processes and costs associated with a broad range of business-related measures such as Company Registration, construction permits, Property Transfers, Commercial litigation, the insolvency framework amongst others. This has been made possible through enacting legislation, re-engineering processes, eliminating red tape, in critical areas that facilitate efficiency in the public sector space interface with the private sector.

In collaboration with the private sector, the Government continues to identify and implement cross-cutting reforms to improve the business regulatory environment on the platform of the Ease of Doing Business Reforms Agenda. Some of the areas in scope have included:



Starting  
a business



Dealing with  
construction  
permits



Getting  
electricity



Registering  
property



Getting  
credit



Protecting  
investors



Paying  
taxes



Trading across  
borders among  
others

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To improve Kenya's business environment, the Government in 2014 established a multi-institutional Business Environment Delivery Unit, which draws membership from various ministries, departments and agencies. The Delivery Unit is mandated to champion the implementation of various business reforms in partnership with the private sector. In 2018, H.E the President strengthened this approach by establishing the Department of Business Reforms and Transformation: a dedicated and resourced Government organ to implement initiatives that make Kenya more competitive both locally and internationally

The department of business reforms and transformation (Ease of doing business) under the ministry of east Africa community and regional development supported by UK Kenya Tech hub among other partners have created an SME Business regulatory toolkit that espouses to help SMEs

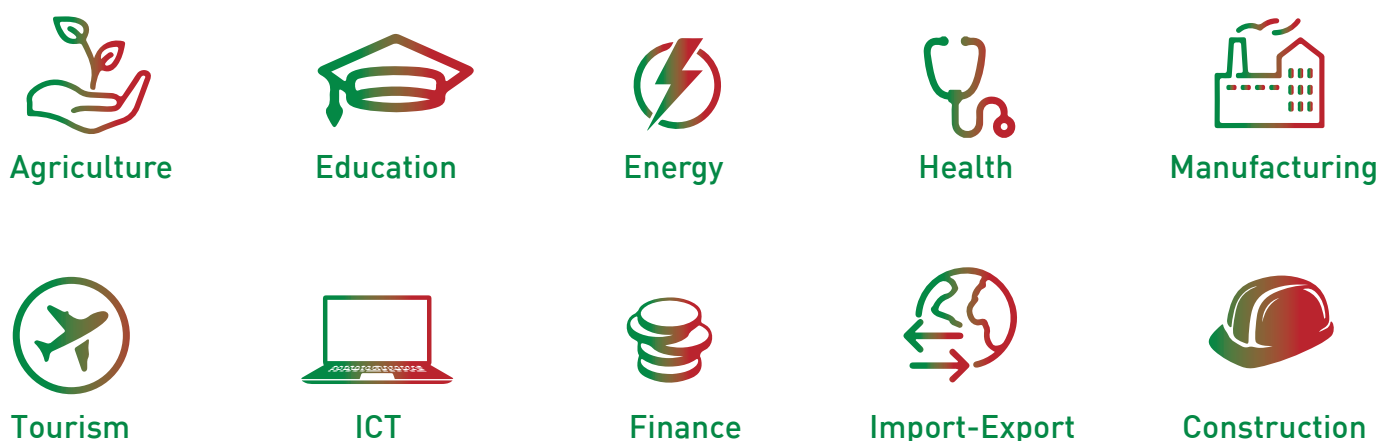
1. Engage with and understand the Kenyan regulatory environment in an easy and accessible manner
  2. Develop awareness to unblock regulatory barriers and enable SMEs in navigating regulatory complexities
  3. Assist in refining Kenya's business regulatory environment through feedback
- 

This toolkit is freely available to entrepreneur in Kenya and is structured in an easy to unders manner to enable you get the information they need in one place.

The toolkit is broken down into for key business development stages and enumerates the regulatory requirements as well as identifies key regulators within each stage.



The toolkit across the four stages provides guidance for regulations and support agencies that are cross cutting to all business as well as to the following identified sectors:



# Manage Your Business Stage regulators

SME must take cognizant of the following key regulations and support to enable them run their business effectively

- Statutory obligations
- Intellectual Property
- Product Quality standards
- Business support
- Human Resource
- Counties

## Statutory Obligations



..... Organization



..... Obligations

Corporate Tax



..... Obligation Detail

What is the Corporation Tax rate?

1-Resident Companies are taxed at 30%.

2-Non-resident companies are taxed at 37.5%



..... Requirements

<https://www.kra.go.ke/en/business/companies-partnerships/companies-partnerships-pin-taxes/companies-partnerships-file-pay>



..... Due Date

Corporation Tax is filed online via iTax by filing an Income Tax Company Return (IT2C Form), on or before the sixth month after the end of an accounting period.



..... Organization



..... Obligations

Installment Tax





#### ..... Obligation Detail

Installment Tax is paid in advance at 4 equal installments. It is paid before the year of income is over and before the accounts of the business are prepared to establish the actual tax payable.



#### ..... Requirements

<https://www.kra.go.ke/en/business/companies-partnerships/companies-partnerships-pin-taxes/companies-partnerships-file-pay>



#### ..... Due Date

Schedule of Installment Tax payments:

1st-25% by the 20th day of the 4th month.

2nd-25% by the 20th day of 6th month.

3rd-25% by the 20th day of 9th month.

4th-25% by the 20th day of 12th month



#### ..... Organization



#### ..... Obligations

VAT



#### ..... Obligation Detail

What is the rate of taxation for VAT?

The two tax rates for VAT are:

1-16% - general rate of tax and is applicable to taxable goods and taxable services.

2-8% - On petroleum products except for Liquefied petroleum Gas

0% - applies to supplies or importation of goods and services that are of the description for the time being specified in the Second Schedule of the VAT Act, 2013.



#### ..... Requirements

<https://www.kra.go.ke/en/business/companies-partnerships/companies-partnerships-pin-taxes/companies-partnerships-file-pay>



#### ..... Due Date

on or before the 20th of the following month, by filling a VAT3 Return form



..... Organization



..... Obligations

PAYE



..... Requirements

<https://www.kra.go.ke/en/business/companies-partnerships/companies-partnerships-pin-taxes/companies-partnerships-file-pay>



..... Due Date

PAYE is deducted monthly at the prevailing individual income tax rates, on or before 9th of the following month.



..... Organization



..... Obligations

Withholding Tax



..... Obligation Detail

Withholding Tax rates vary depending on the income, and whether the recipient of the income is resident or non?resident.  
What are the prevailing Withholding Tax rates?



..... Requirements

<https://www.kra.go.ke/en/business/companies-partnerships/companies-partnerships-pin-taxes/companies-partnerships-file-pay>



..... Due Date

Payment is done via iTax.  
Generate a payment slip and present it, with the tax due, at any of the KRA appointed banks.





## ..... Organization



## ..... Obligations

Turnover Tax {Small Traders}



## ..... Obligation Detail

Turnover Tax(TOT) is a tax charged on gross sales of a business as per Sec. 12(c) of the Income Tax Act.

Who should pay TOT?

TOT is payable by resident persons whose gross turnover from business is more than Kshs. 1,000,000 and does not exceed or is not expected to exceed Kshs 50,000,000 in any given year

What is the rate for TOT?

Turnover Tax is charged at the rate of 1% on gross monthly sales and is final tax



## ..... Requirements

<https://www.kra.go.ke/en/business/small-traders/taxation-for-small-traders/turnover-tax-tot>



## ..... Due Date

TOT will be filed and paid on a monthly basis. The due date is on or before 20th of the following month.



## ..... Organization



## ..... Obligations

Minimum Tax



## ..... Obligation Detail

Minimum tax is a base income tax payable by all persons regardless whether or not they make a profit and is paid at a rate of 1% of gross revenue



## ..... Requirements

<https://www.kra.go.ke/images/publications/Brochure--Minimum-Tax.pdf>



## ..... Due Date

The tax is paid in installment and is due on the 20th day of each period ending 4th,6th, 9th and 12th months of the income year



..... Organization



..... Obligations

Digital Service Tax



..... Obligation Detail

Digital Tax is payable on income derived or accrued in Kenya from services offered through a digital marketplace.  
DST is payable at 1.5% of transaction value



..... Requirements

<https://www.kra.go.ke/images/publications/Brochure--Digital-Service-Tax--final.pdf>



..... Due Date

DST is due when payment is made to the service provider



..... Organization



..... Obligations

NHIF Deductions



..... Requirements

<http://payrollbyproduct.nhif.or.ke/byproduct/>



..... Organization



..... Obligations

NSSF Deductions



..... Requirements

<https://www.nssf.or.ke/mpesa>



..... Due Date

15th of every month



## ..... Organization



Office of The Attorney General and Department of Justice  
**BUSINESS REGISTRATION SERVICE**  
Ease of Doing Business



## ..... Obligations

### Company Returns



## ..... Obligation Detail

Every registered company in Kenya should file annual returns with the registrar of companies.

The main aim of these returns is to show the current status of the company. The annual returns highlight the following concerning the said company.

- 1-The structure of the company
- 2-The shareholding
- 3-Division of shares
- 4-Company's Nominal capital
- 5-Names and addresses of the directors and shareholders in the company.
- 6-The current registered office of the company
- 7-Details of the company secretary



## ..... Requirements

<http://ebusiness.go.ke/ebusiness.html>

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# Manage Your Business Stage regulators





## Intellectual Property

Kenya Industrial Property Institute (KIPI) is a parastatal under the Ministry of Industrialization, Trade and Enterprise Development. KIPI's main functions are :

1. Industrial property rights administration
2. Provision of technological information to the public
3. Promoting inventiveness in Kenya
4. Provision of training on industrial property

The following table provides detailed information on the various forms of intellectual property and procedure for application

			
Intellectual Property	IP Detail	Fees	Forms & Requirements
Trade Mark	A Trade Mark is a sign which serves to distinguish the goods of an industrial or a commercial enterprise or a group of such enterprises. Find out more ( <a href="https://www.kipi.go.ke/index.php/trademarks">https://www.kipi.go.ke/index.php/trademarks</a> )	<a href="http://www.kipi.go.ke/images/forms/trademark_forms/trade%20mark%20fees%20local%20and%20foreign.pdf">http://www.kipi.go.ke/images/forms/trademark_forms/trade%20mark%20fees%20local%20and%20foreign.pdf</a>	<a href="https://www.kipi.go.ke/index.php/trademark-forms">https://www.kipi.go.ke/index.php/trademark-forms</a>

			
Intellectual Property	IP Detail	Fees	Forms & Requirements
Patent	Invention means a solution to a specific problem in the field of technology. It is; a new and useful art (whether producing a physical effect or not), process, machine, manufacture or composition of matter which is not obvious, or any new and useful improvement thereof which is not obvious, capable of being used or applied in trade or industry and includes an alleged invention. An invention may be, or may relate to, a product, or a process. Find out more ( <a href="https://www.kipi.go.ke/index.php/patents">https://www.kipi.go.ke/index.php/patents</a> )	<a href="http://www.kipi.go.ke/images/forms/patent_forms/fees.pdf">http://www.kipi.go.ke/images/forms/patent_forms/fees.pdf</a>	<a href="https://www.kipi.go.ke/index.php/patent-forms">https://www.kipi.go.ke/index.php/patent-forms</a>  Examination Guidelines- <a href="http://www.kipi.go.ke/images/docs/guidelines%20to%20patenting.pdf">http://www.kipi.go.ke/images/docs/guidelines%20to%20patenting.pdf</a>



## Intellectual Property

### Industrial Design



## IP Detail

According to industrial property Act 2001, an industrial design is defined as "any composition of lines or colours or any three dimensional form whether or not associated with lines or colours, provided that such composition or form gives a special appearance to a product of industry or handicraft and can serve as pattern for a product of industry or handicraft". Find out more (<https://www.kipi.go.ke/index.php/industrial-design> )



## Fees

[http://www.kipi.go.ke/images/forms/patent\\_forms/fees.pdf](http://www.kipi.go.ke/images/forms/patent_forms/fees.pdf)



## Forms & Requirements

<https://www.kipi.go.ke/index.php/patent-forms>

Examination Guidelines-<http://www.kipi.go.ke/images/docs/guidelines%20to%20patent>



## Intellectual Property

### Utility Model



## IP Detail

Utility model means any form, configuration or disposition of element of some appliance, utensil, tool, electrical and electronic circuitry, instrument, handicraft mechanism or other object or any part of the same allowing a better or different functioning, use, or manufacture of the subject matter or that gives some utility, advantage, environmental benefit, saving or technical effect not available in Kenya before and includes micro-organisms or other self-replicable material, products of genetic resources, herbal as well as nutritional formulations which give new effects. Find out more (<https://www.kipi.go.ke/index.php/utility-models> )



## Fees

[http://www.kipi.go.ke/images/forms/patent\\_forms/fees.pdf](http://www.kipi.go.ke/images/forms/patent_forms/fees.pdf)



## Forms & Requirements

<https://www.kipi.go.ke/index.php/patent-forms>

Examination Guidelines-<http://www.kipi.go.ke/images/docs/guidelines%20to%20patenting.pdf>



## Intellectual Property

### Traditional Knowledge



## IP Detail

The Traditional Knowledge (TK )and Genetic resources (GR)unit, abbreviated as "TK & GR - UNIT" was established at the Kenya Industrial Property Institute (KIPI), in March 2009, to specifically address issues of intellectual property rights relating to traditional knowledge associated with genetic resources for indigenous and local communities practicing traditional lifestyles, their traditional cultural expressions, access and benefit sharing issues, Bonn and Akwe-Kon guidelines, disclosure requirements and other related matters within the national and international framework. Find out more (<https://www.kipi.go.ke/index.php/traditional-knowledge> )

The Kenya Copyright Board (KECOBO) is a State Corporation under the Office of the Attorney General & the Department of Justice. It was established by section 3 of the Copyright Act 2001 and mandated with the administration and enforcement of copyright and related rights.

## Details about KECOBO and copyrights in Kenya



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### Copyright Enforcement

The Kenya Copyright Board is mandated to enforce copyright and related rights in Kenya. The Board currently has a legal and enforcement department that has 5 prosecutors and 10 copyright inspectors.



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### Copyright Protection areas

- Literary works, including novels, instruction manuals, computer programs, song lyrics, newspaper articles and some types of database
- Dramatic works, including dance or mime
- Musical works
- Artistic works, including paintings, engravings, photographs, sculptures, collages, architecture, technical drawings, diagrams, maps and logos
- Layouts or typographical arrangements used to publish a work, for a book for instance
- Recordings of a work, including sound and film
- Broadcasts of a work
- Ownership of copyright



.....

### Ownership of Copyrights

The first ownership of a copyright work vests in the person who creates it. However, copyright like any other moveable property can be transferred through sale, licenses and testamentary disposition. Under the Copyright Law;

1. In the case of two authors, the two shall be known as the joint authors of the work.
2. In the case of works created for hire or works created under a contract of employment, unless otherwise stated in a contract, the employer or the person who commissioned the work shall be the owner of the work.
3. In the case of a film, the principal director and the film producer are joint authors and first owners of the copyright (and the economic rights). Similar provisions to those referred to above, apply where the director is employed by someone.
4. In the case of a sound recording the author and first owner of copyright is the record producer, in the case of a broadcast, the broadcaster; and in the case of a published edition, the publisher.
5. Copyright in material produced by a Government department belongs to the Government.



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## Copyright duration

The length of time a copyright work is protected will depend upon the category or type of work.

### **Literary, musical or artistic work other than photographs**

Copyright in the above works lasts for the period of the life of the author plus fifty years.

### **Audio-visual works and photographs**

Fifty years from the end of the year in which the work was either made, first made available to the public, or first published, whichever date is the latest.

### **Sound recordings**

Fifty years after the end of the year in which the recording was made.

### **Broadcasts**

Fifty years after the end of the year in which the broadcast took place.

NB: Once the term of protection of copyright expires, the work falls into the public domain.



## Product Quality Standards

The Kenya Bureau of Standards (KEBS) is the government agency that provides Standards, Metrology and Conformity Assessment (SMCA) services . KEBS activities have grown from the development of standards and quality control for a limited number of locally made products in the 1970s to the provision of :

1. Comprehensive Standards development,
2. Metrology,
3. Conformity Assessment,
4. Training
5. Certification services

SMEs operating the following business have seek approvals from KEBS

1. Importers
2. Exporters
3. Manufactures

The following table provides details of various approvals for each kind of business



### ..... Business

Importer



### ..... Standard Name

Import Standardization Mark of quality



### ..... Detail

ALL imported products intended for sale in the local market are required to purchase Import Standardization Mark (ISM) stickers directly from KEBS.



### ..... Requirements

Import Standardization Mark Guidelines

{[https://www.kebs.org/images/pdf/new/IMPORT\\_STANDARDIZATION\\_MARK\\_GUIDELINES.pdf](https://www.kebs.org/images/pdf/new/IMPORT_STANDARDIZATION_MARK_GUIDELINES.pdf) }

Import Standardization Mark application form

{<https://www.kebs.org/images/ISM/ISM-Application-Form-2018.xls> }



..... **Business**

Manufacturing



..... **Standard Name**

Standardization mark permit



..... **Detail**

This is a mandatory product certification scheme for locally manufactured products provided for under section 10 of the Standards Act Cap 496, Laws of Kenya. To acquire the mark, manufactured goods are expected to meet quality requirements as specified in the various Kenya/Approved Standards. A permit to use a Standardization Mark is issued to a firm to certify that a particular product conforms to requirements in a Standard.



..... **Requirements**

Steps to acquire standardization mark permit

{[https://www.kebs.org/index.php?option=com\\_content&view=article&id=170&Itemid=462](https://www.kebs.org/index.php?option=com_content&view=article&id=170&Itemid=462) }



..... **Fees**

[https://www.kebs.org/images/pdf/Fees\\_Schedule\\_for\\_D-mark\\_S-mark\\_FFL.pdf](https://www.kebs.org/images/pdf/Fees_Schedule_for_D-mark_S-mark_FFL.pdf)

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..... **Business**

Manufacturing



..... **Standard Name**

Diamond Mark of Quality (D-Mark)



..... **Detail**

The Diamond Mark of Quality (also referred to as D-Mark) is a voluntary product certification scheme operated by KEBS. It is a mark of excellence awarded to manufacturers (either based locally or abroad) which has demonstrated high degree of excellence in product manufacturing and quality. D-Mark permit holders thus qualify automatically for the standardization mark (SM) without any additional payments. The permit to use the mark is valid for period of 3 years subject to satisfactory quality performance and full compliance to other contractual obligations signed between KEBS and the permit holder.



..... **Requirements**

Steps to acquire D-Mark

{[https://www.kebs.org/index.php?option=com\\_content&view=article&id=169&Itemid=461](https://www.kebs.org/index.php?option=com_content&view=article&id=169&Itemid=461) }



..... **Fees**

[https://www.kebs.org/images/pdf/Fees\\_Schedule\\_for\\_D-mark\\_S-mark\\_FFL.pdf](https://www.kebs.org/images/pdf/Fees_Schedule_for_D-mark_S-mark_FFL.pdf)

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..... **Business**

Manufacturing-Food Fortification



..... **Standard Name**

Food Fortification Mark



..... **Detail**

Food fortification is the addition of one or more vitamin and/or mineral to a food to correct or prevent a demonstrated micronutrient deficiency. It is one of the four key cost effective strategies recommended by WHO in curbing micronutrient deficiency.

The Ministry of Public Health and Sanitation through a Legal Notice no. 62 of 15th June 2012 has therefore declared it mandatory to fortify the following food products;

1-Wheat Flour – with Zinc & Iron

2-Dry Milled Maize Products- with Zinc & Iron

3-Salt- with Iodine

4-Vegetable Fats & Oils- with vitamin A



..... **Requirements**

Steps to acquire food fortification mark

permit-[https://www.kebs.org/index.php?option=com\\_content&view=article&id=171&Itemid=463](https://www.kebs.org/index.php?option=com_content&view=article&id=171&Itemid=463)

Food fortification Mark application

form-[https://www.kebs.org/images/pdf/STA\\_1\\_form\\_Application\\_Food\\_Fortification\\_mark\\_new.pdf](https://www.kebs.org/images/pdf/STA_1_form_Application_Food_Fortification_mark_new.pdf)



..... **Fees**

[https://www.kebs.org/images/pdf/Fees\\_Schedule\\_for\\_D-mark\\_S-mark\\_FFL.pdf](https://www.kebs.org/images/pdf/Fees_Schedule_for_D-mark_S-mark_FFL.pdf)



..... **Business**

Manufacturing-Water Bottling



..... **Standard Name**

Product Standard KS EAS 153 for drinking water, KS EAS 13 for Mineral water



..... **Requirements**

-[https://www.kebs.org/images/pdf/Water\\_Bottling\\_Requirements.pdf](https://www.kebs.org/images/pdf/Water_Bottling_Requirements.pdf)

## Business Support



### ..... Organization



### ..... Area of support

Common manufacturing facilities



### ..... Detail

CMF concept is where KIRDI provides facilities for MSME`s to process their products. Common manufacturing facilities are offered in the following areas;

- Food Technology
- Chemical Engineering
- Leather Processing Technology
- Engineering Development and Service Centre
- Textile Technology
- Ceramics & Building Materials



### ..... Organization



### ..... Area of support

Business incubation services



### ..... Detail

KIRDI runs an incubation programme in which startups are housed within the organization for a maximum period of 6 months. We also run a virtual incubation service where Research Scientists support entrepreneurs and industrialists from their establishments.

The Incubatees both virtual and inhouse are given technical support, in the specific areas of interest.

Incubation services are offered on first come first served basis; In house incubation is strictly pegged on availability of space.



#### ..... Organization



#### ..... Area of support Product development



#### ..... Detail

KIRDI's Research Scientists assist MSME's in product development. The Entrepreneurs/ Industrialists are aided in improving their products to a competitive quality range that is acceptable in the local, regional and international markets.



#### ..... Organization



#### ..... Area of support Training and capacity building programmes



#### ..... Detail

KIRDI offers practical and industry related training courses that are custom made and focused on the needs of MSMEs. The trainings are conducted in all our technical divisions including; Food processing pilot plant, Mushroom pilot plant, Natural Products, Leather Development Centre, Energy Division, Ceramics Pilot Plant and Engineering Development Service Centre.



#### ..... Organization



#### ..... Area of support Incubation



#### ..... Detail

Kenya Industrial Estates LTD provides serviced workspace through construction of industrial estates/incubators in fast growing business centres.

These facilities provide entrepreneurs with specific services to nurture and encourage growth of their enterprises to sustainable levels. Apart from flexible and affordable workspace, the enterprises within the incubators are able to access financial support for machinery, equipment and working capital, shared utility services, management and technical assistance including skills upgrading, marketing, accounting, legal, secretarial services and internet and networking.

### Industrial Shed Rehabilitation

This facility is for mortgaged industrial workspace where the mortgagee can access credit facilities to rehabilitate or expand and modernize their workspace

## Human Resource



..... Organization



..... About

The mandate of the Directorate is to ensure compliance with the provisions of the Occupational safety and health Act 2007 and promote safety and health of workers.



..... Mandate

- Inspecting workplaces to ensure compliance with safety and health law
- Examination and testing of steam boilers, air & steam receivers, gas cylinders, lifts, cranes chains and other lifting equipment
- Measurements of workplace pollutants for purposes of their control
- Investigation of occupational accidents and diseases with a view to preventing recurrence
- Medical examinations of workers
- Training on Occupational safety and health, first aid and fire safety
- Approving architectural plans of building intended for use as workplaces
- Disseminating information on occupational safety and health to customers



..... Permit

Work Place Registration



..... Requirements

<https://labour.go.ke/wp-content/uploads/2019/10/DOSHS-Department-Brochure.pdf>

## Counties

### CESS

Cess (which in some counties is referred to as infrastructure maintenance fee ) is levied as illustrated below



.....

#### Sector

#### Agriculture and Fishing Products



#### Examples of such products

1. maize,
2. milk,
3. cattle,
4. vegetables,
5. fish,
6. fruits,
7. coffee
8. tea
9. flowers
10. forestry products such as wood and wood products (e.g. timber and charcoal)



.....

#### Sector

#### Mining



#### Examples of such products

#### Quarry products

1. Stones
2. Ballast
3. Sand
4. Quarry chips
5. Murram
6. Other minerals).

## More Information about CESS



#### How to measure CESS

The unit of measurement for purposes of levying the cess is the weight of the product, package/container (e.g. per sack of the product) or carrying capacity of the motor vehicle.



#### Process to pay CESS for Agricultural Products

Where cess for goods has been paid for in a county, some counties do not charge cess for the goods to be transported through the county. A transporter is only required to produce evidence of paying cess in the country of origin. Transporter or trader has to pay market fees to access or sell the goods in the destination market.





## Process to pay CESS for Mining Products

Transporters of mining products are required to pay cess in each county where they pass through in addition for the cess paid in the county of extraction. In this case, cess is levied by county governments irrespective of whether transportation through the county takes place on county roads or national government roads such as trunk roads.

## Sample CESS fees in select counties (2019)



**Embu County**  
Kes 100-1200 per ton



**Nakuru County**  
1 percent of gross turnover



**Kiambu County**  
Kes 400-1000 per trip



**Kisii County**  
Kes 50-500 per trip  
& 20,000 per container



## Motor Vehicle Branding

County governments levy fees for external branding of motor vehicle, which ranges between of Ksh.5,000 – 8,500 per year per motor vehicle.

Counties seek to levy the fees from any branded vehicle whose business the commercial presence is based in the county, as well as any branded vehicle driving in or through the county.

Ordinarily, vehicle branding entails use of corporate colours, identity or images as part of the external identity of a motor vehicle.

The table below highlights some of the motor vehicle branding fees payable in select counties.



**Embu County**  
Kes 4,000-10,000  
per Vehicle



**Nakuru County**  
Kes 6,000-10,000  
per Vehicle



**Kiambu County**  
Kes 5,000  
per Vehicle



**Kisii County**  
Kes 5,000-20,000  
per Vehicle

## Distribution License

Counties demand that any person distributing goods or services, for example from a manufacturer or supplier to a wholesaler or retailer, must have a distributor's license issued by the county.

### Sample distribution fees in select counties (2019)



**Embu County**  
Kes 15,000-30,000



**Nakuru County**  
Kes 31,500-135,000



**Kiambu County**  
Kes 2,000-5,000



**Kisii County**  
15,000-30,000

## Public Health

There are a variety of licenses issued under public health that businesses must be aware of as enumerated under the Public Health Act (Public Health Rules 2001). Businesses dealing in meat, milk and other food articles must seek respective licenses in their county of operation.

### Public Health (Fees) Rules 2001

SCHEDULE	
Services	Fees KSh.
(a) Inspection of new schools for licensing .....	3,000
(b) Approval of building plans—	
(i) residential, single storey .....	1,000
(ii) residential, multi-storey .....	2,000
(iii) commercial, single storey .....	3,000
(iv) commercial, multi-storey .....	5,000
(c) Issuance of building occupation certificate .....	1,000
(d) Vetting of land change of user applications / part development plan ..	1,000
(e) Issuance of health clearance for registered hotels and restaurants camping settes, borders, commercial villain, cottages and other premises used for accommodation, etc., for purposes of licensing under the Hotels and Restaurants Act (Cap. 494) licensing .....	2,000
(f) Annual health certificate for fish landing sheds .....	1,500
(g) Issuance of health clearance for purposes of liquor licensing .....	1,000
(h) Routine water or food sample analysis .....	1,000
(i) Disinfection, disinsecting or deratting of premises, aircrafts, vehicles and ships .....	30 per m <sup>2</sup>
(j) Issuance of health certificate for food export or import .....	1,000
(k) Vaccinations—	
(i) Typhoid .....	400
(ii) Yellow Fever .....	600

Source: Public Health Act | Public Health (Fees) Rules 2001

## Land Rates

Small businesses that own land must ensure that they remit land rent to their respective county .

Examples of counties with online services platforms

Businesses located in Nairobi county can apply and pay for their land rates through the NCCG self-service portal {<https://epayments.nairobi.go.ke/> }

Businesses located in Kisumu county can apply and pay their land rates through {<http://eservices.kisumu.go.ke/> }

# Dispute Resolution

Small business from time to time encounter challenges in relation to various stakeholders they engage with in their day to day business operations. The following are dispute support institutions SMEs can utilize



..... **Institution**

## **Court of appeal**



..... **About**

The Court of Appeal of Kenya is established under Article 164 of the constitution of Kenya and consists of a number of judges, being not fewer than twelve.



..... **Issues Addressed**

The Court of Appeal handles appeals arising over the decisions of the High Court as well as any other court or Tribunal as provided for in Law.



..... **Where to find them**

<https://www.judiciary.go.ke/courts/court-of-appeal/#overview>

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..... **Institution**

## **High Court**



..... **About**

The High Court is established under Article 165 of the Constitution. The Court is clothed with inherent jurisdiction to: determine all Criminal and Civil Matters; determine cases concerning the violation and or infringement of the bill of rights; hear appeals from subordinate courts and tribunals; interpret the constitution; and, exercise supervisory jurisdiction over the subordinate courts and over any person, body or authority exercising a judicial or quasi-judicial function.



..... **Issues Addressed**

High court addresses among other issues Commercial and Tax disputes



..... **Where to find them**

<https://www.judiciary.go.ke/courts/high-court-2/#overview>

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## ..... Institution

### **Magistrate Court**



## ..... About

The Subordinate courts are the courts established under Article 169 of the Constitution of Kenya 2010.

They are;

- 1). The Magistrates' Courts
- 2). The Kadhis' Courts
- 3.) The Court Martial and
- 4.) Any other court or local tribunal as may be established by an Act of Parliament.



## ..... Issues Addressed

### **Civil Jurisdiction**

The magistrates' courts shall have and exercise jurisdiction and powers in proceedings of a civil nature in which the value of the subject matter in dispute does not exceed;

- (a) 20 Million shillings, where the court is presided over by a Chief Magistrate;
- (b) 15 Million shillings, where the court is presided over by a Senior Principal Magistrate;
- (c) 10 Million shillings, where the court is presided over by a Principal Magistrate;
- (d) 7 Million shillings, where the court is presided over by a Senior Resident Magistrate; or
- (e) 5 Million shillings, where the court is presided over by a Resident Magistrate.

NB: Parliament enacted The small claims Court (amendment act) 2020 in order to promote effective disposal and management of small claims which affect Small Medium Enterprises (SMEs)- {[http://kenyalaw.org/kl/fileadmin/pdfdownloads/AmendmentActs/2020/SmallClaimsCourt\\_Amendment\\_\\_Act\\_No.5of2020.pdf](http://kenyalaw.org/kl/fileadmin/pdfdownloads/AmendmentActs/2020/SmallClaimsCourt_Amendment__Act_No.5of2020.pdf) }

The Small Claims Court has jurisdiction to determine any civil claim of Kshs. One million and below relating to –

- (a) A contract for sale and supply of goods and services
- (b) A contract relating to money held and received;
- (c) Liability in tort in respect of loss or damage caused to any property or for the delivery or recovery of movable property;
- (d) Compensation for personal injuries; and
- (e) Set-off and counterclaim under any contract.



## ..... Where to find them

<https://www.judiciary.go.ke/courts/subordinate/magistrates/>



..... **Institution**

**The National Environmental Tribunal**



..... **About**

The tribunal is established under Section 125 of the Environment Management and Coordination Act 1999.



..... **Issues Addressed**

Its mandate is to hear disputes arising from decisions of the National Environment Management Authority on issuance, denial or revocation of licenses. It also deals with offences from the Kenya Wildlife Management Act and the Kenya Forests Act.



..... **Where to find them**

<https://www.judiciary.go.ke/the-national-environment-tribunal/>

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..... **Institution**

**Standards Tribunal**



..... **About**

The Standards Tribunal was established vide Legal Notice No. 7 of 2004 which introduced section 16A-11 to the existing Standards Act Cap 496 Laws of Kenya. The focus of the Tribunal is to act as an independent quasi judicial body.

The functions of the Tribunal are laid down in sections 11 and 16D of the Act. Under section 11, the Tribunal's function is to hear appeals from "any person aggrieved by a decision of the Kenya Bureau of Standards or the National Standards Council".



..... **Issues Addressed**

1. Orders on cancellation and suspension of permits under section 10A of the Act.
2. Standards Levy orders made by the Minister under section 10B and 10 of the Act.
3. Decisions and or directives of the Council pursuant to the power conferred to it by the Act.
4. Decisions and or orders for destruction of goods under the Act.



..... **Where to find them**

<https://www.industrialization.go.ke/index.php/departments/state-department-for-investment-and-industry/57-standards-tribunal>

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## ..... Institution



### **Kenya Revenue Authority Alternative Dispute Resolution**



## ..... About

The Tax Procedures Act, No 29 of 2015 (TPA), provides for an elaborate Internal Dispute Resolution Mechanism (IDRM). A tax dispute commences with an objection by the Taxpayer to a tax decision made by the Commissioner or to an appealable decision as stipulated under the TPA, 2015. The dispute culminates to an Appeal to the Tax Appeals Tribunal or Courts of Law.



## ..... Issues Addressed

Disputes appropriate for ADR

- Disputes on which tax assessment has not been confirmed;
- Disputes on which tax assessment has been confirmed but the parties mutually agree to a self-review;
- Disputes before the Courts/ Tax Appeals Tribunal but where the parties desire an out-of-court settlement.

The following scenarios are the exception;

- The settlement would be contrary to the Constitution, the Revenue Laws or any other enabling Laws.
- The matter borders on technical interpretation of law.
- It is in the public interest to have judicial clarification of the issue.
- There are undisputed judgments and rulings.
- A party is unwilling to engage in ADR process.



## ..... Where to find them

<https://www.kra.go.ke/en/individual/alt-dispute-resolution-adr/learn-about-adr/disputes-appropriate-for-adr>



## ..... Institution

### **Business premises rent tribunal**



## ..... About

Established under Sec 11 of the Landlord and Tenant (Shops, Hotels and Catering Establishments) Act Cap 301 2012 [Rev 2015]



## ..... Issues Addressed

### **Jurisdiction**

Under section 12 of the Act, the tribunal has jurisdiction to do all things which it is required or empowered to do by Act in controlled tenancies. However, under section 12 (2), it has no jurisdiction to entertain any criminal proceedings for any offence whether under this Act or otherwise.



..... **Where to find them**  
<https://www.judiciary.go.ke/business-premises-rent-tribunal/>

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..... **Institution**

### **Transport Licensing Appeals Board**



..... **About**

The tribunal is established under the national transport and safety authority, 2012. (Section 2)



..... **Issues Addressed**

It hears and determines disputes arising from the decisions of the National Transport and Safety Authority. The board may on any appeal, affirm, or reverse the decisions of the licensing authority, or, make such other order as to the tribunal appears necessary and just.



..... **Where to find them**  
<https://www.judiciary.go.ke/transport-licensing-appeals-board/>

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..... **Institution**

### **Industrial Property Tribunal**



..... **About**

The tribunal is established under Section 113 of Industrial Property Act no 3 of 2001 [Rev. 2016]; (repealed Industrial Property Act Cap. 509)



..... **Issues Addressed**

It hears and determines appeals from the decision of the Managing Director



..... **Where to find them**  
<https://www.judiciary.go.ke/industrial-property-tribunal/>

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..... **Institution**

### **Micro And Small Enterprises Tribunal**



..... **About**

The tribunal is established under section 54 of the Micro and Small Enterprises Act.





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### Issues Addressed

It hears and determines cases among members, past members and persons claiming through members, past members of associations and or administrators of estate of the deceased members of the association.

It also hears and determines cases between members past members or administrators of estate of the deceased members of the associations and the authority or any of their officers or members between the authority and association.



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### Where to find them

<https://www.judiciary.go.ke/micro-and-small-enterprises-tribunal/>



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### Institution

#### **State Corporations Appeals Tribunal**



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### About

The tribunal is established under Section 22 of the State Corporation Act CAP 446, Laws of Kenya.



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### Issues Addressed

It hears appeals from the decision of the Inspector General (Corporations) Any person who is aggrieved by a disallowance or surcharge may within thirty days of the date of the certificate of surcharge, appeal by written memorandum to the tribunal.



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### Where to find them

<https://www.judiciary.go.ke/state-corporations-appeals-tribunal/>



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### Institution

#### **Business Registration Services**



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### About

The Office of the Official Receiver In Insolvency is established under the Insolvency Act, 2015 as the Official Receiver in Insolvency. Laws of Kenya (repealed)) respectively



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### Issues Addressed

The Official Receiver in Insolvency deals with Licensing & Supervision of Insolvency Practitioners, administration & supervision of Bankruptcy of Natural persons & Administration and Liquidation of Companies. The office carries out the functions under the Insolvency Act, No. 18 of 2015 and Bankruptcy Act (Cap 53 Laws of Kenya (repealed)) and Companies Act (Cap 486



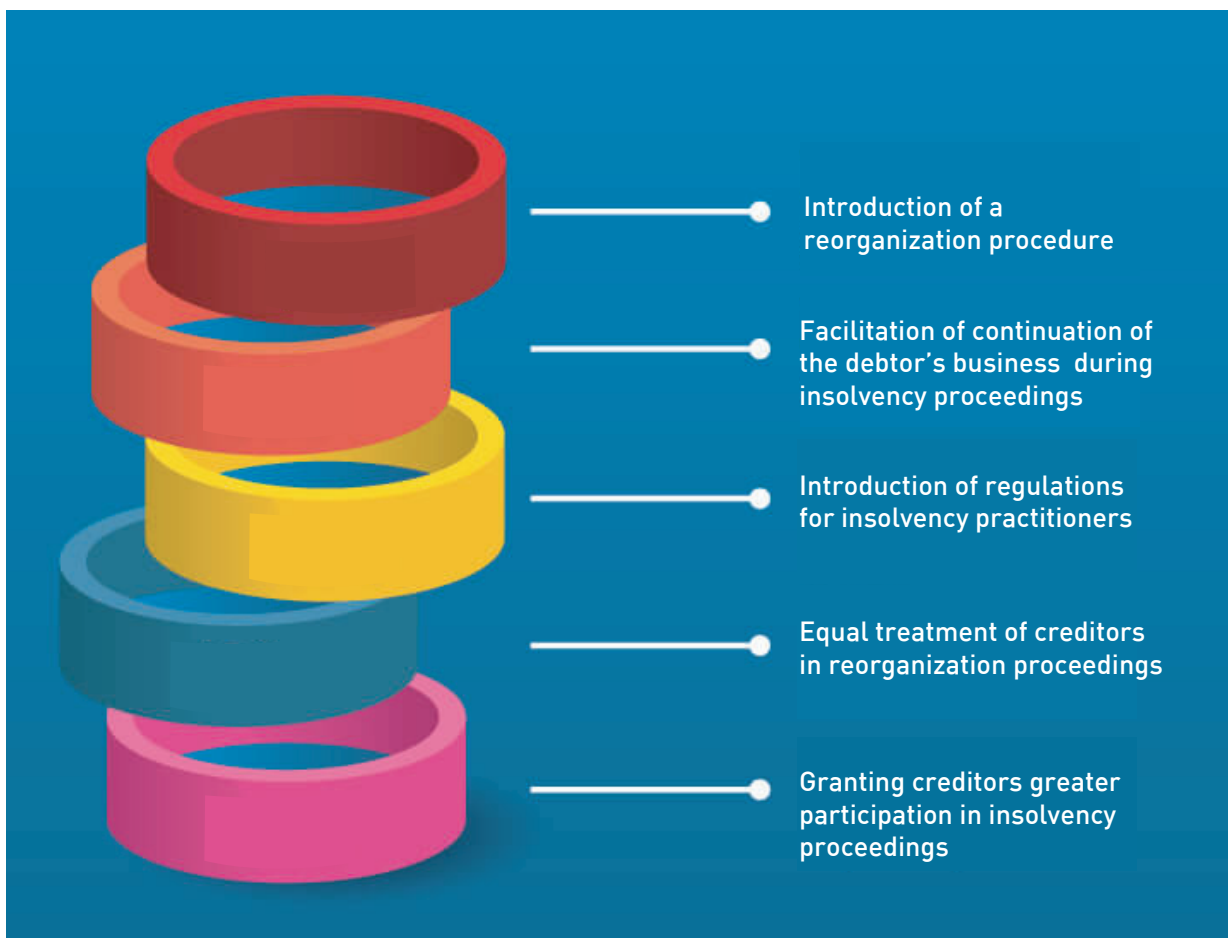
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### Where to find them

<https://brs.go.ke/or-updates.php>

# Government reforms

The key reforms from the Insolvency Act of 2015



Source: Ease of doing business reform milestones

## Statutory obligations



..... Institution



..... About

The mandate of the Directorate is to ensure compliance with the provisions of the Occupational safety and health Act 2007 and promote safety and health of workers.



..... Where to find them

<https://labour.go.ke/directorate-of-occupational-safety-and-health-services-dosh/>



..... Institution



..... About

NHIFs mission is to contribute towards universal health coverage in the provision of affordable, accessible, sustainable and quality health insurance through strategic resource pooling and healthcare purchasing in collaboration with stakeholders.



..... Where to find them

<http://www.nhif.or.ke/healthinsurance/>



..... Institution



..... About

The National Social Security Fund is a friendly service organization which exists for the public good. It offers social protection to all Kenyan workers. We provide social security protection to workers in the formal and informal sectors. We register members, receive their contributions, manage funds of the scheme, process and ultimately pay out benefits to eligible members or dependents.



..... Where to find them

<https://www.nssf.or.ke/>

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..... Institution

Registrar of companies



..... About

Business Registration Service (BRS) is mandated to oversee the operations of the Companies Registry, Movable Property Security Rights Registry (Collateral Registry), Insolvency (Official Receivers) Registry and the Hire Purchase Registry.



..... Where to find them

<https://brs.go.ke/companies-registry.php>

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## Intellectual Property



..... Institution



..... About

KIPI is a government parastatal under the Ministry of Industry, Trade and Cooperatives. The Institute was established on 2nd May 2002 upon the coming into force of the Industrial Property Act 2001. Previously the Institute existed as Kenya Industrial Property Office (KIPO), which was established in February 1990 after enactment of the Industrial Property Act, CAP 509 of the Laws of Kenya.

KIPI's mission is to protect and promote industrial property rights and foster innovation for sustainable development in Kenya.



..... Where to find them

<http://www.kipi.go.ke/>

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## Intellectual Property



..... Institution



..... About

The Kenya Copyright Board (KECOB) is a State Corporation under the Office of the Attorney General & the Department of Justice. It was established by section 3 of the Copyright Act 2001 and mandated with the administration and enforcement of copyright and related rights.



..... Where to find them

<http://www.copyright.go.ke/about-us/who-we-are.html>

## Product Quality standards



..... Institution



Kenya Bureau of  
Standards  
Standards for Quality life



..... About

KEBS is the premier government agency for the provision of Standards, Metrology and Conformity Assessment (SMCA) services



..... Where to find them

[https://www.kebs.org/index.php?option=com\\_content&view=article&id=1&Itemid=101](https://www.kebs.org/index.php?option=com_content&view=article&id=1&Itemid=101)

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## Business support



..... Institution



..... About

Kenya Industrial Research and Development Institute (KIRDI) is a national research institution established in 1979 under the Science and Technology Act Cap. 250 of the Laws of Kenya (now repealed and replaced by the Science, Technology & Innovation Act, 2013) and mandated to undertake multidisciplinary research and development in industrial and allied technologies including; Mechanical Engineering, Energy and Power Resources, Leather Technologies, Textile Technology, Industrial Chemistry Environment, Chemical Engineering, Electrical Engineering, Food Technology, Ceramics and Clay Technologies, Information Communication & Technology (ICT) and Mining.



..... Where to find them

<https://www.kirdi.go.ke/>

# Manage Your Business Stage regulators



..... Institution



..... About

Kenya Industrial Estates LTD provides serviced workspace through construction of industrial estates/incubators in fast growing business centres. These facilities provide entrepreneurs with specific services to nurture and encourage growth of their enterprises to sustainable levels. Apart from flexible and affordable workspace, the enterprises within the incubators are able to access financial support for machinery, equipment and working capital, shared utility services, management and technical assistance including skills upgrading, marketing, accounting, legal, secretarial services and internet and networking.

Industrial Shed Rehabilitation

This facility is for mortgaged industrial workspace where the mortgagee can access credit facilities to rehabilitate or expand and modernize their workspace



..... Where to find them

<https://www.kie.co.ke/index.php/products-and-services/industrial-estates-development-a-incubation>

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## Human Resource



..... Institution



..... About

The mandate of the Directorate is to ensure compliance with the provisions of the Occupational safety and health Act 2007 and promote safety and health of workers.



..... Where to find them

<https://labour.go.ke/directorate-of-occupational-safety-and-health-services-doshs/>



## Dispute Resolution



..... Institution



..... About

KRA Alternative dispute resolution is an alternative method of handling tax disputes outside the;

- Judicial process (Courts of law)
- Quasi-Judicial Process ? Tax Appeals Tribunal (TAT)

It is a mechanism that expedites the resolution of tax disputes.



..... Where to find them

<https://www.kra.go.ke/en/adr/about-adr>



..... Institution

### **Standards Tribunal**



..... About

The Standards Tribunal was established vide Legal Notice No. 7 of 2004 which introduced section 16A-11 to the existing Standards Act Cap 496 Laws of Kenya. The focus of the Tribunal is to act as an independent quasi judicial body. The Tribunal's main objective will be to dispense justice through a fair, open and expeditious manner without recourse to undue technicalities.



..... Where to find them

<https://www.industrialization.go.ke/index.php/departments/state-department-for-investment-and-industry/57-standards-tribunal>

# Manage Your Business Stage regulators



..... **Institution**

## **Judiciary**



..... **About**

The Judiciary is one of the three State organs established under Chapter 10, Article 159 of the Constitution of Kenya. It establishes the Judiciary as an independent custodian of justice in Kenya. Its primary role is to exercise judicial authority given to it, by the people of Kenya.

The institution is mandated to deliver justice in line with the Constitution and other laws. It is expected to resolve disputes in a just manner with a view to protecting the rights and liberties of all, thereby facilitating the attainment of the ideal rule of law.



..... **Where to find them**

<https://www.judiciary.go.ke/>

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..... **Institution**

## **Business Registration Services-Official Receiver in Insolvency**



..... **About**

The Office of the Official Receiver In Insolvency is established under the Insolvency Act, 2015 as the Official Receiver in Insolvency. The office is a department under the Business Registration Service, a Semi-Autonomous Government Agency under the Office of the Attorney General & Department of Justice.



..... **Where to find them**

<https://brs.go.ke/official-receiver.php>

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The background image is a blurred photograph of a workspace. It features a laptop with a silver keyboard, a document with a bar chart and a line graph, and a pen resting on the document. The image is overlaid with a semi-transparent red and green gradient.

[www.kenyabusinessregulatoryguide.com](http://www.kenyabusinessregulatoryguide.com)